



PRISM CEMENT LIMITED

Board of Directors

Mr. Rajesh G. Kapadia
Chairman

Mr. Rajan B. Raheja

Mr. Manoj Chhabra
Managing Director

Mr. Vijay Aggarwal
Managing Director

Mr. Satish B. Raheja

Mr. Akshay R. Raheja

Mr. Ganesh Kaskar
Executive Director

Mr. James Brooks

Ms. Ameeta A. Parpia

Company Secretary

Ms. Aneeta S. Kulkarni

Corporate Office

'Rahejas', Main Avenue, V. P. Road,
Santacruz (W), Mumbai - 400 054.

Registered Office

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

Registrar & Transfer Agent

Karvy Computershare Private Ltd.,
Unit : Prism Cement Limited,
Plot No. 17 to 24, Vittalrao Nagar,
Near Image Hospital, Madhapur,
Hyderabad - 500 081.

Bankers

Axis Bank Limited
ICICI Bank Limited
IDBI Bank Limited
Indian Overseas Bank
ING Vysya Bank Limited
State Bank of India
Syndicate Bank
Vijaya Bank
Yes Bank Limited

Statutory Auditors

N. M. Raiji & Co., Mumbai

Branch Auditors

Borkar & Muzumdar, Mumbai

Cost Auditors

N. I. Mehta & Co., Mumbai

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NOTICE

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of the Company will be held on Tuesday, June 26, 2012 at 11.30 a.m. at Taj Mahal Hotel, 4-1-999, Abids Road, Hyderabad - 500 001, to transact the following business :

Ordinary Business :

- To receive and adopt the audited Profit and Loss Account for the year ended March 31, 2012 and the Balance Sheet as at that date and the Report of the Directors and the Auditors thereon.
- To declare a dividend on equity shares.
- To appoint a Director in place of Mr. Rajan B. Raheja, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. Satish B. Raheja, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. James Brooks, who retires by rotation and being eligible, offers himself for re-appointment.

- To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

“RESOLVED THAT the retiring Auditors, M/s. N. M. Rajji & Co., (Registration No. 108296W) who being eligible, have offered themselves for re-appointment, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be mutually agreed between the Board of Directors of the Company and the Statutory Auditors, in addition to reimbursement of out-of-pocket expenses, in connection with the audit of the Company.”

- To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

“RESOLVED that pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Borkar & Muzumdar, (Registration No. 101569W) be and are hereby appointed as Branch Auditors of the Company, to audit the Accounts in respect of the Company's H & R Johnson (India) and RMC Readymix (India) Divisions, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be mutually agreed between the Board of Directors of the Company and the Branch Auditors, in addition to reimbursement of out-of-pocket expenses, as may be incurred in the

performance of their duties.”

Special Business :

- To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

“RESOLVED THAT, pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act and subject to the approval of the Central Government, the recovery of excess remuneration paid to Mr. Manoj Chhabra, Managing Director of the Company, for the period April 1, 2011 to March 31, 2012 resulting from non-availability of profits for the year ended March 31, 2012 and detailed as hereunder, be and is hereby waived :

₹ Crores

Remuneration paid	Remuneration as per limits prescribed in Schedule XIII in case of non-availability of profits	Excess Remuneration paid
2.55	0.24	2.31

“RESOLVED FURTHER THAT the Director(s) and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things and furnish such information/clarifications/declarations, certificates and other documents, to file applicable forms and to authorise any other person to represent before the Central Government as may be required in this regard.”

- To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

“RESOLVED THAT, pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act and subject to the approval of the Central Government, the recovery of excess remuneration paid to Mr. Vijay Aggarwal, Managing Director of the Company, for the period April 1, 2011 to March 31, 2012 resulting from non-availability of profits for the year ended March 31, 2012 and detailed as hereunder, be and is hereby waived :

₹ Crores

Remuneration paid	Remuneration as per limits prescribed in Schedule XIII in case of non-availability of profits	Excess Remuneration paid
3.30	0.24	3.06

“RESOLVED FURTHER THAT the Director(s) and the Company Secretary of the Company be and are hereby severally authorised to do all such acts,

deeds and things and furnish such information/clarifications/declarations, certificates and other documents, to file applicable forms and to authorise any other person to represent before the Central Government as may be required in this regard.”

10. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

“RESOLVED THAT, pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act and subject to the approval of the Central Government, the recovery of excess remuneration paid to Mr. Ganesh Kaskar, Executive Director of the Company, for the period April 1, 2011 to March 31, 2012 resulting from non-availability of profits for the year ended March 31, 2012 and detailed as hereunder, be and is hereby waived :

₹ Crores

Remuneration paid	Remuneration as per limits prescribed in Schedule XIII in case of non-availability of profit	Excess Remuneration paid
1.41	0.24	1.17

“RESOLVED FURTHER THAT the Director(s) and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things and furnish such information/clarifications/declarations, certificates and other documents, to file applicable forms and to authorise any other person to represent before the Central Government as may be required in this regard.”

11. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

“RESOLVED THAT in accordance with the provisions of Sections 198, 309(4) and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, the Articles of Association of the Company and subject to all applicable approval(s) as may be required, the consent of the Company be and is hereby accorded to the payment of commission of upto one per cent of the net profits of the Company computed in the manner referred to in Section 198 and all other applicable provisions of the Act, provided that such commission in any financial year shall not exceed ₹ 50 lakhs (Rupees Fifty Lakhs only) per annum (subject to deduction of applicable taxes), in addition to the sitting fees for attending the meetings of the Board of Directors or any Committee thereof, for a period of five years commencing from April 1, 2012 to Mr. James Brooks, Non-executive Director of the Company as may

be decided by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee of the Board) from time to time with authority to the Board to determine the manner in which the amount be paid to Mr. Brooks.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do / cause to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution.”

NOTES :

- The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business mentioned under Item Nos. 8 to 11 above, is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE VALID, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- The Register of Members and Transfer Books of the Company will remain closed from Tuesday, June 19, 2012 to Tuesday, June 26, 2012 (both days inclusive). If the dividend as recommended by the Board of Directors is approved at the meeting, payment of such dividend will be made on or after June 28, 2012 as under :
 - To all beneficial owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (I) Limited as of the close of business hours on June 18, 2012.
 - To all shareholders in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on June 18, 2012.
- Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the shareholders.
- In order to avail the facility of Electronic Clearing System (ECS)/National Electronic Funds Transfer (NEFT) for receiving direct credit of dividend

to their respective account with the Bank(s), the members holding shares in physical form are requested to provide their Bank Account details to the Company's Registrar and Transfer Agent - Karvy Computershare Private Ltd. In the absence of ECS/NEFT facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend.

6. Members are requested to send all communication relating to shares to the Company's Registrar and Transfer Agent - Karvy Computershare Private Ltd., Unit : Prism Cement Limited, Plot No. 17 - 24, Vittalrao Nagar, Near Image Hospital, Madhapur, Hyderabad - 500 081. Members holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).
7. Nomination facility for shares is available for Members. The prescribed format, in this regard, can be obtained from the Company's Registrar and Transfer Agent.
8. Members who would like to receive notices, letters, annual reports and such other correspondence by electronic mode are requested to register their e-mail addresses and changes therein, from time to time, with the Company's Registrar and Transfer

Agent in respect of shares held in physical form and with the respective Depository Participants (DP) where the shares are held in demat form. Shareholders holding shares in physical form can send their e-mail address for registration to einward.ris@karvy.com quoting the Folio Number and Name of the Company.

9. The Company's equity shares are listed on The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. The listing fees for the year 2012-2013 have been paid to the aforesaid Stock Exchanges.
10. The Company is required to transfer unpaid/unclaimed dividends to the Investor Education & Protection Fund pursuant to Section 205C of the Companies Act, 1956. Shareholders who have not encashed their dividend warrants so far are requested to make their claim to the Company's Registrar and Share Transfer Agent.

By Order of the Board of Directors,

Aneeta S. Kulkarni
Company Secretary

Place : Mumbai
Date : May 10, 2012

EXPLANATORY STATEMENT

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out the material facts relating to Item Nos. 8 to 11 mentioned in the accompanying Notice dated May 10, 2012.

Item Nos. 8, 9 and 10

The Company has been earning steady profits on the basis of its inherent resilience and strength in terms of modern efficient plants, strong brand & optimal distribution, cash flow focused operations, committed human capital and professional management. The Company has been paying regular dividends since 2007. The Company has free reserves of ₹ 601 Crores as on March 31, 2012. The Company has always been current in its loan and interest obligations and was debt free from 2006 till 2009.

However, after consistently making profits for past eight years, despite diligent efforts, the Company could not earn profits for the financial year ended March 31, 2012, due to the following reasons (i) depressed market conditions, (ii) unprecedented increase in input cost and (iii) stabilisation of Unit II of Cement Division at Satna, Madhya Pradesh.

As you are aware, in 2009, the Cement Division set-up a brownfield Unit II at Satna with a clinker capacity of 2.4 MTPA and 3.6 MTPA of cement capacity and commenced production in January 2011. The project

cost of ₹ 960 Crores was funded by a debt of ₹ 600 Crores and internal accruals of ₹ 360 Crores. It normally takes 12-15 months for a new plant to stabilise and accordingly, for most part of the year ended March 2012, Unit II was under stabilisation.

Due to the depressed market conditions, the performance of the other two Divisions of the Company was also affected. Nonetheless, the Company has made profits of ₹ 59 Crores in the third and fourth quarters. This, however, was not sufficient to cover the losses of the first two quarters of ₹ 89 Crores and the Company ended the year with a loss of ₹ 30 Crores.

All efforts are being undertaken to ensure an improved performance during the current year :

- The Company is expanding its markets by penetrating deeper into the existing markets and also plans to enter into new markets.
- New product categories are being launched to enhance H & R Johnson (India) Division's (HRJ) offerings at premium price points.
- HRJ and its subsidiaries/joint ventures have also undertaken various capacity expansion projects at plants in Madhya Pradesh and Andhra Pradesh.
- New facilities have been set-up for bath fittings at Jammu.

- Cost management and greater utilisation of assets and adding new RMC plants in existing markets where demand is robust.

The Company has been allotted a Coal Block in the Chhindwara District of Madhya Pradesh and has received the requisite approvals. It has acquired land to start the initial mine development activity and has commenced survey and basic infrastructure work. The mined coal will be used for captive consumption in the cement plant located at Satna, Madhya Pradesh, which is expected to bring down cement manufacturing costs in future.

The members, at the Annual General Meeting of the Company held on July 12, 2011 had re-appointed and approved the payment of remuneration to Mr. Manoj Chhabra, Managing Director of the Company, for a further period of two years with effect from August 25, 2011 on the same terms and conditions, as per applicable provisions of the law.

The members, at the Extra-ordinary General Meeting of the Company held on April 6, 2010 had appointed and approved the payment of remuneration to Mr. Vijay Aggarwal, Managing Director and Mr. Ganesh Kaskar, Executive Director of the Company, respectively, for a period of three years with effect from March 3, 2010, as per applicable provisions of the law.

The members had, while approving the respective resolutions of April 6, 2010 and July 12, 2011, also approved that where in any financial year during the tenure of the aforesaid Directors, the Company has no profits or it has inadequate profits, the remuneration approved by the aforesaid resolutions shall, subject to receipt of requisite approvals, be paid as minimum remuneration.

Due to non-availability of profits during the year 2011-12, the managerial remuneration paid as per aforesaid resolutions to Mr. Chhabra, Mr. Aggarwal and Mr. Kaskar has exceeded the limits prescribed under the Companies Act, 1956.

The Remuneration Committee and the Board of Directors have, at their respective meetings held on May 10, 2012, subject to the approval of the shareholders and of the Central Government, ratified, confirmed and approved, the payment of remuneration to the managerial personnel in excess of the limits prescribed under the Act. An application is being made to the Central Government for seeking its approval for payment of excess remuneration and waiver of recovery of the same.

Considering the general industry and the specific company profile, the remuneration as approved by the shareholders and paid to Mr. Chhabra, Mr. Aggarwal and Mr. Kaskar for the year 2011-12 is in line with

industry trends and is fair and reasonable.

The Directors recommend the passing of the Special Resolutions at item Nos. 8, 9 and 10.

Mr. Chhabra, Mr. Aggarwal and Mr. Kaskar are interested in the passing of the Resolution to the extent of the excess remuneration paid to them, respectively. None of the other Directors is deemed to be concerned or interested in any way in the above resolution.

Item No. 11

The members, at the Annual General Meeting of the Company held on June 22, 2010 had approved of the payment of remuneration to Mr. James Brooks, by way of commission of upto one per cent of the net profits of the Company provided that such commission in any financial year shall not exceed ₹ 25 lakhs (Rupees Twenty-five Lakhs only) per annum with effect from April 1, 2010.

During the year, Mr. Brooks has contributed by giving technical advice and valuable time to the Company. To compensate for the demands on his time and the contributions made by him, it is proposed to pay remuneration to Mr. Brooks, by way of commission of upto one per cent of the net profits of the Company computed in the manner referred to in Section 198 and all other applicable provisions of the Act, provided that such commission in any financial year shall not exceed ₹ 50 lakhs (Rupees Fifty Lakhs only) per annum (subject to deduction of applicable taxes) in addition to the sitting fees for attending the meetings of the Board of Directors or any Committee thereof, with effect from April 1, 2012. Such resolution shall be valid for a period of five years.

The Board of Directors will determine each year, the specific amount of commission to be paid as aforesaid to Mr. Brooks. The Members are requested to approve the payment of commission to Mr. Brooks over a period of five years with effect from April 1, 2012. The payment of commission would be in addition to the sitting fees payable for attending Board/Committee Meetings.

The Directors recommend the passing of the Special Resolution at item No. 11.

Mr. Brooks is interested in the passing of the Resolution to the extent of the remuneration to be paid to him. None of the other Directors is deemed to be concerned or interested in any way in the above resolution.

By Order of the Board of Directors,

Aneeta S. Kulkarni
Company Secretary

Place : Mumbai
Date : May 10, 2012

Registered Office :
305, Laxmi Niwas Apartments,
Ameerpet, Hyderabad - 500 016.

DIRECTORS' REPORT

To the Shareholders,

The Directors present the Twentieth Annual Report together with the audited Accounts of the Company for the year ended March 31, 2012.

FINANCIAL RESULTS

	2011-2012 ₹ Crores	2010-2011 ₹ Crores
Sales of products and services	4,821.74	3,562.25
Other operating income	23.87	26.75
	4,845.61	3,589.00
Less : Excise duty	340.90	201.70
Total Revenue from Operations	4,504.71	3,387.30
Other income	4.99	4.42
Total Revenue	4,509.70	3,391.72
Expenditure	4,552.89	3,262.02
Profit/(Loss) before exceptional items and tax	(43.19)	129.70
Exceptional items	(2.80)	0.96
Profit/(Loss) before tax	(45.99)	130.66
Tax expenses	15.98	(34.87)
Profit/(Loss) after tax	(30.01)	95.79
Add : Dividend on own shares held through Trust	—	1.24
Balance brought forward	531.80	499.72
Profit available for appropriation	501.79	596.75
Appropriations :		
Transfer to Debenture Redemption Reserve	27.00	6.25
Interim Dividend	—	50.34
Proposed Dividend	25.17	—
Distribution Tax on Dividend	4.08	8.36
Balance carried to Balance Sheet	445.54	531.80

APPROPRIATIONS

The Directors recommend a dividend of ₹ 0.50 per share for the approval of the members. The total dividend outflow, if declared as above, for the year ended March 31, 2012 is ₹ 29.25 Crores (including dividend distribution tax of ₹ 4.08 Crores) as against ₹ 58.70 Crores (including dividend distribution tax of ₹ 8.36 Crores) in the previous year ended March 31, 2011. Dividend has been recommended out of the accumulated profits available for distribution. Post the proposed dividend and transfer to Debenture Redemption Reserve of ₹ 27 Crores, an amount of ₹ 445.54 Crores has been

retained in the Profit and Loss Account.

OPERATIONS

The gross sales and other income for the year ended March 31, 2012 was ₹ 4,850.60 Crores as against ₹ 3,593.42 Crores for the previous year. The Company incurred a loss before tax of ₹ 45.99 Crores and net loss of ₹ 30.01 Crores during the year ended March 31, 2012 as against profit before tax of ₹ 130.66 Crores and net profit of ₹ 95.79 Crores during the year ended March 31, 2011, primarily due to higher interest expense, increased input costs and lower realisations.

For the year ended March 31, 2012, the consolidated net loss of the Company and its subsidiary companies amounted to ₹ 18.44 Crores as against a net profit of ₹ 104.95 Crores for the previous year.

FINANCE

During the year under review, the Company privately placed Secured Redeemable Non-convertible Debentures of ₹ 225 Crores to fund, *inter alia*, its ongoing capital expenditure and long term working capital requirement. The Non-convertible Debentures (NCDs) are listed on The Bombay Stock Exchange Limited.

The Company has repaid loans of ₹ 781.13 Crores during the year and tied-up fresh term loans of ₹ 899.43 Crores (inclusive of NCDs of ₹ 225 Crores) at competitive rates to finance its, long term working capital and *inter alia*, capital expenditure during the year. The total borrowings of the Company stood at ₹ 1,295.89 Crores as on March 31, 2012.

The loans were used for the purpose that they were sanctioned for by the respective banks/financial institutions.

FIXED DEPOSIT

Out of the total 10,146 deposits of ₹ 28.67 Crores from the public and the shareholders as at March 31, 2012, 573 deposits amounting to ₹ 1.62 Crores had matured and had not been claimed as on that date. Since then, 305 of these deposits aggregating to ₹ 0.89 Crores have been claimed.

During the year, the Company has transferred a sum of ₹ 0.03 Crores to the Investor Education and Protection Fund in compliance with Section 205C of the Companies Act, 1956 which represents unclaimed fixed deposits and interest thereon.

DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Rajan B. Raheja, Mr. Satish B. Raheja and Mr. James Brooks retire by rotation at the forthcoming Annual General Meeting and being eligible, have offered

themselves for re-appointment.

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

The Company is in the process of obtaining necessary approvals for waiver from recovery of excess remuneration paid to Mr. Manoj Chhabra and Mr. Vijay Aggarwal, Managing Directors and Mr. Ganesh Kaskar, Executive Director for the year ended March 31, 2012 due to non-availability of profits.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, relating to Directors' Responsibility Statement, the Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, confirm that :

1. in preparation of the Annual Accounts for the year ended March 31, 2012, the applicable Accounting Standards have been followed and there has been no material departure;
2. they have selected such accounting policies and applied them consistently and made judgements 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 on March 31, 2012 and of the loss of the Company for the year ended on that date;
3. they have taken proper and sufficient care to the best of their knowledge for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the accounts for the year ended March 31, 2012 on a going concern basis.

PARTICULARS OF EMPLOYEES

Pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the particulars are given in the statement which forms part of this Report. However, as per provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report is being sent to all the shareholders excluding the aforesaid information. 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 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in Annexure 'A' forming part of this Report.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance together with a certificate from the Company's Auditors confirming compliance is set out in the Annexure forming part of this Report.

AUDITORS

The Statutory Auditors, M/s. N. M. Raiji & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and have given their consent for re-appointment. A certificate from the Statutory Auditors has been received to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

The Branch Auditors, M/s. Borkar & Muzumdar, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and have given their consent for re-appointment. A certificate from the Branch Auditors has been received to the effect that their re-appointment, if made, as the Branch Auditors of the H & R Johnson (India) and RMC Readymix (India) Divisions of the Company would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

As per the requirement of the Central Government and pursuant to Section 233B of the Companies Act, 1956 and the Rules thereunder, the Company's Cost Records for the year ended March 31, 2012 are being audited/reviewed by Cost Auditors, M/s. N. I. Mehta & Co. The Cost Audit Report for the year ended March 31, 2011 was filed before the due date of September 30, 2011.

SUBSIDIARY AND JOINT VENTURE COMPANIES

During the year under review, the Company's subsidiaries and joint venture companies performed satisfactorily.

Subsidiaries

- **Raheja QBE General Insurance Company Limited (RQBE)** : The general insurance subsidiary spread its operations to other major cities in the country and continued to introduce new products in the market during the year under review. RQBE booked a gross written premium of ₹ 22.83 Crores and earned an investment income of ₹ 16.11 Crores for the year ended March 31, 2012. After requisite adjustments and tax provisions, the profit for the year ended March 31, 2012 was ₹ 5.80 Crores.

- **Silica Ceramica Pvt. Limited** : The Directors are pleased to report that Silica Ceramica Pvt. Limited (SCPL), performed satisfactorily during the year. The Company increased its stake in this Joint Venture from 92.6% to 97.5%. SCPL achieved 100% capacity installation, i.e. 27,500 m² per day for manufacture of vitrified/glazed ceramic tiles with effect from March 25, 2012.
- **H. & R. Johnson (India) TBK Limited** : The Directors are pleased to report that H. & R. Johnson (India) TBK Limited, the wholly-owned subsidiary of the Company in the field of tile, bath, and kitchen retailing has taken necessary steps to increase its geographical coverage. Its Joint Ventures (JV) have opened House of Johnson showrooms in Solapur, NOIDA and Chandigarh during the year, taking the total number of JVs to 14 with 16 showrooms.
- **Milano Bathroom Fittings Pvt. Limited** : The Directors are pleased to report that Milano Bathroom Fittings Pvt. Limited (MBF), the wholly-owned subsidiary of the Company manufacturing bathroom fittings and accessories, performed satisfactorily during the year. MBF put up a plant in Samba, Jammu & Kashmir, to manufacture bath fittings with a capacity of 3 lakh pieces per annum.
- **Lifestyle Investments PVT Limited** : Lifestyle Investments PVT Limited (LIPL) is an overseas wholly-owned subsidiary. During the year, LIPL received a dividend income of £656,288 from Norcross Plc., UK.
- **RMC Readymix Porselano (India) Limited** : is a wholly-owned subsidiary of the Company.

Joint Ventures (JV)

- **Ardex Endura (India) Private Limited** : The Directors are pleased to report that Ardex Endura (India) Pvt. Ltd. (AEIPL), Joint Venture with the German group Ardex which manufactures and markets tile adhesives, grouts, flooring, waterproofing and allied products, performed satisfactorily during the year. AEIPL is in the process of setting-up another manufacturing plant in Ramanagara District in Karnataka which is likely to be operational by FY 2014.
- **Sentini Cermica Pvt. Limited** : The Directors are pleased to report that Sentini Cermica Pvt. Ltd, the mid-segment glazed floor tile JV Company in Andhra Pradesh performed satisfactorily during the year.
- **Antique Marbonite Pvt. Limited** : The Directors are pleased to report that Antique Marbonite Pvt. Ltd., the vitrified tile JV Company in Gujarat performed satisfactorily during the year. The JV's

wholly-owned subsidiary, Antique Johnson Ceramic Pvt. Limited, is in the process of setting-up a manufacturing plant for engineered marble and quartz. Quartz Plant is now operational and Marble Plant is likely to be completed in FY 2013.

- **Spectrum Johnson Tiles Pvt. Limited** : The Directors are pleased to report that Spectrum Johnson Tiles, mid-segment wall tiles JV Company in Gujarat, performed satisfactorily during the year.
- **Small Tiles Pvt. Limited** : The Company entered into a Joint Venture with Small Tiles Pvt. Limited and acquired a 50% stake in Small Tiles during the year. This Joint Venture manufactures glazed floor tiles and has a capacity of 2.3 million m² per annum. The Joint Venture acquired a Company having a manufacturing plant of wall tiles and converted it to manufacture floor tiles of size 12" x 12" with a capacity of 2.6 million m² per annum. The plant is now operational.

The financial data of the subsidiaries has been furnished along with the statement pursuant to Section 212 of the Companies Act, 1956 forming part of the Annual Report. Further, pursuant to the applicable Accounting Standard (AS - 21) issued by the Institute of Chartered Accountants of India, the Company has presented the consolidated financial statements which include the financial information relating to its subsidiaries and forms part of the Annual Report.

The Company shall provide a copy of the Annual Report and other related information of its subsidiary companies as required under Section 212 of the Companies Act, 1956 to the shareholders of the Company and the subsidiaries upon their written request. These documents will also be available for inspection at the registered office of the Company and the registered offices of the respective subsidiary companies during working hours up to the date of the Annual General Meeting.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

RAJESH G. KAPADIA
Chairman

Place : Mumbai
Date : May 10, 2012

ANNEXURE 'A' TO THE DIRECTORS' REPORT

**PARTICULARS REQUIRED UNDER THE COMPANIES
(DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**

A. CONSERVATION OF ENERGY

FORM - A

Cement Division

(See Rule 2)

Form for disclosure of particulars with respect to conservation of energy

(a) **Energy conservation measures taken**

Following modifications were carried out during the year 2011-12 for improving the productivity and reducing the specific power consumption and specific heat consumption :

- ❖ Installation of planetary gear boxes in Cement Mills Roller Press.
- ❖ Implementation of Energy Management System ISO: 50001.
- ❖ Continuous Raw mix control with help of on-line XRF/XRD to optimise thermal energy consumption.
- ❖ Coating resistant insulation inside Pre-heater cyclone feed pipes for unhindered material flow.

(b) **Additional investment and proposals, if any, being implemented for reduction of consumption of energy**

Proposed modifications and capacity enhancement

- ❖ Upgradation of cement mills PLC system.
- ❖ Installation of Wobbler Feeder at lime stone crushers.
- ❖ Upgradation of Bag House and Raw Mill fan SPRS.
- ❖ Full choke feed system for Cement Roller Press

HRJ Division

(a) **Savings in electrical energy**

- ❖ Implementation of energy efficient system for providing uninterrupted power to kilns and stop continuous operation of diesel generating sets in Kunigal plant.
- ❖ Implementation of thyristor based lighting energy savers in Pen plant.
- ❖ Optimization of VFD in air compressor to reduce energy consumption in Kunigal plant.
- ❖ Implementation of energy efficient air compressor and assembly in Dewas plant.
- ❖ Implementation of energy efficient air cooled chiller in Dewas plant.

(b) **Savings in Thermal Energy**

- ❖ Manual optimisation air fuel ratio in roller hearth kiln for reducing natural gas consumption by reducing excess air in Kunigal plant.

(c) **Impact of measures for reduction of energy consumption and consequent impact on the cost of production of goods**

- ❖ The above measures have resulted/will result in savings in the consumption of thermal and electrical energy and better run factor of plant.

(d) **Total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in the Schedule - Cement**

	2011-2012	2010-2011
(A) POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased		
Units (Lakhs - KWH)	4,322.88	2,833.51
Total Amount (₹ Crores)	221.28	132.78
Rate/Unit (₹)	5.12	4.69
b) Own Generation		
i) Through Diesel Generator		
Net Units (Lakhs - KWH)	16.08	16.03
Unit per Ltr. of Diesel/ Furnace Oil (KWH)	3.89	3.80
Cost/Unit (₹/KWH)	14.50	26.48
ii) Through Steam		
Turbine/Generator	Nil	Nil
2. Coal (used in Kiln)		
Quantity (Tonnes)	6,71,982	4,98,535
Total Cost (₹ Crores)	362.58	187.50
Average Rate (₹)	5,395.72	3,761.05
3. Furnace Oil		
Quantity (K.Ltrs.)	354	357
Total Cost (₹ Crores)	0.87	0.92
Average Rate (₹/K.Ltr.)	24,724.00	25,882.25
4. High Speed Diesel		
Quantity (K.Ltrs.)	952	550
Total Cost (₹ Crores)	3.87	2.18
Average Rate (₹/K.Ltr.)	40,687.63	39,601.35
5. Others/Internal Generation	Nil	Nil
(B) CONSUMPTION PER UNIT OF PRODUCTION		
Electricity (KWH/T of Cement)	80.91	75.07
HSD/FO (Ltr./T of Clinker)	0.22	0.17
Coal (Percentage of Clinker)	17.06	18.35

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form B

FORM - B

(See Rule 2)

Form for disclosure of particulars with respect to absorption
RESEARCH AND DEVELOPMENT (R & D)

Cement Division

1. Specific areas in which R & D carried out by the company

- ❖ On-line control of raw mix and cement products through installation and commissioning of Blend Expert system and use of XRD to control the mineralogy of raw mix, phases of clinker and quality of product.
- ❖ Energy audit of plant and required modifications in PID loops/Interlocks in plant automation system to avoid idle run of equipment.

2. Benefits derived as a result of the above R & D

- ❖ Immediate action for required corrections to get desired raw mix and final product, as well as optimisation of thermal energy consumption.
- ❖ Enhanced control on quality of incoming raw material, clinker and cement.
- ❖ Energy efficiency for electrical energy on state utility grid.

3. Future plan of action

- ❖ Wobbler Feeder installation at lime stone crusher for improved limestone quality.

HRJ Division

1. Specific areas in which R & D carried out by company

- ❖ Inkjet ink.
- ❖ Synthetic opacifier
- ❖ Body binder
- ❖ Glaze binder
- ❖ Refractory castables
- ❖ Nano organo clay
- ❖ Application of antimicrobial compounds in textiles
- ❖ Ceramic membrane
- ❖ Third-fire colours
- ❖ Frit for nuclear waste containment
- ❖ Nanopolishing compounds

2. Benefits derived as a result of the above R & D

- ❖ Import substitution, in-house production and replacement of other indigenous products to fulfill the total in-house requirement and requirement of other major Indian consumers thereby saving foreign exchange by restricting imports of several of these items. Some of our research activities have contributed to the development of our society; i.e. ceramic membrane for purification of drinking water, nuclear waste containment for nuclear power plants, and antimicrobial compounds for better hygiene.

3. Future Plan of Action

Research and Development

- ❖ Inkjet ink-new colours
- ❖ Nano organo clay
- ❖ Dispersant
- ❖ Magnesia-based castables
- ❖ Polycarboxylate ether superplasticizer
- ❖ Lightweight concrete
- ❖ New soluble salts
- ❖ New ceramic pigments
- ❖ Resins for synthetic marble
- ❖ Molecular sieves

- ❖ Ceramic Proppants for petroleum drilling
- ❖ Sintering aid
- ❖ Heat transfer balls for energy conservation

Energy Management

- ❖ Introduction of automatic air fuel ratio control system for reduction of excess air and fuel consumption in kiln in Kunigal plant.
- ❖ Implementation of waste heat recovery system in roller hearth kiln for preheating of combustion air in Kunigal and Dewas plants.
- ❖ Implementation of heat recovery system from smoke air of roller hearth kiln and utilisation of same in dryers in Kunigal and Dewas plants.
- ❖ Implementation of energy efficient burners in roller hearth kilns for improving combustion efficiency in Kunigal and Dewas plants.
- ❖ Reduction of compressed air consumption in diaphragm pumps through auto control system in all plants.
- ❖ Improvement of kiln surface loss by using hot face thermal coating in Kunigal and Dewas plants.
- ❖ Implementation thyristor based lighting energy saver in all plants potential areas.
- ❖ Implementation of PC based real time electrical energy consumption monitoring and load management system in Kunigal plant.
- ❖ Introduction variable frequency drives in all plants potential areas.
- ❖ Implementation of energy efficient electrical motors by replacing oversize/old/rewind and inefficient electrical motors in Kunigal plant.
- ❖ Prevention of import/generation/amplification of harmonics in the electrical distribution system and improvement of power factor by implementation of Automatic Power Factor Controller (APFC) along with active/passive harmonics filters in Pen plant.
- ❖ Implementation of ISO 50001 (EnMS) in Kunigal plant.
- ❖ Execution of energy audit by external agency in all plants.

4. Expenditure on R & D

	2011-2012 ₹ Crores	2010-2011 ₹ Crores
Capital	0.31	1.34
Recurring	2.62	1.44
Total R & D expenditure as percentage of turnover	0.01	0.04

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation

- ❖ Profibus communication system for plant automation and installation of IMCCs (Intelligent Motor Control Centers).
- ❖ Medium Voltage Variable Frequency Drives and motors in place of conventional Slip Power Recovery System and motors.
- ❖ Implementation of latest safety techniques with help of world renowned safety consultant M/s. Du Pont.

2. Benefits derived as results of the above efforts

- ❖ Enhanced operational efficiency, easier troubleshooting, faster commissioning and reduced down time.
- ❖ Enhancement of equipment efficiency.
- ❖ World class safety standards for safe and efficient working.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Foreign Exchange earnings and outgo is contained in Note Nos. 47 and 48 to the accounts.

MANAGEMENT DISCUSSION & ANALYSIS

Business Environment

The Indian economy grew at the rate of about 6.9% in 2011-12, as against a rate of 8.5% in 2010-11, primarily due to deceleration in industrial growth. Although the GDP growth was muted given the overall pressure of global uncertainties and high inflation, the growth is still a reflection of the sound fundamentals of the Indian economy.

As the Indian economy grows, so also will the construction and infrastructure industry as it is one of the essential engines of growth. The building materials sector in India is a key constituent of the country's construction industry. Driven by growth in the infrastructure and the construction industry, the building materials sector has recorded considerable growth over the last few years. Furthermore, urbanisation, economic development, increase in per capita income and people's rising expectations for improved quality of life signal growth prospects for the building materials sector in the country.

As one of the leading building materials company with a wide array of products from cement, ready mixed concrete, tiles, bath products to kitchens, the Company is well poised to benefit from the growing market opportunities and cater to the varied needs of the customers.

Cement Division

Overview

The first two quarters of the year under review saw a sluggish growth due to slowdown in construction activities. However, cement demand started picking up during the third and fourth quarters of the year under review on the back of increased rural and semi urban housing and other construction and infrastructure activities. The industry was however affected by increase in costs of all inputs and services and the year ended with a growth of around 7% y-o-y.

Per capita cement consumption in India is still very low at around 200 kg. against the world average of about 500 kg. and China at approximately 1200 kg. This underlines the tremendous scope for growth of the Indian cement industry in the long term.

With the Government's financial impetus on thrust areas like faster implementation of infrastructure and irrigation projects, pushing rural housing development programmes, promotion of concrete highways and other roads, particularly concrete roads in rural areas, enhanced level of consumption of cement is expected which therein will help the cement industry. Propelled with the huge latent demand for housing units in India,

both in rural as well as urban areas, the demand growth for cement is expected to be robust in the future.

Performance

The year ended March 31, 2012 was one of challenges for the Cement Division of the Company. The Company's Unit II at Satna commenced production during the last quarter of the previous year and was under stabilisation during the year under review. Net price realisations were subdued due to the depressed market conditions and demand-supply mismatch existed in the markets of our interest, namely Madhya Pradesh, Uttar Pradesh and Bihar. Moreover, the growth in average realisations was unable to keep pace with the unprecedented increase in input cost including the prices of coal, power and freight despite the increase in sales volumes.

Depressed market conditions, Unit II still being in the stabilisation stage, interest costs and increased cost of inputs squeezed the margins of the cement business during FY 2011-12. Furthermore, in March 2012, clinker production in Unit II at Satna was temporarily suspended as there was damage to the Blending Silo. Work on the intermediate solution to restart clinker production is in full swing and is expected to be completed in June 2012. The construction of a new Silo will commence shortly.

	<u>Year ended</u> 31-03-2012	<u>Year ended</u> 31-03-2011
Production - Lakh Tonnes	47.52	31.56
Sales volume (Cement) - Lakh Tonnes	47.12	31.10
Net Revenue - ₹ Crores	1,714	1,061
PBDIT - ₹ Crores	131	171

Expansions

The Company received the approval for land alienation from the State Government for its cement plant at Kurnool District, Andhra Pradesh and has completed necessary formalities for taking over possession. Further project activity shall commence in due course.

At the Company's Coal Block at Chhindwara, Madhya Pradesh, the Mine Development Operator appointed has commenced survey, basic infrastructure work and work on the incline. Barring unforeseen circumstances, it is expected that the MDO shall complete the incline and reach coal by the third quarter of FY 2013-14. The mined coal will be used for captive consumption in the cement plant located at Satna, Madhya Pradesh.

Future Outlook

With the increase in its capacity, Prism Cement plans to penetrate deeper into the existing markets and cover

major parts of Madhya Pradesh, Uttar Pradesh and Bihar through its strong network of dealers and also enter into new markets of Chhattisgarh, Jharkhand, Uttarakhand, West Bengal, Delhi NCR and Maharashtra.

While the Indian economy is poised for moderate growth, cement demand is also expected to grow at about 8-10% during FY 2012-13. Semi-urban and rural housing, which comprises the main market segment, are not impacted by real estate slowdown in urban areas and mainly due to a bumper harvest would continue to boost cement demand. Moreover, with developers likely to complete pending construction contracts before the onset of the monsoons, cement demand has already begun to see a healthy growth in the current year.

H & R Johnson (India) (HRJ) Division

Overview

H & R Johnson (India) (HRJ) Division has been the market leader in the field of ceramic tiles in India since 1958. Today, it offers a wide basket of products from tiles, bath products to kitchens. It offers the products under 3 strong brands, viz. Johnson, Marbonite and Endura. The manufacturing plants of the Division, its joint ventures and its subsidiaries are spread across the country in order to effectively cater to the market's requirements.

Tiles

The global ceramic tiles industry is estimated to be 9.5 billion m². During 2010, global production grew by 11.7% which was much higher than the historical annual average growth rate of 6-7%. Global imports/exports of ceramic tiles also saw comparable growth of 10.4% after the severe decline witnessed in 2008-09. Asia continued to record a healthy growth of over 14% during 2010.

In terms of consumption, India is the third largest consumer and manufacturer of ceramic tiles in the world accounting for 5.8% of the world's total consumption and production of ceramic tiles. India produces close to 600 million m² of ceramic tiles per annum and the size of the industry is about ₹ 18,000 Crores. Approximately, 40% of the industry comprises the organised sector wherein top 7 players constitute over 85% of the total organised market. Unorganised sector is made up of a large number of small players adding up to 60% of the total market. The key product categories of ceramic tiles in India are glazed wall tiles, glazed floor tiles, vitrified polished tiles, glazed vitrified tiles and industrial tiles.

The per capita consumption of ceramic tiles in India is approximately 0.50 m² per annum. As a comparison, China's per capita consumption is 2.61 m² per annum, Brazil's consumption is 3.40 m² and Russia's per capita consumption is 1.12 m² per annum. This shows a huge potential for growth of ceramic tiles in India. Urbanisation, consumption and growth of commercial infrastructure

are the key drivers of growth in India. As a result, India's ceramic tile industry is expected to continue its growth rate of approximately 15% per annum.

Bath Products

The size of bath products industry is approximately ₹ 6,500 Crores comprising sanitary ware, faucets, taps, bath fittings, etc. As in case of tiles, there is a huge potential for growth in India due to growing demand for modern sanitation and increased urbanisation. The organised sector comprises approximately 50% of the market and focuses mainly on middle and upper market segments in urban areas, whereas the remaining 50% is the unorganised sector which is popular in lower-middle and price sensitive end of the market as well as rural areas. Looking at the growth potential of this segment, various MNCs are becoming active in India.

The growth of bath products is at a healthy rate of approximately 15% per annum and this growth rate is likely to continue in future also.

Kitchen

Modular Kitchens is a nascent industry in India. The trend of modular kitchens is catching up in India. There is no large established player with a national footprint and a strong brand and distribution network in this industry. As a result, there are a number of small time players/carpenters operating in this industry with limited scale of operations. The industry is growing at a healthy rate of 25-30% per annum. Looking at the growth potential of this segment, various MNCs and Indian players are entering/have entered the market.

Performance

	<u>Year ended</u> <u>31-03-2012</u>	<u>Year ended</u> <u>31-03-2011</u>
Net Revenue - ₹ Crores	1,729	1,468
PBDIT - ₹ Crores	118	156

The performance of India's economy was subdued in 2011-12. As mentioned earlier, GDP is estimated to have grown by 6.9 per cent during the fiscal after growing by 8.5 per cent each in the preceding two fiscal years. Deceleration in the manufacturing sector growth and decline in the mining sector output contributed to the fall in GDP growth in 2011-12. Manufacturing sector is expected to have grown by only 4.1 per cent during the fiscal as compared to 8.2 per cent in the preceding fiscal year. Rupee depreciated significantly from approximately ₹ 44 per US dollar in April 2011 to approximately ₹ 50 in March 2012. Inflation continued to remain at high level of approximately 9 per cent. Fuel and power inflation was higher at 13.9 per cent during the fiscal thereby impacting profitability of various industries including ceramic tiles.

In the above backdrop, the profitability of HRJ Division was adversely impacted. Increase in raw material, power and fuel costs resulted in reduced profitability for the Division during the year. Although some price increases were done during the year, they were not sufficient to offset the increase in costs. Fuel cost is a major component in the cost of manufacture of Ceramic Tiles. Natural gas is the cleanest and most cost efficient fuel. However, due to pipeline constraints and uni-directional flow of Natural gas in the pipe-line, three of HRJ Division's and its Joint Ventures' plants were unable to procure Natural Gas and were thus running on high cost fuel (Propane/LPG) adding pressure to the profitability. The cost difference between Natural Gas and Propane/LPG increased during the year thereby further impacting the profitability as HRJ Division was not able to fully pass on the increase in difference to the market. There were severe power shortages in Andhra Pradesh where the manufacturing plants of 2 Joint Ventures are located exerting pressure on profitability. Increased competition from imports in the coastal markets in South and West India further impacted the profitability of the Division. Moreover, there was a forex loss of ₹ 10 Crores on account of rupee depreciation impacting the foreign currency borrowings.

HRJ Division continued to strengthen its brands and build its distribution network. The Division participated in ACETECH exhibitions at Mumbai, Chennai and Delhi to showcase its new product range and received very favourable response from the Trade segment and Builders. 'House of Johnson' retail outlets were inaugurated in Solapur, NOIDA and Chandigarh during the year. Based on the strong brand equity and leadership, 'Johnson' brand was awarded the Reader's Digest Trusted Brand Award 2011 (Gold) in the category for fourth year in a row. In addition, Marbonite brand was again conferred with the 'Power Brand' status during the year.

Innovation being one of its core values, HRJ Division had launched a slew of innovative value-added products. The Division launched Marbonite GVT (Glazed Vitrified Tiles). These tiles are the latest offering which combine the strength of vitrified tiles with the flexibility and aesthetics of glazed products. Engineered Marble and Quartz were also launched during the year under the brand 'Johnson Cristal'. HRJ Division also launched the Stonex wall collection, Digital collection in new sizes, and Imported collection of Johnson and Marbonite tiles during the year. Thus, the Division has added significantly to the products positioned towards the lifestyle segment apart from the affordable products to its product portfolio. The response from the market has been encouraging for these new products.

HRJ Division entered into a Joint Venture with Small Tiles Pvt. Limited by acquiring a 50% stake during

the year. Small Tiles has a capacity to manufacture 2.3 million m² of glazed floor tiles per annum of sizes 16" x 16", and 24" x 24". Joint Ventures have played an instrumental role in the HRJ Division's growth and this fifth tile Joint Venture would be supplying floor tiles which would enable the Division to cater to the growing segment in Northern, Central and Eastern regions of India and overseas market.

Ceramic World Review, a reputed magazine published from Italy, released the rankings of top tile manufacturers in the world during the year. HRJ Division, along with associated companies, has been ranked as the 7th largest player in the world, being the only Indian entity to feature in the rankings.

Exports of HRJ Division recorded a healthy growth of over 100%. The Division's exports during the year were in excess of ₹ 35 Crores. The products of the Division were exported to UK, Sri Lanka, Middle East, Nepal and other countries during the year and have been well accepted.

HRJ Division has continued its initiatives of cost savings. During the year, the Division entered into a gas swapping arrangement for procuring a limited quantity of RLNG. The Government of India has recently announced the gas swapping policy wherein the Division is expected to receive higher quantities of RLNG which would bring down the cost of fuel for the Division. Also, the Division has signed a Gas Transportation Agreement (GTA) with GAIL. GAIL is in the process of setting-up a pipe-line to transport gas from Dabhol to Bangalore and the Company's plant in Kunigal would get connectivity thereafter. The pipe-line is expected to be set-up during FY 2013.

The VAT exemption of the tile manufacturing plant at Pen ended on March 31, 2012. The Division is modernising the plant which would increase the mix towards more value-added tiles.

Expansions

The Company is enhancing its capacity of vitrified/glazed ceramic tiles at Dewas, Madhya Pradesh. The capacity is being increased by 2 million m² per annum which would take the plant's total capacity to 3.4 million m² per annum. The project is likely to be completed in FY 2013.

The Company plans to set-up a tile manufacturing facility in East India. It would be the first tile manufacturing plant in the Eastern Region. The Company is in the process of completing the final formalities for land acquisition.

Future Outlook

With the healthy growth of the Indian economy and the industries that we operate in, HRJ Division is well

positioned to continue its growth in future also. Moreover, bulk of the products are targeted towards affordable housing segment which is likely to continue growing at a healthy rate. The robust distribution network, strong brand equity, wide-spread manufacturing locations and a comprehensive product portfolio of tiles, baths and kitchens enable it to enjoy a distinct competitive advantage over others in the market.

RMC Readymix (India) (RMC) Division

Overview

RMC Division of the Company is amongst the top three ready mixed concrete manufacturers, with a pan India presence. The Division operates 87 concrete plants and 9 aggregate crushers spread across 35 locations in the country. The concrete plants are used for commercial purpose as well as for captive consumption of infrastructure/large commercial and residential projects.

Performance

	Year ended 31-03-2012	Year ended 31-03-2011
Sales Volume in Lakh M ³	32.36	29.35
Net Revenue - ₹ Crores	1,134	913
PBDIT - ₹ Crores	58	56

The construction sector is a major demand driver for the RMC Division. Increase in interest rates over the last two years affected credit availability which subsequently slowed down growth in the construction sector. According to Central Statistics Office, India, growth of the construction sector is expected to slow down to 4.8% in FY 2012 from 8.0% in FY 2011. However, a planned approach towards identifying locations and the strategy of Mega Projects vertical has helped the RMC Division to withstand the sluggish demand in the industry and register growth in volumes.

The RMC Division registered volume growth of ~10% and value growth of ~24% y-o-y in FY 2012. Strict cost control measures helped the Division to withstand spiraling cost of raw materials as well as other expenses and register ~2% increase in profit before interest, depreciation, exceptional items and tax in the year.

Expansions

The RMC Division scaled up operations in its existing markets by adding more capacity. Further during the year under review, the Division entered into new markets like Calicut, Faridabad and Panvel. The Division was also able to contribute to India's infrastructure development through its Mega Projects vertical by adding more plants and supplying concrete to certain major infrastructure projects. The Division saw a net growth of 7 concrete plants in FY 2012. The

Aggregates vertical also commenced operations at two new locations in Maharashtra.

Future Outlook

Anticipated interest rate decrease by RBI to push economic growth in FY 2013 is expected to benefit the construction industry and consequently the RMC Division. Government's increasing focus on infrastructure, evident from the proposed \$1 trillion investment envisaged by the Twelfth Five Year Plan 2012-17 is expected to open new growth avenues for the RMC Division. New projects in road, ports and airports segment are expected to open new expansion opportunities for the Mega Projects vertical. Government's push to the housing sector also augurs well for the Division.

The Aggregates vertical is implementing latest technologies to manufacture better quality aggregates and is also stepping up the production of manufactured sand. Backward integration through this vertical is expected to help in availability of raw materials for the RMC business at locations where both the verticals co-exist. This will help to supply ready mixed concrete to customers without any hindrance.

Increasing awareness about quality is also resulting in greater penetration of ready mixed concrete in the construction industry. The RMC Division is further concentrating on Tier 2 and Tier 3 cities for expanding its market reach. All these factors are expected to benefit the Division to pursue its long term growth plan.

Internal Control Systems

The Company has a well established framework of internal controls in all areas of its operations, including suitable monitoring procedures and competent and qualified personnel. In addition to statutory audit, the financial and operating controls of the Company at various locations are reviewed by the Internal Auditors, who report their findings to the Audit Committee of the Board. Every unit is subject to internal audit as per the audit plan approved by the Audit Committee of the Board.

The Audit Committee 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.

Human Resources

The Company's human resources continue to be its biggest asset. The Company continuously reviews HR policies and practices and carries out necessary

improvements to attract and retain best talent and build intellectual capital.

Continuous nurturing of talent and helping employees in their career aspirations is one of the biggest challenges addressed through several structured initiatives, which has resulted in people being respected, their performance being rewarded and aiding employees in realising their potential.

The Company continued to enjoy healthy industrial relations during the year.

Corporate Social Responsibility

The Company is conscious of its responsibilities towards the communities in whose midst the manufacturing and business operations are conducted. Community development initiatives are undertaken to improve the quality of life of people in the surrounding areas. Some of these initiatives which are in the areas of education, community development and cultural enrichment include :

- Planting trees in and around various plant locations across the country towards proving a clean and green environment;
- Adoption of Anganwadis in the villages near the plant;
- Distribution of books, school bags, shoes, clothes, grains, undertaking guidance workshops, awarding scholarships to deserving students and extending financial help to nearby schools for better quality education, hygiene and all-round development of children;
- Providing free water tanker service to nearby villagers and drinking water facilities at public places specially during the summer season;
- Water sprinkling done on village roads and water harvesting activities carried out to increase ground water level in near-by areas.
- Providing materials for construction/renovation of religious institutions nearby the plants.
- Providing fire tenders in case of emergencies in the nearby villages.

Safety, Health & Environment

The Company has environmental, health and workplace safety programmes in place and has established policies and procedures aimed at ensuring compliance with applicable legislative requirements. The manufacturing and marketing operations are conducted to ensure sensitivity towards environment and ensure waste reduction by encouraging 'Green' practices. Efficient management and use of renewable resources including use of biomass fuels, non-renewable resources including

fossil fuels and wind electricity is encouraged. Reduction, re-use and recycling of industrial waste are facilitated. Due to these initiatives, HRJ Division earned 23,825 CER (carbon credits) during the year under review.

The Company believes that the health and safety of the workers and the persons residing in the vicinity of its plants is fundamental to the business. Commitment to the identification and elimination or control of workplace hazards for the protection of all is of utmost importance. This is demonstrated by the awards received during the Mines Safety Week and Environment & Mineral Conservation Week during the year under review.

The cement plants at Satna and all the tile plants of the Company are ISO 9001:2008, 14001, OHSAS 18001 certified. During the year under review, the cement plants at Satna and the packing unit at Allahabad have been accredited the ISO 50001:2011 Certificate of the Energy Management Systems.

The Company's training programmes on health and safety reach out to all the people and ensure their commitment to follow the same in their day-to-day activities. Measures for the safety of employees' training, welfare and development continue to get top priority at all levels, which are reflected in the improved quality and efficiency. This is achieved by :

- investigating the causes of accidents and incidents and developing effective preventative and remedial action;
- training employees to carry out their jobs safely and productively;
- maintaining a high degree of emergency preparedness;
- requiring vendors and contractors to comply with applicable safety and health standards; and
- conducting medical camps to provide basic healthcare to the under-privileged.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include input availability and prices, demand and pricing of finished goods in the Company's principal markets, changes in government regulations, tax laws, economic developments within the country and other incidental factors.

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.

1. Board of Directors

- i. The total strength of the Board is nine Directors comprising three executive Directors and six non-executive Directors, of which three are independent. The Chairman of the Board is an independent Director. Mr. Rajan Raheja,

Mr. Satish Raheja and Mr. Akshay Raheja are related to each other.

- ii. During the year ended March 31, 2012, six Board Meetings were held on the following dates: (i) April 29, 2011 (ii) June 13, 2011 (iii) July 12, 2011 (iv) July 19, 2011 (v) October 18, 2011 and (vi) January 24, 2012.
- iii. None of the Directors on the Board is a member on more than ten Committees and Chairman of more than five Committees across all the public companies in which he is a Director.
- iv. The following table gives details of Directorship, Category, attendance at Board Meetings and at the last Annual General Meeting and number of memberships of Board/Committees (only Audit Committee and Shareholders/Investors Grievance Committee positions considered) of various other public companies (excluding Directorships in Indian private companies, foreign companies, companies under Section 25 of the Companies Act, 1956 and memberships of Managing Committees of various Chambers/Bodies) :

Name	Category of Directorship	Particulars of Attendance		Number of other Directorship and Committee Membership		
		Board Meeting	Last AGM	Other Directorship	Committee	
					Member	Chairman
Mr. Rajesh G. Kapadia (Chairman)	Independent Non-executive	6	Yes	7	2	4
Mr. Rajan B. Raheja	Non-independent Non-executive	5	No	7	4	—
Mr. Manoj Chhabra (Managing Director)	Non-independent Executive	6	Yes	1	1	—
Mr. Vijay Aggarwal (Managing Director)	Non-independent Executive	5	Yes	4	2	1
Mr. Satish B. Raheja	Non-independent Non-executive	—	No	3	1	—
Mr. Akshay R. Raheja	Non-independent Non-executive	5	No	3	1	—
Mr. Ganesh Kaskar (Executive Director)	Non-independent Executive	6	Yes	—	—	—
Mr. James Brooks	Independent Non-executive	5	Yes	—	—	—
Ms. Ameeta A. Parpia	Independent Non-executive	5	No	1	—	—

- v. None of the Independent Directors have any material pecuniary relationship or transactions with the Company.
- vi. Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for their consideration.

2. Audit Committee

The Audit Committee of the Company is constituted pursuant to the provisions of the Companies Act, 1956 and the Listing Agreements with the Stock Exchanges. As on March 31, 2012, the Audit Committee comprised of three non-executive Directors, Mr. R. G. Kapadia, Chairman of the Committee, a practising Chartered Accountant, Mr. A. R. Raheja who has the requisite accounting and financial management expertise and Ms. Ameeta A. Parpia, a practising Solicitor. Two of the members are independent.

The terms of reference of this Committee are wide enough to cover the matters specified for audit committees under Clause 49 of the Listing Agreements, as well as in Section 292 A of the Companies Act, 1956, which, *inter alia*, include :

- overview of the Company’s financial reporting process and ensuring correct, adequate and credible disclosure of financial information;
- recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment for any other services;
- reviewing with management the quarterly, half yearly and annual financial statements before submission to the Board with special emphasis on accounting policies and practices, related party transactions, compliance with accounting standards and other legal requirements;
- reviewing the adequacy of the Statutory, Internal and Cost Audit and compliance functions, including their policies, procedures, techniques and other regulatory requirements; and
- any other terms of reference as may be included from time to time.

The Audit Committee has met five times during the year ended March 31, 2012 on (i) April 29, 2011, (ii) July 19, 2011, (iii) October 18, 2011,

b. Executive Directors

Name	Business relationship with the Company	Remuneration paid during the year (₹ Crores)	Date of Appointment
Mr. Manoj Chhabra	Managing Director	6.54*	August 25, 2011
Mr. Vijay Aggarwal	Managing Director	3.30	March 3, 2010
Mr. Ganesh Kaskar	Executive Director	1.69	March 3, 2010

* includes leave encashment of ₹ 3.30 Crores paid at the end of the previous tenure during the year.

- The appointment is on contractual basis and is subject to termination by six months’ notice on either side. Mr. Manoj Chhabra was appointed for a period of two years and Mr. Vijay Aggarwal and Mr. Ganesh Kaskar were appointed for a period of three years, respectively.

(iv) January 11, 2012 and (v) January 24, 2012 and the details of attendance by the Committee Members are as follows :

Name of Director	No. of Audit Committee Meetings attended
Mr. Rajesh G. Kapadia	5
Mr. Akshay R. Raheja	5
Ms. Ameeta A. Parpia	5

For Audit Committee meetings, the Internal and Statutory Auditors are invited and are generally attended by the Senior Management Executives of the Company. The Company Secretary acts as Secretary of the Audit Committee.

3. Remuneration Committee

The Remuneration Committee comprises of three non-executive members of the Board viz. Mr. Rajan B. Raheja - Chairman, Mr. R. G. Kapadia and Ms. Ameeta A. Parpia. The Committee decides on the Company’s policy on the remuneration package for its Executive Directors.

A. Details of Remuneration paid to Directors for the year ended March 31, 2012

a. Non-executive Directors

The non-executive Directors are paid sitting fees for attending the Board and Audit Committee meetings. For the year ended March 31, 2012, the non-executive Directors were paid in aggregate, an amount of ₹ 6.70 lakhs as sitting fees. Apart from this, Mr. James Brooks, non-executive Director is entitled to be paid commission not exceeding 1% of the net profits of the Company, provided that such commission in any financial year shall not exceed ₹ 25 lakhs per annum (subject to deduction of applicable taxes) with effect from April 1, 2010. Due to non-availability of profits, Mr. Brooks is not eligible to be paid commission for the year ended March 31, 2012.

- The elements of the remuneration package of the Managing Director(s)/Executive Director comprises of salary and perquisites as approved by the shareholders at the General Body meeting(s).
- The Company does not pay any bonus, severance fee and no stock option is granted to the Managing Director(s)/Executive Director.
- The Company has taken steps for seeking approvals from the Central Government and the Shareholders for waiver from recovery of excess remuneration of ₹ 6.54 Crores paid to both the Managing Directors and the Whole-time Director of the Company due to non-availability of profits for the year 2011-12.

c. Details of shares of the Company held by the Directors as on March 31, 2012 are as under :

Name	No. of shares
Mr. Rajesh G. Kapadia	—
Mr. Rajan B. Raheja	5,14,02,627
Mr. Manoj Chhabra	600
Mr. Vijay Aggarwal	—
Mr. Satish B. Raheja	500
Mr. Akshay R. Raheja	55,76,784
Mr. Ganesh Kaskar	—
Mr. James Brooks	—
Ms. Ameeta A. Parpia	76,000

B. Details of the Directors seeking appointment/re-appointment at the Twentieth Annual General Meeting to be held on June 26, 2012 are furnished below :

Name of Director	Mr. Rajan B. Raheja	Mr. Satish B. Raheja	Mr. James Brooks
Date of Birth	17.6.1954	3.1.1964	10.6.1948
Expertise in specific functional areas	Industrialist	Industrialist	General Management
Qualification	B. Com.	B. Sc., BM	ACMA (Inter)
No. of Equity shares held	5,14,02,627	500	—
List of outside Company Directorships held	1. EIH Associated Hotels Limited 2. EIH Limited 3. Exide Industries Limited 4. Hathway Cable & Datacom Limited 5. ING Vysya Life Insurance Company Limited 6. Juhu Beach Resorts Limited 7. Supreme Petrochem Limited	1. Exide Industries Limited 2. ING Vysya Life Insurance Company Limited 3. Supreme Petrochem Limited	—
Chairman / Member of the Committees of Directors of other Companies in which he is a Director : Audit Committee	1. EIH Associated Hotels Limited 2. EIH Limited 3. Juhu Beach Resorts Limited	—	—
Shareholders/Investors' Grievance Committee	Supreme Petrochem Limited - Member	Supreme Petrochem Limited - Member	—

4. Shareholders/Investors Grievance Committee

The Committee comprises of Ms. Ameeta Parpia - Chairman, Mr. Rajesh Kapadia, Mr. Manoj Chhabra and Mr. Vijay Aggarwal as the members of the Committee. The Committee looks into various issues relating to shareholder/investors grievances relating, *inter alia*, to non-receipt of annual report, non-delivery of shares after transfer/delay in transfer of shares, non-receipt of interest on debentures, if any, etc.

5. Share Transfer Committee

The Company's securities are traded in the dematerialised form on the Stock Exchanges. The Company has constituted a Share Transfer Committee, comprising of Mr. R. B. Raheja - Chairman, Mr. R. G. Kapadia, Mr. M. Chhabra and Ms. A. A. Parpia as members of the Committee. To expedite the transfer in physical segment, officers of the Company have been authorised to approve share transfers and transmission, issue of duplicate share certificates and review all other matters connected with the Company's securities. The Committee also oversees the performance of the Registrar and Transfer Agent.

The Board has designated Ms. Aneeta S. Kulkarni, Company Secretary, as Compliance Officer.

Share Transfers and Complaints received during the year ended March 31, 2012

Complaints :

Received from	Received and cleared	Pending
Direct to the Company	529	Nil
Through SEBI	30	Nil
Through Stock Exchange (s)	2	Nil
Through Investors' Association(s)	Nil	Nil

Share Transfers :

No. of transfer deeds received	525
No. of shares received for transfer	46,202
No. of shares transferred	45,502
No. of shares pending due to objections (as on March 31, 2012)	700

6. Details of General Meetings and Resolutions passed

Annual General Meetings

The Annual General Meeting for the last three years was held on May 12, 2009, June 22, 2010 and July 12, 2011, respectively. All the three meetings were held at Taj Mahal Hotel, Abids Road, Hyderabad - 500 001. One special resolution was passed at the Annual General Meeting held on June 22, 2010. No resolution was passed using postal ballot.

7. Disclosures

- 1) There are no transactions of material nature with the promoters or the directors or the management or their subsidiaries or relatives that may have potential conflict with the interest of the Company at large.
- 2) Transactions with related parties are disclosed in Note No. 43 of the financial statements in the Annual Report.
- 3) The Company has complied with the requirements of the Stock Exchanges/SEBI/Statutory Authorities on all matters related to capital markets during the last three years. There are no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority relating to the above.

4) (i) Mandatory Requirements

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreements with the Stock Exchanges.

(ii) Subsidiary Company

- (a) Raheja QBE General Insurance Company Ltd. (RQBE), is a material non-listed Indian subsidiary company in terms of Clause 49 (III) of

the Listing Agreement. Accordingly, Mr. Rajesh G. Kapadia and Ms. Ameeta A. Parpia, Independent Directors of the Company, are Directors on the Board of RQBE.

- (b) The minutes of the meetings of the Board of Directors of RQBE 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 company.
- (c) The Audit Committee of the Company reviews the financial statements, in particular, the investments made by RQBE.

(iii) Non-mandatory Requirements

- i. The Company has set up a Remuneration Committee of the Board of Directors, details of which have been provided in Point No. 3.
 - ii. The statutory annual financial statements of the Company are unqualified.
- 5) In compliance with the SEBI regulation on prevention of insider trading, the Company has prescribed a Code of Internal Procedures & Conduct for Prevention of Insider Trading. The code, *inter alia*, prohibits purchase/sale of shares of the Company by Directors/employees while in possession of unpublished price sensitive information in relation to the Company.

All Board Directors and the designated employees have confirmed compliance with the Code.

- 6) The Board of Directors of the Company has laid down two separate Codes of Conduct – one for directors and the other for senior management and employees. These codes are posted on the Company's website. 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 Directors is annexed to this report.

8. CEO/CFO Certification

As required under Section V of the Clause 49 of the Listing Agreement with the Stock Exchanges, the Managing/Executive Directors and Finance Heads 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 in the prescribed format for the year ended March 31, 2012.

9. Means of Communication

1. The Quarterly/Annual Financial Results of the Company are forwarded to The Bombay Stock Exchange Limited and to The National Stock Exchange of India Limited where the Company's shares are listed and published in The Economic Times (All Indian Editions) and Eenadu (Hyderabad) and are displayed on the Company's website www.prismcement.com.
2. The Management Discussion & Analysis is a part of the Annual Report and is annexed separately.

E. Stock market price data for the year ended March 31, 2012 :

MONTH	BSE SENSEX		BSE PRICES		NSE PRICES	
	High	Low	High ₹	Low ₹	High ₹	Low ₹
Apr-2011	19701.73	19091.17	58.95	54.10	59.10	54.00
May-2011	18998.02	17847.24	54.05	48.65	54.00	48.35
Jun-2011	18845.87	17506.63	50.45	44.25	50.40	44.30
Jul-2011	19078.30	18197.20	46.75	44.55	46.80	44.55
Aug-2011	18314.33	15848.83	46.00	39.35	46.20	39.40
Sep-2011	17165.54	16051.10	47.20	40.25	47.55	40.10
Oct-2011	17804.80	15864.86	43.90	41.25	43.95	41.20
Nov-2011	17569.53	15695.43	46.15	43.40	46.20	43.50
Dec-2011	16877.06	15175.08	45.10	36.30	45.25	36.10
Jan-2012	17233.98	15517.92	44.75	37.90	44.65	37.85
Feb-2012	18428.61	17300.58	50.65	43.15	50.55	43.25
Mar-2012	17919.30	17052.78	52.25	48.15	52.50	48.10

10. Shareholders Information

A. Annual General Meeting

Date and Time : June 26, 2012 at 11.30 a.m.

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

B. Financial Calendar

- Reporting for the Quarter ending :

June 30, 2012 - }
September 30, 2012 - } Within 45 days of the
December 31, 2012 - } close of the quarter
March 31, 2013 - Before May 31, 2013

- **Annual General Meeting for the year 2013** - Within six months of the close of the financial year

C. Book Closure : Tuesday, June 19, 2012 to Tuesday, June 26, 2012 (both days inclusive).

D. Listing on Stock Exchanges

NAME OF STOCK EXCHANGE	STOCK CODE NO.	CODE ON SCREEN
The Bombay Stock Exchange Limited (BSE)	500338	PRISM CEMENT LTD
The National Stock Exchange of India Limited (NSE)		PRISMCEM

F. Registrar and Transfer Agent

Karvy Computershare Private Limited,
 Unit : Prism Cement Limited,
 Plot No. 17-24, Vittalrao Nagar,
 Near Image Hospital,
 Madhapur,
 Hyderabad - 500 081.
e-mail : einward.ris@karvy.com
website : www.karvycomputershare.com
Tel. No. : 040 - 4465 5000 / 5152
Fax No. : 040 - 4465 5024

G. Share Transfer System

Share transfers in physical form are processed and returned to the shareholders within the stipulated time. Half-yearly Transfer Audit and Quarterly Secretarial Audit in terms of the Listing Agreements are regularly carried out by an independent practicing Company Secretary.

H. Distribution of shareholding and shareholding pattern as of March 31, 2012 :

Distribution of Shareholding	
No. of shares held	No. of shareholders
1 - 100	53,950
101 - 200	22,171
201 - 300	8,004
301 - 400	3,445
401 - 500	7,364
501 - 1000	7,129
1001 - 5000	4,931
5001 - 10000	527
10001 - 50000	339
50001 and above	141
Total	1,08,001

Shareholding Pattern		
Category	No. of Shares	% Shareholding
Promoters	37,68,81,169	74.87
Indian Public *	6,56,71,069	13.05
FIIIs/NRIs/OCBs	81,15,959	1.61
Bodies Corporate	3,66,85,649	7.29
Financial Institutions/Banks/Mutual Funds	1,60,02,734	3.18
Total	50,33,56,580	100.00

* Out of the above, 1,23,51,600 equity shares (2.45%) held in a Trust for the benefit of the Company.

I. Dematerialisation of Shares

Trading of the Company's shares is compulsorily in dematerialised form for all investors. As of March 31, 2012 equity shares representing 96% have been dematerialised with the following depositories :

Description	ISIN	Depositories
Equity shares	INE010A01011	NSDL & CDSL

J. Addresses

Plant Location

The Company's cement manufacturing facilities are located at Satna, Madhya Pradesh, the Coal Block is located at Chhindwara, Madhya Pradesh and the tile manufacturing facilities are located at Pen, Maharashtra; Dewas, Madhya Pradesh; Kunigal, Karnataka and Karaikal, Puducherry. RMC Readymix (India) Division currently operates 87 concrete plants and 9 aggregate crushers spread across 35 locations in the country.

Correspondence

Shareholders correspondence should be addressed to the Registrar and Transfer Agent at Hyderabad. Investors can mail their queries to the Company portal investor@prismcement.com for redressal.

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

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, 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, 2012.

For Prism Cement Limited

Manoj Chhabra

Managing Director

Place : Mumbai

Date : May 10, 2012

For Prism Cement Limited

Vijay Aggarwal

Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Shareholders of
Prism Cement Limited

We have examined the compliance of the conditions of Corporate Governance by Prism Cement Limited ('the Company') for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreements of the Company with the Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance, issued by The Institute of Chartered Accountants of India and was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, in all material respects, complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For N. M. Raiji & Co.
Chartered Accountants

J. M. Gandhi
Partner
Membership No. 37924

Place : Mumbai

Date : May 10, 2012

AUDITORS' REPORT

TO THE MEMBERS OF
PRISM CEMENT LIMITED

1. We have audited the attached Balance Sheet of **PRISM CEMENT LIMITED ("the Company")** as at March 31, 2012, the Profit and Loss Statement and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Standards on Auditing generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the Order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. H & R Johnson (India) and RMC Readymix (India) divisions of the Company have been audited separately by branch auditors appointed by the Company. The branch auditors' reports provided to us have been considered for overall reporting for the Company.
5. We draw the attention to Note No. 38 to the financial statements relating to excess managerial remuneration charged to the profit and loss statement of the current year. The excess of ₹ 6.54 Crores is subject to the approval of the Central Government and Shareholders of the Company.
6. Further to our comments in the Annexure referred to in paragraphs 3 to 5 above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books of the Company;
 - (iii) the Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (b) in the case of the Profit and Loss Statement, of the loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
 - (vi) on the basis of written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

For N. M. RAIJI & CO.

Chartered Accountants

J. M. GANDHI

Partner

Membership No.: 37924

Firm Registration No.: 108296W

Place : Mumbai

Date : May 10, 2012

ANNEXURE TO THE AUDITORS' REPORT OF PRISM CEMENT LIMITED

(Referred to in paragraph 3 of our report of even date on the financial statements for the year ended March 31, 2012)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) According to the information and explanations given to us, the Company has formulated a programme of verification by which all the assets of the Company are being verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on verification conducted during the year as compared with the book records.
- (c) Fixed assets disposed off during the year were not substantial to affect Going Concern Assumption.
- (ii) (a) Inventories have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. 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 neither granted nor taken any loans, secured or unsecured, to/from companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any major weakness in the internal control system.
- (v) In respect to contracts or arrangements entered in the register maintained in pursuance to Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us :
- a) The particulars of contracts or arrangements referred to Section 301 that need to be entered in the Register maintained under the said section have been so entered.
- b) Where each of such transaction is in excess of ₹ five lacs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under with regard to the deposits accepted from the public. 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.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for the products manufactured by the Cement Division of 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.
- (ix) (a) According to the information and explanations provided to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty,

PRISM CEMENT LIMITED

Excise duty, Cess and other applicable statutory dues with the appropriate authorities. No undisputed statutory dues payable were in arrears as at March 31, 2012, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the details of statutory dues 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)
Excise Duty	1997 - 2002	Custom, Excise & Service Tax Appellate Tribunal	0.33
	2006 - 2010	Commissioner of Appeal	0.02
	1997 - 1998	Custom, Excise & Service Tax Appellate Tribunal	0.08
	2006 - 2011	Joint Commissioner	0.23
	2010 - 2011	Commissioner	0.57
	2010 - 2011	Asst. Commissioner	##
	2005 - 2011	Commissioner	7.64
	2005 - 2011	Custom, Excise & Service Tax Appellate Tribunal	0.02
	2010 - 2012	Deputy Commissioner	0.02
	2007 - 2012	Joint Commissioner	0.02
	2007 - 2012	Commissioner	0.32
	2010 - 2012	Asst. Commissioner	0.01
	2006 - 2011	Custom, Excise & Service Tax Appellate Tribunal	0.04
	Sales Tax (Central & State)	1999 - 2002 & 2004 - 2005	Sales Tax Appellate Tribunal
2005 - 2006 & 2006 - 2007		Appellate Deputy Commissioner of Commercial Tax	0.09
2005 - 2006		Deputy Commissioner of Sales Tax	0.20
2007 - 2008		Deputy Commissioner of Commercial Tax	0.70
2000 - 2006		The High Court of Chhattisgarh	7.56
2009 - 2011		The High Court of Madhya Pradesh	0.68
2002 - 2008		Deputy Commissioner - Appeal	0.91
2002 - 2005		Appellate Commissioner	0.07
Madhya Pradesh Entry Tax	2001 - 2002 & 2007 - 2012	The High Court of Madhya Pradesh	21.97
	2006 - 2007	The Supreme Court	0.18
Uttar Pradesh Entry Tax	2003 - 2010	The High Court of Uttar Pradesh	3.86
Cess on Land	1990 - 1991 to 2003 - 2004	Tehsildar Court	0.41
Energy Development Cess	2000 - 2006	The Supreme Court	11.90
Royalty on Limestone mining	1996 - 2011	The High Court	22.87
Income Tax	2006 - 2007, 2007 - 2008 & 2008 - 2009	Commissioner of Income Tax - Appeal	3.71

Nature of dues	Period to which the amount relates	Forum where dispute is pending	Amount involved (₹ in Crores)
Service Tax	June 2005 - December 2006	Service Tax Appellate Tribunal	0.23
	January 2005 - July 2007	Service Tax Appellate Tribunal	0.22
Entry Tax	2007 - 2008	Deputy Commissioner of Commercial Tax	0.35
Royalty on Mining Minerals	2007 - 2010	Appellate Authority, Mines & Geology Department	0.05
Madhya Pradesh Commercial Tax	2004 - 2008	Appellate Tribunal	0.20
	2008 - 2009	Additional Commissioner	0.19
Uttar Pradesh Commercial Tax	1998 - 1999	The High Court	0.07
Gujarat Commercial Tax	2006 - 2007	Deputy Commissioner - Appeal	0.07

denotes amount less than ₹ 50,000/-.

- (x) The Company does not have accumulated losses as at March 31, 2012 and has not incurred any cash losses during the current financial year or in the immediately preceding year.
- (xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or banks.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. The provisions of clause 4 (xiii) of the Order, therefore, are not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. The Company, however, has made short-term investments in units of Mutual Funds during the year. The Company has maintained proper records of the transactions in respect of its investments in Mutual Fund units. The said investments are held in the name of the Company.
- (xv) According to the information and explanations given to us, the Company has given a guarantee for loans taken by one of its wholly owned subsidiaries from bank. In our opinion, the terms and conditions of the guarantee are prima facie, not prejudicial to the interest of the Company, as it is given for the wholly owned subsidiary.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has raised term loans during the year which have been applied for the purposes for which they were raised.
- (xvii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long term investment.
- (xviii) According to the information and explanations given to us, during the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us and the records examined by us, securities have been created in respect of the debentures issued and outstanding at the year end.
- (xx) During the year, the Company has not raised any money by way of a public issue.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported, during the year.

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner

Membership No.: 37924
Firm Registration No.: 108296W

Place : Mumbai
Date : May 10, 2012

BALANCE SHEET AS AT MARCH 31, 2012

Particulars	Note No.	As at 31-03-2012		As at 31-03-2011	
		₹ Crores	₹ Crores	₹ Crores	₹ Crores
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
a. Share Capital	2	503.36		503.36	
b. Reserves and Surplus	3	645.21	1,148.57	704.47	1,207.83
2. Share Application money pending allotment			—		—
3. Non-Current Liabilities					
a. Long-term borrowings	4	895.95		734.38	
b. Deferred Tax Liability (Net)	5	115.66		132.11	
c. Other Long-term liabilities	6	82.48		68.08	
d. Long-term provisions	7	31.35	1,125.44	48.23	982.80
4. Current Liabilities					
a. Short-term borrowings	8	143.00		97.11	
b. Trade Payables	9	615.92		440.06	
c. Other Current Liabilities	10	556.62		534.64	
d. Short-term provisions	11	37.67	1,353.21	7.74	1,079.55
TOTAL			3,627.22		3,270.18
II. ASSETS					
1. Non-current Assets					
a. Fixed Assets					
i. Tangible Assets	12	1,891.01		1,870.04	
ii. Intangible Assets	12	22.14		16.75	
b. Capital Work-in-progress	35	66.42		28.62	
c. Non-current investments	13	390.00		354.30	
d. Long-term loans and advances	14	132.67		106.88	
e. Other non-current assets	15	0.38	2,502.62	0.11	2,376.70
2. Current Assets					
a. Inventories	16	427.28		371.29	
b. Trade receivables	17	346.33		264.41	
c. Cash, cash equivalent and bank balances	18	56.51		59.89	
d. Short-term loans and advances	19	221.42		182.89	
e. Other current assets	20	73.06	1,124.60	15.00	893.48
TOTAL			3,627.22		3,270.18
SIGNIFICANT ACCOUNTING POLICIES	1				
<i>The Note numbers 32 to 50 form integrated part of the Financial Statements</i>					

As per our report of even date attached

For N. M. RAIJI & CO.
Chartered Accountants

J. M. Gandhi
Partner

Aneeta S. Kulkarni
Company Secretary

Rajesh G. Kapadia *Chairman*
Manoj Chhabra }
Vijay Aggarwal } *Managing Directors*
Ganesh Kaskar *Executive Director*

Mumbai, May 10, 2012

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note No.	<u>2011-2012</u>		<u>2010-2011</u>	
		₹ Crores	₹ Crores	₹ Crores	₹ Crores
REVENUE FROM OPERATIONS :					
Sales of products and services		4,821.74		3,562.25	
Other operating Income	21	23.87		26.75	
		<u>4,845.61</u>		<u>3,589.00</u>	
Less : Excise Duty		340.90		201.70	
Total Revenue from Operations			4,504.71		3,387.30
Other Income	22		4.99		4.42
Total Revenue			4,509.70		3,391.72
EXPENSES :					
Cost of Materials consumed	23	1,174.69		870.81	
Purchase of Stock-in-trade	24	908.70		734.75	
Changes in inventories of finished goods, traded goods and work-in-progress	25	(33.49)		(33.78)	
Employees benefit expenses	26	222.99		172.80	
Finance cost	27	163.54		99.70	
Depreciation and Amortisation expenses	12	147.28		113.30	
Other expenses	28	1,969.18		1,304.44	
Total Expenses			4,552.89		3,262.02
Profit/(Loss) Before Exceptional items and Tax			(43.19)		129.70
Exceptional Items	29		(2.80)		0.96
Profit/(Loss) before Tax			(45.99)		130.66
Tax Expenses :					
Current Tax	30	(0.47)		(0.12)	
Minimum Alternate Tax		-		(25.10)	
MAT Credit Entitlement		-		24.87	
Deferred Tax	5	16.45	15.98	(34.52)	(34.87)
Profit/(Loss) for the year			(30.01)		95.79
Earnings per Equity Share - Basic and Diluted (₹)	31		(0.61)		1.95
SIGNIFICANT ACCOUNTING POLICIES					
1					

The Note numbers 32 to 50 form integrated part of the Financial Statements

As per our report of even date attached

For N. M. RAIJI & CO.
Chartered Accountants

J. M. Gandhi
Partner

Aneeta S. Kulkarni
Company Secretary

Rajesh G. Kapadia	Chairman
Manoj Chhabra	} Managing Directors
Vijay Aggarwal	
Ganesh Kaskar	Executive Director

Mumbai, May 10, 2012

NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

The financial statements have been prepared to comply in all material aspects with the Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

1.2 Method of Accounting and Revenue Recognition

Accounts are maintained on an accrual basis and at historical cost.

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

Dividend income is recognised for when the right to receive is established. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable on Yield To Maturity (YTM) basis.

1.3 Use of Estimates

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Differences between the actual result and estimates are recognised in periods in which the results are known/materialised.

1.4 Fixed Assets

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

The fixed assets are tested for impairment if there is any indication of impairment, based on internal/external factors. Impairment loss, if any, is provided by a charge to Profit and Loss Statement.

Machinery spares, which are specific to a particular machinery and whose use is expected to be irregular, are capitalised and depreciated over the useful life of the related asset.

Assets acquired under lease are treated as operating/finance lease as per the provisions of Accounting Standard - 19 "Leases" issued by the Institute of Chartered Accountants of India.

1.5 Depreciation and Amortisation

- i. Depreciation on additions to/ deductions from fixed assets is being provided on pro-rata basis from/to the date of acquisition/disposal.
- ii. Depreciation on foreign exchange differences on borrowings utilised for acquisition of assets is provided prospectively over the remaining life of the assets.
- iii. The cost incurred to purchase mining land is bifurcated into cost of land and cost of estimated mining reserves for the purpose of depreciation. Amortisation of mining reserves is calculated by using Unit of Production Method and the same is charged to Profit and Loss Statement.
- iv. Depreciation is provided on straight line method at the rates specified in the Schedule XIV to the Companies Act, 1956 except in the following cases where the rates are higher than Schedule XIV of the Companies Act, 1956.

Cement Division :

- a. For certain vehicles used by employees : 15.25%.
- b. Expenses on mines development are capitalised and are amortised over a period of five years from the month of commencement of extraction of limestone from that area.
- c. Leasehold land and mining surface rights are amortised from the month of commencement of commercial production, over the remaining lease period.

d. Assets acquired under the finance lease is amortised over the primary lease period and secondary lease period if renewable at nominal cost, if any.

RMC Division [RMC Readymix (India)] :

Assets	Rate of Depreciation
➤ Plant & Machinery <ul style="list-style-type: none"> • Concrete Pumps • Lab Equipments • Electrical Installations • Others 	16.67% 10.00% 10.00% 7.50%
➤ Vehicle used by employees	15.25%
➤ Truck Mixers, Loaders, Excavators and Truck Dumpers	12.50%
➤ Pre Used Assets	Assets have been depreciated based on management's estimate of the balance useful life.

- a. Cost of acquisition of leasehold land is amortised over the remaining lease period.
- b. The civil and other costs attributable to the plants/office on leased premises are capitalised and are being written off over the unexpired period of the lease.

HRJ Division [H & R Johnson (India)] :

Assets	Rate of Amortisation
➤ Intellectual property right	10.00%

- a. Cost of acquisition of leasehold land is amortised over the period of lease.
- b. For certain vehicles used by employees : 15.25%.
- c. Expenses on mines development are capitalised and amortised over a period of extraction on the basis of Unit of Production Method.

1.6 Research and Development

Revenue expenditure on research phase is recognised as an expense when it is incurred. Expenditure on development phase is capitalised as per Accounting Standard - 26.

1.7 Investments

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

1.8 Inventories

Inventories are valued at lower of cost and net realisable value. They are valued after considering for obsolescence and other losses. The cost is worked out on weighted average basis.

1.9 Foreign Currency Transactions

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

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

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

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

1.10 Borrowing Cost

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

1.11 Government Grants

VAT subsidy is accounted on accrual basis, based on the entitlement. The said subsidy is considered as a part of sales under Revenue from Operations in the Profit and Loss Statement.

1.12 Employee Benefits

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

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

The contribution made by the Company for Provident Fund, Superannuation and Medical Premium is charged to the Profit and Loss Statement. Incremental liability for leave entitlement and gratuity is charged to the Profit and Loss Statement.

1.13 Taxes on Income

The Company provides current tax based on the provisions of the Income Tax Act applicable to it. Timing differences between book profit and taxable profit is accounted as deferred tax. Deferred Tax Asset, if any, is recognised considering prudence.

1.14 Provision and Contingent Liabilities

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

A Contingent Liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

1.15 Segment Reporting

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

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

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

However, segment information has been presented in the Consolidated Financial Statements as permitted by Accounting Standard - 17 on Segment Reporting as notified under the Companies (Accounting Standards) Rules, 2006.

2. SHARE CAPITAL

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores		₹ Crores	
Authorised :				
50,50,00,000 Equity shares of ₹ 10/- each (Previous year : 50,50,00,000 Equity shares of ₹ 10/- each)		505.00		505.00
2,00,00,000 Preference shares of ₹ 10/- each (Previous year : 2,00,00,000 shares of ₹ 10/- each)		20.00		20.00
		525.00		525.00
Issued, Subscribed and Paid up :				
50,33,56,580 Equity shares of ₹ 10/- each fully paid-up (Previous year : 50,33,56,580 Equity shares of ₹ 10/- each)		503.36		503.36
- Out of the above Equity shares, 20,51,06,580 shares were issued pursuant to a scheme of amalgamation of erstwhile H. & R. Johnson (India) Limited and RMC Readymix (India) Private Limited with the Company without payments being received in cash.				
- As per scheme of amalgamation 1,23,51,600 shares of the Company are held in a Trust for the benefit of the Company.				
Total		503.36		503.36

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

Name of the Shareholder	As at 31-03-2012		As at 31-03-2011	
	Total Shares Held	As a % of Total Shares	Total Shares Held	As a % of Total Shares
Manali Investment & Finance Private Limited	6,78,17,992	13.47%	6,78,17,992	13.47%
Hathway Investments Limited	6,41,13,400	12.74%	6,41,13,400	12.74%
Coronet Investments Private Limited	5,79,49,394	11.51%	5,79,49,394	11.51%
Rajan B. Raheja	5,14,02,627	10.21%	5,14,02,627	10.21%
Bloomingdale Investment & Finance Private Ltd.	3,12,89,300	6.22%	3,12,89,300	6.22%

3. RESERVES AND SURPLUS

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Capital Redemption Reserve		10.75		10.75
Debenture Redemption Reserve				
Opening Balance	6.25		-	
Add : Transfer from Surplus in Profit and Loss Statement	27.00		6.25	
Closing Balance		33.25		6.25
General Reserve		155.67		155.67
Surplus in Profit and Loss Statement				
Opening Balance	531.80		499.72	
Add : Net Profit/(Loss) for the current year	(30.01)		95.79	
Less : Interim Dividend	-		50.34	
Less : Proposed Dividend	25.17		-	
Less : Distribution Tax on Dividend	4.08		8.36	
Add : Dividend on own shares held through trust	-		1.24	
Less : Transfer to Debenture Redemption Reserve	27.00		6.25	
Closing Balance		445.54		531.80
Total		645.21		704.47

PRISM CEMENT LIMITED

4. LONG-TERM BORROWINGS

Particulars

Secured Debentures/Bonds :

- 9.30% Non-convertible Debentures
(100 Nos. debentures of ₹ 1.00 Crore each allotted on August 18, 2010 and repayable at 30%, 35% and 35% at the end on the third, fourth and fifth year respectively.)
- 11.80% Non-convertible Debentures
(300 Nos. debentures of ₹ 0.10 Crore each allotted on July 15, 2011 and repayable on July 15, 2015)
- 11.60% Non-convertible Debentures
(500 Nos. debentures of ₹ 0.10 Crore each allotted on July 15, 2011 and repayable on July 15, 2014)
- 11.20% Non-convertible Debentures
(750 Nos. debentures of ₹ 0.10 Crore each allotted on June 23, 2011 and repayable on June 23, 2014)
- 11.20% Non-convertible Debentures
(200 Nos. debentures of ₹ 0.10 Crore each allotted on July 15, 2011 and repayable on July 15, 2013)
- 10.25% Non-convertible Debentures
(500 Nos. debentures of ₹ 0.10 Crore each allotted on June 23, 2011 and repayable on June 23, 2013)

Secured Loans :

- Term Loans from banks
- Vehicle Loans
- Loan from NBFC
- Sales Tax Deferral

Unsecured Loans :

- Term Loans from banks
- Inter Corporate Deposits
- 10.42% Non-convertible Debentures
(150 Nos. debentures of ₹ 0.10 Crore each allotted on September 17, 2010 and repayable at the end of fifth year)
- 10.00% Non-convertible Debentures
(150 Nos. debentures of ₹ 0.10 Crore each allotted on September 17, 2010 and repayable at the end of fourth year)
- 9.60% Non-convertible Debentures
(200 Nos. debentures of ₹ 0.10 Crore each allotted on September 17, 2010 and repayable at the end of third year)
- Fixed Deposits

Less : Disclosed under Other Current Liabilities :

- Current maturities of long-term borrowings
- Unclaimed fixed deposits

Total

	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Secured Debentures/Bonds :				
- 9.30% Non-convertible Debentures (100 Nos. debentures of ₹ 1.00 Crore each allotted on August 18, 2010 and repayable at 30%, 35% and 35% at the end on the third, fourth and fifth year respectively.)	100.00		100.00	
- 11.80% Non-convertible Debentures (300 Nos. debentures of ₹ 0.10 Crore each allotted on July 15, 2011 and repayable on July 15, 2015)	30.00		—	
- 11.60% Non-convertible Debentures (500 Nos. debentures of ₹ 0.10 Crore each allotted on July 15, 2011 and repayable on July 15, 2014)	50.00		—	
- 11.20% Non-convertible Debentures (750 Nos. debentures of ₹ 0.10 Crore each allotted on June 23, 2011 and repayable on June 23, 2014)	75.00		—	
- 11.20% Non-convertible Debentures (200 Nos. debentures of ₹ 0.10 Crore each allotted on July 15, 2011 and repayable on July 15, 2013)	20.00		—	
- 10.25% Non-convertible Debentures (500 Nos. debentures of ₹ 0.10 Crore each allotted on June 23, 2011 and repayable on June 23, 2013)	50.00		—	
		325.00		100.00
Secured Loans :				
- Term Loans from banks	633.77		737.71	
- Vehicle Loans	3.50		3.18	
- Loan from NBFC	35.00		—	
- Sales Tax Deferral	2.78	675.05	3.67	744.56
Unsecured Loans :				
- Term Loans from banks	75.00		150.00	
- Inter Corporate Deposits	0.79		0.79	
- 10.42% Non-convertible Debentures (150 Nos. debentures of ₹ 0.10 Crore each allotted on September 17, 2010 and repayable at the end of fifth year)	15.00		15.00	
- 10.00% Non-convertible Debentures (150 Nos. debentures of ₹ 0.10 Crore each allotted on September 17, 2010 and repayable at the end of fourth year)	15.00		15.00	
- 9.60% Non-convertible Debentures (200 Nos. debentures of ₹ 0.10 Crore each allotted on September 17, 2010 and repayable at the end of third year)	20.00		20.00	
- Fixed Deposits	28.67	154.46	27.38	228.17
		1,154.51		1,072.73
Less : Disclosed under Other Current Liabilities :				
- Current maturities of long-term borrowings	256.94		337.43	
- Unclaimed fixed deposits	1.62	258.56	0.92	338.35
Total		895.95		734.38

Details of Loans :

A. Secured Debentures

Security	As at 31-03-2012 ₹ Crores	Repayment Terms
Secured by first pari-passu charge by way of hypothecation of all the movables fixed assets of HRJ Division located at Pen, Kunigal and Dewas, both present and future.	100.00	Principal repayable ₹ 35 Crores on August 18, 2015, ₹ 35 Crores on August 18, 2014 and ₹ 30 Crores on August 18, 2013.
Secured by first pari-passu charge on entire movable fixed assets of RMC Division excluding assets charged exclusively to other lenders.	30.00	Principal repayable on July 15, 2015.
Secured by first pari-passu charge by way of hypothecation of all the movables fixed assets of HRJ Division located at Pen, Kunigal and Dewas, both present and future.	50.00	Principal repayable on July 15, 2014.
Secured by charge on movable properties of the Cement Division, both present and future, subject to prior charges on specific assets in favour of Cement Division's bankers towards Working Capital facilities.	75.00	Principal repayable on June 23, 2014.
Secured by first pari-passu charge on entire movable fixed assets of RMC Division excluding assets charged exclusively to other lenders.	20.00	Principal repayable on July 15, 2013.
Secured by charge on movable properties of the Cement Division, both present and future, subject to prior charges on specific assets in favour of Cement Division's bankers towards Working Capital facilities.	50.00	Principal repayable on June 23, 2013.
Total Secured Debentures	325.00	

B. Secured Loans :

Term Loan from Banks and Others

Security	As at 31-03-2012 ₹ Crores	Repayment Terms
Secured by charge on movable and immovable properties of the Cement Division, both present and future, subject to prior charges on specific assets in favour of Cement Division's bankers towards Working Capital facilities.	500.00	Quarterly in equal installments payable over a period of four years.
Secured by first pari-passu charge on immovable properties of HRJ Division situated at Kunigal and Pen, both present and future, and first pari passu charge by way of hypothecation of all the movables fixed assets of HRJ Division located at Pen, Dewas and Kunigal, both present and future.	25.00	Quarterly in equal installments payable over a period of five years.
Secured by Second pari-passu charge on immovable properties of HRJ Division situated at Kunigal and Pen, both present and future, and second pari passu charge by way of hypothecation of all the movables fixed assets located at Pen, Dewas and Kunigal, both present and future.	40.00	Yearly Instalment payable over a period of three years.
Secured by first charge on vehicles of HRJ Division together with all accessories and addition to or in the vehicles, whether present or future.	3.50	EMI over a period of five years.

PRISM CEMENT LIMITED

B. Secured Loans (Contd.)

Term Loan from Banks and Others

Security	As at 31-03-2012 ₹ Crores	Repayment Terms
First and exclusive charge secured by hypothecation of vehicles financed to RMC Division.	0.32	EMI over a period of five years.
Secured by exclusive first charge on movable and immovable fixed assets of HRJ Division located at Karaikal Plant and Pledge of equity and preference shares of JV company – Small Tiles Pvt Ltd.	35.00	Quarterly in equal installments payable over a period of four years.
Secured by first pari-passu charge on entire movable fixed assets of RMC Division excluding assets charged exclusively to other lenders.	18.33	Quarterly in equal installments payable over a period of two years.
Secured by first pari-passu charge on entire movable fixed assets of RMC Division excluding assets charged exclusively to other lenders.	3.12	EMI over the next year.
Secured by a second charge on the fixed assets of the concrete plant of RMC Division at Thirumudivakkam, Chennai.	2.78	EMI over a period of five years.
Secured by charge on movable and immovable properties of the Cement Division, both present and future, subject to prior charges on specific assets in favour of Cement Division's bankers towards Working Capital facilities.	47.00	Half-yearly in equal installments payable next year.
Total Term Loan from Banks and Others	675.05	

C. Unsecured Loans :

Security	As at 31-03-2012 ₹ Crores	Repayment Terms
Non-convertible Debentures	15.00	Principal repayable on September 16, 2015
Non-convertible Debentures	15.00	Principal repayable on September 16, 2014
Non-convertible Debentures	20.00	Principal repayable on September 16, 2013
Term Loan from Banks	75.00	Quarterly in equal installments payable over a period of two years
Fixed Deposits	28.67	Payable over a period of one to three years
Other - Inter Corporate Loan	0.79	For five year term
Total Unsecured Loans	154.46	

5. The Company has recognised deferred tax in accordance with the requirement of Accounting Standard - 22 on "Accounting for Taxes on Income" as notified under the Companies (Accounting Standards) Rules, 2006. The breakup of Net Deferred Tax Liability (DTL) is as follows :

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Deferred Tax Assets				
Income Tax Unabsorbed Depreciation	69.76		38.89	
Expenses provided but allowed in Income Tax on payment	12.53		20.68	
Exchange difference allowable on payments	3.92		1.11	
Other timing differences	3.85		4.14	
Total (A)		90.06		64.82
Deferred Tax Liability				
Depreciation	202.86		194.17	
Capital expenditure of R & D	2.86		2.76	
Total (B)		205.72		196.93
Net Deferred Tax Liability (B - A)		115.66		132.11

6. OTHER LONG TERM LIABILITIES

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Deposit from customers/others	81.27		67.00	
Other Liabilities	1.21		1.08	
Total		82.48		68.08

7. LONG TERM PROVISIONS

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
For Employees' benefit	10.37		10.46	
Others	20.98		37.77	
Total		31.35		48.23

8. SHORT TERM BORROWINGS

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Secured Loans :				
Loans repayable on demand from banks				
Cash Credit	77.11		54.56	
Others	35.89	113.00	26.35	80.91
Unsecured Loans :				
From Banks		30.00		16.20
Total		143.00		97.11

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Details of Loan : Secured

Security	As at 31-03-2012 ₹ Crores	Repayment Terms
Secured by first charge on the entire current assets both present and future of the Cement Division	11.89	On Demand
a. First pari-passu charge by way of hypothecation of stocks and book debts and second charge on the assets by way of mortgage and hypothecation in respect of those assets which are first charged to lenders under (b) below. b. First pari-passu charge on immovable properties situated at Kunigal and Pen, both present and future, and first pari-passu charge by way of hypothecation of all the movable fixed assets located at Pen, Dewas and Kunigal, both present and future.	65.22	On Demand
a. First pari-passu charge by way of hypothecation of stocks and book debts and second charge on the assets by way of mortgage and hypothecation in respect of those assets which are first charged to lenders under (b) below. b. First pari-passu charge on immovable properties situated at Kunigal and Pen, both present and future, and first pari-passu charge by way of hypothecation of all the movable fixed assets located at Pen, Dewas and Kunigal, both present and future.	35.89	As per due dates of respective buyer's credit
Total Secured short-term borrowings	113.00	

9. TRADE PAYABLES

Particulars

Dues to Micro, Small and Medium Enterprises (Due for less than 45 days)	
Dues to Others	
Total	

As at 31-03-2012 ₹ Crores	As at 31-03-2011 ₹ Crores
9.53	0.53
606.39	439.53
<u>615.92</u>	<u>440.06</u>

10. OTHER CURRENT LIABILITIES

Particulars

Current maturities of long-term borrowings	
Creditors for capital items	
Advance from Customers	
Interest accrued but not due	
Acceptances	
Unclaimed matured deposits and interest accrued thereon (includes interest ₹ 0.21 Crores (P.Y. : ₹ 0.06 Crores))	
Other Employees Benefit	
Statutory Liabilities	
Liability for expenses	
Total	

As at 31-03-2012 ₹ Crores	As at 31-03-2011 ₹ Crores
256.94	337.43
6.63	4.22
46.17	41.61
1.87	2.06
59.22	12.24
1.83	0.98
7.31	6.80
45.36	34.69
131.29	94.61
<u>556.62</u>	<u>534.64</u>

11. SHORT TERM PROVISIONS

Particulars

For Employees' benefit	
Proposed Dividend	
Distribution tax on dividend	
Total	

As at 31-03-2012 ₹ Crores	As at 31-03-2011 ₹ Crores
8.42	7.74
25.17	—
4.08	—
<u>37.67</u>	<u>7.74</u>

12. FIXED ASSETS

(₹ Crores)

DESCRIPTORS	GROSS BLOCK		DEPRECIATION AND AMORTISATION			NET BLOCK				
	As at 01-04-2011	Additions	Deductions	As at 31-03-2012	Upto 01-04-2011	For the year	Deductions	Upto 31-03-2012	As at 31-03-2012	As at 31-03-2011
Tangible Assets :										
Land - Freehold	200.71	28.19	—	228.90	—	1.41	—	1.41	227.49	200.71
- Leasehold	6.25	0.22	—	6.47	2.25	0.12	—	2.37	4.10	4.00
Buildings	246.87	15.81	3.92	258.76	67.50	10.09	3.92	73.67	185.09	179.37
Railway siding	13.30	—	—	13.30	9.54	0.70	—	10.24	3.06	3.76
Plant and machinery	2,134.26	129.02	57.60	2,205.68	721.34	116.68	5.78	832.24	1,373.44	1,412.92
Mines Development	9.79	24.90	—	34.69	6.71	3.08	—	9.79	24.90	3.08
Furniture, fixtures and computers	47.19	5.42	0.63	51.98	22.73	3.56	0.37	25.92	26.06	24.46
Vehicles	14.62	4.40	1.95	17.07	5.88	1.83	1.14	6.57	10.50	8.74
Office Equipments	27.05	3.66	0.64	30.07	16.43	1.77	0.53	17.67	12.40	10.62
Truck Mixers, Loaders and Truck Dumpers	57.98	7.12	1.54	63.56	35.60	5.53	1.54	39.59	23.97	22.38
Total Tangible Assets	2,758.02	218.74	66.28	2,910.48	887.98	144.77	13.28	1,019.47	1,891.01	1,870.04
Intangible Assets :										
Software	10.61	1.29	—	11.90	6.73	1.22	—	7.95	3.95	3.88
Intellectual property rights	5.87	—	—	5.87	1.77	0.59	—	2.36	3.51	4.10
Mining Lease - surface rights	4.70	6.74	—	11.44	1.79	0.22	—	2.01	9.43	2.91
Minerals Procurement rights	6.55	—	—	6.55	0.69	0.61	—	1.30	5.25	5.86
Total Intangible Assets	27.73	8.03	—	35.76	10.98	2.64	—	13.62	22.14	16.75
Total Fixed Assets	2,785.75	226.77	66.28	2,946.24	898.96	147.41	13.28	1,033.09	1,913.15	1,886.79
Previous Year	1,783.13	1,013.73	11.11	2,785.75	791.99	113.45	6.48	898.96	1,886.79	

Notes :

- Depreciation for the year includes ₹ 0.13 Crores (Previous year : ₹ 0.15 Crores) considered for capitalisation.
- Additions during the year includes ₹ 0.31 Crores (Previous year : ₹ 1.34 Crores) on account of Research assets.
- Gross block of fixed assets includes dedicated electricity lines costing ₹ 24.05 Crores (Previous year : ₹ 7.01 Crores) the ownership of which is with Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited.

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13. NON-CURRENT INVESTMENTS

Particulars	₹ Face Value	As at 31-03-2012			As at 31-03-2011		
		Holding	₹ Crores	₹ Crores	Holding	₹ Crores	₹ Crores
(A) Long term-Trade Investments :							
a. Investment in Equity Instruments :							
i. Investments in Subsidiaries :							
- Raheja QBE General Insurance Co. Limited (Unquoted)	10	15,31,80,000	153.18		15,31,80,000	153.18	
- RMC Readymix Porselano (India) Limited (Unquoted)	10	50,000	0.05		50,000	0.05	
- Lifestyle Investments PVT Limited (Unquoted)	₹ 1	10,000	0.09		10,000	0.09	
- H. & R. Johnson (India) TBK Limited (Unquoted)	100	1,61,020	1.62		1,61,020	1.62	
- Silica Ceramica Private Limited (Unquoted) *	10	24,37,500	72.78		19,45,000	53.08	
- Milano Bathroom Fittings Private Limited (Unquoted)	100	62,466	6.13	233.85	62,466	6.13	214.15
ii. Investments in Joint Ventures :							
- Ardex Endura (India) Private Limited (Unquoted)	10	65,00,000	6.50		65,00,000	6.50	
- Sentini Cermica Private Limited (Unquoted) *	10	23,00,000	11.50		26,00,000	13.00	
- Antique Marbonite Private Limited (Unquoted) *	10	40,00,000	20.03		40,00,000	20.03	
- Small Tiles Private Limited (Unquoted) @	10	20,00,000	10.00		—	—	
- Spectrum Johnson Tiles Private Limited (Unquoted)	10	21,65,388	8.03	56.06	21,65,388	8.03	47.56
iii. Investments in Associate :							
- Prism Power and Infrastructure Private Limited (Unquoted)	10	4,900	#		4,900	#	
b. Investment in Preference Shares :							
i. Investments in Subsidiaries :							
- Milano Bathroom Fittings Private Limited (Unquoted) (1% Redeemable and Non convertible Preference Shares)	100	3,87,500	3.88		37,500	0.38	
- Lifestyle Investments PVT Limited (Class A) (Unquoted)	₹ 1	80,84,116	63.72		80,84,116	63.72	
- Lifestyle Investments PVT Limited (Class B) (Unquoted)	₹ 1	6,14,195	4.44	72.04	6,14,195	4.44	68.54
ii. Investments in Joint Ventures :							
- Small Tiles Private Limited (Unquoted) @ (0.01% Optionally non cumulative Redeemable Preference Shares)	10	40,00,000		4.00	—		—

13. NON-CURRENT INVESTMENTS (Contd.)

Particulars	₹ Face Value	As at 31-03-2012			As at 31-03-2011		
		Holding	₹ Crores	₹ Crores	Holding	₹ Crores	₹ Crores
(B) Long term-Other Investments :							
a. Investment in Equity Instruments :							
- Spartek Ceramics Ltd. (Unquoted)	10	Nil	—		100	#	
- Sun Earth Ceramics Ltd. (Unquoted)	10	Nil	—		200	#	
- New India Co-op. Bank Ltd. (Unquoted)	10	2,500	#		2,500	#	
- North Kanara GSB Co-op. Bank Ltd. (Unquoted)	10	1,000	#		1,000	#	
- Investments in own shares through Prism Trust (Quoted)	10	1,23,51,600	24.05		1,23,51,600	24.05	
- Bell Ceramics Ltd. (Quoted)	10	Nil	—		33	#	
- Kajaria Ceramics Ltd. (Quoted)	2	Nil	—		500	#	
- Regency Ceramics Ltd. (Quoted)	10	Nil	—		100	#	
- Somany Ceramics Ltd. (Quoted)	2	Nil	—	24.05	500	#	24.05
Total				390.00			354.30
Aggregate amount of quoted investments - Book value				24.05			24.05
Aggregate market value of quoted investments				62.75			65.16
Aggregate amount of unquoted investments				365.95			330.25

Amount less than ₹ 50,000/-

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

@ To be pledged as a security for loan taken.

14. LONG TERM LOANS AND ADVANCES

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Considered Good unless otherwise stated :				
Security Deposits				
Unsecured	25.87		24.43	
Considered doubtful	0.20		0.16	
Less : Provision for Doubtful deposits	0.20	25.87	0.16	24.43
Capital Advances				
Unsecured		53.86		28.81
Deposits with Excise and Sales Tax				
Unsecured		4.84		4.25
Other Loans and Advances				
Secured	0.69		—	
Unsecured	35.29		36.93	
Prepaid expenses	12.12	48.10	12.46	49.39
Total		132.67		106.88

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15. OTHER NON-CURRENT ASSETS

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Trade Receivables more than six months due				
Unsecured, considered doubtful	21.77		15.08	
Less : Provisions for doubtful debts	21.77	—	15.08	—
Escrow Balances with Banks		0.03		—
Bank Deposits with more than 12 months maturity				
Margin Money	0.32		0.08	
Term Deposits	0.03	0.35	0.03	0.11
Total		0.38		0.11

16. INVENTORIES

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Stores and Spares	78.14		90.96	
Stock in transit	0.60	78.74	0.16	91.12
Raw Materials		165.03		130.15
Work-in-Progress		31.06		44.88
Stock of traded goods	42.72		24.98	
Stock in transit	4.13	46.85	2.84	27.82
Finished goods	97.63		71.18	
Stock in transit	7.97	105.60	6.14	77.32
Total		427.28		371.29

17. TRADE RECEIVABLES

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Secured and Considered Good :				
Over six months due	0.57		0.43	
Others due	11.89	12.46	6.70	7.13
Unsecured and Considered Good :				
Over six months due	10.37		10.30	
Others due	323.50	333.87	246.98	257.28
Total		346.33		264.41

18. CASH, CASH EQUIVALENT AND BANK BALANCES

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
18.1 Cash and cash equivalents				
Cash in hand	0.91		0.98	
Cheques, drafts on hand	1.73		5.64	
Balances with banks in current accounts	50.87		51.50	
Term Deposits with banks (maturity of less than 3 months)	2.00		1.77	
Total (A)		55.51		59.89
18.2 Other Bank Balances				
Margin money with banks	1.00		—	
(More than 3 months but less than 12 months maturity)				
Total (B)		1.00		—
Total (A+B)		56.51		59.89

19. SHORT-TERM LOANS AND ADVANCES - CONSIDERED GOOD

Particulars	As at 31-03-2012 ₹ Crores	As at 31-03-2011 ₹ Crores
Deposits	1.22	0.30
Advance recoverable in cash or in kind	1.51	1.14
Advance against Share Application Money to Subsidiary	—	1.50
Income tax (<i>net of provisions</i>)	43.17	35.82
Loan given to Subsidiary Company	36.08	25.93
VAT/Service Tax recoverable account	61.97	15.28
Custom Duty receivable	0.37	—
Balances with Excise and Customs	12.53	61.05
Others	64.57	41.87
Total	221.42	182.89

20. OTHER CURRENT ASSETS

Particulars	As at 31-03-2012 ₹ Crores	As at 31-03-2011 ₹ Crores
Insurance claim receivable	56.89	5.76
Prepaid expenses	15.12	8.22
Others	1.05	1.02
Total	73.06	15.00

21. OTHER OPERATING INCOME

Particulars	2011-2012 ₹ Crores	2010-2011 ₹ Crores
Sale of scrap	7.79	7.51
Sale of Carbon Credit	0.89	2.51
Dividend from Joint Ventures and Subsidiaries *	0.02	8.38
Others	15.17	8.35
Total	23.87	26.75

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

22. OTHER INCOME

Particulars	2011-2012 ₹ Crores	2010-2011 ₹ Crores
Interest income	2.88	0.90
Dividend income	1.28	3.01
Net gain on sales of investments	0.11	0.05
Other non-operating income	0.72	0.46
Total	4.99	4.42

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23. DETAILS OF MATERIALS CONSUMED

Particulars	2011-2012		2010-2011	
	₹ Crores		₹ Crores	
Limestone - Purchased	19.08		14.64	
Clay, Sand and Minerals	241.34		124.17	
Fly Ash	110.15		70.86	
Cement (<i>in RMC Division</i>)	348.04		276.37	
Aggregates and crushed rock	170.94		183.78	
Packing Material	88.51		55.47	
Others	196.63		145.52	
Total	<u>1,174.69</u>		<u>870.81</u>	

24. PURCHASE OF STOCK-IN-TRADE

Particulars	2011-2012		2010-2011	
	₹ Crores		₹ Crores	
Purchase of Tiles	813.85		678.25	
Aggregate	5.50		1.44	
Others	89.35		55.06	
Total	<u>908.70</u>		<u>734.75</u>	

25. CHANGE IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK-IN-PROGRESS

Particulars	2011-2012		2010-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Closing Stock				
Finished Goods	105.60		77.32	
Traded Goods	46.85		27.82	
Work-in-progress	31.06	183.51	44.88	150.02
Less : Opening Stock				
Finished Goods	77.32		76.84	
Traded Goods	27.82		19.05	
Work-in-progress	44.88	150.02	20.35	116.24
Total	<u>33.49</u>		<u>33.78</u>	

26. EMPLOYEES BENEFIT EXPENSES

Particulars	2011-2012		2010-2011	
	₹ Crores		₹ Crores	
Salaries, wages and bonus	190.84		147.37	
Contribution to Provident and other funds	17.11		13.29	
Welfare and other expenses	15.04		12.14	
Total	<u>222.99</u>		<u>172.80</u>	

27. FINANCE COST

Particulars	2011-2012		2010-2011	
	₹ Crores		₹ Crores	
Interest expenses	155.82		91.82	
Amortisation of processing fees	7.72		7.88	
Total	<u>163.54</u>		<u>99.70</u>	

28. OTHER EXPENSES

Particulars	2011-2012		2010-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Rent		23.88		18.67
Rates and taxes		20.84		14.77
Stores and spares consumed		92.39		79.74
Power and fuel consumed		719.03		428.20
Travelling and communication		37.05		33.66
Discounts, incentives and commission on sales		198.89		130.51
Advertisement, sales promotion and other marketing expenses		40.85		48.51
Research expenses		2.62		1.44
Insurance		4.95		3.21
Freight outward		519.58		332.39
Loss on sale of assets		1.16		0.10
Provision for bad and doubtful debts	6.70		5.38	
Add : Bad debts written off	1.59	8.29	1.00	6.38
Loss on exchange fluctuation		8.67		4.89
Adjustment of excise duty on stock		1.60		(1.52)
Royalty paid		34.75		28.13
Sub-contract charges		38.29		16.98
Quarry expenses		10.03		11.89
Readymix concrete pumping expenses		13.11		10.12
Other manufacturing expenses		2.35		2.61
Plant upkeep expenses		14.14		9.30
Repairs to Plant and machinery		47.93		36.58
Repairs to Buildings		3.22		3.04
Repairs others		4.19		3.47
Bank charges		6.86		4.57
Machinery Hire charges		51.85		27.82
Miscellaneous expenses		62.66		48.98
Total		<u>1,969.18</u>		<u>1,304.44</u>

29. Exceptional items comprises of the following :

- In March 2012 in the new plant of the Cement Division at Satna, Madhya Pradesh, there was a damage to the Blending Silo due to which the clinker production has been affected. Further, the loss on account of the incident is largely covered by insurance. The estimated loss due to certain non-recovery of the claim amount from the insurance amounting to ₹ 4.00 Crores has been provided in the financial statements and the same has been shown as exceptional item in the Profit and Loss Statement for the current year.
- Exceptional Items includes profit of ₹ 1.20 Crores on buy-back of shares by Joint venture viz. Sentini Cermica Private Limited. (Previous year : exceptional items comprise of gain of ₹ 4.36 Crores on sales of land and building, loss of ₹ 1.35 Crores on redemption of mutual fund investments and loss of ₹ 2.05 Crores of redemption of investments in preference shares)

30. Provision for current tax includes Wealth Tax of ₹ 0.20 Crores (Previous year : ₹ 0.12 Crores).

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

Particulars	2011-2012	2010-2011
Profit/(Loss) after Tax excluding dividend on own shares (₹ Crores)	(30.01)	95.79
Weighted average number of equity shares outstanding (Net of own shares held through Trust)	49,10,04,980	49,10,04,980
Earnings Per Share (₹) – Basic & Diluted (Face value ₹ 10/- share)	(0.61)	1.95

32. All the divisions of the Company have normal operating cycle of less than 12 months, hence a period of twelve months has been considered for bifurcation of assets and liabilities into current and non-current as required by Revised Schedule VI for preparation of Financial Statements.
33. The Company has long-term foreign currency borrowings which have been utilised for the purchase of fixed assets. As per the circular issued by MCA referred to note No. 1.9, the Company, with effect from the current year has exercised the option to adjust the foreign exchange differences on such borrowings to the cost of Fixed Assets. Due to this, the adverse movement of exchange differences on such borrowings arising during the year of ₹ 5.90 Crores have been added to the cost of fixed assets and depreciation of ₹ 0.16 Crores has been provided on the same. Due to this change, loss before tax for the current year is lower by ₹ 5.74 Crores.
34. (a) **Contingent liabilities :**
- (i) Guarantees given by the Company's bankers and counter guaranteed by the Company ₹ 78.29 Crores (Previous year : ₹ 78.06 Crores).
 - (ii) Claims against the Company not acknowledged as debts :
 - (a) Dispute 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 disputed ₹ 7.44 Crores (Previous year : ₹ 7.44 Crores)
 - (c) Royalty on limestone disputed ₹ 20.08 Crores (Previous year : ₹ 10.84 Crores)
 - (d) Tax on Rural and Road Development disputed ₹ 5.27 Crores (Previous year : ₹ 5.27 Crores)
 - (e) Other Claims in respect to Income Tax, Sales Tax, Entry Tax, Excise Duty and other claims ₹ 46.33 Crores. (Previous year : ₹ 32.05 Crores)
 - (iii) Corporate guarantees issued to the bankers of the wholly owned subsidiary company ₹ 73.62 Crores (Previous year : ₹ 64.74 Crores)
 - (b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 58.65 Crores (Previous year : ₹ 34.87 Crores).
 - (c) The Company has entered into a long term contract of 30 years with one of the party for extracting coal from the Company's mines. The rate will be charged as per the contract rate plus escalation agreed upon.
 - (d) Disclosure of provisions made as per the requirements of Accounting Standard - 29 on "Provisions, Contingent Liabilities and Contingent Assets" as notified under the Companies (Accounting Standards) Rules, 2006, is as follows :

(₹ Crores)

Particulars	As at 01-04-2011	Provisions made during the year	Amounts utilised or reversed during the year	As at 31-03-2012
MPEB Cess on Generation of Electricity	8.33	Nil	Nil	8.33
MP Entry/VAT Tax	8.63	Nil	0.05	8.58
UP Entry Tax	20.55	Nil	18.17	2.38
Royalty on Limestone	2.79	Nil	Nil	2.79
Total	40.30	Nil	18.22	22.08

The above provision is net of payment made there against. In future, there may be cash inflow in case the dispute is settled in the favour of the Company. In case the disputes are settled against the Company there may be cash outflow of ₹ 22.08 Crores (Previous year : ₹ 40.30 Crores).

35. Capital work-in-progress includes pre-operative expenses of ₹ 26.25 Crores (Previous year : ₹ 11.64 Crores), the details of which are as under :

Particulars	2011-2012 ₹ Crores	2010-2011 ₹ Crores
Revenue expenditure for the year considered as pre-operative expenses		
Salary, wages and bonus	1.96	7.03
Contribution to Provident and other funds	0.10	0.46
Rent, Rates and Taxes	0.22	0.17
Travelling and Communication	1.50	0.50
Professional fees	3.17	0.91
Mines Development	0.24	0.11
Interest and other finance charges	2.33	25.01
Depreciation	0.13	0.15
Loss on foreign exchange fluctuations on Project loans	—	4.50
Miscellaneous expenses	7.00	20.04
	16.65	58.88
Add : Expenditure up to Previous year	11.64	36.48
	28.29	95.36
Less : Capitalised during the year	2.04	83.72
Balance Carried forward	26.25	11.64

36. Employee Defined Benefits :

(a) Defined contribution plans :

The Company has recognised an expense of ₹ 12.63 Crores (Previous year : ₹ 8.93 Crores) towards defined contribution plans, in respect of Provident Fund and Superannuation Fund.

(b) Defined benefit plans :

The actuarial valuation of the present value of the defined benefit obligation were carried out at March 31, 2012. The present value of the defined benefit obligation and the related service cost, were measured using the Projected Unit Credit Method.

The following tables set out the funded status and amounts recognised in the Company's financial statements as per actuarial valuation on March 31, 2012 for the Defined Benefits Plan :

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

(₹ Crores)

Particulars	2011-2012		2010-2011	
	Leave Entitlement	Gratuity	Leave Entitlement	Gratuity
A. Changes in the defined benefit obligation :				
Liability at the beginning of the year (April 1, 2011)	13.39	15.16	11.12	12.65
Current service cost	1.52	2.65	1.64	2.94
Interest cost	0.97	1.34	0.90	1.06
Actuarial (gain)/loss on obligation	4.07	0.05	1.50	(0.88)
Benefits paid	(6.50)	(1.06)	(1.77)	(0.61)
Liability at the end of the year (March 31, 2012) (A)	13.45	18.14	13.39	15.16
B. Changes in the fair value of plan assets :				
Fair value of plan assets at the beginning of the year (April 1, 2011)	N.A.	12.86	N.A.	10.40
Expected return on plan assets	N.A.	1.21	N.A.	0.96
Employer's contributions	6.50	3.26	1.77	2.10
Actuarial gain/(loss) on plan assets	N.A.	(0.10)	N.A.	0.01
Benefits paid	(6.50)	(1.06)	(1.77)	(0.61)
Fair value of plan assets at the end of the year (March 31, 2012) (B)	N.A.	16.17	N.A.	12.86
C. Balance Liability (A - B)	13.45	1.97	13.39	2.30

(ii) Actual Return on Plan Assets :

(₹ Crores)

Particulars	2011-2012		2010-2011	
	Leave Entitlement	Gratuity	Leave Entitlement	Gratuity
Expected Return on Plan Assets	N.A.	1.21	N.A.	0.96
Actuarial gain/(loss) on Plan Assets	N.A.	(0.10)	N.A.	0.01
Actual Return on Plan Assets	N.A.	1.11	N.A.	0.97

(iii) Expenses recognised in Profit and Loss Statement for the year ended March 31, 2012 :

(₹ Crores)

Particulars	2011-2012		2010-2011	
	Leave Entitlement	Gratuity	Leave Entitlement	Gratuity
Current service cost	1.52	2.65	1.64	2.94
Interest cost	0.97	1.34	0.90	1.06
Expected return on plan assets	N.A.	(1.21)	N.A.	(0.96)
Actuarial (gain)/loss	4.07	0.15	1.50	(0.89)
Expense recognised in Profit and Loss Statement	6.56	2.93	4.04	2.15

(iv) Category of plan asset is not available as the fund is independently managed by the insurance companies.

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

- Discount rate: 8.5% (Previous year : 8%)
- Expected rate of return on plan assets 8% (Previous year : 8%)
- The estimates of future salary increases of 5%, considered in actuarial valuation, taking into account the general trend in salary rise and the inflation rates.

37. According to the information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the Company has amounts due to micro and small enterprises under the said Act as at March 31, 2012 as follows :

Particulars

	<u>2011-2012</u>	<u>2010-2011</u>
	<u>₹ Crores</u>	<u>₹ Crores</u>
Amount due and outstanding to suppliers at the end of the accounting year	9.53	0.53
Interest paid during the year	Nil	Nil
Interest payable at the end of the accounting year	Nil	Nil
Interest accrued and unpaid at the end of the year	Nil	Nil

38. In view of non-availability of profits for the current year, remuneration to the managerial personnel is in excess of the limit prescribed under Schedule XIII of the Companies Act, 1956, by ₹ 6.54 Crores. The said amount is held in trust by the managerial personnel of the company pending approval from Central Government and from the Shareholders of the Company. The steps are being taken by the company for obtaining required approvals.

39. **Remuneration to statutory auditors including branch auditors :**

Particulars

	<u>2011-2012</u>	<u>2010-2011</u>
	<u>₹ Crores</u>	<u>₹ Crores</u>
Auditors	0.52	0.51
For Tax Audit	0.06	0.06
For Company Law matters and Managerial Services	0.10	0.03
For Reimbursement of expenses	0.01	0.01
Total	<u>0.69</u>	<u>0.61</u>

40. (a) The Company has entered into finance lease for using the mining surface rights of limestone, against which the total payment has been made and no contingent rent is payable.

40. (b) Details of operating lease agreements (Machinery and Equipments) – Non-cancellable :

Particulars	<u>As at 31-03-2012</u> ₹ Crores	<u>As at 31-03-2011</u> ₹ Crores
<u>Future Lease Rental Payments</u>		
a. Due not later than one year	0.56	2.34
b. Due later than one year but not later than 5 years from the balance sheet date	Nil	0.56
c. Later than 5 years	Nil	Nil

41. Disclosure in respect of Company's Joint Ventures pursuant to Accounting Standard - 27 on "Financial Reporting of Interest in Joint Ventures" as notified under the Companies (Accounting Standards) Rules, 2006 :

Name of the Joint Ventures	Proportion of Ownership Interest	Country of Incorporation
Ardex Endura (India) Private Limited	50%	India
Sentini Cermica Private Limited	50%	India
Antique Marbonite Private Limited	50%	India
Spectrum Johnson Tiles Private Limited	50%	India
Small Tiles Private Limited	50%	India

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

Particulars	<u>As at 31-03-2012</u> ₹ Crores	<u>As at 31-03-2011</u> ₹ Crores
Total Liabilities	128.14	102.58
Total Assets	242.91	212.46
Capital Commitments	0.02	Nil
Contingent Liabilities	14.51	10.22
Total Income	253.69	236.35
Total Expenses	225.02	203.22

42. VAT Subsidy :

As per Madhya Pradesh Industrial Investment Promotion Assistance Scheme - 2004, the Company is entitled for subsidy of 75% of VAT/CST paid on sales from the new unit at Satna, subject to prescribed limits. Subsidy receivable for the year is ₹ 45.22 Crores (Previous year : ₹ 8.24 Crores) has been grouped under revenue from operations as a part of sales.

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

a. Name of the related parties

Joint Ventures/Associates	Subsidiaries
<ul style="list-style-type: none"> • Ardex Endura (India) Private Limited • Sentini Cermica Private Limited • Antique Marbonite Private Limited • Spectrum Johnson Tiles Private Limited • TBK Samiyaz Tile Bath Kitchen Private Limited • TBK Shriram Tile Bath Kitchen Private Limited • Small Tiles Private Limited • TBK Deziner's Home Private Limited 	<ul style="list-style-type: none"> • Raheja QBE General Insurance Co. Limited • RMC Readymix Porselano (India) Limited • H. & R. Johnson (India) TBK Limited • Lifestyle Investment PVT Limited • Silica Ceramica Private Limited • Milano Bathroom Fitting Private Limited

PRISM CEMENT LIMITED

Joint Ventures/Associates	Key Management Personnel
<ul style="list-style-type: none"> • TBK Unique Jalgaon Tile Bath Kitchen Private Limited • TBK PB Shah Tile Bath Kitchen Private Limited • TBK Deepgiri Tile Bath Kitchen Private Limited • TBK Pratap Tile Bath Kitchen Private Limited • TBK Rangoli Tile Bath Kitchen Private Limited • TBK Bansal Ceramics Private Limited • TBK Venkataramiah Tile Bath Kitchen Private Limited • TBK Rathi Sales Agencies Private Limited • TBK Florance Ceramics Private Limited • TBK Sanitary Sales Private Limited • TBK Tile Home Private Limited • TBK Krishna Tile Bath Kitchen Private Limited • TBK Reddy Tile Bath Kitchen Private Limited • TBK Kadakia's Tile Bath Kitchen Private Limited • Prism Power and Infrastructure Private Ltd. 	<ul style="list-style-type: none"> • Mr. Manoj Chhabra • Mr. Vijay Aggarwal • Mr. Ganesh Kaskar
	Firm/Enterprise in which Directors and/or relatives have significant influence
	<ul style="list-style-type: none"> • R & S Business Centre • Windsor Realty Private Limited

- b. Following are the transactions with related parties as defined under Accounting Standard - 18 on "Related Party Disclosures" as notified under the Companies (Accounting Standards) Rules, 2006.

(₹ Crores)

Name	Relationship	Nature of transaction	Amount of transaction in 2011-2012	Amount outstanding as at 31-03-2012 (Payable)/Receivable	Amount of transaction in 2010-2011	Amount outstanding as at 31-03-2011 (Payable)/Receivable
R & S Business Centre	Firm in which Director and/or relatives have significant influence	Rent and maintenance charges	0.17	(0.02)	0.19	(0.02)
Windsor Realty Private Limited	Enterprise in which Director and/or relatives have significant influence	Sale of goods and Services	11.23	0.91	4.14	(0.11)
Mr. Manoj Chhabra	Managing Director	Remuneration <i>* includes leave encashment of ₹ 3.30 Crores paid at the end of the previous tenure during the year</i>	6.54*	Nil	2.93	Nil
Mr. Vijay Aggarwal	Managing Director	Remuneration <i>* (Previous year: includes leave encashment of ₹ 2.41 Crores paid at the end of the previous tenure during the year)</i>	3.30	Nil	5.41*	Nil
Mr. Ganesh Kaskar	Executive Director	Remuneration	1.69	(0.27)	1.52	(0.24)

(₹ Crores)

Name	Relationship	Nature of transaction	Amount of transaction in 2011-2012	Amount outstanding as at 31-03-2012 (Payable)/Receivable	Amount of transaction in 2010-2011	Amount outstanding as at 31-03-2011 (Payable)/Receivable
Raheja QBE General Insurance Company Limited	Subsidiary	Security Deposit Received	0.02	(0.02)	Nil	Nil
		Purchase of Assets	Nil	Nil	0.05	Nil
		Advances	0.04	0.04	Nil	Nil
		Insurance Premium	0.98	0.05	0.43	0.01
		Rent Deposit	Nil	(0.01)	Nil	Nil
Prism Power and Infrastructure Private Limited	Associate	Advances	Nil	0.01	Nil	0.01
H. & R. Johnson (India) TBK Limited	Subsidiary	Sale of goods and Services	40.45	13.11	20.49	0.88
		Selling and Distribution Expenses	1.50	Nil	0.77	Nil
		Loan given	10.15	36.08	3.98	25.93
		Rent and maintenance charges	0.24	Nil	0.01	Nil
TBK Samiyaz Tile Bath Kitchen Private Limited	Joint Venture of Subsidiary	Sale of goods and Services	Nil	Nil	15.21	0.04
		Selling and Distribution Expenses	Nil	Nil	0.74	(0.01)
TBK Deepgiri Tile Bath Kitchen Private Limited	Joint Venture of Subsidiary	Sale of goods and Services	Nil	Nil	11.78	0.51
		Selling and Distribution Expenses	0.74	Nil	0.60	Nil
TBK P B Shah Tile Bath Kitchen Private Ltd.	Joint Venture of Subsidiary	Selling and Distribution Expenses	Nil	Nil	0.41	Nil
TBK Deziner's Home Private Limited	Joint Venture of Subsidiary	Sale of goods and Services	14.80	Nil	10.62	0.35
		Selling and Distribution Expenses	0.85	Nil	0.67	Nil
Silica Ceramica Private Limited	Subsidiary	Sale of Assets	Nil	Nil	0.71	Nil
		Sales of goods and Services	Nil	Nil	2.48	1.11
		Purchase of goods and Services	137.51	(24.39)	85.08	(11.09)
		Investments	16.00	Nil	Nil	Nil
		Interest Received	Nil	Nil	0.09	Nil
Sentini Cermica Private Limited	Joint Venture	Purchase of goods and Services	146.03	(22.81)	127.46	(17.41)
		Reimbursement	0.16	Nil	0.16	Nil
		Dividend Received	Nil	Nil	1.30	Nil
Antique Marbonite Private Ltd.	Joint Venture	Purchase of goods and Services	254.35	(45.08)	270.76	(47.24)
		Interest Received	0.83	Nil	0.13	Nil
		Dividend Received	Nil	Nil	6.00	Nil
		Reimbursement	0.22	Nil	0.26	Nil

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(₹ Crores)

Name	Relationship	Nature of transaction	Amount of transaction in 2011-2012	Amount outstanding as at 31-03-2012 (Payable)/Receivable	Amount of transaction in 2010-2011	Amount outstanding as at 31-03-2011 (Payable)/Receivable
Spectrum Johnson Tiles Private Limited	Joint Venture	Dividend Received	Nil	Nil	1.08	Nil
		Reimbursement	0.01	Nil	0.01	Nil
Milano Bathrooms Fittings Private Limited	Subsidiary	Interest Received	Nil	Nil	0.05	Nil
		Dividend Received	0.02	0.01	Nil	Nil
		Advance for share application money	Nil	Nil	1.50	Nil
Lifestyle Investments PVT Limited	Subsidiary	Investments	Nil	Nil	438.93	Nil
		Redemption of Preference Shares	Nil	Nil	431.71	Nil
Small Tiles Private Limited	Joint Venture	Investment	14.00	Nil	Nil	Nil
TBK Pratap Tile Bath Kitchen Private Limited	Joint Venture of Subsidiary	Purchase of goods and Services	0.02	Nil	Nil	Nil
Others		Interest Received	0.07	Nil	0.04	Nil
		Purchase of goods and Services	112.68	(32.01)	86.32	(12.79)
		Sales of goods and Services	85.62	10.31	33.80	4.91
		Reimbursement	3.10	Nil	0.70	Nil
		Rent Received	0.03	Nil	Nil	Nil
		Investment	2.00	Nil	26.25	Nil

44. Amount of Loans and advances given to subsidiary :

(₹ Crores)

Name of Subsidiary	Amount Outstanding As At		Maximum Balance outstanding during the Year	
	31-03-2012	31-03-2011	2011-2012	2010-2011
H. & R. Johnson (India) TBK Ltd.	36.08	25.93	36.08	25.93

45. Imported and indigenous material and stores and spares consumed :

a. Material consumed

	2011-2012		2010-2011	
	₹ Crores	(%)	₹ Crores	(%)
Imported	52.18	4.44	17.40	2.00
Indigenous*	1,122.51	95.56	853.41	98.00
Total	1,174.69	100.00	870.81	100.00

* Includes cost incurred for raising limestone consumed and debited to respective revenue accounts.

b. Stores and Spares consumed

	2011-2012		2010-2011	
	₹ Crores	(%)	₹ Crores	(%)
Imported	13.18	14.27	14.50	18.18
Indigenous	79.21	85.73	65.24	81.82
Total	92.39	100.00	79.74	100.00

46. Value of imports on CIF Basis :

Spares ₹ 39.67 Crores (Previous year : ₹ 20.24 Crores)
 Raw materials ₹ 44.01 Crores (Previous year : ₹ 24.52 Crores)
 Capital Goods ₹ 19.20 Crores (Previous year : ₹ 148.09 Crores)
 Traded Goods ₹ 29.00 Crores (Previous year : ₹ 8.95 Crores)

47. Details of earnings in foreign currency :

F.O.B Value of Export ₹ 28.10 Crores (Previous year : ₹ 17.91 Crores)
 Sale of Carbon Credits ₹ 0.89 Crores (Previous year : ₹ 2.51 Crores)

48. Details of expenditure in foreign currency :

Finance and other charges
 Travelling and communication expenses
 Fees for technical services
 Other Expenditure
 Total
 Less : Pre-operative expenses capitalised
 Balance charged to Profit and Loss Statement

<u>2011-2012</u> ₹ Crores	<u>2010-2011</u> ₹ Crores
4.00	3.27
0.40	0.52
0.68	0.55
<u>2.50</u>	<u>0.95</u>
7.58	5.29
<u>0.21</u>	<u>2.98</u>
<u>7.37</u>	<u>2.31</u>

49. Disclosure of Foreign Currency Exposure :

(a) Particulars of unhedged foreign currency liability as at Balance Sheet date

(₹ Crores)

Currency

Euro (€)
 Swiss Francs (CHF)
 US Dollar (US\$)
 Japanese Yen (¥)

<u>Amount in Foreign Currency</u>	<u>Amount</u>
0.85	58.65
0.03	1.96
0.49	24.78
0.02	0.01

(b) The Company has outstanding forward contracts to purchase US\$ 0.26 Crores (Previous year US\$ 0.33 Crores) as on the Balance Sheet date to hedge foreign currency liability for payments to be made against imports and loans.

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

As per our report of even date attached

For N. M. RAIJI & CO.
 Chartered Accountants

J. M. Gandhi
 Partner

Aneeta S. Kulkarni
 Company Secretary

Rajesh G. Kapadia	Chairman
Manoj Chhabra	}
Vijay Aggarwal	
Ganesh Kaskar	
	Managing Directors
	Executive Director

Mumbai, May 10, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	2011-2012		2010-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit/(Loss) before taxation as per Profit and Loss Statement		(45.99)		130.66
<i>Adjustment for :</i>				
Depreciation and Amortisation	147.28		113.30	
Loss on sale of assets (net)	1.16		(4.26)	
Profit on sales of investments (net)	(1.31)		—	
Interest income	(2.88)		(1.58)	
Dividend income	(1.28)		(3.01)	
Interest expenditure	155.82		93.28	
Loss on exchange fluctuations	8.67	307.46	3.43	201.16
Operating Profit/(Loss) before working capital changes		261.47		331.82
Changes in Working Capital :				
Increase/(Decrease) in trade and other payables	274.12		244.80	
(Increase)/Decrease in trade receivables	(81.92)		(53.54)	
(Increase)/Decrease in inventories	(55.99)		(97.05)	
(Increase)/Decrease in other receivables	(142.87)	(6.66)	(134.38)	(40.17)
Cash Generated from Operations		254.81		291.65
Direct taxes paid (net of refunds)		6.26		29.51
Net cash generated from operating activities (A)		248.55		262.14
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of fixed assets and additions in CWIP		(185.87)		(429.93)
Proceeds from sales of fixed assets		0.93		8.92
Purchase of investments		(213.00)		(477.01)
Sales proceeds from Investments		178.60		448.04
Interest received		2.84		1.58
Dividend on own shares held through a Trust		—		1.24
Dividend income		1.28		3.01
Net cash used for investing activities (B)		(215.22)		(444.15)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Additions to Borrowings		899.43		623.89
Repayment of Borrowings		(781.13)		(259.04)
Dividend paid including distribution tax		—		(58.70)
Interest paid		(156.01)		(116.53)
Net cash used/generated in Financing Activities (C)		(37.71)		189.62
Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)		(4.38)		7.61
Cash and cash equivalents at the beginning of the year		59.89		52.28
Cash and cash equivalents at the end of the year		55.51		59.89
Cash and cash equivalents comprise of :				
Cash on hand		0.91		0.98
Cheques on hand		1.73		5.64
Balance with Banks		52.87		53.27
Total		55.51		59.89

Notes : 1. Dividend from Subsidiary(s)/Joint Venture(s) has been treated as cash flow from operating activities
 2. Cash flow statement has been prepared under the indirect method as set-out in Accounting Standard - 3, notified under the Companies (Accounting Standards) Rules, 2006.

As per our report of even date attached
 For N. M. RAIJI & CO.
 Chartered Accountants

J. M. Gandhi
 Partner

Aneeta S. Kulkarni
 Company Secretary

Rajesh G. Kapadia *Chairman*
 Manoj Chhabra }
 Vijay Aggarwal } *Managing Directors*
 Ganesh Kaskar *Executive Director*

Mumbai, May 10, 2012

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF PRISM CEMENT LIMITED

1. We have audited the attached Consolidated Balance Sheet of **PRISM CEMENT LIMITED** ('the Company'), its subsidiaries, its joint ventures and its associate (collectively referred as 'the Group') as at March 31, 2012, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information of the components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the Standards on Auditing generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect Net worth of ₹ 318.56 Crores as at March 31, 2012, total revenues of ₹ 231.34 Crores and net cash inflow of ₹ 2.67 Crores for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors.
4. We did not audit the financial statements of certain joint ventures and an associate whose financial statements reflect the Group's share in the Net worth of ₹ 103.66 Crores as at March 31, 2012, the Group's share in the total revenues of ₹ 272.04 Crores and the Group's share in net cash inflow of ₹ 0.44 Crores for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these entities, is based solely on the reports of the other auditors.
5. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standard (AS) 21 "Consolidated Financial Statements", Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard (AS) 27 "Financial Reporting of Interests in joint ventures" as notified under the Companies (Accounting Standards) Rules, 2006. Attention is invited to Note No. 30 of the Consolidated Financial Statements with regard to not considering one of the investee companies as an Associate and hence not consolidated.
6. We draw the attention to Note No. 36 to the Consolidated Financial Statements relating to excess managerial remuneration in case of the Parent Company, charged to the profit and loss statement of the current year. The excess of ₹ 6.54 Crores is subject to the approval of the Central Government and Shareholders of the Parent Company.
7. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, its subsidiaries, an associate and joint ventures and to the best of our information and according to the explanations given to us, in our opinion, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
 - ii) in the case of Consolidated Profit and Loss Statement, of the loss of the Group for the year ended on that date; and
 - iii) in the case of Consolidated Cash Flow Statement, of the cash flow of the Group for the year ended on that date.

For N. M. RAIJI & CO.
Chartered Accountants
Firm Registration No.: 108296W

J. M. GANDHI
Partner

Membership No.: 37924

Place: Mumbai
Date: May 10, 2012

PRISM CEMENT LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

Particulars	Note No.	As at 31-03-2012		As at 31-03-2011	
		₹ Crores	₹ Crores	₹ Crores	₹ Crores
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
a. Share Capital	2	503.36		503.36	
b. Reserves and Surplus	3	<u>707.24</u>	<u>1,210.60</u>	<u>747.28</u>	1,250.64
2. Share Application money pending allotment			—		—
3. Minority Interest			51.33		49.99
4. Non-Current Liabilities					
a. Long-term borrowings	4	1,063.05		841.53	
b. Deferred Tax Liability	5	125.37		140.78	
c. Other Long-term liabilities	6	83.67		69.16	
d. Long-term provisions	7	<u>36.40</u>	<u>1,308.49</u>	<u>50.62</u>	1,102.09
5. Current Liabilities					
a. Short-term borrowings	8	226.03		167.21	
b. Trade Payables	9	564.67		421.27	
c. Other Current Liabilities	10	635.94		577.78	
d. Short-term provisions	11	<u>48.36</u>	<u>1,475.00</u>	<u>11.13</u>	<u>1,177.39</u>
TOTAL			<u><u>4,045.42</u></u>		<u><u>3,580.11</u></u>
II. ASSETS					
1. Non-current Assets					
a. Fixed Assets					
i. Tangible Assets	12	2,166.49		2,020.97	
ii. Intangible Assets	12	22.57		17.36	
b. Capital Work-in-progress	34	69.87		73.65	
c. Non-current investments	13	234.17		208.08	
d. Goodwill on Consolidation		45.18		38.78	
e. Deferred Tax Assets	5	1.54		1.25	
f. Long-term loans and advances	14	151.29		123.47	
g. Other non-current assets	15	<u>8.73</u>	<u>2,699.84</u>	<u>1.20</u>	2,484.76
2. Current Assets					
a. Current Investments	16	120.35		113.39	
b. Inventories	17	515.69		428.46	
c. Trade receivables	18	328.53		269.94	
d. Cash, cash equivalent and bank balances	19	92.61		90.93	
e. Short-term loans and advances	20	212.66		175.88	
f. Other current assets	21	<u>75.74</u>	<u>1,345.58</u>	<u>16.75</u>	<u>1,095.35</u>
TOTAL			<u><u>4,045.42</u></u>		<u><u>3,580.11</u></u>
SIGNIFICANT ACCOUNTING POLICIES	1				
<i>The Note numbers 30 to 41 form integrated part of the Financial Statements</i>					

As per our report of even date attached

For N. M. RAIJI & CO.
Chartered Accountants

J. M. Gandhi
Partner

Mumbai, May 10, 2012

Aneeta S. Kulkarni
Company Secretary

Rajesh G. Kapadia Chairman
Manoj Chhabra } Managing Directors
Vijay Aggarwal }
Ganesh Kaskar Executive Director

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note No.	<u>2011-2012</u>		<u>2010-2011</u>	
		₹ Crores	₹ Crores	₹ Crores	₹ Crores
REVENUE FROM OPERATIONS :					
Sales of products and services		4,892.68		3,619.28	
Other operating Income	22	46.45		31.84	
		<u>4,939.13</u>		<u>3,651.12</u>	
Less : Excise Duty		342.93		203.68	
Total Revenue from Operations			4,596.20		3,447.44
Other Income	23		13.61		8.59
Total Revenue			4,609.81		3,456.03
EXPENSES :					
Cost of Materials consumed		1,326.63		994.68	
Purchase of Stock-in-trade		568.81		457.88	
Changes in inventories of finished goods, traded goods and work-in-progress	24	(55.05)		(37.67)	
Employees benefit expenses	25	263.54		204.30	
Finance cost	26	183.78		113.11	
Depreciation and Amortisation expenses	12	162.24		126.00	
Other expenses	27	2,183.94		1,451.80	
Total Expenses			4,633.89		3,310.10
Profit/(Loss) Before Exceptional items and Tax			(24.08)		145.93
Exceptional Items	28		(4.00)		0.96
Profit/(Loss) before Tax			(28.08)		146.89
Tax Expenses :					
Current Tax		(5.52)		(0.12)	
Minimum Alternate Tax		-		(35.02)	
Provision of tax earlier years		(0.17)		(0.06)	
MAT Credit Entitlement		1.22		25.43	
Deferred Tax		15.70	11.23	(33.55)	(43.32)
Profit/(Loss) for the year			(16.85)		103.57
Adjustment for Minority Interest			(1.59)		1.38
Balance carried to Balance Sheet			(18.44)		104.95
Earnings per Equity Share - Basic and Diluted (₹)	29		(0.38)		2.14
SIGNIFICANT ACCOUNTING POLICIES					
1					

The Note numbers 30 to 41 form integrated part of the Financial Statements

As per our report of even date attached

For N. M. RAIJI & CO.
Chartered Accountants

J. M. Gandhi
Partner

Mumbai, May 10, 2012

Aneeta S. Kulkarni
Company Secretary

Rajesh G. Kapadia	Chairman
Manoj Chhabra	} Managing Directors
Vijay Aggarwal	
Ganesh Kaskar	Executive Director

NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Consolidation

The Consolidated Financial Statements (CFS) relate to Prism Cement Limited (“the Company”), its subsidiary companies, joint ventures and associate (collectively, the Group). The financial statements of the entities in the Group used in the Consolidation are drawn upto the same reporting date of the Company i.e. March 31, 2012.

Basis of Accounting and Principles of Consolidation

- The financial statements of the Subsidiary Companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, as per the requirement of the Accounting Standard - 21 “Consolidated Financial Statements” as notified under the Companies (Accounting Standards) Rules, 2006. The intra-group balances and intra group transactions and unrealised profits and losses are fully eliminated. Share of minority interest in the profit/loss have been eliminated to the extent of share to be borne by them. Minority interest (liability) represents the amount of equity attributable to minority shareholders as on the balance sheet date.
- Share of profit/loss and assets and liabilities in the jointly controlled entities have been consolidated on line-by-line basis by adding together like item of assets, liabilities income and expenses on a proportionate basis to the extent of company’s equity interest in such entity. The intra-group balances, intra group transactions and unrealised profits or losses have been eliminated to the extent of the Company’s share in the entity.
- The Company’s share of profit/loss of Associate is consolidated as one line item in CFS.
- The excess of cost of its investment in the subsidiaries and joint ventures over its share of equity at the date on which the investment is made is recognised in the consolidated financial statements as ‘Goodwill on consolidation’ and the same is not amortised. However it is tested for impairment, if any.
- As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances as separate financial statements of the Company.
- In case of non-integral operations of consolidated entities, assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Revenue and expenses are translated at monthly average exchange rates prevailing during the year. The resulting Exchange difference is included in “Foreign Currency Translation Reserve” under “Reserves and Surplus”. On disposal of investment, the same is transferred to Profit and Loss Statement.

1.2 Particulars of Subsidiaries, Joint Ventures and Associates

Name of the Subsidiaries, Joint Ventures and Associate	Country of Incorporation	Status	Percentage of Voting Power as at March 31, 2012
RMC Readymix Porselano (India) Ltd.	India	Subsidiary	100%
H. & R. Johnson (India) TBK Ltd.	India	Subsidiary	100%
Silica Cermica Pvt. Ltd. *	India	Subsidiary	97.50%
Lifestyle Investment PVT Ltd.	Jersey	Subsidiary	100%
Milano Bathroom Fitting Pvt. Ltd.	India	Subsidiary	100%
Raheja QBE General Insurance Company Ltd.	India	Subsidiary	74%
Ardex Endura (India) Pvt. Ltd.	India	Joint Venture	50%
Sentini Cermica Pvt. Ltd.	India	Joint Venture	50%
Antique Marbonite Pvt. Ltd.	India	Joint Venture	50%
Spectrum Johnson Tiles Pvt. Ltd.	India	Joint Venture	50%
TBK Samiyaz Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture of subsidiary	50%
TBK PB Shah Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture of subsidiary	50%
TBK Deepgiri Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture of subsidiary	50%

Name of the Subsidiaries, Joint Ventures and Associate	Country of Incorporation	Status	Percentage of Voting Power as at March 31, 2012
TBK Shriram Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture of subsidiary	50%
TBK Unique Jalgaon Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture of subsidiary	50%
TBK Deziner's Home Pvt. Ltd.	India	Joint Venture of subsidiary	50%
TBK Pratap Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture of subsidiary	50%
TBK Rangoli Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture of subsidiary	50%
TBK Bansal Ceramics Pvt. Ltd.	India	Joint Venture of subsidiary	50%
TBK Venkataramiah Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture of subsidiary	50%
Small Tiles Pvt. Limited *	India	Joint Venture	50%
TBK Krishna Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture of subsidiary	50%
TBK Sanitary Sales Pvt. Ltd.	India	Joint Venture of subsidiary	50%
TBK Florance Ceramics Pvt. Ltd.*	India	Joint Venture of subsidiary	50%
TBK Tile Home Pvt. Ltd.	India	Joint Venture of subsidiary	50%
TBK Reddy Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture of subsidiary	50%
TBK Kadakia's Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture of subsidiary	50%
TBK Rathi Sales Agencies Pvt. Ltd.	India	Joint Venture of subsidiary	50%
Prism Power and Infrastructure Pvt. Ltd.	India	Associate	49%

* Acquired during the year. The excess consideration paid over and above the book value is shown as Goodwill on consolidation.

1.3 Significant Accounting Policies

Basis of Preparation

The financial statements have been prepared to comply in all material aspects with the Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

1.4 Method of Accounting and Revenue Recognition

Accounts are maintained on an accrual basis and at historical cost.

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

Dividend income is recognised for when the right to receive is established. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable on Yield To Maturity (YTM) basis.

In the case of one of the Subsidiaries, having general insurance business

- Premium (net of service tax) is recognised as income on assumption of risk, after adjusting for unexpired risk. Any cancellations or changes in premium are accounted for in the period in which they occur. Premium is considered as a part of revenue from sales/services.
- Estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) is based on available statistical data.

1.5 Use of Estimates

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Differences between the actual result and estimates are recognised in periods in which the results are known/materialised.

1.6 Fixed Assets

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

The fixed assets are tested for impairment if there is any indication of impairment, based on internal/external factors. Impairment loss, if any, is provided by a charge to Profit and Loss Statement.

Machinery spares, which are specific to a particular machinery and whose use is expected to be irregular, are capitalised and depreciated over the useful life of the related asset.

Assets acquired under lease are treated as operating/finance lease as per the provisions of Accounting Standard - 19 "Leases" issued by the Institute of Chartered Accountants of India.

1.7 Depreciation and Amortisation

- i. Depreciation on additions to/deductions from fixed assets is being provided on pro-rata basis from/to the date of acquisition/disposal.
- ii. Depreciation on foreign exchange differences on borrowings utilised for acquisition of assets is provided prospectively over the remaining life of the assets.
- iii. The cost incurred to purchase mining land is bifurcated into cost of land and cost of estimated mining reserves for the purpose of depreciation. Amortisation of mining reserves is calculated by using Unit of Production Method and the same is charged to Profit and Loss Statement.
- iv. Depreciation is provided on straight line method at the rates specified in the Schedule XIV to the Companies Act, 1956 except in the following cases where the rates are higher than Schedule XIV of the Companies Act, 1956.

Cement Division :

- a. For certain vehicles used by employees : 15.25%.
- b. Expenses on mines development are capitalised and are amortised over a period of five years from the month of commencement of extraction of limestone from that area.
- c. Leasehold land and mining surface rights are amortised from the month of commencement of commercial production, over the remaining lease period.
- d. Assets acquired under the finance lease is amortised over the primary lease period and secondary lease period if renewable at nominal cost, if any.

RMC Division [RMC Readymix (India)] :

Assets	Rate of Depreciation
➤ Plant & Machinery	
• Concrete Pumps	16.67%
• Lab Equipments	10.00%
• Electrical Installations	10.00%
• Others	7.50%
➤ Vehicle used by employees	15.25%
➤ Truck Mixers, Loaders, Excavators and Truck Dumpers	12.50%
➤ Pre Used Assets	Assets have been depreciated based on management's estimate of the balance useful life.

- a. Cost of acquisition of leasehold land is amortised over the remaining lease period.
- b. The civil and other costs attributable to the plants/office on leased premises are capitalised and are being written off over the unexpired period of the lease.

HRJ Division [H & R Johnson (India)] :

Asset	Rate of Amortisation
➤ Intellectual property right	10.00%

- Cost of acquisition of leasehold land is amortised over the period of lease.
- For certain vehicles used by employees : 15.25%.
- Expenses on mines development are capitalised and amortised over a period of extraction on the basis of Unit of Production Method.

1.8 Research and Development

Revenue expenditure on research phase is recognised as an expense when it is incurred. Expenditure on development phase is capitalised as per Accounting Standard - 26.

1.9 Investments

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

1.10 Inventories

Inventories are valued at lower of cost and net realisable value. They are valued after considering for obsolescence and other losses. The cost is worked out on weighted average basis.

1.11 Foreign Currency Transactions

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

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

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

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

1.12 Borrowing Cost

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

1.13 Government Grants

VAT subsidy is accounted on accrual basis, based on the entitlement. The said subsidy is considered as a part of sales under Revenue from Operations in the Profit and Loss Statement.

1.14 Employee Benefits

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

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Employees are entitled to carry forward unutilised leave, the liability of which is arrived based on an actuarial valuation. Employees are also entitled to medical benefit for which premium is paid by the Group. The contribution made by the Group for Provident Fund, Superannuation and Medical Premium is charged to the Profit and Loss Statement. Incremental liability for leave entitlement and gratuity is charged to the Profit and Loss Statement.

1.15 Taxes on Income

The Group provides current tax based on the provisions of the Income Tax Act applicable to it. Timing differences between book profit and taxable profit is accounted as deferred tax. Deferred Tax Asset, if any, is recognised considering prudence.

1.16 Provision and Contingent Liabilities

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

A Contingent Liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

1.17 Segment Reporting

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

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

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

2. SHARE CAPITAL

Particulars

Authorised :

50,50,00,000 Equity shares of ₹ 10/- each
(Previous year : 50,50,00,000 Equity shares of ₹ 10/- each)
2,00,00,000 Preference shares of ₹ 10/- each
(Previous year : 2,00,00,000 shares of ₹ 10/- each)

Issued, Subscribed and Paid up :

50,33,56,580 Equity shares of ₹ 10/- each fully paid-up
(Previous year : 50,33,56,580 Equity shares of ₹ 10/- each)
- Out of the above Equity shares, 20,51,06,580 shares were issued pursuant to a scheme of amalgamation of erstwhile H. & R. Johnson (India) Limited and RMC Readymix (India) Private Limited with the Company without payments being received in cash.
- As per scheme of amalgamation 1,23,51,600 shares of the Company are held in a Trust for the benefit of the Company.

Total

	<u>As at 31-03-2012</u> ₹ Crores	<u>As at 31-03-2011</u> ₹ Crores
	505.00	505.00
	20.00	20.00
	<u>525.00</u>	<u>525.00</u>
	503.36	503.36
	<u>503.36</u>	<u>503.36</u>

3. RESERVES AND SURPLUS

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Capital Redemption Reserve				
Opening Balance	11.13		10.75	
Add : Transfer from Surplus in Profit and Loss Statement	–		0.38	
Add : Transfer from General Reserve	0.30		–	
Closing Balance		11.43		11.13
Debenture Redemption Reserve				
Opening Balance	6.25		–	
Add : Transfer from Surplus in Profit and Loss Statement	27.00		6.25	
Closing Balance		33.25		6.25
Foreign Exchange Translation Reserve				
Opening Balance	(5.81)		(8.69)	
Add : Adjustment during the year	7.61		2.88	
Closing Balance		1.80		(5.81)
State Cash Subsidy		0.63		0.63
Fair Value Change Account				
Opening Balance	0.03		0.03	
Add : Adjustment during the year	0.04		–	
Closing Balance		0.07		0.03
General Reserve				
Opening Balance	193.54		186.41	
Add : Transfer from Surplus in Profit and Loss Statement	–		7.13	
Less : Transfer to Capital Redemption Reserve	0.30		–	
Closing Balance		193.24		193.54
Surplus in Profit and Loss Statement				
Opening Balance	541.51		509.18	
Add : Net Profit/(Loss) of the Group for the current year	(18.44)		104.95	
Less : Transfer to General Reserve	–		7.13	
Less : Transfer to Capital Redemption Reserve	–		0.38	
Less : Interim Dividend	–		50.34	
Less : Proposed Dividend	25.17		–	
Less : Distribution Tax on Dividend	4.08		9.76	
Add : Dividend on own shares held through trust	–		1.24	
Less : Transfer to Debenture Redemption Reserve	27.00		6.25	
Closing Balance		466.82		541.51
Total		707.24		747.28

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4 LONG-TERM BORROWINGS

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Secured Debentures/Bonds :				
- 9.30% Non-convertible Debentures (100 Nos. debentures of ₹ 1.00 Crore each allotted on August 18, 2010 and repayable at 30%, 35% and 35% at the end on the third, fourth and fifth year respectively.)	100.00		100.00	
- 11.80% Non-convertible Debentures (300 Nos. debentures of ₹ 0.10 Crore each allotted on July 15, 2011 and repayable on July 15, 2015)	30.00		-	
- 11.60% Non-convertible Debentures (500 Nos. debentures of ₹ 0.10 Crore each allotted on July 15, 2011 and repayable on July 15, 2014)	50.00		-	
- 11.20% Non-convertible Debentures (750 Nos. debentures of ₹ 0.10 Crore each allotted on June 23, 2011 and repayable on June 23, 2014)	75.00		-	
- 11.20% Non-convertible Debentures (200 Nos. debentures of ₹ 0.10 Crores each allotted on July 15, 2011 and repayable on July 15, 2013)	20.00		-	
- 10.25% Non-convertible Debentures (500 Nos. debentures of ₹ 0.10 Crore each allotted on June 23, 2011 and repayable on June 23, 2013)	50.00		-	
		325.00		100.00
Secured Loans :				
- Term Loans from banks	841.74		837.93	
- Loan from NBFC	47.00		27.43	
- Sales Tax Deferral	2.78	891.52	3.67	869.03
Unsecured Loans :				
- Term Loans from banks	75.00		150.00	
- Inter Corporate Deposits	0.79		0.79	
- 10.42% Non-convertible Debentures (150 Nos. debentures of ₹ 0.10 Crore each allotted on September 17, 2010 and repayable at the end of fifth year)	15.00		15.00	
- 10.00% Non-convertible Debentures (150 Nos. debentures of ₹ 0.10 Crore each allotted on September 17, 2010 and repayable at the end of fourth year)	15.00		15.00	
- 9.60% Non-convertible Debentures (200 Nos. debentures of ₹ 0.10 Crore each allotted on September 17, 2010 and repayable at the end of third year)	20.00		20.00	
- Fixed Deposits	28.67	154.46	27.38	228.17
		1,370.98		1,197.20
Less : Disclosed under Other Current Liabilities :				
- Current maturities of long-term borrowings	306.31		354.75	
- Unclaimed fixed deposits	1.62	307.93	0.92	355.67
Total		1,063.05		841.53

5. The Group has recognised deferred tax in accordance with the requirement of Accounting Standard - 22 on "Accounting for Taxes on Income" as notified under the Companies (Accounting Standards) Rules, 2006.

a. The breakup of Net Deferred Tax Liability (DTL) is as follows :

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Deferred Tax Assets				
Income tax unabsorbed depreciation	69.76		38.97	
Expenses provided but allowed in Income Tax on payment	13.14		26.46	
Exchange Difference allowable on payments	3.92		1.11	
Other timing differences	3.85		2.89	
Total (A)		90.67		69.43
Deferred Tax Liability				
Depreciation	213.18		207.45	
Capital expenditure of R & D	2.86		2.76	
Total (B)		216.04		210.21
Net Deferred Tax Liability (B - A)		125.37		140.78

b. The breakup of Net Deferred Tax Asset (DTA) is as follows :

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Deferred Tax Assets				
Disallowance U/s 43B of Income Tax Act, 1961	1.44		0.76	
Carry forward losses	11.31		4.28	
Total (A)		12.75		5.04
Deferred Tax Liability				
Depreciation	11.21		3.79	
Total (B)		11.21		3.79
Net Deferred Tax Assets (A - B)		1.54		1.25

6. OTHER LONG TERM LIABILITIES

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Trade Payables	0.81		0.79	
Deposit from customers/others	81.64		67.29	
Other Liabilities	1.22		1.08	
Total	83.67		69.16	

7. LONG TERM PROVISIONS

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
For Employees' benefit	12.35		11.90	
Others	24.05		38.72	
Total	36.40		50.62	

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8. SHORT TERM BORROWINGS

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Secured Loans :				
Loans repayable on demand from banks				
Cash Credit	139.86		98.69	
Others	<u>51.83</u>	<u>191.69</u>	<u>46.56</u>	<u>145.25</u>
Unsecured Loans :				
Others	4.34		5.76	
From Banks	<u>30.00</u>	<u>34.34</u>	<u>16.20</u>	<u>21.96</u>
Total		<u><u>226.03</u></u>		<u><u>167.21</u></u>

9. TRADE PAYABLES

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Dues to Micro, Small and Medium Enterprises (Due for less than 45 days)		9.60		0.57
Dues to Others		<u>555.07</u>		<u>420.70</u>
Total		<u><u>564.67</u></u>		<u><u>421.27</u></u>

10. OTHER CURRENT LIABILITIES

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Current maturities of long-term borrowings	306.31		354.75	
Creditors for capital items	16.72		18.21	
Advance from Customers	48.40		42.70	
Interest accrued but not due	2.45		2.32	
Interest accrued and due	0.60		0.39	
Acceptances	59.22		12.24	
Unclaimed matured deposits and interest accrued thereon (includes interest ₹ 0.21 Crores (P.Y. : ₹ 0.06 Crores))	1.83		0.98	
Other Employee Benefits	9.27		8.30	
Statutory Liabilities	51.48		37.27	
Liability for expenses	<u>139.66</u>		<u>100.62</u>	
Total		<u><u>635.94</u></u>		<u><u>577.78</u></u>

11. SHORT TERM PROVISIONS

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
For Employees' benefit	8.64		8.05	
Proposed Dividend	25.17		—	
Distribution tax on dividend	4.08		—	
Others	<u>10.47</u>		<u>3.08</u>	
Total		<u><u>48.36</u></u>		<u><u>11.13</u></u>

12. FIXED ASSETS

DESCRIPTORS	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK			
	As at 01-04-2011	Acquisitions Additions	Additions	Deductions	As at 31-03-2012	Upto 01-04-2011	Acquisitions Additions	For the year	Deductions	Upto 31-03-2012	As at 31-03-2011	As at 31-03-2012
Tangible Assets:												
Land- Freehold	207.18	—	28.24	0.04	235.38	—	—	1.41	—	1.41	233.97	207.18
- Leasehold	12.51	0.04	1.34	—	13.89	2.27	—	0.12	—	2.39	11.50	10.24
Leasehold Improvement	2.97	—	1.45	0.17	4.25	0.94	—	0.49	0.09	1.34	2.91	2.03
Buildings	280.42	0.85	32.92	3.92	310.27	74.64	—	11.59	3.92	82.31	227.96	205.78
Railway siding	13.30	—	—	—	13.30	9.54	—	0.70	—	10.24	3.06	3.76
Plant and machinery	2,279.02	4.36	234.38	57.86	2,459.90	766.19	—	127.22	5.85	887.56	1,572.34	1,512.83
Mines Development	9.79	—	24.90	—	34.69	6.71	—	3.08	—	9.79	24.90	3.08
Furniture, fixtures and computers	56.74	0.02	13.41	0.93	69.24	25.49	—	4.85	0.55	29.79	39.45	31.25
Vehicles	17.63	0.08	5.01	2.26	20.46	6.99	—	2.28	1.37	7.90	12.56	10.64
Office Equipments	29.28	—	4.28	0.69	32.87	17.48	—	2.11	0.59	19.00	13.87	11.80
Livestock	0.01	—	0.04	0.01	0.04	0.01	—	0.04	0.01	0.04	—	—
Truck Mixers, Loaders and Truck Dumpers	57.98	—	7.12	1.54	63.56	35.60	—	5.53	1.54	39.59	23.97	22.38
Total Tangible Assets	2,966.83	5.35	353.09	67.42	3,257.85	945.86	—	159.42	13.92	1,091.36	2,166.49	2,020.97
Intangible Assets:												
Software	11.99	—	1.42	—	13.41	7.52	—	1.53	—	9.05	4.36	4.47
Intellectual property rights	5.87	—	—	—	5.87	1.77	—	0.59	—	2.36	3.51	4.10
Mining Lease - surface rights	4.70	—	6.74	—	11.44	1.78	—	0.22	—	2.00	9.44	2.92
Minerals Procurement rights	6.55	—	—	—	6.55	0.68	—	0.61	—	1.29	5.26	5.87
Total Intangible Assets	29.11	—	8.16	—	37.27	11.75	—	2.95	—	14.70	22.57	17.36
Total Fixed Assets	2,995.94	5.35	361.25	67.42	3,295.12	957.61	—	162.37	13.92	1,106.06	2,189.06	2,038.33
Previous Year	1,976.90	1.39	1,033.50	15.85	2,995.94	839.79	0.54	126.15	8.87	957.61	2,038.33	

Notes :

- Depreciation for the year includes ₹ 0.13 Crores (Previous year : ₹ 0.15 Crores) considered for capitalisation.
- Additions during the year includes ₹ 0.31 Crores (Previous Year : ₹ 1.34 Crores) on account Research assets.
- Gross block of fixed assets includes dedicated electricity lines costing ₹ 24.05 Crores (Previous year : ₹ 7.01 Crores) the ownership of which is with Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited.

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13. NON-CURRENT INVESTMENTS

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Long Term Investment				
Quoted :				
- Fully Paid/Ordinary/Equity Shares (includes 1,23,51,600 (Previous year : 1,23,51,600) own shares amounting to ₹ 24.05 Crores (Previous year : ₹ 24.05 Crores) held for the benefit of the Company in a Trust)		159.00		142.91
Unquoted :				
- Fully Paid/Ordinary/Equity Shares		15.35		12.68
- Government Securities and Guaranteed Bonds	14.66		14.55	
- Debentures/Bonds	45.13		15.14	
- Investment in Infrastructure and Social Sector	—		20.27	
- Fully paid Non-Cumulative Redeemable Preference Shares	—	59.79	2.50	52.46
- Investment in Associate Company (4900 fully paid shares of ₹ 10/- each of Prism Power and Infrastructure Private Limited)		#		#
- Others		0.03		0.03
Total		234.17		208.08

Aggregate market value of the quoted investments ₹ 205.04 Crores (Previous year : ₹ 225.31 Crores)

Amount less than ₹ 50,000/-

14. LONG TERM LOANS AND ADVANCES

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Considered Good unless otherwise stated :				
Security Deposits				
Unsecured	31.85		31.35	
Considered doubtful	0.20		0.16	
Less : Provision for Doubtful deposits	0.20	31.85	0.16	31.35
Capital Advances				
Unsecured	54.92		32.10	
Considered doubtful	0.24		0.24	
Less : Provision for Doubtful advances	0.24	54.92	0.24	32.10
Inter Corporate Deposits				
Unsecured, Considered Good		8.68		5.57
Deposits with Excise and Sales Tax				
Unsecured		4.84		4.25
Other Loans and Advances				
Secured	0.69		—	
Unsecured	38.17		37.72	
Prepaid expenses	12.14	51.00	12.48	50.20
Total		151.29		123.47

15. OTHER NON-CURRENT ASSETS

Particulars

Trade Receivables more than six months due

Unsecured, considered doubtful
 Less : Provisions for doubtful debts
 Escrow Balances with Banks
 Others

Bank Deposits with more than 12 months maturity

Margin Money
 Term Deposits
 Total

<u>As at 31-03-2012</u>		<u>As at 31-03-2011</u>	
<u>₹ Crores</u>	<u>₹ Crores</u>	<u>₹ Crores</u>	<u>₹ Crores</u>
21.77		15.08	
<u>21.77</u>	—	<u>15.08</u>	—
	0.03		—
	4.70		—
3.91		1.07	
<u>0.09</u>	<u>4.00</u>	<u>0.13</u>	<u>1.20</u>
	<u>8.73</u>		<u>1.20</u>

16. CURRENT INVESTMENTS

Particulars

Unquoted :

In Mutual Fund units
 Government Securities and Guaranteed Bonds
 Debentures, Bonds and Certificate of Deposit
 Investment in Infrastructure and Social Sector
 Total

<u>As at 31-03-2012</u>		<u>As at 31-03-2011</u>	
<u>₹ Crores</u>		<u>₹ Crores</u>	
	4.61		1.99
	48.84		43.92
	15.05		67.48
	<u>51.85</u>		—
	<u>120.35</u>		<u>113.39</u>

17. INVENTORIES

Particulars

Stores and Spares
 Stock in transit
 Raw Materials
 Work-in-Progress
 Stock of traded goods
 Stock in transit
 Finished goods
 Stock in transit
 Total

<u>As at 31-03-2012</u>		<u>As at 31-03-2011</u>	
<u>₹ Crores</u>	<u>₹ Crores</u>	<u>₹ Crores</u>	<u>₹ Crores</u>
94.48		102.27	
<u>0.60</u>	95.08	<u>0.16</u>	102.43
	190.12		151.29
	38.76		48.58
53.32		32.02	
<u>4.13</u>	<u>57.45</u>	<u>2.84</u>	<u>34.86</u>
126.31		85.16	
<u>7.97</u>	<u>134.28</u>	<u>6.14</u>	<u>91.30</u>
	<u>515.69</u>		<u>428.46</u>

18. TRADE RECEIVABLES

Particulars

Secured and Considered Good :

Over six months due
 Others due

Unsecured and Considered Good :

Over six months due
 Others due
 Less : Provision for Doubtful debts
 Total

<u>As at 31-03-2012</u>		<u>As at 31-03-2011</u>	
<u>₹ Crores</u>	<u>₹ Crores</u>	<u>₹ Crores</u>	<u>₹ Crores</u>
0.57		0.43	
<u>11.89</u>	<u>12.46</u>	<u>6.70</u>	<u>7.13</u>
13.09		11.66	
304.02		251.42	
<u>1.04</u>	<u>316.07</u>	<u>0.27</u>	<u>262.81</u>
	<u>328.53</u>		<u>269.94</u>

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19. CASH, CASH EQUIVALENT AND BANK BALANCES

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
19.1 Cash and cash equivalents				
Cash in hand	1.28		1.24	
Cheques, drafts on hand	1.73		5.64	
Balances with banks in current accounts	58.87		60.17	
Term Deposits (<i>with less than 3 months maturity</i>)	7.00		20.17	
Total (A)		68.88		87.22
19.2 Other Bank Balances				
Margin money with banks	7.35		1.46	
(<i>More than 3 months but Less than 12 months maturity</i>)				
Other balances with banks	16.38		2.25	
Total (B)		23.73		3.71
Total (A + B)		92.61		90.93

20. SHORT-TERM LOANS AND ADVANCES - CONSIDERED GOOD

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Deposits	1.22		0.30	
Advance recoverable in cash or in kind	1.51		1.14	
Income tax (<i>net of provisions</i>)	45.34		36.37	
Inter Corporate Deposits	5.17		3.50	
Advance to creditors	13.83		12.30	
VAT/Service Tax recoverable account	63.61		15.58	
Custom Duty receivable	0.37		—	
Balances with Excise and Customs	17.51		65.95	
Others	64.10		40.74	
Total	212.66		175.88	

21. OTHER CURRENT ASSETS

Particulars	As at 31-03-2012		As at 31-03-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Insurance claim receivable	56.89		5.76	
Prepaid expenses	16.14		8.70	
Others	2.71		2.29	
Total	75.74		16.75	

22. OTHER OPERATING INCOME

Particulars	2011-2012		2010-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Sale of scrap	10.49		8.49	
Interest income	15.75		12.16	
Sale of Carbon Credit	0.89		2.51	
Others	19.32		8.68	
Total	46.45		31.84	

23. OTHER INCOME

Particulars	2011-2012		2010-2011	
	₹ Crores		₹ Crores	
Interest income	5.29		2.69	
Dividend income	6.27		4.51	
Net gain on sales of investments	0.59		0.26	
Other non-operating income	1.46		1.13	
Total	<u>13.61</u>		<u>8.59</u>	

24. CHANGE IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK-IN-PROGRESS

Particulars	2011-2012		2010-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Closing Stock				
Finished Goods	134.28		91.30	
Traded Goods	57.45		34.86	
Work-in-progress	38.76		48.58	
Total	<u>230.49</u>		<u>174.74</u>	
Less : Opening Stock <i>(including stock acquired on acquisition)</i>				
Finished Goods	91.78		89.54	
Traded Goods	34.86		24.83	
Work-in-progress	48.80		22.70	
Total	<u>175.44</u>		<u>137.07</u>	
Total	<u>55.05</u>		<u>37.67</u>	

25. EMPLOYEES BENEFIT EXPENSES

Particulars	2011-2012		2010-2011	
	₹ Crores		₹ Crores	
Salaries, wages and bonus	228.17		176.55	
Contribution to Provident and other funds	19.06		14.61	
Welfare and other expenses	16.31		13.14	
Total	<u>263.54</u>		<u>204.30</u>	

26. FINANCE COST

Particulars	2011-2012		2010-2011	
	₹ Crores		₹ Crores	
Interest expenses	174.02		104.47	
Amortisation of processing fees	9.76		8.64	
Total	<u>183.78</u>		<u>113.11</u>	

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27. OTHER EXPENSES

Particulars	2011-2012		2010-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Rent		29.55		27.56
Rates and taxes		21.64		15.45
Stores and spares consumed		111.24		95.38
Power and fuel consumed		858.12		516.14
Travelling and communication		42.16		38.09
Discounts, incentives and commission on sales		200.38		129.48
Advertisement, sales promotion and other marketing expenses		39.73		45.16
Research expenses		2.62		1.44
Insurance		4.66		3.26
Freight outward		523.23		335.02
Loss on sale of assets		1.27		2.22
Provision for bad and doubtful debts	7.11		5.64	
Add : Bad debts written off	1.73	8.84	1.07	6.71
Loss on exchange fluctuation		10.15		4.67
Adjustment of excise duty on stock		3.61		(1.45)
Royalty paid		34.84		28.21
Sub-contract charges		38.29		16.98
Quarry expenses		10.03		11.89
Readymix concrete pumping expenses		13.11		10.12
Other manufacturing expenses		6.10		5.83
Plant upkeep expenses		14.14		9.30
Repairs to Plant and machinery		50.70		38.77
Repairs to Buildings		3.35		3.33
Repairs others		5.09		4.25
Bank charges		7.58		5.28
Machinery Hire charges		52.05		27.93
Miscellaneous expenses		91.46		70.78
Total		<u>2,183.94</u>		<u>1,451.80</u>

28. Exceptional items comprises of the following :

In March 2012 in the new plant of the Cement Division at Satna, Madhya Pradesh, there was damage to the Blending Silo due to which the clinker production has been affected. Further, the loss on account of the incident is largely covered by insurance. The estimated loss due to certain non-recovery of the claim amount from the insurance amounting to ₹ 4 Crores has been provided in the financial statements and the same has been shown as exceptional item in the Profit and Loss Statement for the current year.

(Previous year : exceptional items comprise of gain of ₹ 4.36 Crores on sales of land and building, loss of ₹ 1.35 Crores on redemption of mutual fund investments and loss of ₹ 2.05 Crores of redemption of investments in preference shares.)

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

Particulars	2011-2012	2010-2011
Profit/(Loss) after Tax excluding dividend on own shares (₹ Crores)	(18.44)	104.95
Weighted average number of equity shares outstanding (Net of own shares held through Trust)	49,10,04,980	49,10,04,980
Earnings Per Share (₹) – Basic & Diluted (Face value ₹ 10/- share)	(0.38)	2.14

30. The Group has investment in Norcros Plc to the extent of 29.92% of the equity capital. As per the management of the Company it doesn't have significant influence over Norcros Plc due to professional management structure and intention for which the investment has been made. Further, the Group has no material transactions with Norcros Plc. In view of this, Norcros Plc is not considered as an Associate and accordingly, accounting of the same is carried out as per Accounting Standard - 13 in "Accounting for Investments" as notified under the Companies (Accounting Standards) Rules, 2006.

31. The Depreciation is being provided for on Straight Line Method at the rates provided in schedule XIV of the Companies Act, 1956 except for H. & R. Johnson (India) TBK Ltd., including Joint Ventures of H. & R. Johnson (India) TBK Ltd., Sentini Cermica Private Ltd. and Milano Bathroom Fittings Private Ltd., where they have charged the same on Written Down Value (WDV) Method. The proportion of value of depreciation which has been charged on Written Down Value Method is as under :

Amount of Depreciation charged on WDV basis : ₹ 4.72 Crores (Previous Year : ₹ 4.99 Crores)

Total Depreciation charged in Consolidated Accounts : ₹ 162.27 Crores (Previous Year : ₹ 126.01 Crores)

% of Depreciation charged on WDV basis to total Depreciation : 2.91%

32. Segment information as required by Accounting Standard – 17 on "Segment Reporting" as notified under the Companies (Accounting Standards) Rules, 2006, is as follows :

(₹ Crores)

Particulars	Cement	TBK	RMC	Others	Unallocated	Total
Revenue :						
External (net of Excise)	1,714.13	1,728.71	1,133.79	38.58	—	4,615.21
Less : Inter - Segment	0.47	17.60	—	0.94	—	19.01
Total Revenue	1,713.66	1,711.11	1,133.79	37.64	—	4,596.20
Segment Result	34.19	70.24	31.89	5.77	—	142.09
Add : Unallocated Income (Net of Unallocated expenditure)						13.61
Less : Borrowing Cost (excluding bank charges)						183.78
Profit/(Loss) Before Tax						(28.08)
Tax Expenses						11.23
Profit/(Loss) for the year						(16.85)

Other Information :

(₹ Crores)

Particulars	Cement	TBK	RMC	Others	Unallocated	Total
Segment Assets	1,856.84	1,366.94	394.04	209.28	216.77	4,043.87
Segment Liabilities	480.30	379.42	158.15	68.22	1,747.18	2,833.27
Capital Expenditure	170.56	147.89	38.40	0.79	—	357.64
Depreciation and Amortisation	88.80	48.19	24.35	0.90	—	162.24

33. (a) **Contingent liabilities :**

- (i) Guarantees given by the Group's bankers and counter guaranteed by the Group ₹ 85.21 Crores (Previous year : ₹ 83.25 Crores).
- (ii) Claims against the Group not acknowledged as debts :
 - (a) Dispute 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 Group.
 - (b) Energy Development Cess disputed ₹ 7.44 Crores (Previous year : ₹ 7.44 Crores)
 - (c) Royalty on limestone disputed ₹ 20.08 Crores (Previous year : ₹ 10.84 Crores)
 - (d) Tax on Rural and Road Development disputed ₹ 5.27 Crores (Previous year : ₹ 5.27 Crores)

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- (e) Other Claims in respect to Income Tax, Sales Tax, Entry Tax, Excise Duty and other claims ₹ 53.89 Crores (Previous year : ₹ 37.09 Crores)
- (iii) Corporate guarantees issued to the bankers of the wholly owned subsidiary company ₹ 73.62 Crores (Previous year : ₹ 64.74 Crores)
- (b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 60.36 Crores (Previous year : ₹ 43.90 Crores).
- (c) The Group has entered into a long term contract of 30 years with one of the party for extracting coal from the Group's mines. The rate will be charged as per the contract rate plus escalation agreed upon.
- (d) Disclosure of provisions made as per the requirements of Accounting Standard - 29 on "Provisions, Contingent Liabilities and Contingent Assets" as notified under the Companies (Accounting Standards) Rules, 2006, are as follows :

(₹ Crores)

Particulars	As at 01-04-2011	Provisions made during the year	Amounts utilised or reversed during the year	As at 31-03-2012
MPEB Cess on Generation of Electricity	8.33	Nil	Nil	8.33
MP Entry/VAT Tax	8.63	Nil	0.05	8.58
UP Entry Tax	20.55	Nil	18.17	2.38
Royalty on Limestone	2.79	Nil	Nil	2.79
Total	40.30	Nil	18.22	22.08

The above provision is net-off the payment made there against. In future, there may be cash inflow in case the dispute is settled in favour of the Group. In case the disputes are settled against the Group there may be cash outflow of ₹ 22.08 Crores (Previous year : ₹ 40.30 Crores).

34. Capital work-in-progress includes pre-operative expenses of ₹ 35.53 Crores (Previous year : ₹ 11.78 Crores), the details of which are as under :

Particulars	2011-2012 ₹ Crores	2010-2011 ₹ Crores
Revenue expenditure for the year considered as pre-operative expenses		
Salary, wages and bonus	2.60	7.03
Contribution to Provident and other funds	0.10	0.46
Rent, Rates and Taxes	0.26	0.17
Travelling and Communication	1.67	0.50
Professional fees	3.17	0.91
Mines Development	0.24	0.11
Interest and other finance charges	2.39	25.01
Depreciation	0.13	0.15
Loss on foreign exchange fluctuations on Project loans	—	4.50
Miscellaneous expenses	15.23	20.18
	<u>25.79</u>	<u>59.02</u>
Add : Expenditure up to Previous year	11.78	36.48
	<u>37.57</u>	<u>95.50</u>
Less : Capitalised during the year	2.04	83.72
Balance Carried forward	<u>35.53</u>	<u>11.78</u>

35. VAT Subsidy has been grouped under revenue from operations as a part of sales and it includes the following :
- a. As per Madhya Pradesh Industrial Investment Promotion Assistance Scheme - 2004, Parent Company is entitled for subsidy of 75% of VAT/CST paid on sales from the new unit at Satna, subject to prescribed limits. Subsidy receivable for the year is ₹ 45.22 Crores (Previous year : ₹ 8.24 Crores).
 - b. As per Andhra Pradesh Industrial Promotion policy 2005-2010, Silica Ceramica Private Limited is entitled for subsidy of 50% of VAT/CAT paid against sales from their unit. Subsidy receivable for the year is ₹ 2.76 Crores (Previous year : Nil).
36. In view of non-availability of profits for the current year in case of the Parent Company, remuneration to the managerial personnel is in excess of the limit prescribed under Schedule XIII of the Companies Act, 1956, by ₹ 6.54 Crores. The said amount is held in trust by the managerial personnel of the company pending approval from Central Government and from the Shareholders of the Parent Company. The steps are being taken by the Company for obtaining required approvals.
37. a. The Group has entered into finance lease for using the mining surface rights of limestone, against which the total payment has been made and no contingent rent is payable.
- b. Details of operating lease agreements (Machinery and Equipments) – Non-cancellable :

Particulars	As at 31-03-2012 ₹ Crores	As at 31-03-2011 ₹ Crores
<u>Future Lease Rental Payments</u>		
a. Due not later than one year	3.88	5.22
b. Due later than one year but not later than 5 years from the balance sheet date	6.55	11.88
c. Later than 5 years	0.61	0.79

Lease rentals of ₹ 3.26 Crores (Previous year : ₹ 6.89 Crores) in respect of obligations under operating leases have been recognised in the Profit and Loss Statement.

38. Disclosure in respect of Group's Joint Ventures pursuant to Accounting Standard - 27 on "Financial Reporting of Interest in Joint Ventures" as notified under the Companies (Accounting Standards) Rules, 2006 :

Name of the Joint Ventures	Proportion of Ownership Interest	Country of Incorporation
Ardex Endura (India) Private Limited	50%	India
Sentini Cermica Private Limited	50%	India
Antique Marbonite Private Limited	50%	India
Spectrum Johnson Tiles Private Limited	50%	India
Small Tiles Private Limited	50%	India

The aggregate of Group's Share in the above Joint Ventures is :

Particulars	As at 31-03-2012 ₹ Crores	As at 31-03-2011 ₹ Crores
Capital Commitments	0.02	Nil
Contingent Liabilities	14.51	10.22

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

- a. Name of the related parties

Joint Ventures / Associates	Key Management Personnel
Ardex Endura (India) Private Limited	<ul style="list-style-type: none"> • Mr. Manoj Chhabra
Sentini Cermica Private Limited	<ul style="list-style-type: none"> • Mr. Vijay Aggarwal
Antique Marbonite Private Limited	<ul style="list-style-type: none"> • Mr. Ganesh Kaskar

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Joint Ventures /Associates	Key Management Personnel
Spectrum Johnson Tiles Private Limited TBK Samiyaz Tile Bath Kitchen Private Limited TBK Shriram Tile Bath Kitchen Private Limited Small Tiles Private Limited TBK Deziner's Home Private Limited TBK Unique Jalgaon Tile Bath Kitchen Private Limited TBK PB Shah Tile Bath Kitchen Private Limited TBK Deepgiri Tile Bath Kitchen Private Limited	<ul style="list-style-type: none"> Mr. K.K. Saini Mr. A. Balu Mr. Praveen Gupta Mr. D.D. Rishi
TBK Pratap Tile Bath Kitchen Private Limited TBK Rangoli Tile Bath Kitchen Private Limited TBK Bansal Ceramics Private Limited TBK Venkataramiah Tile Bath Kitchen Private Limited TBK Rathi Sales Agencies Private Limited TBK Florance Ceramics Private Limited TBK Sanitary Sales Private Limited TBK Tile Home Private Limited TBK Krishna Tile Bath Kitchen Private Limited TBK Reddy Tile Bath Kitchen Private Limited TBK Kadakia's Tile Bath Kitchen Private Limited Umiya Ceramic Private Limited (upto March 28, 2012) Antique Minerals Private Limited Antique Johnson Ceramic Private Limited Spectrum Floor Tiles Private Limited QBE Holdings (AAP) Pty. Limited QBE Insurance Group Limited QBE Insurance (International) Private Limited QBE Hongkong & Shanghai Insurance Limited QBE Insurance (Europe) Limited QBE Management Services Pty. Limited QBE Re Services Pty. Limited Prism Power and Infrastructure Private Limited	Firm/Enterprises in which Directors and/or relatives have significant influence <ul style="list-style-type: none"> R & S Business Centre Windsor Realty Private Limited Globus Stores Private Limited

- b. Following are the transactions with related parties as defined under Accounting Standard - 18 on "Related Party Disclosures" as notified under the Companies (Accounting Standards) Rules, 2006.

(₹ Crores)

Name	Relationship	Nature of transaction	Amount of transaction in 2011-2012	Amount outstanding as at 31-03-2012 (Payable)/Receivable	Amount of transaction in 2010-2011	Amount outstanding as at 31-03-2011 (Payable)/Receivable
R & S Business Centre	Firm in which Director and/or relatives have significant influence	Rent and maintenance charges	0.17	(0.02)	0.19	(0.02)
Windsor Realty Private Limited	Enterprise in which Director and/or relatives have significant influence	Reimbursement	#	Nil	Nil	Nil
		Rent Paid	1.64	Nil	Nil	Nil
		Security Deposit	Nil	Nil	1.58	1.58
		Sale of goods and Services	11.23	0.91	4.14	(0.11)

(₹ Crores)

Name	Relationship	Nature of transaction	Amount of transaction in 2011-2012	Amount outstanding as at 31-03-2012 (Payable)/Receivable	Amount of transaction in 2010-2011	Amount outstanding as at 31-03-2011 (Payable)/Receivable
Mr. Manoj Chhabra	Managing Director	Remuneration <i>* includes leave encashment of ₹ 3.30 Crores paid at the end of the previous tenure during the year</i>	6.54*	Nil	2.93	Nil
Mr. Vijay Aggarwal	Managing Director	Remuneration <i>* Previous year: includes leave encashment of ₹ 2.41 Crores paid at the end of the previous tenure during the year</i>	3.30	Nil	5.41*	Nil
Mr. Ganesh Kaskar	Executive Director	Remuneration	1.69	(0.27)	1.52	(0.24)
Mr. Praveen Gupta	Executive Director	Remuneration	1.64	(0.31)	1.37	(0.22)
Prism Power and Infrastructure Private Limited	Associate	Advances	Nil	0.01	Nil	0.01
TBK Samiyaz Tile Bath Kitchen Private Limited	Joint Venture of Subsidiary	Sale of goods and Services	5.52	Nil	7.61	0.20
		Selling and Distribution Expenses	0.31	Nil	0.37	Nil
TBK Shriram Tile Bath Kitchen Private Limited	Joint Venture of Subsidiary	Sale of goods and Services	5.70	0.85	4.33	0.34
		Selling and Distribution Expenses	0.30	Nil	Nil	Nil
TBK Deepgiri Tile Bath Kitchen Private Limited	Joint Venture of Subsidiary	Sale of goods and Services	6.96	Nil	5.89	0.26
		Selling and Distribution Expenses	0.37	Nil	0.30	Nil
Antique Marbonite Private Ltd.	Joint Venture	Purchase of Goods and Services	127.17	(22.54)	135.38	(23.62)
		Sales of Goods and Services	Nil	Nil	Nil	0.28
		Reimbursement	0.11	Nil	0.13	Nil
		Interest Received	0.42	Nil	0.06	Nil
Sentini Cermica Private Limited	Joint Venture	Purchase of Goods and Services	73.02	(11.41)	63.73	(8.71)
		Reimbursement	0.08	Nil	0.08	Nil
Spectrum Johnson Tiles Private Limited	Joint Venture	Purchase of Goods and Services	29.53	(5.99)	28.40	(4.45)
		Sales of Goods and Services	Nil	Nil	Nil	0.61
		Rent Paid	0.01	Nil	Nil	Nil
		Interest Received	Nil	Nil	0.01	Nil

PRISM CEMENT LIMITED

(₹ Crores)

Name	Relationship	Nature of transaction	Amount of transaction in 2011-2012	Amount outstanding as at 31-03-2012 (Payable)/Receivable	Amount of transaction in 2010-2011	Amount outstanding as at 31-03-2011 (Payable)/Receivable
TBK PB Shah Tile Bath Kitchen Private Limited	Joint Venture of Subsidiary	Selling and Distribution Expenses	Nil	Nil	0.21	Nil
TBK Bansal Ceramic Private Limited	Joint Venture of Subsidiary	Selling and Distribution Expenses	0.26	Nil	Nil	Nil
TBK Sanitary Sales Private Limited	Joint Venture of Subsidiary	Sale of goods and Services	Nil	0.51	Nil	Nil
TBK Deziner's Home Private Limited	Joint Venture of Subsidiary	Sale of goods and Services	7.40	0.50	5.31	Nil
		Selling and Distribution Expenses	0.42	Nil	0.34	Nil
QBE Management Services Pty. Limited	Fellow Subsidiary of Joint Venture Partner	Reimbursement	0.16	(0.12)	0.13	(0.12)
QBE Insurance (International) Limited	Fellow Subsidiary of Joint Venture Partner	Reimbursement	Nil	Nil	0.04	Nil
QBE Hongkong & Shanghai Insurance Limited	Fellow Subsidiary of Joint Venture Partner	Reimbursement	Nil	Nil	#	Nil
QBE Re Services Pty. Limited	Fellow Subsidiary of Joint Venture Partner	Reimbursement	0.05	Nil	0.06	Nil
Globus Stores Private Limited	Enterprise in which Director and/or relatives have significant influence	Sale of goods and Services	0.03	Nil	0.03	Nil
QBE Insurance (Europe) Limited	Fellow Subsidiary of Joint Venture Partner	Reinsurance Premium Paid	2.76	(0.90)	2.87	(0.99)
		Reinsurance Commission received	0.59	0.18	0.55	0.18
Others		Interest Received	0.01	Nil	Nil	Nil
		Purchase of goods and Services	4.99	(1.36)	1.84	(0.01)
		Sales of goods and Services	21.80	2.52	11.19	1.02
		Selling and Distribution Expenses	0.69	Nil	0.35	Nil
		Remuneration	0.48	Nil	0.16	Nil

Amount less than ₹ 50,000/-

40. Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies :

(₹ Crores)

Name of Subsidiary	Raheja QBE General Insurance Company Limited	Silica Ceramica Private Limited	H. & R. Johnson (India) TBK Limited	RMC Readymix Porselano (India) Limited	Milano Bathroom Fittings Pvt. Limited	Lifestyle Investments PVT Limited
Country	India	India	India	India	India	Jersey
Reporting Currency	₹	₹	₹	₹	₹	£
Exchange Rate as on March 31, 2012	N.A.	N.A.	N.A.	N.A.	N.A.	81.80
Share Capital	207.00	2.50	1.61	0.05	4.50	71.23
Reserves and Surplus	(16.47)	68.65	(16.92)	(0.01)	4.30	(7.96)
Total Assets	209.29	226.05	25.16	0.04	20.98	136.94
Total Liabilities	18.75	154.90	40.47	—	12.18	73.67
Investment other than in subsidiaries	200.13	—	3.88	—	0.01	133.32
% of Holding	74%	97.50%	100%	100%	100%	100%
Sales and other income	24.30	121.35	51.24	—	29.44	5.01
Profit before taxation	5.77	2.93	(3.24)	—	1.53	1.13
Provision for taxation	(0.03)	(0.14)	(0.04)	—	0.47	—
Profit after taxation	5.80	3.07	(3.20)	—	1.06	1.13
Proposed dividend (including dividend reserve)	Nil	Nil	Nil	Nil	0.02	Nil

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

As per our report of even date attached

For N. M. RAIJI & CO.
Chartered Accountants

J. M. Gandhi
Partner

Mumbai, May 10, 2012

Aneeta S. Kulkarni
Company Secretary

Rajesh G. Kapadia *Chairman*

Manoj Chhabra }
Vijay Aggarwal } *Managing Directors*

Ganesh Kaskar *Executive Director*

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	2011-2012		2010-2011	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit/(Loss) before taxation as per Profit and Loss Statement		(28.08)		146.89
Adjustment for :				
Depreciation and Amortisation	162.24		126.01	
Loss on sale of assets (net)	1.27		(2.16)	
Profit on sales of investments (net)	(0.59)		—	
Interest Income	(5.29)		(15.49)	
Dividend income	(6.27)		(3.01)	
Interest expenditure	174.02		106.20	
Loss on exchange fluctuations	10.30	335.68	3.30	214.85
Operating profit before working capital changes		307.60		361.74
Changes in Working Capital :				
Increase/(Decrease) in trade and other payables	260.76		263.52	
(Increase)/Decrease in trade receivables	(58.59)		(52.94)	
(Increase)/Decrease in inventories	(87.23)		(112.02)	
(Increase)/Decrease in other receivables	(139.50)	(24.56)	(133.20)	(34.64)
Cash Generated from Operations		283.04		327.10
Income tax paid (net of refunds)		12.85		38.69
Net cash generated from operating activities (A)		270.19		288.41
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed assets and additions in CWIP		(298.95)		(491.64)
Proceed from sales of fixed assets		3.42		9.22
Purchase of investments		(241.81)		443.29
Sales proceeds from investments		189.33		(503.49)
Interest received		5.29		15.49
Dividend on own shares held through a Trust		—		1.24
Dividend income		6.27		3.01
Net cash used in investing activities (B)		(336.45)		(522.88)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Dividend paid including distribution tax		—		(60.10)
Interest paid		(173.68)		(129.45)
Additions to Borrowings		1,034.42		659.40
Repayment of Borrowings		(812.82)		(278.39)
Redemption of Preference Shares		—		(0.38)
Net cash used/generated from Financing Activities (C)		47.92		191.08
Net decrease in cash and cash equivalents during the year (A+B+C)		(18.34)		(43.39)
Cash and cash equivalents at the beginning of the year		87.22		130.61
Cash and cash equivalents and the end of the year		68.88		87.22
Cash and cash equivalents comprise of :				
Cash on hand		1.28		1.24
Cheques on hand		1.73		5.64
Balance with Banks		65.87		80.34
Total		68.88		87.22

Note : Cash Flow statement has been prepared under the indirect method as set out in Accounting Standard - 3, notified under the Companies (Accounting Standards) Rules, 2006.

As per our report of even date attached
For N. M. RAIJI & CO.
Chartered Accountants

J. M. Gandhi
Partner

Aneeta S. Kulkarni
Company Secretary

Rajesh G. Kapadia *Chairman*
Manoj Chhabra }
Vijay Aggarwal } *Managing Directors*
Ganesh Kaskar *Executive Director*

Mumbai, May 10, 2012

PRISM CEMENT LIMITED

Registered Office : 305, Laxmi Niwas Apartments, Ameerpet, Hyderabad - 500 016.
Corporate Office : ' Rahejas', Main Avenue, V. P. Road, Santacruz (W), Mumbai - 400 054.

ATTENDANCE SLIP

Please fill in the Attendance Slip and hand it over at the entrance of the meeting hall. Joint Shareholders may obtain additional Attendance Slips on request. Please bring your copy of the Annual Report for reference at the Meeting.



NAME AND ADDRESS OF THE SHAREHOLDER _____

Folio No. _____

DP ID. _____

Client ID. _____

No. of Shares held : _____

I hereby record my presence at the **TWENTIETH ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, June 26, 2012 at 11.30 a.m. at Taj Mahal Hotel, 4-1-999, Abids Road, Hyderabad - 500 001.

SIGNATURE OF THE SHAREHOLDER/PROXY *

* Strike out whichever is not applicable _____

----- TEAR HERE -----

PRISM CEMENT LIMITED

Registered Office : 305, Laxmi Niwas Apartments, Ameerpet, Hyderabad - 500 016.
Corporate Office : ' Rahejas', Main Avenue, V. P. Road, Santacruz (W), Mumbai - 400 054.

PROXY FORM

Folio No. _____

DP ID. _____

Client ID. _____

I/We, _____

of _____ being a member/members of PRISM CEMENT LIMITED hereby appoint _____ or failing him _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the **TWENTIETH ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, June 26, 2012 at 11.30 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2012.

Affix
Revenue
Stamp



Notes : The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

The Proxy need not be a member of the Company.

PRISM CEMENT LIMITED

Presence



	REGISTERED OFFICE
	CORPORATE OFFICE
	PRISM CEMENT PLANT
	PRISM CEMENT MARKETING OFFICE
	PRISM COAL BLOCK
	PRISM CEMENT AP PROJECT
	RMC PLANT
	RMC CRUSHERS
	H & R JOHNSON PLANT
	H & R JOHNSON BRANCH OFFICE
<i>The map is as of March 31, 2012. It is illustrative and not drawn to scale.</i>	

