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

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, 2014 (Standalone)
3.	**Type of Audit observation**	Unqualified
4.	**Frequency of observation**	Not Applicable
5.	**Signed by :**	

Ameeta Parpia
Ameeta A. Parpia
Audit Committee Chairperson

Vijay Aggarwal
Managing Director

P. K. Akhramka
Chief Financial Officer

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

For G. M. Kapadia & Co.,
Chartered Accountants
Atul Shah
Partner
Membership No. 39569

Date : May 27, 2014

PRISM CEMENT LIMITED
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Tel.: +91-22-6675 4142 / 43 Fax : 2600 1304
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BUREAU VERITAS Certification

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, 2014 (Consolidated)
3.	**Type of Audit observation**	Unqualified
4.	**Frequency of observation**	Not Applicable
5.	**Signed by :**	

Ameeta A. Parpia
Audit Committee Chairperson

Vijay Aggarwal
Managing Director

P. K. Akhramka
Chief Financial Officer

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

For G. M. Kapadia & Co.,
Chartered Accountants
Atul Shah
Partner
Membership No. 39569

Date : May 27, 2014

PRISM CEMENT LIMITED

ANNUAL REPORT 2013-14

READY STEADY GO

PRISM CEMENT

JOHNSON
REDEFINING LIFESTYLES, WORLDWIDE.

RMC
Mix with the Best

CAUTIONARY STATEMENT REGARDING FORWARD–LOOKING STATEMENTS

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

CONTENTS

CORPORATE OVERVIEW

REPORTS

FINANCIAL STATEMENTS

SHAREHOLDERS INFORMATION

READY STEADY GO

We, at Prism Cement, are constantly driven by dynamism. To concurrently keep dreaming, strategizing, implementing and improving is intrinsic to our being. A diversified suite of building materials' business, a nationwide presence, an ever-growing bouquet of products and services are all a result of our dynamism.

The key to our dynamism rests in a belief that we have to be doing our best everyday, everywhere; irrespective of however favourable or unfavourable the business environment may turnout to be. Our efforts, but of course, have intensified and precision of our strategies has gotten sharpened amidst the prevailing economic slowdown.

With the aim of de-bottlenecking our manufacturing facilities and enhance utilization, we have put in many strong efforts. These include rebuilding the blending Silo at Satna, introducing the usage of pet coke for our cement operations, and installing Coal Gassifiers at AP Plants for tiles. With these efforts already in shape now we are ready with the right capacities to go and capture the market as the opportunity arises.

THIS IS PRISM CEMENT

The Company today is one of the leading integrated building materials' company in India. Incorporated in the year 1992, it started cement production at Satna MP in 1997. In the year 2010, erstwhile H. & R. Johnson (India) Limited and erstwhile RMC Readymix (India) Private Limited were merged with Prism Cement Limited leading to formation of a unique and integrated business model with a wide range of product offering from cement and ready-mixed concrete to tiles, bath products and kitchens.

DISTRIBUTOR NETWORK

Cement Dealers
3,700

TBK Dealers
1,000

Retail Dealers
10,000

MARKET CAPITALIZATION (AS ON 31ST MARCH 2014, BSE)
₹1,920 Crore

BUSINESS DIVISION

- Cement
- TBK (Tile Bath Kitchen)
- Ready-Mixed Concrete

STRATEGIC INVESTMENT

Raheja QBE General Insurance

It is a Joint Venture (JV) with QBE Group of Australia where the Company holds 74% stake. It is focused on specialty products like Liability Insurance, Marine Liability and Trade Credit. The Company till date had made an equity investment of ₹ 153 Crore in the JV.

COMPETITIVE STANDING & DIFFERENTIATORS

- Integrated business model with presence across the value chain; from manufacturing of basic materials such as coal or limestone to high technology and design oriented tiles and bath fittings.
- Strong brand across all the business segments such as Johnson for tiles & bath fittings and Champion for cement.
- Huge distribution network with 3,700 dealers in cement; over 10,000 retail points in tiles; and 90 RMC Plants.
- Asset light business model with five manufacturing Joint Ventures.

Gross Sales (Consolidated)
₹ 5,458 Crore

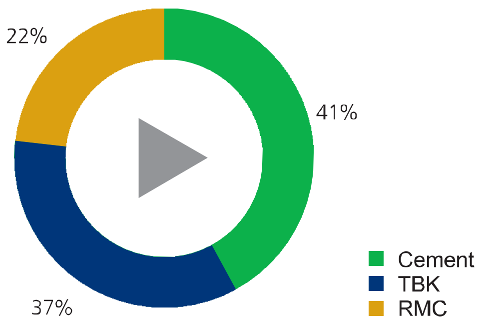
Gross Block (Consolidated)
₹ 3,903 Crore

Net Worth (Consolidated)
₹ 1,059 Crore

House Of Johnson Outlets
25

RMC Plants
90

DIVISION-WISE CONTRIBUTION TO SALES (FY 14)



All consolidated numbers excluding RQBE

READY WITH RIGHT CAPABILITIES

With the objective to tap the growing cement demand in central India, we had significantly enhanced our cement name-plate capacity from 2.0 MTPA to 5.6 MTPA at Satna in 2010. However, with the reconstruction of the blending silo in this year, the facility is now being utilized at optimum level.

Further to add to its sustainability, we have commenced coal production from our Chhindwara block. Also, as an initiative for regional diversification, we have planned a cement unit in Andhra Pradesh and project activities for the same would be taken in due course.

We have been a pioneer in ceramic tiles in India and hold huge brand equity. We offer the widest range of products from tiles to sanitaryware and bath fittings to modular kitchens under our strong brand Johnson. With one of the widest distribution network, we have Pan India presence. The acute shortage of power and non-availability of natural gas in AP was a big constraint for the growth of this segment during the year 2013-14. However, with the installation of Coal Gassifiers and permission to buy traded power at our Joint Venture and subsidiary plants at AP, we are now ready to significantly enhance utilization of our best-in-class production facilities.

In the ready-mixed concrete segment, we are amongst the top 3 players with Pan India presence. With presence across 37 cities and available capacities, we are ready to serve the robust growing demand for ready mix concrete. We have now added a list of special concretes which will help us further in serving our customers.

- With the reconstruction of the blending silo in this year, the cement facility is now being utilized at optimum level.
- We have commenced coal production from our Chhindwara coal block.
- Installed Coal Gassifiers at tiles manufacturing unit in AP.

STEADY ON STRATEGIC DIRECTION

We are present across the value chain from manufacturing of bulk products like cement and ready-mixed concrete to high design and technology oriented products such as tiles, sanitaryware, bath fittings and modular kitchens. Further, to take the business to the last mile we have started dedicated outlets for Johnson range of products known as "House of Johnson".

Our key strategy is to continuously de-risk our business model. With this objective over the years, we have built a very unique and integrated business model. Along with being diversified, we are present across the value chain from manufacturing of bulk products like cement and ready-mixed concrete to high design and technology oriented products such as tiles, sanitaryware, bath fittings and modular kitchens. Further, to take the business to the last mile we have started dedicated outlets for Johnson range of products known as "House of Johnson".

With focus on growth and sustainability, we have constantly identified our strong points and articulated steady strategies to leverage on it. To introduce lifestyle products such as bath fittings, sanitaryware and modular kitchen, we have successfully leveraged our esteemed brand Johnson. Also, for increasing our reach of TBK segment in central India, we have articulated steady strategies to leverage the extensive dealers' network that the cement business has. To increase value added products in the cement segment and tap the premium cement market, during the year we have launched a new brand HI-TECH in Bihar region and is fast catching pace.

To make our ready-mixed concrete business more cost efficient and enhance its sustainability, we have articulated strategies to set up RMC plants closer to construction location. Also, we have done a fair degree of backward integration through quarries for aggregates and manufactured sand.

We have started dedicated outlets for Johnson range of products known as "House of Johnson".

During the year we have launched a new brand HI-TECH in Bihar region and is fast catching pace.

ALERT IN TAKE-OFF MODE

The overall market situation for building materials industry is expected to improve significantly over the coming years. The government has put on fast track many infrastructure projects and has already cleared stalled projects worth ₹ 5 Lakh Crore during the year 2013-14. This would lead to the revival of infrastructure construction industry. The ongoing sluggish growth in economy is expected to revive with increased investment in the infrastructure space. This would also lead to better demand for real estate sector.

Apart from this, the government has also intensified its efforts to supply affordable housing with many housing schemes which would also push demand for building materials. With the fall in WPI and further moving down towards the RBI's comfort zone, there may be interest rate cuts which would lead to revival in investment cycle and reduction in interest cost.

The government has put on fast track many infrastructure projects and has already cleared stalled projects worth ₹ 5 Lakh Crore during the year 2013-14.

The government has also intensified its efforts to supply affordable housing with many housing schemes which would also push demand for building materials.

The year has been the year of grounding all the hurdles that were standing on our growth path. Thanks to our robust strategy, we now stand on a very firm ground and are ready to tap the revival in demand.

OPERATIONAL HIGHLIGHTS

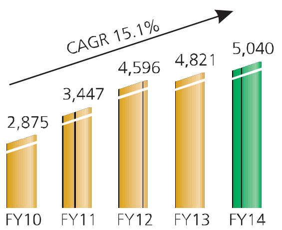
- New blending silo at unit II Satna, MP, become operational
- Started using pet coke for cement operations
- Started coal production
- Coal Gassifier established at tiles units in Andhra Pradesh
- Andhra Pradesh manufacturing units started to receive gas from allocated wells
- Started purchasing traded power
- Launched premium brand cement HI-TECH
- Inaugurated three “House of Johnson” showrooms taking the total number of showrooms to 25 across the country
- Rolled out new T.V. campaign featuring Ms. Katrina Kaif
- Launched special concrete products

FINANCIAL HIGHLIGHTS

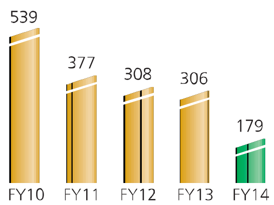
Consolidated Financials (₹ Crore)

PARTICULARS	FY14	FY13	FY12	FY11	FY10
Total Income from Operations (net)	5,039.7	4,820.6	4,596.2	3,447.4	2,874.9
EBITDA	179.3	305.7	308.3	377.4	538.8
EBITDA Margin (%)	3.6	6.3	6.7	10.9	18.7
EBIT	(21.1)	125.8	146.1	250.5	436.5
EBIT Margin (%)	(0.4)	2.6	3.2	7.3	15.2
PAT	(86.2)	(62.5)	(18.4)	105.0	259.8
Net Profit Margin (%)	(1.7)	(1.3)	(0.4)	3.0	9.0
Equity	1,058.8	1,148.6	1,210.6	1,250.6	1,201.7
Gross Block	3,902.5	3,575.3	3,295.1	2,995.9	1,976.9
Gross Debt	2,105.3	2,022.1	1,597.0	1,364.4	980.1
Current Investments	114.6	106.2	120.4	113.4	102.0
Cash & Cash Equivalents	110.7	98.9	92.6	90.9	130.8
D/E (x)	2.0	1.8	1.3	1.1	0.8
RoCE (%)	(0.7)	4.0	5.2	9.6	20.0
Book Value per Share (₹)	21.0	22.8	24.1	24.8	23.9

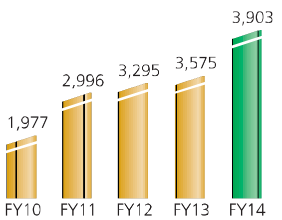
TOTAL INCOME FROM OPERATIONS (NET) (₹ CRORE)



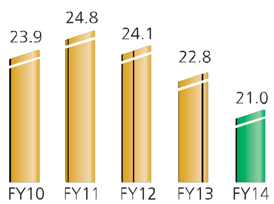
EBITDA (₹ CRORE)



GROSS BLOCK (₹ CRORE)



BVPS (₹)



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rajesh G. Kapadia
Chairman

Mr. Rajan B. Raheja

Mr. Vijay Aggarwal
Managing Director

Mr. Manoj Chhabra
Managing Director
Upto August 24, 2013

Mr. Satish B. Raheja
Upto May 27, 2014

Mr. Akshay R. Raheja
Alternate to Mr. Satish B. Raheja
Upto May 27, 2014

Mr. Ganesh Kaskar
Executive Director - HRJ

Mr. J. A. Brooks

Ms. Ameeta A. Parpia

Mr. S. Ramnath
Executive Director – Cement
From August 25, 2013

Mr. V. M. Panicker
Executive Director – RMC
From August 25, 2013

Mr. Shobhan M. Thakore
From June 19, 2014

COMPANY SECRETARY

Ms. Aneeta S. Kulkarni

INVESTOR RELATIONS

Mr. Aditya Bob Mahendru
General Manager (Corporate Planning)
Tel: +91 22 6675 4142-46
Email: abmahendru@prismcement.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
Standard Chartered Bank
State Bank of India
Syndicate Bank
Vijaya Bank
Yes Bank Limited

STATUTORY AUDITORS

G. M. Kapadia & Co., Mumbai

COST AUDITORS

N. I. Mehta & Co., Mumbai

MESSAGE FROM MD

The year 2013-14 has been a very challenging year for your Company but it was also filled with great motivation and excitement. With further deepening of the economic slowdown and rising inflation, maintaining margins has been significantly difficult. The operational issues such as uneven supply of power and fuel at tiles plant in Southern India and capacity utilization constraints at Satna cement plant has further added to the woes.

But in these difficult times, the management as well as employees have shown significant motivation and involvement in de-bottlenecking the operations. The year has been very exciting as the efforts that the Company was making over the last two to three years started taking shape. The reconstruction of the blending Silo at unit II in Satna was completed this year and has been stabilised. Supported by a number of government schemes such as Indira Awas Yojana, MGNREGA, PMGSY among others, there has been a strong demand for housing and construction in central India. The Company is now enhancing its supply in this region with optimum capacity utilization, which would lead to better operating margins.

With non-availability of natural gas in South India there has been significant pressure on profitability. We have addressed the issue by successfully bidding for two small natural gas wells in Andhra Pradesh and have also successfully installed Coal Gassifiers at two units. We are fairly confident that with continuous supply of fuel and power in our South based plants, we would be able to cater to the market needs and gain the business which otherwise was lost. This would help us not only in maintaining our market share but also garnering better profitability.

The strategic decision that we took some time back to touch the last mile with our outlets "House of Johnson" has fared well for the Company. It has not only helped in garnering higher sales but in further strengthening of the brand Johnson too. It gives us an opportunity to display the wide range of products that we offer under our esteemed tiles brand Johnson. Enhancing our presence, we have added three more stores during the year taking the total number to 25 across the country.

With recent swift steps taken by the government, growth, albeit slowly, is coming back to the construction industry. We believe that the implementation of Goods and Services Tax (GST) would further provide impetus to growth, especially Ready-mixed concrete and TBK businesses. We are cautiously optimistic on demand outlook and also very confident that with the de-bottlenecking done over the last two to three years, your Company now stands on a very strong foot for better growth ahead.

I also take this opportunity to thank all our stakeholders for their belief in Prism Cement and also thank our employees for their valuable contribution & dedication.

Yours sincerely,

Vijay Aggarwal
Managing Director

CORPORATE STRATEGY

AT BUSINESS LEVEL

FOCUS ON CONSISTENT REVENUE GROWTH

Long term vision

I. Build capacities to cater to the growing market demand for building products.

ii. Widen the distribution network and enhance the reach of the products further.

iii. Further strengthen and leverage our brands across markets.

Short term steps

I. Enhancing capacity utilization.

ii. Increasing integration of the Business Divisions.

iii. Scaling up the sale of value-added products across divisions.

iv. We have increased our spending in advertising to strengthen brands. Also, tied-up with Ms. Katrina Kaif to promote our esteemed brand Johnson.

FOCUS ON BETTER PROFITABILITY AND SUSTAINABILITY

Long term vision

I. Continuously endeavor towards cost control.

ii. Supply quality products at premium pricing.

Short term steps

I. Reducing fuel cost through coal block for cement and Coal Gassifiers and gas wells for TBK.

ii. Using pet coke in cement operations.

iii. Purchasing traded power at AP for tile plants leading to reduced variable cost and higher capacity utilization.

iv. Control leveraging for long term sustainability.

AT PEOPLE LEVEL

EMPLOYEE GROWTH

Long term vision

I. Employees are our key assets and would keep their motivation high.

ii. Acquire and retain best in class talent.

Short term steps

I. Increasing employee motivation by integrating company and employee goals.

ii. Provide a very conducive and growth oriented business environment.

iii. Enhance employee capabilities by continuous training and conduct special seminars.

COMMUNITY WELLBEING

Long term vision

I. Increase CSR activities to uplift the under privileged and work towards providing them access to basic amenities.

Short term steps

I. Promotion of education through financial and non- financial support provided to schools in and around the location of the plants.

ii. Free distribution of notebooks and stationary distribution to the village school children.

iii Provide free drinking water tankers during summers to nearby villages and create awareness for water harvesting activities.

SEGMENT REVIEW

Prism Cement

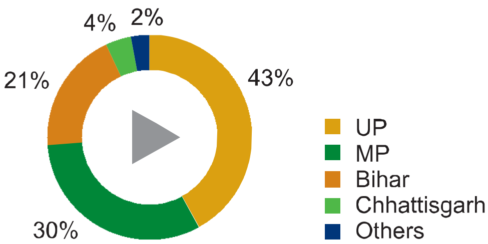
Prism Cement commenced production at its Unit I in August, 1997 and Unit II in December, 2010. It manufactures Portland Pozzolana Cement (PPC) with the brand name 'Champion' and Ordinary Portland Cement (OPC). It has recently launched premium quality grade of cement under 'HI-TECH' brand. Prism Cement has the highest quality standards due to efficient plant operations with automated controls. It caters mainly to markets of UP, MP and Bihar, with an average lead distance of 425 kms from its plant at Satna, MP. It has a wide marketing network with about 3,700 dealers serviced from 163 stocking points.

Capacity

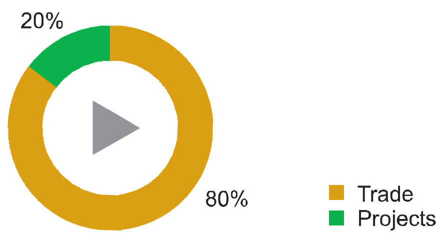
- Two manufacturing units at Satna, Madhya Pradesh.
- One Packaging plant at Allahabad, Uttar Pradesh.
- Coal Block at Chhindwara, Madhya Pradesh.

Clinker Capacity: 4.36 MTPA
Cement Capacity: 5.60 MTPA

REGION-WISE SALES BREAKUP



CLIENT-WISE SALES BREAKUP



EXPANSION

Setting up a 4.8 MTPA Green-field plant in Kurnool District, Andhra Pradesh. Land possession completed; mine development activities in progress.

OPERATIONAL REVIEW

- Reconstructed blending silo in Q3 FY14 which has enabled the Company for better utilization and cost reduction.
- Started use of pet coke to reduce cost.
- Started extraction of coal from Chhindwara, MP and to be supplied to cement unit. This would lead to further cost rationalization and margin enhancement for the cement division.
- Launched a premium cement HI-TECH in Bihar.

FINANCIAL REVIEW

(₹ Crore)

PARTICULARS	FY14	FY13	FY12
Production (Cement)–Lakh Tonnes	47.81	47.18	47.52
Sales Volume (Cement & Clinker)–Lakh Tonnes	51.17	47.65	51.87
Revenue	2,250	1,882	1,714
EBITDA	89	162	125
Margin (%)	4.0	8.6	7.3

H & R Johnson (India)

Established in 1958, H & R Johnson (India) 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, Kitchen, and Engineered Marble & Quartz. All the products are sold under 3 strong brands, viz. Johnson, Johnson Marbonite, and Johnson Endura. It has the largest Pan-India distribution network of over 1,000 dealers, 10,000 sub-dealers, 49 Branches and 25 House of Johnson showrooms.

Capacity

In ceramic / vitrified tiles, HRJ along with its Joint Ventures (JV) and subsidiaries has a capacity of over 54 million m^2 per annum spread across 9 manufacturing plants across the country, which is the largest in India.

JV

- Five Manufacturing Joint Ventures : 3 in Gujarat and 2 in Andhra Pradesh.
- Ardex Endura: 50% stake in ArdexEndura—JV with Ardex, Germany. Pioneer in India in tile fixing adhesives, grouts, industrial flooring and waterproofing. Manufacturing plants in Bangalore and Vadodara; Pan India presence.

Key Brands

i. Johnson

Brand for complete range of ceramic tiles, engineered marble & Quartz, sanitaryware, bath fittings and modular kitchen.

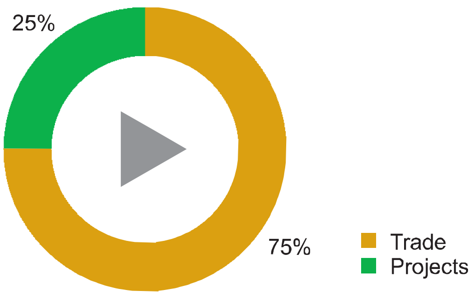
ii. Johnson Marbonite

Brand for complete range of vitrified tiles.

iii. Johnson Endura

Complete range of industrial tiles and special application tiles like bathroom / high traffic areas / swimming pools etc.

CLIENT-WISE BREAKUP



OPERATIONAL REVIEW

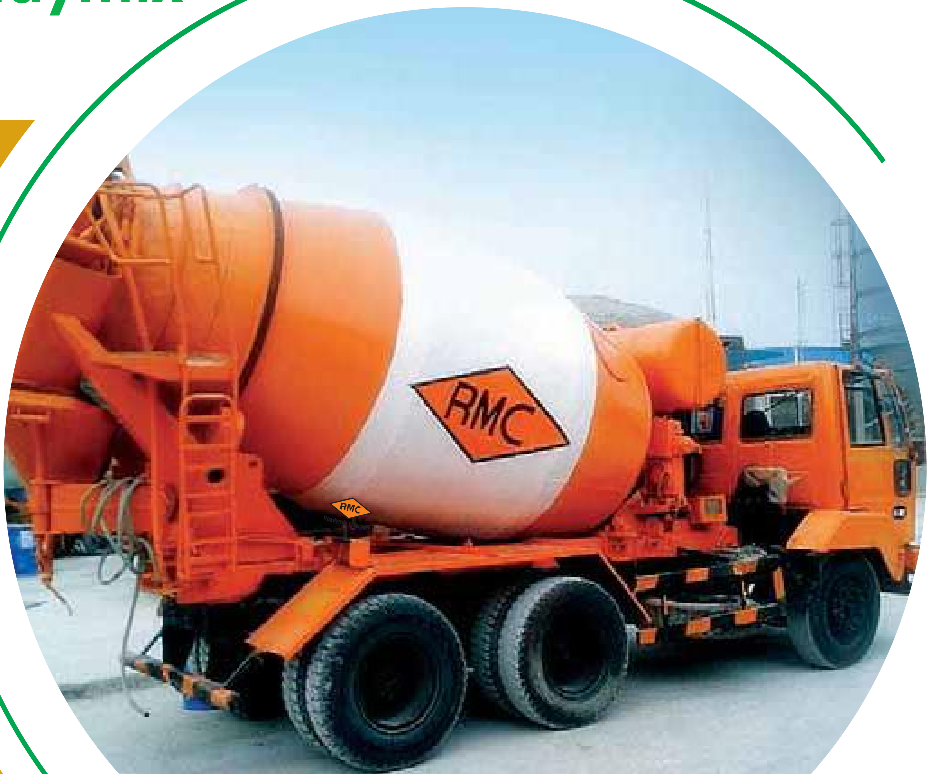
- Established Coal Gassifiers at two manufacturing units in AP. This has led to better utilization of plant capacity with reduced variable cost.
- Received permission to buy traded power for AP tile manufacturing units.
- Inaugurated 3 new "House of Johnson" showrooms taking the total to 25 across the country.

FINANCIAL REVIEW

(₹ Crore)

PARTICULARS	FY14	FY13	FY12
Revenue	2,031	1,832	1,729
EBITDA	45	89	118
Margin (%)	2.2	4.9	6.8

RMC Readymix (India)



Established in 1996, RMC Readymix (India) is one of India's leading ready-mixed concrete manufacturers. RMC currently operates 90 ready-mixed concrete plants in 37 cities/towns across the country. Further, the Division has been able to secure new positions in its existing markets, which will help it to maintain its growth. RMC has also ventured into the Aggregates business and operate large Quarries and Crushers. At present, RMC has 8 Quarries across the country. RMC has been at the forefront in setting high standards for plant and machinery, production and quality systems and product services in the ready-mixed concrete industry.

OPERATIONAL REVIEW

Established 2 new RMC Plants taking the total to 90 ready-mixed concrete plants.

FINANCIAL REVIEW

(₹ Crore)

PARTICULARS	FY14	FY13	FY12
Revenue	1,164	1,128	1,134
EBITDA	40	49	56
Margin (%)	3.4	4.3	4.9

MANAGEMENT DISCUSSION AND ANALYSIS

Prism Cement Limited is an integrated building materials' company. The Company offers a wide range of products starting from cement to ready-mixed concrete and tiles, sanitaryware, bath fittings to modular kitchens.

Economic overview

As per World Bank's Global Economic Prospects report January 2014, in the year 2013 global economy has maintained its recovery path. The report has estimated that the global GDP growth has marginally come down to 2.4% in 2013 from 2.5% recorded in the previous year. The developed economy's GDP growth is estimated to be lower at 1.3% in 2013 as against 1.5% in 2012. Whereas the developing economies GDP growth in 2013 is estimated at 4.8% same as in 2012. The report has also projected that with the strong recovery in developed economies the global GDP would grow at 3.2% in 2014 and 3.4% in 2015.

With lingering growth issues in the infrastructure industry coupled with high inflation, India's GDP growth is expected to remain sluggish in 2013-14. As per CSO's provisional estimates the Indian economy has grow at 4.7% during the year 2013-14 which would be sub 5% growth for the second consecutive year.

Exhibit 1: WPI & IIP monthly Y-o-Y growth, %

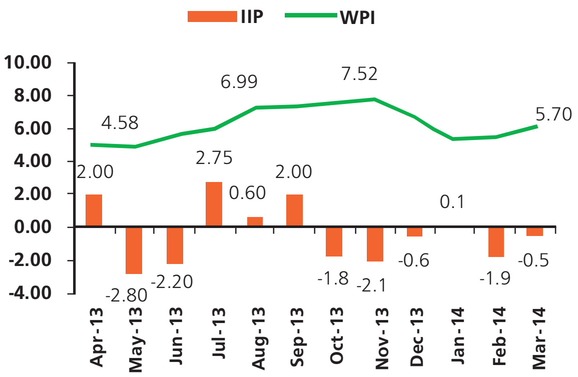
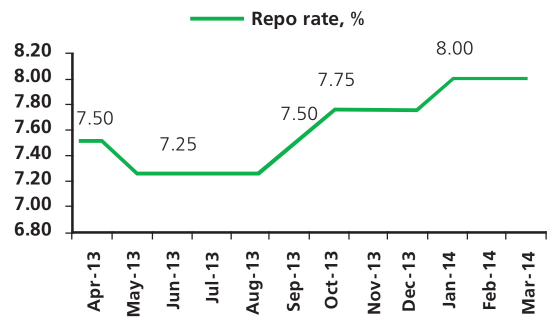


Exhibit 2: Repo Rate, %



Source: MOSPI, PIB, RBI

The industrial activities during the year 2013-14 contracted as the Index of Industrial Production average grew at -0.1% over April 2013 to March 2014 (Exhibit 1: IIP & WPI Monthly Y-o-Y Growth). The WPI during the year 2013-14 has remained highly volatile. With cooling off in the initial months, it again started to move up from June 2013. However with monetary measures by RBI, it was tamed again by the end of the financial year. This has led to increased interest rate in the system (Exhibit 2: Repo Rate).

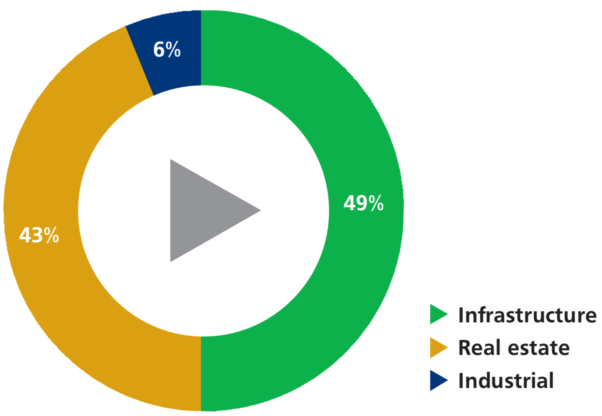
The first half of the year has also been a witness to significant depreciation in currency due to high Current Account Deficit and increased outflow of funds. From the start of the year INR against US$ depreciated by almost 30% touching the low of 68.06. However, with the fall in the Current Account Deficit and measures taken by RBI, it recovered by 15% by the end of the year.

However, to revive growth the government has undertaken a strong step by setting up of a project monitoring group to fast track project clearances. With these measures, the stalled projects have started to move which would lead to better growth in the infrastructure industry and the economy as a whole.

Construction industry in India

The construction industry in India has been a significant contributor to GDP and as per planning commission data it contributes close to 8% of GDP. The construction industry can be broadly classified under three main sectors; Infrastructure, Real estate and Industrial. Of the three, Infrastructure and real estate holds the major share (Exhibit 3: Industry-wise Contribution to Construction sector).

Exhibit 3: Industry-wise Contribution to Construction sector

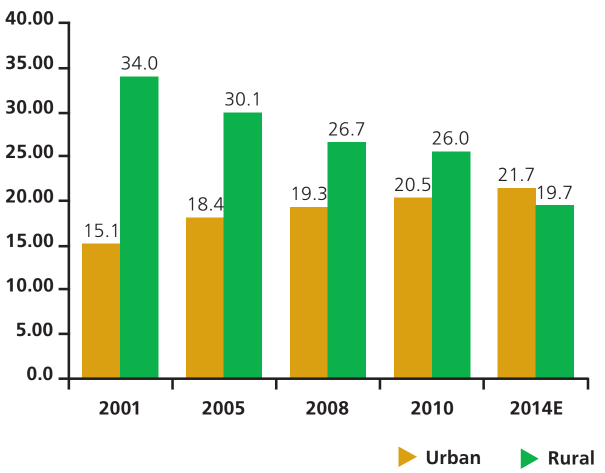


Source: Planning Commission

The major boost to the infrastructure space in India is largely through government initiatives. As per World Economic Forum, India significantly lags behind in Infrastructure not only as compared to developed nations but many developing nations in its Asian neighborhood. Taking cognizance of this fact, the country has been significantly increasing its planned outlay in infrastructure sector over the last three five-year plan. The planned outlay has nearly doubled to ₹ 52,30,900 Crore in 12th Five year plan from ₹ 20,56,150 Crore in 11th Five year plan. This would act as a significant boost for the infrastructure construction sector.

The real estate sector is witnessing growth due to migration from villages to cities, rise in the number of middle-class and strong growth in the rural India. The real estate prices have witnessed significant fall in India when it was hit by the global financial crisis in 2008-09. However, with the pace with which the real estate prices in India have bounced back, depicts the humongous demand for housing. As per the estimates of a report by CRISIL research, even after significant growth in real estate construction over the last decade, there is substantial shortage of housing in India (Exhibit 4: Shortfall in housing in India). Hence the real estate industry holds huge growth opportunity in India.

Exhibit 4: Shortfall in housing in India, %



Source: CRISIL

The significant growth prospects for the Infrastructure and the real estate sector augers well for the Company as its key business segments are Cement, Tiles, Bath & Kitchen (TBK) and Ready-mixed concrete which are directly co-related with the growth in the two sectors.

Opportunities

Cement

India has the second largest installed cement capacity in the world after China. With total capacity of approximately 347 MTPA, India accounts for close to 8% of the total global production. The housing sector is the biggest demand driver of cement, accounting for about 67% of the total consumption. The other major consumers of cement include infrastructure, commercial construction and industrial construction.

The overall cement capacity utilization rate in India (excluding-South India) has been close to 80 to 85% in FY14. South India, specifically Andhra Pradesh has witnessed significant slowdown in cement demand; however a gradual recovery is expected over the coming years. Cement demand growth has a strong correlation with GDP growth and with expected bottoming out of GDP there is high growth prospects for the cement industry in India. The relatively sluggish growth of close to 4% in cement dispatches in 2013-14 was one of the lowest recorded growth over the last decade. Some of the key reasons were the general slowdown in economy, political disruption in South India, reduced government expenditure and non availability of sand.

However, the central and eastern India, where we sell our cement, continue to post robust demand growth due to strong boost from the housing sector and social expenditure by government through schemes such as MNREGA, Indira Awaas Yojana etc. The growth prospects are also high in this region as it has relatively low per capita cement consumption.

Ready-mixed concrete

The ready-mixed concrete industry is a two decade old industry in India and is growing at a very fast pace. As per some estimates, the ready-mixed concrete market in India is estimated to be of the size ₹ 12,000 Crore. The share of ready-mixed concrete in India's total concrete consumption is about 10% whereas in the developed markets it stands at over 50% to 70%. With increased environmental concerns and limitation of space in terms of construction, the growth for ready-mixed concrete in the urban areas is expected to remain robust.

Currently in real estate sector, the use of ready-mixed concrete is limited to urban areas. However with the increased concept of township and awareness on quality, it is gradually entering in tier II and tier III cities.

Tiles, Bath fitting and Kitchen

The tiles bath and kitchen (TBK) sector growth is largely based on the rising middle and upper class population in India. As per a report by National Council for Applied Economic Research's (NCAER) Centre for Macro Consumer Research, India in 2011 had a total of 31.4 million middle class households and by 2015-16 the number is expected to almost double to 53.3 million middle class households. Further to this they have also estimated that by 2025-26 this number would touch 113.8 million middle class households, translating into 547 million individuals. As per the report the percentage of middle class households would increase from 13.1% in 2011 to 20.3% by 2015-16 and 37.2% by 2025-26.

The middle class owns 49% of total number of cars in India, 21% of TVs, 53.2% of computers, 52.9% of ACs, 37.8% of microwaves and 45.7% of credit cards and hence plays a significant role in India's consumption story.

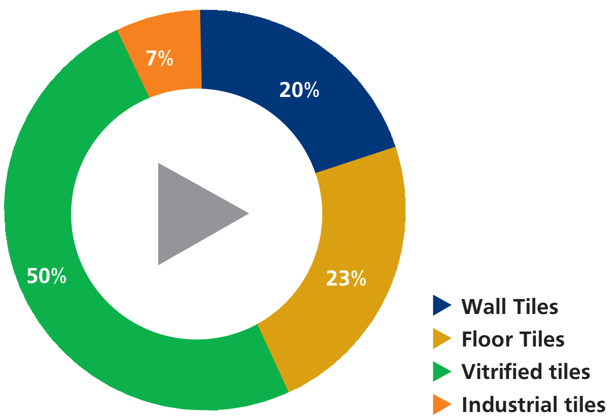
The middle class has also been the largest buyers for the residential real estate and hence building materials such as tiles, bath fittings and modular kitchen. The rise in the middle class would be one of the most important factors for the growth of TBK sector in India.

Tiles sector

The Indian ceramics tiles market is the 3rd largest globally and contributes close to 6% to the global annual consumption. The estimated size of the Indian ceramics tile market is close to 680 million square meteres with a value of about ₹ 18,000 Crore in 2012. The organized players have close to 45% share in the industry. Amongst the organized players the top 5 players hold close to 85% of organized market share. The unorganized market is highly fragmented and consists of large to small manufacturers which are largely based in Gujarat.

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, where vitrified tiles hold the largest share.

Exhibit 5: Product-wise share in tiles sector



Source: PWC report

India is currently one of the fastest growing markets in the world for ceramic tiles. On the other hand it also has a very low per capita consumption of ceramic tiles of 0.6 square meters. Whereas other developing countries such as China at 3.1 square meters and Brazil at 4.1 (Exhibit 6: Per Capita Consumption of tiles in Sq. Mtr). Hence there is a significant upside for the ceramic tiles market in India.

Exhibit 6: Per Capita Consumption of tiles in Sq. Mtr

Country	Per Capita Consumption, Square meters
UAE	13.0
Saudi Arabia	7.9
Iran	4.9
Brazil	4.1
China	3.1
Malaysia	2.9
Vietnam	2.8
Poland	2.7
Turkey	2.4
India	0.6

Source: Acimac Research Department, Italy

Bath sector

The bath sector consists of sanitaryware, faucets, taps and other accessories. India holds 8% share in the global bath fitting market and is the second largest in terms of volume in the Asia-Pacific region. India's bath fitting industry size is estimated to be ₹ 8,500 Crore where the sanitaryware holds approximately 40% share and the balance is bath fittings, accessories, and wellness products. The organized players hold 55% market share in the industry and cater to the upper and middle class in urban regions. The unorganized players are more focused towards the price sensitive lower middle class in small towns as well as in rural areas.

The sanitaryware market over the last three years is growing at a CAGR of 12.5% whereas the bath fitting market is growing at CAGR of 15%. With increased focus towards hygiene, rising demand for new homes and strong replacement market, the growth trend is expected to be maintained over next three years as well. With increased brand awareness in India, the organized players are growing at higher rate than the industry's average growth rate.

Modular Kitchen

Kitchen furniture has long been introduced in India and is been executed by local carpenters, customizing as per client requirement. However the systematic kitchen furniture concept with beautiful designs and optimum space utilization in the form of modular kitchens is fast catching preference. It is estimated that the total market size of modular kitchen in India is ₹ 2,100 Crore and is estimated to grow at a healthy rate over the next several years.

Currently 70% to 75% market share of the industry is held by unorganized players but the trend is changing fast. This would lead to better growth prospects for the organized players.

Financial review

Refer to page 16-20.

Risk & Concerns

Economic factor: The change in macroeconomic conditions such as slowdown in GDP, interest rates, foreign exchange can have an adverse impact on the Company's performance.

Measures: The Company continuously monitors the external environment and proactively formulates strategies to manage risk. Also the Company is continuously working towards further lowering its leveraging.

Political factor: Government spending acts as a great push to Infrastructure growth. Also infrastructure development is subject to many clearances and government policies on availability of natural resources like sand, aggregates etc.

Measures: The Company offers a wide range of products and serves a diverse set of clients across different states. This reduces client concentration and also mitigates regional specific risk. Moreover, the Company caters to housing segment as well in addition to infrastructure which de-risks the business model. We have done a fair degree of backward integration and have our quarries for aggregates and also have facilities to manufacture sand.

Credit factor: Delay in payments from the clients may lead to shortfall in cash flow and also add to cost with increased working capital.

Measures: Company's business is well balanced between institutional and retail client where the more focus is towards retail customers. This reduced the risk of longer working capital cycle and concentration of debtors.

Cost factor: With rising inflation the cost of raw material, power and fuel have moved up drastically and may impact profitability.

Measures: The Company has been using various means to reduce cost such as use of pet coke, acquiring coal block, setting up coal gasifiers etc. Also the Company has great brand equity and is usually able to pass on the increased cost.

Outlook

The measures taken by the government to review the growth in the infrastructure industry is showing sign of bringing life back to the industry. The project monitoring group in the year 2013-14 has already cleared projects worth ₹ 5 Lakh Crore and identified another 435 stalled project worth ₹ 20 Lakh Crore for the year 2014-15. This would lead to robust demand for cement and ready-mixed concrete in the medium term. The turnaround in the economy would lead to better growth prospects for the thriving and booming middle class in India. This would lead to increased demand for housing and hygiene. Also, in the region where the Company's cement division operates, there is no significant addition of cement capacity. Hence the growth prospects for all the three Divisions, viz. Cement, RMC, and TBK are expected to remain strong in the medium term. The Company is optimistic of the real estate and infrastructure growth in India and is confident on better growth prospects for the Company in the coming years.

Human resources

The Company's human capital is the most important asset. They play a pivotal role in offering better product quality, design and services to our customers apart from the high quality technology that we use. The Company has worked with a very steady focus and has built a strong team of employees who have been the cornerstone of the Company's growth over the years. The Company over the years has built a very robust and dynamic HR policy and employee roles. This makes them a supportive force for each other becoming strategic business partners. The policy not only gives clarity on individual roles but also aligns the employee goals with the Company's objectives.

The Company continues to invest in Human Resources Development to further promote an open work culture and better business performance. Training and development programmes are continuously designed and implemented to address the growing needs of the market and also help the employee grow his skills. The Company always strives towards employee empowerment, growth and development of individuals by realising their potential, encouraging innovative ideas and fair distribution of rewards thereby building long term sustainable business capabilities. This has helped Prism to retain existing human resources and attract new talent.

Internal controls

With more than two decades of experience, the Company has evolved a strong Internal Control Systems which is adequate, given the nature and size of its operations. In accordance with the internal policy of the Company, delegation of authority is exercised at various levels of management. 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. The strong internal control systems have been designed not only to prevent fraud and misuse of the Company resources but also to protect shareholders interest. The Company periodically reviews its system of internal controls, toward ensuring management effectiveness and efficiency and reliable reporting.

The Company has appointed Internal Auditors for each Division whereby internal audit is performed across locations of the Company. The Statutory Auditors independently examine the adequacy of internal procedures commensurate with the size of the Company and express their opinion on issues of concern at the Audit Committee Meetings.

The Audit Committee reviews the financial reporting process and the compliance with accounting standards and other legal requirements relating to financial statements. The Committee, headed by a Non-executive Independent Director, ensures independence of the function and transparency of the process.

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. As on March 31, 2014, the total strength of the Board is nine Directors comprising four executive Directors and five non-executive Directors, of which three are independent. The Chairman of the Board is a Non-executive Independent Director.

ii. Mr. Rajan Raheja, Mr. Satish Raheja and Mr. Akshay Raheja are related to each other.

iii. During the year ended March 31, 2014, seven Board Meetings were held on the following dates: (i) May 9, 2013 (ii) June 10, 2013, (iii) June 25, 2013 (iv) July 10, 2013, (v) July 25, 2013 (vi) November 12, 2013 (vii) February 11, 2014.

iv. 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.

v. The following table gives details for the financial year 2013-14 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)*	Non-executive Independent	7	Yes	7	2	4
Mr. Rajan B. Raheja	Non-executive Non-independent	4	No	7	4	—
Mr. Vijay Aggarwal *(Managing Director)*	Executive Non-independent	7	Yes	4	2	1
Mr. Manoj Chhabra * *(Managing Director)*	Executive Non-independent	4	Yes	1	1	—
Mr. Satish B. Raheja	Non-executive Non-independent	—	No	3	1	—
Mr. Akshay R. Raheja #	Non-executive Non-independent	5	No	3	1	—
Mr. Ganesh Kaskar *(Executive Director - HRJ)*	Executive Non-independent	7	Yes	—	—	—
Mr. J. A. Brooks	Non-executive Independent	5	Yes	—	—	—

Name	Category of Directorship	Particulars of Attendance		Number of other Directorship and Committee Membership		
		Board Meeting	Last AGM	Other Directorship	Committee	
					Member	Chairman
Ms. Ameeta A. Parpia	Non-executive Independent	6	No	2	1	—
Mr. S. Ramnath ** *(Executive Director - Cement)*	Executive Non-independent	2	N. A.	—	—	—
Mr. V. M. Panicker ** *(Executive Director - RMC)*	Executive Non-independent	2	N. A.	—	—	—

* *Retired w.e.f. August 25, 2013*

** *Appointed w.e.f. August 25, 2013*

\# *Resigned with effect from July 24, 2013 and appointed as Alternate to Mr. Satish B. Raheja.*

vi. None of the Independent Directors have any material pecuniary relationship or transactions with the Company.

vii. Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for their consideration.

viii. Pursuant to the provisions of Section 149 of the Companies Act, 2013 which have become effective from April 1, 2014, Mr. Rajesh G. Kapadia would no longer be considered an Independent Director of the Company with effect from the same date.

ix. Mr. Satish B. Raheja resigned from the Board of Directors of the Company with effect from May 27, 2014. Consequently, Mr. Akshay R. Raheja ceased to be Alternate Director to Mr. Satish B. Raheja from the same date.

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, 2014, the Audit Committee comprised of three non-executive Directors, Mr. Rajesh G. Kapadia, Chairman of the Committee, a Chartered Accountant, Mr. Satish B. Raheja who has the requisite accounting and financial management expertise and Ms. Ameeta A. Parpia, a practising Solicitor.

The Audit Committee has met six times during the year ended March 31, 2014 on (i) May 8, 2013, (ii) June 10, 2013, (iii) July 25, 2013, (iv) November 12, 2013, (v) February 11, 2014 and (vi) March 24, 2014 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	6
Mr. Akshay R. Raheja *	3
Ms. Ameeta A. Parpia	6
Mr. Satish B. Raheja	—

* *Resigned with effect from July 24, 2013 and was appointed as Alternate to Mr. Satish B. Raheja.*

The Board of Directors has, at its meeting held on May 10, 2014, reconstituted the Audit Committee as under :

Name	Designation
Ms. Ameeta A. Parpia	Chairperson
Mr. Rajesh G. Kapadia	Member
Mr. J. A. Brooks	Member

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

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters.

The terms of reference and powers of the Committee are also in accordance with the requirements of Clause 49 of the Listing Agreement and *inter-alia* include :

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the auditors and the fixation of their fees.
- Approval of payment of fees to statutory auditors for any other services rendered by the statutory auditors.
- Review of the internal control systems with the management, internal auditors and statutory auditors.
- Review with the management, the annual financial statements before submission to the Board for approval, with special emphasis on accounting policies and practices, compliance and other legal requirements concerning financial statements.
- Review the adequacy of internal audit function, significant internal audit findings and follow-ups thereon.
- Review Management Discussion and Analysis.
- Review Material Individual Transactions with related parties not in normal course of business or which are not on an arm's length basis.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate.
- Review financial statements and investment of unlisted subsidiary companies.
- any other terms of reference as may be included from time to time.

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

As on March 31, 2014, the Remuneration Committee comprises of four non-executive members of the Board viz. Mr. Rajan B. Raheja - Chairman, Mr. Rajesh G. Kapadia, Mr. J. A. Brooks 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 9, 2013 and July 25, 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	1
Mr. Rajesh G. Kapadia	2
Mr. J. A. Brooks *	N. A.
Ms. Ameeta A. Parpia	2

** Appointed w.e.f July 25, 2013*

The Board of Directors has, at its meeting held on May 10, 2014, changed the nomenclature of the Committee to Nomination & Remuneration Committee. The Board has aligned the Terms of Reference as per the Companies Act, 2013 and Clause 49 of the Listing Agreement and re-constituted the Committee as under :

Name	Designation
Ms. Ameeta A. Parpia	Chairperson
Mr. Rajan B. Raheja	Member
Mr. Rajesh G. Kapadia	Member
Mr. J. A. Brooks	Member

A. Details of Remuneration paid to Directors for the year ended March 31, 2014

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, 2014, the non-executive Directors were paid in aggregate, an amount of ₹ 6.90 lakhs as sitting fees. Apart from this, Non-executive Independent Directors are entitled to be paid commission not exceeding 1% of the net profits of the Company, with effect from April 1, 2013. Due to non-availability of profits, the Non-executive Independent Directors are not eligible to be paid commission for the year ended March 31, 2014.

b. Executive Directors

Name	Business relationship with the Company	Remuneration paid during the year (₹ Crores)	Date of Appointment
Mr. Vijay Aggarwal	Managing Director	4.08	March 3, 2013
Mr. Manoj Chhabra *	Managing Director	6.82	August 25, 2011
Mr. Ganesh Kaskar	Executive Director - HRJ	2.17	March 3, 2013
Mr. S. Ramnath **	Executive Director - Cement	0.88	August 25, 2013
Mr. V. M. Panicker **	Executive Director - RMC	0.61	August 25, 2013

* *Retired with effect from August 25, 2013. Includes leave encashment and gratuity aggregating to ₹ 5.21 crores paid at the end of the tenure during the year.*

** *subject to shareholders approval at the ensuing Annual General Meeting w.e.f August 25, 2013.*

- The appointments are on contractual basis and are subject to termination by six months' notice on either side. Mr. Vijay Aggarwal, Mr. Ganesh Kaskar, Mr. S. Ramnath and Mr. V. M. Panicker have been appointed for a period of three years, respectively. Mr. Manoj Chhabra was appointed for a period of two years and retired effective August 25, 2013.
- The elements of the remuneration package of the Managing Director(s)/Executive Directors comprises of salary and perquisites as approved/ to be 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 Directors.

c. Details of shares of the Company held by the Directors as on March 31, 2014 are as under :

Name	No. of shares
Mr. Rajesh G. Kapadia	—
Mr. Rajan B. Raheja	5,14,02,627
Mr. Vijay Aggarwal	—
Mr. Satish B. Raheja	500
Mr. Akshay R. Raheja (Alternate to Mr. Satish Raheja)	55,76,784
Mr. Ganesh Kaskar	—
Mr. J. A. Brooks	—
Ms. Ameeta A. Parpia	76,000
Mr. S. Ramnath	—
Mr. V. M. Panicker	—

B. Details of the Directors seeking appointment/re-appointment at the Twenty-second Annual General Meeting to be held on July 31, 2014 are furnished below :

Name of Director	Mr. Rajan B. Raheja	Ms. Ameeta A. Parpia	Mr. J. A. Brooks
Date of Birth	17.06.1954	22.02.1965	10.06.1948
Expertise in specific functional areas	Industrialist	Legal and Company Law matters	General Management
Qualification	B. Com.	B. A., LL.B Advocate & Solicitor	ACMA (Inter)
No. of Equity shares held	5,14,02,627	76,000	—
List of outside Company Directorships held	1. EIH Associated Hotels Limited 2. EIH Limited 3. Exide Industries Limited 4. Hathway Cable & Datacom Limited 5. Exide Life Insurance Company Limited (erstwhile ING Vysya Life Insurance Company Limited) 6. Juhu Beach Resorts Limited 7. Supreme Petrochem Limited	1. Raheja QBE General Insurance Company Limited 2. Supreme Petrochem Limited	—

Chairman/Member of the Committees of Directors of other Companies in which he/she is a Director :			
Audit Committee	1. EIH Associated Hotels Limited - Member 2. EIH Limited - Member 3. Juhu Beach Resorts Limited - Member	Raheja QBE General Insurance Company Limited - Chairperson	—
Shareholders'/Investors' Grievance Committee	Supreme Petrochem Limited - Member	Supreme Petrochem Limited - Member	—

Name of Director	Mr. S. Ramnath	Mr. V. M. Panicker
Date of Birth	14.11.1955	15.07.1964
Expertise in specific functional areas	Company Director	Company Director
Qualification	B. Com, ACA, AICWA, DHRM,	B. Com, ACA, ACS, ACIS (UK)
No. of Equity shares held	—	—
List of outside Company Directorships held	—	1. IFAN Finserv Private Limited (erstwhile ING Financial Services Private Limited) 2. Ardex Endura (India) Private Limited

4. Shareholders'/Investors' Grievance Committee

As on March 31, 2014, the Shareholders'/Investors' Grievance Committee comprises of Ms. Ameeta Parpia - Chairperson, Mr. Rajesh Kapadia and Mr. Vijay Aggarwal as the members of the Committee. The Committee considers and resolves grievances of security holders of the Company relating, *inter alia*, to non-receipt of annual report, non-delivery of shares after transfer/delay in transfer of shares, non-receipt of dividend, non-receipt of interest on debentures/fixed deposits, if any, etc. The Committee has met four times during the year ended March 31, 2014.

The Board of Directors has, at its meeting held on May 10, 2014, changed the nomenclature of the Committee to Stakeholders Relationship Committee.

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. Rajan B. Raheja - Chairman, Mr. Rajesh G. Kapadia, Mr. Vijay Aggarwal and Ms. Ameeta A. Parpia as members of the Committee as on March 31, 2014. To expedite the transfer in physical segment, officers of the Company have been authorised to approve share transfers and transmission(s) and review all other matters connected with the Company's securities. 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, 2014, 10 complaints were received from shareholders, which were resolved satisfactorily. As on March 31, 2014, there were no pending investor complaints.

The Board of Directors has, at its meeting held on May 10, 2014, changed the nomenclature of the Committee to Securities Allotment & Transfer Committee, aligned the Terms of Reference as per the Companies Act, 2013 and the Listing Agreement and reconstituted the Committee as under :

Name	Designation
Mr. Vijay Aggarwal	Chairman
Mr. Ganesh Kaskar	Member
Mr. S. Ramnath	Member
Mr. V. M. Panicker	Member

6. Corporate Social Responsibility Committee

The Board of Directors has, on May 3, 2014, constituted a Corporate Social Responsibility ("CSR") Committee comprising of the following Directors :

Name	Designation
Mr. Vijay Aggarwal	Chairman
Mr. Rajesh Kapadia	Member
Mr. Ganesh Kaskar	Member
Ms. Ameeta Parpia	Member & Independent Director
Mr. S. Ramnath	Member
Mr. V. M. Panicker	Member

The objectives of the Committee are :

(i) to formulate and recommend a CSR policy to the Board to recommend amount of expenditure to be incurred on CSR activities;

(ii) to monitor the CSR policy of the Company from time to time;

(iii) to institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

One meeting of the CSR Committee was held on May 27, 2014 and was attended by all the members.

7. Details of General Meetings and Resolutions passed

Annual General Meetings

The Annual General Meeting for the last three years was held on June 25, 2013, June 26, 2012 and July 12, 2011, respectively. All the three meetings were held at Taj Mahal Hotel, Abids Road, Hyderabad - 500 001. Three special resolutions were passed at the Annual General Meeting held on June 25, 2013. No resolution was passed using postal ballot during the year ended March 31, 2014. Four Special Resolutions have been proposed to be passed through Postal Ballot and e-voting for the following matters :

(i) to borrow in excess of the paid-up share capital and free reserves upto ₹ 2,500 crores pursuant to Section 180(1)(c) and 180(2) of the Companies Act, 2013,

(ii) to create security for such borrowing pursuant to Section 180(1)(a) of the Companies Act, 2013,

(iii) to issue Non-convertible Debentures on a private placement basis upto an aggregate amount of ₹ 1,250 crores pursuant to Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014,

(iv) to give/make inter-corporate loans and investments and to provide security pursuant to Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.

The result of the Postal Ballot shall be declared on June 20, 2014.

Four Special Resolutions are proposed to be passed at the ensuing Annual General Meeting with regard to appointment and approval of remuneration to Executive Directors, acceptance of deposits, payment of remuneration to Non-executive Directors and keeping and maintaining of books/records/documents at any place in India other than the registered office of the Company.

8. 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. 41 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 Limited (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 the subsidiary companies are placed before the Board of Directors of the Company and the attention of the Directors is drawn to all significant transactions and arrangements entered into by the subsidiary companies.

(c) The Audit Committee of the Company reviews the financial statements, in particular, the investments made by the subsidiary companies.

(iii) **Non-mandatory Requirements**

(a) The Company has set up a Nomination & Remuneration Committee of the Board of Directors, details of which have been provided in Point No. 3.

(b) The statutory annual financial statements of the Company are unqualified.

(c) The Board of Directors has, at its meeting held on May 27, 2014, approved a Whistle Blower Policy for the Company.

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 Members 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 Director is annexed to this report.

9. CEO/CFO Certification

As required under Section V of the Clause 49 of the Listing Agreement with the Stock Exchanges, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding their review on the Financial Statements, Cash Flow Statements and other matters related to internal controls in the prescribed format for the year ended March 31, 2014.

10. 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 Sakshi (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.

11. Shareholders Information

A. Annual General Meeting

Date and Time : July 31, 2014 at 9.30 a.m.
Venue : Taj Mahal Hotel,
4-1-999, Abids Road,
Hyderabad - 500 001.

B. Financial Calendar

- **Reporting for the Quarter ending :**

June 30, 2014	-	Within 45 days of the close of the quarter
September 30, 2014	-	Within 45 days of the close of the quarter
December 31, 2014	-	Within 45 days of the close of the quarter
March 31, 2015	-	Within 60 days of the close of the financial year
- **Annual General Meeting for the year 2015**	-	Within six months of the close of the financial year

C. Book Closure :

Thursday, July 24, 2014 to Thursday, July 31, 2014 (both days inclusive).

D. Listing on Stock Exchanges

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 2014-15 have been paid to the aforesaid Stock Exchanges.

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

E. Stock market price data for the year ended March 31, 2014 :

MONTH	BSE SENSEX		BSE PRICES		NSE PRICES	
	High	Low	High ₹	Low ₹	High ₹	Low ₹
Apr-13	19,504.18	18,226.48	45.65	41.50	45.80	41.45
May-13	20,286.12	19,575.64	46.90	39.30	47.05	39.30
Jun-13	19,610.48	18,540.89	45.40	33.65	45.75	33.50
Jul-13	20,302.13	19,177.76	36.60	25.85	36.45	25.85
Aug-13	19,367.59	17,905.91	25.70	23.25	25.60	23.15
Sep-13	20,646.64	18,234.66	30.25	23.85	30.15	23.75
Oct-13	21,164.52	19,517.15	28.40	26.35	28.45	26.35
Nov-13	21,239.36	20,194.40	29.65	25.00	29.65	24.85
Dec-13	21,326.42	20,612.14	28.00	25.75	28.10	25.80
Jan-14	21,373.66	20,498.25	29.15	23.50	29.15	23.55
Feb-14	21,120.12	20,193.35	26.25	22.85	26.30	22.90
Mar-14	22,386.27	20,946.65	38.65	27.15	38.65	27.05

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. : +91 40 44655000/5152
Fax No. : +91 40 44655024

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

H. Distribution of shareholding and shareholding pattern as of March 31, 2014 :

Distribution of Shareholding	
No. of shares held	**No. of shareholders**
1 - 100	49,418
101 - 200	19,528
201 - 300	7,034
301 - 400	2,992
401 - 500	6,603
501 - 1000	6,672
1001 - 5000	4,597
5001 - 10000	485
10001 - 50000	317
50001 and above	143
Total	**97,789**

Shareholding Pattern		
Category	**No. of Shares**	**% Share-holding**
Promoters	37,68,81,169	74.87
FIIs/NRIs/OCBs	1,53,26,738	3.05
Bodies Corporate	2,40,82,645	4.78
Financial Institutions/ Banks/Mutual Funds	1,87,22,813	3.72
Indian Public *	6,83,43,215	13.58
Total	**50,33,56,580**	**100.00**

* *Out of the above, 1,23,51,600 equity shares (2.45%) are 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, 2014 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. The tile manufacturing facilities are located at Pen, Maharashtra; Dewas, Madhya Pradesh; Kunigal, Karnataka and Karaikal, Puducherry. RMC Readymix (India) Division currently operates 90 concrete plants and 7 aggregate crushers spread across 37 cities/towns in the country.

Correspondence

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

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

K. Details of Debenture Trustee

IL&FS Trust Company Limited,
The IL&FS Financial Centre,
Plot No. C-22, 'G' Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.
e-mail : Vivek.Choudhary@ilfsindia.com
website : www.itclindia.com
Tel. No. : + 91 22 26593215
Fax No. : + 91 22 26533297

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, 2014.

For Prism Cement Limited

Vijay Aggarwal
Managing Director

Place : Mumbai
Date : May 27, 2014

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, 2014, 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 G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 39569

Place : Mumbai
Date : May 27, 2014

DIRECTORS' REPORT

To the Shareholders,

The Directors present the Twenty-second Annual Report together with the audited Accounts of the Company for the year ended March 31, 2014.

FINANCIAL RESULTS

	2013-14 ₹ Crores	2012-13 ₹ Crores
Sales of products and services	**5,344.82**	5,123.67
Other operating income	**20.60**	25.80
	5,365.42	5,149.47
Less : Excise duty	**400.56**	381.00
Total Revenue from Operations	**4,964.86**	4,768.47
Other income	**140.44**	5.53
Total Revenue	**5,105.30**	4,774.00
Expenditure	**5,242.50**	4,858.61
Profit/(Loss) before exceptional items and Tax	**(137.20)**	(84.61)
Exceptional items	**9.37**	1.62
Profit/(Loss) before Tax	**(127.83)**	(82.99)
Tax expenses	**46.18**	23.51
Profit/(Loss) for the year	**(81.65)**	(59.48)
Add : Dividend received on own shares held through Trust	**—**	0.62
Add : Surplus - opening balance	**357.24**	445.54
Amount available for appropriation	**275.59**	386.68
Add : Transfer from/(to) Debenture Redemption Reserve	**8.41**	(29.44)
Surplus - closing balance	**284.00**	357.24

OPERATIONS

The gross sales and other income for the year ended March 31, 2014 was ₹ 5,505.86 crores as against ₹ 5,155.00 crores for the previous year. The Company incurred a loss before tax of ₹ 127.83 crores and net loss of ₹ 81.65 crores during the year ended March 31, 2014 as against loss before tax of ₹ 82.99 crores and net loss of ₹ 59.48 crores during the year ended March 31, 2013, primarily due to sluggish demand, higher power and fuel costs, freight charges and subdued realisations.

For the year ended March 31, 2014, the consolidated net loss of the Company and its subsidiary companies amounted to ₹ 86.20 crores as against a net loss of ₹ 62.47 crores for the previous year.

FINANCE

The Company has repaid loans of ₹ 929.09 crores during the year and tied-up fresh loans of ₹ 1,110.98 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 ₹ 1,834.23 crores as on March 31, 2014.

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

FIXED DEPOSITS

Out of the total 11,103 deposits of ₹ 140.58 crores from the public and the shareholders as at March 31, 2014, 393 deposits amounting to ₹ 0.90 crores had matured and had not been claimed as on that date. Since then, 81 of these deposits aggregating to ₹ 0.25 crores have been claimed.

During the year, the Company has transferred a sum of 0.06 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Since its inception the Company has been socially responsible and has voluntarily undertaken various Corporate Social Responsibility initiatives even when there were no legal and statutory requirements in this regard.

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

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

DIRECTORS

Mr. Manoj Chhabra retired as Managing Director on August 24, 2013. Mr. Akshay Raheja resigned from the Board on July 24, 2013 and was appointed as Alternate to Mr. Satish Raheja. Mr. Satish Raheja has resigned from the Board of Directors of the Company on May 27, 2014 due to personal reasons. Consequently, Mr. Akshay Raheja, who was appointed as Alternate Director to him, has ceased to be a Director of the Company with effect from the same date. The Board wishes to place on record its appreciation of the valuable contributions made by Mr. Manoj Chhabra, Mr. Satish Raheja and Mr. Akshay Raheja during their respective tenures with the Company.

The Board of Directors has been broad based by the induction of Mr. S. Ramnath and Mr. V. M. Panicker as Additional Directors with effect from August 25, 2013. They hold office up to the date of the forthcoming Annual General Meeting. The Board, at its Meeting held on July 25, 2013, has also, subject to the requisite approvals, appointed Mr. S. Ramnath as Executive Director (Cement) and Mr. V. M. Panicker as Executive Director (RMC) of the Company for a period of three years with effect from August 25, 2013, upon terms and conditions mentioned in the Notice of the ensuing Annual General Meeting read with the Explanatory Statement thereto. The Company has received requisite notices in writing from a member proposing Mr. S. Ramnath and Mr. V. M. Panicker for appointment as Executive Directors. The Board recommends their appointments.

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

The Companies Act, 2013 provides for appointment of independent directors. Sub-section (10) of Section 149 of the Companies Act, 2013 (effective April 1, 2014) provides that independent directors shall hold office for a term of up to five consecutive years on the Board of a company and shall be eligible for re-appointment on passing a special resolution by the shareholders of the company.

The non-executive (independent) directors were appointed as directors liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. Pursuant to Section 149 and Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. J. A. Brooks and Ms. Ameeta A. Parpia retire at the forthcoming Annual General Meeting of the Company and are eligible for appointment for a term of five consecutive years as Independent Directors in accordance with the Companies Act, 2013.

The Company has received declarations from Mr. Brooks and Ms. Parpia, Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

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

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, 2014, 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, 2014 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, 2014 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

M/s. G. M. Kapadia & Co., Chartered Accountants, Mumbai, retire as Auditors at the forthcoming Annual General Meeting. The members will be required to appoint Auditors in terms of relevant provisions of the Companies Act, 2013 and fix their remuneration.

As required under the provisions of Section 139 and 141 of the Companies Act, 2013, the Company has received written consent and certificate from M/s. G. M. Kapadia & Co., Chartered Accountants, proposing to be re-appointed as Auditors upto conclusion of the 26th Annual General Meeting of the Company, subject to ratification of the appointment by the members at every AGM, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

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, 2014 are being audited by Cost Auditors, M/s. N. I. Mehta & Co. The Cost Audit Report for the year ended March 31, 2013 was filed within the stipulated due date. The Board of Directors of the Company has, at its meeting held on May 27, 2014, appointed M/s. N. I. Mehta & Co. as the Cost Auditors for the year ending March 31, 2015. The members will be required to ratify the appointment of the Cost Auditors in terms of relevant provisions of the Companies Act, 2013.

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 modest growth making its presence in new markets during the year under review. RQBE booked a gross written premium of ₹ 31.63 crores and earned an investment income of ₹ 19.88 crores for the year ended March 31, 2014, as against a gross written premium of ₹ 28.37 crores and 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, 2014 was ₹ 6.42 crores as against profit of ₹ 9.15 crores for the previous year.
- **Silica Ceramica Private Limited** has had a subdued performance during the year ended March 31, 2014. However, the performance is expectd to improve in the current year.
- **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. During the year, its Joint Venture - TBK Venkataramiah Tile Bath Kitchen Pvt. Ltd., was converted into a 100% subsidiary. The Company through its Joint Ventures, opened during the year, four House of Johnson showrooms in Solan, Lucknow, Varanasi and Ludhiana taking the total number of showrooms to 26 as at March 31, 2014.
- **Milano Bathroom Fittings Private Limited**, the wholly-owned subsidiary of the Company manufacturing bathroom fittings and accessories, has performed well during the year. Improved capacity utilisation at its Samba Unit has contributed to the growth of the company.
- **Lifestyle Investments PVT Limited** (LIPL), the erstwhile overseas wholly-owned subsidiary, sold its stake in Norcros Plc., a Company listed on the London Stock Exchange. During the year ended March 31, 2014, the Company received an amount of ₹ 131 crores as dividend on the equity shares held in LIPL. The Company wound-up LIPL during the year and received ₹ 0.10 crores towards return of equity capital.
- **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 has set-up another manufacturing plant in Ramanagara District in Karnataka which has become operational during the year.

- **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. Its wholly-owned subsidiary - Antique Johnson Ceramic Private Limited was amalgamated for better operational benefits 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**, the mid-segment floor tiles JV Company in Gujarat, has performed satisfactorily during the year.

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular.

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 27, 2014

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

Cement Division

(a) Energy conservation measures taken

Following modifications were carried out during the year 2013-14 for improving the productivity and reducing the specific power consumption and specific heat consumption :

- Replacement of Unit - I Cooler ESP Fan HT motor & control panel with DC motor & panel.
- Reduction in draught conditions across process fans of Unit - II by removing inlet dampers in variable frequency drives.
- Shift of clinker & laterite storage yards near to the direct usable points in order to reduce the lead, thereby curtailing diesel consumption, an important energy resource.
- Reduction in Contract Demand, thereby improving load factor benefits & also accordingly balancing generation at the source and in the process conserving electrical/thermal energy.

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

Proposed modifications and capacity enhancement

- Clinker cooler upgradation of Unit - I to save on specific power & fuel consumption.
- Waste Heat Recovery System for both Units to generate ~ 15 MW power for captive use.
- Replacement of Unit - I Bag House fan intermediate gearbox with motor & control panel (installation of VFD arrangement with motor). Savings potential ~ 200 kW.
- Total Lubrication Management (TLM) to optimise lubricant's usage.

HRJ Division

- ISO 50001:2011 was implemented at Kunigal plant.
- GRIHA certification for Marbonite products of Pen plant.

(a) Savings in electrical energy

- Introduction of new grinding media in the ball mills to reduce specific power consumption.
- Introduction of poly V belts in drives for reduction of power consumption.
- Retrofitting load and unload valves to intake air valves in air compressor for reduction of power consumption.
- New air compressor system with capacity control was installed for catering to part and full load air consumption.
- Conversion of connection of motors from star to delta connection in all constantly under loaded motors.

(b) Savings in Thermal Energy

- New indirect HAG to replace old indirect HAG to improve thermal efficiency.
- Installing water absorption rollers and stopping the polishing dryer.

(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

FORM - A

(See Rule 2)

Form for disclosure of particulars with respect to conservation of energy

	2013 - 2014	2012 - 2013
(A) POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased		
Units (Lakhs - kWh)	**4,079.65**	4,100.50
Total Amount (₹ Crores)	**249.18**	239.45
Rate/Unit (₹)	**6.11**	5.84
b) Own Generation		
i) Through Diesel Generator		
Net Units (Lakhs - kWh)	**3.81**	9.64
Unit per Ltr. of Diesel/Furnace Oil (kWh)	**3.22**	3.61
Cost/Unit (₹/kWh)	**43.52**	16.97
ii) Through Steam Turbine/Generator	**Nil**	Nil
2. Coal (used in Kiln)		
Quantity (Tonnes)	**5,37,840**	6,08,761
Total Cost (₹ Crores)	**316.58**	369.49
Average Rate (₹)	**5,886.00**	6,069.53
3. Pet Coke (used in Kiln)		
Quantity (Tonnes)	**91,226**	–
Total Cost (₹ Crores)	**79.79**	–
Average Rate (₹)	**8,746.00**	–
4. Rice Husk (used in Kiln)		
Quantity (Tonnes)	**916**	–
Total Cost (₹ Crores)	**0.26**	–
Average Rate (₹)	**2,866.00**	–
5. Furnace Oil		
Quantity (k.Ltrs.)	**95**	222
Total Cost (₹ Crores)	**0.29**	0.55
Average Rate (₹/k.Ltr.)	**30,131.00**	24,724.00
6. High Speed Diesel		
Quantity (k.Ltrs.)	**777**	864
Total Cost (₹ Crores)	**5.03**	4.16
Average Rate (₹/k.Ltr.)	**64,747.00**	48,121.91
7. Others/Internal Generation	**Nil**	Nil
(B) CONSUMPTION PER UNIT OF PRODUCTION		
Electricity (kWh/T of Cement)	**76.78**	82.08
HSD/FO (Ltr./T of Clinker)	**0.20**	0.23
Coal & Other fuels (Percentage of Clinker)	**16.81**	17.25

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

- Use of pet coke as alternate fuel in pyro section, replacing coal up to 65% in Unit - II and 30% in Unit - I. Accordingly changes were carried out in raw mix design.
- Development of new superior quality product 'Hi-Tech' to cater requirement of premium market.
- Installation of screening systems at mines to enrich quality of limestone, thus increasing life of mines and savings on natural resource.

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

- Improved quality of clinker and improvement of the life of the mines. It has facilitated higher fly ash addition and reduction in specific power consumption.
- New product has very high one day strength, high fineness and much improved particle size distribution.

3. Future plan of action

- Installation of Captive Solar power plant.
- Installation of mechanised clinker transport system.

HRJ Division

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

- Inkjet Ink Production
- Binder for Tile Industry – Scale-up
- Slag Conditioner for Steel Making
- Casting Powder for Steel Casting
- Colored Glass Aggregates
- Molecular Sieve
- Anti-Oxidant Coating for Carbon-based Refractories
- Body Stains Body Stains
- Polycarboxylate Ether (PCE) Superplasticiser
- Water-based Nanopolishing Compound
- Anti-microbial compounds for Household plastics, Anti-septic cream, Personal care, and Textiles.
- New Soluble Salts – for Export New Soluble Salts – for Export
- Nanoclay
- Industrial Waste Utilisation

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. We have specifically concentrated on value-added products for an improved cash flow. Industrial waste disposal being one of the major challenges faced by the Indian steel and power industries, we have taken up projects to alleviate this issue. As a result of this work, we expect to develop products that would generate meaningful revenue in the future.

3. Future Plan of Action

Research and Development

- Colored Glass Aggregate – Scale-up
- Casting Powder – Scale-up
- Slag Conditioner – Scale-up
- Nanoclay – Application Development
- Self-flow Castables and Other Value Added Castables
- Resin Coated Sand Proppant
- Digital Glaze
- Molecular Sieve – Scale-up
- Glass Ceramics
- Geopolymer-based Cement
- Industrial Waste Utilisation – Fly Ash, Ladle Slag, Red Mud, etc.

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 kilns in Dewas and Kunigal plants.
- Poly V belt installation for blowers in Kunigal and Pen plant.
- Implementation of corporate level ISO 50001:2011.
- Implementation of PMS (Power management system) project at Kunigal plant for real time monitoring of electrical parameters.

4. Expenditure on R & D

	2013- 2014 ₹ Crores	2012 - 2013 ₹ Crores
Capital	**–**	0.42
Recurring	**2.56**	2.49
Total R & D expenditure as percentage of turnover	**0.05**	0.06

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

- Advanced Particle Size Analyser for determination of product particle size distribution.
- Development of transport system for effective evacuation of fly ash.

2. Benefits derived as results of the above efforts

- Optimisation of product fineness with respect to required quality parameters, thus getting better final product at improved energy consumption (efficiency).
- Maximising intake of fly ash.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Foreign Exchange earnings and outgo is contained in Note Nos. 45 and 46 to the accounts.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PRISM CEMENT LIMITED

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, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 notified under the Companies Act, 1956 ("the Act") read with General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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.

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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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, 2014;

(ii) In the case of the Statement of Profit and Loss, 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.

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 Act ("Order"), 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 (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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

  (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act, read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;

  (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 Act.

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

Atul Shah
Partner
Membership No : 39569

Place : Mumbai
Date : May 27, 2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph (i) under "other legal and regulatory requirements" of our Report of even date)

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) According to the information and explanations given to us, the Company has formulated a programme of verification by which all the assets of the Company are being verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on verification conducted during the year as compared with the book records.

(c) Fixed assets disposed off during the year were not substantial to affect Going Concern Assumption.

(ii) (a) Inventories have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification as compared to the book records were not material and have been properly dealt with in the books of account.

(iii) The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or parties covered in the register maintained under Section 301 of the Act.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any major weakness in the internal control system.

(v) To the best of our knowledge and belief and according to the information and explanations given to us :

(a) The particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered in the Register maintained under the said section have been so entered; and

(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.

(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 Act and the rules framed there under with regard to the deposits accepted from the public. We are informed by the Management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal in this regard.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) According to the information and explanations given to us, the Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Act for the products manufactured by the Company. We have broadly reviewed the books of account maintained and in our opinion; prima facie, the prescribed accounts and records have been made and maintained by the Company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(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, 2014, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the details of statutory dues which have not been deposited with the concerned authorities on account of dispute are given below :

Nature of dues	Period to which the amount relates	Forum where dispute is pending	Amount involved (₹ Crores)
Sales Tax (Central & State)	2007-2008 to 2009-2010	Assistant Commissioner of Sales Tax, Chennai	0.53
	1999-2000 to 2004-2005 & 2010-2011 to 2011-2012	Commercial Tax Officer, Commercial Tax Department, Andhra Pradesh	0.41
	2010-2011 to 2011-2012	Excise & Taxation Officer, Mohali	#
	2005-2006 to 2006-2007	Deputy Commissioner of Sales Tax, Mumbai	0.37
	2009-2010	Additional Commissioner, Commercial Tax, Noida	0.13
	2008-2009	Additional Commissioner, Commercial Tax Department, Raipur	0.02
	2000-2001 to 2005-2006	High Court, Chhattisgarh	7.56
	2010-2011 to 2011-2012	Commissioner (Appeals), Delhi	0.29
	2010-2011 to 2011-2012	Commissioner (Appeals), Punjab	0.21

Nature of dues	Period to which the amount relates	Forum where dispute is pending	Amount involved (₹ Crores)
Central Excise and Service Tax	2009-2010	Deputy Commissioner (Appeals), Rajasthan	0.03
	2009-2010 & 2012-2013	High Court, Jabalpur	8.58
	2010-2011	Appellate Board, Bhopal	0.30
	2005-2006 to 2013-2014	Commissioner (Appeals)	12.39
	2001-2002 to 2011-2012	Customs Excise Service Tax Appellate Tribunal	17.27
	2006-2007 to 2013-2014	Additional Commissioner (Appeals)	1.68
	2007-2008 to 2013-2014	Deputy Commissioner (Appeals)	0.07
	2002	High Court, Jabalpur	#
	2000-2003	The Supreme Court	0.13
Madhya Pradesh Commercial Tax Act, 1944	2007-2008 & 2008-2009	Department of Commercial Tax	0.23
	2009-2010	Additional Commissioner (Appeals)	0.19
	2010-2011	Assistant Commissioner (Appeals)	0.27
Maharashtra value Added Tax, 2002	2008-2010	Commissioner (Appeals)	0.79
Uttar Pradesh Commercial Tax Act, 1956	1996-1997 to 1998-1999	Commercial Tax Department, Lucknow	0.05
	1998-1999	High Court	0.08
West Bengal Sales Tax Act, 1954	2002-2003 to 2004-2005	Revision Authority	0.07
Energy Development Cess	2000-2001 to 2005-2006	The Supreme Court	11.9
Royalty on Limestone mining	1997-1998 to 2012-2013	High Court, Jabalpur	40.95
Madhya Pradesh Entry Tax	2006-2007	The Supreme Court	0.18
	2010	Commercial Tax Appellate Board, Bhopal	0.65
	2008	The Supreme Court	41.42
Rural and Road Development	2007-2008 to 2013-2014	The Supreme Court	1.41
Income Tax	2006-2007, 2007-2008, 2008-2009 & 2011-2012	Commissioner of Income Tax (Appeals)	4.02
Uttar Pradesh Entry Tax	2003-2004 to 2009-2010	High Court, Uttar Pradesh	3.86

 # denotes amount less than ₹ 50,000/-.

(x) The Company does not have accumulated losses as at March 31, 2014 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 not given any guarantee for loans taken by others from banks or financial institution.

(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 Act.

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

Atul Shah
Partner
Membership No : 39569

Place : Mumbai
Date : May 27, 2014

Balance Sheet as at March 31, 2014

Particulars	Note No.	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
a. Share Capital	2	**503.36**		503.36	
b. Reserves and Surplus	3	**504.70**	**1,008.06**	586.35	1,089.71
2. Non-Current Liabilities					
a. Long-term Borrowings	4	**1,336.89**		1,017.65	
b. Deferred Tax Liability (Net)	5	**45.23**		91.91	
c. Other Long-term Liabilities	6	**116.72**		108.09	
d. Long-term provisions	7	**35.81**	**1,534.65**	36.38	1,254.03
3. Current Liabilities					
a. Short-term Borrowings	8	**239.25**		306.90	
b. Trade Payables	9	**702.72**		777.02	
c. Other Current Liabilities	10	**660.25**		615.70	
d. Short-term provisions	11	**9.01**	**1,611.23**	8.03	1,707.65
TOTAL			**4,153.94**		4,051.39
II. ASSETS					
1. Non-current Assets					
a. Fixed Assets					
i. Tangible Assets	12	**2,064.32**		1,984.95	
ii. Intangible Assets	12	**30.31**		24.47	
iii. Capital Work-in-progress	34	**62.63**		83.94	
b. Non-current Investments	13	**347.26**		378.24	
c. Long-term loans and advances	14	**180.89**		205.03	
d. Other non-current assets	15	**57.17**	**2,742.58**	61.83	2,738.46
2. Current Assets					
a. Inventories	16	**462.18**		467.41	
b. Trade Receivables	17	**534.42**		477.86	
c. Cash, Cash equivalent and Bank balances	18	**52.46**		37.48	
d. Short-term loans and advances	19	**192.14**		202.64	
e. Other Current Assets	20	**170.16**	**1,411.36**	127.54	1,312.93
TOTAL			**4,153.94**		4,051.39
SIGNIFICANT ACCOUNTING POLICIES	1				
The Note numbers 1 to 48 forms integral part of the Financial Statements					

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants

Atul Shah
Partner

Place : Mumbai
Date : May 27, 2014

Rajesh G. Kapadia — *Chairman*
Vijay Aggarwal — *Managing Director*

Ganesh Kaskar, S. Ramnath, V. M. Panicker — *Executive Directors*

Ameeta A. Parpia — *Director*

Pramod K. Akhramka — *Chief Financial Officer*
Aneeta S. Kulkarni — *Company Secretary*

Statement of Profit and Loss for the year ended March 31, 2014

Particulars	Note No.	2013-2014 ₹ Crores		2012-2013 ₹ Crores	
REVENUE FROM OPERATIONS :					
Sales of products and services		**5,344.82**		5,123.67	
Other Operating Income	21	**20.60**		25.80	
		5,365.42		5,149.47	
Less : Excise Duty		**400.56**		381.00	
Total Revenue from Operations			**4,964.86**		4,768.47
Other Income	22		**140.44**		5.53
Total Revenue			**5,105.30**		4,774.00
EXPENSES :					
Cost of Materials consumed	23	**1,243.30**		1,213.67	
Purchase of Stock-in-trade	24	**1,010.52**		933.85	
Changes in inventories	25	**(30.85)**		(23.83)	
Manufacturing expenses	26	**1,197.71**		1,058.33	
Employees benefit expenses	27	**288.65**		258.93	
Finance cost	28	**241.50**		190.31	
Depreciation and Amortisation expenses	12	**176.59**		159.80	
Other expenses	29	**1,115.08**		1,067.55	
Total Expenses			**5,242.50**		4,858.61
Profit / (Loss) Before Exceptional items and Tax			**(137.20)**		(84.61)
Exceptional items	30		**9.37**		1.62
Profit / (Loss) before Tax			**(127.83)**		(82.99)
Tax Expenses :					
Current Tax	31	**(0.20)**		(0.20)	
Income Tax earlier years		**(0.30)**		(0.04)	
Deferred Tax	5	**46.68**	**46.18**	23.75	23.51
Profit / (Loss) for the year			**(81.65)**		(59.48)
Earning per Equity Share (Face Value of ₹ 10/- each) Basic and Diluted (₹)	32		**-1.66**		-1.21
SIGNIFICANT ACCOUNTING POLICIES	1				
The Note numbers 1 to 48 forms integral part of the Financial Statements					

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants

Atul Shah
Partner

Place : Mumbai
Date : May 27, 2014

Rajesh G. Kapadia — *Chairman*
Vijay Aggarwal — *Managing Director*

Ganesh Kaskar
S. Ramnath
V. M. Panicker
} *Executive Directors*

Ameeta A. Parpia — *Director*

Pramod K. Akhramka — *Chief Financial Officer*
Aneeta S. Kulkarni — *Company Secretary*

Cash Flow Statement for the year ended March 31, 2014

	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
A. Cash Flow from Operating Activities :				
Profit / (Loss) before taxation as per Statement of Profit and Loss		**(127.83)**		(82.99)
Adjustment for :				
Depreciation & amortisation	**176.59**		159.80	
Amortisation of Processing fees	**12.25**		8.79	
Provision for Bad and Doubtful Debts	**9.95**		4.77	
Loss on sale of assets (net)	**0.61**		0.38	
Amalgamation expenses written back	**(1.50)**		–	
Profit on sales of investments (net)	**(8.05)**		(1.81)	
Interest income	**(7.68)**		(4.47)	
Dividend income	**(131.09)**		(0.08)	
Interest expenditure	**229.24**		181.52	
Loss on exchange fluctuations	**5.94**	**286.26**	4.42	353.32
Operating Profit / (Loss) before working capital changes		**158.43**		270.33
Changes in Working Capital				
Increase / (Decrease) in trade and other payables	**(52.61)**		311.91	
(Increase) / Decrease in trade receivable	**(66.52)**		(136.27)	
(Increase) / Decrease in inventories	**5.23**		(40.14)	
(Increase) / Decrease in other receivables	**(55.77)**	**(169.67)**	(151.13)	(15.63)
Cash Generated from Operations		**(11.24)**		254.70
Direct taxes Paid (net of refunds)		**3.49**		10.04
Net cash used in / generated from operating activities (A)		**(14.73)**		244.66
B. Cash Flow from Investing Activities :				
Purchase of fixed assets and additions in CWIP		**(171.40)**		(295.18)
Proceeds from sales of fixed assets		**3.05**		4.88
Purchase of investments		**(33.15)**		(23.27)
Sales proceeds from Investments		**72.18**		36.84
Interest received		**7.68**		3.89
Dividend on own shares held through Trust		**–**		0.62
Dividend income		**131.09**		0.08
Net cash generated from / used in investing activities (B)		**9.45**		(272.14)

Cash Flow Statement (Contd.)

	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
C. Cash Flow from Financing Activities :		
Additions to Borrowings	**1,104.83**	764.74
Repayment of Borrowings	**(858.36)**	(551.59)
Dividend paid including distribution tax	**–**	(29.25)
Interest paid	**(232.98)**	(176.19)
Net cash generated from financing activities (C)	**13.49**	7.71
Net increase / (decrease) in cash and cash equivalents during the year (A+B+C)	**8.21**	(19.77)
Cash and cash equivalents at the beginning of the year	**32.23**	52.00
Cash and cash equivalents at the end of the year	**40.44**	32.23
Cash and cash equivalents comprises of :		
Cash on hand	**0.58**	0.69
Cheques on hand	**14.91**	5.04
Balance with Banks	**24.95**	26.50
Total	**40.44**	32.23

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

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants

Atul Shah
Partner

Place : Mumbai
Date : May 27, 2014

Rajesh G. Kapadia — *Chairman*
Vijay Aggarwal — *Managing Director*

Ganesh Kaskar
S. Ramnath
V. M. Panicker — *Executive Directors*

Ameeta A. Parpia — *Director*

Pramod K. Akhramka — *Chief Financial Officer*
Aneeta S. Kulkarni — *Company Secretary*

Notes to Accounts

Corporate information

Prism Cement Limited, a public limited company incorporated under the Companies Act, 1956, principally operates in three business segments : Cement, Tile, Bath and Kitchen (TBK) and Ready-mixed Concrete (RMC). Its key products include cement, tiles, bath products, kitchens, ready-mixed concrete among others. The equity shares of the Company are listed on the Bombay and National Stock Exchanges.

1. Significant Accounting Policies

1.1 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, on the basis of going concern under the historical cost convention and also on accrual basis. These financial statements comply, in all material aspects, with the provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable) and also accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. All the divisions of the Company have normal operating cycle of less than twelve months, hence a period of twelve months has been considered for bifurcation of assets and liabilities into current and non-current as required by Schedule VI to the Companies Act, 1956 for preparation of Financial Statements.

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

1.2 Use of Estimates

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

1.3 Revenue Recognition

Sale of goods

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

Income from services

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

Dividend income

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

Interest income

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

1.4 Tangible Fixed Assets

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

Cost incurred to purchase mining land is bifurcated into cost of land and cost of estimated mining reserves.

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

1.5 Intangible Assets

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

1.6 Depreciation and Amortisation

i Depreciation on additions to / deductions from fixed assets is 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 Amortisation of mining reserves is calculated by using Unit of Production Method and the same is charged to Statement of Profit and Loss.

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 the rates specified.

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.

a) Cost of acquisition of leasehold land is amortised over the remaining lease period.

b) The civil and other costs attributable to the plants / office on leased premises are capitalised and are being written off over the unexpired period of the lease.

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

Assets	Rate of Amortisation
Intellectual property right	10.00%
Technical Know-how	14.29%

a) Cost of acquisition of leasehold land is amortised over the period of lease.

b) For certain vehicles used by employees : 15.25%.

c) Expenses on mines development are capitalised and amortised over a period of extraction on the basis of Unit of Production Method.

1.7 Research and Development

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

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

1.8 Leases

Where the Company is lessee :

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

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

1.9 Impairment of tangible and intangible assets

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 Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets are reflected at the recoverable amount.

1.10 Investments

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

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

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

1.11 Inventories

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

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour, other direct cost and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty and is determined on a weighted average basis.

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

1.12 Foreign Currency Transactions

Initial Recognition

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

Conversion

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

Forward Contracts

Forward contracts are entered into to hedge the foreign currency risk of the underlying 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 Statement of Profit and Loss.

Exchange Differences

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

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

1.13 Borrowing Costs

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

1.14 Government Grants

VAT subsidy 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 Statement of Profit and Loss.

1.15 Employee Benefits

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

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

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

1.16 Taxes on Income

a) The Company provides current tax based on the provisions of the Income Tax Act, 1961 applicable to it.

b) Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognised on timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. The effect on deferred tax assets and liabilities of change in tax rates is recognised in the Statement of Profit & Loss in the period of enactment of the change.

c) Minimum Alternate Tax (MAT) paid in a year is charged to the statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period.

1.17 Provision

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

1.18 Contingent Liabilities

a) Contingent Liabilities are disclosed separately by way of note to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved in the case of :

   i probable obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.

   ii possible obligation, unless the probability of out flow of resources is remote.

b) Contingent Assets are neither recognised nor disclosed.

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

1.19 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 (Ready-mixed Concrete)

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

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

1.20 Cash and Cash Equivalents

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

1.21 Earnings Per Share (EPS)

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

b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2 Share Capital

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
Authorised :		
50,50,00,000 Equity shares of ₹ 10/- each (Previous year : 50,50,00,000 Equity shares of ₹ 10/- each)	**505.00**	505.00
2,00,00,000 Preference shares of ₹ 10/- each (Previous year : 2,00,00,000 Preference shares of ₹ 10/- each)	**20.00**	20.00
Total	**525.00**	525.00
Issued, Subscribed and Paid-up :		
50,33,56,580 Equity shares of ₹ 10/- each fully paid-up (Previous year : 50,33,56,580 Equity shares of ₹ 10/- each)	**503.36**	503.36
Total	**503.36**	503.36

Additional Informations :

a) Reconciliation of number of equity shares outstanding

Particulars	As at 31-03-2014	As at 31-03-2013
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 preceeding 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 Shareholders	As at 31-03-2014		As at 31-03-2013	
	Total shares held	As a % of total shares	Total shares held	As a % of total shares
Manali Investment & Finance Private Limited	**6,78,17,992**	**13.47%**	6,78,17,992	13.47%
Hathway Investments Private Limited	**6,41,13,400**	**12.74%**	6,41,13,400	12.74%
Coronet Investments Private Limited	**5,79,49,394**	**11.51%**	5,79,49,394	11.51%
Rajan B. Raheja	**5,14,02,627**	**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 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
Capital Redemption Reserve		**10.75**		10.75
Debenture Redemption Reserve				
Opening Balance	**62.69**		33.25	
Add / (Less) : Transferred (to) / from Statement of Profit and Loss	**(8.41)**		29.44	
Closing Balance		**54.28**		62.69
General Reserve		**155.67**		155.67
Surplus in Statement of Profit and Loss				
Opening Balance	**357.24**		445.54	
Add : Net Profit / (Loss) for the current year	**(81.65)**		(59.48)	
Add : Dividend received on own shares held through Trust	**–**		0.62	
Add / (Less) : Transferred from / (to) Debenture Redemption Reserve	**8.41**		(29.44)	
Closing Balance		**284.00**		357.24
Total		**504.70**		586.35

4 Long-term Borrowings

Particulars	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
Secured Debentures / Bonds :				
- 11.80% Non-convertible Debentures (refer Note 1 below) *(300 Nos. debentures of ₹ 0.10 Crore each)*	**30.00**		30.00	
- 9.30% Non-convertible Debentures (refer Note 2 below) *(70 Nos. (previous year : 100 Nos.) debentures of ₹ 1.00 Crore each)*	**70.00**		100.00	
- 11.60% Non-convertible Debentures (refer Note 3 below) *(500 Nos. debentures of ₹ 0.10 Crore each)*	**50.00**		50.00	
- 11.20% Non-convertible Debentures (refer Note 4 below) *(750 Nos. debentures of ₹ 0.10 Crore each)*	**75.00**		75.00	
- 11.20% Non-convertible Debentures *(200 Nos. debentures of ₹ 0.10 Crore each)*	**–**		20.00	
- 10.75% Non-convertible Debentures *(500 Nos. debentures of ₹ 0.10 Crore each)*	**–**	**225.00**	50.00	325.00
Secured Loans :				
Term Loan				
- From Banks (refer Notes 5 to 9, 11 to 16, 21 & 22 below)	**877.77**		881.65	
- From Bank Vehicle Loans (refer Note 18 & 20 below)	**1.17**		0.46	
- From NBFC (refer Note 17 & 19 below)	**65.38**		46.15	
- From others (refer Note 10 & 18 below)	**251.54**		2.61	
- Sales Tax Deferral (refer Note 23 below)	**0.66**	**1,196.52**	1.76	932.63

Long-term Borrowings (Contd.)

Particulars	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
Unsecured Loans :				
- Inter Corporate Deposits (refer Note 28 below)	**0.79**		0.79	
- 10.42% Non-convertible Debentures (refer Note 24 below) *(150 Nos. debentures of ₹ 0.10 Crore each)*	**15.00**		15.00	
- 10.00% Non-convertible Debentures (refer Note 25 below) *(150 Nos. debentures of ₹ 0.10 Crore each)*	**15.00**		15.00	
- 9.60% Non-convertible Debentures *(200 Nos. debentures of ₹ 0.10 Crore each)*	**–**		20.00	
- Finance Lease obligation (refer Note 26 below)	**2.09**		–	
- Fixed Deposits from Public (refer Note 27 below)	**140.58**	**173.46**	37.01	87.80
		1,594.98		1,345.43
Less : Disclosed under Other Current Liabilities :				
- Current maturities of long-term borrowings	**257.19**		326.89	
- Unclaimed fixed deposits	**0.90**	**258.09**	0.89	327.78
Total		**1,336.89**		1,017.65

Details of Loans

A. Secured Debentures

Sr. No.	Security	As at 31-03-2014 ₹ Crores	Repayment Terms
1	Secured by first *pari passu* charge on entire movable fixed assets of RMC Division excluding assets charged exclusively to other lenders.	30.00	Allotted on July 15, 2011 and repayable on July 15, 2015.
2	Secured by first *pari passu* charge by way of hypothecation of all the movables fixed assets of HRJ Division located at Pen, Kunigal and Dewas, both present and future.	70.00	Allotted on August 18, 2010 and balance redemption in two part as : 35 debentures at the end of the fourth year and balance 35 debentures at the end of the fifth year.
3	Secured by first *pari passu* charge by way of hypothecation of all the movables fixed assets of HRJ Division located at Pen, Kunigal and Dewas, both present and future.	50.00	Allotted on July 15, 2011 and repayable on July 15, 2014.
4	Secured by first *pari passu* charge on movable fixed assets of the Cement Division at Satna M.P., both present and future.	75.00	Allotted on June 23, 2011 and repayable on June 23, 2014.
	Total	**225.00**	

Long-term Borrowings (Contd.)

B. Secured Loans

Term Loan from Banks and Others

Sr. No.	Security	As at 31-03-2014 ₹ Crores	Repayment Terms
5	Secured by first *pari passu* charge on movable and immovable fixed assets of the Cement Division, both present and future.	30.00	Quarterly in equal installments payable over a period of four years including moratorium period from the date of facility availed.
6	Secured by first *pari passu* charge on movable and immovable fixed assets of the Cement Division, both present and future.	31.25	Quarterly in equal installments payable over a period of three years six months including moratorium period from the date of facility availed.
7	Secured by first *pari passu* charge on movable and immovable fixed assets of the Cement Division, both present and future.	78.75	Quarterly in equal installments payable over a period of four years including moratorium period from the date of facility availed.
8	Secured by first *pari passu* charge on movable and immovable fixed assets of the Cement Division, both present and future.	35.00	Quarterly in equal installments payable over a period of four years including moratorium period from the date of facility availed.
9	Secured by first *pari passu* charge on movable and immovable fixed assets of the Cement Division, both present and future.	150.00	Quarterly in equal installments payable over a period of five years including moratorium period from the date of facility availed.
10	Secured by first *pari passu* charge on movable and immovable fixed assets of the Cement Division, both present and future and Personal Guarantee of one of the Director of the Company.	250.00	Quarterly in equal installments payable over a period of five years including moratorium period from the date of facility availed.
11	Secured by first *pari passu* charge on movable and immovable fixed assets of the Cement Division, both present and future.	150.00	Quarterly in equal installments payable over a period of seven years including moratorium period from the date of facility availed.
12	Secured by first *pari passu* charge on movable and immovable fixed assets of the Cement Division, both present and future.	50.00	Quarterly in equal installments payable over a period of seven years including moratorium period from the date of facility availed.
13	Secured by first *pari passu* charge on movable and immovable fixed assets of the Cement Division, both present and future.	190.00	Quarterly in equal installments payable over a period of six years including moratorium period from the date of facility availed.
14	Secured by subservient charge on all moveable fixed assets of HRJ Division except movable fixed assets at Karaikal.	12.80	Quarterly installments payable over a period of three years.
15	Subservient charge on all movable assets of HRJ Division except movable fixed assets at Karaikal.	35.00	Quarterly in equal installments payable over a period of three years.
16	First Exclusive charge on the office premises of HRJ Division on units 1 to 4 on 7th Floor, Windsor Building & Subservient Charge on the movable fixed assets of HRJ Division.	100.00	Quarterly installments payable over a period of five years.
17	Secured Exclusive first Charge on movable and immovable fixed assets located at Karaikal Plant and Pledge of equity and preference shares of JV Company - Small Johnson Floor Tiles Private Limited.	15.38	Quarterly in equal instalments payable over a period of four years.
18	Secured by first charge on vehicles of HRJ Division together with all accessories & addition to or in the vehicles, whether present or future.	2.57	EMI over a period of five years.

Long-term Borrowings (Contd.)

Sr. No.	Security	As at 31-03-2014 ₹ Crores	Repayment Terms
19	Secured by first *pari passu* charge by way of hypothecation of all the movables fixed assets of HRJ Division located at Pen, Kunigal and Dewas, both present and future.	50.00	Quarterly in equal instalments payable over a period of five years.
20	First and exclusive charge secured by hypothecation of vehicles financed to RMC Division.	0.14	EMI over a period of five years.
21	Secured by first *pari passu* charge on entire movable fixed assets of RMC Division excluding assets charged exclusively to other lenders.	4.97	Quarterly in equal installments payable over a period of two years.
22	Secured by first *pari passu* charge on entire movable fixed assets of RMC Division excluding assets charged exclusively to other lenders.	10.00	Quarterly in equal installments payable over a period of three years.
23	Secured by a second charge on the fixed assets of the concrete plant of RMC Division at Thirumudivakkam, Chennai.	0.66	Monthly Installments over a period of five years.
	Total	**1,196.52**	

C. Unsecured Loans

Sr. No.	Security	As at 31-03-2014 ₹ Crores	Repayment Terms
24	Non-convertible Debentures	15.00	Allotted on September 17, 2010 and repayable at the end of fifth year.
25	Non-convertible Debentures	15.00	Allotted on September 17, 2010 and repayable at the end of fourth year.
26	Finance Lease obligation	2.09	Payable over a period of four year.
27	Fixed Deposits	140.58	Payable over a period of one to three years.
28	Other - Inter Corporate Loan	0.79	For five year term.
	Total	**173.46**	

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

Particulars	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
Deferred Tax Assets				
Unabsorbed depreciation as per Income Tax	**149.58**		107.00	
Expenses provided but allowable in Income Tax on payment	**18.77**		18.34	
Other timing differences	**2.10**		3.46	
Total (A)		**170.45**		128.80
Deferred Tax Liability				
Fixed Assets : Impact of difference between tax depreciation and depreciation provided	**212.55**		217.58	
Capital expenditure of R & D	**3.13**		3.13	
Total (B)		**215.68**		220.71
Net Deferred Tax Liability (B – A)		**45.23**		91.91

6 Other Long-term Liabilities

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
Security deposit from customers / others	**114.07**	106.19
Other liabilities	**2.65**	1.90
Total	**116.72**	108.09

7 Long-term Provisions

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
For Employees benefit	**14.83**	15.40
Others	**20.98**	20.98
Total	**35.81**	36.38

8 Short-term Borrowings

Particulars	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
Secured Loans :				
Loans repayable to Banks				
On Demand (refer Note 1 & 2 below)	**157.47**		187.58	
Others (refer Note 3 below)	**18.50**	**175.97**	32.09	219.67
Unsecured Loans :				
Term Loan from Banks		**63.28**		87.23
Total		**239.25**		306.90

Details of Secured Loans

Sr. No.	Security	As at 31-03-2014 ₹ Crores	Repayment Terms
1	Secured by first *pari passu* charge on the entire current assets both present and future of the Cement Division.	59.21	On Demand.
2	Secured by first *pari passu* charge by way of hypothecation of stocks and book debts both present and future of HRJ Division.	98.26	On Demand.
3	Secured by first *pari passu* charge by way of hypothecation of stocks and book debts both present and future of HRJ Division.	18.50	As per due dates of respective buyer's credit.
	Total	**175.97**	

9 Trade Payables

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
Dues to Micro, Small and Medium Enterprises *(Due for 30 days or less)*	**0.03**	1.07
Dues to others	**702.69**	775.95
Total	**702.72**	777.02

10 Other Current Liabilities

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
Current maturities of long-term borrowings	**257.19**	326.89
Creditors for capital items	**45.68**	9.33
Advance from Customers	**65.51**	40.42
Interest accrued but not due	**3.30**	7.43
Unclaimed Dividends	**3.76**	3.77
Unclaimed matured deposits and interest accrued thereon *(includes interest ₹ 0.24 Crores (Previous year : ₹ 0.22 Crores))*	**1.14**	1.11
Other Employees benefit	**11.38**	9.99
Statutory Liabilities	**43.08**	38.15
Liability for expenses	**228.71**	177.95
Other liabilities	**0.50**	0.66
Total	**660.25**	615.70

11 Short-term Provisions

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
For Employees benefit	**9.01**	8.03
Total	**9.01**	8.03

12 Fixed Assets

(₹ 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
Tangible Assets :										
Land - Freehold	**2013-14**	**279.05**	**98.48**	**–**	**377.53**	**3.01**	**3.26**	**–**	**6.27**	**371.26**
	2012-13	228.90	50.15	–	279.05	1.41	1.60	–	3.01	276.04
- Leasehold	**2013-14**	**6.47**	**–**	**0.22**	**6.25**	**2.51**	**0.12**	**0.07**	**2.56**	**3.69**
	2012-13	6.47	–	–	6.47	2.37	0.14	–	2.51	3.96
Buildings	**2013-14**	**274.63**	**10.24**	**0.82**	**284.05**	**84.91**	**11.93**	**0.82**	**96.02**	**188.03**
	2012-13	258.76	15.87	–	274.63	73.67	11.24	–	84.91	189.72
Railway Sidings	**2013-14**	**13.30**	**2.97**	**–**	**16.27**	**10.87**	**0.67**	**–**	**11.54**	**4.73**
	2012-13	13.30	–	–	13.30	10.24	0.63	–	10.87	2.43
Plant &- Machinery	**2013-14**	**2,324.76**	**86.21**	**2.78**	**2,408.19**	**953.08**	**125.09**	**0.89**	**1,077.28**	**1,330.91**
	2012-13	2,205.68	123.87	4.79	2,324.76	832.24	121.29	0.45	953.08	1,371.68
Plant & Machinery-Finance Lease	**2013-14**	**–**	**2.71**	**–**	**2.71**	**–**	**0.18**	**–**	**0.18**	**2.53**
	2012-13	–	–	–	–	–	–	–	–	–
Mines Development	**2013-14**	**87.80**	**48.24**	**–**	**136.04**	**18.29**	**17.66**	**–**	**35.95**	**100.09**
	2012-13	34.69	53.11	–	87.80	9.79	8.50	–	18.29	69.51
Furniture, Fixtures and Computers	**2013-14**	**53.71**	**1.97**	**0.28**	**55.40**	**28.71**	**3.19**	**0.14**	**31.76**	**23.64**
	2012-13	51.98	2.04	0.31	53.71	25.92	2.97	0.18	28.71	25.00
Vehicles	**2013-14**	**18.35**	**2.94**	**3.31**	**17.98**	**7.27**	**2.14**	**1.75**	**7.66**	**10.32**
	2012-13	17.07	3.34	2.06	18.35	6.57	2.09	1.39	7.27	11.08
Office Equipments	**2013-14**	**32.90**	**2.37**	**0.21**	**35.06**	**19.31**	**2.21**	**0.13**	**21.39**	**13.67**
	2012-13	30.07	3.35	0.52	32.90	17.67	2.03	0.39	19.31	13.59
Truck Mixers, Loaders and Truck Dumpers	**2013-14**	**66.17**	**–**	**1.50**	**64.67**	**44.23**	**6.49**	**1.50**	**49.22**	**15.45**
	2012-13	63.56	4.35	1.74	66.17	39.59	6.38	1.74	44.23	21.94
Total Tangible Assets	**2013-14**	**3,157.14**	**256.13**	**9.12**	**3,404.15**	**1,172.19**	**172.94**	**5.30**	**1,339.83**	**2,064.32**
	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

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	**2013-14**	**17.15**	**1.76**	**–**	**18.91**	**9.55**	**1.87**	**–**	**11.42**	**7.49**
	2012-13	11.90	5.25	–	17.15	7.95	1.60	–	9.55	7.60
Intellectual Property Rights	**2013-14**	**5.87**	**–**	**–**	**5.87**	**2.94**	**0.58**	**–**	**3.52**	**2.35**
	2012-13	5.87	–	–	5.87	2.36	0.58	–	2.94	2.93
Mining Lease - surface rights	**2013-14**	**11.44**	**8.16**	**–**	**19.60**	**2.40**	**0.40**	**–**	**2.80**	**16.80**
	2012-13	11.44	–	–	11.44	2.01	0.39	–	2.40	9.04
Minerals Procurement Rights	**2013-14**	**6.55**	**–**	**–**	**6.55**	**1.85**	**1.20**	**–**	**3.05**	**3.50**
	2012-13	6.55	–	–	6.55	1.30	0.55	–	1.85	4.70
Technical Know-how	**2013-14**	**0.23**	**–**	**–**	**0.23**	**0.03**	**0.03**	**–**	**0.06**	**0.17**
	2012-13	–	0.23	–	0.23	–	0.03	–	0.03	0.20
Total Intangible Assets	**2013-14**	**41.24**	**9.92**	**–**	**51.16**	**16.77**	**4.08**	**–**	**20.85**	**30.31**
	2012-13	35.76	5.48	–	41.24	13.62	3.15	–	16.77	24.47
Total Fixed Assets	**2013-14**	**3,198.38**	**266.05**	**9.12**	**3,455.31**	**1,188.96**	**177.02**	**5.30**	**1,360.68**	**2,094.63**
	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

Notes :

a) Depreciation for the year includes ₹ 0.36 Crores (Previous year : ₹ 0.22 Crores) considered for capitalisation.

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

c) Gross block of fixed assets includes dedicated electricity lines costing ₹ 26.61 Crores (Previous year: ₹ 24.05 Crores) the ownership of which is with Madhya Pradesh Poorv Kshetra Vitaran Company Limited.

d) Loss of ₹ 3.89 Crores (Previous year : ₹ 2.17 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".

e) Freehold land of ₹ 0.22 Crores (Previous year : ₹ Nil) was classified earlier as leasehold land. The same has been rectified during the year. Further, depreciation of ₹ 0.07 Crores (Previous year : ₹ Nil) is written back due to the said re-classification.

13 Non-current Investments

Particulars	Face Value ₹	As at 31-03-2014			As at 31-03-2013		
		Holding	₹ Crores		Holding	₹ Crores	
A. Long term-Trade Investments - Unquoted							
a. Investment in Equity Instruments							
i. Investments in Subsidiaries							
- Raheja QBE General Insurance Company Limited	10	**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	
- H. & R. Johnson (India) TBK Limited	100	**1,61,020**	**1.62**		1,61,020	1.62	
- Silica Ceramica Private Limited *	10	**36,22,500**	**97.69**		28,37,500	82.78	
- Milano Bathroom Fittings Private Limited	100	**72,446**	**6.73**	**259.27**	72,446	6.73	244.45
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 $	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	**–**	**–**	**3.88**	58,98,311	45.80	49.68
ii. Investments in Joint Ventures							
- Small Johnson Floor Tiles Private Limited $ (0.01% Optionally convertible non-cumulative Redeemable Preference Shares)	10	**40,00,000**		**4.00**	40,00,000		4.00
B. Long term - Other Investments							
a. Investment in Equity Instruments							
- New India Co-op. Bank Limited (Unquoted)	10	**2,500**	**#**		2,500	#	
- North Kanara GSB Co-op. Bank Limited (Unquoted)	10	**2,000**	**#**		2,000	#	
- 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				**347.26**			378.24
Aggregate amount of quoted investments - Book value				**24.05**			24.05
Aggregate market value of quoted investments				**47.12**			51.88
Aggregate amount of unquoted investments				**323.21**			354.19

Amount less than ₹ 50,000/-.

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

$ Pledged as a security for loan taken.

14 Long-term loans and advances

Particulars	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
Considered Good unless otherwise stated				
Security Deposits				
Unsecured	43.44		38.61	
Considered doubtful	0.20		0.10	
Less : Provision for doubtful deposits	0.20	43.44	0.10	38.61
Capital Advances				
Unsecured		32.46		72.90
Loans and Advances to related parties				
Unsecured, Considered Good		48.50		42.08
Deposits with Excise and Sales Tax				
Unsecured		3.78		3.48
Other Loans and Advances				
Unsecured	35.92		37.70	
Prepaid expenses	16.79	52.71	10.26	47.96
Total		180.89		205.03

15 Other Non-current Assets

Particulars	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
Escrow balances with Banks		0.05		0.05
VAT recoverable		56.35		57.31
Bank Deposits with more than 12 months maturity :				
Margin Money	0.59		4.29	
Term Deposits (*restricted use*)	0.18	0.77	0.18	4.47
Total		57.17		61.83

16 Inventories

Particulars	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
Raw Materials	135.37		170.66	
Stock in transit	0.05	135.42	0.13	170.79
Work-in-progress		73.32		51.81
Stock of traded goods	43.08		35.61	
Stock in transit	8.29	51.37	1.94	37.55
Finished goods	107.90		112.18	
Stock in transit	5.60	113.50	5.80	117.98
Stores and Spares	88.57		89.26	
Stock in transit	–	88.57	0.02	89.28
Total		462.18		467.41

17 Trade Receivables

Particulars	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
Secured - Considered Good :				
Over six months due	**2.43**		1.77	
Others due	**21.91**	**24.34**	16.90	18.67
Unsecured - Considered Good :				
Over six months due	**26.05**		17.40	
Others due	**484.03**	**510.08**	441.79	459.19
Unsecured - Considered Doubtful :				
Over six months due	**32.06**		23.46	
Others due	**4.35**		3.08	
Less : Provision for doubtful debts	**36.41**	**–**	26.54	–
Total		**534.42**		477.86

18 Cash, Cash Equivalent and Bank Balances

18.1 Cash and Cash Equivalents

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
Cash in hand	**0.58**	0.69
Cheques, drafts on hand	**14.91**	5.04
Balances with Banks in current accounts	**24.05**	25.18
Term Deposits with Banks *(Original maturity of less than 3 months)*	**0.90**	1.32
Total (A)	**40.44**	32.23

18.2 Other Bank Balances

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
Margin money with Banks *(Maturity more than 3 months but less than 12 months)*	**8.26**	1.43
Unclaimed Dividend accounts	**3.76**	3.77
Term Deposits *(Maturity more than 3 months but less than 12 months)*	**–**	0.05
Total (B)	**12.02**	5.25
Total (A+B)	**52.46**	37.48

19 Short-term loans and advances - Considered Good

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
Deposits	**0.67**	0.29
Income Tax *(net of Provisions)*	**56.16**	52.98
VAT / Service Tax recoverable	**3.00**	2.96
Prepaid expenses	**16.85**	17.93
Custom Duty receivable	**0.37**	0.37
Balances with Excise and Customs	**14.21**	15.96
Others	**100.88**	112.15
Total	**192.14**	202.64

20 Other Current Assets

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
VAT recoverable	**102.54**	52.06
Insurance Claim receivable	**67.12**	74.27
Others	**0.50**	1.21
Total	**170.16**	127.54

21 Other Operating Income

Particulars	2013-2014 ₹ Crores	2012-2013 ₹ Crores
Sale of Scrap	**7.24**	8.58
Dividend from Joint Ventures and Subsidiaries *	**0.04**	0.04
Others	**13.32**	17.18
Total	**20.60**	25.80

* *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	2013-2014 ₹ Crores	2012-2013 ₹ Crores
Interest income	**7.68**	4.47
Dividend income	**131.05**	0.04
Net gain on sales of investments	**0.18**	0.19
Other non-operating income	**1.53**	0.83
Total	**140.44**	5.53

23 Details of Cost of Materials consumed

Particulars	2013-2014 ₹ Crores	2012-2013 ₹ Crores
Limestone - Purchased	36.36	32.31
Clay, Sand and Minerals	259.73	249.04
Fly Ash	138.88	122.41
Cement (in RMC Division)	291.40	334.64
Aggregates and Crushed Rock	183.91	175.34
Packing Materials	110.52	96.95
Others	222.50	202.98
Total	**1,243.30**	1,213.67

24 Purchase of Stock-in-trade

Particulars	2013-2014 ₹ Crores	2012-2013 ₹ Crores
Purchase of Tiles	890.13	840.69
Aggregate	0.24	2.42
Others	120.15	90.74
Total	**1,010.52**	933.85

25 Changes in inventories

Particulars	2013-2014 ₹ Crores		2012-2013 ₹ Crores	
Closing Stock (including in transit)				
Finished goods	113.50		117.98	
Traded goods	51.37		37.55	
Work-in-progress	73.32	238.19	51.81	207.34
Less : Opening Stock (including in transit)				
Finished goods	117.98		105.60	
Traded goods	37.55		46.85	
Work-in-progress	51.81	207.34	31.06	183.51
Total		**30.85**		23.83

26 Manufacturing expenses

Particulars	2013-2014 ₹ Crores	2012-2013 ₹ Crores
Rent - Readymix Plants	15.05	11.65
Stores and Spares consumed	95.32	84.17
Power and Fuel consumed	808.01	745.28
Adjustment of Excise duty on stock	2.41	2.62
Royalty	32.41	31.32
Sub-contract charges	69.15	28.22
Quarry expenses	12.42	13.44
Repairs to Plant and Machinery	52.74	56.59
Machinery Hire charges	77.63	55.00
Die & Punches	3.89	3.52
Plant upkeep expenses	25.77	23.83
Other manufacturing expenses	2.91	2.69
Total	**1,197.71**	1,058.33

27 Employees benefit expenses

Particulars	2013-2014 ₹ Crores	2012-2013 ₹ Crores
Salaries, wages and bonus	251.49	221.04
Contribution to Provident and other funds	20.33	21.64
Welfare and other expenses	16.83	16.25
Total	**288.65**	258.93

28 Finance cost

Particulars	2013-2014 ₹ Crores	2012-2013 ₹ Crores
Interest expenses	228.87	181.52
Finance lease Interest	0.38	–
Amortisation of processing fees	12.25	8.79
Total	**241.50**	190.31

29 Other expenses

Particulars	2013-2014 ₹ Crores		2012-2013 ₹ Crores	
Rent		20.62		18.12
Rates and taxes		32.49		32.99
Travelling and Communication		44.64		40.93
Discounts, incentives and commission on sales		207.32		223.62
Advertisement, sales promotion and other marketing expenses		54.69		53.90
Research expenses *		2.56		2.49
Insurance		10.46		8.12
Freight outward		634.40		588.39
Loss on sale of assets		0.61		0.38
Provision for bad and doubtful debts / deposits	9.95		4.77	
Add : Bad debts written-off	2.73	12.68	3.33	8.10
Loss on exchange fluctuation		5.94		6.03
Readymix concrete pumping expenses		15.32		13.73
Repairs to Buildings		3.64		4.02
Repairs others		5.99		4.76
Bank charges		5.50		5.75
Miscellaneous expenses		58.22		56.22
Total		1,115.08		1,067.55
* Research expenses comprises of :				
Salaries and Wages		1.17		1.08
Travelling and Communication		0.21		0.14
Others		1.18		1.27
Total		2.56		2.49

30 Exceptional items comprises of the following :

Exceptional items includes reversal of provision made for amalgamation expenses ₹ 1.50 Crores (Previous year : ₹ Nil) and exchange gain of ₹ 7.87 Crores (Previous year : ₹ 1.62 Crores) realised on redemption of preference shares and liquidation of equity shares of one of its erstwhile wholly owned subsidiary.

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

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

Particulars	**2013-2014**	2012-2013
Profit / (Loss) after Tax excluding dividend on own shares (₹ Crores)	**(81.65)**	(59.48)
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/- per share)	**-1.66**	-1.21

33 (a) Contingent Liabilities :

(i) Guarantees given by the Company's bankers and counter guaranteed by the Company : ₹ 92.91 Crores (Previous year : ₹ 86.12 Crores).

(ii) Claims against the Company not acknowledged as debts on account of disputes :

a) In respect of exemption of Central Sales Tax on coal purchases : ₹ 7.56 Crores (Previous year : ₹ 7.56 Crores). Against this matter, bank guarantee of ₹ 7.70 Crores (Previous year : ₹ 7.70 Crores) has been provided by the Company.

b) Energy Development Cess ₹ 7.44 Crores (Previous year : ₹ 7.44 Crores).

c) Additional Royalty claim on limestone raised ₹ 40.95 Crores (Previous year : ₹ 22.87 Crores).

d) Tax on Rural and Road Development ₹ 9.45 Crores (Previous year : ₹ 6.79 Crores).

e) Other Claims in respect to Income Tax, Sales Tax, Entry Tax, Excise duty and other claims ₹ 94.43 Crores (Previous year : ₹ 78.22 Crores).

(iii) Corporate guarantees issued to the bankers on behalf of wholly owned subsidiary ₹ Nil (Previous year : ₹ 108.54 Crores).

(iv) Outstanding Letters of Credit ₹ 27.40 Crores (Previous year : ₹ 30.04 Crores).

(b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 31.26 Crores (Previous year : ₹ 26.84 Crores).

(c) The Company has entered into a long term contract of 30 years with one party for extracting coal from the Company's mines at the pre-agreed rate, subject to escalation terms stated in the agreement.

(d) **Disclosure of provisions made as per the requirements of Accounting Standard – 29 on "Provisions, Contingent Liabilities and Contingent Assets" are as follows :**

(₹ Crores)

Particulars	As at 01-04-2013	Provisions made during the year	Amounts utilised or reversed during the year	As at 31-03-2014
MPEB Cess on Generation of Electricity	8.33	–	–	**8.33**
MP Entry Tax / VAT	8.58	–	–	**8.58**
UP Entry Tax	2.38	–	–	**2.38**
VAT on Inter Unit Transfer	0.68	–	–	**0.68**
Dispute with Contractors	1.00	–	–	**1.00**
Appeal with AP Comm. Tax Department	–	0.62	–	**0.62**
Total	20.97	0.62	–	**21.59**

In certain cases, the Company has made payments against the above provisions. In case the disputes are settled in the favour of the Company, there would be refund of ₹ 1.34 Crores (Previous year : ₹ 0.50 Crores) and in the event, these are settled against the Company there would be cash outflow of ₹ 20.47 Crores (Previous year : ₹ 20.47 Crores).

34 Capital work-in-progress includes pre-operative expenses of ₹ 46.24 Crores (Previous year : ₹ 44.45 Crores), the details of which are as under :

(₹ Crores)

Particulars	As at 31-03-2014	As at 31-03-2013
Indirect expenditure incurred during the year and considered as pre-operative expenses		
Salary, wages and bonus	**3.22**	2.92
Contribution to Provident and other funds	**0.19**	0.12
Rent, Rates and Taxes	**0.31**	0.35
Travelling and Communication	**1.22**	1.28
Professional fees	**1.81**	2.58
Interest and other finance charges	**–**	2.97
Depreciation	**0.37**	0.23
Miscellaneous expenses	**5.01**	9.95
	12.13	20.40
Add : Expenditure up to Previous year	**44.45**	26.01
	56.58	46.41
Less : Capitalised during the year	**10.34**	1.96
Balance carried forward	**46.24**	44.45

35 Employee Benefits :

(a) Defined contribution plans :

The Company has recognised an expense of ₹ 13.55 Crores (Previous year : ₹ 13.57 Crores) towards defined contribution plans, in respect of Provident Fund and Superannuation Fund. The Company contributes to the Provident Fund Trust managed by it or to Recognised Provident Fund. In the event, the Company expect any material deficit in payment of interest, necessary amount is contributed to the own Provident Fund Trust.

(b) Defined benefit plans :

The actuarial valuation of the present value of the defined benefit obligations were carried out at March 31, 2014. The present value of the defined benefit obligations and the related service costs, were measured using the Projected Unit Credit Method.

The following tables set out the funded status and amounts recognised in the Company's financial statements as per actuarial valuation on March 31, 2014 for the Defined Benefits Plan :

(i) Changes in the defined benefit obligation for Leave Entitlement and Gratuity :

(₹ Crores)

Particulars	**2013-2014**		2012-2013	
	Leave Entitlement	**Gratuity**	Leave Entitlement	Gratuity
A. Changes in the defined benefit obligation :				
Liability at the beginning of the year	**18.49**	**27.37**	13.96	20.99
Current service cost	**2.70**	**4.03**	2.61	3.97
Interest cost	**1.12**	**2.21**	1.17	1.85
Actuarial (gain) / loss on obligation	**5.96**	**0.60**	5.18	1.85
Benefits paid	**(12.13)**	**(5.67)**	(4.43)	(1.29)
Liability at the end of the year (A)	**16.14**	**28.54**	18.49	27.37
B. Changes in the fair value of plan assets :				
Fair value of plan assets at the beginning of the year	**N.A.**	**22.45**	N.A.	16.17
Expected return on plan assets	**N.A.**	**1.84**	N.A.	1.57
Employer's contributions	**N.A.**	**4.64**	N.A.	5.87
Actuarial gain / (loss) on plan assets	**N.A.**	**0.26**	N.A.	0.14
Benefits paid	**N.A.**	**(5.67)**	N.A.	(1.29)
Fair value of plan assets at the end of the year (B)	**N.A.**	**23.52**	N.A.	22.46
C. Balance Liability (A – B)	**16.14**	**5.02**	18.49	4.91

(ii) Actual Return on Plan Assets :

(₹ Crores)

Particulars	**2013-2014**		2012-2013	
	Leave Entitlement	**Gratuity**	Leave Entitlement	Gratuity
Expected return on plan assets	**N.A.**	**1.84**	N.A.	1.57
Actuarial gain / (loss) on plan assets	**N.A.**	**0.26**	N.A.	0.14
Actual return on plan assets	**N.A.**	**2.10**	N.A.	1.71

(iii) Expenses recognised in Statement of Profit and Loss for the year ended March 31, 2014 :

(₹ Crores)

Particulars	**2013-2014**		2012-2013	
	Leave Entitlement	**Gratuity**	Leave Entitlement	Gratuity
Current service cost	**2.70**	**4.03**	2.61	3.97
Interest cost	**1.12**	**2.21**	1.17	1.85
Expected return on plan assets	**N.A.**	**(1.84)**	N.A.	(1.57)
Actuarial (gain) / loss	**5.96**	**0.34**	5.18	1.71
Expenses recognised in Statement of Profit and Loss	**9.78**	**4.74**	8.96	5.96

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

Particulars	**Percentage**
Equity Shares	9.38%
Central and State Government Securities	39.62%
Other Fixed Income Securities / Deposits	51.00%
Total	**100.00%**

(v) Actuarial assumptions used in accounting for Leave Entitlement and Gratuity :

a) Discount rate : 9% (Previous year : 8%).

b) Expected rate of return on plan assets : 8% (Previous year : 8%).

c) The estimates of future salary increases of 4% to 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, 2014 as follows :

(₹ Crores)

Particulars	**As at 31-03-2014**	As at 31-03-2013
Amount due and outstanding to suppliers at the end of the accounting year	**0.03**	1.07
Interest paid during the year	**–**	–
Interest payable at the end of the accounting year	**–**	–
Interest accrued and unpaid at the end of the year	**–**	–

37 Remuneration to statutory auditors :

(₹ Crores)

Particulars	**2013-2014**	2012-2013
For Statutory Audit	**0.55**	0.55
For Tax Audit	**0.06**	0.05
For Company Law Matters and Taxation services	**0.12**	0.10
Total	**0.73**	0.70

38 (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 Finance lease agreements (Machinery and Equipments) – Non-cancellable :

The Company has entered into finance leases agreement for plant and machinery. Future Minimum Lease Payments (MLP) under finance leases are as follows :

(₹ Crores)

Particulars	2013-2014		2012-2013	
	MLP	Interest not due	MLP	Interest not due
a) Due not later than one year	0.68	0.41	NA	NA
b) Due later than one year but not later than five years from the Balance Sheet date	1.41	0.85	NA	NA
c) Later than five years	–	–	NA	NA

(c) Details of Operating lease agreements (Machinery and Equipments) – Non-cancellable :

(₹ Crores)

Particulars	2013-2014	2012-2013
Future Lease Rental Payments		
a) Due not later than one year	1.65	–
b) Due later than one year but not later than five years from the Balance Sheet date	6.20	–
c) Later than five years	–	–

Lease rentals of ₹ 0.07 Crores (Previous year : ₹ 0.56 Crores) in respect of obligations under operating leases have been recognised in the Statement of Profit and Loss.

39 Disclosure in respect of Company's Joint Ventures :

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

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

(₹ Crores)

Particulars	As at 31-03-2014	As at 31-03-2013
Total Liabilities	141.39	121.71
Total Assets	272.86	250.15
Capital Commitments	0.06	1.79
Contingent Liabilities	13.12	19.72
Total Income	264.61	258.73
Total Expenses	257.71	240.07

40 VAT Subsidy :

(a) 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 ₹ 56.35 Crores (Previous year : ₹ 57.31 Crores) has been grouped under revenue from operations as a part of sales.

(b) As per Industrial Promotion Policy 2010 of Madhya Pradesh, HRJ Dewas unit is entitled for subsidy of VAT / CST paid on sales above the normal production capacity achieved. Subsidy receivable for the year is ₹ 0.55 Crores (Previous year : ₹ Nil).

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

(a) Name of the related parties under control of the Company :

Subsidiaries
Raheja QBE General Insurance Company Limited
RMC Readymix Porselano (India) Limited
H. & R. Johnson (India) TBK Limited
Lifestyle Investments PVT Limited (upto 30-10-2013)
Silica Ceramica Private Limited
Milano Bathroom Fittings Private Limited

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

Joint Ventures	**Key Management Personnel**
Sentini Cermica Private Limited	Mr. Vijay Aggarwal - Managing Director
Antique Marbonite Private Limited	Mr. Manoj Chhabra - Managing Director *(upto 24-08-2013)*
Spectrum Johnson Tiles Private Limited	Mr. Ganesh Kaskar - Executive Director
TBK Samiyas Tile Bath Kitchen Private Limited	Mr. S. Ramnath - Executive Director *(from 25-08-2013)*
TBK Shriram Tile Bath Kitchen Private Limited	Mr. V. M. Panicker - Executive Director *(from 25-08-2013)*
Solid Johnson Floor Tiles Private Limited *(Formerly Known as Solid Ceramic Private Limited)*	
Small Johnson Floor Tiles Private Limited	**Firm / Enterprise in which Directors and / or relatives have significant influence**
TBK Deziner's Home Private Limited	
TBK Unique Jalgaon Tile Bath Kitchen Private Limited	Peninsula Estates Private Limited
TBK PB Shah Tile Bath Kitchen Private Limited	Varahagiri Investment & Finance Private Limited
TBK Deepgiri Tile Bath Kitchen Private Limited	Windsor Realty Private Limited
TBK Pratap Tile Bath Kitchen Private Limited	R & S Business Centre
TBK Rangoli Tile Bath Kitchen Private Limited	
TBK Bansal Ceramics Private Limited	**Associate**
TBK Venkataramiah Tile Bath Kitchen Private Limited *(Subsidiary w.e.f. 04-01-2014, previously Joint Venture)*	Prism Power and Infrastructure 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	
TBK Solan Ceramics Private Limited *(from 10-05-2013)*	
Antique Minerals Private Limited	

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

(₹ Crores)

Name / (Relationship)	**Nature of transaction**	**Amount of transaction in 2013-2014**	**Amount outstanding as at 31-03-2014 (Payable) / Receivable**	Amount of transaction in 2012-2013	Amount outstanding as at 31-03-2013 (Payable) / Receivable
Mr. Vijay Aggarwal (Managing Director)	Remuneration (includes leave encashment of ₹ 0.88 Crores paid at the end of the previous tenure during the previous year)	**4.08**	**(0.22)**	4.18	–
Mr. Manoj Chhabra (Managing Director upto 24-08-2013)	Remuneration (includes leave encashment & gratuity aggregating to ₹ 5.21 Crores paid at the end of the tenure during the year)	**6.82**	–	3.62	–
Mr. Ganesh Kaskar (Executive Director)	Remuneration	**2.17**	**(0.34)**	1.85	(0.27)
Mr. S. Ramnath (Executive Director from 25-08-2013) $	Remuneration	**0.88**	–	NA	NA
Mr. V. M. Panicker (Executive Director from 25-08-2013) $	Remuneration	**0.61**	**(0.11)**	NA	NA
R & S Business Centre (Firm in which Director and / or relatives have significant influence)	Rent and maintenance charges	–	–	0.13	(0.02)
	Deposit given	**0.02**	–	–	0.02
Windsor Realty Private Limited (Enterprise in which Director and/or relatives have significant influence)	Sale of goods and services	**1.28**	**0.40**	5.11	(0.06)
Peninsula Estates Private Limited (Enterprise in which Director and / or relatives has significant influence)	Rent paid	**0.10**	–	NA	NA
	Deposit given	**0.03**	**0.03**	NA	NA
Varahagiri Investment & Finance Private Limited (Enterprise in which Director and / or relatives has significant influence)	Rent paid	**0.41**	–	NA	NA
	Deposit given	**0.11**	**0.11**	NA	NA
Raheja QBE General Insurance Company Limited (Subsidiary)	Security Deposit received	–	**(0.03)**	–	(0.03)
	Advances	–	**0.02**	–	0.02
	Insurance Premium	**0.30**	–	1.06	–
	Rent received	**0.03**	–	0.04	–
	Claims paid / payable	**0.63**	**0.58**	0.46	0.37
Prism Power and Infrastructure Private Limited (Associate)	Advances	**#**	**0.01**	–	0.01
H. & R. Johnson (India) TBK Limited (Subsidiary)	Sale of goods and services	**37.62**	**1.87**	43.85	12.94
	Selling and Distribution expenses	**N.A.**	–	1.38	–
	Loan given	**6.42**	**48.50**	6.00	42.08
	Reimbursement of services	**0.27**	–	–	–
	Rent received	**0.01**	–	0.01	–

(₹ Crores)

Name / (Relationship)	Nature of transaction	Amount of transaction in 2013-2014	Amount outstanding as at 31-03-2014 (Payable) / Receivable	Amount of transaction in 2012-2013	Amount outstanding as at 31-03-2013 (Payable) / Receivable
Silica Ceramica Private Limited (Subsidiary)	Purchase of goods and services	**212.93**	**2.68**	144.72	(25.04)
	Investments	**14.92**	–	10.00	–
	Interest received	**2.80**	–	0.24	–
	Reimbursement of services received	**1.26**	–	–	–
	Purchase of Asset	**1.73**	–	–	–
	Sale of Asset	**0.73**	–	–	–
Sentini Cermica Private Limited (Joint Venture)	Purchase of goods and services	**120.90**	**(23.68)**	121.12	(19.57)
	Sale of Asset	**1.73**	–	–	–
	Reimbursement of services received	**0.17**	–	0.24	–
	Reimbursement of services paid	**0.07**	–	NA	NA
Antique Marbonite Private Limited (Joint Venture)	Purchase of goods and services	**267.71**	**(50.26)**	271.73	(45.58)
	Interest received	**0.36**	**NA**	0.77	–
	Interest paid	**0.05**	–	–	–
	Reimbursement of services paid	**0.17**	–	NA	NA
	Reimbursement of services received	**0.33**	–	0.25	–
Spectrum Johnson Tiles Private Limited (Joint Venture)	Purchase of goods and services	**75.85**	**(13.38)**	70.48	(15.46)
	Rent paid	**0.01**	–	0.01	–
Milano Bathrooms Fittings Private Limited (Subsidiary)	Dividend received	–	–	0.01	0.04
Lifestyle Investments PVT Limited (Subsidiary)	Dividend received	**131.05**	–	–	–
	Redemption of Shares	**53.76**	–	22.36	–
TBK Sanitary Sales Private Limited (Joint Venture of Subsidiary)	Selling and Distribution expenses	**1.92**	–	2.96	–
TBK Shri Ganesh Traders Private Limited (Joint Venture of Subsidiary)	Selling and Distribution expenses	**2.04**	–	–	–
	Reimbursement of services	**0.20**	–	–	–
Others	Interest received	**0.34**	–	0.12	–
	Purchase of goods and services	**120.68**	**(26.93)**	57.35	(12.51)
	Sales of goods and services	**146.44**	**33.18**	135.91	18.06
	Selling and Distribution expenses	**4.66**	–	5.80	–
	Rent received	–	–	0.02	–
	Reimbursement of services received	**0.79**	–	–	–
	Reimbursement of services paid	**0.68**	–	–	–
	Dividend received	**0.04**	–	–	–
	Investment made	–	–	0.60	–

$ Appointment is subject to shareholders approval.

Amount less than ₹ 50,000/-.

(₹ Crores)

42 Amount of Loans and advances given to subsidiary :

Name of Subsidiary	Amount outstanding		Maximum balance outstanding during the year	
	As at 31-03-2014	As at 31-03-2013	**2013-2014**	2012-2013
H. & R. Johnson (India) TBK Limited	**48.50**	42.08	**51.00**	42.08

43 Imported and indigenous material and stores and spares consumed :-

a) Material consumed

Particulars	2013-2014		2012-2013	
	(₹ Crores)	**(%)**	(₹ Crores)	(%)
Imported	**68.64**	**5.52**	62.93	5.19
Indigenous	**1,174.66**	**94.48**	1,150.74	94.81
Total	**1,243.30**	**100.00**	1,213.67	100.00

b) Stores and Spares consumed

Particulars	2013-2014		2012-2013	
	(₹ Crores)	**(%)**	(₹ Crores)	(%)
Imported	**19.13**	**20.07**	19.12	22.72
Indigenous	**76.19**	**79.93**	65.05	77.28
Total	**95.32**	**100.00**	84.17	100.00

44 Value of imports on CIF Basis :

(₹ Crores)

Particulars	2013-2014	2012-2013
Spares	**24.72**	25.08
Raw Materials	**42.05**	31.70
Capital Goods	**8.68**	11.18
Traded Goods	**16.13**	27.34

45 Details of earnings in foreign currency :

F.O.B. value of Exports : ₹ 42.48 Crores (Previous year : ₹ 24.19 Crores).

46 Details of expenditure in foreign currency :

(₹ Crores)

Particulars	2013-2014	2012-2013
Finance and other charges	**0.90**	2.67
Travelling and Communication expenses	**0.31**	0.36
Fees for Technical services	**0.16**	0.60
Other expenditure	**0.12**	0.41
Total	**1.49**	4.04
Less : Pre-operative expenses capitalised	**–**	0.09
Balance charged to Statement of Profit and Loss	**1.49**	3.95

47 Disclosure of Foreign Currency Exposure :

a) The Company has outstanding forward contracts to purchase US$ 0.12 Crores (Previous year : US$ 0.23 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 :

(₹ Crores)

Currency	Nature	As at 31-03-2014		As at 31-03-2013	
		Amount in Foreign Currency	Amount (₹)	Amount in Foreign Currency	Amount (₹)
Euro	Asset	#	0.05	0.01	0.79
Swiss Francs (CHF)	Asset	#	0.14	–	–
Danish Krone (DKK)	Asset	0.01	0.13	–	–
GBP	Asset	0.07	6.81	0.62	51.10
US Dollar (USD)	Asset	0.12	7.23	0.11	5.63
Euro	Liability	0.28	23.42	0.25	17.50
Swiss Francs (CHF)	Liability	#	#	0.05	2.65
US Dollar (USD)	Liability	0.33	19.54	0.49	26.33
Japanese Yen (Yen)	Liability	0.02	0.01	–	–

\# Amount less than 50,000/-.

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

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants

Atul Shah
Partner

Place : Mumbai
Date : May 27, 2014

Rajesh G. Kapadia — *Chairman*
Vijay Aggarwal — *Managing Director*

Ganesh Kaskar
S. Ramnath
V. M. Panicker — *Executive Directors*

Ameeta A. Parpia — *Director*

Pramod K. Akhramka — *Chief Financial Officer*
Aneeta S. Kulkarni — *Company Secretary*

INDEPENDENT AUDITORS' REPORT

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, Joint ventures and Associates (Collectively, the 'Group') which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss 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 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 Group 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 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 judgment, 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, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. 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. **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 and associates 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 Group as at March 31, 2014;

   ii) in the case of the consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and

   iii) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

5. **Other Matters**

   i) We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets (net) of ₹ 256.32 crores as at March 31, 2014, total revenues of ₹ 557.26 crores and net cash outflow of ₹ 2.17 crores for the year ended on that date.

   ii) We did not audit the financial statements of certain joint ventures whose financial statements reflect the Group's share in the total assets (net) of ₹ 131.40 crores as at March 31, 2014, the Group's share in the total revenues of ₹ 264.58 crores and the Group's share in net cash outflow of ₹ 1.44 crores for the year ended on that date.

   iii) We did not audit the financial statements of an associate whose financial statements reflect the Group's share of loss of ₹ Nil for the year ended March 31, 2014.

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.

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

Atul Shah
Partner
Membership No : 39569

Place : Mumbai
Dated : May 27, 2014

Consolidated Balance Sheet as at March 31, 2014

Particulars	Note No.	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
a. Share Capital	2	**503.36**		503.36	
b. Reserves and Surplus	3	**555.46**	**1,058.82**	645.26	1,148.62
2. Minority Interest			**54.52**		53.30
3. Non-Current Liabilities					
a. Long-term Borrowings	4	**1,447.79**		1,248.03	
b. Deferred Tax Liability	5	**56.28**		102.56	
c. Other Long-term Liabilities	6	**118.37**		109.51	
d. Long-term provisions	7	**49.83**	**1,672.27**	41.86	1,501.96
4. Current Liabilities					
a. Short-term Borrowings	8	**360.84**		410.25	
b. Trade Payables	9	**723.23**		754.01	
c. Other Current Liabilities	10	**738.46**		687.75	
d. Short-term provisions	11	**25.76**	**1,848.29**	19.51	1,871.52
TOTAL			**4,633.90**		4,575.40
II. ASSETS					
1. Non-current Assets					
a. Fixed Assets					
i. Tangible Assets	12	**2,395.96**		2,268.71	
ii. Intangible Assets	12	**32.28**		24.70	
iii. Capital Work-in-progress	34	**63.64**		100.64	
b. Goodwill on consolidation		**45.44**		45.20	
c. Non-current Investments	13	**111.24**		240.03	
d. Deferred Tax Asset	5	**11.21**		9.67	
e. Long-term loans and advances	14	**152.60**		190.86	
f. Other non-current assets	15	**78.18**	**2,890.55**	73.14	2,952.95
2. Current Assets					
a. Current Investments	16	**114.61**		106.18	
b. Inventories	17	**574.42**		586.95	
c. Trade Receivables	18	**539.92**		476.32	
d. Cash, Cash equivalent and Bank balances	19	**110.71**		98.90	
e. Short-term loans and advances	20	**221.21**		222.41	
f. Other Current Assets	21	**182.48**	**1,743.35**	131.69	1,622.45
TOTAL			**4,633.90**		4,575.40
SIGNIFICANT ACCOUNTING POLICIES	1				
The Note numbers 1 to 42 forms integral part of the Financial Statements					

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants

Atul Shah
Partner

Rajesh G. Kapadia — *Chairman*
Vijay Aggarwal — *Managing Director*

Ganesh Kaskar
S. Ramnath
V. M. Panicker — *Executive Directors*

Ameeta A. Parpia — *Director*

Pramod K. Akhramka — *Chief Financial Officer*
Aneeta S. Kulkarni — *Company Secretary*

Place : Mumbai
Date : May 27, 2014

Consolidated Statement of Profit and Loss for the year ended March 31, 2014

Particulars	Note No.	2013-2014 ₹ Crores		2012-2013 ₹ Crores	
REVENUE FROM OPERATIONS :					
Sales of products and services		**5,458.31**		5,210.94	
Other Operating Income	22	**46.52**		48.32	
		5,504.83		5,259.26	
Less : Excise Duty		**465.11**		438.69	
Total Revenue from Operations			**5,039.72**		4,820.57
Other Income	23		**157.34**		15.87
Total Revenue			**5,197.06**		4,836.44
EXPENSES :					
Cost of Materials consumed		**1,430.39**		1,369.84	
Purchase of Stock-in-trade		**554.14**		553.75	
Changes in inventories	24	**(11.31)**		(50.26)	
Manufacturing expenses	25	**1,363.45**		1,221.03	
Employees benefit expenses	26	**349.11**		308.81	
Finance cost	27	**274.62**		228.03	
Depreciation and Amortisation expenses	12	**200.36**		179.89	
Other expenses	28	**1,174.69**		1,111.74	
Total Expenses			**5,335.45**		4,922.83
Profit / (Loss) Before Exceptional items and Tax			**(138.39)**		(86.39)
Exceptional items	29		**9.37**		1.66
Profit / (Loss) before Tax			**(129.02)**		(84.73)
Tax Expenses :					
Current Tax		**(1.55)**		(6.05)	
Minimum Alternate Tax		**(1.98)**		–	
MAT Credit Entitlement (net)		**0.43**		(0.55)	
Income Tax earlier years		**(0.33)**		(0.09)	
Deferred Tax		**47.46**		30.90	
			44.03		24.21
Profit / (Loss) for the year			**(84.99)**		(60.52)
Adjustment for Minority Interest			**(1.21)**		(1.95)
Profit / (Loss) after Minority Interest carried to Balance Sheet			**(86.20)**		(62.47)
Earning per Equity Share (Face value of ₹ 10/- each) Basic and Diluted (₹)	30		**-1.76**		-1.27
SIGNIFICANT ACCOUNTING POLICIES	1				
The Note numbers 1 to 42 forms integral part of the Financial Statements					

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants

Atul Shah
Partner

Place : Mumbai
Date : May 27, 2014

Rajesh G. Kapadia — *Chairman*
Vijay Aggarwal — *Managing Director*

Ganesh Kaskar, S. Ramnath, V. M. Panicker — *Executive Directors*

Ameeta A. Parpia — *Director*

Pramod K. Akhramka — *Chief Financial Officer*
Aneeta S. Kulkarni — *Company Secretary*

Consolidated Cash Flow Statement for the year ended March 31, 2014

	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
A. Cash Flow from Operating Activities :				
Profit / (Loss) before taxation as per Statement of Profit and Loss		**(129.02)**		(84.73)
Adjustment for :				
Depreciation & amortisation	**200.36**		179.89	
Amortisation of Processing fees	**15.56**		15.67	
Provision for Bad and Doubtful Debts	**10.37**		5.15	
Loss on sale of assets (net)	**1.42**		0.41	
Amalgamation expenses written back	**(1.50)**		–	
Profit on sales of investments (net)	**(140.57)**		(2.35)	
Interest income	**(27.33)**		(25.48)	
Dividend income	**(11.33)**		(6.53)	
Interest expenditure	**259.06**		212.36	
Loss on exchange fluctuations	**9.35**	**315.39**	4.43	383.55
Operating Profit / (Loss) before working capital changes		**186.37**		298.82
Changes in Working Capital				
Increase / (Decrease) in trade and other payables	**1.05**		351.99	
(Increase) / Decrease in trade receivable	**(72.83)**		(150.11)	
(Increase) / Decrease in inventories	**15.76**		(71.27)	
(Increase) / Decrease in other receivables	**(78.83)**	**(134.85)**	(153.42)	(22.81)
Cash Generated from Operations		**51.52**		276.01
Direct taxes paid (net of refunds)		**7.06**		16.08
Net cash generated from operating activities (A)		**44.46**		259.93
B. Cash Flow from Investing Activities :				
Purchase of fixed assets and additions in CWIP		**(211.15)**		(342.66)
Proceeds from sales of fixed assets		**8.22**		5.53
Purchase of investments		**(299.35)**		(239.83)
Sales proceeds from Investments		**562.45**		232.91
Interest received		**20.02**		17.02
Dividend on own shares held through Trust		**–**		0.62
Dividend income		**11.33**		6.53
Net cash generated from / used in investing activities (B)		**91.52**		(319.88)

Cash Flow Statement (Contd.)

	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
C. Cash Flow from Financing Activities :		
Additions to Borrowings	**1,195.35**	919.25
Repayment of Borrowings	**(1,070.63)**	(635.88)
Dividend paid including distribution tax	**(0.01)**	(29.25)
Interest paid	**(269.69)**	(206.25)
Net cash generated from financing activities (C)	**(144.98)**	47.87
Net increase / (decrease) in cash and cash equivalents during the year (A+B+C)	**(9.00)**	(12.09)
Cash and cash equivalents at the beginning of the year	**53.28**	65.37
Cash and Cash equivalent transferred on Amalgamation	**0.37**	–
Cash and cash equivalents at the end of the year	**44.65**	53.28
Cash and cash equivalents comprises of :		
Cash on hand	**1.39**	1.13
Cheques on hand	**14.91**	5.04
Balance with Banks	**28.35**	47.11
Total	**44.65**	53.28

Notes :
1. Cash Flow statement has been prepared under the indirect method as set-out in Accounting Standard - 3 on “Cash Flow Statements”.
2. Figures of the previous year have been regrouped / reclassified / reinstated, wherever considered necessary.

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants

Atul Shah
Partner

Place : Mumbai
Date : May 27, 2014

Rajesh G. Kapadia — *Chairman*
Vijay Aggarwal — *Managing Director*

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Ameeta A. Parpia — *Director*

Pramod K. Akhramka — *Chief Financial Officer*
Aneeta S. Kulkarni — *Company Secretary*

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, 2014.

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.

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 Statement of Profit and Loss.

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, 2014
RMC Readymix Porselano (India) Limited	India	Subsidiary	100%
H. & R. Johnson (India) TBK Limited	India	Subsidiary	100%
Silica Ceramica Private Limited #	India	Subsidiary	98.30%
Lifestyle Investments PVT Limited (upto 30.10.2013)	Jersey	Subsidiary	100%
Milano Bathroom Fittings Private Limited	India	Subsidiary	100%
Raheja QBE General Insurance Company Limited	India	Subsidiary	74%
TBK Venkataramiah Tile Bath Kitchen Private Limited #	India	Subsidiary of H. & R. Johnson (India) TBK Limited	100%
Ardex Endura (India) Private Limited	India	Joint Venture	50%
Sentini Cermica Private Limited	India	Joint Venture	50%

Name of the Subsidiaries, Joint Ventures and Associate	Country of Incorporation	Status	Percentage of Voting Power as at March 31, 2014
Antique Marbonite Private Limited	India	Joint Venture	50%
Spectrum Johnson Tiles Private Limited	India	Joint Venture	50%
Small Johnson Floor Tiles Private Limited	India	Joint Venture	50%
TBK Samiyaz Tile Bath Kitchen Private Limited $	India	Joint Venture	50%
TBK PB Shah Tile Bath Kitchen Private Limited $	India	Joint Venture	50%
TBK Deepgiri Tile Bath Kitchen Private Limited $	India	Joint Venture	50%
TBK Shriram Tile Bath Kitchen Private Limited $	India	Joint Venture	50%
TBK Unique Jalgaon Tile Bath Kitchen Private Limited $	India	Joint Venture	50%
TBK Deziner's Home Private Limited $	India	Joint Venture	50%
TBK Pratap Tile Bath Kitchen Private Limited $	India	Joint Venture	50%
TBK Rangoli Tile Bath Kitchen Private Limited $	India	Joint Venture	50%
TBK Bansal Ceramics Private Limited $	India	Joint Venture	50%
TBK Solan Ceramics Private Limited (*) ($)	India	Joint Venture	50%
TBK Rathi Sales Agencies Private Limited $	India	Joint Venture	50%
TBK Krishna Tile Bath Kitchen Private Limited $	India	Joint Venture	50%
TBK Sanitary Sales Private Limited $	India	Joint Venture	50%
TBK Florance Ceramics Private Limited $	India	Joint Venture	50%
TBK Tile Home Private Limited $	India	Joint Venture	50%
TBK Home Trends Private Limited $	India	Joint Venture	50%
TBK Kadakia's Tile Bath Kitchen Private Limited $	India	Joint Venture	50%
TBK Reddy Tile Bath Kitchen Private Limited $	India	Joint Venture	50%
TBK Rishi Ceramics Private Limited $	India	Joint Venture	50%
TBK Vaibhavi Tile Bath Kitchen Private Limited $	India	Joint Venture	50%
TBK Shree Ganesh Traders Private Limited $	India	Joint Venture	50%
TBK Aishwarya Tile Bath Kitchen Private Limited $	India	Joint Venture	50%
TBK Raj Kamal Tile Bath Kitchen Private Limited $	India	Joint Venture	50%
Prism Power and Infrastructure Private Limited	India	Associate	49%

* Acquired during the year.

Additional investment made during the year.

$ Joint Ventures of wholly owned subsidiary, viz H. & R. Johnson (India) TBK Limited.

1.3 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, on the basis of going concern under the historical cost convention and also on accrual basis. These financial statements comply, in all material aspects, with the provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable) and also accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular No. 15/2013 dated September 13, 2013 of the MCA.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. All the divisions of the Company have normal operating cycle of less than twelve months, hence a period of twelve months has been considered for bifurcation of assets and liabilities into current and non-current as required by Schedule VI to the Companies Act, 1956 for preparation of Financial Statements.

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

1.4 Use of Estimates

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

1.5 Revenue Recognition

Sale of goods

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

Income from services

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

Dividend income

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

Interest income

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

In the case of one of the Subsidiary, 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.

1.6 Tangible 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 off cenvat credit availed, discount and rebates.

Cost incurred to purchase mining land is bifurcated into cost of land and cost of estimated mining reserves.

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

1.7 Intangible Assets

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

1.8 Depreciation and Amortisation

i Depreciation on additions to / deductions from fixed assets is 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 Amortisation of mining reserves is calculated by using Unit of Production Method and the same is charged to Statement of Profit and Loss.

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 the rates specified.

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.

a) Cost of acquisition of leasehold land is amortised over the remaining lease period.

b) The civil and other costs attributable to the plants / office on leased premises are capitalised and are being written off over the unexpired period of the lease.

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

Assets	Rate of Amortisation
Intellectual property right	10.00%
Technical Know-how	14.29%

a) Cost of acquisition of leasehold land is amortised over the period of lease.

b) For certain vehicles used by employees : 15.25%.

c) Expenses on mines development are capitalised and amortised over a period of extraction on the basis of Unit of Production Method.

Raheja QBE General Insurance Company Limited :

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

1.9 Research and Development

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

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

1.10 Leases

Where the Group is lessee :

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

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

1.11 Impairment of tangible and intangible assets

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 Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets are reflected at the recoverable amount.

1.12 Investments

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

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

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

1.13 Inventories

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

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour, other direct cost and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty and is determined on a weighted average basis.

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

1.14 Foreign Currency Transactions

Initial Recognition

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

Conversion

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

Forward Contracts

Forward contracts are entered into to hedge the foreign currency risk of the underlying 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 Statement of Profit and Loss.

Exchange Differences

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

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

1.15 Borrowing Costs

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

1.16 Government Grants

VAT subsidy 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 Statement of Profit and Loss.

1.17 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. 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 the Group.

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

1.18 Taxes on Income

a) The Group provides current tax based on the provisions of the Income Tax Act, 1961 applicable to it.

b) Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognised on timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. The effect on deferred tax assets and liabilities of change in tax rates is recognised in the Statement of Profit and Loss in the period of enactment of the change.

c) Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period.

1.19 Provision

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

1.20 Contingent Liabilities

a) Contingent Liabilities are disclosed separately by way of note to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved in the case of :

   i probable obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.

   ii possible obligation, unless the probability of out flow of resources is remote.

b) Contingent Assets are neither recognised nor disclosed.

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

1.21 Segment Reporting

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

i Cement

ii TBK (Tile, Bath and Kitchen)

iii RMC (Readymixed Concrete)

iv Others

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities, which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "Unallocated revenue/ expenses / assets / liabilities". "Others" represent Insurance business which is not a reportable segment as per Accounting Standard - 17.

1.22 Cash and Cash Equivalents

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

1.23 Earnings Per Share (EPS)

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

b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2 Share Capital

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
Authorised :		
50,50,00,000 Equity shares of ₹ 10/- each (Previous year : 50,50,00,000 Equity shares of ₹ 10/- each)	**505.00**	505.00
2,00,00,000 Preference shares of ₹ 10/- each (Previous year : 2,00,00,000 Preference shares of ₹ 10/- each)	**20.00**	20.00
Total	**525.00**	525.00
Issued, Subscribed and Paid-up :		
50,33,56,580 Equity shares of ₹ 10/- each fully paid-up (Previous year : 50,33,56,580 Equity shares of ₹ 10/- each)	**503.36**	503.36
Total	**503.36**	503.36

Additional Informations :

a) Reconciliation of number of equity shares outstanding

Particulars	As at 31-03-2014	As at 31-03-2013
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 preceeding 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 31-03-2014		As at 31-03-2013	
	Total shares held	**As a % of total shares**	Total shares held	As a % of total shares
Manali Investment & Finance Private Limited	**6,78,17,992**	**13.47%**	6,78,17,992	13.47%
Hathway Investments Private Limited	**6,41,13,400**	**12.74%**	6,41,13,400	12.74%
Coronet Investments Private Limited	**5,79,49,394**	**11.51%**	5,79,49,394	11.51%
Rajan B. Raheja	**5,14,02,627**	**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 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
Capital Redemption Reserve				
Opening Balance	**11.43**		11.43	
Add : Transfer from General Reserve	**–**		–	
Closing Balance		**11.43**		11.43
Debenture Redemption Reserve				
Opening Balance	**62.69**		33.25	
Add / (Less) : Transferred (to) / from Statement of Profit and Loss	**(8.41)**		29.44	
Closing Balance		**54.28**		62.69
Foreign Currency Translation Reserve				
Opening Balance	**1.75**		1.80	
Add / (Less) : Adjustment during the year	**(1.75)**		(0.05)	
Closing Balance		**–**		1.75
State Cash Subsidy		**0.63**		0.63
General Reserve				
Opening Balance	**193.24**		193.24	
Less : Transfer to Capital Redemption Reserve	**–**		–	
Closing Balance		**193.24**		193.24
Surplus in Statement of Profit and Loss				
Opening Balance	**375.52**		466.82	
Add : Net Profit / (Loss) of the Group for the current year	**(86.20)**		(62.47)	
Add / (Less) : Balance transferred due to amalgamation	**(1.84)**		–	
Less : Distribution Tax on Dividend	**0.01**		0.01	
Add : Dividend received on own shares held through trust	**–**		0.62	
Add / (Less) : Transferred from / (to) Debenture Redemption Reserve	**8.41**		(29.44)	
Closing Balance		**295.88**		375.52
Total		**555.46**		645.26

4 Long-term Borrowings

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
Secured Debentures / Bonds :		
- 11.80% Non-convertible Debentures (300 Nos. debentures of ₹ 0.10 Crore each)	**30.00**	30.00
- 9.30% Non-convertible Debentures (70 Nos. (previous year : 100 Nos.) debentures of ₹ 1.00 Crore each)	**70.00**	100.00

Long-term Borrowings (Contd.)

Particulars	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
- 11.60% Non-convertible Debentures (500 Nos. debentures of ₹ 0.10 Crore each)	50.00		50.00	
- 11.20% Non-convertible Debentures (750 Nos. debentures of ₹ 0.10 Crore each)	75.00		75.00	
- 11.20% Non-convertible Debentures (200 Nos. debentures of ₹ 0.10 Crore each)	–		20.00	
- 10.75% Non-convertible Debentures (500 Nos. debentures of ₹ 0.10 Crore each)	–	225.00	50.00	325.00
Secured Loans :				
Term Loan				
- From Banks	942.93		1,106.78	
- From Banks - Vehicle Loans	2.90		3.38	
- From others	392.11		81.48	
- Sales Tax Deferral	0.66	1,338.60	1.76	1,193.40
Unsecured Loans :				
- Inter Corporate Deposits	8.17		6.40	
- 10.42% Non-convertible Debentures (150 Nos. debentures of ₹ 0.10 Crore each)	15.00		15.00	
- 10.00% Non-convertible Debentures (150 Nos. debentures of ₹ 0.10 Crore each)	15.00		15.00	
- 9.60% Non-convertible Debentures (200 Nos. debentures of ₹ 0.10 Crore each)	–		20.00	
- Finance Lease obligation	2.09		–	
- Fixed Deposits from Public	140.58	180.84	37.01	93.41
		1,744.44		1,611.81
Less : Disclosed under Other Current Liabilities :				
- Current maturities of long-term borrowings	295.75		362.89	
- Unclaimed Fixed Deposits	0.90	296.65	0.89	363.78
Total		1,447.79		1,248.03

5 The breakup of Net Deferred Tax is as follows :

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

Particulars	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
Deferred Tax Assets				
Unabsorbed depreciation as per Income Tax	**149.58**		107.84	
Expenses provided but allowable in Income Tax on payment	**22.59**		18.34	
Other timing differences	**2.10**		3.46	
Total (A)		**174.27**		129.64
Deferred Tax Liability				
Fixed Assets : Impact of difference between tax depreciation and depreciation provided	**227.42**		229.07	
Capital expenditure of R & D	**3.13**		3.13	
Total (B)		**230.55**		232.20
Net Deferred Tax Liability (B – A)		**56.28**		102.56

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

Particulars	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
Deferred Tax Assets				
Expenses provided but allowable in Income Tax on payment	**0.50**		1.72	
Carry forward losses	**35.19**		23.95	
Total (A)		**35.69**		25.67
Deferred Tax Liability				
Depreciation	**24.48**		16.00	
Total (B)		**24.48**		16.00
Net Deferred Tax Asset (A – B)		**11.21**		9.67

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 production of value added product due to additional supply of Gas.

6 Other Long-term Liabilities

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
Security deposit from customers / others	**114.56**	106.58
Deferred Income	**0.70**	0.81
Other liabilities	**3.11**	2.12
Total	**118.37**	109.51

7 Long-term Provisions

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
For Employees benefit	**17.19**	17.87
Others	**32.64**	23.99
Total	**49.83**	41.86

8 Short-term Borrowings

Particulars	**As at 31-03-2014 ₹ Crores**		As at 31-03-2013 ₹ Crores	
Secured Loans :				
Loans repayable to Banks				
On Demand	**252.16**		276.97	
Others	**44.83**	**296.99**	45.50	322.47
Unsecured Loans :				
Term Loan from Banks	**63.28**		87.23	
From others	**0.57**	**63.85**	0.55	87.78
Total		**360.84**		410.25

9 Trade Payables

Particulars	**As at 31-03-2014 ₹ Crores**	As at 31-03-2013 ₹ Crores
Dues to Micro, Small and Medium Enterprises *(Due for 30 days or less)*	**0.56**	1.38
Dues to others	**722.67**	752.63
Total	**723.23**	754.01

10 Other Current Liabilities

Particulars	**As at 31-03-2014 ₹ Crores**	As at 31-03-2013 ₹ Crores
Current maturities of long-term borrowings	**295.75**	362.89
Creditors for capital items	**46.33**	13.79
Advance from Customers	**68.24**	42.13
Interest accrued but not due	**3.76**	7.76
Interest accrued but due	**1.41**	1.62
Unclaimed Dividends	**3.76**	3.77
Unclaimed matured deposits and interest accrued thereon *(includes interest ₹ 0.24 Crores (Previous year : ₹ 0.22 Crores))*	**1.14**	1.11
Other Employees benefit	**15.31**	12.74
Statutory Liabilities	**55.23**	48.57
Liability for expenses	**241.08**	192.43
Other liabilities	**6.45**	0.94
Total	**738.46**	687.75

11 Short-term Provisions

Particulars	**As at 31-03-2014 ₹ Crores**	As at 31-03-2013 ₹ Crores
For Employees benefit	**10.34**	8.99
Taxation *(net of Advance Tax)*	**0.62**	0.54
Distribution tax on dividend	**0.01**	0.01
Others	**14.79**	9.97
Total	**25.76**	19.51

12 Fixed Assets

(₹ Crores)

DESCRIPTIONS		GROSS BLOCK					DEPRECIATION AND AMORTISATION					NET BLOCK
		Opening Block	Acquisitions Additions	Additions	Deductions	Closing Block	Opening Balance	Acquisitions Additions	For the year	Deductions	Closing Balance	As at year end
Tangible Assets :												
Land - Freehold	**2013-14**	**285.57**	**1.99**	**105.76**	**–**	**393.32**	**3.01**	**–**	**3.26**	**–**	**6.27**	**387.05**
	2012-13	235.38	–	50.19	–	285.57	1.41	–	1.60	–	3.01	282.56
- Leasehold	**2013-14**	**13.93**	**-**	**-**	**7.00**	**6.93**	**2.56**	**-**	**0.15**	**0.10**	**2.61**	**4.32**
	2012-13	13.89	-	0.04	-	13.93	2.39	-	0.17	-	2.56	11.37
Leasehold Improvement	**2013-14**	**5.54**	**0.20**	**1.00**	**0.23**	**6.51**	**2.09**	**0.05**	**0.97**	**0.22**	**2.89**	**3.62**
	2012-13	4.25	–	1.30	0.01	5.54	1.34	–	0.75	–	2.09	3.45
Buildings	**2013-14**	**331.71**	**3.86**	**16.86**	**0.82**	**351.61**	**95.69**	**0.15**	**14.70**	**0.82**	**109.72**	**241.89**
	2012-13	310.27	–	21.44	–	331.71	82.31	–	13.38	–	95.69	236.02
Railway Sidings	**2013-14**	**13.30**	**–**	**2.97**	**–**	**16.27**	**10.87**	**–**	**0.67**	**–**	**11.54**	**4.73**
	2012-13	13.30	–	–	–	13.30	10.24	–	0.63	–	10.87	2.43
Plant & Machinery	**2013-14**	**2,596.87**	**15.24**	**131.90**	**11.82**	**2,732.19**	**1,022.91**	**0.59**	**142.00**	**4.21**	**1,161.29**	**1,570.90**
	2012-13	2,459.90	–	142.36	5.39	2,596.87	887.56	–	135.84	0.49	1,022.91	1,573.96
Plant & Machinery-Finance Lease	**2013-14**	**–**	**–**	**2.71**	**–**	**2.71**	**–**	**–**	**0.18**	**–**	**0.18**	**2.53**
	2012-13	–	–	–	–	–	–	–	–	–	–	–
Mines Development	**2013-14**	**87.80**	**–**	**48.24**	**–**	**136.04**	**18.29**	**–**	**17.66**	**–**	**35.95**	**100.09**
	2012-13	34.69	–	53.11	–	87.80	9.79	–	8.50	–	18.29	69.51
Furniture, Fixtures and Computers	**2013-14**	**72.92**	**0.12**	**3.34**	**0.31**	**76.07**	**34.02**	**0.03**	**4.89**	**0.16**	**38.78**	**37.29**
	2012-13	69.24	–	4.02	0.34	72.92	29.79	–	4.43	0.20	34.02	38.90
Vehicles	**2013-14**	**22.21**	**–**	**3.63**	**3.82**	**22.02**	**8.97**	**–**	**2.64**	**2.02**	**9.59**	**12.43**
	2012-13	20.46	–	4.03	2.28	22.21	7.90	–	2.58	1.51	8.97	13.24
Office Equipments	**2013-14**	**36.36**	**0.08**	**2.94**	**0.24**	**39.14**	**21.03**	**0.02**	**2.59**	**0.16**	**23.48**	**15.66**
	2012-13	32.87	–	4.02	0.53	36.36	19.00	–	2.42	0.39	21.03	15.33
Truck Mixers, Loaders and Truck Dumpers	**2013-14**	**66.17**	**–**	**–**	**1.50**	**64.67**	**44.23**	**–**	**6.49**	**1.50**	**49.22**	**15.45**
	2012-13	63.56	–	4.35	1.74	66.17	39.59	–	6.38	1.74	44.23	21.94
Live Stock	**2013-14**	**0.05**	**–**	**–**	**0.01**	**0.04**	**0.05**	**–**	**–**	**0.01**	**0.04**	**–**
	2012-13	0.04	–	0.02	0.01	0.05	0.04	–	0.02	0.01	0.05	–
Total Tangible Assets	**2013-14**	**3,532.43**	**21.49**	**319.35**	**25.75**	**3,847.52**	**1,263.72**	**0.84**	**196.20**	**9.20**	**1,451.56**	**2,395.96**
	2012-13	3,257.85	–	284.88	10.30	3,532.43	1,091.36	–	176.70	4.34	1,263.72	2,268.71

Fixed Assets (Contd.)

(₹ Crores)

DESCRIPTIONS		GROSS BLOCK					DEPRECIATION AND AMORTISATION					NET BLOCK
		Opening Block	Acquisitions Additions	Additions	Deductions	Closing Block	Opening Balance	Acquisitions Additions	For the year	Deductions	Closing Balance	As at year end
Intangible Assets :												
Software	**2013-14**	**18.73**	**0.05**	**3.98**	**0.01**	**22.75**	**10.91**	**0.01**	**2.37**	**–**	**13.29**	**9.46**
	2012-13	13.41	–	5.32	–	18.73	9.05	–	1.86	–	10.91	7.82
Intellectual Property Rights	**2013-14**	**5.87**	**–**	**–**	**–**	**5.87**	**2.95**	**–**	**0.59**	**–**	**3.54**	**2.33**
	2012-13	5.87	–	–	–	5.87	2.36	–	0.59	–	2.95	2.92
Mining Lease - surface rights	**2013-14**	**11.44**	**–**	**8.16**	**–**	**19.60**	**2.39**	**–**	**0.40**	**–**	**2.79**	**16.81**
	2012-13	11.44	–	–	–	11.44	2.00	–	0.39	–	2.39	9.05
Minerals Procurement Rights	**2013-14**	**6.55**	**–**	**–**	**–**	**6.55**	**1.84**	**–**	**1.20**	**–**	**3.04**	**3.51**
	2012-13	6.55	–	–	–	6.55	1.29	–	0.55	–	1.84	4.71
Technical Know-how	**2013-14**	**0.23**	**–**	**–**	**–**	**0.23**	**0.03**	**–**	**0.03**	**–**	**0.06**	**0.17**
	2012-13	–	–	0.23	–	0.23	–	–	0.03	–	0.03	0.20
Total Intangible Assets	**2013-14**	**42.82**	**0.05**	**12.14**	**0.01**	**55.00**	**18.12**	**0.01**	**4.59**	**–**	**22.72**	**32.28**
	2012-13	37.27	–	5.55	–	42.82	14.70	–	3.42	–	18.12	24.70
Total Fixed Assets	**2013-14**	**3,575.25**	**21.54**	**331.49**	**25.76**	**3,902.52**	**1,281.84**	**0.85**	**200.79**	**9.20**	**1,474.28**	**2,428.24**
	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

Notes :

a) Depreciation for the year includes ₹ 0.36 Crores (Previous year : ₹ 0.23 Crores) considered for capitalisation.

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

c) Gross block of fixed assets includes dedicated electricity lines costing ₹ 26.61 Crores (Previous year : ₹ 24.05 Crores) the ownership of which is with Madhya Pradesh Poorv Kshetra Vitaran Company Limited.

d) Loss of ₹ 11.36 Crores (Previous year : ₹ 5.06 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".

e) Freehold land of ₹ 0.22 Crores (Previous year : ₹ Nil) was classified earlier as leasehold land. The same has been rectified during the year. Further, depreciation of ₹ 0.07 Crores (Previous year : ₹ Nil) is written back due to the said re-classification.

13 Non-current Investments

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
Long-term Investments		
Quoted :		
Fully Paid / Ordinary / Equity Shares :		
- Norcros Plc.	**–**	134.17
- 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
Unquoted :		
- Fully Paid / Ordinary / Equity Shares	**6.84**	15.36
- Government Securities and Government Bonds	**29.79**	14.76
- Debentures / Bonds	**30.48**	24.98
- Investment in Infrastructure and Social Sector	**20.08**	–
- Fully paid Non-Cumulative Redeemable Preference Shares	**–**	25.08
- Investment in Associate Company (4,900 fully paid share of ₹ 10/- each of Prism Power and Infrastructure Private Limited)	**#**	#
Total	**111.24**	240.03

Aggregate market value of the quoted investments ₹ 47.12 Crores (Previous year : ₹ 287.36 Crores).

Amount less than ₹ 50,000/-.

14 Long-term loans and advances

Particulars	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
Considered Good unless otherwise stated				
Security Deposits				
Unsecured	**51.46**		45.89	
Considered doubtful	**0.20**		0.10	
Less : Provision for doubtful deposits	**0.20**	**51.46**	0.10	45.89
Capital Advances				
Unsecured		**33.21**		74.10
Loans and Advances to related parties				
Unsecured, Considered Good		**9.04**		17.99
Deposits with Excise and Sales Tax				
Unsecured		**3.85**		3.55
Other Loans and Advances				
Income tax *(net of Provisions)*	**1.03**		–	
Unsecured	**37.20**		39.07	
Prepaid expenses	**16.81**	**55.04**	10.26	49.33
Total		**152.60**		190.86

15 Other Non-current Assets

Particulars	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
Escrow balances with Banks		**0.05**		0.05
Vat recoverable		**56.35**		57.31
Others		**20.83**		10.79
Bank Deposits with more than 12 months maturity :				
Margin Money	**0.62**		0.11	
Term Deposits *(restricted use)*	**0.33**	**0.95**	4.88	4.99
Total		**78.18**		73.14

16 Current Investments

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
Unquoted :		
- In Mutual Fund units	**8.36**	4.32
- Government Securities and Government Bonds	**48.52**	54.06
- Debentures, Bonds and Certificate of Deposits	**47.70**	47.80
- Investment in Infrastructure and Social Sector	**10.03**	–
Total	**114.61**	106.18

17 Inventories

Particulars	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
Raw Materials	**171.95**		200.63	
Stock in transit	**0.05**	**172.00**	0.13	200.76
Work-in-progress		**80.82**		57.48
Stock of traded goods	**59.87**		59.37	
Stock in transit	**8.29**	**68.16**	1.94	61.31
Finished goods	**139.12**		156.16	
Stock in transit	**5.60**	**144.72**	5.80	161.96
Stores and Spares	**108.72**		105.42	
Stock in transit	**-**	**108.72**	0.02	105.44
Total		**574.42**		586.95

18 Trade Receivables

Particulars	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
Secured - Considered Good :				
Over six months due	**2.43**		1.77	
Others due	**34.15**	**36.58**	25.22	26.99
Unsecured - Considered Good :				
Over six months due	**31.74**		21.28	
Others due	**471.60**	**503.34**	428.05	449.33
Unsecured - Considered Doubtful :				
Over six months due	**33.46**		24.77	
Others due	**4.35**		3.08	
Less : Provision for doubtful debts	**37.81**	**–**	27.85	–
Total		**539.92**		476.32

19 Cash, Cash Equivalent and Bank Balances

19.1 Cash and Cash Equivalents

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
Cash in hand	**1.39**	1.13
Cheques, drafts on hand	**14.91**	5.04
Balances with Banks in current accounts	**27.34**	31.68
Term Deposits with Banks *(Original maturity of less than 3 months)*	**1.01**	15.43
Total (A)	**44.65**	53.28

19.2 Other Bank Balances

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
Margin money with Banks *(Maturity more than 3 months but less than 12 months)*	**62.30**	41.80
Unclaimed Dividend accounts	**3.76**	3.77
Term Deposits *(Maturity more than 3 months but less than 12 months)*	**–**	0.05
Total (B)	**66.06**	45.62
Total (A+B)	**110.71**	98.90

20 Short-term loans and advances - Considered Good unless otherwise stated

Particulars	As at 31-03-2014 ₹ Crores		As at 31-03-2013 ₹ Crores	
Deposits		0.67		0.29
Deposits - Considered doubtful	0.13		–	
Less : Provision for doubtful deposits	(0.13)	–	–	–
Income tax *(net of Provisions)*		60.59		56.17
Inter Corporate Deposits		0.84		0.86
VAT / Service Tax recoverable		4.07		3.94
Prepaid expenses		17.93		19.04
Custom Duty receivable		0.37		0.37
Balances with Excise and Customs		20.52		19.83
Others		116.22		121.91
Total		**221.21**		222.41

21 Other Current Assets

Particulars	As at 31-03-2014 ₹ Crores	As at 31-03-2013 ₹ Crores
VAT recoverable	102.54	52.06
Insurance Claim receivable	67.12	74.27
Others	12.82	5.36
Total	**182.48**	131.69

22 Other Operating Income

Particulars	2013-2014 ₹ Crores	2012-2013 ₹ Crores
Sale of Scrap	9.78	10.78
Interest Income on Term Deposits, Govt. securities etc.	19.45	18.30
Others	17.29	19.24
Total	**46.52**	48.32

23 Other Income

Particulars	2013-2014 ₹ Crores	2012-2013 ₹ Crores
Interest income	7.88	7.18
Dividend income	11.33	6.53
Net gain on sales of investments	132.70	0.73
Other non-operating income	5.43	1.43
Total	**157.34**	15.87

24 Changes in inventories

Particulars	2013-2014 ₹ Crores		2012-2013 ₹ Crores	
Closing Stock (Including in transit)				
Finished goods	**144.72**		161.96	
Traded goods	**68.16**		61.31	
Work-in-progress	**80.82**	**293.70**	57.48	280.75
Less : Opening Stock (Including in transit)				
Finished goods	**161.96**		134.28	
Traded goods	**61.31**		57.45	
Work-in-progress	**57.48**	**280.75**	38.76	230.49
Less : Taken over on amalgamation				
Finished goods	**1.14**		–	
Traded goods	**0.14**		–	
Work-in-progress	**0.36**	**1.64**	–	–
Total		**11.31**		50.26

25 Manufacturing expenses

Particulars	2013-2014 ₹ Crores	2012-2013 ₹ Crores
Rent - Readymix Plants	**15.05**	11.65
Stores and Spares consumed	**113.24**	96.65
Power and Fuel consumed	**951.44**	888.87
Adjustment of Excise duty on stock	**1.36**	4.55
Royalty	**32.48**	31.43
Sub-contract charges	**69.15**	28.22
Quarry expenses	**12.42**	13.45
Repairs to Plant and Machinery	**57.62**	60.51
Machinery Hire charges	**77.63**	54.99
Die and Punches	**3.89**	3.52
Plant upkeep expenses	**25.77**	23.83
Other manufacturing expenses	**3.40**	3.36
Total	**1,363.45**	1,221.03

26 Employees benefit expenses

Particulars	2013-2014 ₹ Crores	2012-2013 ₹ Crores
Salaries, wages and bonus	**308.73**	267.54
Contribution to Provident and other funds	**22.21**	23.64
Welfare and other expenses	**18.17**	17.63
Total	**349.11**	308.81

27 Finance cost

Particulars		2013-2014 ₹ Crores		2012-2013 ₹ Crores
Interest expenses		**258.68**		212.36
Finance lease interest		**0.38**		–
Amortisation of processing fees		**15.56**		15.67
Total		**274.62**		228.03

28 Other expenses

Particulars		2013-2014 ₹ Crores		2012-2013 ₹ Crores
Rent		**27.45**		24.24
Rates and taxes		**33.28**		33.46
Travelling and Communication		**48.91**		45.26
Discounts, incentives and commission on sales		**204.51**		215.98
Advertisement, sales promotion and other marketing expenses		**54.19**		52.76
Research expenses *		**2.56**		2.49
Insurance		**11.13**		8.05
Freight outward		**639.31**		592.61
Loss on sale of assets		**1.42**		0.41
Provision for bad and doubtful debts / deposits	**10.37**		5.15	
Add : Bad debts written off	**2.94**	**13.31**	3.37	8.52
Loss on exchange fluctuation		**9.35**		6.53
Readymix concrete pumping expenses		**15.32**		13.73
Repairs to Buildings		**4.12**		4.14
Repairs others		**7.88**		6.38
Bank charges		**5.63**		5.91
Miscellaneous expenses		**96.32**		91.27
Total		**1,174.69**		1,111.74
* Research expenses comprises of :				
Salaries and Wages		**1.17**		1.08
Travelling and Communication		**0.21**		0.14
Others		**1.18**		1.27
Total		**2.56**		2.49

29 Exceptional items comprises of the following :

Exceptional items includes reversal of provision made for amalgamation expenses ₹ 1.50 Crores (Previous year : ₹ Nil), exchange gain of ₹ 7.87 Crores (Previous year : ₹ 1.62 Crores) realised on redemption of preference shares and liquidation of equity shares of one of its erstwhile wholly owned subsidiary and profit of ₹ Nil (Previous year : ₹ 0.04 Crores) on sale of land of Joint Venture Company.

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

Particulars	2013-2014	2012-2013
Profit / (Loss) after Tax excluding dividend on own shares (₹ Crores)	**(86.20)**	(62.47)
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/- per share)	**-1.76**	-1.27

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 Limited, including Subsidiary and Joint Venture of H. & R. Johnson (India) TBK Limited, Sentini Cermica Private Limited & Milano Bathroom Fittings Private Limited, where they have charged the same on written down value method. The proportion of value of depreciation which have been charged on Written Down Value (WDV) method is as under :

Amount of Depreciation charged on WDV basis ₹ 6.43 Crores (Previous year : ₹ 5.87 Crores).

Total Depreciation charged in Consolidated Accounts ₹ 200.36 Crores (Previous year : ₹ 179.89 Crores).

% of Depreciation charged on WDV basis to total Depreciation 3.21% (Previous year : 3.26%).

32 Segment information as required by Accounting Standard - 17 on "Segment Reporting" is as follows :

2013-2014

(₹ Crores)

Particulars	Cement	TBK	RMC	Others	Unallocated	Total
Revenue :						
External *(net of Excise)*	1,947.20	1,915.67	1,143.10	51.08	–	**5,057.05**
Less : Inter – Segment	0.13	16.90	–	0.30	–	**17.33**
Total Revenue	1,947.07	1,898.77	1,143.10	50.78	–	**5,039.72**
Segment Result	(23.57)	126.63	9.89	6.06	–	**119.01**
Add : Unallocated income *(net of Unallocated expenditure)*						**25.38**
Less : Borrowing Cost *(excluding bank charges)*						**274.62**
Profit / (Loss) Before Tax						**(130.23)**
Tax Expenses						**44.03**
Profit / (Loss) for the year						**(86.20)**

Other Information :

(₹ Crores)

Particulars	Cement	TBK	RMC	Others	Unallocated	Total
Segment Assets	2,248.07	1,613.94	427.84	243.98	92.52	**4,626.35**
Segment Liabilities	657.16	463.53	202.98	92.89	2,150.97	**3,567.53**
Capital Expenditure	208.58	97.05	10.40	0.20	–	**316.23**
Depreciation and Amortisation	112.26	59.69	27.90	0.51	–	**200.36**

2012-2013

(₹ Crores)

Particulars	Cement	TBK	RMC	Others	Unallocated	Total
Revenue :						
External *(net of Excise)*	1,882.20	1,781.49	1,127.50	46.67	–	4,837.86
Less : Inter – Segment	0.10	16.22	–	0.97	–	17.29
Total Revenue	1,882.10	1,765.27	1,127.50	45.70	–	4,820.57
Segment Result	64.67	33.85	21.73	5.23	–	125.48
Add : Unallocated income *(net of Unallocated expenditure)*						15.87
Less : Borrowing Cost *(excluding bank charges)*						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	2,173.25	1,517.95	419.06	226.63	231.38	4,568.27
Segment Liabilities	658.51	389.72	175.29	80.66	2,115.47	3,419.65
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

33 (a) Contingent Liabilities :

(i) Guarantees given by the Company's bankers and counter guaranteed by the Company ₹ 103.88 Crores (Previous year : ₹ 90.20 Crores).

(ii) Claims against the Group not acknowledged as debts on account of disputes :

a) In respect of exemption of Central Sales Tax on coal purchases ₹ 7.56 Crores (Previous year : ₹ 7.56 Crores). Against this matter, bank guarantee of ₹ 7.70 Crores (Previous year : ₹ 7.70 Crores) has been provided by the Group.

b) Energy Development Cess ₹ 7.44 Crores (Previous year : ₹ 7.44 Crores).

c) Additional Royalty claim on limestone raised ₹ 40.95 Crores (Previous year : ₹ 22.87 Crores).

d) Tax on Rural and Road Development ₹ 9.45 Crores (Previous year : ₹ 6.79 Crores).

e) Other Claims in respect to Income Tax, Sales Tax, Entry Tax, Excise duty and other claims ₹ 96.85 Crores (Previous year : ₹ 78.28 Crores).

(iii) Corporate guarantees issued to the bankers of the wholly owned subsidiary ₹ Nil (Previous year : ₹ 108.54 Crores) and issued by bankers of Joint Ventures for its subsidiary ₹ 7.50 Crores (Previous year : ₹ 7.50 Crores).

(iv) Outstanding Letters of Credit ₹ 40.27 Crores (Previous Year : ₹ 36.66 Crores).

(b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 33.89 Crores (Previous year : ₹ 28.81 Crores).

(c) The Group has entered into a long term contract of 30 years with one party for extracting coal from the Company's mines at the pre-agreed rate, subject to escalation terms stated in the agreement.

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

(₹ Crores)

Particulars	**As at 01-04-2013**	**Provisions made during the year**	**Amounts utilised or reversed during the year**	**As at 31-03-2014**
MPEB Cess on Generation of Electricity	8.33	—	—	**8.33**
MP Entry Tax / VAT	8.58	—	—	**8.58**
UP Entry Tax	2.38	—	—	**2.38**
VAT on Inter Unit Transfer	0.68	—	—	**0.68**
Dispute with Contractors	1.00	—	—	**1.00**
Appeal with AP Comm. Tax Department	—	0.62	—	**0.62**
Total	20.97	0.62	—	**21.59**

In certain cases, the Group has made payments against the above provisions. In case the disputes are settled in the favour of the Group, there would be refund of ₹ 1.34 Crores (Previous year : ₹ 0.50 Crores) and in the event, these are settled against the Group there would be cash outflow of ₹ 20.47 Crores (Previous year : ₹ 20.47 Crores).

34 Capital work-in-progress includes pre-operative expenses of ₹ 46.26 Crores (Previous year : ₹ 46.24 Crores), the details of which are as under :

(₹ Crores)

Particulars	**As at 31-03-2014**	As at 31-03-2013
Indirect expenditure incurred during the year and considered as pre-operative expenses		
Salary, wages and bonus	**3.32**	3.35
Contribution to Provident and other funds	**0.19**	0.13
Rent, Rates and Taxes	**0.32**	0.51
Travelling and Communication	**1.34**	1.29
Professional fees	**1.81**	2.55
Interest and other finance charges	**0.07**	3.07
Depreciation	**0.37**	0.23
Miscellaneous expenses	**5.81**	12.90
	13.23	24.03
Add : Expenditure up to Previous year	**46.24**	35.29
	59.47	59.32
Less : Capitalised during the year	**13.21**	13.08
Balance carried forward	**46.26**	46.24

35 Employee Benefits :

(a) Defined contribution plans :

The Group has recognised an expense of ₹ 15.22 Crores (Previous year : ₹ 15.09 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. In the event, the Group expect any material deficit in payment of interest, necessary amount is contributed to the own Provident Fund Trust.

(b) Defined benefit plans :

The actuarial valuation of the present value of the defined benefit obligations were carried out at March 31, 2014. The present value of the defined benefit obligations and the related service costs, were measured using the Projected Unit Credit Method.

The following tables set out the funded status and amounts recognised in the Company's financial statements as per actuarial valuation on March 31, 2014 for the Defined Benefits Plan :

(i) Changes in the defined benefit obligation for Leave Entitlement and Gratuity :

(₹ Crores)

Particulars	2013-2014		2012-2013	
	Leave Entitlement	Gratuity	Leave Entitlement	Gratuity
A. Changes in the defined benefit obligation :				
Liability at the beginning of the year	**19.10**	**29.21**	14.48	22.39
Current service cost	**2.81**	**4.55**	2.72	4.45
Interest cost	**1.17**	**2.37**	1.22	1.99
Actuarial (gain) / loss on obligation	**6.10**	**(0.01)**	5.19	1.71
Benefits paid	**(12.31)**	**(5.79)**	(4.51)	(1.33)
Liability at the end of the year (A)	**16.87**	**30.33**	19.10	29.21
B. Changes in the fair value of plan assets :				
Fair value of plan assets at the beginning of the year	**N.A.**	**23.47**	N.A.	17.00
Expected return on plan assets	**N.A.**	**1.93**	N.A.	1.62
Employer's contributions	**N.A.**	**4.83**	N.A.	6.02
Actuarial gain / (loss) on plan assets	**N.A.**	**0.28**	N.A.	0.15
Benefits paid	**N.A.**	**(5.75)**	N.A.	(1.33)
Fair value of plan assets at the end of the year (B)	**N.A.**	**24.76**	N.A.	23.46
C. Balance Liability (A – B)	**16.87**	**5.57**	19.10	5.75

(ii) Actual Return on Plan Assets :

(₹ Crores)

Particulars	2013-2014		2012-2013	
	Leave Entitlement	Gratuity	Leave Entitlement	Gratuity
Expected Return on plan assets	**N.A.**	**1.93**	N.A.	1.62
Actuarial gain / (loss) on plan assets	**N.A.**	**0.28**	N.A.	0.15
Actual Return on plan assets	**N.A.**	**2.20**	N.A.	1.77

(iii) Expenses recognised in Statement of Profit and Loss for the year ended March 31, 2014 :

(₹ Crores)

Particulars	2013-2014		2012-2013	
	Leave Entitlement	Gratuity	Leave Entitlement	Gratuity
Current service cost	**2.81**	**4.55**	2.72	4.45
Interest cost	**1.17**	**2.37**	1.22	1.99
Expected return on plan assets	**NA**	**(1.93)**	N.A.	(1.62)
Actuarial (gain) / loss	**6.10**	**(0.28)**	5.19	1.56
Expenses recognised in Statement of Profit and Loss	**10.08**	**4.71**	9.13	6.38

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

Particulars	Percentage
Equity Shares	9.88%
Central and State Government Securities	39.21%
Other Fixed Income Securities / Deposits	50.91%
Total	**100.00%**

(v) Actuarial Assumptions used in accounting for Leave Entitlement and Gratuity :

a) Discount rate : 8% to 9.31% (Previous year : 8%).

b) Expected rate of return on plan assets : 8% to 9.25% (Previous year : 8%).

c) The estimates of future salary increases of 4% to 7%, considered in actuarial valuation, taking into account the general trend in salary rise and the inflation rates.

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

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

The Group has entered into finance leases agreement for plant and machinery. Future Minimum Lease Payments (MLP) under finance leases are as follows :

(₹ Crores)

Particulars	2013-2014		2012-2013	
	MLP	Interest not due	MLP	Interest not due
a. Due not later than one year	0.68	0.41	NA	NA
b. Due later than one year but not later than five years from the Balance Sheet date	1.41	0.85	NA	NA
c. Later than five years	—	—	NA	NA

(c) Details of Operating lease agreements (Machinery and Equipments) – Non-cancellable :

(₹ Crores)

Particulars	2013-2014	2012-2013
Future Lease Rental Payments		
a. Due not later than one year	1.65	3.24
b. Due later than one year but not later than five years from the Balance Sheet date	6.20	4.67
c. Later than five years	—	0.33

Lease rentals of ₹ 0.07 Crores (Previous year : ₹ 4.15 Crores) in respect of obligations under operating leases have been recognised in the Statement of Profit and Loss.

37 Disclosure in respect of Company's Joint Ventures :

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

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

(₹ Crores)

Particulars	As on 31-03-2014	As on 31-03-2013
Capital Commitments	**0.06**	1.79
Contingent Liabilities	**13.12**	19.72

38 VAT Subsidy :

(a) As per Madhya Pradesh Industrial Investment Promotion Assistance Scheme (2004), the Group 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 ₹ 56.35 Crores (Previous year : ₹ 57.31 Crores) has been grouped under revenue from operations as a part of sales.

(b) As per Industrial Promotion Policy 2010 of Madhya Pradesh, HRJ Dewas unit is entitled for subsidy of VAT / CST paid on sales above the normal production capacity achieved. Subsidy receivable for the year is ₹ 0.55 Crores (Previous year : ₹ Nil)

(c) 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 ₹ 12.80 Crores (Previous year : ₹ 4.16 Crores).

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

(a) Name of the related parties with whom transaction have taken place :

Joint Ventures	Key Management Personnel
Sentini Cermica Private Limited	Mr. Vijay Aggarwal - Managing Director.
Antique Marbonite Private Limited	Mr. Manoj Chhabra - Managing Director *(upto 24-08-2013)*
Spectrum Johnson Tiles Private Limited	Mr. Ganesh Kaskar - Executive Director
Small Johnson Floor Tiles Private Limited	Mr. S. Ramnath - Executive Director *(from 25-08-2013)*
Solid Johnson Floor Tiles Private Limited *(Formerly known as Solid Ceramic Private Limited)*	Mr. V. M. Panicker - Executive Director *(from 25-08-2013)*
Antique Minerals Private Limited	Mr. D. D. Rishi
TBK Samiyaz Tile Bath Kitchen Private Limited	Mr. B. V. S. S. Raju
TBK PB Shah Tile Bath Kitchen Private Limited	Mr. K. K. Saini *(upto 01-01-2014)*
TBK Deepgiri Tile Bath Kitchen Private Limited	Mr. A. Balu *(upto 21-08-2013)*
TBK Shriram Tile Bath Kitchen Private Limited	Mr. Praveen Gupta
TBK Unique Jalgaon Tile Bath Kitchen Private Limited	**Firm / Enterprise in which Directors and / or relatives have significant influence**
TBK Deziner's Home Private Limited	
TBK Pratap Tile Bath Kitchen Private Limited	Peninsula Estates Private Limited
TBK Rangoli Tile Bath Kitchen Private Limited	Varahagiri Investment & Finance Private Limited
TBK Bansal Ceramics Private Limited	Windsor Realty Private Limited
TBK Rathi Sales Agencies Private Limited	R & S Business Centre
TBK Krishna Tile Bath Kitchen Private Limited	Globus Stores Private Limited
TBK Sanitary Sales Private Limited	
TBK Florance Ceramics Private Limited	**Associate**
TBK Tile Home Private Limited	Prism Power and Infrastructure Private Limited
TBK Reddy Tile Bath Kitchen Private Limited	
TBK Kadakia's Tile Bath Kitchen Private Limited	
TBK Aishwarya Tile Bath Kitchen Private Limited	
TBK Rajkamal Tile Bath Kitchen Private Limited	
TBK Shree Ganesh Traders Private Limited	
TBK Vaibhavi Tile Bath Kitchen Private Limited	
TBK Home Trends Private Limited	
TBK Solan Ceramics Private Limited *(From 10-05-2013)*	
TBK Rishi Ceramics Private Limited	

Joint Ventures
TBK Venkataramiah Tile Bath Kitchen Private Limited *(upto 03-01-2014)*
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
QBE Hongkong & Shanghai Insurance Limited

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

(₹ Crores)

Name / (Relationship)	**Nature of transaction**	**Amount of transaction in 2013-2014**	**Amount outstanding as at 31-03-2014 (Payable) / Receivable**	Amount of transaction in 2012-2013	Amount outstanding as at 31-03-2013 (Payable) / Receivable
Mr. Vijay Aggarwal (Managing Director)	Remuneration (includes leave encashment of ₹ 0.88 Crores paid at the end of the previous tenure during the previous year)	**4.08**	**(0.22)**	4.18	–
Mr. Manoj Chhabra (Managing Director upto 24-08-2013)	Remuneration (includes leave encashment & gratuity aggregating to ₹ 5.21 Crores paid at the end of the tenure during the year)	**6.82**	**–**	3.62	–
Mr. Ganesh Kaskar (Executive Director)	Remuneration	**2.17**	**(0.34)**	1.85	(0.27)
Mr. S. Ramnath (Executive Director from 25-08-2013) $	Remuneration	**0.88**	**–**	NA	NA
Mr. V. M. Panicker (Executive Director from 25-08-2013) $	Remuneration	**0.61**	**(0.11)**	NA	NA
Praveen Gupta (Executive Director)	Remuneration	**2.45**	**(0.85)**	1.74	(0.30)
R & S Business Centre (Firm in which Director and / or relatives have significant influence)	Rent and maintenance charges	**–**	**–**	0.13	(0.02)
	Deposit given	**0.02**	**–**	–	0.02
Windsor Realty Private Limited (Enterprise in which Director and / or relatives have significant influence)	Sale of goods and Services	**1.28**	**0.40**	5.11	(0.06)
	Security deposit	**–**	**1.58**	–	1.58
	Rent paid	**1.67**	**–**	1.63	–
Peninsula Estates Private Limited (Enterprise in which Director and / or relatives has significant influence)	Rent paid	**0.10**	**–**	NA	NA
	Deposit given	**0.03**	**0.03**	NA	NA
Varahagiri Investment & Finance Private Limited (Enterprise in which Director and / or relatives has significant influence)	Rent Paid	**0.41**	**–**	NA	NA
	Deposit given	**0.11**	**0.11**	NA	NA

(₹ Crores)

Name / (Relationship)	**Nature of transaction**	**Amount of transaction in 2013-2014**	**Amount outstanding as at 31-03-2014 (Payable) / Receivable**	Amount of transaction in 2012-2013	Amount outstanding as at 31-03-2013 (Payable) / Receivable
Prism Power and Infrastructure Private Limited (Associate)	Advances	**#**	**0.01**	–	0.01
Antique Marbonite Private Limited (Joint Venture)	Purchase of goods and services	**133.85**	**(25.13)**	135.87	(22.79)
	Interest received	**0.18**	**–**	0.38	–
	Interest paid	**0.02**	**–**	–	–
	Reimbursement of expenses received	**0.18**	**–**	0.13	–
	Reimbursement of expenses paid	**0.09**	**–**	–	–
Sentini Cermica Private Limited (Joint Venture)	Purchase of goods and services	**60.45**	**(11.84)**	60.56	(9.78)
	Reimbursement of expenses received	**0.16**	**–**	0.12	–
	Reimbursement of expenses paid	**0.03**	**–**	–	–
	Sale of Asset	**0.86**	**–**	–	–
Spectrum Johnson Tiles Private Limited (Joint Venture)	Purchase of goods and services	**37.93**	**(6.69)**	35.24	(7.73)
	Rent paid	**0.01**	**–**	0.01	–
TBK Shriram Tile Bath Kitchen Private Limited (Joint Venture of Subsidiary)	Sales	**NA**	**NA**	6.49	1.13
	Interest received	**0.05**	**–**	–	–
	Reimbursement of expenses received	**0.10**	**–**	–	–
TBK Deepgiri Tile Bath Kitchen Private Limited (Joint Venture of Subsidiary)	Sales	**NA**	**NA**	6.66	NA
TBK Kadakia's Tile Bath Kitchen Private Limited (Joint Venture of Subsidiary)	Reimbursement of expenses received	**0.04**	**–**	–	–
TBK Sanitary Sales Private Limited (Joint Venture of Subsidiary)	Sales	**NA**	**NA**	8.57	1.49
	Selling & Distribution expenses	**0.96**	**NA**	1.48	NA
TBK Deziner's Home Private Limited (Joint Venture of Subsidiary)	Sales	**NA**	**NA**	6.49	NA
	Selling & Distribution expenses	**NA**	**NA**	0.44	NA
TBK Shri Ganesh Traders Private Limited (Joint Venture of Subsidiary)	Selling & Distribution expenses	**1.02**	**–**	NA	NA
	Reimbursement of expenses paid	**0.10**	**–**	NA	NA
Small Johnson Floor Tiles Private Limited (Joint Venture)	Divided received	**#**	**–**	#	–
Globus Stores Private Limited (Enterprise in which Director and / or relatives have significant influence)	Premium received	**0.03**	**–**	0.03	–
	Premium deposit	**#**	**–**	#	–
	Claims paid	**#**	**–**	–	–

(₹ Crores)

Name / (Relationship)	Nature of transaction	Amount of transaction in 2013-2014	Amount outstanding as at 31-03-2014 (Payable) / Receivable	Amount of transaction in 2012-2013	Amount outstanding as at 31-03-2013 (Payable) / Receivable
QBE Insurance (International) Limited. (Fellow subsidiary of Joint Venture Partner)	Premium paid	**0.20**	–	–	–
	Commission paid	**0.01**	–	–	–
	Training expenses	–	–	0.01	–
	Subscription fees	–	–	0.01	–
	Reimbursement of expenses	–	–	0.05	–
QBE Management Services Pty Limited. (Fellow subsidiary of Joint Venture Partner)	Data communication charges	–	–	–	(0.12)
QBE Insurance (Europe) Limited. (Fellow subsidiary of Joint Venture Partner)	Reinsurance premium paid	**2.41**	**(0.79)**	2.98	(0.82)
	Reinsurance commission received	**0.33**	**0.13**	0.56	0.19
	Claim recovery	–	–	#	–
QBE Insurance (Australia) Limited. (Fellow subsidiary of Joint Venture Partner)	Reinsurance premium paid	**0.34**	**(0.12)**	0.03	(0.03)
	Reinsurance commission received	**0.07**	**0.02**	0.01	0.01
QBE Re Services Pty Limited (Fellow subsidiary of Joint Venture Partner)	Reimbursement of expenses	**0.02**	–	0.07	–
QBE Hongkong & Shanghai Insurance Limited (Fellow subsidiary of Joint Venture Partner)	Reimbursement of expenses	**0.01**	–	–	–
Other	Purchase and services	**46.69**	**(10.59)**	12.22	(2.22)
	Sales	**66.48**	**9.93**	35.12	4.21
	Rent Paid	**#**	–	#	–
	Selling & distribution expenses	**1.90**	–	2.46	–
	Interest received	**0.17**	–	0.06	–
	Remuneration	**0.73**	–	0.75	–
	Reimbursement of expenses received	**0.08**	–	–	–
	Reimbursement of expenses paid	**0.32**	–	–	–

$ Appointment is subject to shareholders approval.

# denotes amount less than ₹ 50,000/-.

40 During the year, the overseas wholly owned subsidiary of the Company, Lifestyle Investments PVT Limited (LIPL) divested it's investment in another company. Subsequently, LIPL was wound-up with the approval of local authorities. Exceptional Item in the Consolidated Statement of Profit and Loss includes exchange gain realised on redemption of preference shares and on distribution received on winding-up of the said subsidiary.

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

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 Private Limited	Lifestyle Investments PVT Limited (upto 30-10-2013)	TBK Venkataramiah Tile Bath Kitchen Private Limited
Country	India	India	India	India	India	Jersey	India
Reporting Currency	INR (₹)	INR (₹)	INR (₹)	INR (₹)	INR (₹)	GBP (£)	INR (₹)
Exchange rate as on March 31, 2014	N.A.	N.A.	N.A.	N.A.	N.A.	—	N.A.
Share Capital	207.00	0.05	1.61	3.69	4.60	—	0.01
Reserves and Surplus	(0.89)	—	(16.67)	50.93	6.57	—	(0.41)
Total Assets	245.89	0.05	40.13	281.78	27.95	—	1.00
Total Liabilities	39.78	—	55.19	227.16	16.78	—	1.40
Investments other than in subsidiaries	195.14	—	4.09	—	0.01	—	—
% in holding	74.00	100.00	100.00	98.30	100.00	100.00	100.00
Sale and other income	51.64	—	58.86	180.72	39.76	137.06	2.53
Profit before Taxation	8.30	—	1.42	(26.91)	1.92	134.63	0.06
Provision for Taxation	1.88	—	(0.02)	(2.22)	0.48	—	—
Profit after Taxation	6.42	—	1.44	(24.69)	1.44	134.63	0.06
Proposed dividend (including dividend reserve)	—	—	—	—	0.04	—	—

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

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants

Atul Shah
Partner

Place : Mumbai
Date : May 27, 2014

Rajesh G. Kapadia — *Chairman*
Vijay Aggarwal — *Managing Director*

Ganesh Kaskar
S. Ramnath
V. M. Panicker — *Executive Directors*

Ameeta A. Parpia — *Director*

Pramod K. Akhramka — *Chief Financial Officer*
Aneeta S. Kulkarni — *Company Secretary*

NOTICE

NOTICE IS HEREBY GIVEN that the Twenty-second Annual General Meeting of the Company will be held on Thursday, July 31, 2014 at 9.30 a.m. at Taj Mahal Hotel, 4-1-999, Abids Road, Hyderabad - 500 001, to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2014 including audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Rajan B. Raheja (DIN : 00037480), who retires by rotation and being eligible, offers himself for re-appointment.

3. Appointment of Auditors

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

   "RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), the retiring Auditors, M/s. G. M. Kapadia & Co., Chartered Accountants, (Firm Registration No. 104767W) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 26^{th} AGM to be held in the year 2018 (subject to ratification of the appointment by the members at every AGM) at a remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

Special Business :

4. **Appointment of Mr. J. A. Brooks as Independent Director of the Company**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Act, Mr. J. A. Brooks (DIN : 00142045), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying intention to propose Mr. J. A. Brooks as a candidate for the office of director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 5 (five) consecutive years effective from July 31, 2014, not liable to retire by rotation."

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **Appointment of Ms. Ameeta A. Parpia as Independent Director of the Company**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Ms. Ameeta A. Parpia (DIN : 02654277), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying intention to propose Ms. Ameeta A. Parpia as a candidate for the office of director of the Company and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 5 (five) consecutive years effective from July 31, 2014, not liable to retire by rotation."

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. **Appointment of Mr. Shobhan M. Thakore as Independent Director of the Company**

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

   "RESOLVED THAT, pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Shobhan M. Thakore (DIN : 00031788), who was appointed as an Additional

Director of the Company by the Board of Directors with effect from June 19, 2014 and who holds office until the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying intention to propose Mr. Shobhan M. Thakore as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 5 (five) consecutive years effective from July 31, 2014, not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. **Appointment of Mr. S. Ramnath as Director of the Company**

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

"RESOLVED THAT Mr. S. Ramnath (DIN : 00067019), who was appointed as Additional Director of the Company with effect from August 25, 2013 and who holds office upto the date of this Annual General Meeting as per Section 161 of the Companies Act, 2013 ("the Act") and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

8. **Appointment of Mr. V. M. Panicker as Director of the Company**

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

"RESOLVED THAT Mr. V. M. Panicker (DIN : 02975912), who was appointed as Additional Director of the Company with effect from August 25, 2013 and who holds office upto the date of this Annual General Meeting as per Section 161 of the Companies Act, 2013 ("the Act") and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

9. **Appointment of Mr. S. Ramnath as Executive Director (Cement) of the Company**

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the appointment of Mr. S. Ramnath (DIN : 00067019) as Executive Director (Cement) of the Company, for the period, terms as to remuneration and conditions as set out hereunder and in the Agreement to be entered into by the Company with him, submitted to this Meeting and initialled by the Chairman for the purpose of identification, which Agreement is hereby specifically approved with full liberty to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include Nomination & Remuneration Committee of the Board), in accordance with the statutory limits/approvals as may be applicable, to revise/alter/modify/amend/change the terms and conditions of the Agreement from time to time as may be agreed to by the Board and Mr. Ramnath.

1. **Period :**

   Three years with effect from August 25, 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 the net profits for one such managerial person and if there is more than one such managerial person, ten per cent of the net profit for all of them together, as may be decided from time to time by the Board.

   (ii) Provided that the remuneration payable by way of salary, dearness allowance, perquisites and other allowances and benefits does not exceed the limits laid down in Section 197 and Schedule V to the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof.

   (iii) Notwithstanding anything herein, where in any financial year during the tenure of Mr. Ramnath, the Company has no profits or its profits are inadequate, the Company may, subject to receipt of the requisite approvals including approval of Central Government, if any, pay to Mr. Ramnath the above remuneration as the minimum remuneration by way of salary, dearness allowance, perquisites and other allowances as specified above and the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment as specified at Section IV(1) of Part II of Schedule V to the Act shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Part II of Schedule V to the Act."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution in its absolute discretion, deem necessary, proper or desirable without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

10. Appointment of Mr. V. M. Panicker as Executive Director (RMC) of the Company

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the appointment of Mr. V. M. Panicker (DIN : 02975912) as Executive Director (RMC) of the Company, for the period, terms as to remuneration and conditions as set out hereunder and in the Agreement to be entered into by the Company with him, submitted to this Meeting and initialled by the Chairman for the purpose of identification, which Agreement is hereby specifically approved with full liberty to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include Nomination & Remuneration Committee of the Board), in accordance with the statutory limits/approvals as may be applicable, to revise/alter/modify/amend/change the terms and conditions of the Agreement from time to time as may be agreed to by the Board and Mr. Panicker.

1. **Period :**

   Three years with effect from August 25, 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 the net profits for one such managerial person and if there is more than one such managerial person, ten per cent of the net profits for all of them together, as may be decided from time to time by the Board.

   (ii) Provided that the remuneration payable by way of salary, dearness allowance, perquisites and other allowances and benefits does not exceed the limits laid down in Section 197 and Schedule V to the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof.

   (iii) Notwithstanding anything herein, where in any financial year during the tenure of Mr. Panicker, the Company has no profits or its profits are inadequate, the Company may, subject to receipt of the requisite approvals including approval of Central Government, if any, pay to Mr. Panicker the above remuneration as the minimum remuneration by way of salary, dearness allowance, perquisites and other allowances as specified above and the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment as specified at Section IV(1) of Part II of Schedule V to the Act shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Part II of Schedule V to the Act."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution in its absolute discretion, deem necessary, proper or desirable without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

11. To ratify remuneration of the Cost Auditors of the Company

To consider and, if thought fit, to ratify, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. N. I. Mehta & Co., the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid a remuneration of ₹ 8,25,000/-, in addition to service tax and reimbursement of out-of-pocket expenses."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

12. To approve keeping and maintaining of registers/ records/documents at any other place in India other than the registered office

To consider and, if thought fit, to pass wth or without modification(s), the following resolution as a **Special Resolution** :

"RESOLVED THAT subject to the provisions of the Companies Act, 2013 and the Rules thereunder as may be applicable, the following registers/records/documents be kept and maintained at any other place in India other than the Registered Office of the Company at Hyderabad as detailed hereunder :

Particulars of Registers	To be maintained at
Register and Index of Members - separately for each class of equity and preference shares, Register and Index of Debentureholders, Register and Index of any other securities, Register of Renewed and Duplicate Share/ Debentures/ Securities Certificates and copies of certificates and documents required to be annexed thereto and other related books.	Office of the R & T Agent : Karvy Computershare Private Limited, Unit : Prism Cement Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081
Annual Return, Minutes of proceedings of general meeting, meetings of Board of Directors and its Committees and other meetings and resolutions passed by postal ballot and copies of certificates and documents required to be annexed thereto and other related books.	Corporate office of the Company at 2nd Floor, Rahejas, Main Avenue, V. P. Road, Santacruz (West), Mumbai – 400 054

"RESOLVED FURTHER THAT the Board of Directors of the Company be and hereby authorised to take all necessary actions and do all acts/deeds and sign all documents, papers or cause to do all acts/deeds and authorise officers of the Company to do all acts/deeds and sign all documents, papers as may be required from time to time in this connection."

13. Payment of Commission to Non-executive Directors of the Company

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

"RESOLVED THAT in supersession of the resolutions previously passed by the shareholders in this regard and pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, in addition to the sitting fees for attending the meetings of the Board or Committee(s) thereof, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and Executive Directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors (which term shall be deemed to include Nomination & Remuneration Committee of the Board) and such payments shall be made in respect of the profits of the Company for each year, for a period of five years, commencing April 1, 2014."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

14. Acceptance of deposits by the Company

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

"RESOLVED THAT pursuant to the provisions of Section 73 and Section 76 and other applicable provisions, if any, of Companies Act, 2013 and the provisions of Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent be and is hereby accorded to the Board of Directors of the Company, including any Committee thereof (hereinafter referred to as the "Board"), to invite/accept/renew money by way of unsecured/secured deposits from the members of the Company and from public, in any form or manner, through circular, advertisement or any other permissible mode upto the permissible limits prescribed under the applicable provisions and on such terms and conditions as the Board in its absolute discretion may deem fit and necessary."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution in its absolute discretion, deem necessary, proper or desirable without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

NOTES :

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business mentioned under Item Nos. 4 to 14 above, is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting (the AGM/Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority under its seal, as applicable. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Members/proxies are requested to bring duly filled attendance slips and Ballot Form sent herewith to attend the Meeting.
4. The Register of Members and Transfer Books of the Company will remain closed from Thursday, July 24, 2014 to Thursday, July 31, 2014 (both days inclusive).
5. 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).
6. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. Nomination facility for shares is available for Members. The prescribed format, in this regard, can be obtained from the Company's Registrar and Transfer Agent.
8. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with Rules made thereunder, copies of the Annual Report 2014, Notice of the 22nd AGM and instructions for e-voting alongwith the Attendance Slip and Proxy Form are being sent by electronic mode only to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2014, etc., are being sent by the permitted mode. Members holding shares in physical form can send their email address for registration to einward.ris@karvy.com quoting the Folio Number and Name of the Company.
9. The Company is required to transfer unpaid/unclaimed dividends to the Investor Education & Protection Fund (IE&PF) pursuant to Section 125 of the Companies Act, 2013 (Section 205C of the Companies Act, 1956). The details of unpaid/unclaimed dividends as on June 25, 2013 (i.e. the date of the last Annual General Meeting) 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 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 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 Transfer Agent.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company's Registrar and Transfer Agent.
11. Brief resume of Directors including those proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report/Explanatory Statement to this Notice.
12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
13. Members who have not registered their email addresses so far are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically.
14. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
15. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy), on all resolutions set forth in this Notice. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Wednesday, July 23, 2014, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the despatch of the Annual Report and before the book closure may approach Karvy for issuance of the User ID and Password for exercising their right to vote by electronic means.

    The Company has entered into an arrangement with Karvy for facilitating e-voting for AGM.

The instructions for e-voting are as under :

A. In case a Member receives Notice of AGM through email (for Members whose addresses are registered with the Company/Depositories) :

i. Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'

ii. Enter the login credentials i.e., User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering the details appropriately, click on "LOGIN".

iv. You will reach the 'password change' menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the EVENT (e-voting Event Number) i.e., Prism Cement Limited.

vii. On the voting page, the number of shares (which represents the number of votes) as held by the member will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR"/"AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

ix. Cast your vote by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

x. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.,) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through email sj.pcltd@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name_EVENT No."

xi. The Portal will remain open for voting from : **July 25, 2014 (9.30 a.m.)** till **July 27, 2014 (5.30 p.m.).**

xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual available at the "download" section of https://evoting.karvy.com or contact Karvy on Toll Free No. 1-800-34-54-001 for any further clarifications.

B. In case a Member receives the physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/ Depositories) :

i. Initial password is provided in the enclosed Ballot Form : EVEN (e-voting Event Number), User ID and password.

ii. Please follow steps from Sl. No. (i) to (xii) under heading A above to vote through e-voting platform.

C. For members who wish to vote using Ballot Form :

Pursuant to Clause 35B of the Listing Agreement with the Stock Exchanges, members may fill in the Ballot Form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutiniser, Ms. Savita Jyoti, Savita Jyoti Associates, Company Secretaries, C/o. Karvy Computershare Pvt. Ltd., Unit : Prism Cement Limited, Plot No.17-24, Near Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad – 500081, so as to reach by 5.30 p.m. on July 27, 2014. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutiniser on the validity of the forms will be final.

D. GENERAL INSTRUCTIONS :

i. The e-voting period commences from 9.30 a.m. on July 25, 2014 and ends on 5.30 p.m. on July 27, 2014. During this period, the members of the Company, holding shares either in physical form or in demat form, as on July 23, 2014 may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter.

ii. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

iii. In the event a member casts his votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.

iv. The Company has appointed Savita Jyoti, Savita Jyoti Associates, Company Secretaries, Hyderabad as the Scrutiniser to scrutinise the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process), in a fair and transparent manner.

v. The Scrutiniser shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinisers Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

vi. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutiniser not later than July 27, 2014 (5.30 p.m. IST). Members have the option to request for physical copy of the Ballot Form by sending an e-mail to einward.ris@karvy.com by mentioning their Folio / DP ID and Client ID No.

vii. The results declared along with the Scrutinisers Report shall be placed on the Company's website www.prismcement.com and on the website of Karvy - www.evoting.karvy.com, within two days of the passing of the resolutions at the 22nd Annual General Meeting of the Company and shall also be communicated to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited

By Order of the Board of Directors,

Aneeta S. Kulkarni
Company Secretary

Place : Mumbai
Date : June 19, 2014

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out the material facts relating to Item Nos. 4 to 14 mentioned in the accompanying Notice dated June 19, 2014.

Item No. 4

Mr. J. A. Brooks (DIN : 00142045) is a Non-executive Independent Director of the Company and has varied experience in the field of finance, general management and strategy in the ready-mixed concrete industry. Mr. Brooks has had a long and distinguished career with the RMC Group Plc. He was actively involved in RMC Group Plc.'s worldwide expansion and was personally involved in setting up a Joint Venture for the RMC Group Plc. in India. He was Managing Director of RMC International Cement and Director - Asia Pacific and Head of Group Strategy of the RMC Group Plc. He was also Non-executive Director of Readymix Plc., Ireland and Adelaide Brighton, Australia. He retired from the RMC Group Plc., in 2005.

Mr. Brooks is a member of the Audit Committee and Nomination & Remuneration Committee of the Board of Directors of the Company.

Mr. Brooks retires by rotation at the ensuing Annual General Meeting under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Brooks being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years effective from the date of this AGM.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Mr. Brooks for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Brooks (i) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (ii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

He is not liable to retire by rotation. In the opinion of the Board of Directors, Mr. Brooks fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management. A copy of the draft letter for the appointment of Mr. Brooks as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office between 11.00 a.m. to 1.00 p.m. on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Brooks as an Independent Director.

No director, key managerial personnel or their relatives, except Mr. Brooks, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 4.

Mr. Brooks does not hold any shares of the Company.

Item No. 5

Ms. Ameeta A. Parpia (DIN : 02654277) is a Non-executive Independent Director of the Company. Ms. Parpia is the Chairperson of the Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee of the Board of Directors of the Company.

Ms. Parpia, Advocate & Solicitor, partner of M/s. A. H. Parpia & Company, has been in practice since last 25 years. She is on the Board of Raheja QBE General Insurance Company Limited and Supreme Petrochem Limited. She is the Chairperson of the Audit Committee of Raheja QBE General Insurance Company Limited and is a Member of the Audit Committee, Remuneration Committee and Investors Grievance Committee of Supreme Petrochem Limited.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Ms. Parpia for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Ms. Parpia (i) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (ii) a declaration to the effect that she meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

Ms. Parpia is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Ms. Parpia being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years effective from the date of this AGM.

She is not liable to retire by rotation. In the opinion of the Board, Ms. Parpia fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter for appointment of Ms. Parpia as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Parpia as an Independent Director.

No director, key managerial personnel or their relatives, except Ms. Parpia, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 5. Ms. Parpia holds 76,000 equity shares in the Company.

Item No. 6

Mr. Shobhan M. Thakore (DIN : 00031788) was appointed as an Additional Director by the Board with effect from June 19, 2014, pursuant to Section 161 of the Companies Act, 2013, read with Articles of Association of the Company. Mr. Thakore holds office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Mr. Thakore for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Mr. Thakore, 66 years, has completed his B.A. (Politics) and Bachelor of Law from Bombay University. He is a Solicitor of High Court, Bombay and Supreme Court of England and Wales.

He has been an advisor to several leading Indian Companies on corporate law matters and securities related legislations. He has also acted on behalf of leading investment banks and issuers for Indian IPO offerings and several international equity and equity linked debt issuances by Indian corporates. He has also advised in the establishment and operations of various India dedicated equity funds and domestic mutual funds. Being a solicitor for over 40 years, he has instructed leading Indian Counsel before various courts and forums including High Courts around India as well as the Supreme Court of India in various matters involving indirect tax, commercial and corporate law. He was a partner of M/s. Bhaishanker Kanga & Girdharlal, Advocates & Solicitors for more than 30 years, until March 31, 2004. Thereafter, he was a partner of M/s. AZB & Partners, Advocates & Solicitors until December 31, 2006. From January 1, 2007, Mr. Thakore along with Mr. Suresh Talwar (ex-partner of M/s. Crawford Bayley & Company) founded M/s. Talwar Thakore & Associates, one of the leading corporate law firms in Mumbai and is currently a Senior Consultant with M/s. Talwar Thakore and Associates.

Mr. Thakore is member on the Board of Directors of Alkyl Amines Chemicals Limited, Bharat Forge Limited, Carborundum Universal Limited, Morarjee Textiles Limited, Uni-Detirend Limited, Uni-Klinger Limited and Sharda Cropchem Limited. He is a member of the Audit Committees of Alkyl Amines Chemicals Limited, Bharat Forge Limited and Morarjee Textiles Limited, member of the Nomination & Remuneration Committee of Bharat Forge Limited and the Chairman of the Share Transfer and Investor Grievance Committee of Alkyl Amines Chemicals Limited.

The Company has received from Mr. Thakore (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Thakore as an Independent Director of the Company for a term of five consecutive years effective from the date of this AGM pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

He is not liable to retire by rotation. In the opinion of the Board of Directors, Mr. Thakore, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr. Thakore as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

No director, key managerial personnel or their relatives, except Mr. Thakore, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 8 for the approval of the members. Mr. Thakore does not hold any shares of the Company.

Item Nos. 7 - 10

The Board of Directors of the Company at its meeting held on July 25, 2013 appointed Mr. S. Ramnath (DIN : 00067019) as Additional Director and Executive Director (Cement) and Mr. V. M. Panicker (DIN : 02975912) as Additional Director and Executive Director (RMC) of the Company for a period of three years with effect from August 25, 2013.

Pursuant to Section 161 of the Companies Act, 2013, Mr. Ramnath and Mr. Panicker hold office as Additional Directors up to the date of the ensuing Annual General Meeting and are eligible for appointment as Directors of the Company. The Company has received notice from shareholders under Section 160 of the Companies Act, 2013, proposing their names for appointment as Directors of the Company.

Statement as per proviso (iv) of Part (B) of Part II of Schedule V to the Companies Act, 2013

I.	**GENERAL INFORMATION**					
	1.	**Nature of Industry**	Manufacture of Cement, Tiles, Bath and Kitchens and Ready-mixed Concrete.			
	2.	**Date or expected date of commencement of commercial production**	The Company was incorporated on March 26, 1992.			
	3.	**In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus**	Not applicable.			
	4.	**Financial performance based on given indicators**				**₹ Crores**
			Particulars	**2013-14**	2012-13	2011-12
			Total Revenue	**5,105.30**	4,774.00	4,509.70
			Total Expense	**5,242.50**	4,858.61	4,552.89
			Exceptional items	**9.37**	1.62	(2.80)
			Profit/(Loss) Before Tax	**(127.83)**	(82.99)	(45.99)
			Profit/(Loss) After Tax	**(81.65)**	(59.48)	(30.01)
			Dividend Rate	**—**	—	5%
	5.	**Foreign investments or collaborators, if any**	There are no foreign collaborators. The Company is listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and the foreign holding in the Company as on March 31, 2014 is 3.05%.			
II.	**INFORMATION ABOUT THE APPOINTEES**					
A	**Mr. S. Ramnath**					
	1.	**Background details**	Mr. S. Ramnath, 58 years, has a good and varied experience of over 33 years in diverse industries. He joined the Company in 1998 and held a series of assignments in systems, accounts and audit, HRD, commercial and general management before holding position of Sr. President - Corporate Affairs since 2006. Mr. Ramnath is a Chartered Accountant and a Cost Accountant and holds a Diploma in Human Resource Management. Prior to joining the Company, Mr. Ramnath held senior positions at Larsen & Toubro Limited, where he worked for 17 years at different locations.			
	2.	**Past Remuneration**	The remuneration paid to Mr. Ramnath as Executive Director (Cement) with effect from August 25, 2013 is ₹ 0.88 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.			

	4.	**Job profile and his suitability**	Mr. Ramnath, as the Executive Director (Cement) of the Company, functions with special focus on the Cement Division under the overall superintendence and guidance of the Board of Directors and the Managing Director of the Company.
	5.	**Remuneration proposed**	To be decided by the Board of Directors from time to time within the overall limits specified under the provisions of the Companies Act, 2013 and Rules thereunder read with Schedule V to the Act.
	6.	**Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person**	Considering the general industry and the specific company profile, the remuneration decided by the Nomination & Remuneration Committee/ Board of Directors for Mr. Ramnath is in line with industry trends and is fair and reasonable.
	7.	**Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any**	Except for the remuneration payable to him, Mr. Ramnath has no direct or indirect pecuniary relationship with the Company. He does not have any pecuniary relationship, direct or indirect, with any of the managerial personnel of the Company.
B.	**Mr. V. M. Panicker**		
	1.	**Background details**	Mr. V. M. Panicker, 49 years, has more than 27 years experience in the field of accounts and finance, taxation, secretarial, human resources, legal, corporate planning and general management. He was the Chief Financial Officer and Company Secretary of the erstwhile RMC Readymix (India) Private Limited (RMC) since 1996 before it was merged with the Company. Post the merger, he has held the position of Chief Financial Officer (RMC Readymix (India) Division). Mr. Panicker is a Chartered Accountant and Company Secretary and a Member of the Institute of Company Secretaries & Administrators, UK (AICSA-UK). Prior to his joining RMC, Mr. Panicker has worked with large Indian Corporate groups like the Walchandnagar, Tatas and Williamson Magor.
	2.	**Past Remuneration**	The remuneration paid to Mr. Panicker as Executive Director (RMC) with effect from August 25, 2013 is ₹ 0.61 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.
	4.	**Job profile and his suitability**	Mr. Panicker, as the Executive Director (RMC) 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 and the Managing Director of the Company.
	5.	**Remuneration proposed**	To be decided by the Board of Directors from time to time within the overall limits specified under the provisions of the Companies Act, 2013 and Rules thereunder read with Schedule V to the Act.
	6.	**Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person**	Considering the general industry and the specific company profile, the remuneration decided by the Nomination & Remuneration Committee/ Board of Directors for Mr. Panicker is in line with industry trends and is fair and reasonable.
	7.	**Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any**	Except for the remuneration payable to him, Mr. Panicker has no direct or indirect pecuniary relationship with the Company. He does not have any pecuniary relationship, direct or indirect, with any of the managerial personnel of the Company.

III.	OTHER INFORMATION		
	1.	**Reasons of loss or inadequate profits**	The Company has been consistently earning profits and paying dividends. However, since last three years, the Company has made net losses of ₹ 30.01 crores, ₹ 59.48 crores and ₹ 81.65 crores, respectively, primarily due to sluggish demand, weak markets and increased input costs which adversely impacted the margins.
	2.	**Steps taken or proposed to be taken for improvement of performance of the Company**	The Company is taking all efforts to improve its performance which, inter alia include : ● De-bottlenecking the manufacturing facilities and enhancing utilisation. ● Re-building the blending Silo at Satna. ● Introduced the usage of pet coke for cement operations. ● Installation of coal gasifiers at Plants in Andhra Pradesh for tiles. ● Commencement of the coal block operations for captive consumption of the cement plant at Satna. ● Cost management and greater utilisation of assets and adding new ready-mixed concrete plants in existing markets where demand is robust. ● Launching new brands
	3.	**Expected increase in productivity and profits in measurable terms**	All efforts are being undertaken to ensure an improved performance and increase the profitability of the Company.
IV.	DISCLOSURES		● The Company does not pay any bonus, severance fee and no stock option is granted to the Executive Directors. ● 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 Executive Directors is available for inspection at the Company's Registered Office at Hyderabad and at the Corporate Office at Mumbai, on all working days between 11.00 a.m. to 1.00 p.m., except Saturdays, up to the date of the Annual General Meeting.

The Directors are of the view that the Company would be immensely benefited by the experience and guidance of Mr. Ramnath and Mr. Panicker and therefore recommend adoption of the Resolutions at Item Nos. 7 to 10.

Except for Mr. Ramnath and Mr. Panicker who may be deemed to be interested in their respective appointments, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are deemed to be concerned or interested in any way in the Resolutions. Mr. Ramnath and Mr. Panicker do not hold any shares of the Company

Item No. 11

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. N. I. Mehta & Co., Cost Accountants as the Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 at a remuneration of ₹ 8,25,000/-, in addition to service tax and reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 11 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 11 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 11 of the Notice for approval by the shareholders

Item No. 12

The Companies Act, 2013 and Rules thereunder require the Company to maintain and preserve certain registers, documents and records at the registered office of the Company unless a special resolution is passed in a general meeting authorising the keeping of such registers at any other place in India. Karvy Computershare Private Limited are the Registrar & Transfer Agents of the Company providing related services for the Company's securities. It is proposed to maintain the registers/records/documents of the Company related to the Company's securities at the office of the Registrar & Transfer Agents registered with the Securities Exchange Board of India (SEBI) at Hyderabad. It is also proposed to maintain registers/ records/documents of the Company related to Annual Return, Minutes of proceedings of general meeting, meetings of Board of Directors and its Committees and other meetings and resolutions passed by postal ballot and copies of certificates and documents required to be annexed thereto and other related books at the Corporate Office of the Company at Mumbai.

The Companies Act, 2013 and Rules thereunder has further mandated that the records of the Company be kept in electronic mode and shall be made available for inspection as per the provisions of the Act.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 12 of the Notice.

The Board recommends the Special Resolution set out at Item No. 12 of the Notice for approval by the shareholders.

Item No. 13

At the Annual General Meeting of the Company held on June 25, 2013, the Members had approved of the payment of commission to Non-executive Directors of the Company not exceeding one percent per annum of the net profits of the Company for a period of five years commencing from April 1, 2013. Keeping in view the enhanced role, responsibilities and duties of directors, it is considered appropriate to pay commission to Non-executive Directors of the Company. Accordingly, it is proposed that in terms of Section 197 of the Companies Act, 2013 the Directors (apart from the Managing Director and Executive Directors) be paid, for each of the five consecutive financial years commencing April 1, 2014, remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Act. This remuneration will be distributed amongst all or some of the Non-executive Directors in accordance with the directions given by the Board.

All the Directors of the Company except the Managing Director and Executive Directors are concerned or interested in the Resolution at Item No. 13 of the Notice to the extent of the remuneration that may be received by each of them.

The Board recommends the Special Resolution set out at Item No. 13 of the Notice for approval by the shareholders.

Item No. 14

The Company has been accepting unsecured deposits from the public as permissible under the provisions of the Companies Act, 1956 read with the corresponding Companies (Acceptance of Deposit) Rules, 1975, earlier in force.

However, with the commencement of the Companies Act, 2013 ("Act"), deposits are now governed by the new provisions and approval of shareholders is required by way of Special Resolution for inviting/accepting/renewing deposits from the public.

Members may kindly note that under the provisions of the Act, the Company is required to obtain credit rating from a recognised rating agency and deposit insurance towards deposits as may be accepted by it. The Company shall comply with the provisions of the Act and Rules thereunder and shall take the deposit insurance as and when available towards deposits as may be accepted by it.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in the Special Resolution set out at Item No. 14 of the Notice.

The Board recommends the Special Resolution set out at Item No. 14 of the Notice for approval by the shareholders..

By Order of the Board of Directors,

Aneeta S. Kulkarni
Company Secretary

Place : Mumbai
Date : June 19, 2014
CIN : L26942AP1992PLC014033

Registered Office :
305, Laxmi Niwas Apartments,
Ameerpet, Hyderabad - 500 016
Phone : +91 40 23400218 ; Fax : +91 40 23402249
email : investor@prismcement.com
website : www.prismcement.com

PRISM CEMENT LIMITED

CIN : L26942AP1992PLC014033
Registered Office : 305, Laxmi Niwas Apartments, Ameerpet, Hyderabad - 500 016
Phone : +91 40 23400218 ; Fax : +91 40 23402249 ; email : investor@prismcement.com ; website : www.prismcement.com

ATTENDANCE SLIP

(To be presented at the entrance)

22ND ANNUAL GENERAL MEETING ON THURSDAY, JULY 31, 2014 AT 9.30 A.M.

at Taj Mahal Hotel, 4-1-999, Abids Road, Hyderabad - 500 001

Folio No. ______________________ DP ID No. ______________________ Client ID No. ______________________

Name of the Member____ Signature ______________________

Name of the Proxyholder____ Signature______________________

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

PRISM CEMENT LIMITED

CIN : L26942AP1992PLC014033
Registered Office : 305, Laxmi Niwas Apartments, Ameerpet, Hyderabad - 500 016
Phone : +91 40 23400218 ; Fax : +91 40 23402249 ; email : investor@prismcement.com ; website : www.prismcement.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : ....

Registered address : ....

E-mail ID : ....

Folio No./Client ID No. : .... DP ID No. ....

I/We, being the member(s) of .... Shares of **Prism Cement Limited**, hereby appoint

1. Name : .... E-mail ID : ....
   Address : ....
   .... Signature : ....
   or failing him
2. Name : .... E-mail ID : ....
   Address : ....
   .... Signature : ....
   or failing him
3. Name : .... E-mail ID : ....
   Address : ....
   .... Signature : ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the company, to be held on July 31, 2014 at 9.30 a.m. at Taj Mahal Hotel, 4-1-999, Abids Road, Hyderabad - 500 001, and at any adjournment thereof in respect of such resolutions as are indicated below :

	Ordinary Business		**Special Business**
1	Adoption of Financial Statements for the year ended March 31, 2014	**8**	Appointment of Mr. V. M. Panicker as Director of the Company
2	Re-appointment of Mr. Rajan B. Raheja, Director retiring by rotation	**9**	Appointment of Mr. S. Ramnath as Executive Director (Cement) of the Company
3	Appointment of Auditors	**10**	Appointment of Mr. V. M. Panicker as Executive Director (RMC) of the Company
	Special Business	**11**	To ratify remuneration of the Cost Auditors of the Company
4	Appointment of Mr. J. A. Brooks as an Independent Director of the Company	**12**	To approve keeping and maintaining of registers/records/documents at any other place in India other than the Registered Office
5	Appointment of Ms. Ameeta A. Parpia as an Independent Director of the Company	**13**	Payment of Commission to Non-executive Directors of the Company
6	Appointment of Mr. Shobhan M. Thakore as an Independent Director of the Company	**14**	Acceptance of Deposits by the Company
7	Appointment of Mr. S. Ramnath as Director of the Company		

Signed this .... day of 2014

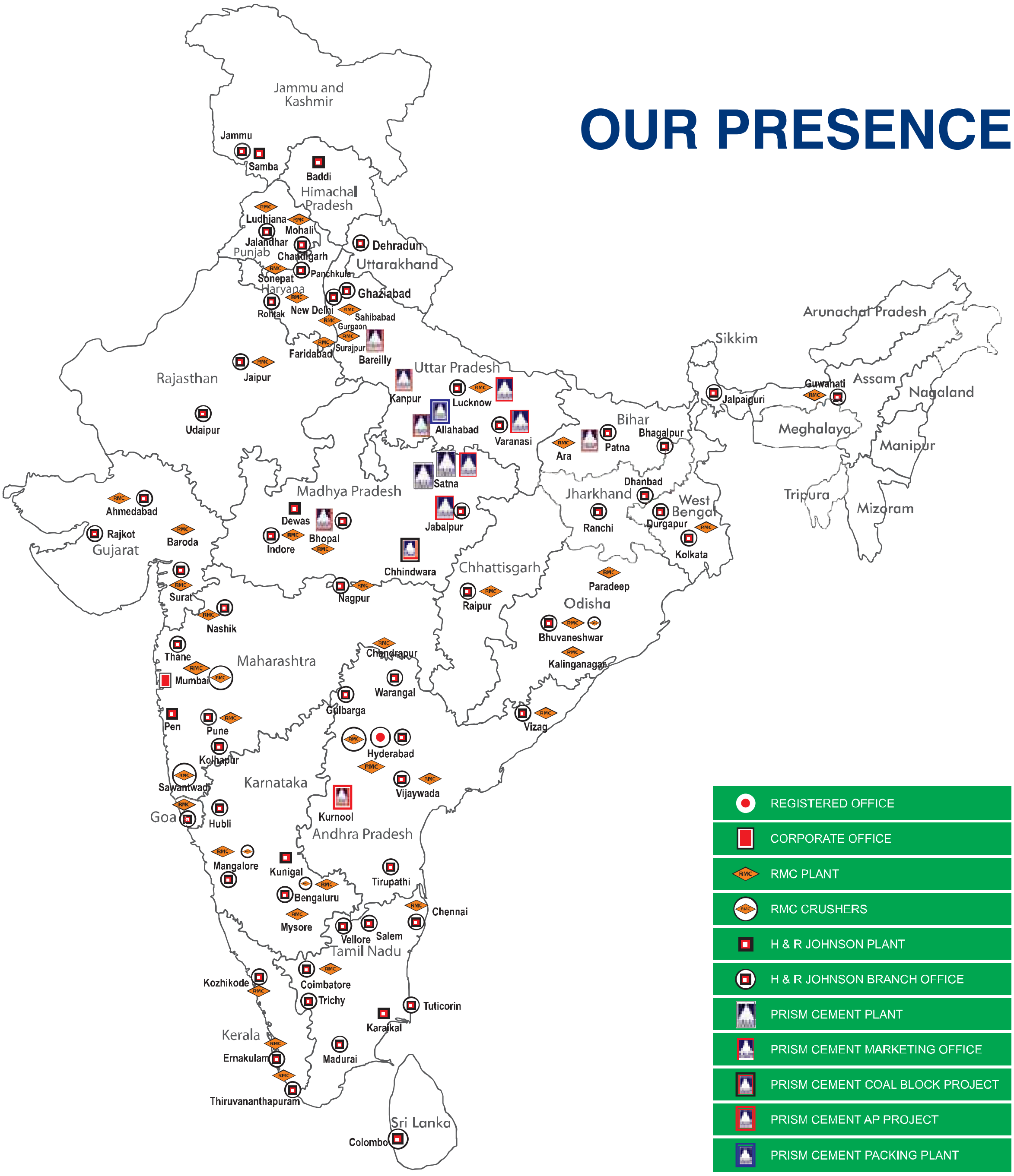
Affix Revenue Stamp

Signature of shareholder... Signature of Proxyholder(s)..

Notes : 1. This Proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 305, Laxmi Niwas Apartments, Ameerpet, Hyderabad - 500 016, not less than 48 hours before the commencement of the Meeting.

2. Please complete all details, including details of member(s) in above box before submission.

OUR PRESENCE



Note : The map is as of March 31, 2014. It is illustrative and not drawn to scale. Andaman & Nicobar and Lakshadweep islands are not shown.

PRISM CEMENT LIMITED

PRISM CEMENT

JOHNSON
REDEFINING LIFESTYLES, WORLDWIDE.

RMC
Mix with the Best

PRISM CEMENT LIMITED

CIN : L26942AP1992PLC014033
Registered Office : 305, Laxmi Niwas Apartments, Ameerpet, Hyderabad - 500 016
Phone : +91 40 23400218 ; Fax : +91 40 23402249
email : investor@prismcement.com ; website : www.prismcement.com

BALLOT FORM

(In lieu of e-voting)

1. Name and Registered Address of the sole/first named Shareholder :

2. Name(s) of the Joint Shareholder(s), if any :

3. Registered Folio No./DP ID No./Client ID No.* :
(*Applicable to investors holding shares in dematerialized form)

4. Number of Equity Shares held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 22nd Annual General Meeting of the Company to be held on July 31, 2014 by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below :

Item No.	Description	No. of Equity Shares	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
	Ordinary Business			
1.	Adoption of Financial Statements for the year ended March 31, 2014			
2.	Re-appointment of Mr. Rajan B. Raheja, Director retiring by rotation			
3.	Appointment of Auditors			
	Special Business			
4.	Appointment of Mr. J. A. Brooks as an Independent Director of the Company			
5.	Appointment of Ms. Ameeta A. Parpia as an Independent Director of the Company			
6.	Appointment of Mr. Shobhan M. Thakore as an Independent Director of the Company			
7.	Appointment of Mr. S. Ramnath as Director of the Company			
8.	Appointment of Mr. V. M. Panicker as Director of the Company			
9.	Appointment of Mr. S. Ramnath as Executive Director (Cement) of the Company			
10.	Appointment of Mr. V. M. Panicker as Executive Director (RMC) of the Company			
11.	To ratify remuneration of the Cost Auditors of the Company			
12.	To approve keeping and maintaining of registers/records/documents at any other place in India other than the Registered Office			
13.	Payment of Commission to Non-executive Directors of the Company			
14.	Acceptance of Deposits by the Company			

Place :
Date :

Signature of Shareholder

Note : Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the Scrutiniser by 5.30 p.m. on July 27, 2014 shall only be considered.

ELECTRONIC VOTING PARTICULARS

Users who wish to opt for e-voting may use the following login credentials.

EVEN (E-VOTING EVENT NO.)	USER ID	PASSWORD

Please follow steps for e-voting procedure as given in the Notice of AGM by logging on to https://evoting.karvy.com

INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutiniser, Savita Jyoti, Savita Jyoti Associates, Company Secretaries, Hyderabad Unit : Prism Cement Limited, C/o. Karvy Computershare Private Limited, Plot No.17 - 24, Near Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad – 500081 or to her email id sj.pcltd@gmail.com, so as to reach latest by 5.30 p.m. on July 27, 2014. Ballot Form received thereafter will strictly be treated as if not received.

2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.

3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutiniser on the validity of the forms will be final.

4. In the event member casts his votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.

5. The right of voting by Ballot Form shall not be exercised by a proxy.

6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/ demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the Registrar and Transfer Agent of the Company (i.e. Karvy Computershare Private Limited). Members are requested to keep the same updated.

7. There will be only one Ballot Form for every Folio/DP ID/Client ID irrespective of the number of joint members.

8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot Form signed by a joint holder shall be treated valid if signed as per records available with the companies Registrar and Transfer Agent and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.

9. Where the Ballot Form has been signed by an Authorised Representative of the Body Corporate/Trust/ Society, etc. a certified copy of the relevant authorisation/Board Resolution to vote should accompany the Ballot Form.

10. Instructions for e-voting procedure are available in the Notice of Annual General Meeting and are also placed on the website of the Company, www.prismcement.com