



PRISM CEMENT LIMITED

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



FORM A

(Pursuant to Clause 31 (a) of the Listing Agreement)

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchange

1.	Name of the Company	Prism Cement Limited
2.	Annual Financial Statements for the year ended	March 31, 2013 (Standalone)
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by :	

Rajesh Kapadia
Audit Committee
Chairman

Manoj Chhabra
Managing
Director

Vijay Aggarwal
Managing
Director

Ganesh Kaskar
Executive Director

For N. M. Raiji &
Co.
Chartered
Accountants
J. M. Gandhi
Partner
Membership No.
37924

S. Ramnath
Sr. President
Corporate
Affairs
(Cement
Division)

T. R.
Maheshwari
Chief Operating
Officer (TBK)
(H & R Johnson
(India)
Division)

V. M. Panicker
Chief Financial
Officer
(RMC Readymix
(India) Division)

Date : May 9, 2013

**PRISM CEMENT LIMITED**

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Santacruz (W), Mumbai - 400 054.
Tel.: +91-22-6675 4142 / 43, Fax : 2600 1304

**FORM A**

(Pursuant to Clause 31 (a) of the Listing Agreement)

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchange

1.	Name of the Company	Prism Cement Limited
2.	Annual Financial Statements for the year ended	March 31, 2013 (Consolidated)
3.	Type of Audit observation	Matter of Emphasis
4.	Frequency of observation	Not Applicable
5.	Signed by :	

Rajesh Kapadia
Audit Committee
Chairman

Manoj Chhabra
Managing
Director

Vijay Aggarwal
Managing
Director

Ganesh Kaskar
Executive Director

**For N. M. Raiji &
Co.**
Chartered
Accountants
J. M. Gandhi
Partner
Membership No.
37924

S. Ramnath
Sr. President
Corporate
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(Cement
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**T. R.
Maheshwari**
Chief Operating
Officer (TBK)
(H & R Johnson
(India)
Division)

V. M. Panicker
Chief Financial
Officer
(RMC Readymix
(India) Division)

Date : May 9, 2013

PRISM CEMENT LIMITED

ANNUAL REPORT 2012-13

FROM START TO FINISH
WE GO THE LENGTH



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

Investor Relations

Mr. Aditya Bob Mahendru
General Manager (Corporate Planning)
Tel. : 91-22-3064-7488/91-22-2654-7689
Email : mahendru.aditya@hrjohnsonindia.com

Corporate Office

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

Registered Office

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

Registrar & Transfer Agent

Karvy Computershare Private Limited,
Unit : Prism Cement Limited,
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 Twenty-first Annual General Meeting of the Company will be held on Tuesday, June 25, 2013 at 11.30 a.m. at Taj Mahal Hotel, 4-1-999, Abids Road, Hyderabad - 500 001, to transact the following business :

Ordinary Business :

1. To receive and adopt the audited Profit and Loss Statement for the year ended March 31, 2013 and the Balance Sheet as at that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajesh G. Kapadia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Akshay R. Raheja, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Ameeta A. Parpia, who retires by rotation and being eligible, offers herself for re-appointment.
5. 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.”

Special Business :

6. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :
“RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) or any modifications/re-enactments thereof, read with Schedule XIII to the Act, the Articles of Association of the Company, and subject to such other approvals/consents/sanctions/permissions as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Vijay Aggarwal as Managing Director, for the period, terms as to remuneration and conditions as set out hereunder and in the Agreement to be entered into by the Company with him, submitted to this Meeting and initialled by the Chairman for

the purpose of identification, which Agreement is hereby specifically approved with full liberty to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include Remuneration Committee of the Board), in accordance with the statutory limits/ approvals as may be applicable, to revise/alter/ modify/amend/change the terms and conditions of the Agreement from time to time as may be agreed to by the Board and Mr. Aggarwal.

1. Period :

Three years with effect from March 3, 2013.

2. Remuneration :

- (i) Remuneration, by way of salary, dearness allowance, perquisites and other allowances payable monthly, and commission, which together shall not, in any financial year, exceed five per cent of its net profits for one such managerial person and if there is more than one such managerial person, ten per cent for all of them together, as may be decided from time to time by the Board.
- (ii) Company’s contribution to provident fund, superannuation fund or annuity fund as per rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, gratuity and encashment of leave at the end of the tenure payable as per the rules of the Company shall not be included in the computation of limits for the remuneration and perquisites aforesaid.
- (iii) The aggregate of the remuneration and perquisites as stated above in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309, 311 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Act or any statutory modifications or re-enactment thereof.
- (iv) Where in any financial year during the tenure of Mr. Aggarwal, the Company has no profits or it has inadequate profits, the Company shall pay to Mr. Aggarwal the remuneration by way of salary, perquisites and other allowances as specified above and as approved by the Board from time to time as minimum remuneration, subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and

PRISM CEMENT LIMITED

things as may be considered necessary to give effect to the aforesaid resolution.”

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

“RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) or any modifications/re-enactments thereof, read with Schedule XIII to the Act, the Articles of Association of the Company, and subject to such other approvals/consents/sanctions/permissions as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Ganesh Kaskar as Executive Director, for the period, terms as to remuneration and conditions as set out hereunder and in the Agreement to be entered into by the Company with him, submitted to this Meeting and initialled by the Chairman for the purpose of identification, which Agreement is hereby specifically approved with full liberty to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include Remuneration Committee of the Board), in accordance with the statutory limits/approvals as may be applicable, to revise/alter/modify/amend/change the terms and conditions of the Agreement from time to time as may be agreed to by the Board and Mr. Kaskar.

1. **Period :**

Three years with effect from March 3, 2013.

2. **Remuneration :**

- (i) Remuneration, by way of salary, dearness allowance, perquisites and other allowances payable monthly, and commission, which together shall not, in any financial year, exceed five per cent of its net profits for one such managerial person and if there is more than one such managerial person, ten per cent for all of them together, as may be decided from time to time by the Board.
- (ii) Company’s contribution to provident fund, superannuation fund or annuity fund as per rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, gratuity and encashment of leave at the end of the tenure payable as per the rules of the Company shall not be included in the computation of limits for the remuneration and perquisites aforesaid.
- (iii) The aggregate of the remuneration and perquisites as stated above in any financial

year shall not exceed the limits prescribed from time to time under Sections 198, 309, 311 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Act or any statutory modifications or re-enactment thereof.

- (iv) Where in any financial year during the tenure of Mr. Kaskar, the Company has no profits or it has inadequate profits, the Company shall pay to Mr. Kaskar the remuneration by way of salary, perquisites and other allowances as specified above and as approved by the Board from time to time as minimum remuneration, subject to receipt of the requisite approvals, if any.

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

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

“RESOLVED THAT in supersession of Resolution No. 11 passed at the 20th Annual General Meeting of the Company held on June 26, 2012 and pursuant to the provisions of Section 309(4) and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) or any modifications/re-enactments thereof, the Articles of Association of the Company and subject to such other approvals/permissions as may be necessary, consent of the Company be and is hereby accorded to the payment of remuneration by way of commission to the Directors who are neither in the whole-time employment of the Company nor the Managing Director, Executive Director, Non-independent Directors and such of the remainder as may be decided by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include Remuneration Committee of the Board), for a period of five years with effect from April 1, 2013, upto one per cent of the net profits of the Company, computed in the manner referred to in Section 198, 309 and all other applicable provisions of the Companies Act, 1956 and such commission to be distributed and paid amongst the aforesaid Directors or some or any of them in such proportions, subject to such ceiling(s) and in such manner as the Board may determine, in addition to the sitting fees for attending the meetings of the Board or Committee(s) thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things as desirable to give effect to this resolution.”

NOTES :

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business mentioned under Item Nos. 6 to 8 above, is annexed hereto.
2. 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.
3. The Register of Members and Transfer Books of the Company will remain closed from Tuesday, June 18, 2013 to Tuesday, June 25, 2013 (both days inclusive).
4. Members are requested to send all communication relating to shares to the Company's 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. Members holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).
5. 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.
6. 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.
7. The Company's equity shares are listed on The Bombay Stock Exchange Limited and on The National Stock Exchange of India Limited. The listing fees for the year 2013-14 have been paid to the aforesaid Stock Exchanges.
8. The Company is required to transfer unpaid/unclaimed dividends to the Investor Education & Protection Fund (IE&PF) pursuant to Section 205C of the Companies Act, 1956. The details of unpaid/unclaimed equity dividends are available on the Company's website www.prismcement.com. Given below is the table of dates by which shareholders can claim the respective unclaimed equity dividend and the date by which such unclaimed amount will be transferred to the IE&PF.

Equity dividend for FY	Date of declaration of dividend	Date by which unclaimed dividend can be claimed	Proposed transfer of unclaimed equity dividend to IE&PF between
2006-2007	August 7, 2007	August 6, 2014	August 7, 2014 to September 6, 2014
2007-2008	January 8, 2008	January 7, 2015	January 8, 2015 to February 7, 2015
2008-2009	October 7, 2008	October 6, 2015	October 7, 2015 to November 6, 2015
2008-2009	May 12, 2009	May 11, 2016	May 12, 2016 to June 11, 2016
2009-2010	July 7, 2009	July 6, 2016	July 7, 2016 to August 6, 2016
2009-2010	March 10, 2010	March 9, 2017	March 10, 2017 to April 9, 2017
2010-2011	October 27, 2010	October 26, 2017	October 27, 2017 to November 26, 2017
2011-2012	June 26, 2012	June 25, 2019	June 26, 2019 to July 25, 2019

Shareholders who have not encashed their equity dividend warrants so far are requested to make their claim to the Company's Registrar and Share Transfer Agent.

9. The Company has transferred all unclaimed/postal returned equity shares to the 'Unclaimed Suspense Account' of the Company. Shareholders who have not received their shares so far are requested to make their claim to the Company's Registrar and Share Transfer Agent. Details of the account is as under :

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

By Order of the Board of Directors,
Aneeta S. Kulkarni
Company Secretary

Place : Mumbai
Date : May 9, 2013

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. 6 to 8 mentioned in the accompanying Notice dated May 9, 2013.

Item No. 6 and 7

The Shareholders had, at the Extra-ordinary General Meeting held on April 6, 2010, approved the appointment and the remuneration of Mr. Vijay Aggarwal, Managing

Director and Mr. Ganesh Kaskar, Executive Director of the Company for a period of three years effective from March 3, 2010. The Board of Directors of the Company at its Meeting held on January 24, 2013 has, subject to the approval of the shareholders at the ensuing Annual General Meeting, re-appointed Mr. Aggarwal as the Managing Director and Mr. Ganesh Kaskar as the Executive Director for a further period of three years with effect from March 3, 2013.

Statement as per proviso (iv) of Part II Section II (B) of Schedule XIII

I. GENERAL INFORMATION					
1.	Nature of Industry :	Manufacture of Cement, Tiles, Bath and Kitchens and Readymixed Concrete.			
2.	Date or expected date of commencement of commercial production :	Not applicable as the applicant is an existing company.			
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :	Not applicable			
4.	Financial performance based on given indicators :	₹ Crores			
		Particulars	2012-13	2011-12	2010-11
		Total Revenue	4,774.00	4,509.70	3,391.72
		Total Expense	4,858.61	4,552.89	3,262.02
		Exceptional items	1.62	(2.80)	0.96
		Profit/(Loss) Before Tax	(82.99)	(45.99)	130.66
		Profit/(Loss) After Tax	(59.48)	(30.01)	95.79
		Dividend Rate	—	5%	10%
5.	Export performance and net foreign exchange collaborations :	Foreign Exchange earnings amounted to ₹ 24.19 crores as against foreign exchange outgo of ₹ 4.04 crores for the year ended March 31, 2013.			
6.	Foreign investments or collaborators, if any :	The Company has invested in a wholly owned foreign subsidiary, Lifestyle Investments PVT Limited. The investment as on March 31, 2013 is ₹ 45.89 crores by way equity and preference shares. There are no foreign collaborators. The Company is listed on The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited and the foreign holding in the Company as on March 31, 2013 is 1.18%.			
II. INFORMATION ABOUT THE APPOINTEES					
A Mr. Vijay Aggarwal					
1.	Background details :	Mr. Vijay Aggarwal was appointed as Managing Director on the Board of Directors since March 3, 2010 and has earlier been a Director on the Board of the Company as an alternate to Mr. Satish B. Raheja. He was the Managing Director and CEO of the erstwhile H. & R. Johnson (India) Limited since 1998, before it was merged with the Company. Mr. Aggarwal graduated from IIT Delhi with a B. Tech in Electrical Engineering and completed his PGDM from IIM, Ahmedabad, where he was conferred the gold medal for being the first ranker and K. V. Srinivas Gold Medal for being the best all-rounder. He started his career with SBI Capital Markets Limited and has several years of experience in the manufacturing industry.			

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		<p>Mr. Aggarwal is also a Director on the Board of Aptech Limited, Asianet Satellite Communications Limited, Exide Industries Limited, Indian Council of Ceramic Tiles and Sanitaryware (ICCTAS), ING Vysya Life Insurance Company Limited and Norcross PLC.</p> <p>In the past Mr. Aggarwal has been a part of various associations in different capacities. He has served as the Chairman of Indian Council of Ceramic Tiles and Sanitaryware (ICCTAS), as Vice-Chairman of Ceramics and Allied Products (including Refractories) Panel at Capexil and as Member of the Managing Committee of Bombay Chamber of Commerce and Industry.</p>
2.	Past Remuneration :	The remuneration paid to Mr. Aggarwal for the year 2012-13 is ₹ 3.30 crores. (excluding leave encashment of ₹ 0.88 crores paid at the end of the previous tenure.)
3.	Recognition and awards :	<p>The Company has been accredited with ISO 9001:2008, ISO 14001:2004, ISO 50001:2011, ISO/IEC 27001:2005, OHSAS 18001:2007 and SA 8000:2008. The Company has won various awards in the field of energy efficiency, safety, etc.</p> <p>Mr. Vijay Aggarwal was awarded the most Innovative Corporate Leader of the year 2011 by the Power Brand Hall of Fame, London.</p>
4.	Job profile and his suitability :	Mr. Vijay Aggarwal, as the Managing Director of the Company, functions under the overall superintendence and guidance of the Board of Directors of the Company.
5.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :	Considering the general industry and the specific company profile, the remuneration decided by the Remuneration Committee/ Board of Directors is in line with industry trends and is fair and reasonable.
6.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any :	<p>Except for the remuneration payable to him, Mr. Vijay Aggarwal has no direct or indirect pecuniary relationship with the Company. He does not have any pecuniary relationship, direct or indirect, with any of the Directors of the Company.</p> <p>The Company does not pay any bonus, severance fee and no stock option is granted to the Managing Director.</p>
B. Mr. Ganesh Kaskar		
1.	Background details :	<p>Mr. Ganesh Kaskar is the Executive Director of the Company since March 3, 2010. Prior to his appointment as Executive Director of the Company, he was the Executive Director and CEO of the erstwhile RMC Readymix (India) Private Limited (RMC) since 2001, before it was merged with the Company. He was associated with RMC since inception and held senior positions before being designated as Executive Director and CEO.</p> <p>Mr. Kaskar is a M. Tech. in Civil Engineering from IIT, Mumbai and has more than 29 years experience in the civil construction field, out of which around 20 years are in the readymixed concrete and building material industry.</p> <p>Apart from his experience in India, he has also worked on certain major projects abroad with world famous names in the construction industry. In India, he has worked with major companies including ACC Ltd. and Tata Consulting Engineers.</p>
2.	Past Remuneration :	The remuneration paid to Mr. Kaskar for the year 2012-13 is ₹ 1.85 crores.
3.	Recognition and awards :	The Company has been accredited with ISO 9001:2008, ISO 14001:2004, ISO 50001:2011, ISO/IEC 27001:2005, OHSAS 18001:2007 and SA 8000:2008. The Company has won various awards in the field of energy efficiency, safety, etc.

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4.	Job profile and his suitability :	Mr. Ganesh Kaskar, as the Executive Director of the Company, functions with special focus on the RMC Readymix (India) Division of the Company under the overall superintendence and guidance of the Board of Directors of the Company.
5.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :	Considering the general industry and the specific company profile, the remuneration decided by the Remuneration Committee/ Board of Directors for Mr. Kaskar is in line with industry trends and is fair and reasonable.
6.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any :	Except for the remuneration payable to him, Mr. Ganesh Kaskar has no direct or indirect pecuniary relationship with the Company. He does not have any pecuniary relationship, direct or indirect, with any of the Directors of the Company. The Company does not pay any bonus, severance fee and no stock option is granted to the Executive Director.
III. OTHER INFORMATION		
1.	Reasons for inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms :	The Company has been consistently earning profits and paying dividends. However, for the years ended March 31, 2012 and March 31, 2013, the Company has made net losses of ₹ 30.01 crores and ₹ 59.48 respectively primarily due to (i) Depressed market conditions (ii) Unprecedented increase in input cost and (iii) Stabilisation of Unit II of Cement Division at Satna.
2.	Steps taken to improve the performance of the Company :	The Company is taking all efforts to improve its performance which, <i>inter alia</i> include : <ul style="list-style-type: none"> • Deeper penetration into existing markets and expansion in new markets to become a pan-India player. • Measures to ensure efficient power consumption. • Commencement of the coal block operations for captive consumption by end 2013. • New product categories 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 Andhra Pradesh and Madhya Pradesh. • HRJ plans to set-up a tile manufacturing facility in East India. It would be the first tile manufacturing plant in the Eastern Region. Land acquisition has been completed and further clarity on fuel policy is awaited. • Cost management and greater utilisation of assets and adding new readymixed concrete plants in existing markets where demand is robust.
3.	Expected increase in productivity and profits in measurable terms :	All efforts are being undertaken to ensure an improved performance and increase the profitability of the Company.
IV. DISCLOSURES		
		Shareholders had, at the Extraordinary General Meeting of the Company held on April 6, 2010, approved the appointment of Mr. Vijay Aggarwal as Managing Director and Mr. Ganesh Kaskar as Executive Director of the Company for a period of 3 years w.e.f. March 3, 2010. The shareholders had also approved remuneration payable to Mr. Aggarwal and Mr. Kaskar respectively as under : <ul style="list-style-type: none"> (i) Remuneration, by way of salary, dearness allowance, perquisites and other allowances payable monthly, and commission, which together shall not, in any financial year, exceed five per cent of its net profits for one such managerial person and if there is more than one such managerial person, ten per cent for all of them together, as may be decided from time to time by the Board of Directors.

	<p>(ii) Company's contribution to provident fund, superannuation fund or annuity fund as per rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, gratuity and encashment of leave at the end of the tenure payable as per the rules of the Company shall not be included in the computation of limits for the remuneration and perquisites aforesaid.</p> <p>(iii) The aggregate of the remuneration and perquisites as stated above in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309, 311 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Act or any statutory modifications or re-enactment thereof.</p> <p>(iv) Where in any financial year during the tenure of Mr. Aggarwal/Mr. Kaskar, the Company has no profits or it has inadequate profits, the Company shall pay to Mr. Aggarwal/Mr. Kaskar the remuneration by way of salary, perquisites and other allowances as specified above as minimum remuneration, subject to receipt of the requisite approvals, if any.</p>
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The appointment may be terminated at any time by either party giving to the other party six months notice of such termination.

The draft Agreement(s) to be entered into with the Managing Director/Executive Director is available for inspection at the Company's Registered Office at Hyderabad and at the Corporate Office at Mumbai, on all working days between 11.00 a.m. and 1.00 p.m., except Saturdays, up to the date of the Annual General Meeting.

The Directors are of the view that the Company would continue to be immensely benefited by the experience and guidance of Mr. Aggarwal and Mr. Kaskar, and therefore recommend adoption of the Special Resolutions at Item No. 6 and 7.

Except for Mr. Aggarwal and Mr. Kaskar who may be deemed to be interested in their respective appointments, none of the other Directors is deemed to be concerned or interested in any way in the Special Resolutions.

Item No. 8

The Shareholders had, at the Annual General Meeting held on June 26, 2012, approved the payment of commission of ₹ 50,00,000/- per annum to Mr. J. A. Brooks, Non-executive Independent Director in addition to sitting fees, in terms of the relevant provisions of the Companies Act, 1956.

In view of the increased demands on non-executive directors' participation in Board and Committee meetings and the responsibilities they are expected to bear in the interest of higher level of excellence in corporate governance, the Non-executive Independent Directors are required to devote more time and attention. To partially compensate for the time and efforts required to be spent by them to provide strategic inputs for the growth of business, approval of members is now sought for authorising the Board of Directors to pay commission to the such Non-executive Independent Directors as may be decided by the Board of

Directors (hereinafter referred to as the "Board" which term shall be deemed to include Remuneration Committee of the Board) for a period of 5 years commencing from April 1, 2013, in such proportions subject to such ceiling(s) and in such manner as the Board may decide. The aggregate of commission to all such Directors shall not exceed 1% of the net profits of the Company for that year as computed pursuant to the provisions of the Section 349 and 350 of the Companies Act, 1956.

The above payment of commission will be in addition to the sitting fees payable to them for attending the meetings of the Board or Committee(s) thereof.

Under Section 309(4) of the Companies Act, 1956, such payment requires approval of members by way of a Special Resolution.

Mr. Rajesh Kapadia, Mr. J. A. Brooks and Ms. Ameeta Parpia, being Non-executive Independent Directors, may be deemed to be concerned or interested in the resolution to the extent of commission that may be payable to them from time to time. No other Director is concerned or interested in the resolution.

The Board recommends the passing of the Special Resolution at Item No. 8.

By Order of the Board of Directors,

Aneeta S. Kulkarni
Company Secretary

Place : Mumbai
Date : May 9, 2013

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

DIRECTORS' REPORT

To the Shareholders,

The Directors present the Twenty-first Annual Report together with the audited Accounts of the Company for the year ended March 31, 2013.

FINANCIAL RESULTS

	2012-13 ₹ Crores	2011-12 ₹ Crores
Sales of products and services	5,123.67	4,821.74
Other operating income	25.80	23.87
	5,149.47	4,845.61
Less : Excise duty	381.00	340.90
Total Revenue from Operations	4,768.47	4,504.71
Other income	5.53	4.99
Total Revenue	4,774.00	4,509.70
Expenditure	4,858.61	4,552.89
Loss before exceptional items and Tax	(84.61)	(43.19)
Exceptional items	1.62	(2.80)
Loss before Tax	(82.99)	(45.99)
Tax expenses	23.51	15.98
Loss for the year	(59.48)	(30.01)
Add: Dividend on own shares held through Trust	0.62	-
Balance brought forward	445.54	531.80
Profit available for appropriation	386.68	501.79
Appropriations :		
Transfer to Debenture Redemption Reserve	29.44	27.00
Dividend	-	25.17
Distribution Tax on Dividend	-	4.08
Balance carried to Balance Sheet	357.24	445.54

OPERATIONS

The gross sales and other income for the year ended March 31, 2013 was ₹ 5,155.00 crores as against ₹ 4,850.60 crores for the previous year. The Company incurred a loss before tax of ₹ 82.99 crores and net loss of ₹ 59.48 crores during the year ended March 31, 2013 as against loss before tax of ₹ 45.99 crores and net loss of ₹ 30.01 crores during the year ended March 31, 2012, primarily due to depressed markets, increased power and fuel costs, higher freight charges and subdued realisations.

For the year ended March 31, 2013, the consolidated net loss of the Company and its subsidiary companies amounted to ₹ 62.47 crores as against a net loss of ₹ 18.44 crores for the previous year.

FINANCE

The Company has repaid loans of ₹ 491.71 crores during the year and tied-up fresh loans of ₹ 803.50 crores to finance, *inter alia*, its ongoing long term working capital and capital expenditure during the year. The total borrowings of the Company stood at ₹ 1,609.30 crores as on March 31, 2013.

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

FIXED DEPOSITS

Out of the total 10,968 deposits of ₹ 37.01 crores from the public and the shareholders as at March 31, 2013, 418 deposits amounting to ₹ 0.89 crores had matured and had not been claimed as on that date. Since then, 19 of these deposits aggregating to ₹ 0.04 crores have been claimed.

During the year, the Company has transferred a sum of ₹ 0.05 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

The Board at its Meeting held on January 24, 2013 has, subject to the requisite approvals, re-appointed Mr. Vijay Aggarwal as Managing Director and Mr. Ganesh Kaskar as Executive Director of the Company for a period of three years with effect from March 3, 2013, upon terms and conditions mentioned at Item Nos. 6 and 7 read with the Explanatory Statement of the accompanying Notice of the ensuing Annual General Meeting.

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Rajesh G. Kapadia, Mr. Akshay R. Raheja and Ms. Ameeta A. Parpia 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 has received requisite approvals from the Central Government for excess remuneration of ₹ 6.54 crores paid to both the Managing Directors

and the Executive Director of the Company, due to non-availability of profits for the year 2011-12.

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, 2013, 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, 2013 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, 2013 on a going concern basis.

PARTICULARS OF EMPLOYEES

Pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 and the rules thereunder, 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. Rajji & 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, who retire at the conclusion of the ensuing Annual General Meeting, have sent a letter expressing their unwillingness to be re-appointed as Branch Auditors of the H & R Johnson (India) and RMC Readymix (India) Divisions of the Company. The audit for the said Divisions will henceforth be carried out by the Statutory Auditors of the Company.

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, 2013 are being audited/ reviewed by Cost Auditors, M/s. N. I. Mehta & Co. The Cost Audit Report for the year ended March 31, 2012 was filed within the stipulated due date.

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, continued its strategy of focusing on specialist lines and making its presence in new markets during the year under review. RQBE booked a gross written premium of ₹ 28.37 crores and earned an investment income of ₹ 18.65 crores for the year ended March 31, 2013. After requisite adjustments and tax provisions, the profit for the year ended March 31, 2013 was ₹ 9.15 crores.
- **Silica Ceramica Private Limited** has performed below expectations during the year on account of acute power shortage and non-availability of Natural Gas in Andhra Pradesh. During the

PRISM CEMENT LIMITED

year, the Company has increased its stake in this subsidiary from 97.5% to 97.8%.

- **H. & R. Johnson (India) TBK Limited**, the wholly-owned subsidiary of the Company in the field of tile, bath and kitchen retailing has taken further steps to increase its geographical coverage. Its joint ventures have opened House of Johnson showrooms in Hyderabad, Guntur, Warangal, Nagpur and Bellary during the year taking the total number of showrooms to 21 as at March 31, 2013.
- **Milano Bathroom Fittings Private Limited (MBF)**, the wholly-owned subsidiary of the Company manufacturing bathroom fittings and accessories, has performed satisfactorily during the year. The Company has further subscribed to 10,000 equity shares of MBF at ₹ 600 each during the year under review.
- **Lifestyle Investments PVT Limited (LIPL)**, an overseas wholly-owned subsidiary, received a dividend income of £ 751,276 from Norcros PLC during the year. LIPL redeemed 21,85,805 Class 'A' Preference Shares and 6,14,195 Class 'B' Preference Shares held by the Company during the year.
- **RMC Readymix Porselano (India) Limited** is a wholly-owned subsidiary of the Company.

Joint Ventures (JV)

- **Ardex Endura (India) Private Limited (AEIPL)**, JV with the German group Ardex which manufactures and markets tile adhesives, grouts, flooring, waterproofing and allied products has performed satisfactorily during the year. AEIPL is in the process of setting-up another manufacturing plant in Ramanagara District in Karnataka which is likely to be operational in FY 2014.
- **Sentini Cermica Private Limited**, the mid-segment glazed floor tile JV Company in Andhra Pradesh has performed satisfactorily during the year.
- **Antique Marbonite Private Limited**, the vitrified tile JV Company in Gujarat, has performed satisfactorily during the year. The JV's wholly-owned subsidiary, Antique Minerals Private Limited, has set-up a manufacturing plant for engineered marble and quartz. The quartz plant was operationalised during the year.

- **Spectrum Johnson Tiles Private Limited**, the mid-segment wall tiles JV Company in Gujarat, has performed satisfactorily during the year.
- **Small Johnson Floor Tiles Private Limited (SJFTPL)**, mid-segment floor tiles JV Company in Gujarat, has performed below expectations during the year on account of low capacity utilisation. SJFTPL is in the process of upgrading its product-mix towards more value-added products in line with market demand.

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

For and on behalf of the Board of Directors

RAJESH G. KAPADIA

Chairman

Place: Mumbai

Date : May 9, 2013

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 2012-13 for improving the productivity and reducing the specific power consumption and specific heat consumption :

- ❖ Implementation of Energy Management System ISO 50001:2011.
- ❖ Installation of Coal Mill reject handling system in Unit II.

(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 microwave barrier switch system at lower stage preheater cyclones for early detection of cyclone jamming.

HRJ Division

(a) Savings in electrical energy

- ❖ Revision of contract demand to reduce demand charges and avail load factor benefit in Dewas plant.
- ❖ Improvement of power factor and availing incentive on the same in Karaikal plant.

(b) Savings in Thermal Energy

- ❖ Installation of energy efficient combustion system in Roller Hearth Kiln at Kunigal plant.
- ❖ Vertical drier modifications for hot air duct at Dewas and Kunigal plants to enable it to run on solid fuels completely to stop use of natural gas.

(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

	2012-2013	2011-2012
(A) POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased		
Units (Lakhs - KWH)	4,100.50	4,322.88
Total Amount (₹ Crores)	239.45	221.28
Rate/Unit (₹)	5.84	5.12
b) Own Generation		
i) Through Diesel Generator		
Net Units (Lakhs-KWH)	9.64	16.08
Unit per Ltr. of Diesel/ Furnace Oil (KWH)	3.61	3.89
Cost/Unit (₹/KWH)	16.97	14.50
ii) Through Steam Turbine/Generator	Nil	Nil
2. Coal (used in Kiln)		
Quantity (Tonnes)	6,08,761	6,71,982
Total Cost (₹ Crores)	369.49	362.58
Average Rate (₹)	6,069.53	5,395.72
3. Furnace Oil		
Quantity (K.Ltrs.)	222	354
Total Cost (₹ Crores)	0.55	0.87
Average Rate (₹/K.Ltr.)	24,724.00	24,724.00
4. High Speed Diesel		
Quantity (K.Ltrs.)	864	952
Total Cost (₹ Crores)	4.16	3.87
Average Rate (₹/K.Ltr.)	48,121.91	40,687.63
5. Others/Internal Generation	Nil	Nil
(B) CONSUMPTION PER UNIT OF PRODUCTION		
Electricity (KWH/T of Cement)	82.08	80.91
HSD/FO (Ltr./T of Clinker)	0.23	0.22
Coal (Percentage of Clinker)	17.25	17.06

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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 optimisation of blend expert system.
- ❖ On-line monitoring of emission from stack and ambient air quality for environmental excellence.

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.
- ❖ Round the clock monitoring and control on sources of emissions and ambient air quality.

3. Future plan of action

- ❖ Wobbler/Screening Feeder installation at Limestone Crusher for improved limestone quality.

HRJ Division

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

- ❖ Inkjet ink
- ❖ Low Cost Dispersant
- ❖ Low Cost Binder
- ❖ Pump Primer
- ❖ Synthetic Opacifier
- ❖ Coating for EPS (Expanded Polystyrene) Beads for Lightweight Concrete
- ❖ Lightweight Aggregate
- ❖ Body Stains
- ❖ Polycarboxylate Ether (PCE) Superplasticizer
- ❖ Water-based Nanopolishing Compound
- ❖ Anti-microbial compounds for Household plastics, Anti-septic cream, Personal care and Textiles
- ❖ New Soluble Salts - White and Low Cost
- ❖ Resin for Synthetic Marble

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. With the work on water-based nanopolishing compound, the polishing line has become eco-friendly and hazard-free.

3. Future Plan of Action

Research and Development

- ❖ Inkjet Ink - Production

- ❖ Low Cost Binder - Scale-up
- ❖ Low Cost Dispersant - Scale-up
- ❖ Polycarboxylate ether superplasticizer
- ❖ Colored Glass Frit
- ❖ Glass Beads for Highways
- ❖ Resin Bonded Filter Disks for Lead Acid Batteries
- ❖ Abrasion Resistant Tiles/Grinding Media
- ❖ High Brightness Clays for Paper and Plastic Industries
- ❖ Improved Synthetic Opacifier

Energy Management

- ❖ Implementation of Waste Heat Recovery System from Roller Hearth Kiln in Pen, Dewas and Kunigal plants.
- ❖ Implementation of energy efficient combustion system in Roller Hearth Kiln in Dewas plant.
- ❖ Implementation of lighting energy saver in potential areas across different plants.
- ❖ Implementation of ISO 50001:2011 (EnMS) in Kunigal plant.
- ❖ Implementation of PMS (Power Management System) project at Kunigal plant for real time monitoring of electrical parameters.
- ❖ Implementation of solar thermal based water heater for preheating boiler water at Kunigal plant.

4. Expenditure on R & D

	2012-2013 ₹ Crores	2011-2012 ₹ Crores
Capital	0.42	0.31
Recurring	2.49	2.62
Total R & D expenditure as percentage of turnover	0.06	0.06

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

- ❖ Use of LED based tube lights and lamps.
- ❖ Phase-wise elimination of CFC (Chloro Fluoro Carbon) gas in air-conditioners/water coolers with Ozone friendly gas.

2. Benefits derived as results of the above efforts

- ❖ Contribution to reduction in Global Warming and Environmental protection by reducing energy consumption.
- ❖ 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. 46 and 47 to the accounts.

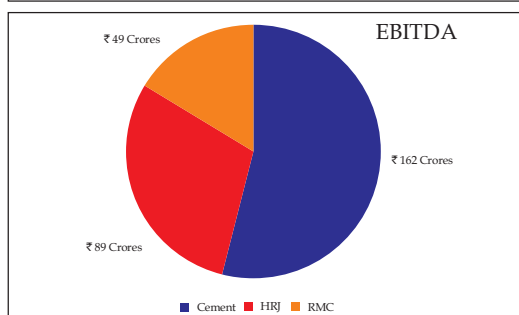
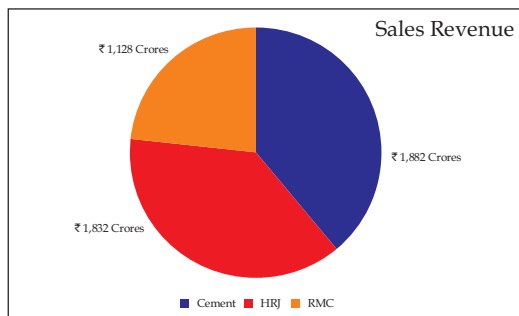
MANAGEMENT DISCUSSION & ANALYSIS

Business Environment

After the global financial crisis of 2008-09, the Indian economy grew strongly in excess of 8.5% per annum for the next two years due to fiscal and monetary stimulus. However, with high inflation rates, the Reserve Bank of India started raising policy rates in March 2010. High rates and policy constraints adversely impacted investment and as a result the economy grew only 6.2% in 2011-12. In 2012-13, the growth rate further slowed down and the economy is expected to have grown at only 5.0%, lowest since a decade. Manufacturing sector is expected to have just marginally grown at 1.9% during the year. Thus, on the whole, it was a year of economic uncertainties and weak sentiments. The Government of India is taking measures to stabilise the economy and revive the sentiments which are expected to have positive effects for the economy in medium to long-term.

Prism Cement Limited is one of India's leading building materials' company. In the above economic backdrop, the Company achieved a consolidated sales turnover of ₹ 5,212 crores, resulting in a growth of 6.5%. The consolidated Profit before Depreciation, Interest and Tax (EBITDA) of the Company was ₹ 323 crores, thereby marginally growing by 1.7% as compared to the last year.

The Company is organised into three key Divisions, viz. Prism Cement, H & R Johnson (India) and RMC Readymix (India). The Divisional financials for the year ended March 31, 2013 are as under :



India is a growing economy and sectors such as housing, industrial infrastructure and commercial infrastructure are expected to grow at a healthy rate in the medium to long-term. This augurs well for the building materials sector and as one of the leading building materials' company with a wide array of products from cement, readymixed concrete, tiles, bath products and kitchens to agglomerated marble & quartz, the Company is well positioned to take advantage of the growth opportunities. Business dynamics of each Division have been discussed in the sections below.

Cement Division

Overview

The Indian cement industry experienced subdued demand growth during the year under review. Cement demand and prices demonstrated an unusual trend. Unlike every year, demand and prices remained robust during the monsoons and declined post monsoon when they were expected to improve. Construction activities remained muted owing to various reasons. Prolonged monsoon, heavy winter and delay in execution of infrastructural projects due to environmental hurdles led to lower cement demand growth in FY 2012-13. Slowdown in the housing sector due to rising interest rates also impacted cement off-take.

Going forward, cement demand will largely be driven by the increased focus of the government on the infrastructure development and promotion of low-cost affordable housing in the country. With government impetus provided to the infrastructure and construction segments in the 12th Five Year Plan period (2012-17) and the release of funds for road projects, demand for cement is expected to gather momentum. An increase in housing and commercial projects, particularly in the semi-urban and rural areas, is expected to further boost cement demand.

Performance

The year under review has been tough for the Cement Division of the Company. Weak cement demand and depressed prices, resulting primarily from deceleration in construction activity and government spending on infrastructure projects, led to a muted growth. The margins were further impacted adversely with the rising input and freight costs coupled with higher power and fuel prices.

There was a temporary blip in volumes during the 1st quarter of FY 2012-13 due to suspension of clinker production in Unit II at Satna as a result of an unfortunate

PRISM CEMENT LIMITED

accident in the Blending Silo. The Company resumed clinker production in July 2012 by installation of an intermediate system. The construction of the new silo at Unit II at Satna is at an advanced stage, upon completion of which production of clinker will normalise.

	Year ended March 31, 2013	Year ended March 31, 2012
Production (cement) - Lakh Tonnes	47.18	47.52
Sales volume (cement & clinker) - Lakh Tonnes	47.65	51.87
Net Revenue - ₹ Crores	1,882	1,714
PBDIT - ₹ Crores	162	125

Expansions

Mine development activities for the cement plant at Kurnool District, Andhra Pradesh are in progress. Project activities will be taken up at an appropriate time.

The basic infrastructure work, other intermediary and ancillary activities and work on the incline is under progress at the Coal Block at Chhindwara, Madhya Pradesh. The construction of the ancillary buildings such as workshop, substation, etc., is nearing completion. The mined coal will be used for captive consumption of the cement plant located at Satna, Madhya Pradesh.

Future Outlook

Cement demand is expected to steadily grow in the near future through the revival of economic activity by the government especially through investment in infrastructure projects. Cement prices are estimated to remain almost stable in 2013-14. Decent economic growth, rising income levels of a growing middle class, tax incentives and the new generation desire towards home ownership will continue to boost the housing demand and real estate related to the retail segment. The measures announced in the recent budget also indicate continued support of the government to the affordable housing segment which will help the real estate sector to continue its growth momentum and in turn cement demand.

H & R Johnson (India) Division (HRJ)

Overview

Established in 1958, H & R Johnson (India) (HRJ) is the pioneer of ceramic tiles in India. Over the past five decades, HRJ has added various product categories to offer complete solutions to its customers. Today, HRJ enjoys the reputation of being the only entity in India to offer end-to-end solutions of tiles, sanitaryware, bath fittings, kitchens and engineered marble and quartz. It offers the products under 3 strong brands, viz. Johnson, Johnson Marbonite and Johnson Endura.

The manufacturing plants of HRJ, its joint ventures and its subsidiaries are spread across the country in order to effectively cater to the market requirements. In ceramic/vitrified tiles, HRJ alongwith its joint ventures and subsidiaries has a capacity of over 54 million m² per annum spread across 9 manufacturing plants across the country which is the largest in India.

Tiles

As per *Ceramic World Review*, the global ceramic tiles industry is estimated to be 10.5 billion m². During 2011, global production grew by 10.1% breaking the 10 billion m² barrier. Almost all areas of the world showed growth with Asia growing the highest at 12.9%, primarily due to the growth in China, Iran and India.

In terms of consumption, India is the third largest consumer and manufacturer of ceramic tiles in the world accounting for approximately 6% of the world's total consumption and production of ceramic tiles. India produces close to 650 million m² of ceramic tiles per annum and the size of the industry is about ₹ 19,000 crores. Approximately, 40% of the industry comprises the organised sector wherein top 6 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 0.53 m² per annum. As a comparison, China's per-capita consumption is 2.96 m² per annum, Brazil's consumption is 3.86 m² and Russia's per-capita consumption is 1.27 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 grow at an average rate of approximately 15% per annum over the next few years.

Bath Products

The size of bath products industry is approximately ₹ 7,500 crores comprising sanitaryware, faucets, taps, bath fittings, etc. The organised sector comprises a little over 50% of the market and focuses mainly on middle and upper market segments in urban areas, whereas the remaining part is the unorganised sector which is popular in lower-middle and price sensitive end of the market as well as rural areas. The industry has been growing at a healthy rate of 15% per annum on account of low sanitation levels in India, increased urbanisation and rising housing demand. This growth rate is likely to continue in future too.

Increased brand awareness, higher disposable incomes, and aspiration needs of the consumers are generating higher demand for branded products, thereby increasing the share of the organised sector. Various MNCs have also set-up operations in India due to the healthy business potential and increased role of brand equity in consumer behaviour.

Kitchen

Modular Kitchens industry in India is growing at a rapid pace, though on a small base. In the past few years, the concept of modular kitchens has been gaining prominence. Till some time back, the industry was mostly made up of a number of small-time players/carpenters with limited scale of operations. However, looking at the growth potential of this segment, various MNCs and Indian players are entering/have entered the market. Nevertheless, there are very few organised players with a national presence.

Performance

	Year ended March 31, 2013	Year ended March 31, 2012
Net Revenue - ₹ Crores	1,832	1,729
PBDIT - ₹ Crores	89	118

During the year, the net revenue of HRJ grew at 6% as compared to the previous year. The profitability of HRJ was adversely impacted on account of low capacity utilisation, high power and fuel costs, acute power shortage and unavailability of natural gas in Andhra Pradesh, higher marketing spend and increase in overall cost of production due to higher inflation. Although some price increases were done during the year, they were not sufficient to offset the increase in costs. Due to pipeline constraints and uni-directional flow of natural gas in the pipe-line, three of HRJ's and its joint ventures' plants continued to remain unable to procure natural gas and were thus run on high cost fuel (Propane/LPG) adding pressure to the profitability. There were severe power shortages in Andhra Pradesh, where the manufacturing plants of two joint ventures are located, exerting pressure on profitability. Moreover, the VAT exemption of tile manufacturing plant at Pen ended on March 31, 2012. During the year, HRJ modernised the plant which increased the mix towards more value-added tiles. As a result of all the above factors, the capacity utilisation of HRJ was low during the year.

In order to address the above challenges, HRJ has taken various steps. A coal gassifier was commissioned in one of the plants in Andhra Pradesh and commissioning of more such gassifiers which would reduce the fuel cost is under process. During the year, HRJ got permission to purchase traded power in Andhra Pradesh. This has not

only reduced the cost of power but more importantly provided a stable source of power which is critical for tile manufacturing. HRJ had signed a Gas Transportation Agreement (GTA) with GAIL (India) Limited last year. GAIL is in the process of setting-up a pipe-line to transport gas from Dabhol to Bengaluru and HRJ's plant at Kunigal would get connectivity thereafter. The pipe-line has been delayed a bit and is expected to be set-up during FY 2014. HRJ is also in the process of implementing Business Process Re-engineering (BPR) project to significantly improve customer service, modernise sales and distribution policies and reduce operational costs.

HRJ continued to strengthen its brands and build its distribution network. HRJ participated in ACETECH exhibitions at Mumbai, Chennai, Delhi and Bengaluru 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 Hyderabad, Guntur, Warangal, Nagpur and Bellary during the year. HRJ implemented a 'One Brand Strategy' wherein all the brands were attached to the mother brand 'Johnson'. As a result, Marbonite and Endura have been re-branded as Johnson Marbonite and Johnson Endura, respectively. The main objective is to simplify the communication to HRJ's customers who would easily be able to relate the different brands under a single umbrella. During the year, Johnson brand received the honour of Asia's 'Most Promising Brand' based on the outcome of a mega consumer and product survey by iBrands involving the promising brands from various industries across Asia's 15 countries. HRJ also received Zee Business - NAREDCO Good Home Award for sanitary fittings during the year.

HRJ continued to launch a slew of innovative value-added products during the year. HRJ launched Disney collection, Kraft Panels, Interlocking tiles, Supergrasp tiles and a larger range in Digital collection and vitrified slabs. Engineered marble and quartz has been scaled up with a complete range under the Johnson brand. Thus, HRJ 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.

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

Expansions

HRJ has enhanced its capacity of vitrified/glazed

PRISM CEMENT LIMITED

ceramic tiles at Dewas, Madhya Pradesh. The capacity has been increased by 2 million m² per annum which has taken the plant's total capacity to 3.4 million m² per annum. The commercial production commenced during the year.

HRJ plans to set-up a tile manufacturing facility in East India. It would be the first tile manufacturing plant in the Eastern Region. The land acquisition has been completed and further clarity on fuel policy is awaited.

Future Outlook

Bulk of HRJ's products are targeted towards affordable housing segment which is growing at a healthy rate and is likely to continue in future as well due to India's economic growth and favourable demographics. Moreover, HRJ has recently launched a slew of lifestyle products to enhance its offerings at premium price points. The robust distribution network, strong brand equity, wide-spread manufacturing locations and a comprehensive product portfolio of tiles, baths, kitchens and engineered marble and quartz enable HRJ to enjoy a distinct competitive advantage over others in the market.

RMC Readymix (India) Division (RMC)

Overview

The RMC Readymix (India) Division of the Company is amongst the top three readymixed concrete manufacturers with a pan-India presence. RMC operates 88 concrete plants and 9 aggregate crushers spread across 37 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.

The readymixed concrete industry in India is less than 20 years old and has been growing at a hectic pace. The industry volume is in excess of 35 million M³/annum currently. At present around 10% of the total cement consumed for concrete is routed through the readymixed concrete channel which is significantly lower than the international norms. The major volume drivers for the product have been :

- a) Growth of cement consumption in India
- b) Conversion from Site-mix to Ready-mix

Performance

	Year ended March 31, 2013	Year ended March 31, 2012
Net Revenue - ₹ Crores	1,128	1,134
PBDIT - ₹ Crores	49	56

The construction sector is a major demand driver for RMC. This sector is currently under a bit of stress on account of the fact that construction activities have slowed down due to various factors like high financial

costs, delayed land acquisition for road projects and severe shortage of funds. This may continue to impact construction activities in the next few quarters.

However, a planned approach towards identifying locations and the strategy of Mega Projects vertical have helped RMC to withstand the sluggish demand in the industry and arrest the fall in volumes to some extent.

RMC recorded decrease of ~1% in sales y-o-y in FY 2013 and ~14% decrease in profit before interest, depreciation, exceptional items and tax mainly due to lower volumes.

Expansions

Considering the current economic scenario, RMC has decided to be cautious with its growth plans. It has identified certain relatively stronger markets and is working on its development plans in these markets. RMC will cater to the new locations by relocating its existing assets thereby putting them to their best possible use on one hand and reducing capital investment on the other. RMC saw a net growth of one concrete plant during the current year.

Future Outlook

The government is expected to give greater impetus to infrastructure development and is planning \$1 Trillion investments in infrastructure over the next 5 years. This will help construction activities. At the same time, the proposed changes in land acquisition laws and action by the government to clear permissions at a faster pace are expected to give further push to construction activities. The increase in construction activities will help RMC as it will result in better opportunities to utilise its advantages like a pan-India presence, large capacity, loyal customers, backward integrations, etc.

RMC continues to be focused on developing its Aggregate business and is actively looking at newer sites to develop the business.

Internal Control Systems

The Company's internal control and management information systems are commensurate with the size of the Company and cover all financial and operating functions. The systems are designed to assess and measure financial control risks, including procedures for mitigating concerns, monitoring compliance with standards and reporting results to the appropriate operations and management groups. Regular assessments and audits help ensure that every operating unit consistently implements the controls and standards.

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.

Human Resources

Human resources management is an important function in Prism in view of the large set up of the organisation and diverse line and staff functions.

Prism's aim is to create an inclusive working environment that attracts and retains the best people, enhances their flexibility, capability and motivation and encourages them to be involved in the growth of the Company. Systematic and purposeful training to its workforce is undertaken resulting in improving their motivation to work thus benefiting both employees as well as the Company.

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

Corporate Social Responsibility

The Company is committed to operate its business with emphasis on Corporate Social Responsibility (CSR) in all areas of operations. All efforts are made to ensure that the business values and operations meet the expectations of shareholders, customers, employees, suppliers and the communities living around the plants and offices.

Each and every manufacturing plant implements CSR initiatives with special focus on water, health and sanitation, energy conservation and clean technologies. Primary health care is ensured by providing services for the villagers and operating mobile and static clinics in the plant vicinity.

Some of the activities undertaken during the year include :

- Promotion of education through financial and non-financial support provided to schools in and around the location of the plants.
- Free distribution of notebooks and stationary distribution to the village school children.
- Establishment of primary health care units to provide basic health care services to the local community and financial support to the district primary health centres.
- Conducting of Blood Donation camps.
- Financial aid in construction of temples, village roads, school buildings in the vicinity of the plants.
- Spreading awareness through campaigns about the road safety practices and maintaining a clean environment.
- Free scholarships to deserving students and conducting regular workshops and tours to familiarise students with the processes of manufacturing and design.
- Provide free drinking water tankers during summers to nearby villages and create awareness for water harvesting activities.
- 24/7 Fire Tender and Ambulance services are made available for nearby villages to encounter exigencies/emergencies.

- Organise women empowerment workshops for the women for self employment.
- Establishment of the Johnson Tile Learning Centre at its manufacturing unit in Pen.

Safety, Health & Environment (SHE)

Prism is committed to managing safety, security, health, environmental and social risks at its facilities. It is committed to conducting business in a manner that protects and promotes the safety and health of its employees, those involved with the operations and the communities around its facilities.

All efforts aim not only to reduce emissions from operations but also explore opportunities in low emission and alternative energy products. Elimination of all polluting releases from operations wherever possible is done and where elimination is not presently achievable, the intermediate goal is reduction.

The manufacturing and marketing operations are conducted to ensure sensitivity towards environment and ensure waste reduction by encouraging 'Green' practices. Tree plantation activities are undertaken to create green belts at the manufacturing locations. The Green initiative also extends to the business practices and product innovation. Continuous efforts are made for development of products that are sensitive to current environmental needs especially water conservation.

The SHE policies laid down ensure that site operations meet legal and company requirements and that operations cause minimal visual impact or nuisance to the public. Efforts to achieve safety awareness and eliminate unsafe practices are made through employee involvement.

Employees are held accountable for knowing the environment, health and safety requirements that apply to their assigned responsibilities and for using the information in planning and completing their work.

The Company's efforts in this direction have been rewarded by winning medals and appreciation certificates in safety management in various forums.

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, 2013, five Board Meetings were held on the following dates: (i) May 10, 2012 (ii) June 26, 2012 (iii) July 26, 2012 (iv) October 23, 2012 (v) January 24, 2013.
- 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	5	Yes	7	2	4
Mr. Rajan B. Raheja	Non-independent Non-executive	4	No	7	4	–
Mr. Manoj Chhabra (Managing Director)	Non-independent Executive	5	Yes	1	1	–
Mr. Vijay Aggarwal (Managing Director)	Non-independent Executive	4	Yes	4	2	1
Mr. Satish B. Raheja	Non-independent Non-executive	-	No	3	1	–
Mr. Akshay R. Raheja	Non-independent Non-executive	2	No	3	1	–
Mr. Ganesh Kaskar (Executive Director)	Non-independent Executive	5	Yes	–	–	–
Mr. James Brooks	Independent Non-executive	4	No	–	–	–
Ms. Ameeta A. Parpia	Independent Non-executive	2	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, 2013, the Audit Committee comprised of three non-executive Directors, Mr. R. G. Kapadia, Chairman of the Committee, a Chartered Accountant, Mr. A. R. Raheja who has the requisite accounting and financial management expertise and Ms. A. 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 292A 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, 2013 on (i) May 9, 2012, (ii) July 25, 2012, (iii) October 22, 2012, (iv) January 23, 2013 and (v) March 20, 2013 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	1
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. Rajesh G. Kapadia and Ms. Ameeta A. Parpia. The Committee decides on the Company's policy on the remuneration package for its Executive Directors.

Two meetings of the Remuneration Committee were held on May 10, 2012 and January 24, 2013 and the details of attendance by the Committee Members are as follows :

Name of Director	No. of Remuneration Committee Meetings attended
Mr. Rajan B. Raheja	2
Mr. Rajesh G. Kapadia	2
Ms. Ameeta A. Parpia	-

A. Details of Remuneration paid to Directors for the year ended March 31, 2013

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, 2013, the non-executive Directors were paid in aggregate, an amount of ₹ 4.50 lakhs as sitting fees. Apart from this, Mr. J. A. 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 ₹ 50 lakhs per annum (subject to deduction of applicable taxes) with effect from April 1, 2012. Due to non-availability of profits, Mr. Brooks is not eligible to be paid commission for the year ended March 31, 2013.

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b. Executive Directors

Name	Business relationship with the Company	Remuneration paid during the year (₹ Crores)	Date of Appointment
Mr. Manoj Chhabra	Managing Director	3.62	August 25, 2011
Mr. Vijay Aggarwal**	Managing Director	4.18*	March 3, 2013
Mr. Ganesh Kaskar**	Executive Director	1.85	March 3, 2013

* includes leave encashment of ₹ 0.88 crores paid at the end of the previous tenure during the current year.

** subject to shareholders approval at the ensuing Annual General Meeting w.e.f. March 3, 2013.

- 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. Mr. Vijay Aggarwal and Mr. Ganesh Kaskar have been appointed for a period of three years, respectively.
- 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 received requisite approvals from the Central Government for excess remuneration of ₹ 6.54 crores paid to both the Managing Directors and the

Executive 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, 2013 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. J. A. Brooks	–
Ms. Ameeta A. Parpia	76,000

B. Details of the Directors seeking appointment/re-appointment at the Twenty-first Annual General Meeting to be held on June 25, 2013 are furnished below :

Name of Director	Mr. Rajesh G. Kapadia	Mr. Vijay Aggarwal	Mr. Ganesh Kaskar
Date of Birth	02.11.1956	08.07.1968	25.05.1959
Expertise in specific functional areas	Chartered Accountant	Company Director	Company Director
Qualification	B. Com., FCA	B.Tech (IIT-Delhi), PGDM (IIM - Ahd.)	M. Tech (IIT)
No. of Equity shares held	–	–	–
List of outside Company Directorships held	1. Asianet Satellite Communications Limited 2. Exide Industries Limited 3. EIH Associated Hotels Limited 4. Goldiam International Limited 5. Goldiam Jewellery Limited 6. ING Vysya Life Insurance Company Limited 7. Raheja QBE General Insurance Company Limited	1. Aptech Limited 2. Asianet Satellite Communications Limited 3. Exide Industries Limited 4. ING Vysya Life Insurance Company Limited	–

Chairman / Member of the Committees of Directors of other Companies in which he is a Director : Audit Committee	<ol style="list-style-type: none"> 1. Asianet Satellite Communications Limited - Member 2. Exide Industries Limited - Chairman 3. EIH Associated Hotels Limited - Member 4. Goldiam International Limited - Chairman 5. ING Vysya Life Insurance Company Limited - Chairman 6. Raheja QBE General Insurance Company Limited - Chairman 	<ol style="list-style-type: none"> 1. Aptech Limited - Member 2. Asianet Satellite Communications Limited - Chairman 3. Exide Industries Limited - Member 	-
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Name of Director	Mr. Akshay R. Raheja	Ms. Ameeta A. Parpia
Date of Birth	25.05.1982	22.02.1965
Expertise in specific functional areas	Industrialist	Legal and Company Law matters
Qualification	B. Com., MBA	B.A., LL.B Advocate & Solicitor
No. of Equity shares held	55,76,784	76,000
List of outside Company Directorships held	<ol style="list-style-type: none"> 1. Asianet Satellite Communications Limited 2. Hathway Cable & Datacom Limited 3. Raheja QBE General Insurance Company Limited 	Raheja QBE General Insurance Company Limited
Chairman/Member of the Committees of Directors of other Companies in which he is a Director : Audit Committee	Raheja QBE General Insurance Company 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 shareholders/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. The Committee has met four times during the year ended March 31, 2013.

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. During the year ended March 31, 2013, twenty-three complaints were received from shareholders, which were resolved satisfactorily. As on March 31, 2013, there were no pending investor complaints.

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6. Details of General Meetings and Resolutions passed

Annual General Meetings

The Annual General Meeting for the last three years was held on June 22, 2010, July 12, 2011 and June 26, 2012, respectively. All the three meetings were held at Taj Mahal Hotel, Abids Road, Hyderabad - 500 001. Four special resolutions were passed at the Annual General Meeting held on June 26, 2012. 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. 42 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, 2013.

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 edition) and are displayed on the Company's website www.prismcement.com.

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

- **Annual General Meeting for the year 2014** - Within six months of the close of the financial year

10. Shareholders Information

A. Annual General Meeting

Date and Time : June 25, 2013 at 11.30 a.m.

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

C. **Book Closure** : Tuesday, June 18, 2013 to Tuesday, June 25, 2013 (both days inclusive).

D. Listing on Stock Exchanges

B. Financial Calendar

- **Reporting for the Quarter ending :**

June 30, 2013	-	} Within 45 days of the close of the quarter
September 30, 2013	-	
December 31, 2013	-	
March 31, 2014	-	} Within 60 days of the close of the financial year

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

E. Stock market price data for the year ended March 31, 2013 :

MONTH	BSE SENSEX		BSE PRICES		NSE PRICES	
	High	Low	High ₹	Low ₹	High ₹	Low ₹
Apr-2012	17597.42	17094.51	51.90	48.10	51.95	48.15
May-2012	17301.91	15948.10	48.00	44.05	48.05	43.85
June-2012	17429.98	15965.16	50.70	46.20	50.85	46.55
July-2012	17618.35	16639.82	52.85	49.40	52.65	49.40
Aug-2012	17885.26	17197.93	53.75	48.20	53.95	48.05
Sep-2012	18762.74	17313.34	57.00	49.05	57.00	49.15
Oct-2012	19058.15	18430.85	57.75	52.65	57.75	52.65
Nov-2012	19339.90	18309.37	57.65	52.85	57.75	52.75
Dec-2012	19486.80	19229.26	55.75	47.90	55.85	48.25
Jan-2013	20103.53	19580.81	50.75	42.15	50.95	41.90
Feb-2013	19781.19	18861.54	44.45	41.20	44.30	41.40
Mar-2013	19683.23	18681.42	44.00	41.50	44.25	41.50

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.

Unclaimed and postal returned equity shares have been transferred to the Unclaimed

PRISM CEMENT LIMITED

Suspense Account of the Company and shall be transferred to the concerned shareholder upon making a claim to the Company's Registrar and Share Transfer Agent.

H. Distribution of shareholding and shareholding pattern as of March 31, 2013 :

Distribution of Shareholding	
No. of shares held	No. of shareholders
1 - 100	51,141
101 - 200	20,210
201 - 300	7,186
301 - 400	3,081
401 - 500	6,849
501 - 1000	7,206
1001 - 5000	4,863
5001 - 10000	485
10001 - 50000	304
50001 and above	132
Total	1,01,457

Shareholding Pattern		
Category	No. of Shares	% Shareholding
Promoters	37,68,81,169	74.87
FII's/NRI's/OCBs Bodies	59,40,628	1.18
Corporate Financial Institutions/Banks/Mutual Funds	4,02,45,104	8.00
Indian Public *	1,53,85,532	3.06
	6,49,04,147	12.89
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, 2013 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 cement packing plant is located at Allahabad, Uttar 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. The RMC Readymix (India) Division currently operates 88 concrete plants and 9 aggregate crushers spread across 37 locations in the country.

Correspondence

Shareholders correspondence should be addressed to the Registrar and Transfer Agents 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, 2013.

For Prism Cement Limited

Manoj Chhabra
Managing Director

For Prism Cement Limited

Vijay Aggarwal
Managing Director

Place : Mumbai
Date : May 9, 2013

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, 2013, 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 9, 2013

AUDITORS' REPORT

TO THE MEMBERS OF PRISM CEMENT LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of **PRISM CEMENT LIMITED ('the Company')**, which comprise the Balance Sheet as at March 31, 2013, and the Profit and Loss Statement and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management of the Company is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports received from the branch auditors referred in para 5 below, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (ii) In the case of the Profit and Loss Statement, of the loss for the year ended on that date; and

- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Other Matter

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.

6. Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's Report) order, 2003 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 of the matters specified in paragraph 4 and 5 of the said order.
- (ii) Further to our comments in the Annexure referred to in Paragraph 6 (i) above, as required by section 227(3) of the Act, we report that;
 - a. we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. 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;
 - c. the Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt herewith comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e. on the basis of the written representations received from the Directors and taken on records by the Board of Directors, none of the Director is disqualified, as at the balance sheet date, from being appointed as a Director in terms of section 274(1)(g) of the Companies Act, 1956;
 - f. since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

J. M. GANDHI
Partner
Membership No.: 37924

Place : Mumbai
Date : May 9, 2013

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 6 (i) of the Auditors Report of even date of
PRISM CEMENT LIMITED for the year ended March 31, 2013

- | | |
|---|---|
| <p>(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.</p> <p>(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.</p> <p>(c) Fixed assets disposed off during the year were not substantial to affect Going Concern Assumption.</p> | <p>(a) The particulars of contracts or arrangements referred to in Section 301 that need to be entered in the Register maintained under the said section have been so entered.</p> <p>(b) Where such transaction is in excess of ₹ five lacs during the year 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.</p> |
| <p>(ii) (a) Inventories have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.</p> <p>(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.</p> <p>(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.</p> | <p>(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.</p> <p>(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.</p> <p>(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 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.</p> |
| <p>(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.</p> <p>(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.</p> <p>(v) To the best of our knowledge and belief and according to the information and explanations given to us :</p> | <p>(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, Excise duty, cess and other applicable statutory dues with the appropriate authorities. No undisputed statutory dues payable were in arrears as at March 31, 2013, for a period of more than six months from the date they became payable.</p> <p>(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 :</p> |

PRISM CEMENT LIMITED

Nature of dues	Period to which the amount relates	Forum where dispute is pending	Amount involved (₹ in Crores)
Excise Duty & Service Tax	1997 - 2002	Custom, Excise & Service Tax Appellate Tribunal	0.33
	2006 - 2012	Commissioner of Appeal	0.08
	1997 - 1998, 2001 - 2002, 2003 - 2004	CESTAT	0.11
	2006 - 2011	CESTAT	8.06
	2006 - 2012	Joint Commissioner	0.24
	2007 - 2012	Commissioner	0.76
	2005 - 2012	CESTAT	18.71
	2007 - 2011	Additional Commissioner	0.07
	2011 - 2012	Deputy Commissioner	##
	2007 - 2011	Commissioner (Appeals)	0.17
	2011 - 2012	Commissioner	0.98
	2005 - 2011	CESTAT	0.02
	2007 - 2011	Joint Commissioner	0.02
	2007 - 2011	CESTAT	0.56
	2010 - 2012	Comm. of Central Excise (Appeals)	0.21
	2011 - 2012	Asst. Commissioner of Central Excise	0.02
	2006 - 2009	CESTAT	0.04
2006 - 2011	Asst. Commissioner of Central Excise	0.02	
Sales Tax (Central & State)	2000 - 2006	High Court of Chhattisgarh	7.56
	2009 - 2011	High Court of Madhya Pradesh	0.53
	1999 - 2002	Sales tax Appellate Tribunal	0.21
	2004 - 2005	Sales tax Appellate Tribunal	0.18
	1999 - 2002	Sales tax Appellate Tribunal	0.29
	2005 - 2007	Appellate Deputy Commissioner of Commercial Tax	0.09
	2005 - 2006	Deputy Commissioner of Sales Tax	0.20
	2002 - 2004	Appeal filed with DC appeal	0.02
	2007 - 2008, 2009 - 2010, 2011 - 2012	Deputy Commissioner (Appeals)	0.02
	2008 - 2009	Deputy Commissioner of Commercial Tax	0.16
	2002 - 2005	Appellate Commissioner	0.07
	Service Tax	January 2005 - July 2007	Appellate Tribunal
VAT on Freight	2012 - 2013	High Court of Madhya Pradesh	4.37
Uttar Pradesh Commercial Tax	1998 - 1999	High Court of Uttar Pradesh	0.08
Madhya Pradesh Commercial Tax	2004 - 2005, 2005 - 2006, 2007 - 2008, 2008 - 2009	Appeal filed before Tribunal	0.28
	2008 - 2009, 2009 - 2010	Appeal filed before Addl. Commissioner	0.28
Madhya Pradesh Entry Tax	2001 - 2002	High Court of Madhya Pradesh	0.14
	2007 - 2013	High Court of Madhya Pradesh	31.44
	2006 - 2007	The Supreme Court	0.18
Uttar Pradesh Entry Tax	2003 - 2010	High Court of Uttar Pradesh	3.86

Nature of dues	Period to which the amount relates	Forum where dispute is pending	Amount involved (₹ in Crores)
Entry Tax	2008 - 2009	Deputy Commissioner (Appeals)	0.02
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 Supreme Court	22.87
Income Tax	2006 - 2007, 2007 - 2008, 2008 - 2009	Commissioner of Income Tax - Appeal	3.71
Royalty on Mining Minerals	2007 - 2010	Appellate Authority, Mines & Geology Department	0.05

denotes amount less than ₹ 50,000/-

- (x) The Company does not have accumulated losses as at March 31, 2013 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, banks or debenture holders.
- (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 of ₹ 108.54 Crores 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 considered 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
Firm Registration No.: 108296W

J. M. GANDHI
Partner
Membership No.: 37924

Place : Mumbai
Date : May 9, 2013

BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	As at 31-03-2013		As at 31-03-2012	
		₹ Crores	₹ Crores	₹ Crores	₹ Crores
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
a. Share Capital	2	503.36		503.36	
b. Reserves and Surplus	3	586.35	1,089.71	645.21	1,148.57
2. Non-Current Liabilities					
a. Long-term borrowings	4	1,017.65		895.95	
b. Deferred Tax Liability (Net)	5	91.91		115.66	
c. Other Long-term liabilities	6	107.59		89.63	
d. Long-term provisions	7	35.38	1,252.53	30.35	1,131.59
3. Current Liabilities					
a. Short-term borrowings	8	263.87		143.00	
b. Trade Payables	9	777.95		615.92	
c. Other Current Liabilities	10	657.79		548.99	
d. Short-term provisions	11	8.03	1,707.64	37.67	1,345.58
TOTAL			4,049.88		3,625.74
II. ASSETS					
1. Non-current Assets					
a. Fixed Assets					
i. Tangible Assets	12	1,984.95		1,891.01	
ii. Intangible Assets	12	24.47		22.14	
iii. Capital Work-in-progress	34	83.94		66.42	
b. Non-current investments	13	378.24		390.00	
c. Long-term loans and advances	14	203.52		135.54	
d. Other non-current assets	15	4.52	2,679.64	0.38	2,505.49
2. Current Assets					
a. Inventories	16	467.41		427.28	
b. Trade Receivables	17	477.86		346.33	
c. Cash, cash equivalent and bank balances	18	37.48		56.51	
d. Short-term loans and advances	19	312.02		232.13	
e. Other current assets	20	75.47	1,370.24	58.00	1,120.25
TOTAL			4,049.88		3,625.74
SIGNIFICANT ACCOUNTING POLICIES	1				
<i>The Note numbers 1 to 49 forms integrated part of the Financial Statements</i>					

As per our report of even date attached

For N. M. RAJJI & CO.
Chartered Accountants

J. M. Gandhi
Partner

Mumbai, May 9, 2013

Aneeta S. Kulkarni
Company Secretary

Rajesh G. Kapadia

Manoj Chhabra

Vijay Aggarwal

Ganesh Kaskar

Chairman

Managing Directors

Executive Director

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No.	2012-2013		2011-2012	
		₹ Crores	₹ Crores	₹ Crores	₹ Crores
REVENUE FROM OPERATIONS :					
Sales of products and services		5,123.67		4,821.74	
Other operating Income	21	25.80		23.87	
		<u>5,149.47</u>		<u>4,845.61</u>	
Less : Excise Duty		381.00		340.90	
Total Revenue from Operations			4,768.47		4,504.71
Other Income	22		5.53		4.99
Total Revenue			4,774.00		4,509.70
EXPENSES :					
Cost of Materials consumed	23	1,213.67		1,174.69	
Purchase of Stock-in-trade	24	933.85		908.70	
Changes in inventories of finished goods, traded goods and work-in-progress	25	(23.83)		(33.49)	
Employees benefit expenses	26	258.93		222.99	
Finance cost	27	190.31		163.54	
Depreciation and Amortisation expenses	12	159.80		147.28	
Other expenses	28	2,125.88		1,969.18	
Total Expenses			4,858.61		4,552.89
Profit/(Loss) Before Exceptional items and Tax			(84.61)		(43.19)
Exceptional items	29		1.62		(2.80)
Profit/(Loss) before Tax			(82.99)		(45.99)
Tax Expenses :					
Current Tax	30	(0.20)		(0.47)	
Income Tax earlier years		(0.04)		-	
Deferred Tax		23.75	23.51	16.45	15.98
Profit/(Loss) for the year			(59.48)		(30.01)
Earning per Equity Share (Face value of ₹ 10/- each) - Basic and Diluted (₹)	31		(1.21)		(0.61)
SIGNIFICANT ACCOUNTING POLICIES	1				
<i>The Note numbers 1 to 49 form integrated part of the Financial Statements</i>					

As per our report of even date attached

For N. M. RAJJI & CO.
Chartered Accountants

J. M. Gandhi
Partner

Mumbai, May 9, 2013

Aneeta S. Kulkarni
Company Secretary

Rajesh G. Kapadia

Manoj Chhabra

Vijay Aggarwal

Ganesh Kaskar

Chairman

Managing Directors

Executive Director

PRISM CEMENT LIMITED

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 and mobiles used by employees : 15.25% and 25% respectively.
- 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.

- Cost of acquisition of leasehold land is amortised over the remaining period of lease.
- 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%
➤ Technical Know-How	14.29%

- Cost of acquisition of leasehold land is amortised over the remaining 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.

1.6 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 to hedge 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. The exchange differences on long-term foreign currency monetary items, are dealt with in the following manner :

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

PRISM CEMENT LIMITED

1.10 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or production of qualifying assets are capitalised as the cost of the respective assets. Other borrowing costs are charged to the 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 (RPF) 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 in the later case. The contribution made by the Company for Provident Fund, Superannuation and Medical Premium is charged to the Profit and Loss Statement.

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. 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 for other disputed matters, 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/asset/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

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)
Total

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)
Total

As at 31-03-2013	As at 31-03-2012
₹ Crores	₹ Crores
505.00	505.00
20.00	20.00
525.00	525.00
503.36	503.36
503.36	503.36

2. SHARE CAPITAL (Contd.)

Additional Informations :

- a) Reconciliation of number of equity shares outstanding :

Particulars	As at 31-03-2013	As at 31-03-2012
At the beginning of the year	50,33,56,580	50,33,56,580
At the end of the year	50,33,56,580	50,33,56,580

- b) Rights, Preferences and Restrictions attached to Equity Shares :

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

- c) The Company had issued 20,51,06,580 number of Equity shares of ₹ 10/- each fully paid during the period of five years immediately preceding the reporting date 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 the said scheme of amalgamation 1,23,51,600 shares of the Company are held in a Trust for the benefit of the Company.
- d) Details of Shareholders holding more than 5% of the issued shares :

Name of the Shareholder	As at 31-03-2013		As at 31-03-2012	
	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 Limited	3,12,89,300	6.22%	3,12,89,300	6.22%

3. RESERVES AND SURPLUS

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Capital Redemption Reserve		10.75		10.75
Debenture Redemption Reserve				
Opening Balance	33.25		6.25	
Add : Transfer from Surplus in Profit and Loss Statement	29.44		27.00	
Closing Balance		62.69		33.25
General Reserve		155.67		155.67
Surplus in Profit and Loss Statement				
Opening Balance	445.54		531.80	
Add/(Less) : Net Profit/(Loss) for the current year	(59.48)		(30.01)	
Less : Dividend	-		25.17	
Less : Distribution Tax on Dividend	-		4.08	
Add : Dividend received on own shares held through trust	0.62		-	
Less : Transfer to Debenture Redemption Reserve	29.44		27.00	
Closing Balance		357.24		445.54
Total		586.35		645.21

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4. LONG-TERM BORROWINGS

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ 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 of 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		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		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		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		20.00	
- 10.75% 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	50.00	325.00
Secured Loans :				
- Term Loans from banks	881.65		633.77	
- Vehicle Loans	3.07		3.50	
- Loan from NBFC	46.15		35.00	
- Sales Tax Deferral	1.76	932.63	2.78	675.05
Unsecured Loans :				
- Term Loans from banks	—		75.00	
- 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 from Public	37.01	87.80	28.67	154.46
		1,345.43		1,154.51
Less : Disclosed under Other Current Liabilities :				
- Current maturities of long-term borrowings		327.78		258.56
Total		1,017.65		895.95

Details of Loans :

A. Secured Debentures

Security	As at 31-03-2013 ₹ Crores	Repayment Terms
Secured by first <i>pari-passu</i> charge by way of hypothecation of all the movables fixed assets of HRJ Division located at Pen, Kunigal and Dewas, both present and future.	100.00	Principal repayable ₹ 35 Crores on August 18, 2015, ₹ 35 Crores on August 18, 2014 and ₹ 30 Crores on August 18, 2013

4. LONG-TERM BORROWINGS (Contd.)

A. Secured Debentures

Security	As at 31-03-2013 ₹ Crores	Repayment Terms
Secured by first <i>pari-passu</i> 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 <i>pari-passu</i> charge by way of hypothecation of all the movables fixed assets of HRJ Division located at Pen, Kunigal and Dewas, both present and future.	50.00	Principal repayable on July 15, 2014
Secured by first <i>pari-passu</i> charge on movable fixed assets of the Cement Division, both present and future.	75.00	Principal repayable on June 23, 2014
Secured by first <i>pari-passu</i> 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 first <i>pari-passu</i> charge on movable fixed assets of the Cement Division, both present and future.	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 31-03-2013 ₹ Crores	Repayment Terms
Secured by first <i>pari-passu</i> charge on movable and immovable properties of the Cement Division, both present and future, subject to prior charges on current assets in favour of Cement Division's bankers towards Working Capital facilities.	225.00	Quarterly in equal installments payable over a period of four years six months from the date of facility availed.
Secured by first <i>pari-passu</i> charge on movable and immovable properties of the Cement Division, both present and future, subject to prior charges on current assets in favour of Cement Division's bankers towards Working Capital facilities.	270.00	Quarterly in equal installments payable over a period of four years six months from the date of facility availed.
Secured by first <i>pari-passu</i> charge on movable and immovable properties of the Cement Division, both present and future, subject to prior charges on current assets in favour of Cement Division's bankers towards Working Capital facilities.	125.00	Quarterly in equal installments payable over a period of three years six months from the date of facility availed.
Secured by first <i>pari-passu</i> charge on movable and immovable properties of the Cement Division, both present and future, subject to prior charges on current assets in favour of Cement Division's bankers towards Working Capital facilities.	150.00	Quarterly in equal installments payable over a period of five years from the date of facility availed.
Secured by first <i>pari passu</i> charge on immovable properties situated at Kunigal and Pen, both present and future, and first <i>pari passu</i> charge by way of hypothecation of all the movables fixed assets located at Pen, Dewas and Kunigal, both present and future.	15.00	Principal repayable Quarterly in equal installments payable over a period of four years.

PRISM CEMENT LIMITED

4. LONG-TERM BORROWINGS (Contd.)

B. Secured Loans :

Term Loan from Banks and Others

Security	As at 31-03-2013 ₹ Crores	Repayment Terms
Secured by Second <i>pari-passu</i> charge on immovable properties of HRJ Division situated at Kunigal and Pen, both present and future, and second <i>pari passu</i> charge by way of hypothecation of all the movables fixed assets located at Pen, Dewas and Kunigal, both present and future.	25.00	Principal repayable Yearly installment payable over a period of three years.
Subservient charge on all movable assets of HRJ Division.	25.00	Principal repayable Yearly installment payable over a period of three years.
Secured by subservient charge on all moveable fixed assets of HRJ Division except movable fixed assets at Karaikal.	20.00	Principal repayable Yearly installment 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.	2.84	EMI payable 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 Johnson Floor Tiles Private Ltd. (Formerly Known as Small Tiles Private Limited).	46.15	Principal repayable Quarterly in equal installments payable over a period of four years.
First and exclusive charge secured by hypothecation of vehicles financed to RMC Division.	0.23	EMI payable over a period of five years.
Secured by first <i>pari-passu</i> charge on entire movable fixed assets of RMC Division excluding assets charged exclusively to other lenders.	11.65	Quarterly in equal installments payable over a period of two years.
Secured by first <i>pari-passu</i> charge on entire movable fixed assets of RMC Division excluding assets charged exclusively to other lenders.	15.00	Quarterly in equal installments payable over a period of three years.
Secured by a second charge on the fixed assets of the concrete plant of RMC Division at Thirumudivakkam, Chennai.	1.76	Monthly installments over a period of five years.
Total Secured Loans	932.63	

C. Unsecured Loans :

Security	As at 31-03-2013 ₹ 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.
Fixed Deposits	37.01	Payable over a period of one to three years.
Other - Inter Corporate Deposit	0.79	For five year term.
Total Unsecured Loans	87.80	

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 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Deferred Tax Assets				
Income Tax Unabsorbed Depreciation	107.00		69.76	
Expenses provided but allowed in Income Tax on payment	18.34		16.45	
Other timing differences	3.46		3.85	
Total (A)		128.80		90.06
Deferred Tax Liability				
Depreciation	217.58		202.86	
Capital expenditure of R & D	3.13		2.86	
Total (B)		220.71		205.72
Net Deferred Tax Liability (B - A)		91.91		115.66

6. OTHER LONG TERM LIABILITIES

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Deposit from customers/others		104.69		87.26
Other Liabilities		2.90		2.37
Total		107.59		89.63

7. LONG TERM PROVISIONS

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
For Employees' benefit		15.40		10.37
Others		19.98		19.98
Total		35.38		30.35

8. SHORT TERM BORROWINGS

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Secured Loans :				
Loans repayable to banks				
On Demand	187.58		77.11	
Others	32.09	219.67	35.89	113.00
Unsecured Loans :				
From Banks		44.20		30.00
Total		263.87		143.00

Details of Secured Loans

Security	As at 31-03-2013 ₹ Crores	Repayment Terms
Secured by first <i>pari-passu</i> charge on the entire current assets both present and future of the Cement Division.	89.92	On Demand
a. First <i>pari-passu</i> 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.	97.66	On Demand
b. First <i>pari-passu</i> charge on immovable properties situated at Kunigal and Pen, both present and future, and first <i>pari-passu</i> charge by way of hypothecation of all the movable fixed assets located at Pen, Dewas and Kunigal, both present and future.		

PRISM CEMENT LIMITED

8. SHORT TERM BORROWINGS (Contd.)

Details of Secured Loans

Security	As at 31-03-2013 ₹ Crores	Repayment Terms
a. First <i>pari-passu</i> 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.	32.09	As per due dates of respective buyer's credit
b. First <i>pari-passu</i> charge on immovable properties situated at Kunigal and Pen, both present and future, and first <i>pari-passu</i> by way of hypothecation of all the movable fixed assets located at Pen, Dewas and Kunigal, both present and future.		
Total Secured Short-term Borrowings	219.67	

9. TRADE PAYABLES

Particulars

	As at 31-03-2013 ₹ Crores	As at 31-03-2012 ₹ Crores
Dues to Micro, Small and Medium Enterprises (Due for 30 days or less)	1.07	9.53
Dues to Others	776.88	606.39
Total	777.95	615.92

10. OTHER CURRENT LIABILITIES

Particulars

	As at 31-03-2013 ₹ Crores	As at 31-03-2012 ₹ Crores
Current maturities of long-term borrowings	326.89	256.94
Creditors for capital items	9.33	6.63
Advance from Customers	39.18	46.17
Interest accrued but not due	7.43	1.87
Acceptances	43.03	59.22
Unclaimed Dividends	3.77	3.51
Unclaimed matured deposits and interest accrued thereon (includes interest ₹ 0.22 Crores (Previous year : ₹ 0.21 Crores))	1.11	1.83
Other Employees Benefit	9.99	9.06
Statutory Liabilities	38.15	38.39
Liability for expenses	178.25	124.77
Other Liabilities	0.66	0.60
Total	657.79	548.99

11. SHORT TERM PROVISIONS

Particulars

	As at 31-03-2013 ₹ Crores	As at 31-03-2012 ₹ Crores
For Employees' benefit	8.03	8.42
Proposed Dividend	—	25.17
Distribution tax on dividend	—	4.08
Total	8.03	37.67

12. FIXED ASSETS

DESCRIPTIONS		GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK As at year end
		Opening Block	Additions	Deductions	Closing Block	Opening Balance	For the year	Deductions	Closing Balance	
Tangible Assets :										
	2012-13	228.90	50.15	-	279.05	1.41	1.60	-	3.01	276.04
	2011-12	200.71	28.19	-	228.90	-	1.41	-	1.41	227.49
	2012-13	6.47	-	-	6.47	2.37	0.14	-	2.51	3.96
	2011-12	6.25	0.22	-	6.47	2.25	0.12	-	2.37	4.10
	2012-13	258.76	15.87	-	274.63	73.67	11.24	-	84.91	189.72
	2011-12	246.87	15.81	3.92	258.76	67.50	10.09	3.92	73.67	185.09
	2012-13	13.30	-	-	13.30	10.24	0.63	-	10.87	2.43
	2011-12	13.30	-	-	13.30	9.54	0.70	-	10.24	3.06
	2012-13	2,205.68	123.87	4.79	2,324.76	832.24	121.29	0.45	953.08	1,371.68
	2011-12	2,134.26	129.02	57.60	2,205.68	721.34	116.68	5.78	832.24	1,373.44
	2012-13	34.69	53.11	-	87.80	9.79	8.50	-	18.29	69.51
	2011-12	9.79	24.90	-	34.69	6.71	3.08	-	9.79	24.90
	2012-13	51.98	2.04	0.31	53.71	25.92	2.97	0.18	28.71	25.00
	2011-12	47.19	5.42	0.63	51.98	22.73	3.56	0.37	25.92	26.06
	2012-13	17.07	3.34	2.06	18.35	6.57	2.09	1.39	7.27	11.08
	2011-12	14.62	4.40	1.95	17.07	5.88	1.83	1.14	6.57	10.50
	2012-13	30.07	3.35	0.52	32.90	17.67	2.03	0.39	19.31	13.59
	2011-12	27.05	3.66	0.64	30.07	16.43	1.77	0.53	17.67	12.40
	2012-13	63.56	4.35	1.74	66.17	39.59	6.38	1.74	44.23	21.94
	2011-12	57.98	7.12	1.54	63.56	35.60	5.53	1.54	39.59	23.97
	2012-13	2,910.48	256.08	9.42	3,157.14	1,019.47	156.87	4.15	1,172.19	1,984.95
	2011-12	2,758.02	218.74	66.28	2,910.48	887.98	144.77	13.28	1,019.47	1,891.01

(₹ Crores)

12. FIXED ASSETS (Contd.)

(₹ Crores)

DESCRIPTIONS	GROSS BLOCK			DEPRECIATION AND AMORTISATION				NET BLOCK	
	Opening Block	Additions	Deductions	Closing Block	Opening Balance	For the year	Deductions	Closing Balance	As at year end
Intangible Assets :									
Software	2012-13 11.90	5.25	-	17.15	7.95	1.60	-	9.55	7.60
	2011-12 10.61	1.29	-	11.90	6.73	1.22	-	7.95	3.95
Intellectual property rights	2012-13 5.87	-	-	5.87	2.36	0.58	-	2.94	2.93
	2011-12 5.87	-	-	5.87	1.77	0.59	-	2.36	3.51
Mining Lease - surface rights	2012-13 11.44	-	-	11.44	2.01	0.39	-	2.40	9.04
	2011-12 4.70	6.74	-	11.44	1.79	0.22	-	2.01	9.43
Minerals Procurement Rights	2012-13 6.55	-	-	6.55	1.30	0.55	-	1.85	4.70
	2011-12 6.55	-	-	6.55	0.69	0.61	-	1.30	5.25
Technical Know-how	2012-13 -	0.23	-	0.23	-	0.03	-	0.03	0.20
	2011-12 -	-	-	-	-	-	-	-	-
Total Intangible Assets	2012-13 35.76	5.48	-	41.24	13.62	3.15	-	16.77	24.47
	2011-12 27.73	8.03	-	35.76	10.98	2.64	-	13.62	22.14
Total Fixed Assets	2012-13 2,946.24	261.56	9.42	3,198.38	1,033.09	160.02	4.15	1,188.96	2,009.42
	2011-12 2,785.75	226.77	66.28	2,946.24	898.96	147.41	13.28	1,033.09	1,913.15

Notes :

- Depreciation for the year includes ₹ 0.22 Crores (Previous year : ₹ 0.13 Crores) considered for capitalisation.
- Additions during the year includes ₹ 0.42 Crores (Previous year : ₹ 0.31 Crores) on account of Research assets.
- Gross block of fixed assets includes dedicated electricity lines costing ₹ 24.05 Crores (Previous year : ₹ 24.05 Crores) the ownership of which is with Madhya Pradesh Poorv Kshetra Vitaran Company Limited.
- Loss of ₹ 2.17 Crores (Previous Year : ₹ 5.90 Crores) arising on account of exchange difference on long term foreign currency borrowings, utilised for purchase of fixed assets has been capitalised and included in "Additions".

13. NON-CURRENT INVESTMENTS

Particulars	₹ Face value	As at 31-03-2013			As at 31-03-2012		
		Holding	₹ Crores	₹ Crores	Holding	₹ Crores	₹ Crores
A. Long term-Trade Investments - Unquoted :							
a. Investment in Equity Instruments:							
i. Investments in Subsidiaries :							
- Raheja QBE General Insurance Co. Limited	10	15,31,80,000	153.18		15,31,80,000	153.18	
- RMC Readymix Porselano (India) Limited	10	50,000	0.05		50,000	0.05	
- Lifestyle Investments PVT Limited	£ 1	10,000	0.09		10,000	0.09	
- H. & R. Johnson (India) TBK Limited	100	1,61,020	1.62		1,61,020	1.62	
- Silica Ceramica Private Limited *	10	28,37,500	82.78		24,37,500	72.78	
- Milano Bathroom Fittings Private Limited	100	72,466	6.73	244.45	62,466	6.13	233.85
ii. Investments in Joint Ventures:							
- Ardex Endura (India) Private Limited	10	65,00,000	6.50		65,00,000	6.50	
- Sentini Cermica Private Limited *	10	23,00,000	11.50		23,00,000	11.50	
- Antique Marbonite Private Limited *	10	40,00,000	20.03		40,00,000	20.03	
- Small Johnson Floor Tiles Private Limited \$ (Formerly known as Small Tiles Private Limited)	10	20,00,000	10.00		20,00,000	10.00	
- Spectrum Johnson Tiles Private Limited	10	21,65,388	8.03	56.06	21,65,388	8.03	56.06
iii. Investments in Associate :							
- Prism Power and Infrastructure Private Limited	10	4,900	#		4,900	#	
b. Investment in Preference Shares :							
i. Investments in Subsidiaries :							
- Milano Bathroom Fittings Private Limited (1% Redeemable and Non-convertible Preference Shares)	100	3,87,500	3.88		3,87,500	3.88	
- Lifestyle Investments PVT Limited (Class A) @ (Redeemable and Non-convertible Preference Shares)	£ 1	58,98,311	45.80		80,84,116	63.72	
- Lifestyle Investments PVT Limited (Class B) (Redeemable and Non-convertible Preference Shares)	£ 1	Nil	-	49.68	6,14,195	4.44	72.04

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13. NON-CURRENT INVESTMENTS (Contd.)

Particulars	₹ Face value	As at 31-03-2013		As at 31-03-2012			
		Holding	₹ Crores	₹ Crores	Holding	₹ Crores	₹ Crores
ii. Investments in Joint Ventures :							
- Small Johnson Floor Tiles Private Limited \$ (Formerly known as Small Tiles Private Limited) (0.01% Optionally convertible non-cumulative Redeemable Preference Shares)	10	40,00,000	4.00		40,00,000	4.00	
B. Long term-Other Investments :							
a. Investment in Equity Instruments :							
- New India Co-op. Bank Ltd. (Unquoted)	10	2,500	#		2500	#	
- North Kanara GSB Co-op. Bank Ltd. (Unquoted)	10	1,000	#		1000	#	
- Investments in own shares through Prism Trust (Quoted)	10	1,23,51,600	24.05	24.05	1,23,51,600	24.05	24.05
Total				378.24			390.00
Aggregate amount of quoted investments - Book value			24.05			24.05	
Aggregate market value of quoted investments			51.88			62.75	
Aggregate amount of unquoted investments			354.19			365.95	

Amount less than ₹ 50,000/-

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

\$ Pledged as a security for loan taken.

@ Out of 58,98,311 Preference Shares, 56,98,311 are pledged as security for loan taken.

14. LONG TERM LOANS AND ADVANCES

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Considered Good unless otherwise stated :				
Security Deposits				
Unsecured	37.10		25.87	
Considered doubtful	0.10		0.20	
Less : Provision for Doubtful deposits	0.10	37.10	0.20	25.87
Capital Advances				
Unsecured		72.90		53.86
Loans and Advances to related parties				
Unsecured, Considered Good		42.08		—
Deposits with Excise and Sales Tax				
Unsecured		3.48		4.84
Other Loans and Advances				
Secured	—		0.69	
Unsecured	37.70		38.16	
Prepaid expenses	10.26	47.96	12.12	50.97
Total		203.52		135.54

15. OTHER NON-CURRENT ASSETS

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Escrow Balances with Banks		0.05		0.03
Bank Deposits with more than 12 months maturity				
Margin Money	4.29		0.32	
Term Deposits (<i>restricted use</i>)	0.18	4.47	0.03	0.35
Total		<u>4.52</u>		<u>0.38</u>

16. INVENTORIES

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Stores and Spares	89.26		78.14	
Stock in transit	0.02	89.28	0.60	78.74
Raw Materials	170.66		165.03	
Stock in transit	0.13	170.79	—	165.03
Work-in-Progress		51.81		31.06
Stock of traded goods	35.61		42.72	
Stock in transit	1.94	37.55	4.13	46.85
Finished goods	112.18		97.63	
Stock in transit	5.80	117.98	7.97	105.60
Total		<u>467.41</u>		<u>427.28</u>

17. TRADE RECEIVABLES

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Secured - Considered Good :				
Over six months due	1.77		0.57	
Others due	16.90	18.67	11.89	12.46
Unsecured - Considered Good :				
Over six months due	17.40		10.37	
Others due	441.79	459.19	323.50	333.87
Unsecured - Considered Doubtful :				
Over six months due	23.46		19.50	
Others due	3.08		2.27	
Less : Provisions for doubtful debts	26.54	—	21.77	—
Total		<u>477.86</u>		<u>346.33</u>

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18. CASH, CASH EQUIVALENT AND BANK BALANCES

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
18.1 Cash and cash equivalents				
Cash in hand	0.69		0.91	
Cheques, drafts on hand	5.04		1.73	
Balances with banks in current accounts	25.18		47.36	
Term Deposits with banks (<i>maturity of less than 3 months</i>)	1.32		2.00	
Total (A)		32.23		52.00
18.2 Other Bank Balances				
Unclaimed Dividend Accounts	3.77		3.51	
Balances with banks	0.05		—	
Others	1.43		1.00	
Total (B)		5.25		4.51
Total (A+B)		37.48		56.51

19. SHORT-TERM LOANS AND ADVANCES - CONSIDERED GOOD

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Deposits	0.29		1.22	
Advance recoverable in cash or in kind	—		—	
Income tax (<i>net of provisions</i>)	52.98		43.17	
Loan given to Subsidiary Company	—		36.08	
VAT/Service Tax recoverable account	112.33		54.52	
Prepaid Expenses	17.93		15.12	
Custom Duty receivable	0.37		0.37	
Balances with Excise and Customs	15.96		12.53	
Others	112.16		69.12	
Total	312.02		232.13	

20. OTHER CURRENT ASSETS

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Insurance Claim Receivable	74.26		56.89	
Others	1.21		1.11	
Total	75.47		58.00	

21. OTHER OPERATING INCOME

Particulars	2012-2013		2011-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Sale of Scrap	8.58		7.79	
Sale of Carbon Credit	—		0.89	
Dividend from Joint Ventures and Subsidiaries *	0.04		0.02	
Others	17.18		15.17	
Total	25.80		23.87	

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

22. OTHER INCOME

Particulars	2012-2013		2011-2012	
	₹ Crores		₹ Crores	
Interest income	4.47		2.88	
Dividend from mutual fund	0.04		1.28	
Net gain on sales of investments	0.19		0.11	
Other non-operating income	0.83		0.72	
Total	5.53		4.99	

23. DETAILS OF MATERIALS CONSUMED

Particulars	2012-2013		2011-2012	
	₹ Crores		₹ Crores	
Limestone - Purchased	32.31		19.08	
Clay, Sand and Minerals	249.04		241.34	
Fly Ash	122.41		110.15	
Cement (in RMC Division)	334.64		348.04	
Aggregates and crushed rock	175.34		170.94	
Packing Material	96.95		88.51	
Others	202.98		196.63	
Total	1,213.67		1,174.69	

24. PURCHASE OF STOCK-IN-TRADE

Particulars	2012-2013		2011-2012	
	₹ Crores		₹ Crores	
Purchase of Tiles	840.69		813.85	
Aggregate	2.42		5.50	
Others	90.74		89.35	
Total	933.85		908.70	

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

Particulars	2012-2013		2011-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Closing Stock <i>(including in Transit)</i>				
Finished Goods	117.98		105.60	
Traded Goods	37.55		46.85	
Work-in-progress	51.81	207.34	31.06	183.51
Less : Opening Stock <i>(including in Transit)</i>				
Finished Goods	105.60		77.32	
Traded Goods	46.85		27.82	
Work-in-progress	31.06	183.51	44.88	150.02
Total		23.83		33.49

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26. EMPLOYEES BENEFIT EXPENSES

Particulars	2012-2013		2011-2012	
	₹ Crores		₹ Crores	
Salaries, wages and bonus	221.04		190.84	
Contribution to Provident and other funds	21.64		17.11	
Welfare and other expenses	16.25		15.04	
Total	258.93		222.99	

27. FINANCE COST

Particulars	2012-2013		2011-2012	
	₹ Crores		₹ Crores	
Interest expenses	181.52		155.82	
Amortisation of processing fees	8.79		7.72	
Total	190.31		163.54	

28. OTHER EXPENSES

Particulars	2012-2013		2011-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Rent		29.77		23.88
Rates and taxes		32.99		20.84
Stores and spares consumed		84.17		92.39
Power and fuel consumed		750.25		719.03
Travelling and communication		40.93		37.05
Discounts, incentives and commission on sales		223.62		198.89
Advertisement, sales promotion and other marketing expenses		53.90		40.85
Research expenses *		2.49		2.62
Insurance		8.12		4.95
Freight outward		588.39		519.58
Loss on sale of assets		0.38		1.16
Provision for bad and doubtful debts/deposits	4.77		6.74	
Add : Bad debts written off	3.33	8.10	1.66	8.40
Loss on exchange fluctuation		6.03		8.67
Adjustment of excise duty on stock		2.62		1.60
Royalty paid		31.32		34.75
Sub-contract charges		23.26		38.29
Quarry expenses		13.44		10.03
Readymix concrete pumping expenses		13.73		13.11
Other manufacturing expenses		2.69		2.35
Plant upkeep expenses		18.50		14.14
Repairs to Plant and machinery		56.59		47.93
Repairs to Buildings		4.02		3.22
Repairs others		4.76		4.19
Bank charges		5.75		6.86
Machinery Hire charges		55.00		51.85
Miscellaneous expenses		65.06		62.55
Total		2,125.88		1,969.18
* Research Expenses comprises of :				
Salary and Wages		1.08		0.97
Travelling and Communication		0.14		0.08
Others		1.27		1.57
Total		2.49		2.62

29. Exceptional items comprises of the following :

- a. Exchange gain of ₹ 1.62 Crores arising on part redemption of the Company's investment in the Preference Share Capital of its wholly owned subsidiary. (Previous year : profit of ₹ 1.20 Crores on buy back of shares of Joint Venture held by the Company).
- b. In March 2012 in Unit II of the Cement Division at Satna (M.P.) there was a damage to the Blending Silo due to which the clinker production had 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 was provided in the financial statements of previous year.

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

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

Particulars	2012-2013	2011-2012
Profit/(Loss) after Tax excluding dividend on own shares (₹ Crores)	(59.48)	(30.01)
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)	(1.21)	(0.61)

32. All the divisions of the Company have normal operating cycle of less than twelve months, hence a period of twelve months has been considered for bifurcation of assets and liabilities into current and non-current as required by Revised Schedule VI of the Companies Act, 1956 for preparation of Financial Statements.

33. (a) Contingent liabilities :

- (i) Guarantees given by the Company's bankers and counter guaranteed by the Company : ₹ 86.12 Crores (Previous year : ₹ 78.29 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) Additional Royalty Claim on limestone raised disputed ₹ 22.87 Crores (Previous year : ₹ 20.08 Crores)
 - (d) Tax on Rural and Road Development disputed ₹ 6.79 Crores (Previous year : ₹ 5.27 Crores)
 - (e) Other Claims in respect to Income Tax, Sales Tax, Entry Tax, Excise Duty and other claims ₹ 78.22 Crores. (Previous year : ₹ 46.33 Crores)
 - (iii) Corporate guarantees issued to the bankers of the wholly owned subsidiary company ₹ 108.54 Crores (Previous year : ₹ 73.62 Crores)
 - (iv) Outstanding Letters of Credit ₹ 30.04 Crores (Previous Year : ₹ 38.04 Crores)
- (b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) - ₹ 26.84 Crores (Previous year : ₹ 58.65 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.

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- (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 Standard) Rules, 2006, are as follows :

(₹ Crores)

Particulars	As at 01-04-2012	Provisions made during the year	Amounts utilised or reversed during the year	As at 31-03-2013
MPEB Cess on Generation of Electricity	8.33	Nil	Nil	8.33
MP Entry Tax/VAT	8.58	Nil	Nil	8.58
UP Entry Tax	2.38	Nil	Nil	2.38
VAT on Inter Unit Transfer	Nil	0.68	Nil	0.68
Dispute with Contractors	Nil	1.00	Nil	1.00
Royalty on Limestone	2.79	Nil	2.79	Nil
Total	22.08	1.68	2.79	20.97

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 ₹ 20.47 Crores (Previous year : ₹ 22.08 Crores).

34. **Capital work-in-progress includes pre-operative expenses of ₹ 44.45 Crores (Previous year : ₹ 26.01 Crores), the details of which are as under :**

Particulars	2012-2013 ₹ Crores	2011-2012 ₹ Crores
Revenue expenditure for the year considered as pre-operative expenses		
Salary, wages and bonus	2.92	1.96
Contribution to Provident and other funds	0.12	0.10
Rent, Rates and Taxes	0.35	0.22
Travelling and Communication	1.28	1.50
Professional fees	2.58	3.17
Interest and other finance charges	2.97	2.33
Depreciation	0.23	0.13
Miscellaneous expenses	9.95	7.00
	<u>20.40</u>	<u>16.41</u>
Add : Expenditure up to Previous year	26.01	11.64
	<u>46.41</u>	<u>28.05</u>
Less : Capitalised during the year	1.96	2.04
Balance Carried forward	<u>44.45</u>	<u>26.01</u>

35. Employee Benefits :

(a) Defined contribution plans :

The Company has recognised an expense of ₹ 13.57 Crores (Previous year : ₹ 12.63 Crores) towards defined contribution plans, in respect of Provident Fund and Superannuation Fund. The Company contributes to the Provident Fund Trust managed by it or to Recognised Provident Fund. The contribution to the own Provident Fund Trust is treated as defined contribution plan as the management do not expect any material deficit in payment of interest, as per the rates prescribed by the Government.

(b) Defined benefit plans :

The actuarial valuation of the present value of the defined benefit obligations were carried out at March 31, 2013. The present value of the defined benefit obligations and the related service costs, were measured using the Projected Unit Credit Method.

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The following tables set out the funded status and amounts recognised in the Company's financial statements as per actuarial valuation on March 31, 2013 for the Defined Benefits Plan :

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

(₹ Crores)

Particulars	2012-13		2011-12	
	Leave Entitlement	Gratuity	Leave Entitlement	Gratuity
A. Changes in the defined benefit obligation :				
Liability at the beginning of the year	13.96	20.99	13.61	17.42
Current service cost	2.61	3.97	1.60	3.24
Interest cost	1.17	1.85	0.99	1.53
Actuarial (gain)/loss on obligation	5.18	1.85	4.26	(0.14)
Benefits paid	(4.43)	(1.29)	(6.50)	(1.06)
Liability at the end of the year (A)	18.49	27.37	13.96	20.99
B. Changes in the fair value of plan assets :				
Fair value of plan assets at the beginning of the year	N.A.	16.17	N.A.	12.86
Expected return on plan assets	N.A.	1.57	N.A.	1.21
Employer's contributions	N.A.	5.87	N.A.	3.26
Actuarial gain/(loss) on plan assets	N.A.	0.14	N.A.	(0.10)
Benefits paid	N.A.	(1.29)	N.A.	(1.06)
Fair value of plan assets at the end of the year (B)	N.A.	22.46	N.A.	16.17
C. Balance Liability (A - B)	18.49	4.91	13.96	4.82

(ii) Actual Return on Plan Assets :

(₹ Crores)

Particulars	2012-13		2011-12	
	Leave Entitlement	Gratuity	Leave Entitlement	Gratuity
Expected Return on plan assets	N.A.	1.57	N.A.	1.21
Actuarial gain/(loss) on plan assets	N.A.	0.14	N.A.	(0.10)
Actual Return on plan assets	N.A.	1.71	N.A.	1.11

(iii) Expenses recognised in Profit and Loss Statement for the year ended March 31, 2013 :

(₹ Crores)

Particulars	2012-13		2011-12	
	Leave Entitlement	Gratuity	Leave Entitlement	Gratuity
Current service cost	2.61	3.97	1.60	3.24
Interest cost	1.17	1.85	0.99	1.53
Expected return on plan assets	N.A.	(1.57)	N.A.	(1.21)
Actuarial (gain)/loss	5.18	1.71	4.26	(0.04)
Expense recognised in Profit and Loss Statement	8.96	5.96	6.85	3.52

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

Particulars	Percentage
Equity Shares	13.78%
Central and State Government Securities	38.73%
Other Fixed Income Securities/Deposits	47.49%
Total	100.00%

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

- Discount rate : 8% (Previous year : 8.5%)
- Expected rate of return on plan assets : 8% (Previous year : 8%)
- The estimates of future salary increases of 4% - 5%, considered in actuarial valuation, taking into account the general trend in salary rise and the inflation rates.

36. 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, 2013 as follows :

Particulars	2012-2013 ₹ Crores	2011-2012 ₹ Crores
Amount due and outstanding to suppliers at the end of the accounting year	1.07	9.53
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

37. The Company has received requisite approvals from the Central Government for 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.

38. Remuneration to statutory auditors including branch auditors :

Particulars	2012-2013 ₹ Crores	2011-2012 ₹ Crores
Auditors	0.55	0.52
For Tax Audit	0.05	0.06
For Company Law Matters and Managerial Services	0.10	0.10
For Reimbursement of Expenses	—	0.01
Total	0.70	0.69

39. (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.

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

Particulars	As at 31.03.2013 ₹ Crores	As at 31.03.2012 ₹ Crores
Future Lease Rental Payments		
i Due not later than one year	Nil	0.56
ii Due later than one year but not later than 5 years from the balance sheet date	Nil	Nil
iii Later than 5 years	Nil	Nil

Lease rentals of ₹ 2.33 Crores (Previous year : ₹ 2.31 Crores) in respect of obligations under operating leases have been recognised in the Profit and Loss Statement.

40. 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 Venture	Proportion of Ownership Interest	Country of Incorporation
Ardex Endura (India) Private Limited	50%	India
Sentini Cermica Private Limited	50%	India
Antique Marbonite Private Limited	50%	India
Spectrum Johnson Tiles Private Limited	50%	India
Small Johnson Floor Tiles Private Limited (formerly known as Small Tiles Private Limited)	50%	India

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

Particulars	(₹ Crores)	
	As at 31.03.2013 ₹ Crores	As at 31.03.2012 ₹ Crores
Total Liabilities	121.71	128.14
Total Assets	250.15	242.91
Capital Commitments	1.79	0.02
Contingent Liabilities	19.72	14.51
Total Income	258.73	253.69
Total Expenses	240.07	225.02

41. 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 of ₹ 57.31 Crores (Previous year : ₹. 45.22 Crores) has been grouped under revenue from operations as a part of sales. Further, out of subsidy recognised in the earlier years an amount of ₹ 1.41 Crores is reversed through sales.

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

a. Name of the related parties

Joint Venture/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 Johnson Floor Tiles Private Limited (Formerly Known as 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 Investments PVT Limited • Silica Ceramica Private Limited • Milano Bathroom Fittings Private Limited

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Joint Venture /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 	<ul style="list-style-type: none"> • Mr. Manoj Chhabra • Mr. Vijay Aggarwal • Mr. Ganesh Kaskar
<ul style="list-style-type: none"> • 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 • TBK Rishi Ceramics Private Limited • TBK Aishwarya Tile Bath Kitchen Private Limited • TBK Raj Kamal Tile Bath Kitchen Private Limited • TBK Shree Ganesh Traders Private Limited • TBK Vaibhavi Tile Bath Kitchen Private Limited • TBK Home Trends Private Limited • Prism Power and Infrastructure Private Limited 	<p>Firm/Enterprise in which Directors and/or relatives have significant influence</p> <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 2012-13	Amount outstanding as at 31-03-2013 (Payable)/ Receivable	Amount of transaction in 2011-12	Amount outstanding as at 31-03-2012 (Payable)/ Receivable
R & S Business Centre	Firm in which Director and/or relatives have significant influence	Rent and maintenance charges	0.13	(0.02)	0.17	(0.02)
Windsor Realty Private Limited	Enterprise in which Director and/or relatives have significant influence	Sale of goods and Services	5.11	(0.06)	11.23	0.91
Mr. Manoj Chhabra	Managing Director	Remuneration (includes leave encashment of ₹ 3.30 Crores paid at the end of the previous tenure during the previous year)	3.62	Nil	6.54	Nil
Mr. Vijay Aggarwal	Managing Director	Remuneration (Includes leave encashment of ₹ 0.88 Crores paid at the end of the previous tenure during the current year)	4.18	Nil	3.30	Nil

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Name	Relationship	Nature of transaction	Amount of transaction in 2012-13	Amount outstanding as at 31-03-2013 (Payable)/ Receivable	Amount of transaction in 2011-12	Amount outstanding as at 31-03-2012 (Payable)/ Receivable
Mr. Ganesh Kaskar	Executive Director \$	Remuneration	1.85	(0.27)	1.69	(0.27)
Raheja QBE General Insurance Company Limited	Subsidiary	Security Deposit Received	Nil	(0.03)	0.02	(0.02)
		Advances	Nil	0.02	0.04	0.04
		Insurance Premium	1.06	Nil	0.98	0.05
		Rent Deposit	Nil	(0.01)	Nil	(0.01)
		Rent Received	0.04	Nil	0.01	Nil
		Claims Paid/Payable	0.46	0.37	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	43.85	12.94	40.45	13.11
		Selling and Distribution Expenses	1.38	Nil	1.50	Nil
		Loan Given	6.00	42.08	10.15	36.08
		Rent Received	0.01	Nil	0.24	Nil
TBK Deepgiri Tile Bath Kitchen Private Limited	Joint Venture of Subsidiary	Selling and Distribution Expenses	Nil	Nil	0.74	Nil
TBK Deziner's Home Private Limited	Joint Venture of Subsidiary	Sale of goods and Services	Nil	Nil	14.80	Nil
		Selling and Distribution Expenses	Nil	Nil	0.85	Nil
Silica Ceramica Private Limited	Subsidiary	Purchase of Goods and Services	144.72	(25.04)	137.51	(24.39)
		Investments	10.00	Nil	16.00	Nil
		Interest Received	0.24	Nil	Nil	Nil
Sentini Cermica Private Limited	Joint Venture	Purchase of Goods and services	121.12	(19.57)	146.03	(22.81)
		Reimbursement	0.24	Nil	0.16	Nil
Antique Marbonite Private Ltd.	Joint Venture	Purchase of Goods and services	271.73	(45.58)	254.35	(45.08)
		Interest Received	0.77	Nil	0.83	Nil
		Reimbursement	0.25	Nil	0.22	Nil
Spectrum Johnson Tiles Private Limited	Joint Venture	Purchase and Services	70.48	(15.46)	Nil	Nil
		Rent paid	0.01	Nil	0.01	Nil
Milano Bathrooms Fittings Private Limited	Milano Bathrooms Fittings Private Limited Subsidiary	Dividend Received	0.01	0.04	0.02	0.01
Lifestyle Investments PVT Limited	Subsidiary	Redemption of Preference Shares	22.36	Nil	Nil	Nil
Small Johnson Floor Tiles Pvt Ltd.	Small Johnson Floor Tiles Pvt Ltd. Joint Venture	Investment	Nil	Nil	14.00	Nil
TBK Sanitary Sales Pvt. Ltd.	Joint Venture of Subsidiary	Selling and Distribution Expenses	2.96	Nil	Nil	Nil

PRISM CEMENT LIMITED

Name	Relationship	Nature of transaction	Amount of transaction in 2012-13	Amount outstanding as at 31-03-2013 (Payable)/ Receivable	Amount of transaction in 2011-12	Amount outstanding as at 31-03-2012 (Payable)/ Receivable
TBK Pratap Tile Bath Kitchen Private Limited	Joint Venture of Subsidiary	Purchase of Goods and Services	Nil	Nil	0.02	Nil
Others	Others	Interest Received	0.12	Nil	0.07	Nil
		Purchase of Goods and services	57.35	(12.51)	112.68	(32.01)
		Sales of Goods and services	135.91	18.06	85.62	10.31
		Selling and Distribution Expenses	5.80	Nil	3.10	Nil
		Rent Received	0.02	Nil	0.02	Nil
		Investment made	0.60	Nil	2.00	Nil

\$ Re-appointment w.e.f. March 3, 2013 is subject to shareholders approval.

43. Amount of Loans and advances given to subsidiary :

(₹ Crores)

Name of Subsidiary	Amount Outstanding As at		Maximum Balance outstanding during the year	
	31-03-2013	31-03-2012	2012-13	2011-12
H. & R. Johnson (India) TBK Ltd.	42.08	36.08	42.08	36.08

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

a. Material consumed

Particulars

	2012-2013		2011-2012	
	₹ Crores	(%)	₹ Crores	(%)
Imported	62.93	5.19	52.18	4.44
Indigenous	1,150.74	94.81	1,122.51	95.56
Total	1,213.67	100.00	1,174.69	100.00

b. Stores and Spares consumed

Particulars

	2012-2013		2011-2012	
	₹ Crores	(%)	₹ Crores	(%)
Imported	19.12	22.72	13.18	14.27
Indigenous	65.05	77.28	79.21	85.73
Total	84.17	100.00	92.39	100.00

45. Value of imports on CIF Basis :

Spares : ₹ 25.08 Crores (Previous year : ₹ 39.67 Crores)

Raw materials : ₹ 31.70 Crores (Previous year : ₹ 44.01 Crores)

Capital Goods : ₹ 11.18 Crores (Previous year : ₹ 19.20 Crores)

Traded Goods : ₹ 27.34 Crores (Previous year : ₹ 29.00 Crores)

46. Details of earnings in foreign currency :

F.O.B. Value of Export : ₹ 24.19 Crores (Previous year : ₹ 28.10 Crores)

Sale of Carbon Credits : ₹ Nil (Previous year : ₹ 0.89 Crores)

47. Details of expenditure in foreign currency :

Particulars	2012-2013 ₹ Crores	2011-2012 ₹ Crores
Finance and other charges	2.67	4.00
Travelling and communication expenses	0.36	0.40
Fees for technical services	0.60	0.68
Other Expenditure	0.41	2.50
Total	4.04	7.58
Less : Pre-operative expenses capitalised	0.09	0.21
Balance charged to Profit and Loss Statement	3.95	7.37

48. Disclosure of Foreign Currency Exposure :

- (a) The Company has outstanding forward contracts to purchase US\$ 0.23 Crores (Previous year : US\$ 0.26 Crores) as on the Balance Sheet date to hedge foreign currency liability for payments to be made against imports and loans.
- (b) Particulars of unhedged foreign currency asset/liability as at Balance Sheet date :

(in Crores)

Currency	Nature	2012-13		2011-12	
		Amount in Foreign Currency	Amount (₹)	Amount in Foreign Currency	Amount (₹)
Euro (€)	Asset	0.01	0.79	NIL	NIL
GBP (£)	Asset	0.62	51.10	0.91	74.30
US Dollar (US\$)	Asset	0.11	5.63	0.11	5.85
Euro (€)	Liability	0.25	17.50	0.85	58.65
Swiss Francs (CHF)	Liability	0.05	2.65	0.03	1.96
US Dollar (US\$)	Liability	0.49	26.33	0.49	24.78
Japanese Yen (¥)	Liability	NIL	NIL	0.02	0.01

49. 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 9, 2013

Aneeta S. Kulkarni
Company Secretary

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

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	2012-2013		2011-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit/(Loss) before taxation as per Profit and Loss Statement		(82.99)		(45.99)
<i>Adjustment for :</i>				
Depreciation and Amortisation	159.80		147.28	
Loss on sale of assets (net)	0.38		1.16	
Profit on sales of investments (net)	(1.81)		(1.31)	
Interest income	(4.47)		(2.88)	
Dividend income	(0.08)		(1.28)	
Interest expenditure	188.90		155.82	
Loss on exchange fluctuations	4.42	347.14	8.67	307.46
Operating Profit/(Loss) before working capital changes		264.15		261.47
Changes in Working Capital :				
Increase/(Decrease) in trade and other payables	294.21		274.12	
(Increase)/Decrease in trade receivables	(131.50)		(81.92)	
(Increase)/Decrease in inventories	(40.14)		(55.99)	
(Increase)/Decrease in other receivables	(140.83)	(18.26)	(146.38)	(10.17)
Cash Generated from Operations		245.89		251.30
Direct taxes paid (<i>net of refunds</i>)		10.04		6.26
Net cash generated from operating activities (A)		235.85		245.04
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of fixed assets and additions in CWIP		(295.18)		(185.87)
Proceeds from sales of fixed assets		4.88		0.93
Purchase of investments		(23.27)		(213.00)
Sales proceeds from Investments		36.84		178.60
Interest received		3.89		2.84
Dividend on own shares held through a Trust		0.62		—
Dividend income		0.08		1.28
Net cash used for investing activities (B)		(272.14)		(215.22)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Additions to Borrowings		721.71		899.43
Repayment of Borrowings		(492.37)		(781.13)
Dividend paid including distribution tax		(29.25)		—
Interest paid		(183.57)		(156.01)
Net cash used/generated in Financing Activities (C)		16.52		(37.71)
Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)		(19.77)		(7.89)
Cash and cash equivalents at the beginning of the year		52.00		59.89
Cash and cash equivalents at the end of the year		32.23		52.00
Cash and cash equivalents comprise of :				
Cash on hand		0.69		0.91
Cheques on hand		5.04		1.73
Balance with Banks		26.50		49.36
Total		32.23		52.00

Notes :

- Dividend from Subsidiary(s)/Joint Venture(s) has been treated as cash flow from operating activities.
- 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.
- Figures of the previous year have been regrouped/reclassified/restated, wherever considered necessary.

As per our report of even date attached

For N. M. RAJJI & CO.
Chartered Accountants

J. M. Gandhi
Partner

Mumbai, May 9, 2013

Aneeta S. Kulkarni
Company Secretary

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

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF
PRISM CEMENT LIMITED

1. We have audited the accompanying consolidated financial statements of **PRISM CEMENT LIMITED (the Company)** and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Profit and Loss Statement and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Consolidated Financial Statements

Management of the Company is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

4. Emphasis of Matter

We draw attention to Note No. 30 of the Financial Statements with regard to not considering one of the investee Company as an Associate for consolidation, based on the information given by the Management. Our opinion is not qualified in respect of this matter.

5. Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries/joint ventures as noted below, the 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 Company as at March 31, 2013;
- ii) in the case of the consolidated Profit and Loss Statement, of the loss for the year ended on that date; and
- iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

6. Other Matters

- i) We did not audit the financial statements of certain subsidiaries, whose financial statements reflect Net Worth of ₹ 294.25 Crores as at March 31, 2013, total revenues of ₹ 246.19 Crores and net cash inflow of ₹ 24.74 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. Our opinion is not qualified in respect of this matter.
- ii) 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 ₹ 112.63 Crores as at March 31, 2013, the Group's share in the total revenues of ₹ 297.51 Crores and the Group's share in net cash outflow of ₹ 0.09 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. Our opinion is not qualified in respect of this matter.

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

J. M. GANDHI
Partner
Membership No.: 37924

Place : Mumbai
Date : May 9, 2013

PRISM CEMENT LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	As at 31-03-2013		As at 31-03-2012	
		₹ Crores	₹ Crores	₹ Crores	₹ Crores
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
a. Share Capital	2	503.36		503.36	
b. Reserves and Surplus	3	645.33	1,148.69	707.24	1,210.60
2. Minority Interest			53.30		51.33
3. Non-Current Liabilities					
a. Long-term borrowings	4	1,248.03		1,063.05	
b. Deferred Tax Liability	5	102.56		125.37	
c. Other Long-term liabilities	6	109.82		90.82	
d. Long-term provisions	7	40.95	1,501.36	35.40	1,314.64
4. Current Liabilities					
a. Short-term borrowings	8	367.22		226.03	
b. Trade Payables	9	754.89		564.67	
c. Other Current Liabilities	10	729.19		628.29	
d. Short-term provisions	11	18.46	1,869.76	48.36	1,467.35
TOTAL			4,573.11		4,043.92
II. ASSETS					
1. Non-current Assets					
a. Fixed Assets					
i. Tangible Assets	12	2,268.71		2,166.49	
ii. Intangible Assets	12	24.70		22.57	
iii. Capital Work-in-progress	34	100.64		69.87	
b. Goodwill on consolidation		45.20		45.18	
c. Non-current investments	13	240.03		234.17	
d. Deferred Tax Asset	5	9.67		1.54	
e. Long-term loans and advances	14	190.25		154.16	
f. Other non-current assets	15	15.83	2,895.03	8.73	2,702.71
2. Current Assets					
a. Current Investments	16	106.25		120.35	
b. Inventories	17	586.95		515.69	
c. Trade Receivables	18	476.32		328.53	
d. Cash, cash equivalent and bank balances	19	98.90		92.61	
e. Short-term loans and advances	20	331.00		224.37	
f. Other current assets	21	78.66	1,678.08	59.66	1,341.21
TOTAL			4,573.11		4,043.92
SIGNIFICANT ACCOUNTING POLICIES	1				
<i>The Note numbers 1 to 42 forms integrated part of the Financial Statements</i>					

As per our report of even date attached

For N. M. RAJJI & CO.
Chartered Accountants

J. M. Gandhi
Partner

Mumbai, May 9, 2013

Aneeta S. Kulkarni
Company Secretary

Rajesh G. Kapadia

Manoj Chhabra

Vijay Aggarwal

Ganesh Kaskar

Chairman

Managing Directors

Executive Director

21st Annual Report 2012-2013

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No.	2012-2013		2011-2012	
		₹ Crores	₹ Crores	₹ Crores	₹ Crores
REVENUE FROM OPERATIONS :					
Sales of products and services		5,211.63		4,892.68	
Other operating Income	22	48.13		46.45	
		5,259.76		4,939.13	
Less : Excise Duty		388.62		342.93	
Total Revenue from Operations			4,871.14		4,596.20
Other Income	23		16.13		13.61
Total Revenue			4,887.27		4,609.81
EXPENSES :					
Cost of Materials consumed		1,370.65		1,326.63	
Purchase of Stock-in-trade		603.49		568.81	
Changes in inventories of finished goods, traded goods and work-in-progress	24	(50.26)		(55.05)	
Employees benefit expenses	25	308.98		263.54	
Finance cost	26	228.03		183.78	
Depreciation and Amortisation expenses	12	179.89		162.24	
Other expenses	27	2,332.88		2,183.94	
Total Expenses			4,973.66		4,633.89
Profit/(Loss) Before Exceptional Items and Tax			(86.39)		(24.08)
Exceptional Items	28		1.66		(4.00)
Profit/(Loss) before Tax			(84.73)		(28.08)
Tax Expenses :					
Current Tax		(7.64)		(5.52)	
MAT Credit Entitlement		1.04		1.22	
Income Tax earlier years		(0.09)		(0.17)	
Deferred Tax		30.90	24.21	15.70	11.23
Profit/(Loss) for the year			(60.52)		(16.85)
Adjustment for Minority Interest			(1.95)		(1.59)
Profit/(Loss) after Minority Interest carried to Balance Sheet			(62.47)		(18.44)
Earning per Equity Share (Face value of ₹ 10/- each) - Basic and Diluted (₹)	29		(1.27)		(0.38)
SIGNIFICANT ACCOUNTING POLICIES					
The Note numbers 1 to 42 form integrated part of the Financial Statements					

As per our report of even date attached

For N. M. RAJJI & CO.
Chartered Accountants

J. M. Gandhi
Partner

Aneeta S. Kulkarni
Company Secretary

Mumbai, May 9, 2013

Rajesh G. Kapadia *Chairman*

Manoj Chhabra *Managing Directors*

Vijay Aggarwal *Executive Director*

Ganesh Kaskar

PRISM CEMENT LIMITED

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, 2013.

Basis of Accounting and Principles of Consolidation

- a. 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.
- b. 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.
- c. The Company's share of profit/loss of Associate is consolidated as one line item in CFS.
- d. 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.
- e. 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.
- f. 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, 2013
RMC Readymix Porselano (India) Ltd.	India	Subsidiary	100%
H. & R. Johnson (India) TBK Ltd.	India	Subsidiary	100%
Silica Ceramica Pvt. Ltd.#	India	Subsidiary	97.84%
Lifestyle Investments PVT Limited	Jersey	Subsidiary	100%
Milano Bathroom Fittings 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%

Name of the Subsidiaries, Joint Ventures and Associate	Country of Incorporation	Status	Percentage of Voting Power as at March 31, 2013
Small Johnson Floor Tiles Pvt. Ltd. (Formerly known as Small Tiles Pvt. Ltd.)	India	Joint Venture	50%
TBK Samiyaz Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture	50%
TBK PB Shah Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture	50%
TBK Deepgiri Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture	50%
TBK Shriram Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture	50%
TBK Unique Jalgaon Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture	50%
TBK Deziner's Home Pvt. Ltd.	India	Joint Venture	50%
TBK Pratap Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture	50%
TBK Rangoli Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture	50%
TBK Bansal Ceramics Pvt. Ltd.	India	Joint Venture	50%
TBK Venkataramiah Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture	50%
TBK Rathi Sales Agencies Pvt. Ltd.	India	Joint Venture	50%
TBK Krishna Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture	50%
TBK Sanitary Sales Pvt. Ltd.	India	Joint Venture	50%
TBK Florance Ceramics Pvt. Ltd.	India	Joint Venture	50%
TBK Tile Home Pvt. Ltd.	India	Joint Venture	50%
TBK Home Trends Pvt. Ltd.*	India	Joint Venture	50%
TBK Kadakia's Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture	50%
TBK Reddy Tile Bath Kitchen Pvt. Ltd.	India	Joint Venture	50%
TBK Rishi Ceramics Pvt. Ltd.*	India	Joint Venture	50%
TBK Vaibhavi Tile Bath Kitchen Pvt. Ltd.*	India	Joint Venture	50%
TBK Shree Ganesh Traders Pvt. Ltd.*	India	Joint Venture	50%
TBK Aishwarya Tile Bath Kitchen Pvt. Ltd.*	India	Joint Venture	50%
TBK Raj Kamal Tile Bath Kitchen Pvt. Ltd. *	India	Joint Venture	50%
Prism Power and Infrastructure Pvt. Ltd.	India	Associate	49%

* Acquired during the year.

Additional investment made during the year, the excess consideration paid, if any over and above the book value is adjusted in 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.

PRISM CEMENT LIMITED

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

- a) 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.
- b) 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 and mobiles used by employees : 15.25% and 25% respectively.
- 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 period of lease.
- 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%
➤ Technical Know how	14.29%

- a. Cost of acquisition of leasehold land is amortised over the remaining 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.

Raheja QBE General Insurance Compnay Limited :

Asset	Rate of Amortisation
➤ Vehicles	20.00%
➤ Office Equipments	25.00%
➤ Furniture & Fittings	6.33%
➤ Information Technology Equipments	33.33%
➤ Software (Intangible Assets)	33.33%

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

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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. The exchange differences on long-term foreign currency monetary items, are 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.

1.12 Borrowing Costs

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

1.13 Government Grants

Cement Division :

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.

HRJ Division :

Governments Grants are recognised only if there is reasonable assurance that :

- i The Enterprise will comply with the condition attached to them.
- ii The grant will be received.

Government grants for Fixed Assets are treated as Deferred Income and not reduced from the cost of Fixed Assets. the grant is credited to the Profit and Loss Statement over the useful life of the assets.

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 (RPFC) 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, in the later case. Gratuity benefits are treated as defined benefit plan. The contribution made by the Group for Provident Fund, Superannuation and Medical Premium is charged to the Profit and Loss Statement.

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 Group. 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 for other disputed matters, 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 (Ready-mixed 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". "Others" represent Insurance business which is not a reportable segment as per Accounting Standard - 17.

2. SHARE CAPITAL

Particulars	As at 31-03-2013 ₹ Crores	As at 31-03-2012 ₹ Crores
Authorised :		
50,50,00,000 Equity shares of ₹ 10/- each	505.00	505.00
(Previous year : 50,50,00,000 Equity shares of ₹ 10/- each)		
2,00,00,000 Preference shares of ₹ 10/- each	20.00	20.00
(Previous year : 2,00,00,000 shares of ₹ 10/- each)		
Total	<u>525.00</u>	<u>525.00</u>
Issued, Subscribed and Paid up :		
50,33,56,580 Equity shares of ₹ 10/- each fully paid-up	503.36	503.36
(Previous year : 50,33,56,580 Equity shares of ₹ 10/- each)		
Total	<u>503.36</u>	<u>503.36</u>

Additional Informations :

- a) Reconciliation of number of equity shares outstanding :

Particulars	As at 31-03-2013	As at 31-03-2012
At the beginning of the year	50,33,56,580	50,33,56,580
At the end of the year	50,33,56,580	50,33,56,580

- b) Rights, Preferences and Restrictions attached to Equity Shares :

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

- c) The Company had issued 20,51,06,580 number of Equity shares of ₹ 10/- each fully paid during the period of five years immediately preceding the reporting date 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 the said scheme of amalgamation 1,23,51,600 shares of the Company are held in a Trust for the benefit of the Company.

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2. SHARE CAPITAL (Contd.)

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

Name of the Shareholder	As at 31-03-2013		As at 31-03-2012	
	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 Limited	3,12,89,300	6.22%	3,12,89,300	6.22%

3. RESERVES AND SURPLUS

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Capital Redemption Reserve				
Opening Balance	11.43		11.13	
Add : Transfer from General Reserve	—		0.30	
Closing Balance		11.43		11.43
Debenture Redemption Reserve				
Opening Balance	33.25		6.25	
Add : Transfer from Surplus in Profit and Loss Statement	29.44		27.00	
Closing Balance		62.69		33.25
Foreign Currency Translation Reserve				
Opening Balance	1.80		(5.81)	
Add/(Less) : Adjustment during the year	(0.05)		7.61	
Closing Balance		1.75		1.80
State Cash Subsidy		0.63		0.63
Fair Value Change Account				
Opening Balance	0.07		0.03	
Add : Adjustment during the year	—		0.04	
Closing Balance		0.07		0.07
General Reserve				
Opening Balance	193.24		193.54	
Less: Transfer to Capital Redemption Reserve	—		0.30	
Closing Balance		193.24		193.24
Surplus in Profit and Loss Statement				
Opening Balance	466.82		541.51	
Add : Net Profit/(Loss) of the Group for the current year	(62.47)		(18.44)	
Less : Dividend	—		25.17	
Less : Distribution Tax on Dividend	0.01		4.08	
Add : Dividend received on own shares held through trust	0.62		—	
Less : Transfer to Debenture Redemption Reserve	29.44		27.00	
Closing Balance		375.52		466.82
Total		645.33		707.24

4. LONG-TERM BORROWINGS

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Secured Debentures/Bonds :				
- 9.30% Non-convertible Debentures <i>(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.)</i>	100.00		100.00	
- 11.80% Non-convertible Debentures <i>(300 Nos. debentures of ₹ 0.10 Crore each allotted on July 15, 2011 and repayable on July 15, 2015)</i>	30.00		30.00	
- 11.60% Non-convertible Debentures <i>(500 Nos. debentures of ₹ 0.10 Crore each allotted on July 15, 2011 and repayable on July 15, 2014)</i>	50.00		50.00	
- 11.20% Non-convertible Debentures <i>(750 Nos. debentures of ₹ 0.10 Crore each allotted on June 23, 2011 and repayable on June 23, 2014)</i>	75.00		75.00	
- 11.20% Non-convertible Debentures <i>(200 Nos. debentures of ₹ 0.10 Crore each allotted on July 15, 2011 and repayable on July 15, 2013)</i>	20.00		20.00	
- 10.75% Non-convertible Debentures <i>(500 Nos. debentures of ₹ 0.10 Crore each allotted on June 23, 2011 and repayable on June 23, 2013)</i>	50.00	325.00	50.00	325.00
Secured Loans :				
- Term Loans from banks	1,106.78		837.93	
- Vehicle Loans	3.38		3.81	
- Loan from NBFC	81.48		47.00	
- Sales Tax Deferral	1.76	1,193.40	2.78	891.52
Unsecured Loans :				
- Term Loans from banks	-		75.00	
- Inter Corporate Deposits	6.40		0.79	
- 10.42% Non-convertible Debentures <i>(150 Nos. debentures of ₹ 0.10 Crore each allotted on September 17, 2010 and repayable at the end of fifth year)</i>	15.00		15.00	
- 10.00% Non-convertible Debentures <i>(150 Nos. debentures of ₹ 0.10 Crore each allotted on September 17, 2010 and repayable at the end of fourth year)</i>	15.00		15.00	
- 9.60% Non-convertible Debentures <i>(200 Nos. debentures of ₹ 0.10 Crore each allotted on September 17, 2010 and repayable at the end of third year)</i>	20.00		20.00	
- Fixed Deposits from public	37.01	93.41	28.67	154.46
		1,611.81		1,370.98
Less : Disclosed under Other Current Liabilities :				
- Current maturities of long-term borrowings		363.78		307.93
Total		1,248.03		1,063.05

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

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

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Deferred Tax Assets				
Income Tax Unabsorbed Depreciation	107.84		69.76	
Expenses provided but allowed in Income Tax on payment	18.34		17.06	
Other timing differences	3.46		3.85	
Total (A)		129.64		90.67
Deferred Tax Liability				
Depreciation	229.07		213.18	
Capital expenditure of R & D	3.13		2.86	
Total (B)		232.20		216.04
Net Deferred Tax Liability (B - A)		102.56		125.37

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

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Deferred Tax Assets				
Disallowance U/s 43B of Income Tax Act, 1961	1.72		1.44	
Carry forward losses	23.95		11.31	
Total (A)		25.67		12.75
Deferred Tax Liability				
Depreciation	16.00		11.21	
Total (B)		16.00		11.21
Net Deferred Tax Asset (A - B)		9.67		1.54

In one of the subsidiary, net deferred tax asset has been recognised on carry forward of Income Tax Loss. The same is based on the consideration, that there will be cost savings due to confirmed supply of Gas at lower rate and increase in the production volume due to additional supply of Gas.

6. OTHER LONG TERM LIABILITIES

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Trade Payables	0.81		0.81	
Deposit from customers/others	105.08		87.63	
Deferred Income	0.81		—	
Other Liabilities	3.12		2.38	
Total	109.82		90.82	

7. LONG TERM PROVISIONS

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
For Employees' benefit	17.86		12.35	
Others	23.09		23.05	
Total	40.95		35.40	

8. SHORT TERM BORROWINGS

Particulars

Secured Loans :

Loans repayable to banks

Cash Credit

Others

Unsecured Loans :

Term Loan from Banks

From Others

Total

	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Cash Credit	276.62		139.86	
Others	45.85	322.47	51.83	191.69
Term Loan from Banks	44.20		30.00	
From Others	0.55	44.75	4.34	34.34
Total		367.22		226.03

9. TRADE PAYABLES

Particulars

Dues to Micro, Small and Medium Enterprises
(Due for 30 days or less)

Dues to Others

Total

	As at 31-03-2013	As at 31-03-2012
	₹ Crores	₹ Crores
Dues to Micro, Small and Medium Enterprises (Due for 30 days or less)	1.11	9.60
Dues to Others	753.78	555.07
Total	754.89	564.67

10. OTHER CURRENT LIABILITIES

Particulars

Current maturities of long-term borrowings

Creditors for capital items

Advance from Customers

Interest accrued but not due

Interest accrued but due

Acceptances

Unclaimed Dividends

Unclaimed matured deposits and interest accrued thereon
(includes interest ₹ 0.22 Crores (Previous year : ₹ 0.21 Crores))

Other Employees Benefit

Statutory Liabilities

Liability for expenses

Other Liabilities

Total

	As at 31-03-2013	As at 31-03-2012
	₹ Crores	₹ Crores
Current maturities of long-term borrowings	362.89	306.31
Creditors for capital items	13.79	16.72
Advance from Customers	40.89	48.40
Interest accrued but not due	7.76	2.45
Interest accrued but due	1.62	0.60
Acceptances	43.03	59.22
Unclaimed Dividends	3.77	3.51
Unclaimed matured deposits and interest accrued thereon (includes interest ₹ 0.22 Crores (Previous year : ₹ 0.21 Crores))	1.11	1.83
Other Employees Benefit	11.94	11.02
Statutory Liabilities	48.70	44.51
Liability for expenses	191.93	133.12
Other Liabilities	1.76	0.60
Total	729.19	628.29

11. SHORT TERM PROVISIONS

Particulars

For Employees' benefit

Proposed Dividend

Distribution tax on dividend

Others

Total

	As at 31-03-2013	As at 31-03-2012
	₹ Crores	₹ Crores
For Employees' benefit	8.48	8.64
Proposed Dividend	—	25.17
Distribution tax on dividend	—	4.08
Others	9.98	10.47
Total	18.46	48.36

12. FIXED ASSETS

DESCRIPTORS	DEPRECIATION AND AMORTISATION										NET BLOCK As at year end
	GROSS BLOCK					DEPRECIATION AND AMORTISATION					
	Opening Block	Acquisitions Additions	Additions	Deductions	Closing Block	Opening Balance	For the year	Deductions	Closing Balance		
Tangible Assets :											
Land - Freehold	2012-13 2011-12	235.38 207.18	- -	50.19 28.24	- 0.04	285.57 235.38	1.41 -	1.60 1.41	- -	3.01 1.41	282.56 233.97
- Leasehold	2012-13 2011-12	13.89 12.51	- 0.04	0.04 1.34	- -	13.93 13.89	2.39 2.27	0.17 0.12	- -	2.56 2.39	11.37 11.50
Leasehold Improvement	2012-13 2011-12	4.25 2.97	- -	1.30 1.45	0.01 0.17	5.54 4.25	1.34 0.94	0.75 0.49	- 0.09	2.09 1.34	3.45 2.91
Buildings	2012-13 2011-12	310.27 280.42	- 0.85	21.44 32.92	- 3.92	331.71 310.27	82.31 74.64	13.38 11.59	- 3.92	95.69 82.31	236.02 227.96
Railway siding	2012-13 2011-12	13.30 13.30	- -	- -	- -	13.30 13.30	10.24 9.54	0.63 0.70	- -	10.87 10.24	2.43 3.06
Plant and machinery	2012-13 2011-12	2,459.90 2,279.02	- 4.36	142.36 234.38	5.39 57.86	2,596.87 2,459.90	887.56 766.19	135.84 127.22	0.49 5.85	1,022.91 887.56	1,573.96 1,572.34
Mines Development	2012-13 2011-12	34.69 9.79	- -	53.11 24.90	- -	87.80 34.69	9.79 6.71	8.50 3.08	- -	18.29 9.79	69.51 24.90
Furniture, fixtures and computers	2012-13 2011-12	69.24 56.74	- 0.02	4.02 13.41	0.34 0.93	72.92 69.24	29.79 25.49	4.43 4.85	0.20 0.55	34.02 29.79	38.90 39.45
Vehicles	2012-13 2011-12	20.46 17.63	- 0.08	4.03 5.01	2.28 2.26	22.21 20.46	7.90 6.99	2.58 2.28	1.51 1.37	8.97 7.90	13.24 12.56
Office Equipments	2012-13 2011-12	32.87 29.28	- -	4.02 4.28	0.53 0.69	36.36 32.87	19.00 17.48	2.42 2.11	0.39 0.59	21.03 19.00	15.33 13.87
Truck Mixers, Loaders and Truck Dumpers	2012-13 2011-12	63.56 57.98	- -	4.35 7.12	1.74 1.54	66.17 63.56	39.59 35.60	6.38 5.53	1.74 1.54	44.23 39.59	21.94 23.97
Live Stock	2012-13 2011-12	0.04 0.01	- -	0.02 0.04	0.01 0.01	0.05 0.04	0.04 0.01	0.02 0.04	0.01 0.01	0.05 0.04	- -
Total Tangible Assets	2012-13 2011-12	3,257.85 2,966.83	- 5.35	284.88 353.09	10.30 67.42	3,532.43 3,257.85	1,091.36 945.86	176.70 159.42	4.34 13.92	1,263.72 1,091.36	2,268.71 2,166.49

12. FIXED ASSETS (Contd.)

(₹ Crores)

DESCRIPTIONS	GROSS BLOCK					DEPRECIATION AND AMORTISATION				NET BLOCK As at year end
	Opening Block	Acquisitions Additions	Additions	Deductions	Closing Block	Opening Balance	For the year	Deductions	Closing Balance	
Intangible Assets :										
Software	2012-13 13.41	—	5.32	—	18.73	9.05	1.86	—	10.91	7.82
	2011-12 11.99	—	1.42	—	13.41	7.52	1.53	—	9.05	4.36
Intellectual property rights	2012-13 5.87	—	—	—	5.87	2.36	0.59	—	2.95	2.92
	2011-12 5.87	—	—	—	5.87	1.77	0.59	—	2.36	3.51
Mining Lease - surface rights	2012-13 11.44	—	—	—	11.44	2.00	0.39	—	2.39	9.05
	2011-12 4.70	—	6.74	—	11.44	1.78	0.22	—	2.00	9.44
Minerals Procurement Rights	2012-13 6.55	—	—	—	6.55	1.29	0.55	—	1.84	4.71
	2011-12 6.55	—	—	—	6.55	0.68	0.61	—	1.29	5.26
Technical Know-how	2012-13 —	—	0.23	—	0.23	—	0.03	—	0.03	0.20
	2011-12 —	—	—	—	—	—	—	—	—	—
Total Intangible Assets	2012-13 37.27	—	5.55	—	42.82	14.70	3.42	—	18.12	24.70
	2011-12 29.11	—	8.16	—	37.27	11.75	2.95	—	14.70	22.57
Total Fixed Assets	2012-13 3,295.12	—	290.43	10.30	3,575.25	1,106.06	180.12	4.34	1,281.84	2,293.41
	2011-12 2,995.94	5.35	361.25	67.42	3,295.12	957.61	162.37	13.92	1,106.06	2,189.06

a) Depreciation for the year includes ₹ 0.23 Crores (Previous year : ₹ 0.13 Crores) considered for capitalisation.

b) Additions during the year includes ₹ 0.42 Crores (Previous year : ₹ 0.31 Crores) on account of Research assets.

c) Gross block of fixed assets includes dedicated electricity lines costing ₹ 24.05 Crores (Previous year : ₹ 24.05 Crores) the ownership of which is with Madhya Pradesh Poorv Kshetra Vitaran Company Limited.

d) Loss of ₹ 2.17 Crores (Previous Year : ₹ 5.90 Crores) arising on account of exchange difference on long term foreign currency borrowings, utilised for purchase of fixed assets has been capitalised.

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13. NON-CURRENT INVESTMENTS

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores		₹ Crores	
Long Term Investment				
Quoted :				
- Fully Paid/Ordinary/Equity Shares				
- Norcros PLC		134.17		133.32
- Prism Trust (includes 1,23,51,600 (Previous year : 1,23,51,600) own shares held for the benefit of the Company)		24.05		24.05
- Others		1.63		1.63
Unquoted :				
- Fully Paid/Ordinary/Equity Shares		15.36		15.35
- Government Securities and Government Bonds		14.76		14.66
- Debentures/Bonds		24.98		45.13
- Fully paid Non-Cumulative Redeemable Preference Shares		25.08		—
- Investment in Associate Company (4900 fully paid share of ₹ 10/- each of Prism Power and Infrastructure Private Limited)		#		#
- Others		—		0.03
Total		240.03		234.17

Aggregate market value of the quoted investments ₹ 287.36 Crores (Previous year : 205.04 Crores)

Amount less than ₹ 50,000/-

14. LONG TERM LOANS AND ADVANCES

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Considered Good unless otherwise stated :				
Security Deposits				
Unsecured	44.39		31.85	
Considered doubtful	0.10		0.20	
Less : Provision for Doubtful deposits	0.10	44.39	0.20	31.85
Capital Advances				
Unsecured	74.10		54.92	
Considered doubtful	—		0.24	
Less : Provision for Doubtful deposits	—	74.10	0.24	54.92
Loans and Advances to related parties				
Unsecured, Considered Good		17.99		8.68
Deposits with Excise and Sales Tax				
Unsecured		3.48		4.84
Other Loans and Advances				
Secured	—		0.69	
Unsecured	39.99		41.04	
Prepaid expenses	10.30	50.29	12.14	53.87
Total		190.25		154.16

15. OTHER NON-CURRENT ASSETS

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Escrow Balances with Banks		0.05		0.03
Others		10.79		4.70
Bank Deposits with more than 12 months maturity				
Margin Money	0.75		3.91	
Term Deposits (restricted use)	4.24	4.99	0.09	4.00
Total		15.83		8.73

16. CURRENT INVESTMENTS

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores		₹ Crores	
Unquoted :				
- In Mutual Fund units		4.39		4.61
- Government Securities and Government Bonds		54.06		48.84
- Debentures, Bonds and Certificate of Deposits		47.80		15.05
- Investment in Infrastructre and Social Sector		—		51.85
Total		<u>106.25</u>		<u>120.35</u>

17. INVENTORIES

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Stores and Spares	105.42		94.48	
Stock in transit	0.02	105.44	0.60	95.08
Raw Materials	200.63		190.12	
Stock in transit	0.13	200.76	—	190.12
Work-in-progress		57.48		38.76
Stock of traded goods		61.31		57.45
Finished goods	156.16		126.31	
Stock in transit	5.80	161.96	7.97	134.28
Total		<u>586.95</u>		<u>515.69</u>

18. TRADE RECEIVABLES

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Secured - Considered Good :				
Over six months due	1.77		0.57	
Others due	25.22	26.99	11.89	12.46
Unsecured - Considered Good :				
Over six months due	21.75		13.09	
Others due	427.58	449.33	302.98	316.07
Unsecured - Considered Doubtful :				
Over six months due	24.77		20.54	
Others due	3.08		2.27	
Less : Provisions for doubtful debts	27.85	—	22.81	—
Total		<u>476.32</u>		<u>328.53</u>

19. CASH, CASH EQUIVALENT AND BANK BALANCES

Particulars	As at 31-03-2013		As at 31-03-2012	
	₹ Crores		₹ Crores	
19.1 Cash and cash equivalents				
Cash in hand		1.13		1.28
Cheques, drafts on hand		5.04		1.73
Balances with banks in current accounts		31.68		55.36
Term Deposits with banks (<i>maturity of less than 3 months</i>)		15.43		7.00
Total (A)		<u>53.28</u>		<u>65.37</u>

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19. CASH, CASH EQUIVALENT AND BANK BALANCES (Contd.)

Particulars	As at 31-03-2013	As at 31-03-2012
	₹ Crores	₹ Crores
19.2 Other Bank Balances		
Margin money with banks (More than 3 months but less than 12 months maturity)	38.39	7.35
Unclaimed Dividend Accounts	3.77	3.51
Balances with banks	0.05	—
Others	3.41	16.38
Total (B)	45.62	27.24
Total (A+B)	98.90	92.61

20. SHORT-TERM LOANS AND ADVANCES - CONSIDERED GOOD

Particulars	As at 31-03-2013	As at 31-03-2012
	₹ Crores	₹ Crores
Deposits	0.29	1.22
Income tax (net of provisions)	54.66	45.34
Inter Corporate Deposits	0.86	5.17
VAT/Service Tax recoverable account	113.31	56.16
Prepaid expenses	19.04	16.13
Custom Duty receivable	0.37	0.37
Balances with Excise and Customs	19.83	17.52
Others	122.64	82.46
Total	331.00	224.37

21. OTHER CURRENT ASSETS

Particulars	As at 31-03-2013	As at 31-03-2012
	₹ Crores	₹ Crores
Insurance Claim Receivable	73.96	56.89
Others	4.70	2.77
Total	78.66	59.66

22. OTHER OPERATING INCOME

Particulars	2012-2013	2011-2012
	₹ Crores	₹ Crores
Sale of Scrap	9.03	10.49
Interest Income of Insurance Business	18.30	15.75
Sale of Carbon Credit	—	0.89
Others	20.80	19.32
Total	48.13	46.45

23. OTHER INCOME

Particulars	2012-2013	2011-2012
	₹ Crores	₹ Crores
Interest income	7.18	5.29
Dividend income	6.53	6.27
Net gain on sales of investments	0.73	0.59
Other non-operating income	1.69	1.46
Total	16.13	13.61

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

Particulars	2012-2013		2011-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Closing Stock <i>(Including in Transit)</i>				
Finished Goods	161.96		134.28	
Traded Goods	61.31		57.45	
Work-in-progress	57.48	280.75	38.76	230.49
Less : Opening Stock <i>(Including in Transit)</i>				
Finished Goods	134.28		91.78	
Traded Goods	57.45		34.86	
Work-in-progress	38.76	230.49	48.80	175.44
Total		50.26		55.05

25. EMPLOYEES BENEFIT EXPENSES

Particulars	2012-2013	2011-2012
	₹ Crores	₹ Crores
Salaries, wages and bonus	267.71	228.17
Contribution to Provident and other funds	23.64	19.06
Welfare and other expenses	17.63	16.31
Total	308.98	263.54

26. FINANCE COST

Particulars	2012-2013	2011-2012
	₹ Crores	₹ Crores
Interest expenses	212.11	174.02
Amortisation of processing fees	15.92	9.76
Total	228.03	183.78

27. OTHER EXPENSES

Particulars	2012-2013		2011-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Rent		35.91		29.55
Rates and taxes		33.42		21.64
Stores and spares consumed		96.48		111.24
Power and fuel consumed		893.40		858.12
Travelling and communication		44.98		42.16
Discounts, incentives and commission on sales		215.98		200.38
Advertisement, sales promotion and other marketing expenses		52.75		39.73
Research expenses *		2.49		2.62
Insurance		7.91		4.66
Freight outward		592.61		523.23
Loss on sale of assets		0.47		1.27
Provision for bad and doubtful debts/deposits	5.41		7.15	
Add : Bad debts written off	3.37	8.78	1.80	8.95
Loss on exchange fluctuation		6.49		10.15
Adjustment of excise duty on stock		4.55		3.61
Royalty paid		31.43		34.84

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27. OTHER EXPENSES (Contd.)

Particulars	2012-2013		2011-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Sub-contract charges		23.26		38.29
Quarry expenses		13.44		10.03
Readymix concrete pumping expenses		13.73		13.11
Other manufacturing expenses		3.36		6.10
Plant upkeep expenses		18.50		14.14
Repairs to Plant and machinery		60.67		50.70
Repairs to Buildings		4.14		3.35
Repairs others		6.00		5.09
Bank charges		5.91		7.58
Machinery Hire charges		55.00		52.05
Insurance claim settlement		9.08		4.17
Miscellaneous expenses		92.14		87.18
Total		2,332.88		2,183.94
<i>* Research Expenses comprises of :</i>				
Salary and Wages		1.08		0.97
Travelling and Communication		0.14		0.08
Others		1.27		1.57
Total		2.49		2.62

28. Exceptional items comprises of the following :

- Exchange gain of ₹ 1.62 Crores (Previous year : Nil) arising on part redemption of the Company's investment in the Preference Share Capital of its wholly owned subsidiary and profit of ₹ 0.04 Crores (Previous year : Nil) on sale of Land of a Joint Venture Company.
- In March 2012 in Unit II of the Cement Division at Satna (M.P.) there was a damage to the Blending Silo due to which the clinker production had 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 was provided in the financial statements of previous year.

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

Particulars	2012-2013	2011-2012
Profit/(Loss) after Tax excluding dividend on own shares (₹ Crores)	(62.47)	(18.44)
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)	(1.27)	(0.38)

30. The Group has investment in Norcros PLC to the extent of 29.79% 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 Limited 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 been charged on WDV Method is as under :

Amount of Depreciation charged on WDV basis : ₹ 5.87 Crores (Previous year : ₹ 4.72 Crores)

Total Depreciation charged in Consolidated Accounts : ₹ 179.89 Crores (Previous year : ₹ 162.24 Crores)

% of Depreciation charged on WDV basis to total Depreciation : 3.26%

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

2012-13 (₹ Crores)

Particulars	Cement	TBK	RMC	Others	Unallocated	Total
Revenue :						
External (<i>net of Excise</i>)	1,882.20	1,832.06	1,127.50	46.67	—	4,888.43
Less : Inter – Segment	0.10	16.22	—	0.97	—	17.29
Total Revenue	1,882.10	1,815.84	1,127.50	45.70	—	4,871.14
Segment Result	64.67	33.59	21.73	5.23	—	125.22
Add : Unallocated Income (<i>Net of Unallocated expenditure</i>)						16.13
Less : Borrowing Cost (<i>excluding bank charges</i>)						228.03
Profit/(Loss) Before Tax						(86.68)
Tax Expenses						24.21
Profit/(Loss) for the year						(62.47)

Other Information : (₹ Crores)

Particulars	Cement	TBK	RMC	Others	Unallocated	Total
Segment Assets	2,171.45	1,518.91	419.07	227.43	229.13	4,565.99
Segment Liabilities	656.70	432.74	175.30	80.65	2,071.92	3,417.31
Capital Expenditure	218.09	78.66	24.33	0.12	—	321.20
Depreciation and Amortisation	96.86	55.17	27.20	0.66	—	179.89

2011-12 (₹ Crores)

Particulars	Cement	TBK	RMC	Others	Unallocated	Total
Revenue :						
External (<i>net of Excise</i>)	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	36.41	70.16	31.89	2.04	—	140.50
Add : Unallocated Income (<i>Net of Unallocated expenditure</i>)						13.61
Less : Borrowing Cost (<i>excluding bank charges</i>)						183.78
Profit/(Loss) Before Tax						(29.67)
Tax Expenses						11.23
Profit/(Loss) for the year						(18.44)

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 ₹ 90.20 Crores (Previous year : ₹ 85.21 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) Additional Royalty claim on limestone raised disputed ₹ 22.87 Crores (Previous year : ₹ 20.08 Crores)
 - (d) Tax on Rural and Road Development disputed ₹ 6.79 Crores (Previous year : ₹ 5.27 Crores)
 - (e) Other Claims in respect to Income Tax, Sales Tax, Entry Tax, Excise Duty and other claims ₹ 78.28 Crores. (Previous year : ₹ 53.89 Crores)

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- (iii) Corporate guarantees issued to the bankers of the wholly owned subsidiary company ₹ 108.54 Crores (Previous year : ₹ 73.62 Crores) and issued by bankers of Joint Ventures for it subsidiary company ₹ 7.50 Crores (Previous year : Nil).
- (iv) Outstanding Letters of Credit ₹ 36.66 Crores (Previous Year : ₹ 54.48 Crores).
- (b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) : ₹ 28.81 Crores (Previous year : ₹ 60.36 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 Standard) Rules, 2006, are as follows :

(₹ Crores)

Particulars	As at 01-04-2012	Provisions made during the year	Amounts utilised or reversed during the year	As at 31-03-2013
MPEB Cess on Generation of Electricity	8.33	Nil	Nil	8.33
MP Entry Tax/VAT	8.58	Nil	Nil	8.58
UP Entry Tax	2.38	Nil	Nil	2.38
VAT on Inter Unit Transfer	Nil	0.68	Nil	0.68
Dispute with Contractors	Nil	1.00	Nil	1.00
Royalty on Limestone	2.79	Nil	2.79	Nil
Total	22.08	1.68	2.79	20.97

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 ₹ 20.47 Crores (Previous year : ₹ 22.08 Crores).

34. Capital work-in-progress includes pre-operative expenses of ₹ 46.24 Crores (Previous year : ₹ 35.29 Crores), the details of which are as under :

Particulars

Revenue expenditure for the year considered as pre-operative expenses

Salary, wages and bonus
Contribution to Provident and other funds
Rent, Rates and Taxes
Travelling and Communication
Professional fees
Interest and other finance charges
Depreciation
Miscellaneous expenses

Add : Expenditure up to Previous year

Less : Capitalised during the year
Balance Carried forward

	2012-2013 ₹ Crores	2011-2012 ₹ Crores
	3.35	2.60
	0.13	0.10
	0.51	0.26
	1.29	1.67
	2.55	3.17
	3.07	2.39
	0.23	0.13
	12.90	15.23
	24.03	25.55
	35.29	11.78
	59.32	37.33
	13.08	2.04
	46.24	35.29

35. The Parent Company has received requisite approvals from the Central Government for excess remuneration of ₹ 6.54 Crores paid to both the Managing Directors and the Whole-time Director of the Parent Company due to non-availability of profits for the year 2011-12.

36. Employee Benefits :

(a) Defined contribution plans :

The Group has recognised an expense of ₹ 15.09 Crores (Previous year : ₹ 13.29 Crores) towards defined contribution plans, in respect of Provident Fund and Superannuation Fund. The Group contributes to the Provident Fund Trust managed by it or to Recognised Provident Fund. The contribution to the own Provident Fund Trust is treated as defined contribution plan as the management do not expect any material deficit in payment of interest, as per the rates prescribed by the Government.

(b) Defined benefit plans :

The actuarial valuation of the present value of the defined benefit obligations were carried out at March 31, 2013. The present value of the defined benefit obligations and the related service costs, were measured using the Projected Unit Credit Method.

The following tables set out the funded status and amounts recognised in the Group's financial statements as per actuarial valuation on March 31, 2013 for the Defined Benefits Plan :

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

(₹ Crores)

Particulars	2012-2013		2011-2012	
	Leave Entitlement	Gratuity	Leave Entitlement	Gratuity
A. Changes in the defined benefit obligation :				
Liability at the beginning of the year	14.48	22.39	13.97	18.45
Current service cost	2.72	4.45	1.70	3.67
Interest cost	1.22	1.99	1.02	1.65
Actuarial (gain)/loss on obligation	5.19	1.71	4.32	(0.29)
Benefits paid	(4.51)	(1.33)	(6.53)	(1.09)
Liability at the end of the year (A)	19.10	29.21	14.48	22.39
B. Changes in the fair value of plan assets :				
Fair value of plan assets at the beginning of the year	N.A.	17.00	N.A.	13.39
Expected return on plan assets	N.A.	1.62	N.A.	1.24
Employer's contributions	N.A.	6.02	N.A.	3.54
Actuarial gain/(loss) on plan assets	N.A.	0.15	N.A.	(0.09)
Benefits paid	N.A.	(1.33)	N.A.	(1.08)
Fair value of plan assets at the end of the year (B)	N.A.	23.46	N.A.	17.00
C. Balance Liability (A - B)	19.10	5.75	14.48	5.39

(ii) Actual Return on Plan Assets :

(₹ Crores)

Particulars	2012-2013		2011-2012	
	Leave Entitlement	Gratuity	Leave Entitlement	Gratuity
Expected Return on plan assets	N.A.	1.62	N.A.	1.24
Actuarial gain/(loss) on plan assets	N.A.	0.15	N.A.	(0.09)
Actual Return on plan assets	N.A.	1.77	N.A.	1.15

(iii) Expenses recognised in Profit and Loss Statement for the year ended March 31, 2013 :

(₹ Crores)

Particulars	2012-2013		2011-2012	
	Leave Entitlement	Gratuity	Leave Entitlement	Gratuity
Current service cost	2.72	4.45	1.70	3.67
Interest cost	1.22	1.99	1.02	1.65
Expected return on plan assets	N.A.	(1.62)	N.A.	(1.24)
Actuarial (gain)/loss	5.19	1.56	4.32	(0.20)
Expense recognised in Profit and Loss Statement	9.13	6.38	7.04	3.88

(iv) The Categories of plan asset as a percentage of total plan are as follows :

Particulars	Percentage
Equity Shares	14.61%
Central and State Government Securities	38.29%
Other Fixed Income Securities/Deposits	47.10%
Total	<u>100.00%</u>

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- (v) Actuarial Assumptions used in accounting for leave entitlement and gratuity :
- Discount rate: 8% (Previous year : 8.5%)
 - Expected rate of return on plan assets 8% (Previous year : 8%)
 - The estimates of future salary increases of 4% - 7%, considered in actuarial valuation, taking into account the general trend in salary rise and the inflation rates.

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 contingency rent is payable.

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

Particulars	As at 31.03.2013	As at 31.03.2012
	₹ Crores	₹ Crores
Future Lease Rental Payments		
i Due not later than one year	3.24	3.88
ii Due later than one year but not later than 5 years from the balance sheet date	4.67	6.55
iii Later than 5 years	0.33	0.61

Lease rentals of ₹ 4.15 Crores (Previous year : ₹ 3.26 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	Country of Incorporation	Proportion of Ownership Interest
Ardex Endura (India) Private Limited	India	50%
Sentini Cermica Private Limited	India	50%
Antique Marbonite Private Limited	India	50%
Spectrum Johnson Tiles Private Limited	India	50%
Small Johnson Floor Tiles Private Limited (Formerly known as Small Tiles Private Limited)	India	50%

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

Particulars	As at 31.03.2013	As at 31.03.2012
	₹ Crores	₹ Crores
Capital Commitments	1.79	0.02
Contingent Liabilities	19.72	14.51

39. VAT Subsidy :

- As per Madhya Pradesh Industrial Investment Promotion Assistance Scheme - 2004, the 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 of ₹ 57.31 Crores (Previous year : ₹ 45.22 Crores) has been grouped under revenue from operations as a part of sales. Further, out of subsidy recognised in the earlier years an amount of ₹ 1.41 Crores is reversed through sales.
- As per Andhra Pradesh Industrial Promotion Policy 2005-2010, Silica Ceramica Private Limited is entitled for subsidy of 50% of VAT/CST paid against sales from their unit. Subsidy receivable for the year is ₹ 4.16 Crores (Previous year : ₹ 2.76 Crores).

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

- a. Name of the related parties

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

Joint Venture/Associates	Key Management Personnel
<ul style="list-style-type: none"> ● Spectrum Johnson Tiles Private Limited ● TBK Samiyaz Tile Bath Kitchen Private Limited ● TBK Shriram Tile Bath Kitchen Private Limited ● Small Johnson Floor Tiles Private Limited (Formerly Known as 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 ● 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 ● TBK Rishi Ceramics Private Limited ● TBK Aishwarya Tile Bath Kitchen Private Limited ● TBK Raj Kamal Tile Bath Kitchen Private Limited ● TBK Shree Ganesh Traders Private Limited ● TBK Vaibhavi Tile Bath Kitchen Private Limited ● TBK Home Trends Private Limited ● QBE Holdings (AAP) Pty. Limited ● QBE Insurance Group Limited ● QBE Insurance (International) Limited ● QBE Insurance (Europe) Limited ● QBE Insurance (Australia) Limited ● QBE Management Services Pty. Limited ● QBE Re Services Pty. Limited ● Prism Power and Infrastructure Private Limited 	<ul style="list-style-type: none"> ● Mr. Praveen Gupta ● Mr. D.D. Rishi ● Mr. K.K. Saini ● Mr. A. Balu <hr/> <p>Firm/Enterprise in which Directors and/or relatives have significant influence</p> <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 2012-2013	Amount outstanding as at 31-03-2013 (Payable)/Receivable	Amount of transaction in 2011-2012	Amount outstanding as at 31-03-2012 Payable)/Receivable
R & S Business Centre	Firm in which Director and/or relatives have significant influence	Rent and maintenance charges	0.13	(0.02)	0.17	(0.02)
Windsor Realty Private Limited	Enterprise in which Director and/or relatives have significant influence	Sale of goods and Services	5.11	(0.06)	11.23	0.91
		Re-imbursement of expenses	Nil	Nil	#	Nil
		Security Deposit	Nil	1.58	Nil	1.58
		Rent Paid	1.63	Nil	1.63	Nil

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Name	Relationship	Nature of transaction	Amount of transaction in 2012-2013	Amount outstanding as at 31-03-2013 (Payable)/Receivable	Amount of transaction in 2011-2012	Amount outstanding as at 31-03-2012 Payable)/Receivable
Mr. Manoj Chhabra	Managing Director	Remuneration (includes leave encashment of ₹ 3.30 Crores paid at the end of the previous tenure during the previous year)	3.62	Nil	6.54	Nil
Mr. Vijay Aggarwal	Managing Director	Remuneration (Includes leave encashment of ₹ 0.88 Crores paid at the end of the previous tenure during the current year)	4.18	Nil	3.30	Nil
Mr. Ganesh Kaskar	Executive Director	Remuneration	1.85	(0.27)	1.69	(0.27)
Praveen Gupta	Executive Director	Remuneration	1.74	(0.30)	1.64	(0.31)
Prism Power and Infrastructure Private Limited	Associate	Advances	Nil	0.01	Nil	0.01
Antique Marbonite Pvt. Ltd.	Joint Venture	Purchase	135.87	(22.79)	127.17	(22.54)
		Amount received against reimbursement of expenses	0.13	Nil	0.11	Nil
		Interest Paid	NA	Nil	Nil	Nil
		Interest Received	0.38	Nil	0.42	Nil
Sentini Cermica Pvt. Ltd.	Joint Venture	Purchase	60.56	(9.78)	73.02	(11.41)
		Amount received against reimbursement of expenses	0.12	Nil	0.08	Nil
		Rent Paid	N.A.	Nil	Nil	Nil
Spectrum Johnson Tiles Pvt. Ltd.	Joint Venture	Purchase	35.24	(7.73)	29.53	(5.99)
		Rent Paid	0.01	Nil	0.01	Nil
TBK Samiyaz Tile Bath Kitchen Pvt. Ltd.	Joint Venture	Sales	Nil	Nil	5.52	Nil
		Selling and Distribution Expenses	Nil	Nil	0.31	Nil
TBK Shriram Tile Bath Kitchen Pvt. Ltd.	Joint Venture	Sales	6.49	1.13	5.70	0.85
		Selling and Distribution Expenses	Nil	Nil	0.30	Nil
TBK Deepgiri Tile Bath Kitchen Pvt. Ltd.	Joint Venture	Sales	6.66	Nil	6.96	Nil
		Selling and Distribution Expenses	Nil	Nil	0.37	Nil
TBK Bansal Ceramic Private Limited	Joint Venture	Selling and Distribution Expenses	Nil	Nil	0.26	Nil
TBK Sanitary Sales Private Limited	Joint Venture	Sales	8.57	1.49	Nil	0.51
		Selling and Distribution Expenses	1.48	Nil	Nil	Nil
TBK Deziners Home Private Limited	Joint Venture	Sales	6.49	Nil	7.40	0.50
		Selling and Distribution Expenses	0.44	Nil	0.42	Nil
Globus Stores Private Limited	Enterprise in which Director and/or relatives have significant influence	Premium received	0.03	Nil	0.03	Nil
		Premium deposit	#	Nil	Nil	Nil
QBE Insurance (International) Limited	Fellow subsidiary of Joint Venture Partner	Training expenses	0.01	Nil	Nil	Nil
		Subscription fees	0.01	Nil	Nil	Nil
		Re-imburement of expenses	0.05	Nil	Nil	Nil
QBE Management Services Pty. Limited	Fellow subsidiary of Joint Venture Partner	Data Communication Charges	Nil	(0.12)	0.16	(0.12)

21st Annual Report 2012-2013

Name	Relationship	Nature of transaction	Amount of transaction in 2012-2013	Amount outstanding as at 31-03-2013 (Payable)/Receivable	Amount of transaction in 2011-2012	Amount outstanding as at 31-03-2012 Payable)/Receivable
QBE Insurance (Europe) Limited	Fellow subsidiary of Joint Venture Partner	Reinsurance premium paid	2.98	(0.82)	2.76	(0.90)
		Reinsurance commission received	0.56	0.19	0.59	0.18
		Claim recovery	#	0.00	Nil	Nil
QBE Insurance (Australia) Limited	Fellow subsidiary of Joint Venture Partner	Reinsurance premium paid	0.03	(0.03)	Nil	Nil
		Reinsurance commission received	0.01	0.01	Nil	Nil
QBE Re Services Pty. Ltd.	Fellow subsidiary of Joint Venture Partner	Re-imbursement of expenses	Nil	Nil	#	Nil
		Training expenses	0.07	Nil	0.05	Nil
Other	Other	Purchase	12.22	(2.22)	4.99	(1.36)
		Sales	35.12	4.21	21.80	2.52
		Selling and Distribution Expenses	2.46	Nil	0.69	Nil
		Interest Received	0.06	Nil	0.01	Nil
		Remuneration	0.75	Nil	0.48	Nil

\$ Reappointment w.e.f. March 3, 2013 is subject to shareholders approval.

denotes amount less than ₹ 50,000/-

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

(₹ Crores)

Name of Subsidiary Company	Raheja QBE General Insurance Company Limited	RMC Readymix Porselano (India) Limited	H. & R. Johnson (India) TBK Limited	Silica Ceramica Private 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, 2013	N.A	N.A	N.A	N.A	N.A	82.32
Share Capital	207.00	0.05	1.61	2.90	4.60	48.64
Reserves and Surplus	(7.24)	(0.01)	(18.12)	61.49	5.17	(11.85)
Total Assets	228.49	0.04	40.70	278.09	25.10	136.48
Total Liabilities	28.73	—	57.21	213.70	15.33	99.69
Investments other than in subsidiaries	171.07	—	3.97	—	0.01	134.17
% in Holding	74%	100%	100%	98%	100%	100%
Sale and other income	47.20	—	36.78	125.21	30.51	6.49
Profit before Taxation	8.13	—	(1.21)	(23.38)	0.43	(4.07)
Provision for Taxation	1.02	—	(0.02)	(6.61)	0.02	—
Profit after Taxation	9.15	—	(1.19)	(16.76)	0.42	(4.07)
Proposed dividend (including dividend reserve)	Nil	Nil	Nil	Nil	0.04	Nil

42. 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 9, 2013

Aneeta S. Kulkarni
Company Secretary

Rajesh G. Kapadia Chairman

Manoj Chhabra } Managing Directors

Vijay Aggarwal }

Ganesh Kaskar Executive Director

PRISM CEMENT LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	2012-2013		2011-2012	
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit/(Loss) before taxation as per Profit and Loss Statement		(84.73)		(28.08)
Adjustment for :				
Depreciation and Amortisation	179.89		162.24	
Loss on sale of assets (net)	0.47		1.27	
Profit on sale of investments (net)	(0.73)		(0.59)	
Interest income	(25.48)		(5.29)	
Dividend income	(6.53)		(6.27)	
Interest expenditure	212.11		174.02	
Loss on exchange fluctuations on borrowings	4.43	364.16	10.30	335.68
Operating profit before working capital changes		279.43		307.60
Changes in Working Capital :				
Increase/(Decrease) in trade and other payables	334.30		260.76	
(Increase)/Decrease in trade receivable	(144.97)		(58.59)	
(Increase)/Decrease in inventories	(71.27)		(87.23)	
(Increase)/Decrease in other receivables	(162.25)	(44.19)	(143.01)	(28.07)
Cash Generated from Operations		235.24		279.53
Direct taxes paid (net of refunds)		16.08		12.85
Net cash generated from operating activities (A)		219.16		266.68
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of fixed assets and additions in CWIP		(342.72)		(298.95)
Proceeds from sale of fixed assets		5.53		3.42
Purchase of investments		(193.82)		(241.81)
Sales proceeds from investments		211.29		189.33
Interest received		17.02		5.29
Dividend on own shares held through a Trust		0.62		—
Dividend income		6.53		6.27
Net cash used in investing activities (B)		(295.55)		(336.45)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Additions to Borrowings		876.22		1,034.42
Repayment of Borrowings		(576.66)		(812.82)
Dividend Paid including distribution tax		(29.25)		—
Interest Paid		(206.01)		(173.68)
Net cash generated from Financing Activities (C)		64.30		47.92
Net decrease in cash and cash equivalents during the year (A+B+C)		(12.09)		(21.85)
Cash and cash equivalents at the beginning of the year		65.37		87.22
Cash and cash equivalents at the end of the year		53.28		65.37
Cash and cash equivalents comprise of :				
Cash on hand		1.13		1.28
Cheques on hand		5.04		1.73
Balance with Banks		47.11		62.36
Total		53.28		65.37

Notes :

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

As per our report of even date attached

For N. M. RAJJI & CO.
Chartered Accountants

J. M. Gandhi
Partner

Mumbai, May 9, 2013

Aneeta S. Kulkarni
Company Secretary

Rajesh G. Kapadia

Manoj Chhabra

Vijay Aggarwal

Ganesh Kaskar

Chairman

Managing Directors

Executive Director

PRISM CEMENT LIMITED

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

ATTENDANCE SLIP

Please fill in the Attendance Slip and hand it over at the entrance of the meeting hall. 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 **TWENTY-FIRST ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, June 25, 2013 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 (West), 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 **TWENTY-FIRST ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, June 25, 2013 at 11.30 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2013.

Affix
Revenue
Stamp

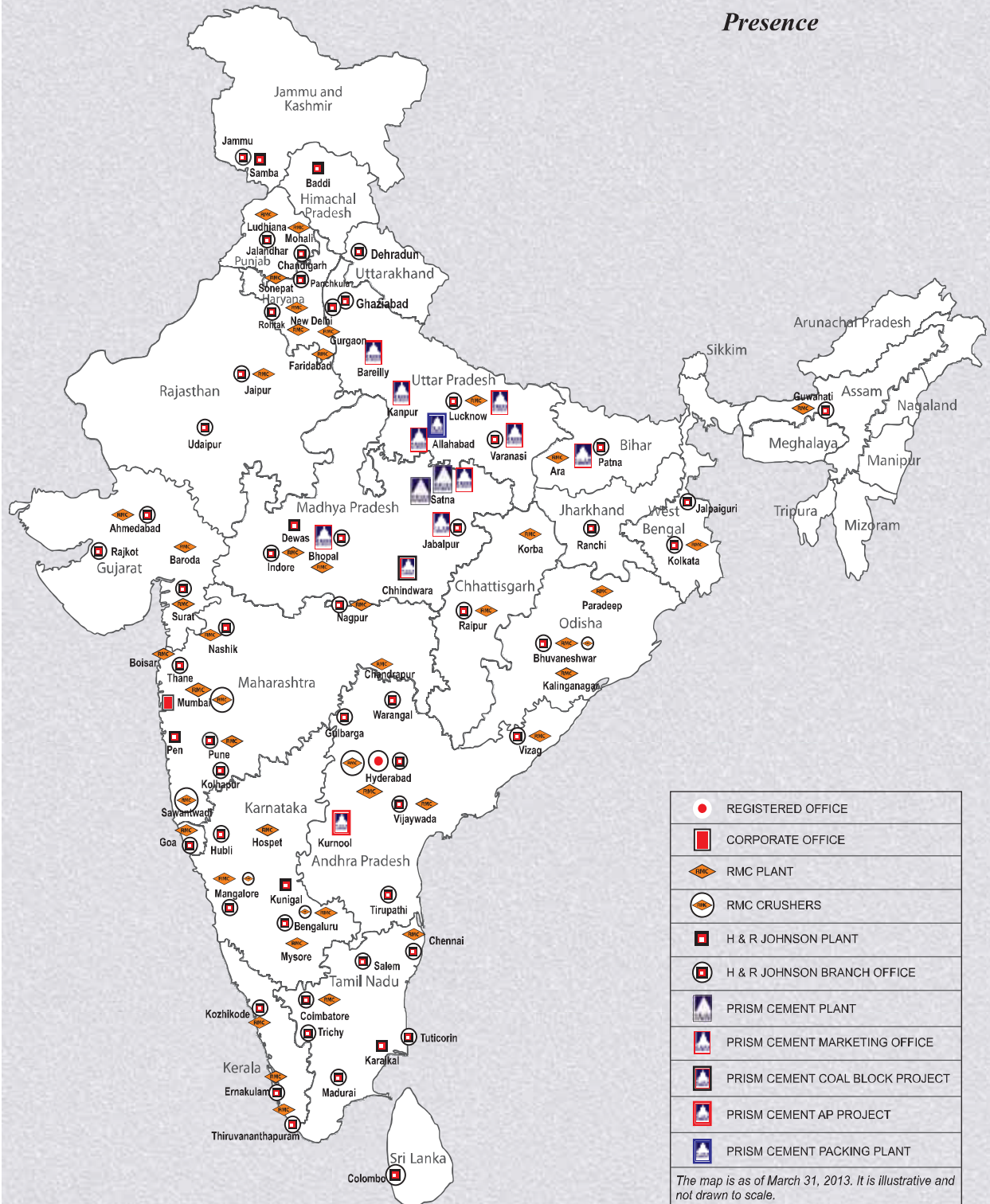


Notes : The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

The Proxy need not be a member of the Company.

PRISM CEMENT LIMITED

Presence



	REGISTERED OFFICE
	CORPORATE OFFICE
	RMC PLANT
	RMC CRUSHERS
	H & R JOHNSON PLANT
	H & R JOHNSON BRANCH OFFICE
	PRISM CEMENT PLANT
	PRISM CEMENT MARKETING OFFICE
	PRISM CEMENT COAL BLOCK PROJECT
	PRISM CEMENT AP PROJECT
	PRISM CEMENT PACKING PLANT

The map is as of March 31, 2013. It is illustrative and not drawn to scale.

