



PRISM CEMENT LIMITED
ANNUAL REPORT 2008-09





PRISM CEMENT LIMITED

Board of Directors

Mr. Rajesh G. Kapadia

Chairman

Mr. Rajan B. Raheja

Mr. Aziz H. Parpia

Mr. Satish B. Raheja

Mr. Vijay Aggarwal

Alternate to Mr. Satish Raheja

Mr. Akshay R. Raheja

Mr. Manoj Chhabra

Managing Director

Company Secretary

Mrs. Aneeta S. Kulkarni

Corporate Office

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

Registered Office

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

Plant

Village Mankahari, Tehsil Rampur
Baghelan, Dist: Satna - 485 111, M. P.

Marketing Office

16/1/6A, Tagore Town, J. N. Road,
Allahabad - 211 002, U. P.

Registrar & Transfer Agents

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

Bankers

State Bank of India
Vijaya Bank
Axis Bank Limited

Auditors

N. M. Raiji & Co., Mumbai

Internal Auditors

Natvarlal Vepari & Co., Mumbai

Cost Auditors

N. I. Mehta & Co., Mumbai

Solicitors

Wadia Ghandy & Co., Mumbai

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PRISM CEMENT LIMITED

NOTICE

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of the Company will be held on Tuesday, May 12, 2009, at 11.30 a.m. at Taj Mahal Hotel, 4-1-999, Abids Road, Hyderabad - 500 001, to transact the following business:

Ordinary Business :

1. To receive and adopt the Directors' Report and the audited Profit and Loss Account for the nine month period ended March 31, 2009 and the Balance Sheet as at that date and the report of the Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Rajesh G. Kapadia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Akshay R. Raheja, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT the retiring Auditors, Messrs N. M. Rajji & Co., who being eligible, have offered themselves for re-appointment, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be mutually agreed between the Board of Directors of the Company and the Auditors, in addition to reimbursement of out-of-pocket expenses, in connection with the audit of the Company."

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE VALID, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Transfer Books of the Company will remain closed from Tuesday, May 5, 2009 to Tuesday, May 12, 2009 (both days inclusive). If the final dividend as recommended by the Board of Directors is approved at the meeting, payment of such dividend will be made on or after May 14, 2009 as under :
 - i. To all beneficial owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (I) Limited as of the close of business hours on May 4, 2009.

- ii. To all shareholders in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on May 4, 2009.

3. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of the dividend. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the shareholders.
4. In order to avail the facility of Electronic Clearing System (ECS) for receiving direct credit of dividend to his / their respective account with the Bank(s), the members holding shares in physical form are requested to provide their Bank Account details to the Company's Registrar & Transfer Agent - Karvy Computershare Private Ltd. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend.
5. Members are requested to send all communication relating to shares to the Company's Registrar & Transfer Agent - Karvy Computershare Private Ltd., Unit: Prism Cement Limited, Plot No. 17 - 24, Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad - 500 081. Members holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).
6. 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.
7. The Company's equity shares are listed on The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The listing fees for the year 2009-2010 have been paid to the aforesaid Stock Exchanges.
8. Pursuant to Section 205C of the Companies Act, 1956, the Company has transferred unclaimed interest on non-convertible debentures in respect of 14th and 15th Interest Accounts and the Unclaimed Redemption - 2nd instalment of non-convertible debentures to the Investor Education & Protection Fund.

By Order of the Board of Directors

Place : Mumbai
Date : April 14, 2009

Aneeta S. Kulkarni
Company Secretary

Registered Office :

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

DIRECTORS' REPORT

To the Shareholders,

The Directors present the Seventeenth Annual Report together with the audited Accounts of the Company for the nine months ended March 31, 2009.

OPERATING RESULTS

The Board of Directors has decided to adopt a twelve month financial period from 1st April to 31st March each year as against 1st July to 30th June in the earlier years. Consequently, the operating results have been drawn up for the nine month period from 1st July 2008 to 31st March 2009.

	<u>2008-09</u> (Nine months) <u>Rs. Crores</u>	<u>2007-08</u> (Twelve months) <u>Rs. Crores</u>
Sales	721.41	1019.75
Less : Excise duty	<u>94.17</u>	<u>143.30</u>
Net Sales	627.24	876.45
Other income	<u>9.93</u>	<u>15.92</u>
	<u>637.17</u>	<u>892.37</u>
Expenditure	<u>457.34</u>	<u>539.88</u>
Profit before finance charges, depreciation and tax	179.83	352.49
Finance charges	<u>3.54</u>	<u>3.83</u>
Profit before depreciation and tax	176.29	348.66
Depreciation	<u>24.31</u>	<u>31.93</u>
Profit before tax	151.98	316.73
Provision for current tax	<u>(61.24)</u>	<u>(80.41)</u>
Provision for fringe benefit tax	<u>(0.51)</u>	<u>(0.40)</u>
Deferred tax	<u>6.00</u>	<u>5.71</u>
Profit after tax	96.23	241.63
Add : Surplus brought forward	319.52	112.97
Less : Transitional adjustment for AS-15	<u>-</u>	<u>0.18</u>
Profit available for appropriations	415.75	354.42
Appropriation :		
Transfer to General Reserve	5.00	-
Proposed Dividend	14.92	-
Interim Dividend	29.83	29.83
Dividend distribution tax	7.60	5.07
Surplus carried to Balance Sheet	<u>358.40</u>	<u>319.52</u>

DIVIDEND

During the period under review, the Company has paid an Interim Dividend of Re. 1/- per equity share of Rs. 10/- each aggregating to an amount of Rs. 34.90 crores (including dividend distribution tax of Rs 5.07 crores). In addition, the Board of Directors has recommended a final dividend of Re. 0.50 per share. The aggregate

dividend for the period ended March 31, 2009 would amount to Rs. 1.50 per share as against Re. 1/- per share paid for the previous year ended June 30, 2008.

This would result in a total dividend outflow of Rs. 52.35 crores (including dividend distribution tax of Rs. 7.60 crores) for the nine month period as against Rs. 34.90 crores (including dividend distribution tax of Rs. 5.07 crores) in the previous year.

OPERATIONS

During the period under review, the Company produced 17.44 lakh tonnes of clinker and 18.61 lakh tonnes of cement. The sale of cement and clinker was 22.88 lakh tonnes during the same period. For the nine month period ended March 31, 2009 the profit before tax was Rs. 151.98 crores and net profit was Rs. 96.23 crores.

EXPANSIONS

The Company has plans to augment its cement capacity in the coming years. The Company is in the process of setting up another cement plant adjoining the present plant location at Satna with a proposed cement capacity of 3.6 MTPA. Orders for its core plant and machinery have already been placed. Civil and other allied work has already commenced. The Company endeavours to commence commercial production in the last quarter of 2010.

The Company also has plans to set up a cement plant in the Kurnool District of Andhra Pradesh with a cement capacity of 4.8 MTPA. The environmental clearance has already been obtained and about 85% of land under the mining lease has been acquired. The mines development work has already commenced. The Company is awaiting certain clearances from the State Government after which further activity shall take place.

The Company has been allotted a Coal Block in the Chhindwara District of Madhya Pradesh. The Mining Plan has been approved by the Central Government and the Company is awaiting clearance from the Ministry of Environment & Forests.

FINANCE

The Company continues to be debt-free. The Company's major investments are in Mutual Fund Liquid schemes. The aggregate amount of investments in the schemes as on March 31, 2009 stood at Rs. 55.80 crores. During the period under review, the Company has invested Rs. 145.78 crores in Raheja QBE General Insurance Company Limited, taking the total investment to Rs. 153.18 crores (including Rs. 5.18 crores as share application money), which represents 74% of its share in the subsidiary.

DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Rajesh G. Kapadia and Mr. Akshay R. Raheja retire by rotation at the forthcoming Annual General Meeting



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and being eligible, have offered themselves for re-appointment.

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

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 nine month period ended March 31, 2009, 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, 2009 and of the profit of the Company for the nine month period 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 nine month period ended March 31, 2009 on a going concern basis.

PARTICULARS OF EMPLOYEES

Pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the particulars are given in the statement which forms part of this Report. However, as per provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report and Accounts are 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 the Annexure forming part of this Report.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock

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

AUDITORS

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

As per the requirement of the Central Government and pursuant to Section 233 B of the Companies Act, 1956, the Company's Cost Records in respect of cement for the nine months ended March 31, 2009 are being audited by Cost Auditors, M/s. N. I. Mehta & Co.

SUBSIDIARY

During the period under review, the subsidiary M/s. Raheja QBE General Insurance Company Limited (RQBE) was granted the Certificate of Registration for carrying out general insurance business by the Insurance Regulatory and Development Authority (IRDA) in December 2008. RQBE is planning to launch its products in the current financial year.

As required under section 212 of the Companies Act, 1956 the audited accounts alongwith the report of the Board of Directors relating to the subsidiary company Raheja QBE General Insurance Company Limited and the Auditors' Report thereon are attached.

CONSOLIDATED FINANCIAL STATEMENTS

The audited Consolidated Financial Statements have been prepared in accordance with the requirements of the Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

For the nine months ended March 31, 2009, the consolidated net profit of the Company and its subsidiary company amounted to Rs. 92.05 crores as compared to Rs. 96.23 crores for the Company on a stand alone basis.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

RAJESH G. KAPADIA
Chairman

Place : Mumbai

Date : April 14, 2009



MANAGEMENT DISCUSSION & ANALYSIS

Business Environment

The global financial turmoil, which affected the developed economies during 2008-09, has had its ripple effect on the Indian economy as well. Indian GDP growth slipped to 7% in the year 2008-09 as against 9% growth in the previous year. The slowdown of the economy has affected housing, construction and infrastructure sector. However, despite this, the cement industry witnessed a demand of about 8% year-on-year during 2008-09. This was only marginally lower than 10% recorded in the last 2 to 3 years.

Economy in the rural and small towns, the main markets of interest for the Company has remained relatively insulated from the slow down. Rural income, in fact, has been on the rise driven largely by continuous growth in agriculture during the past few years and the growth of the service sector. This coupled with easy availability of finance has resulted in a healthy demand for cement.

The lower growth in the year 2008-09, however, impacted the cement prices which remained under pressure and were lower than the previous year. Also the prices of raw materials, coal and freight rose significantly. As a result of which the profitability of the cement industry has been affected.

Looking forward, the per capita consumption of cement in India continues to be low. India is still way behind the global average and this process of catching up with the international average will drive the future growth of the cement industry. The governments, at the Centre and at the State, have undertaken several road and housing projects in the area of our interest besides announcements of several power projects, specially in U.P. and M.P. We also expect further step up in the expenditure on various rural social schemes and enhanced allocation for rural sector after the elections. This should sustain the demand for cement.

Review of Operations and Future Outlook

The Board of Directors has decided to adopt a twelve month financial period from 1st April to 31st March each year as against 1st July to 30th June in the earlier years. Consequently, the operating results have been drawn up for the nine month period from 1st July 2008 to 31st March 2009 and hence the figures are not strictly comparable.

The Company ended the nine months with a turnover of Rs. 721.41 crores. The net profit for the nine month period ended March 31, 2009 was Rs. 96.23 crores. The Company has weathered the slowdown challenges and has

successfully faced them in the market through various risk mitigation measures of containing costs, widening the customer base, reaching out to new consumers, strengthening the supply chain and logistics, opening up new depots and positioning its marketing strategies appropriately. The Company has further exercised credit control and the debtors stand at zero as on March 31, 2009.

Prism has always enjoyed a position of pride with respect to its products and processes and has positioned itself as a company with a high degree of quality consciousness. The Company has been accredited the ISO/IEC 17025:2005 Certificate of Accreditation for Quality Control Laboratories by the National Accreditation Board for Testing and Calibration Laboratories, Department of Science & Technology, India. Regular customer and dealer meets in all segments are organised and a structured feedback mechanism is in place to strengthen Prism's creditability as a supplier of choice. This has resulted in creating desired rapport with and loyalty from customers and dealers.

Expansions

The Company has plans to augment its cement capacity in the coming years. The Company is in the process of setting up another cement plant adjoining the present plant location at Satna with a proposed cement capacity of 3.6 MTPA. Orders for its core plant and machinery have already been placed. Civil and other allied work has already commenced. The Company endeavours to commence commercial production in the last quarter of 2010.

The Company also has plans to set up a cement plant in the Kurnool District of Andhra Pradesh with a cement capacity of 4.8 MTPA. The environmental clearance has already been obtained and about 85% of land under the mining lease has been acquired. The mines development work has already commenced. The Company is awaiting certain clearances from the State Government after which further activity shall take place.

The Company has been allotted a Coal Block in the Chhindwara District of Madhya Pradesh. The Mining Plan has been approved by the Central Government and the Company is awaiting clearance from the Ministry of Environment & Forests.

Internal Control Systems

The Company has an adequate system of internal control commensurate with the size of the Company and the

nature of its business operations to ensure efficacy of operations and compliance with applicable legislation. The system, comprising authority levels and powers, supervision, checks and balances, policies and procedures, is reviewed and updated on an on-going basis. The Company continuously upgrades its internal control systems by measures such as strengthening of IT infrastructure. The Company has appointed Internal Auditors who carry out internal audit across locations of the Company and the results of the audit findings are reviewed by the Audit Committee.

Human Resources

Prism draws its strength from its people whose commitment and contribution has been the cornerstone of the company's growth over the years. The commitment and untiring efforts of employees at all levels have contributed immensely to the results achieved on various fronts and achieving the Company's corporate objectives.

The Company continues to focus on both recruitment and retention, giving priority to meritocracy and ensuring that performance is first recognized and then rewarded in an appropriate manner. Training and development programmes are continuously designed and implemented to address the growing needs of the market.

Corporate Social Responsibility

The Company continues to take up various programmes like laying of roads, building schools / community development centre, providing water connections, etc., for the upliftment of the surrounding areas. During the summer season, the Company deploys water tankers in and around the surrounding areas and towns to provide water to locals who face hardship due to acute water shortage. In addition to the above, the Company extends free medical out-patient facilities to the near-by population and also organizes medical camps periodically for their benefit.

The Company takes special care to understand in detail the key needs of its customer groups and how these can be addressed. The Company has set up a Technical Services Cell manned by civil engineers with the objectives of providing on-site services to individual house builders, educating them about correct

construction practices, economic use of cement and various other aspects of building material and construction.

Safety, Health & Environment

The Company continues to focus on the health, safety and environment of its factory and establishments. It's Health and Safety Policy, which addresses the regulatory requirements and preventive measures ensure the desired safety standards on a sustainable basis. During the year, the Company was awarded the runner up position for NATIONAL SAFETY AWARD - 2006 for the Lowest Average Frequency Rate and the Second Prize for the National Energy Conservation Award for the year 2008.

Safeguarding the health and safety of the employees, as well as promoting a broader culture of health and safety in local communities in which the Company operates, is one of its main responsibilities. The Company conducts ongoing safety awareness programmes, which, together with safety audits and continual safety training, comprise the systems and processes implemented in this area. Putting safety at work first, caring for the employees and the workmen are some of initiatives of the Company for striving for a healthy work environment free of incidents, injuries and accidents.

The Company's limestone mines at Satna were awarded the 1st prize for Overall Performance, Top Soil Management and Air Quality Management amongst others, by the Chief Controller of Mines, Indian Bureau of Mines, Nagpur, at the Mines Environment and Mineral Conservation Week - 2008-09, Jabalpur Division.

Cautionary Statement

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



REPORT ON CORPORATE GOVERNANCE

Company’s Philosophy on Corporate Governance

The Company believes in maintaining a transparent corporate structure driven solely by business needs, to enable it to serve the interests of its stakeholders including shareholders, customers, Government and society at large. The Board of Directors and the Management are committed to the enhancement of shareholder value through sound business decisions, prudent financial management and high standards of ethics throughout the organization. This is done by ensuring transparency and professionalism in all decisions and transactions, ensuring that systems are put in place and reviewed regularly to ensure compliance with all applicable laws, regulations and guidelines.

1. Board of Directors

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

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

- ii. During the period ended March 31, 2009, four Board Meetings were held on the following dates: (i) July 3, 2008 (ii) October 7, 2008 (iii) January 6, 2009 and (iv) March 26, 2009.
- iii. None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the public companies in which he is a Director.
- iv. The following table gives details of Directorship, Category, attendance at Board Meetings and at the last Annual General Meeting and number of memberships of Board/Committees of various other public companies (excluding Directorships in Indian private companies, foreign companies, companies u/s 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	
					Mem-ber	Chair-man
Mr. Rajesh G. Kapadia (Chairman)*	Independent Non-executive	3	Yes	10	2	4
Mr. Rajan B. Raheja	Non-independent Non-executive	4	No	8	4	-
Mr. Aziz H. Parpia	Independent Non-executive	4	No	5	2	1
Mr. Satish B. Raheja	Non-independent Non-executive	-	No	3	1	-
Mr. Vijay Aggarwal (Alternate to Mr. Satish B. Raheja)	Non-independent Non-executive	4	No	5	4	-
Mr. Akshay R. Raheja	Non-independent Non-executive	4	No	3	1	-
Mr. Manoj Chhabra (Managing Director)	Non-independent Executive	4	Yes	1	1	-

*Appointed w.e.f. March 26, 2009

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

2. Audit Committee

The Audit Committee of the Company is constituted pursuant to the provisions of the Companies Act, 1956 and the Listing Agreements with the Stock Exchanges. As on March 31, 2009, the Audit Committee comprises of three non-executive Directors Mr. R. G. Kapadia, Chairman of the Committee, Mr. A. H. Parpia and Mr. A. R. Raheja. Two of the members are independent.

The terms of reference of the Audit Committee are in conformity with the statutory guidelines, which inter alia include:

- Overview of the Company's financial reporting process and ensuring correct, adequate and credible disclosure of financial information;
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services;
- Reviewing with management the annual financial statements before submission to the Board with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements;
- Reviewing the adequacy of the Audit and compliance functions, including their policies, procedures, techniques and other regulatory requirements;
- Any other terms of reference as may be included from time to time.

The Audit Committee has met four times during the period ended March 31, 2009 on July 3, 2008, September 23, 2008, October 7, 2008 and January 6, 2009 and the details of attendance by the Committee Members are as follows:

Name of Director	No. of Audit Committee Meetings attended
Mr. R. G. Kapadia	4
Mr. A. H. Parpia	4
Mr. A. R. Raheja	4

For Audit Committee meetings, the Internal and Statutory Auditors are invited and are generally attended by the Managing Director and Sr. President - Corporate Affairs of the Company. The Company Secretary acts as Secretary of the Audit Committee.

3. Remuneration Committee

The Remuneration Committee comprises of 3 non-executive members of the Board viz. Mr. Rajan B. Raheja - Chairman, Mr. A. H. Parpia and Mr. R. G. Kapadia. The Committee decides on the Company's policy on the remuneration package for its Executive Director.

One meeting of the Remuneration Committee was held on July 3, 2008, which was attended by all the members.

The non-executive Directors are only paid sitting fees for attending the Board and Audit Committee meetings. For the period ended March 31, 2009, the non-executive Directors were paid in aggregate, an amount of Rs. 4,70,000/- as sitting fees.

A. Details of Remuneration paid to Directors for period ended March 31, 2009

- Mr. M. Chhabra was appointed as the Managing Director of the Company on July 28, 2003 for a period of 5 years and re-appointed by the Board at its meeting held on July 3, 2008 for a further period of 3 years. The appointment is on contractual basis and is subject to termination by six months' notice by any of the parties. The elements of the remuneration package of Managing Director comprises of salary and perquisites as approved by the shareholders at the annual general meeting. The Company does not pay any bonus, severance fee and no stock option is granted to the Managing Director. During the nine month period ended March 31, 2009, the total managerial remuneration paid to the Managing Director amounted to Rs. 1.42 crores. Details of remuneration paid to the Managing Director are furnished in Note No. 12 of Notes to Accounts.
- Details of shares of the Company held by the Directors as on March 31, 2009 are as under :

Name	No. of shares
Mr. Rajesh G. Kapadia	99
Mr. Rajan B. Raheja	5,12,82,099
Mr. Aziz H. Parpia	1,06,799
Mr. Satish B. Raheja	500
Mr. Akshay R. Raheja	55,50,000
Mr. Manoj Chhabra	600

B. Details of the Directors seeking re-appointment at the Seventeenth Annual General Meeting to be held on May 12, 2009 are furnished below :

Mr. Rajesh G. Kapadia, senior Chartered Accountant, aged 52 years, has been associated with the Company as Director since 1992 and has a wide range of experience in accounts, taxation and company matters. Mr. Kapadia is also a Director on the Board of Asianet Satellite Communication Limited, Boruka Power Corporation Limited, Diagold Design Limited, Exide Industries Limited, Goldiam International Limited, H & R Johnson (India) Limited, ING Vysya Life Insurance Company Limited, Innovassynth Technologies (India) Limited, Nilkamal Limited, Raheja QBE General Insurance Company Limited and The



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Indian Merchants Chamber. He is Chairman of the Audit Committees of Asianet Satellite Communications Limited, H & R Johnson (India) Limited, Exide Industries Limited and Goldiam International Limited. He is a member of the Audit Committee of Boruka Power Corporation Limited and ING Vysya Life Insurance Company Limited, Remuneration Committees of Asianet Satellite Communications Limited, Exide Industries Limited and ING Vysya Life Insurance Company Limited.

Mr. Akshay R. Raheja, aged 26 years, was appointed as Director on the Board of the Company since 2006. Mr. Akshay Raheja is a MBA from Columbia Business School, N.Y., USA. He is a Director on the Board of Asianet Satellite Communications Limited, H & R Johnson (India) Limited and Raheja QBE General Insurance Company Limited. He is a member of the Audit Committee of Raheja QBE General Insurance Company Limited.

4. Shareholders/Investors Grievance Committee

The Committee comprises of Mr. A. H. Parpia - Chairman, Mr. R. G. Kapadia and Mr. M. Chhabra as the members of the Committee. The Committee looks into various issues relating to shareholder/investors grievances relating inter alia to non-receipt of annual report/dividend, non-delivery of shares after transfer/delay in transfer of shares, non-receipt of interest on debentures, etc.

5. Share Transfer Committee

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

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

Share Transfers and Complaints received during the period ended March 31, 2009

Complaints :

Received from	Received and Cleared	Pending
Direct to the Company	527	Nil
Through SEBI	2	Nil
Through Stock Exchange(s)	Nil	Nil
Through Investors' Association(s)	Nil	Nil

Share Transfers :

No. of transfer deeds received	372
No. of shares received for transfer	70,606
No. of shares transferred	70,106
No. of shares pending due to objections (as on March 31, 2009)	500

6. Annual General Body Meetings

The Annual General Meetings (AGM) for the last three years were held on September 26, 2006, August 7, 2007 and August 5, 2008 respectively. All the three meetings were held at Taj Mahal Hotel, Hyderabad - 500 001. One special resolution was passed at the AGM held on September 26, 2006 pertaining to revision in remuneration payable to the Managing Director. No resolution was passed using postal ballot.

7. Disclosures

- 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.
- 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.
- Mandatory Requirements**
The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreements with the Stock Exchanges.
 - Subsidiary Company**
 - Raheja QBE General Insurance Company Ltd. (RQBE) is a material non-listed Indian subsidiary company in terms of Clause 49 (III) of the Listing Agreement. Accordingly Mr. Rajesh G. Kapadia, an independent Director of the Company, is a Director on the Board of RQBE.
 - The minutes of the meetings of the Board of Directors of RQBE are placed before the Board of Directors of the Company and the attention of the Directors is drawn to all significant transactions and arrangements

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entered into by the subsidiary company.

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

(iii) **Non-mandatory Requirements**

- a. The Company has set up a Remuneration Committee of the Board of Directors, details of which have been provided in Item 3.
- b. The statutory annual financial statements of the Company are unqualified.
4. 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.
5. 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 period under review. Declaration to this effect signed by the Managing Director is annexed to this report.

8. Means of Communication

1. The Quarterly Financial Results of the Company are forwarded to The Bombay

Stock Exchange and The National Stock Exchange where the Company's shares are listed and published in Economic Times (All Editions) and in the Eenadu (Hyderabad) and also are displayed on the Company's website www.prismcement.com

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

9. Shareholders Information

A. Annual General Meeting

Date and Time : May 12, 2009 at 11.30 A.M.

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

B. Financial Calendar

- **Reporting for the Quarter ending**
- June 30, 2009 - End July, 2009
 - September 30, 2009 - End October, 2009
 - December 31, 2009 - End January, 2010
 - March 31, 2010 - End June, 2010
- **Annual General Meeting for the year 2010** - Within six months of the close of the financial year

- C. Book Closure :** Tuesday, May 5, 2009 to Tuesday, May 12, 2009 (both days inclusive)
Dividend payment date: May 14, 2009.

D. Listing on Stock Exchanges

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

E. Stock market price data for the period ended March 31, 2009

MONTH	BSE SENSEX		BSE PRICES		NSE PRICES	
	High	Low	High Rs.	Low Rs.	High Rs.	Low Rs.
July-08	14942.28	12575.80	39.70	30.00	40.00	27.00
Aug-08	15503.92	14048.34	42.35	33.70	42.90	33.50
Sep-08	15049.86	12595.75	37.15	25.40	37.80	26.30
Oct-08	13055.67	8509.56	28.50	13.50	29.45	13.50
Nov-08	10631.12	8451.01	18.10	14.05	18.00	14.00
Dec-08	10099.91	8739.24	20.89	14.20	23.05	14.50
Jan-09	10335.93	8674.35	23.20	16.10	23.35	15.85
Feb-09	9647.47	8822.06	23.80	16.85	23.70	16.75
Mar-09	10048.49	8160.40	24.00	17.80	23.30	17.65



PRISM CEMENT LIMITED

F. Registrar and Transfer Agents

Karvy Computershare Private Limited,
Unit : Prism Cement Limited,
Plot No. 17-24, Near Image Hospital,
Vittalrao Nagar, Madhapur,
Hyderabad - 500 081
e-mail : mailmanager@karvy.com
website : www.karvycomputershare.com
Tel. No. : 040-23420818 / 828
Fax No. : 040-23420814

G. Share Transfer System

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

H. Distribution of shareholding and shareholding pattern as on March 31, 2009

Distribution of Shareholding

No. of shares held	No. of shareholders
1 - 100	63,593
101 - 200	27,813
201 - 300	10,491
301 - 400	4,571
401 - 500	10,841
501 - 1000	10,637
1001 - 5000	7,359
5001 - 10000	863
10001 - 50000	569
50001 and above	167
Total	1,36,904

Shareholding Pattern

Category	No. of Shares	% Shareholding
Promoters	18,41,26,189	61.74
Indian Public	7,52,27,125	25.22
FII's / NRIs / OCBs	1,53,65,010	5.15
Bodies Corporate	2,32,60,676	7.80
Financial Institutions/ Banks/Mutual Funds	2,71,000	0.09
Total	29,82,50,000	100.00

I. Dematerialisation of Shares

Trading of the Company's shares is compulsorily in dematerialised form for all investors since May 31, 1999. As of March 31, 2009 equity shares representing 94% have been dematerialised with the following depositories :

Description	ISIN	Depositories
Equity shares	INE010A01011	NSDL & CDSL

J. Plant Locations

Details of the plant/corporate/central marketing office of the Company are available on Page 1 of the Report.

ADDRESS FOR CORRESPONDENCE

Corporate Office :

Rahejas, Main Avenue,
V. P. Road, Santacruz (West),
Mumbai - 400 054.
Tel. Nos. : + 91 22 6675 4142 / 43
Fax No. : + 91 22 2600 1304

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

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

DECLARATION

This is to confirm that the Company has adopted a Code of Conduct for its Directors and its senior management and employees. Both these Codes are available on the Company's web site.

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all the directors and the designated personnel in the senior management of the Company have affirmed compliance with their respective Codes for the period ended March 31, 2009.

For Prism Cement Limited

M. Chhabra
Managing Director

Place : Mumbai

Dated : April 14, 2009

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 period ended on March 31, 2009, 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 limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

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

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

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner
Membership No. 37924

Place : Mumbai

Dated : April 14, 2009



AUDITORS' REPORT

TO THE MEMBERS OF PRISM CEMENT LIMITED

1. We have audited the attached Balance Sheet of PRISM CEMENT LIMITED as at March 31, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the nine months period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the standards on auditing generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the Order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books of the Company;
 - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) on the basis of written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - (b) in the case of the Profit and Loss Account, of the profit for the nine months period ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the nine months period ended on that date.

For **N. M. RAIJI & CO.**
Chartered Accountants

J. M. GANDHI
Partner

Place : Mumbai
Date : April 14, 2009

Membership No.: 37924

ANNEXURE TO THE AUDITORS' REPORT OF PRISM CEMENT LIMITED

(Referred to in paragraph 3 of our report of even date on the financial statements for the period ended March 31, 2009)

- (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 period as compared with the book records.
 - (c) Fixed assets disposed off during the period were not substantial to affect Going Concern Assumption.
- (ii)
 - (a) Inventories have been physically verified during the period by the Management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification as compared to the book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to

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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) According to the information and explanations given to us, during the period there are no contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits within the meaning of the provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the products

manufactured by the 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 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 with the appropriate authorities. No undisputed statutory dues payable were in arrears as at March 31, 2009, 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:

Particulars	Financial years to which the matter pertains	Forum where dispute is pending	Amount Rs. Crores
Excise Duty	1997-2002	Custom Excise & Service Tax Appellate Tribunal	0.35
Central Sales Tax	2000-2009	High Court of Chattisgarh	7.56
Local Body Tax	1996-1997	High Court of Madhya Pradesh	0.02
MP Entry Tax	2006-2007	The Supreme Court	0.17
	2001-2002	M.P. Commercial Tax Appellate Tribunal	0.14
Cess On Land	1990-91 to 2003-04	Tehsildar Court	0.37
Energy Development Cess	2000-2006	The Supreme Court	9.44
Royalty on Limestone mining	1996-2009	High Court of Madhya Pradesh	30.75

- (x) The Company does not have accumulated losses as at March 31, 2009 and has not incurred any cash losses during the period ended on that date or in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions or banks.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. The provisions of clause 4 (xiii) of the Order, therefore, are not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments except in mutual fund units. The Company has maintained proper records of the transactions in respect of its dealings in mutual fund units.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, during the period the Company has not raised any term loans.

- (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 period, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the Company has not issued any secured debentures which were outstanding during the period covered by our report.
- (xx) During the period, 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 material fraud on or by the Company has been noticed or reported during the period.

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner

Membership No.: 37924

Place : Mumbai
Date : April 14, 2009



PRISM CEMENT LIMITED

BALANCE SHEET AS AT 31st MARCH, 2009

	Schedules	As at 31-03-2009		As at 30-06-2008	
		Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS :					
Share Capital	A		298.25		298.25
RESERVES AND SURPLUS :					
General Reserve - Transfer from Profit and Loss Account			5.00		—
Surplus in Profit and Loss Account			358.40		319.52
LOAN FUNDS :					
Secured Loans			—		—
Unsecured Loans			—		—
DEFERRED TAX LIABILITY (NET)			52.77		58.77
TOTAL			714.42		676.54
APPLICATION OF FUNDS					
FIXED ASSETS :					
Gross Block	B	733.39		702.95	
Less: Depreciation		340.69		317.43	
Net Block		392.70		385.52	
Capital Work-in-progress		98.94		14.33	
Expenditure during construction period		10.22	501.86	3.63	403.48
INVESTMENTS	C		203.81		258.76
CURRENT ASSETS, LOANS & ADVANCES :					
Inventories		76.90		90.35	
Sundry Debtors		—		3.38	
Cash & Bank Balances		25.87		12.97	
Loans & Advances		65.89		55.82	
		168.66		162.52	
Less: CURRENT LIABILITIES & PROVISIONS :					
Current Liabilities	E	109.82		124.67	
Provisions		50.09		23.55	
		159.91		148.22	
Net Current Assets			8.75		14.30
TOTAL			714.42		676.54
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS					
	K				

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

J. M. Gandhi
Partner
Mumbai, April 14, 2009

Aneeta S. Kulkarni
Company Secretary

Rajesh G. Kapadia } Chairman
Rajan B. Raheja }
Aziz H. Parpia } Directors
Vijay Aggarwal }
Akshay R. Raheja }
Manoj Chhabra } Managing Director

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PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2009

	Schedules	2008-2009 (9 months)		2007-2008 (12 months)	
		Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
INCOME :					
Sales			721.41		1019.75
Less : Excise duty			94.17		143.30
Net Sales			627.24		876.45
Other Income	F		9.93		15.92
			637.17		892.37
EXPENDITURE :					
Manufacturing and operating expenses	G	327.57		382.95	
Personnel expenses	H	27.42		35.43	
Sales, administration and other expenses	I	102.35		121.50	
			457.34		539.88
Profit before Finance charges & Depreciation			179.83		352.49
Interest and other charges	J		3.25		3.21
Lease rentals			0.29		0.62
Profit before Depreciation			176.29		348.66
Depreciation			24.31		31.93
Profit before tax			151.98		316.73
Provision for current tax			(61.24)		(80.41)
Provision for fringe benefit tax			(0.51)		(0.40)
Deferred tax			6.00		5.71
Profit after tax			96.23		241.63
Add : Surplus brought forward			319.52		112.97
Less : Transitional adjustment for AS-15			—		0.18
Profit available for Appropriation			415.75		354.42
Appropriation					
Transfer to General Reserve			(5.00)		—
Proposed dividend			(14.92)		—
Tax on proposed dividend			(2.53)		—
Interim dividend			(29.83)		(29.83)
Tax on interim dividend			(5.07)		(5.07)
Surplus carried to Balance Sheet			358.40		319.52
Weighted average number of shares outstanding (Face Value Rs.10/- per share)			298250000		298250000
Earning per Share - Basic and Diluted (Rs.)			3.23*		8.10
			*(Not Annualised)		
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS					
As per our report of even date attached					
For N. M. RAIJI & CO. Chartered Accountants					
J. M. Gandhi Partner	Aneeta S. Kulkarni Company Secretary		Rajesh G. Kapadia Rajan B. Raheja Aziz H. Parpia Vijay Aggarwal Akshay R. Raheja Manoj Chhabra	Chairman Directors Managing Director	

Mumbai, April 14, 2009



PRISM CEMENT LIMITED

SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULE - A

SHARE CAPITAL

Authorised :

32,50,00,000 Equity shares of Rs. 10/- each
(Previous year : 32,50,00,000 Equity shares of Rs. 10/- each)

Issued, Subscribed and Paid up :

29,82,50,000 Equity shares of Rs. 10/- each
(Previous year : 29,82,50,000 Equity shares of Rs. 10/- each)

<u>As at 31-03-2009</u>	<u>As at 30-06-2008</u>
<u>Rs. Crores</u>	<u>Rs. Crores</u>
<u>325.00</u>	<u>325.00</u>
<u>298.25</u>	<u>298.25</u>

SCHEDULE - B

FIXED ASSETS

Rs. Crores

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Cost as at 1.7.2008	Additions	Deductions	Cost as at 31.3.2009	Upto 30.6.2008	For the period	Deductions	Upto 31.3.2009	As at 31.3.2009	As at 30.6.2008
Land - Freehold	98.60	20.09	—	118.69	—	—	—	—	118.69	98.60
- Leasehold	2.09	—	—	2.09	1.54	0.04	—	1.58	0.51	0.55
Mining Lease - surface rights	2.86	—	—	2.86	1.44	0.04	—	1.48	1.38	1.42
Mines Development	7.27	—	—	7.27	2.59	1.09	—	3.68	3.59	4.68
Raliway siding	13.30	—	—	13.30	7.61	0.53	—	8.14	5.16	5.69
Buildings	42.63	2.17	—	44.80	9.43	0.72	—	10.15	34.65	33.20
Plant and machinery	519.25	5.01	—	524.26	286.66	20.42	—	307.08	217.18	232.59
Furniture, fixtures and office equipments	12.84	3.51	1.07	15.28	7.07	1.09	0.91	7.25	8.03	5.77
Vehicles	4.11	1.14	0.41	4.84	1.09	0.41	0.17	1.33	3.51	3.02
Total	702.95	31.92	1.48	733.39	317.43	24.34	1.08	340.69	392.70	385.52
Previous year	647.05	57.55	1.65	702.95	286.11	31.93	0.61	317.43	385.52	

SCHEDULE - C

INVESTMENTS

(a) Long Term Investments :

Investment in Subsidiary Company (unquoted) :
14,80,00,000 fully paid Equity shares of Rs.10/- each of Raheja QBE General Insurance Co. Ltd.

Investment in Other Company (unquoted) :
4,900 fully paid Equity shares of Rs.10/- each of Prism Power and Infrastructure Pvt. Ltd.

Investment in Mutual Funds (unquoted) :
ING Global Real Estate Fund - Dividend

<u>As at 31-03-2009</u>		<u>As at 30-06-2008</u>	
<u>Rs. Crores</u>	<u>Rs. Crores</u>	<u>Rs. Crores</u>	<u>Rs. Crores</u>
<u>148.00</u>		<u>7.40</u>	
<u>0.01</u>		<u>0.01</u>	
<u>15.00</u>	<u>163.01</u>	<u>15.00</u>	<u>22.41</u>

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	As at 31-03-2009		As at 30-06-2008	
	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
SCHEDULE - C (Contd.)				
INVESTMENTS				
(b) Current Investments :				
Investment in Mutual Funds (unquoted) :				
ING Mutual Fund (Liquid Fund) - Daily Dividend	—		23.52	
ING Mutual Fund (Liquid Plus Fund) - Daily Dividend	—		177.58	
ING Mutual Fund (Fixed Maturity Fund - 41) - Dividend	—		7.00	
ING Mutual Fund (Fixed Maturity Fund - 43) - Dividend	—		7.00	
ING Mutual Fund (Fixed Maturity Fund - 45) - Dividend	—		5.00	
ING Mutual Fund (Fixed Maturity Fund - 46) - Dividend	—		5.00	
ING Mutual Fund (Fixed Maturity Fund - 50) - Dividend	—		5.00	
ING Mutual Fund (Treasury Advantage Fund) - Daily Dividend	40.80		—	
OPTIMIX Active Debt Multi Manager - FOF - Dividend	—		4.23	
OPTIMIX Active Short Term FOF - Dividend	—	40.80	2.02	236.35
Aggregate value of unquoted investments		<u>203.81</u>		<u>258.76</u>
SCHEDULE - D				
CURRENT ASSETS, LOANS & ADVANCES				
Inventories :				
Stores & spares	49.40		58.08	
Raw materials	19.78		20.82	
Work-in-progress	5.80		7.45	
Finished goods	1.92	76.90	4.00	90.35
Sundry Debtors (Unsecured) :				
Over six months :				
Considered good	—		1.83	
Considered doubtful	—		2.56	
	—		4.39	
Others, considered good	—		1.55	
	—		5.94	
Less : Provision for doubtful debts	—	—	2.56	3.38
Cash & Bank Balances :				
Cash on hand	0.53		0.34	
Remittances in transit	0.11		—	
Balances with scheduled banks				
On Current accounts	20.22		12.55	
On Term Deposits	5.01	25.87	0.08	12.97
Loans & Advances (Unsecured, considered good) :				
Share Application Money to Raheja QBE				
General Insurance Co. Ltd.	5.18		—	
Deposits	17.52		13.45	
Advances recoverable in cash or in kind	36.67		37.63	
Taxation (net of provisions)	1.37		(1.67)	
Balances with Excise, Customs, etc.	5.15	65.89	6.41	55.82
		<u>168.66</u>		<u>162.52</u>



PRISM CEMENT LIMITED

	<u>As at 31-03-2009</u>		<u>As at 30-06-2008</u>	
	<u>Rs. Crores</u>	<u>Rs. Crores</u>	<u>Rs. Crores</u>	<u>Rs. Crores</u>
SCHEDULE - E				
CURRENT LIABILITIES & PROVISIONS				
Current Liabilities :				
Sundry creditors : - Dues to Micro, Small and Medium enterprises	—		—	
- Dues to Others	35.11		39.01	
Advance from customers	20.81		15.98	
Deposits from customers / suppliers	26.07		24.42	
Other liabilities	27.83	109.82	45.26	124.67
Provisions for :				
Leave encashment and Gratuity	6.66		5.60	
Proposed dividend	14.91		—	
Tax on proposed dividend	2.53		—	
Others	25.99	50.09	17.95	23.55
		<u>159.91</u>		<u>148.22</u>
SCHEDULE - F				
OTHER INCOME				
Interest income on fixed deposits with banks (TDS - C.Y. Rs. 0.07 Crores, P. Y. Rs. 0.01 Crores)		0.36		0.01
Other interest income		0.05		0.03
Dividend income on mutual fund units		7.31		13.08
Insurance claims recovery		0.54		0.48
Sale of scrap		1.24		1.76
Others		0.43		0.56
		<u>9.93</u>		<u>15.92</u>
SCHEDULE - G				
MANUFACTURING AND OPERATING EXPENSES				
Raw materials consumed		53.74		69.41
Stores and spares consumed		48.62		40.74
(Increase) / Decrease in stock :				
Closing stock:				
Finished goods		1.92		4.00
Work-in-progress		5.80		7.45
		<u>7.72</u>		<u>11.45</u>

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	2008 - 2009 (9 months)		2007 - 2008 (12 months)	
	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
SCHEDULE - G (Contd.)				
MANUFACTURING AND OPERATING EXPENSES				
Less: Opening Stock	4.00		4.79	
Finished Goods	7.45		18.06	
Work-in-Progress	11.45	3.73	22.85	11.40
Adjustment of excise duty on stocks		(0.72)		0.11
Power and fuel		174.58		201.28
Royalty		11.34		13.25
Packing and forwarding		22.26		29.14
Sub-contract charges		6.29		7.58
Repairs to :				
Plant and machinery	6.82		8.78	
Buildings	0.26		0.92	
Others	0.66		0.41	
		7.74		10.11
		327.58		383.02
Less : Captive consumption of cement		0.01		0.07
		327.57		382.95
SCHEDULE - H				
PERSONNEL EXPENSES				
Salaries, wages and bonus		22.03		26.31
Contribution to Provident and other funds		3.20		6.51
Welfare and other expenses		2.19		2.61
		27.42		35.43
SCHEDULE - I				
SALES, ADMINISTRATION AND OTHER EXPENSES				
Rent		1.03		1.01
Rates and taxes		10.23		11.87
Travelling and communication		4.67		6.27
Advertising and publicity		3.14		3.04
Insurance		1.14		1.94
Commission on sales		3.49		5.33
Freight outward		67.59		71.32
Loss on sale of assets		0.24		0.45
Bad debts written off	2.56		—	
Less: Provision for doubtful debts written back	2.56	—	—	—
Miscellaneous expenses		10.82		20.27
		102.35		121.50
SCHEDULE - J				
INTEREST AND OTHER CHARGES				
Interest		1.51		1.47
Bank charges		1.74		1.74
		3.25		3.21



SCHEDULE - K

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

A. Significant Accounting Policies

Method of Accounting and Revenue Recognition

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

Sales are recognised on despatch of material to customers. Sales are net of trade discounts, rebates and indirect taxes payable. Rebates and discounts are accounted for as and when determined.

Dividend income is accounted for when right to receive is established. Interest income is accounted on an accrual basis.

Fixed Assets

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

The fixed assets are tested for impairment and impairment loss, if any, is provided by a charge to Profit & Loss account.

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

Depreciation and Amortisation

- (i) Depreciation is provided on straight line method at the rates specified in the Schedule XIV to the Companies Act, 1956 except for certain vehicles used by employees on which depreciation is provided at 15.25%, which is higher than rate as per Schedule XIV.
- (ii) Depreciation on additions / deductions to fixed assets is being provided on pro-rata basis from / to the date of acquisition / disposal. Depreciation on foreign exchange differences on borrowings utilised for acquisition of assets upto June 30, 2006 is provided prospectively over the remaining life of the assets.
- (iii) Leasehold land and mining surface rights are amortised from the month of commencement of commercial production, over the remaining lease period.
- (iv) 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.

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.

Inventories

Inventories are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where consider necessary. The cost is worked out on weighted average basis.

Foreign Currency Transactions

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

Employee Benefits

Superannuation is defined contribution plan and Provident Fund is treated as defined contribution plan, on account of the surplus available with the Provident Fund Trust. Gratuity benefits are treated as defined benefit plan. Gratuity liability is provided 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 benefits for which premium are paid by Company.

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

Taxes on Income

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

B. Notes to Accounts

1. The Company has changed its accounting year to end on March 31 instead of June 30 upto last year. Consequently, the current period accounts are for nine month period, and ended on March 31, 2009. Due to this current period figures are not strictly comparable with the previous period.
2. The Company enjoys working capital facility from its bankers, however no amount is outstanding as at the balance sheet date. Working Capital facility from banks is secured by hypothecation of stocks, stores and book debts.
3. (a) Contingent liabilities:
 - (i) Guarantees given by the Company's bankers and counter guaranteed by the Company - Rs. 32.02 Crores (Previous year: Rs. 25.85 Crores).
 - (ii) Claims against the Company not acknowledged as debts :
 - (a) Dispute in respect of exemption of Central Sales Tax on coal purchases – Rs. 7.56 Crores (Previous year: Rs.7.48 Crores). Against this matter, bank guarantee of Rs. 7.70 Crores (Previous year: Rs.7.70 Crores) has been provided by the Company.
 - (b) Other claims – Rs. 0.39 Crores (Previous year: Rs.0.43 Crores).
 - (iii) Energy Development Cess disputed Rs. 9.89 Crores (Previous year : Rs. 9.89 Crores)
 - (iv) Royalty on limestone disputed Rs. 31.91 Crores (Previous year : Rs.3.90 Crores)
 - (v) M.P. Entry Tax assessment disputed Rs. 1.61 Crores (Previous year: Rs. 2.33 Crores).
 - (vi) Cess on land disputed Rs. 0.37 Crores (Previous year : Rs. 0.37 Crores)
- (b) Disclosure of provisions made as per the requirements of AS – 29 on "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of the Chartered Accountants of India.

(Rs. Crores)

Particulars	As at 01.07.2008	Provisions made during the period	Amounts utilised or reversed during the year	As at 31.03.2009
MPEB Cess on Generation of Electricity	8.90	Nil	Nil	8.90
MP Entry Tax	Nil	2.74	Nil	2.74
UP Entry Tax	9.62	5.31	Nil	14.93

The above provision has been netted off against the payment made there against, in the Balance Sheet. In future, there may be cash inflow in case the dispute is settled in the favour of the Company. In case of Entry Tax there may be cash outflow of Rs.11.82 Crores.

4. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) - Rs. 474.24 Crores (Previous year: Rs. 1.52 Crores).
5. Capital work-in-progress includes:
 - (a) Capital advances of Rs. 52.09 Crores (Previous year : Rs. Nil) for setting up new plants at Satna, Madhya Pradesh and Kurnool, Andhra Pradesh.
 - (b) Other capital advances of Rs. 5.28 Crores (Previous year : Rs. 0.18 Crores) for the existing project.
6. Term Deposits with scheduled banks include deposits of Rs. 5.01 Crores (Previous year : Rs.0.08 Crores) on which the bank has lien for guarantee given by them.
7. Employee Defined Benefits:
 - (a) Defined contribution plans:

The Company has recognised an expense of Rs. 2.98 Crores (Previous year Rs. 3.38 Crores) towards defined contribution plans, in respect of Provident Fund, Superannuation Fund and Medical Premium.
 - (b) Defined benefit plans:

The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at March 31, 2009. The present value of the defined benefit obligation and the related service cost, were measured using the Projected Unit Credit Method.



PRISM CEMENT LIMITED

The following tables set out the funded status and amounts recognised in the Company's financial statements as per actuarial valuation on March 31, 2009 for the Defined Benefit Plans:

Rs. Crores

Particulars	2008 - 2009 (9 months)		2007 - 2008 (12 months)	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
Liability at the beginning of the period (July 01, 2008)	4.44	5.00	2.93	1.26
Current service cost	0.62	0.41	0.74	3.25
Interest cost	0.26	0.29	0.22	0.29
Actuarial (gain) / loss on obligation	(0.31)	0.31	0.65	0.54
Benefits paid	(0.28)	(0.26)	(0.10)	(0.34)
Liability at the end of the period (March 31, 2009)	4.73	5.75	4.44	5.00

(ii) Actual Return on Plan Assets :

Rs. Crores

Particulars	2008 - 2009 (9 months)		2007 - 2008 (12 months)	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
Expected Return on Plan Assets	N.A.	0.23	N.A.	0.22
Actuarial gain/(loss) on Plan Assets	N.A.	0.02	N.A.	0.01
Actual Return on Plan Assets	N.A.	0.25	N.A.	0.23

(iii) Changes in the fair value of plan assets :

Rs. Crores

Particulars	2008 - 2009 (9 months)		2007 - 2008 (12 months)	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
Fair value of plan assets at the beginning of the period (July 01, 2008)	N.A.	3.84	N.A.	1.59
Expected return on plan assets	N.A.	0.23	N.A.	0.22
Employer's contributions	0.28	—	0.10	2.36
Actuarial gain / (loss) on plan assets	N.A.	0.02	N.A.	0.01
Benefits paid	(0.28)	(0.26)	(0.10)	(0.34)
Fair value of plan assets at the end of the period (March 31, 2009)	N.A.	3.83	N.A.	3.84

(iv) Expenses recognised in Profit & Loss Account for the period ended March 31, 2009 :

Rs. Crores

Particulars	2008 - 2009 (9 months)		2007 - 2008 (12 months)	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
Current service cost	0.62	0.41	0.74	3.25
Interest cost	0.26	0.29	0.22	0.29
Expected return on plan assets	N.A.	(0.23)	N.A.	(0.22)
Actuarial (Gain)/ Loss	(0.31)	0.29	0.65	0.53
Expense recognised in P&L Account	0.57	0.76	1.61	3.85

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- (v) Actuarial Assumptions used in accounting for leave encashment and gratuity :
- (i) Discount rate – 7.96% (Previous year – 8%)
 - (ii) Expected rate of return on plan assets – 8% (Previous year – 8%)
 - (iii) The estimates of future salary increases, considered in actuarial valuation, take into account the general trend in salary rise and the inflation rates.
 - (iv) The Gratuity Scheme is invested in a Group Gratuity-cum-Life Assurance cash accumulation policy offered by Life Insurance Corporation of India (LIC). The investment return earned on the policy comprises bonuses declared by LIC having regards to LIC's investment earnings. The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available.

8. (a) During the period the Company has acquired and redeemed the following investments in units of Mutual Funds:

Particulars	Face Value per unit	Opening units as at 01.07.2008	Acquired during the period	Redeemed during the period	Closing units as at 31.03.2009
ING Mutual Fund (Liquid Fund) - Daily Dividend	Rs. 10/-	2,35,05,542	72,14,066	3,07,19,608	—
ING Mutual Fund (Liquid Plus Fund) - Daily Dividend	Rs. 10/-	17,75,25,128	3,68,36,771	21,43,61,899	—
ING Mutual Fund (Treasury Plus Fund) - Daily Dividend	Rs. 10/-	—	5,74,32,877	5,74,32,877	—
ING Mutual Fund (Treasury Advantage Fund) - Daily Dividend	Rs. 10/-	—	6,57,79,931	2,49,91,753	4,07,88,178
ING Mutual Fund (Fixed Maturity Fund - 41) – Dividend	Rs. 10/-	70,00,000	—	70,00,000	—
ING Mutual Fund (Fixed Maturity Fund - 43) – Dividend	Rs. 10/-	70,00,000	—	70,00,000	—
ING Mutual Fund (Fixed Maturity Fund - 45) – Dividend	Rs. 10/-	50,00,000	—	50,00,000	—
ING Mutual Fund (Fixed Maturity Fund - 46) – Dividend	Rs. 10/-	50,00,000	—	50,00,000	—
ING Mutual Fund (Fixed Maturity Fund - 50) – Dividend	Rs. 10/-	50,00,000	—	50,00,000	—
ING Mutual Fund (Fixed Maturity Fund - 91) – Dividend	Rs. 10/-	—	50,00,000	50,00,000	—
OPTIMIX Active Debt Multi Manager - FOF – Dividend	Rs. 10/-	41,34,318	1,05,174	42,39,492	—
OPTIMIX Active Short Term FOF – Dividend	Rs. 10/-	20,21,342	43,945	20,65,287	—

- (b) Investment in ING Global Real Estate Fund – Dividend has been reclassified from current investment to long term investment w.e.f. October 1, 2008.



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9. The Company is setting up new plants at Satna, Madhya Pradesh and Kurnool, Andhra Pradesh. As on March 31, 2009 expenditure of Rs. 10.22 Crores has been considered as expenses during the construction period and transferred to Capital Work in Progress, details of which are as under:

	<u>2008 - 2009</u> <u>(9 months)</u> <u>Rs. Crores</u>	<u>2007 - 2008</u> <u>(12 months)</u> <u>Rs. Crores</u>
Salary, wages and bonus	2.00	0.07
Contribution to Provident and other funds	0.19	0.01
Rent, Rates and Taxes	0.35	0.02
Fees and bank charges	0.90	—
Depreciation	0.03	0.01
Miscellaneous expenses	<u>3.12</u>	<u>1.33</u>
	6.59	1.44
Add: Expenditure up to previous year	<u>3.63</u>	<u>2.19</u>
	<u>10.22</u>	<u>3.63</u>

10. Amount recoverable in cash or kind includes Rs. 0.04 Crores (Previous year: Rs. 0.01 Crores) due from an officer of the Company. Maximum amount outstanding during the period Rs. 0.04 Crores (Previous year: Rs. 0.01 Crores).

11. There are no dues to the Micro, Small and Medium Enterprises which are outstanding as at the Balance Sheet date. During the period there were no delays in payment of dues to such enterprises. This information regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Company. This has been relied upon by the Auditors.

12. Details of Managerial Remuneration to the Managing Director:

	<u>2008 - 2009</u> <u>(9 months)</u> <u>Rs. Crores</u>	<u>2007 - 2008</u> <u>(12 months)</u> <u>Rs. Crores</u>
Salary	1.09	1.20
Contribution to Provident and other funds	0.33	0.36
Total	<u>1.42</u>	<u>1.56</u>

13. Remuneration to auditors :

	<u>2008 - 2009</u> <u>(9 months)</u> <u>Rs. Crores</u>	<u>2007 - 2008</u> <u>(12 months)</u> <u>Rs. Crores</u>
Audit fees (including limited review fees)	0.16	0.17
Tax Audit fees	0.02	0.02
Other services	0.03	0.09
Expenses reimbursed	0.01	—
Total	<u>0.22</u>	<u>0.28</u>

14. Lease rental on leased assets are charged to the Profit & Loss account as per the terms of the lease agreement entered before April 01, 2001. The future lease rent obligations against these assets is Rs. 0.27 Crores (Previous Year Rs.0.41 Crores) per annum. The Company has other operating leases for commercial premises which are cancellable at any time during the tenure of the agreement.

15. Provision for current tax includes Income Tax liability of Rs. 61.18 Crores (Previous Year Rs. 80.38 Crores) and Wealth Tax of Rs. 0.06 Crores (Previous year Rs. 0.03 Crores).

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16. The Company has recognised deferred tax in accordance with the requirement of Accounting Standard 22 – Accounting for Taxes on Income, issued by The Institute of Chartered Accountants of India. The break up of Deferred Tax Liability (DTL) is as follows:

	<u>As at 31.03.2009</u>	<u>As at 30.06.2008</u>
	<u>Rs. Crores</u>	<u>Rs. Crores</u>
<u>Deferred Tax Assets</u>		
Expenses provided but allowed in Income Tax on payment	5.28	2.22
Total (A)	5.28	2.22
<u>Deferred Tax Liability</u>		
Depreciation	58.05	60.99
Total (B)	58.05	60.99
Net Deferred Tax Liability/ (Asset) (B – A)	52.77	58.77

17. The Company is engaged only in cement business and there are no separately reportable segments as per Accounting Standard - 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.
18. Following are the transactions with related party as defined under Accounting Standard -18 on Related Party Disclosures issued by the Institute of Chartered Accountants of India.

Rs. Crores						
Name	Relationship	Nature of transaction	Amount of transaction as in 2008-09 (9 months)	Amount outstanding as at 31.03.2009	Amount of transaction in 2007-08 (12 months)	Amount outstanding as at 30.06.2008
R & S Business Centre	Firm in which Director and/or relatives has significant influence	Rent and maintenance charges	0.09	0.02	0.15	0.02
Mr. M. Chhabra	Managing Director	Remuneration	1.42	Nil	1.56	Nil
Raheja QBE General Insurance Company Limited	Subsidiary	Investments (Equity Share Capital)	140.60	Nil	7.40	Nil
		Share Application Money	5.18	5.18	Nil	Nil
		Reimbursement	0.16	Nil	0.37	Nil
Prism Power and Infrastructure Private Limited	Associate	Investments (Equity Share Capital)	Nil	Nil	0.01	Nil
		Advances	Nil	0.02	Nil	0.02



PRISM CEMENT LIMITED

19. Licensed & Installed Capacity, Production, Stocks and Turnover:

Class of goods:- Cement

A. Licensed & Installed Capacity, Production :

	<u>2008 - 2009</u> <u>(9 months)</u>	<u>2007 - 2008</u> <u>(12 months)</u>
	<u>Tonnes</u>	<u>Tonnes</u>
Licensed Capacity	NA*	NA*
Installed Capacity	15,00,000	20,00,000
Production	18,60,788	24,44,723

* Not applicable due to the abolition of Industrial Licences as per notification issued under the Industries (Development and Regulation) Act, 1951.

Out of the above production, 6,465 tonnes costing Rs 1.25 Crores (Previous year: 3,562 tonnes costing Rs. 0.56 Crores) have been used for captive consumption including 6,415 tonnes (Previous year 3,206 tonnes) for capital jobs.

B. Stock & Turnover :

Stocks :

Cement

Opening

Closing

Turnover :

Cement *

Clinker

<u>2008 - 2009 (9 months)</u>		<u>2007 - 2008 (12 months)</u>	
<u>Tonnes</u>	<u>Rs. Crores</u>	<u>Tonnes</u>	<u>Rs. Crores</u>
27,445	4.00	26,936	4.79
11,386	1.92	27,445	4.00
18,70,382	616.50	24,40,652	838.09
4,17,168	104.91	6,23,482	181.66

* Includes handling / transit loss and samples – 78 tonnes (Previous year : 280 tonnes).

20. Raw Material consumed – totally indigenous:

	<u>2008 - 2009 (9 months)</u>		<u>2007 - 2008 (12 months)</u>	
	<u>Tonnes</u>	<u>Rs. Crores</u>	<u>Tonnes</u>	<u>Rs. Crores</u>
Limestone				
Raised	24,63,006	37.87*	28,82,399	42.21*
Purchased	7,622	0.09	3,26,796	4.68
Gypsum	1,34,494	27.04	1,42,624	26.69
Fly Ash	4,17,980	25.20	5,70,542	35.43
Others		1.41		2.61
Total		<u>91.61</u>		<u>111.62</u>

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

21. Imported and indigenous spare parts consumed :

	<u>2008 - 2009 (9 months)</u>		<u>2007 - 2008 (12 months)</u>	
	<u>Rs. Crores</u>	<u>%</u>	<u>Rs. Crores</u>	<u>%</u>
Imported	15.75	32.39	13.04	32.01
Indigenous	32.87	67.61	27.70	67.99
Total	<u>48.62</u>	<u>100.00</u>	<u>40.74</u>	<u>100.00</u>

22. Value of Imports on CIF basis :

Spares - Rs. 18.32 Crores (Previous year: Rs. 19.61 Crores)

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23. Details of earnings in foreign currency:

F.O.B Value of Export - Rs. 3.86 Crores (Previous year: Rs. 4.89 Crores).

24. Details of expenditure in foreign currency:

	2008-2009 (9 months) Rs. Crores	2007-2008 (12 months) Rs. Crores
Fees and Bank Charges	0.80	—
Travelling and communication	—	0.20
Fees for technical services	0.35	0.36
Total	1.15	0.56
Less: Expenditure during the construction period	0.80	—
Balance charged to Profit and Loss Account	0.35	0.56

25. The Company has paid dividend in respect of shares held by Non Residents on repatriation basis, in respect of final dividend for the year 2007-08 and interim dividend for the nine months period 2008-09. The details of the same are given below:

Sr. No.	Particulars	Interim Dividend (2008-2009)	Final Dividend (2007-2008)
i)	Number of Non Resident Shareholders	692	569
ii)	Number of Equity Shares held by them	1806173	1440695
iii)	Amount of Dividend paid (Gross)	Rs. 0.18 Crores	Rs. 0.14 Crores
iv)	Year to which dividend relates	2008-2009	2007-2008

26. Figures for the previous year have been regrouped wherever necessary.

As per our report of even date attached

For N. M. RAIJI & CO.
Chartered Accountants

J. M. Gandhi
Partner

Mumbai, April 14, 2009

Aneeta S. Kulkarni
Company Secretary

Rajesh G. Kapadia *Chairman*

Rajan B. Raheja
Aziz H. Parpia
Vijay Aggarwal

Directors

Akshay R. Raheja
Manoj Chhabra *Managing Director*



PRISM CEMENT LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

State Code

Registration No.

Balance Sheet Date

Date Month Year

II. Capital raised during the year (Amount in Rs. thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities**Total Assets****Sources of Funds**

Paid-up Capital

Reserves & Surplus

Loans

Deferred Tax Liability

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

IV. Performance of Company (Amount in Rs. thousands)

Total Revenue

Total Expenditure

Profit/Loss before Tax (Tick appropriate box + for Profit, - for Loss)

Profit/Loss after Tax

Earning per share in Rs.

Dividend rate %

** Not annualised*

V. Generic Names of Three Principal Products/Services of Company

Item Code No. (ITC Code)

Product description

Rajesh G. Kapadia *Chairman*

Rajan B. Raheja

Aziz H. Parpia

Vijay Aggarwal

Akshay R. Raheja

Manoj Chhabra

*Directors**Managing Director*Aneeta S. Kulkarni
Company Secretary

Mumbai, April 14, 2009

17th Annual Report 2008-2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

	2008-2009 (9 months)		2007-2008 (12 months)	
	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
A] CASH FLOW FROM OPERATING ACTIVITIES :				
Net profit before taxation as per Profit and Loss account		151.98		316.73
Adjustment for:				
Dividend income	(7.31)		(13.08)	
Interest income	(0.41)		(0.04)	
Depreciation	24.31		31.93	
Interest expenses	1.51		1.47	
Lease rentals	0.29		0.62	
Loss / (Profit) on sale of assets	0.24	18.63	0.45	21.35
Operating profit before Working Capital changes		170.61		338.08
Adjustment for Working Capital changes :				
Inventories	13.45		(5.13)	
Trade receivables	3.38		0.19	
Other receivables	(12.00)		(15.61)	
Trade and other payables	(5.76)	(0.93)	12.62	(7.93)
Cash generated from Operations		169.68		330.15
Direct taxes paid (including FBT)		(64.82)		(81.82)
Net cash generated from Operating activities (A)		104.86		248.33
B] CASH FLOW FROM INVESTING ACTIVITIES :				
Fixed assets purchased and expenditure during construction period		(123.12)		(71.32)
Proceeds from sale of fixed assets		0.16		0.59
Net (investment) / redemption in mutual funds		195.55		(109.01)
Investment in subsidiary and associate		(140.60)		(7.88)
Dividend received		7.31		13.08
Interest received		0.36		0.03
Net cash used in Investing activities (B)		(60.34)		(174.51)
C] CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid		(1.51)		(1.47)
Lease rentals		(0.14)		(0.62)
Dividend and dividend distribution tax paid		(34.90)		(69.80)
Net cash used in Financing activities (C)		(36.55)		(71.89)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		7.97		1.93
Cash and cash equivalents as at the beginning of the period		12.89		10.96
Cash and cash equivalents as at the end of the period		20.86		12.89

Rajesh G. Kapadia *Chairman*
Rajan B. Raheja
Aziz H. Parpia
Vijay Aggarwal *Directors*
Akshay R. Raheja
Manoj Chhabra *Managing Director*

Aneeta S. Kulkarni
Company Secretary

Mumbai, April 14, 2009

Auditors' Certificate

We have verified the attached Cash Flow Statement of Prism Cement Limited derived from the audited financial statements for the period ended 31st March, 2009 and found the same to be drawn in accordance therewith & also with the requirements of Clause 32 of the listing agreement with stock exchanges.

For N. M. RAIJI & CO.
Chartered Accountants
J.M.GANDHI
Partner
Membership No.: 37924

Mumbai, April 14, 2009



**AUDITORS' REPORT ON
CONSOLIDATED FINANCIAL STATEMENTS**

TO THE BOARD OF DIRECTORS OF PRISM CEMENT LIMITED

1. We have audited the attached Consolidated Balance Sheet of PRISM CEMENT LIMITED ('the Company'), its subsidiary and associate (collectively referred as 'the Group') as at March 31, 2009 and also the Consolidated Profit and Loss account and the Consolidated Cash Flow statement for the nine months period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding the group. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the standards on auditing generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of a subsidiary and an associate, whose financial statements reflect total assets of Rs. 190.74 Crores as at March 31, 2009, total loss of Rs. 5.68 Crores and net cash outflow of Rs. 3.47 Crores for the nine months period ended on that date. These financial statements and other financial information have been extracted for the period of nine months from audited financial statements of the year which have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
5. Based on our audit and on consideration of report of other auditor on separate financial statements and the other financial information of the subsidiary and associate, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2009;
 - ii) in the case of Consolidated Profit and Loss Account, of the profit of the Group for the nine month period ended on that date; and
 - iii) in the case of Consolidated Cash Flow Statement, of the cash flow of the Group for the nine months period ended on that date.

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner

Membership No.: 37924

Place : Mumbai
Date : April 14, 2009

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CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2009

	Schedules	As at 31-03-2009		As at 30-06-2008	
		Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS :					
Share Capital	A		298.25		298.25
RESERVES AND SURPLUS					
General Reserve - Transfer from Profit and Loss Account			5.00		—
Surplus in Profit and Loss Account			351.59		316.89
LOAN FUNDS:					
Secured Loans			—		—
Unsecured Loans			—		—
DEFERRED TAX LIABILITY (NET)			52.77		58.77
MINORITY INTEREST (LIABILITY)			49.61		1.68
TOTAL			<u>757.22</u>		<u>675.59</u>
APPLICATION OF FUNDS					
FIXED ASSETS :					
Gross Block	B	738.66		703.19	
Less: Depreciation		341.25		317.44	
Net Block		<u>397.41</u>		<u>385.75</u>	
Capital Work-in-progress		98.94		14.34	
Expenditure during construction period		10.22	506.57	3.63	403.72
INVESTMENTS	C		185.38		251.42
CURRENT ASSETS, LOANS & ADVANCES :					
Inventories	D	76.90		90.35	
Sundry Debtors		—		3.38	
Cash & Bank Balances		84.14		16.81	
Loans & Advances		67.68		60.89	
		<u>228.72</u>		<u>171.43</u>	
Less: CURRENT LIABILITIES & PROVISIONS :	E				
Current Liabilities		113.26		127.42	
Provisions		50.19		23.56	
		<u>163.45</u>		<u>150.98</u>	
Net Current Assets			65.27		20.45
TOTAL			<u>757.22</u>		<u>675.59</u>
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS					
	K				

As per our report of even date attached

For N. M. RAJJI & CO.
Chartered Accountants

J. M. Gandhi
Partner
Mumbai, April 14, 2009

Aneeta S. Kulkarni
Company Secretary

Rajesh G. Kapadia *Chairman*

Rajan B. Raheja
Aziz H. Parpia
Vijay Aggarwal } *Directors*

Akshay R. Raheja
Manoj Chhabra } *Managing Director*



PRISM CEMENT LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2009

Schedules	2008 - 2009 (9 months)		2007 - 2008 (12 months)	
	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
INCOME :				
Sales		721.41		1019.75
Less : Excise duty		94.17		143.30
Net Sales		627.24		876.45
Other Income	F	15.29		15.99
		642.53		892.44
EXPENDITURE :				
Manufacturing and operating expenses	G	327.59		382.95
Personnel expenses	H	32.24		36.00
Sales, administration and other expenses	I	107.92		124.54
		467.75		543.49
Profit before Finance charges & Depreciation		174.78		348.95
Interest and other charges	J	3.25		3.21
Lease rentals		0.29		0.62
Profit before Depreciation		171.24		345.12
Depreciation		24.86		31.94
Profit before tax		146.38		313.18
Provision for current tax		(61.24)		(80.41)
Provision for fringe benefit tax		(0.55)		(0.40)
Deferred tax		6.00		5.71
Profit after tax		90.59		238.08
Add : Adjustment for minority interest		1.47		0.92
Less : Share of loss in Associate		0.01		—
Profit after tax for the Group		92.05		239.00
Add : Surplus brought forward		316.89		112.97
Less : Transitional adjustment for AS-15		—		0.18
Profit available for Appropriation		408.94		351.79
Appropriation				
Transfer to General Reserve		(5.00)		—
Proposed dividend		(14.92)		—
Tax on proposed dividend		(2.53)		—
Interim dividend		(29.83)		(29.83)
Tax on interim dividend		(5.07)		(5.07)
Surplus carried to Balance Sheet		351.59		316.89
Weighted average number of shares outstanding (Face Value Rs.10/- per share)		298250000		298250000
Earning per Share - Basic and Diluted (Rs.)		3.09*		8.01
		*(Not Annualised)		
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS				
K				

As per our report of even date attached

For N. M. RAJI & CO.
Chartered Accountants

J. M. Gandhi
Partner

Mumbai, April 14, 2009

Aneeta S. Kulkarni
Company Secretary

Rajesh G. Kapadia *Chairman*

Rajan B. Raheja

Aziz H. Parpia

Vijay Aggarwal

Akshay R. Raheja

Manoj Chhabra

Directors

Managing Director

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SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

SCHEDULE - A

SHARE CAPITAL

Authorised :

32,50,00,000 Equity shares of Rs. 10/- each
(Previous year : 32,50,00,000 Equity shares of Rs. 10/- each)

Issued, Subscribed and Paid up :

29,82,50,000 Equity shares of Rs. 10/- each
(Previous year : 29,82,50,000 Equity shares of Rs. 10/- each)

<u>As at 31-03-2009</u>	<u>As at 30-06-2008</u>
<u>Rs. Crores</u>	<u>Rs. Crores</u>
325.00	325.00
<u>298.25</u>	<u>298.25</u>

SCHEDULE - B

FIXED ASSETS

Rs. Crores

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Cost as at 01.07.2008	Additions	Deductions	Cost as at 31.03.2009	Upto 30.06.2008	For the period	Deductions	Upto 31.03.2009	As at 31.03.2009	As at 30.06.2008
Land - Freehold	98.60	20.09	—	118.69	—	—	—	—	118.69	98.60
- Leasehold	2.09	—	—	2.09	1.54	0.04	—	1.58	0.51	0.55
Mining Lease	—	—	—	—	—	—	—	—	—	—
- surface rights	2.86	—	—	2.86	1.44	0.04	—	1.48	1.38	1.42
Mines Development	7.27	—	—	7.27	2.59	1.09	—	3.68	3.59	4.68
Railway siding	13.30	—	—	13.30	7.61	0.53	—	8.14	5.16	5.69
Buildings	42.63	2.17	—	44.80	9.43	0.72	—	10.15	34.65	33.20
Plant and machinery	519.25	5.01	—	524.26	286.66	20.42	—	307.08	217.18	232.59
Furniture, fixtures and office equipments	12.88	6.04	1.07	17.85	7.08	1.32	0.91	7.49	10.36	5.80
Leasehold improvements	—	2.50	—	2.50	—	0.29	—	0.29	2.21	—
Vehicles	4.31	1.14	0.41	5.04	1.09	0.44	0.17	1.36	3.68	3.22
Total	703.19	36.95	1.48	738.66	317.44	24.89	1.08	341.25	397.41	385.75
Previous year	647.05	57.79	1.65	703.19	286.11	31.94	0.61	317.44	385.75	—

SCHEDULE - C

INVESTMENTS

(a) Long Term Investments :

Investment in Other Company (unquoted) :
4,900 fully paid Equity shares of Rs.10/- each of Prism Power and Infrastructure Pvt. Ltd.

0.00

0.01

Investment in Mutual Funds (unquoted) :
ING Global Real Estate Fund - Dividend
Investment in Infrastructure and Housing Bonds (unquoted)

15.00

15.00

30.15

45.15

—

15.01

(b) Current Investments :

Investment in Mutual Funds (unquoted) :
ING Mutual Fund (Liquid Fund) - Daily Dividend
ING Mutual Fund (Liquid Plus Fund) - Daily Dividend
ING Mutual Fund (Fixed Maturity Fund - 41) - Dividend
ING Mutual Fund (Fixed Maturity Fund - 43) - Dividend
ING Mutual Fund (Fixed Maturity Fund - 45) - Dividend
ING Mutual Fund (Fixed Maturity Fund - 46) - Dividend
ING Mutual Fund (Fixed Maturity Fund - 50) - Dividend
ING Mutual Fund (Treasury Advantage Fund) - Daily Dividend
OPTIMIX Active Debt Multi Manager - FOF - Dividend
OPTIMIX Active Short Term FOF - Dividend
Government Securities (unquoted) :
Certificates of Deposits (unquoted) :
Aggregate value of unquoted investments

40.80

23.58

177.58

7.00

7.00

5.00

5.00

5.00

—

4.23

2.02

79.57

19.86

185.38

251.42

236.41

—

—

251.42



PRISM CEMENT LIMITED

	As at 31-03-2009		As at 30-06-2008	
	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
SCHEDULE - D				
CURRENT ASSETS, LOANS & ADVANCES				
Inventories :				
Stores & spares	49.40		58.08	
Raw materials	19.78		20.82	
Work-in-progress	5.80		7.45	
Finished goods	1.92	76.90	4.00	90.35
Sundry Debtors (Unsecured) :				
Over six months :				
Considered good	—		1.83	
Considered doubtful	—		2.56	
	—		4.39	
Others, considered good	—		1.55	
	—		5.94	
Less : Provision for doubtful debts	—	—	2.56	3.38
Cash & Bank Balances :				
Cash on hand	0.53		0.34	
Remittances in transit	0.11		—	
Balances with scheduled banks				
On Current accounts	20.59		16.39	
On Term Deposits	62.91	84.14	0.08	16.81
Loans & Advances (Unsecured, considered good) :				
Deposits	21.28		17.42	
Advances recoverable in cash or in kind	39.92		38.73	
Taxation (net of provisions)	1.33		(1.67)	
Balances with Excise, Customs, etc.	5.15	67.68	6.41	60.89
		<u>228.72</u>		<u>171.43</u>
SCHEDULE - E				
CURRENT LIABILITIES & PROVISIONS				
Current Liabilities :				
Sundry creditors :				
- Dues to Micro, Small and Medium enterprises	—		—	
- Dues to Others	35.11		39.16	
Share Application Money	1.82		2.60	
Advance from customers	20.81		15.98	
Deposits from customers / suppliers	26.07		24.42	
Other liabilities	29.45	113.26	45.26	127.42
Provisions for :				
Leave encashment and Gratuity	6.76		5.61	
Proposed dividend	14.91		—	
Tax on proposed dividend	2.53		—	
Others	25.99	50.19	17.95	23.56
		<u>163.45</u>		<u>150.98</u>

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	2008 - 2009 (9 months)		2007 - 2008 (12 months)	
	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
SCHEDULE - F				
OTHER INCOME				
Interest Income on fixed deposits with banks (TDS - C.Y. Rs. 0.07 Crores, P. Y. Rs.0.01 Crores)		1.86		0.01
Other interest income		3.35		0.03
Dividend income on mutual fund units		7.54		13.15
Profit on redemption of mutual fund units		0.28		—
Insurance claims recovery		0.54		0.48
Sale of scrap		1.24		1.76
Others		0.48		0.56
		<u>15.29</u>		<u>15.99</u>
SCHEDULE - G				
MANUFACTURING AND OPERATING EXPENSES				
Raw materials consumed		53.74		69.41
Stores and spares consumed		48.62		40.74
(Increase) / Decrease in stock :				
Closing stock:				
Finished goods	1.92		4.00	
Work-in-progress	<u>5.80</u>		<u>7.45</u>	
	<u>7.72</u>		<u>11.45</u>	
Less : Opening stock:				
Finished goods	4.00		4.79	
Work-in-progress	<u>7.45</u>		<u>18.06</u>	
	<u>11.45</u>		<u>22.85</u>	
		3.73		11.40
Adjustment of excise duty on stocks		(0.72)		0.11
Power and fuel		174.58		201.28
Royalty		11.34		13.25
Packing and forwarding		22.26		29.14
Sub-contract charges		6.29		7.58
Repairs to :				
Plant and machinery	6.82		8.78	
Buildings	0.26		0.92	
Others	<u>0.68</u>		<u>0.41</u>	
		<u>7.76</u>		<u>10.11</u>
		<u>327.60</u>		<u>383.02</u>
Less : Captive consumption of cement		0.01		0.07
		<u>327.59</u>		<u>382.95</u>



PRISM CEMENT LIMITED

	2008 - 2009 (9 months)		2007 - 2008 (12 months)	
	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
SCHEDULE - H				
PERSONNEL EXPENSES				
Salaries, wages and bonus		26.43		26.87
Contribution to Provident and other funds		3.55		6.52
Welfare and other expenses		2.26		2.61
		<u>32.24</u>		<u>36.00</u>
SCHEDULE - I				
SALES, ADMINISTRATION AND OTHER EXPENSES				
Rent		3.61		1.71
Rates and taxes		11.54		11.99
Travelling and communication		5.09		6.31
Advertising and publicity		3.14		3.04
Insurance		1.15		1.95
Commission on sales		3.49		5.33
Freight outward		67.59		71.32
Loss on sale of assets		0.24		0.45
Bad debts written off	2.56		—	
Less : Provision for doubtful debts written back	<u>2.56</u>	—	—	—
Miscellaneous expenses		12.07		22.44
		<u>107.92</u>		<u>124.54</u>
SCHEDULE - J				
INTEREST AND OTHER CHARGES				
Interest		1.51		1.47
Bank charges		1.74		1.74
		<u>3.25</u>		<u>3.21</u>
SCHEDULE - K				
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS				
A. Basis of Consolidation				
The Consolidated Financial Statements (CFS) relates to Prism Cement Limited (the Company), its subsidiary, Raheja QBE General Insurance Company Limited and its associate, Prism Power and Infrastructure Private Limited, together a Group.				
(a) Basis of Accounting				
The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date of the Company, i.e. for the period ended March 31, 2009.				
The CFS have been prepared in accordance with Accounting Standard - 21 on "Consolidated Financial Statements" and Accounting Standard - 23 on "Accounting for Investments in Associates in Consolidated Financial Statements".				
(b) Principles of Consolidation				
The CFS have been prepared on the following basis:				
(i) The financial statements of the Company and its subsidiary company have been combined on a line - by - line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra - group balances and intra group transactions and				

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resulting unrealised profits and losses as per Accounting Standard – 21 “Consolidated Financial Statements”. Minority Interest adjustment to the Profit & Loss account and Balance Sheet is carried as per requirement of AS-21.

(ii) The CFS are presented, to the extent possible, in the same format as that adopted by the Company for its separate financial statements. Differences, if any, in accounting policies have been disclosed separately.

(iii) The Company’s share of profit/loss of associate is consolidated as one-line item in CFS.

(c) Particulars of Subsidiary and Associate

Name of the Company	Country of incorporation	Percentage of Voting Power as at March 31, 2009
Raheja QBE General Insurance Co. Ltd (held directly) - Subsidiary	India	74%
Prism Power and Infrastructure Private Limited (held directly) - Associate	India	49%

Both the companies have not started its commercial operations.

B. Significant Accounting Policies

Method of Accounting and Revenue Recognition

Revenue and Expenses are accounted on an accrual basis and at historical cost.

Sales are recognised on despatch of material to customers. Sales are net of trade discounts, rebates and indirect taxes payable. Rebates and discounts are accounted for as and when determined.

Dividend income is accounted for when right to receive is established. Interest income is accounted on an accrual basis.

Fixed Assets

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

The fixed assets are tested for impairment and impairment loss, if any, is provided by a charge to Profit & Loss account.

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

Depreciation and Amortisation

(i) Depreciation is provided on straight line method over the useful life of the asset.

(ii) Depreciation on additions / deductions to fixed assets is being provided on pro-rata basis from / to the date of acquisition / disposal. Depreciation on foreign exchange differences on borrowings utilised for acquisition of assets upto June 30, 2006 is provided prospectively over the remaining life of the assets.

(iii) In case of subsidiary, depreciation is provided at the rate higher than prescribed under schedule XIV on the basis of estimated useful life of assets.

(iv) Leasehold land and mining surface rights are amortised from the month of commencement of commercial production, over the remaining lease period.

(v) 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.

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.

Inventories

Inventories are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where consider necessary. The cost is worked out on weighted average basis.



PRISM CEMENT LIMITED

Foreign Currency Transactions

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

Employee Benefits

Superannuation is defined contribution plan and Provident Fund is treated as defined contribution plan, on account of the surplus available with the Provident Fund Trust. Gratuity benefits are treated as defined benefit plan. Gratuity liability is provided 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 benefits for which premium are paid by Group.

The contribution made by the Group for Provident Fund, Superannuation and Medical Premium is charged to the Profit & Loss account. Incremental liability for leave encashment and gratuity is also charged to the Profit & Loss account.

Taxes on Income

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

C. Notes to Accounts

1. Prism Cement Limited has changed its accounting year to end on March 31 instead of June 30 upto last year. Consequently, the current period accounts are for nine month period, and ended on March 31, 2009. Due to this current period figures are not strictly comparable with the previous period.
2. The Group enjoys working capital facility from its bankers, however no amount is outstanding as at the balance sheet date. Working Capital facility from banks is secured by hypothecation of stocks, stores and book debts.
3. (a) Contingent liabilities:
 - (i) Guarantees given by the Group's bankers and counter guaranteed by the Group - Rs. 32.02 Crores (Previous year: Rs. 25.85 Crores).
 - (ii) Claims against the Group not acknowledged as debts :
 - (a) Dispute in respect of exemption of Central Sales Tax on coal purchases – Rs. 7.56 Crores (Previous year: Rs.7.48 Crores). Against this matter, bank guarantee of Rs. 7.70 Crores (Previous year: Rs.7.70 Crores) has been provided by the Group.
 - (b) Other claims – Rs. 0.39 Crores (Previous year: Rs.0.43 Crores).
 - (iii) Energy Development Cess disputed Rs. 9.89 Crores (Previous year : Rs. 9.89 Crores)
 - (iv) Royalty on limestone disputed Rs.31.91 Crores (Previous year : Rs.3.90 Crores)
 - (v) M.P. Entry Tax assessment disputed Rs.1.61 Crores (Previous year: Rs. 2.33 Crores).
 - (vi) Cess on land disputed Rs.0.37 Crores (Previous year : Rs. 0.37 Crores)
- (b) Disclosure of provisions made as per the requirements of AS – 29 on "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of the Chartered Accountants of India.

(Rs. Crores)

Particulars	As at 01.07.2008	Provisions made during the period	Amounts utilised or reversed during the period	As at 31.03.2009
MPEB Cess on Generation of Electricity	8.90	Nil	Nil	8.90
MP Entry Tax	Nil	2.74	Nil	2.74
UP Entry Tax	9.62	5.31	Nil	14.93

The above provision has been netted off against the payment made there against, in the Balance Sheet. In future, there may be cash inflow in case the dispute is settled in the favour of the Group. In case of Entry

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Tax there may be cash outflow of Rs.11.82 Crores.

4. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) - Rs. 474.24 Crores (Previous year: Rs. 1.52 Crores).
5. Capital work-in-progress includes:
 - (a) Capital advances of Rs. 52.09 Crores (Previous year: Rs. Nil) for setting up new plants at Satna, Madhya Pradesh and Kurnool, Andhra Pradesh.
 - (b) Other capital advances of Rs. 5.28 Crores (Previous year: Rs. 0.18 Crores) for the existing project.
6. Term Deposits with scheduled banks include deposits of Rs. 5.01 Crores (Previous year : Rs. 0.08 Crores) on which the bank has lien for guarantee given by them.
7. The Group is setting up new plants at Satna, Madhya Pradesh and Kurnool, Andhra Pradesh. As on March 31, 2009 expenditure of Rs. 10.22 Crores has been considered as expenses during the construction period and transferred to Capital Work in Progress, details of which are as under:

	<u>As at 31-03-2009</u> <u>(9 months)</u> <u>Rs. Crores</u>	<u>As at 30-06-2008</u> <u>(12 months)</u> <u>Rs. Crores</u>
Salary, wages and bonus	2.00	0.07
Contribution to Provident and other funds	0.19	0.01
Rent, rates and taxes	0.35	0.02
Fees and bank charges	0.90	—
Depreciation	0.03	0.01
Miscellaneous expenses	3.12	1.33
	<u>6.59</u>	<u>1.44</u>
Add: Expenditure up to previous year	3.63	2.19
	<u><u>10.22</u></u>	<u><u>3.63</u></u>

8. (i) Lease rental on leased assets are charged to the Profit & Loss account as per the terms of the lease agreement entered before April 01, 2001. The future lease rent obligations against these asset is Rs. 0.27 Crores (Previous Year Rs.0.41 Crores) per annum. The Group has other operating leases for commercial premises which are cancellable at any time during the tenure of the agreement.
- (ii) The leave and license expenses debited to Profit and Loss Account during the period is Rs.2.59 Crores (Previous year Rs.0.66 Crores). The minimum lease payments to be made in future towards non cancelable lease agreements are as follows:

	<u>2008 - 2009</u> <u>Rs. Crores</u>	<u>2007 - 2008</u> <u>Rs. Crores</u>
Not Later than one year	4.17	4.52
Later than one year but not later than five year	4.49	17.10
Later than five years	Nil	Nil

9. Provision for current tax includes Income Tax liability of Rs. 61.18 Crores (Previous Year Rs. 80.38 Crores) and Wealth Tax of Rs. 0.06 Crores (Previous year Rs. 0.03 Crores).
10. The Group has recognised deferred tax in accordance with the requirement of Accounting Standard 22 – Accounting for Taxes on Income, issued by The Institute of Chartered Accountants of India. The breakup



PRISM CEMENT LIMITED

of Deferred Tax Liability (DTL) is as follows:

	<u>As at 31-03-2009</u> <u>Rs. Crores</u>	<u>As at 30-06-2008</u> <u>Rs. Crores</u>
<u>Deferred Tax Assets</u>		
Expenses provided but allowed in Income Tax on payment	5.39	2.22
Preliminary Expenditure	0.02	—
Unabsorbed Depreciation	0.03	—
Total (A)	5.44	2.22
<u>Deferred Tax Liability</u>		
Depreciation	58.21	60.99
Total (B)	58.21	60.99
Net Deferred Tax Liability/ (Asset) (B – A)	52.77	58.77

- The Group, at present is engaged only in cement business, as the subsidiary is yet to start the business. There are no separately reportable segments as per Accounting Standard - 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.
- Following are the transactions with related party as defined under Accounting Standard -18 on Related Party Disclosures issued by the Institute of Chartered Accountants of India.

Rs. Crores

Name	Relationship	Nature of transaction	Amount of transaction as in 2008-09 (9 months)	Amount outstanding as at 31.03.2009	Amount of transaction in 2007-08 (12 months)	Amount outstanding as at 30.06.2008
R & S Business Centre	Firm in which Director and/or relatives has significant influence	Rent and maintenance charges	0.09	0.02	0.15	0.02
Mr. M. Chhabra	Managing Director	Remuneration	1.42	Nil	1.56	Nil
QBE Holdings (AAP) Pty. Ltd.	Joint Venture Partner	Investments (Equity Share Capital)	49.40	Nil	Nil	Nil
		Share Application Money	1.82	1.82	2.60	2.60
QBE Insurance (International) Limited	Associate	Internet charges	0.08	0.08	Nil	Nil
		Reimbursement of expenses	0.01	Nil	Nil	Nil
Mr. Praveen Gupta	Chief Executive Officer	Remuneration	1.11	0.30	0.66	Nil
Mrs. Medha Gupta	Relative of Key Management Personnel	Leave and License expenses	0.07	Nil	0.02	Nil

13. Figures for the previous year have been regrouped wherever necessary.

As per our report of even date attached

For N. M. RAJJI & CO.
Chartered Accountants

J. M. Gandhi
Partner

Mumbai, April 14, 2009

Aneeta S. Kulkarni
Company Secretary

Rajesh G. Kapadia *Chairman*

Rajan B. Raheja
Aziz H. Parpia
Vijay Aggarwal *Directors*

Akshay R. Raheja
Manoj Chhabra *Managing Director*

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CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2009

	2008 - 2009 (9 months)		2007 - 2008 (12 months)	
	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
A] CASH FLOW FROM OPERATING ACTIVITIES:				
Net profit before taxation as per Profit and Loss account		146.38		313.18
Adjustment for:				
Dividend income	(7.54)		(13.14)	
Interest income	(5.21)		(0.04)	
Depreciation	24.86		31.94	
Interest expenses	1.51		1.47	
Lease rentals	0.29		0.62	
Loss / (Profit) on sale of assets	0.24	14.15	0.45	21.30
Operating profit before Working Capital changes		160.53		334.48
Adjustment for Working Capital changes :				
Inventories	13.45		(5.13)	
Trade receivables	3.38		0.19	
Other receivables	(7.10)		(20.69)	
Trade and other payables	(4.98)	4.75	15.38	(10.25)
Cash generated from Operations		165.28		324.23
Direct taxes paid (including FBT)		(64.83)		(81.83)
Net cash generated from Operating activities (A)		100.45		242.40
B] CASH FLOW FROM INVESTING ACTIVITIES:				
Fixed assets purchased and Expenditure during construction period		(128.14)		(71.56)
Proceeds from sale of fixed assets		0.16		0.59
Net (investment) / redemption in mutual funds		66.04		(109.53)
Investment in Associate		—		(0.01)
Dividend received		7.54		13.14
Interest received		3.50		0.03
Net cash used in Investing activities (B)		(50.90)		(167.34)
C] CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of equity shares		49.40		2.60
Interest paid		(1.51)		(1.47)
Lease rentals		(0.14)		(0.62)
Dividend and dividend distribution tax paid		(34.90)		(69.80)
Net cash used in Financing activities (C)		12.85		(69.29)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		62.40		5.77
Cash and cash equivalents as at the beginning of the period		16.73		10.96
Cash and cash equivalents as at the end of the period		79.13		16.73

As per our report of even date attached

For N. M. RAJJI & CO.
Chartered Accountants

J. M. Gandhi
Partner

Mumbai, April 14, 2009

Aneeta S. Kulkarni
Company Secretary

Rajesh G. Kapadia *Chairman*

Rajan B. Raheja

Aziz H. Parpia

Vijay Aggarwal

Akshay R. Raheja

Manoj Chhabra

Directors

Managing Director



DIRECTOR'S REPORT

To the Shareholders,

The Directors present the Second Annual Report together with the audited Accounts of the Company for the year ended March 31, 2009.

OPERATIONS

The Company was granted the Certificate of Registration for carrying out general insurance business by the Insurance Regulatory and Development Authority (IRDA) on December 11, 2008. The Company proposes to position itself in the corporate space and expects to roll out its products in the current year 2009-10. All efforts would be made to provide its customers quality service through customized solutions, prompt claims settlement and technology based delivery.

The income from investment for the year under review is INR. 5.40 crores as against INR. 0.02 crores in the previous year. The net loss before tax for the year 2008-09 was INR. 6.62 crores as against net loss of INR. 2.54 crores for the year ended 2007-08. The net loss after tax stood at INR. 6.66 crores during the year under review as compared to net loss of INR. 2.54 during the previous year.

ALLOTMENT OF SHARES

During the year under review, the Company made a preferential allotment to the promoters, Prism Cement Limited and QBE Holdings (AAP) Pty Limited, of 190,000,000 equity shares of INR. 10/- each aggregating to INR. 190.00 crores. Prism Cement Limited holds 74% and QBE Holdings (AAP) Pty Limited, Australia, hold 26% of the share capital.

INVESTMENTS

The investment portfolio of the Company as on March 31, 2009 is INR. 187.49 crores. The company's investment portfolio is prudently invested to minimise the risk while seeking reasonable returns. The weighted average annualized yield on investment for the year 2008-09 is 8.48%.

DIRECTORS

Mr. Rajesh G. Kapadia was appointed as Additional Director by the Board at its meeting held on March 9, 2009. Mr. Kapadia holds office upto the date of the forthcoming Annual General Meeting. In this connection, your attention is drawn to Item No. 6 of the accompanying Notice of the Annual General Meeting.

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Akshay Raheja and Mr. James Rudkin retire by rotation at the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment.

AUDIT COMMITTEE

In compliance of the provisions of Section 292 A of the Companies Act, 1956, the Board of Directors has constituted an Audit Committee of Directors comprising of Mr. Akshay Raheja, Mr. M. Chhabra, Mr. James Rudkin and Mr. Michael Goodwin.

INVESTMENT COMMITTEE

The Company has constituted an Investment Committee pursuant to the requirement of IRDA regulations. The Committee comprises of Mr. Michael Goodwin, Mr. Akshay Raheja, Mr. Manoj Chhabra, Mr. James Rudkin, Directors of the Company and Mr. Praveen Gupta, Chief Executive Officer and Ms. Mini Nair, Chief Financial Officer of the Company.

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, 2009, 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, 2009 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, 2009 on a going concern basis.

PARTICULARS OF EMPLOYEES

Information required to be given pursuant to the provisions of section 217 (2A) of the Companies Act, 1956 is annexed hereto marked Annexure I and forms part of this report.

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, are as under :

- (1) Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company.
- (2) Foreign exchange earnings and outgo :
Foreign exchange earnings: NIL
Foreign exchange expenditure: INR. 0.003 crores.

AUDITORS

The Company, in terms of the requirement under the provisions of the Insurance Regulatory and Development Authority appointed M/s. Sudit K. Parekh & Co., Chartered Accountants as Joint Auditors during the year under review. M/s. Contractor, Nayak and Kishnadwala and M/s. Sudit K. Parekh & Co., Joint Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and have given their consent for re-appointment. Confirmations from the Auditors have been received to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

ACKNOWLEDGEMENTS

The Board takes this opportunity to express its sincere appreciation for the assistance and co-operation received from Prism Cement Limited and QBE Holdings (AAP) Pty Ltd, the promoter companies, the Insurance Regulatory & Development Authority, various Central and State Government departments/agencies, banks and other business associates connected with the Company.

For and on behalf of the Board
Akshay Raheja
Michael Goodwin } Directors

Place : Mumbai
Date : April 13, 2009



RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

Annexure I

Particulars of Employees as per Section 217 (2A) of the Companies Act, 1956 for the year ended 31st March, 2009

Name/Age (Years)	Qualifications/ Experience (Years)	Date of Employment	Designation/ Nature of Duties	Gross Remuneration received (Rupees '000)	Last employment held (Previous Designation/Previous Company)
(1)	(2)	(3)	(4)	(5)	(6)
Gupta Praveen (52)	MA.; FIII; FCII (UK); IDM (UK) (30)	10.03.2008	Chief Executive Officer	9,554	Gen. Manager (Corporate Marketing) Bajaj Allianz General Insurance Company Ltd.
Rajaram P. (53) *	MBA; AIC; AIII (32)	05.06.2008	Chief Underwriting Officer	3,467	Executive member Intd. Planning dept. Sompo Japan Insurance Inc.
Saksena Vivek (47) *	MBA; MA (24)	23.06.2008	Head - Claims	2,144	Head Claims (Commercial Lines) Tata AIG General Insurance Company Ltd.
Patil Harish (37) *	MSW; BA (15)	01.07.2008	GM, Human Resources	2,092	Senior Manager (HR), HDFC Standard Life Insurance Company Ltd.
Menon Rajni (46) *	MA; AIC, MIB	14.07.2008	Head - Operations & Distribution	6,292	Chief Liaison Officer, QBE Insurance (International) Ltd. - India Liaison Office
Nair Mini (37) *	CA; B.Sc (13)	15.07.2008	Chief Financial Officer	2,225	Assistant Vice President (Finance & Accounts) Reliance General Insurance Company Ltd.

Notes:

1. All appointments are contractual. Other terms and conditions are as per Company's Rules.
2. Gross remuneration received includes salary, taxable value of perquisites, etc.
3. The above employee is not related to any Director of the Company.
4. * Employed for a part of the year.

MANAGEMENT REPORT

In accordance with the provisions of the Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the following Management Report is submitted:

1. The registration certificate granted on 11th December, 2008 by Insurance Regulatory and Development Authority is valid.
2. We certify that all dues payable to statutory authorities have been duly paid except Provident Fund in respect of ex-foreign worker which has been paid subsequent to the Balance Sheet date.
3. We confirm that the shareholding pattern and transfer of shares during the year are in accordance with the statutory and regulatory requirements.
4. During the year the company did not have any policyholder's funds.
5. We confirm that the required solvency margins under the Insurance Act, 1938 have been maintained.
6. We certify that the values of all the assets have been reviewed on the date of Balance Sheet and in management's belief the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the several headings - "Loans and Advances", "Investments", "Interest, Dividends, Sundry Debtors", "Cash" and the several items specified under "Other Accounts".
7. The company has not accepted any underwriting risk.
8. We confirm that company does not have operations in any country outside India.
9. There is no claim reported till the date of Balance Sheet.
10. We certify that the investments have been valued as per the Accounting Regulations of the Insurance Regulatory and Development Authority and shown in the Balance Sheet. The market value of Debt securities is based on the procedure issued by Fixed Income and Money Market and Derivate Dealers Association (FIMMDA).

11. The company's investment portfolio is in line with the Insurance Regulatory and Development Authority (IRDA) regulations and circulars and the internal guidelines set by the Investment committee. We ensure that all the investments are made with the objective of the effective management of the funds available for Investment. As of the Balance Sheet date, 42% of investments are made in Government Securities, 5% in Housing Bond & 11% in Infrastructure Bonds, 41% in AAA rated other Debt Securities. Rest 1% is invested in short term fixed deposits with scheduled banks for liquidity requirement of the company.

We ensure all measures are in place to adhere to all investment regulatory norms.

12. We also confirm that :

- a) In preparation of financial statements, the applicable accounting standards, principles and policies have been followed and there has been no material departure;
- b) The management has adopted 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, 2009 and of the operating loss of the Company for the year;
- c) The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938) / Companies Act, 1956 (1 of 1956) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The management has prepared the financial statements on a going concern basis;
- e) The management will ensure set up of an internal audit system commensurate with the size and the nature of business as soon as the company commences the business.



RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

13. The schedule of payments which have been made to individuals, firms, companies and organizations in which Directors of the insurer are interested is as below:

(Rs. '000)

Sr. No.	Entity to whom the payment is made	Name of interested Director	Nature of interest	Amount Paid	Nature of payment
1.	Prism Cement Limited	Mr. Akshay Raheja Mr. Manoj Chhabra	Director Managing Director	5,070	Reimbursement of expense
2.	QBE Insurance (International) Limited	Mr. Michael Goodwin	Director	785 13	Internet Charges Reimbursement of expense

For and on behalf of the Board of Directors

Akshay Raheja
Director

Michael Goodwin
Director

Praveen Gupta
Chief Executive Officer

Mini Nair
Chief Financial Officer

Mumbai
Dated: April 13, 2009

AUDITORS' REPORT

The Members of

Raheja QBE General Insurance Company Limited

- We have audited the attached Balance Sheet of RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED ('the Company') as at March 31, 2009 and also the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
- The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account have been drawn up in conformity with the Insurance Act, 1938 and Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the Regulations') and read with Accounting Standards issued by Institute of Chartered Accountants (ICAI).

4. We report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory;
- In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the Company so far as appears from our examination of those books;
- As the company does not have any branches the question of adequacy of the branch returns does not arise.
- The Balance Sheet, Profit and Loss Account and Receipts and Payments Account referred to in this report are in agreement with the books of account;
- On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the Act.

5. In our opinion and to the best of our information and according to the information and explanations given to us, we further report that:

- The accounting policies selected by the Company are appropriate and in compliance with Accounting Standards issued by Institute of Chartered Accountants (ICAI) to the extent applicable and the accounting principles prescribed in the Regulations and orders or directions issued by IRDA in this



RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

- behalf. The Balance Sheet, Profit and Loss Account and Receipts and Payments Account referred to in this report are in compliance with Accounting Standards issued by Institute of Chartered Accountants (ICAI).
- b. Investments of the Company have been valued in accordance with the provisions of the Insurance Act and the Regulations;
- c. The said financial statements are prepared in accordance with the requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999, the Regulations and the Act, to the extent applicable and in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to insurance companies:
- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - in the case of the Revenue Accounts, of the surplus/deficit, as the case may be, for the year ended March 31, 2009;
 - in the case of the Profit and Loss Account, of the loss for the year ended March 31, 2009; and
 - in the case of the Receipts and Payments Account, of the receipts and payments of the Company for the year ended March 31, 2009.
6. Further, on the basis of our examination of books and records of the Company and according to the information and explanations given to us and to the best of our knowledge and belief, we certify that:
- We have reviewed the management report attached to the financial statements for the year ended March 31, 2009 and there are no apparent mistakes or material inconsistencies with the financial statements; and
 - Based on the information and explanations received during the course of our audit, management representations by officers of the Company charged with compliance and compliance certificates noted by the audit committee, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of registration.

For **Contractor, Nayak & Kishnadwala**
Chartered Accountants

For **Sudit K. Parekh & Co.**
Chartered Accountants

(Gautam Nayak)
Partner
Membership No.: 38127

(Srikant Jilla)
Partner
Membership No.: 39461

Mumbai
Dated : April 13, 2009

Auditors' Certificate

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of accounts and records maintained by Raheja QBE General Insurance Company Limited ('the Company') for the year ended March 31, 2009, we certify that:

- We have verified the cash balances, to the extent considered necessary, securities relating to the Company's investments by actual inspection or on the basis of certificates / confirmations received from custodians and / or Depository Participants appointed by the Company, as the case may be;
- The Company is not the trustee of any trust; and
- No part of the assets of the policyholders' fund has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938 relating to the application and investment of the policyholders' funds.

This certificate has been issued to comply with Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, ('the Accounting Regulations'), read with Regulation 3 of the Accounting Regulations and may not be suitable for any other purpose.

For **Contractor, Nayak & Kishnadwala**
Chartered Accountants

For **Sudit K. Parekh & Co.**
Chartered Accountants

(Gautam Nayak)
Partner
Membership No.: 38127

(Srikant Jilla)
Partner
Membership No.: 39461

Mumbai
Dated : April 13, 2009

**RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED**

IRDA Registration No. 141 dated 11th December, 2008

BALANCE SHEET AS AT MARCH 31, 2009

Particulars	Schedule	31.03.2009 (Rs.'000)	31.03.2008 (Rs.'000)
SOURCES OF FUNDS			
Share Capital	5	2,000,000	100,000
Share Application Money		70,000	—
Reserves and Surplus	6	—	—
Fair Value Change Account		—	—
Borrowings	7	—	—
Total		2,070,000	100,000
APPLICATION OF FUNDS			
Investments	8	1,874,855	40,228
Loans	9	—	—
Fixed Assets	10	—	—
Gross Block		52,680	—
Less:Accumulated Depreciation		5,552	—
Net Block		47,128	—
Current Assets			
Cash and Bank Balances	11	3,689	6,528
Advances and Other Assets	12	62,267	29,797
Sub-Total (A)		65,956	36,325
Current Liabilities			
Current Liabilities	13	8,847	1,933
Provisions	14	1,067	—
Sub-Total (B)		9,914	1,933
Net Current Assets (C = A - B)		56,042	34,392
Miscellaneous Expenditure	15	—	—
(to the extent not written off)			
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		91,975	25,380
Total		2,070,000	100,000
Significant Accounting Policies & Notes to Accounts	16		

The Schedules referred to above form an integral part of Financial Statements.

As per our Report of even date attached.

For and on behalf of the Board of Directors

For Contractor, Nayak &
Kishnadwala
Chartered AccountantsFor Sudit K. Parekh & Co.
Chartered AccountantsAkshay Raheja
DirectorMichael Goodwin
Director(Gautam Nayak)
Partner
Membership No.: 38127(Srikant Jilla)
Partner
Membership No.: 39461Praveen Gupta
Chief Executive OfficerMini Nair
Chief Financial OfficerMumbai
Dated : April 13, 2009Mumbai
Dated : April 13, 2009



RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Particulars	Schedule	2008 - 2009 (Rs.'000)	2007 - 2008 (Rs.'000)
1. Operating Profit/(Loss)			
a) Fire Insurance		—	—
b) Marine Insurance		—	—
c) Miscellaneous Insurance		—	—
2. Income from Investments			
a) Interest, Dividend & Rent – Gross		50,702	228
b) Profit on sale/redemption of investments		3,248	—
Less: loss on sale of investments			—
		53,950	—
3. Other Income		464	—
Total (A)		<u>54,414</u>	<u>228</u>
4. Provisions (other than taxation)			
a) For diminution in the value of investment		—	—
b) For doubtful debts		—	—
c) Others		—	—
5. Other Expenses			
a) Expenditure other than those related to Insurance Business	4A	120,604	25,588
b) Bad debts written off		—	25,588
c) Others		—	—
Total (B)		<u>120,604</u>	<u>—</u>
Profit/ (Loss) Before Tax		<u>(66,190)</u>	<u>(25,360)</u>
Provision for Taxation			
Current Tax		—	—
Deferred Tax		—	—
Fringe Benefit Tax		400	20
Wealth Tax		5	—
Net Profit/ (Loss) After Tax		<u>(66,595)</u>	<u>(25,380)</u>
Appropriations			
a) Interim dividend paid during the year		—	—
b) Proposed final dividend		—	—
c) Dividend distribution tax		—	—
d) Transfer to any reserve or Other Accounts		—	—
Add: Balance brought forward from last year			—
		<u>(25,380)</u>	<u>—</u>
Balance carried forward to Balance Sheet		<u>(91,975)</u>	<u>(25,380)</u>
Significant Accounting Policies & Notes to Accounts	16		
Basic Earning per Share (Refer Sch. 16, Note 14)		(0.87)	(7.61)
Diluted Earning per Share (Refer Sch. 16, Note 14)		(0.87)	(7.61)

As per our Report of even date attached.

For Contractor, Nayak & Kishnadwala
Chartered Accountants

(Gautam Nayak)
Partner
Membership No.: 38127

Mumbai
Dated : April 13, 2009

For Sudit K. Parekh & Co.
Chartered Accountants

(Srikant Jilla)
Partner
Membership No.: 39461

For and on behalf of the Board of Directors

Akshay Raheja
Director

Praveen Gupta
Chief Executive Officer

Mumbai
Dated : April 13, 2009

Michael Goodwin
Director

Mini Nair
Chief Financial Officer

**RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED**

IRDA Registration No. 141 dated 11th December, 2008

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Particulars	Schedule	2008-2009 (Rs.'000)	2007-2008 (Rs.'000)
Premiums earned (Net)	1	—	—
Profit / Loss on sale/redemption of Investments		—	—
Others		—	—
Interest, Dividend & Rent – Gross		—	—
Total (A)		—	—
Claims Incurred (Net)	2	—	—
Commission	3	—	—
Operating Expenses related to Insurance Business	4	—	—
Total (B)		—	—
Operating Profit/(Loss) from Fire/ Marine/ Miscellaneous Business C= (A - B)		—	—
Appropriations		—	—
Transfer to Shareholder's Account		—	—
Transfer to Catastrophe Reserve		—	—
Transfer to Other Reserves		—	—
Total (C)		—	—

Note : As required by Section 40C of the Insurance Act, 1938, we certify that no expenses of management have been debited to Revenue Account as expenses of the insurance business. All expenses have been debited to Profit & Loss Account since no insurance policy has been issued during the year.

The Schedules referred to above form an integral part of Financial Statements**As per our Report of even date attached**

For Contractor, Nayak & Kishnadwala
Chartered Accountants

For Sudit K. Parekh & Co.
Chartered Accountants

(Gautam Nayak)
Partner
Membership No.: 38127

(Srikant Jilla)
Partner
Membership No.: 39461

For and on behalf of the Board of Directors

Akshay Raheja
Director

Michael Goodwin
Director

Praveen Gupta
Chief Executive Officer

Mini Nair
Chief Financial Officer

Mumbai
Dated : April 13, 2009

Mumbai
Dated : April 13, 2009

**RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED**

IRDA Registration No. 141 dated 11th December, 2008

**SCHEDULES TO AND FORMING PART OF REVENUE ACCOUNT AND PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED ON AND TO BALANCE SHEET AS AT MARCH 31, 2009**

Particulars	2008-2009 (Rs.'000)	2007-2008 (Rs.'000)
Schedule - 1		
Premium Earned (Net)		
Premium from direct business written	—	—
Add: Premium on re-insurance accepted	—	—
Less: Premium on re-insurance ceded	—	—
Net Premium	—	—
Adjustment for change in reserve for unexpired risks	—	—
Total Premium Earned (Net)	<u>—</u>	<u>—</u>
Schedule - 2		
Claims Incurred (Net)		
Claims Paid from direct business written	—	—
Add: Re-insurance accepted	—	—
Less: Re-insurance ceded	—	—
Net Claims Paid	—	—
Add: Out-standing Claims at the year end	—	—
Less : Out-standing Claims at the year beginning	—	—
Total Claims Incurred	<u>—</u>	<u>—</u>
Schedule - 3		
Commission (Net)		
Commission paid	—	—
Direct	—	—
Add: Re-insurance accepted	—	—
Less: Commission on Re-insurance ceded	—	—
Net commission	—	—
Grand Total	<u>—</u>	<u>—</u>
Schedule - 4		
Operating Expenditure related to Insurance Business		
Employees' remuneration & welfare benefits	—	—
Travel, conveyance and vehicle running expenses	—	—
Rents, rates & taxes	—	—
Repairs	—	—
Printing & Stationery	—	—
Communication & Postage Expenses	—	—
Legal & professional charges	—	—
Directors' Sitting fees	—	—
Auditor's fees, expenses etc.	—	—
a) As auditor	—	—
b) As adviser or in any other capacity, in respect of	—	—
i) Taxation matters	—	—
ii) Insurance matters	—	—
iii) Management Services and	—	—
c) in any other capacity	—	—
Advertisement and Publicity	—	—
Interest and Bank Charges	—	—
Entertainment expenses	—	—
Others	—	—
a) Office maintenance expenses	—	—
b) Recruitment & Training expenses	—	—
c) Subscriptions and membership fees	—	—
d) Miscellaneous expenses	—	—
Depreciation	—	—
Coinsurance Expenses (net)	—	—
Total	<u>—</u>	<u>—</u>



RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

Particulars	2008-2009 (Rs.'000)	2007-2008 (Rs.'000)
Schedule - 4 A		
Expenditure other than those related to Insurance Business		
Employees' remuneration & welfare benefits	50,477	3,314
Travel, conveyance and vehicle running expenses	2,925	200
Rents, rates & taxes	52,222	1,057
Repairs	310	-
Printing & Stationery	268	4
Communication & Postage Exps	1,539	6
Legal & professional charges	3,603	4,063
Directors' Sitting fees		
Auditor's fees, expenses etc.		
a) As auditor	273	101
b) As adviser or in any other capacity, in respect of		
i) Taxation matters	—	—
ii) Insurance matters	—	—
iii) Management Services and	—	—
c) in any other capacity	—	—
Advertisement and Publicity	—	56
Interest and Bank Charges	1	0.13
Others		
a) Office maintenance expenses	1,939	0.49
b) Recruitment & Training expenses	377	16,674
c) Subscriptions and membership fees	522	-
d) Miscellaneous expenses	595	113
Depreciation	5,553	-
Total	120,604	25,588
Schedule - 5		
Share Capital		
Authorised Capital		
220,000,000 (Previous year 10,000,000) Equity Shares of Rs10 each	2,200,000	100,000
Issued Capital		
200,000,000 (Previous year 10,000,000) Equity Shares of Rs10 each fully paid up	2,000,000	100,000
Subscribed Capital		
200,000,000 (Previous year 10,000,000) Equity Shares of Rs10 each fully paid up	2,000,000	100,000
Called up Capital		
200,000,000 Equity Shares of Rs10 each fully paid up	2,000,000	100,000
Less: Calls unpaid	—	—
Add: Equity shares forfeited (amount originally paid up)	—	—
Less: Par value of Equity Shares bought back	—	—
Less: Preliminary expenses to the extent not written off	—	—
Less: Expense including commission or brokerage on underwriting or subscription of Shares	—	—
Total	2,000,000	100,000
Note: Of the above 148,000,000 shares are held by the holding company Prism Cement Limited (previous year: 7,400,000 shares)		



RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

Schedule - 5A				
Pattern of Share Holding (As certified by the Management)				
Shareholder	As at 31.03.2009		As at 31.03.2008	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Promoters				
- Indian	148,000,000	74%	7,400,000	74%
- Foreign	52,000,000	26%	2,600,000	26%
Others	—	—	—	—
Total	200,000,000	100%	10,000,000	100%

Particulars	As at 31.03.2009 (Rs. '000)	As at 31.03.2008 (Rs. '000)
Schedule - 6		
Reserves and Surplus		
Capital Reserve	—	—
Capital Redemption Reserve	—	—
Share Premium	—	—
General Reserve	—	—
Less: Debit balance in Profit & Loss Account	—	—
Less: Amount utilized for Buy-back	—	—
Catastrophe Reserve	—	—
Other Reserves	—	—
Balance of Profit and Loss Account	—	—
Total	—	—
Schedule - 7		
Borrowings		
Debentures /Bonds	—	—
Banks	—	—
Financial Institutions	—	—
Others	—	—
Total	—	—
Schedule - 8		
Investments		
Long Term Investments		
Government securities and Government guaranteed bonds including Treasury Bills	—	—
Other Approved Securities	—	—
Other Investments	—	—
a) Shares	—	—
aa) Equity	—	—
bb) Preference	—	—
b) Mutual Funds	—	—
c) Derivative Instruments	—	—
d) Debentures/ Bonds	—	—
e) Other Securities	—	—
f) Subsidiaries	—	—
g) Investment Properties - Real Estate	—	—
Investments in Infrastructure and Social Sector	301,502	—
Other than Approved Investments	—	301,502



RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

Particulars	As at 31.03.2009 (Rs. '000)	As at 31.03.2008 (Rs. '000)
Short Term Investments		
Government securities and Government guaranteed bonds including Treasury Bills	795,740	—
Other Approved Securities	—	—
Other Investments	—	—
a) Shares	—	—
aa) Equity	—	—
bb) Preference	—	—
b) Mutual Funds	—	40,228
c) Derivative Instruments	—	—
d) Debentures/ Bonds	—	—
e) Other Securities	—	—
i) Fixed Deposits	579,028	—
II) Certificate of Deposits	198,585	—
f) Subsidiaries	—	—
g) Investment Properties - Real Estate	—	—
Investments in Infrastructure and Social Sector	—	—
Other than Approved Investments	—	—
Total	<u>1,573,353</u> <u>1,874,855</u>	<u>40,228</u>
Notes:		
1. Aggregate book value of investments other than listed equity shares is Rs. 1,874,855 thousands (Previous year Rs. 40,228 thousands).		
2. Aggregate market value of all investments other than listed equity shares as at 31st March, 2009 is Rs. 1,882,077 thousands (Previous year Rs. 40,228 thousands).		
3. Government Securities includes Rs. 20,900 thousands as at 31st March 2009 (Previous year Rs. NIL), Deposit u/s 7 of the Insurance Act, 1938.		
4. Investments Rs. 1,573,354 thousands (previous year Rs. 40,228 thousands) maturing within 12 months from the balance sheet date and investments made with the specific intention to dispose of within 12 months from the date of balance sheet are classified as short term Investments.		
Schedule - 9		
Loans		
Security-wise classification		
Secured		
a) On mortgage of property	—	—
aa) In India	—	—
bb) Outside India	—	—
b) On Shares, Bonds, Government Securities	—	—
c) Others	—	—
Unsecured		
Total	<u>—</u> <u>—</u>	<u>—</u> <u>—</u>
Borrower-wise classification		
a) Central and State Government	—	—
b) Banks and Financial Institutions	—	—
c) Subsidiaries	—	—
d) Industrial Undertakings	—	—
e) Others	—	—
Total	<u>—</u> <u>—</u>	<u>—</u> <u>—</u>


RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

Particulars	As at 31.03.2009 (Rs. '000)		As at 31.03.2008 (Rs. '000)							
Performance wise classification										
a) Loans classified as standard										
aa) In India	—		—							
bb) Outside India	—		—							
b) Non-performing loans less provisions										
aa) In India	—		—							
bb) Outside India	—		—							
Total	—		—							
Maturity wise classification										
a) Short Term	—		—							
b) Long Term	—		—							
Total	—		—							
Schedule - 10 :										
Fixed Assets										
PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 1-Apr-08	Addi- tions	Deduc- tions	As at 31-Mar-09	Up to 1-Apr-08	For the Year	Deduc- tions/ Adjust- ments	Up to 31-Mar-09	As at 31-Mar-09	As at 31-Mar-08
Goodwill	—	—	—	—	—	—	—	—	—	—
Intangibles - Computer Software	—	3,169	—	3,169	—	300	—	300	2,869	—
Land - Freehold	—	—	—	—	—	—	—	—	—	—
Leasehold Improvements	—	24,984	—	24,984	—	2,904	—	2,904	22,080	—
Buildings	—	—	—	—	—	—	—	—	—	—
Furniture & Fittings	—	7,171	—	7,171	—	313	—	313	6,858	—
Information Technology Equipment	—	13,372	—	13,372	—	1,438	—	1,438	11,934	—
Vehicles	—	1,974	—	1,974	—	327	—	327	1,647	—
Office Equipment	—	2,010	—	2,010	—	270	—	270	1,740	—
Others	—	—	—	—	—	—	—	—	—	—
TOTAL	—	52,680	—	52,680	—	5,552	—	5,552	47,128	—
Work-in-progress	—	—	—	—	—	—	—	—	—	—
GRAND TOTAL	—	52,680	—	52,680	—	5,552	—	5,552	47,128	—
Previous Year	—	—	—	—	—	—	—	—	—	—
Particulars					As at 31.03.2009 (Rs. '000)		As at 31.03.2008 (Rs. '000)			
Schedule - 11										
Cash and Bank Balances										
Cash (including cheques, drafts and stamps)							3		—	
Bank Balances										
a) Deposit Accounts										
aa) Short Term (due with in 12 months)							—		—	
bb) Others							—		—	
b) Current Accounts							3,686		6,528	
c) Others										
Money at Call and Short Notice										
a) with Banks							—		—	
b) with other Institutions							—		—	
c) Others							—		—	
Total							3,689		6,528	
Balances with non scheduled banks included in above							—		—	


RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

Particulars	As at 31.03.2009 (Rs. '000)	As at 31.03.2008 (Rs. '000)
Schedule - 12		
Advances and Other Assets		
Advances		
Reserve deposits with ceding companies	—	—
Application Money for investments	—	—
Prepayments	1,983	28
Advance to Directors/Officers	—	—
Advance tax paid and taxes deducted at source (Net of provision for taxation)	71	—
Others		
a) Service Tax Input Credit	5,988	—
b) Rental Deposits	37,588	29,769
c) Other Deposits	1	—
d) Other Advances	-	—
	45,631	—
Other Assets		
Income accrued on investments	16,636	—
Outstanding Premiums	—	—
Agent's balances	—	—
Foreign agencies balances	—	—
Due from other entities carrying on insurance business	—	—
Due from Subsidiaries/holding	—	—
Deposit with Reserve Bank of India pursuant to section 7 of Insurance Act, 1938	—	—
Others	—	—
	16,636	—
Total	<u>62,267</u>	<u>29,797</u>
Schedule - 13		
Current Liabilities		
Agents' Balances	—	—
Balances due to other insurance companies	—	—
Deposits held on re-insurance ceded	—	—
Premium received in Advance	—	—
Unallocated Premium	—	—
Sundry creditors	8,847	1,933
Due to subsidiaries/holding company	—	—
Claims Outstanding	—	—
Due to Officers/Directors	—	—
Others	—	—
Total	<u>8,847</u>	<u>1,933</u>
Schedule - 14		
Provisions		
Reserve for Unexpired Risk	—	—
For taxation (less advance tax paid and taxes deducted at source)	—	—
For Proposed Dividend	—	—
For Dividend distributions tax	—	—
Provision for Employee Benefits	1,067	—
Total	<u>1,067</u>	<u>—</u>
Schedule - 15		
Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Discount allowed in issue of shares/ debentures	—	—
Others	—	—
Total	<u>—</u>	<u>—</u>



Schedule - 16:

Significant Accounting policies and Notes forming part of financial statements for the year ended 31st March, 2009:

1. Background:

Raheja QBE General Insurance Company Limited ('the Company') was incorporated on 14th August, 2007, as a Company registered under the Companies Act, 1956. The Company is a 74:26 Joint venture between Prism Cement Limited and QBE Holdings (AAP) Pty Ltd. The Company is registered with Insurance Regulatory and Development Authority (IRDA) and obtained its license on 11th December, 2008.

2. Significant Accounting Policies:

2.1 Basis of preparation of Financial Statements:

The financial statements are prepared and presented in accordance with generally accepted accounting principles followed in India under the historical cost convention, on the accrual basis of accounting and in accordance with statutory requirements of the Insurance Act, 1938, Insurance Regulatory and Development Authority Act, 1999, Insurance Regulatory and Development Authority (Preparation of financial statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('The Regulations') and order/directions prescribed by IRDA in this behalf, the Companies Act, 1956 ('The Act') to the extent applicable and comply with Accounting Standards issued by Institute of Chartered Accountants (ICAI) to the extent applicable.

2.2 Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, revenue and expense and disclosure of contingent liabilities. The estimates and assumptions used in the financial statements are based on the management's evaluation of the relevant facts and circumstances as on the date of financial statements. Actual results may differ from these estimates. Any revision to accounting estimates is recognized prospectively.

2.3 Revenue Recognition:

Investment Income:

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

Dividends are recorded when the right to receive the dividend is established.

Amortization of premium and accretion of discount relating to debt securities is recognized over the holding/maturity period of security

on straight line basis.

Realized profit or loss on sale of securities is recognized on the trade date and includes effects of accumulated fair value changes previously recognized and credited to fair value change account, for specific investment sold/redeemed during the year.

2.4 Fixed Assets, Depreciation/Amortization and Impairment:

Fixed assets are stated at cost less accumulated depreciation. Cost includes purchase price plus any expense directly attributable to bringing the asset to its working condition for its intended use.

Intangible assets comprising computer software are stated at cost less amortization.

Assets costing up to Rs. 5,000/- are depreciated fully in the year of acquisition.

Depreciation on fixed assets is provided on Straight Line Basis using higher of the rates based on economic useful lives of assets as estimated by the management and the rates specified under Schedule XIV to the Companies Act, 1956. The rates of depreciation followed by the Company are as follows:

Particulars	Depreciation rates as per books (SLM)
Vehicles	20.00%
Leasehold Improvements	20.00%
Office Equipments	25.00%
Furniture & Fixtures	6.33%
Air Conditioners	10.00%
Electrical fittings	33.33%
Information Technology Equipments	33.33%
Software (Intangible Assets)	33.33%

Depreciation is charged on assets from the date the asset is capitalized on a pro-rata basis.

Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the impairment loss is recognized in profit and loss account.

2.5 Foreign Currency Transactions:

Transactions denominated in foreign currency if any are recorded at the exchange rate prevailing on the date of the transaction. Exchange difference on settlements is recognized in the revenue accounts or profit and loss account



as applicable.

2.6 Investments:

Investments are recorded on trade date at cost. Cost includes brokerage; transfer charges etc. but exclude accrued interest up to the date of purchase.

Classification:

Investments maturing within a period of twelve months from the date of balance sheet are classified as "Short term Investments" and other investments are classified as "Long term Investments".

Valuation:

Debt securities are considered as 'held to maturity' and accordingly stated at historical cost adjusted for amortization of premium or accretion of discount on straight line basis over the period of maturity/holding.

Mutual Fund:

Mutual fund units are stated at their 'Net Asset Value' (NAV) as at balance sheet date and any unrealized profit or loss (i.e difference between cost and NAV) is debited/ credited to fair value change account.

Fair Value Change Account:

Fair value change account represents unrealized gains or losses in respect of investments in equity securities, derivative instruments and mutual fund units outstanding at the close of the year. The profit or loss on sale of investment includes accumulated changes in fair value previously recognized in respect of that particular investment.

Impairment of Investments:

The Company at each balance sheet date assesses whether any impairment has occurred to the investments. An impairment loss is recognized as an expense in revenue / profit and loss account to the extent of the difference between re-measured fair value of the security / investment and its acquisition cost as reduced by any previous impairment loss recognized as expense in revenue / profit and loss account. Any reversal of impairment loss previously recognized as expense in revenue / profit and loss account is credited to revenue / profit and loss account.

2.7 Employee Benefits:

2.7.1 Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Undiscounted value of benefits such as salaries is recognized in the period in which the employee renders the related service.

2.7.2 Post Employment benefits:

2.7.2.1 Defined Contribution Plans:

The Company contributes to approved Employee provident fund scheme and the Employees Superannuation Fund maintained with Life Insurance Corporation of India (LIC). The Company's contribution paid/payable under the scheme is recognized as an expense in the profit and loss account during the period in which the employee renders the related service.

2.7.2.2 Defined Benefit Plans:

The Company contributes to an approved gratuity fund maintained with the Life Insurance Corporation of India. Company's contributions paid/ payable under the scheme are recognized as an expense in the profit and loss account during the period in which the employee renders the related service. Accumulating compensated leave entitlements are provided for on the basis of actuarial valuation on the balance sheet date.

The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows.

2.8 Leases:

Lease payments for assets taken on operating lease are recognized as an expense in the revenue / profit and loss account over the lease term.

2.9 Earning Per Share:

The basic earnings per share is computed by dividing the net profit in the Profit and Loss account attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting period.

Diluted earnings per share is computed, by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the reporting period after adjusting for the effects of all dilutive potential equity shares.

2.10 Taxation:

Income Tax Expense comprises current tax (i.e. amount of tax determined in accordance with the income tax law), fringe benefit tax and Deferred tax charge or credit (reflecting the tax effects of timing differences between the accounting income and taxable income for the period). The deferred tax

**RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED**

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charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realized. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably or virtually certain to be realized.

2.11 Provisions and Contingencies:

A provision is recognized when an enterprise has present obligation as a result of past event; 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 their present value and are determined based on the best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow is remote, no provision or disclosure is made.

NOTES TO ACCOUNTS**Statutory disclosures as required by IRDA:****3. Contingent Liabilities:**

(Rs. '000)

Particulars	As at	As at
	March 31, 2009	March 31, 2008
Partly paid up investments	NIL	NIL
Claims, other than those under policies not acknowledged as debt	NIL	NIL
Guarantees given by or on behalf of Company	NIL	NIL
Statutory demands/liabilities in dispute, not provided for	NIL	NIL
Others	NIL	NIL

4. Encumbrances:

The assets of the Company are free from all encumbrances.

5. Commitments:

Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed assets is NIL (previous year NIL).

There are no commitments made and outstanding for investments and loans.

6. Value of contracts in relation to investment, for:

There are no contracts outstanding in relation to purchases where deliveries are pending and sales where payments are outstanding/overdue at the end of the year.

Investments made are in accordance with the Insurance Act, 1938 and Insurance Regulatory and Development Authority (Investment) (Amendment) Regulations, 2000.

The Company has no non-performing assets for the purpose of income recognition as per the directions of IRDA.

Investments under Section 7 of the Insurance Act, 1938 are as follows:

(Rs. '000)

Name of Security	As at	As at
	March 31, 2009	March 31, 2008
91 Days Treasury Bills 15.05.09	20,900	NIL

7. Managerial Remuneration:

(Rs. '000)

Particulars	As at	As at
	March 31, 2009	March 31, 2008
Salaries and Allowances	8,554	490
Perquisites	900	—
Bonus	2,963	2,700
Contribution to Provident Fund	360	—
Contribution to Superannuation Fund	400	—
Total	13,177	3,190



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IRDA Registration No. 141 dated 11th December, 2008

Expenses towards gratuity and Leave Encashment are determined actuarially on an overall Company basis annually and accordingly have not been considered in the above information.

The managerial remuneration is in accordance with the approval accorded by a resolution of the Board of Directors and which has been approved by IRDA as required under Section 34A of the Insurance Act, 1938.

8. Micro and Small scale business entities:

There are no dues to Micro and Small Enterprises which are outstanding at the balance sheet date. This information regarding Micro and Small Enterprises has been determined on the basis of information available with the Company. This has been relied upon by the auditors.

9. Appointment of Company Secretary

The financial statement have not been authenticated by a Company Secretary as required by the provisions of Section 215 of the Companies Act, 1956, as the Company is in the process of appointing a whole time Company Secretary as required by the provisions of Section 383A of the Companies Act, 1956.

10. Employee benefits:

Disclosures as per AS-15 (revised) "Employee Benefits" of Institute of Chartered Accountants of India are as follows:

(Rs. '000)

Particulars	Gratuity		Leave Encashment	
	2008-09	2007-08	2008-09	2007-08
I Change in Defined Benefit Obligation				
Liability at the beginning of the year	50	—	—	—
Interest cost	25	—	23	—
Current Service Cost	886	—	658	—
Past Service cost (Non vested benefit)	—	—	—	—
Past Service cost (Vested benefit)	—	—	—	—
Benefits Paid	—	—	—	—
Net actuarial gain/loss on obligation	—	—	—	—
Liability at the end of the year	961	—	682	—
II Fair value of plan assets				
Fair value of plan assets as at 01.04.08	—	—	—	—
Expected return on the plan assets	—	—	—	—
Contributions by employer	—	—	—	—
Benefit Paid	—	—	—	—
Actuarial gain/loss on plan assets	—	—	—	—
Fair value of plan assets as at 31.03.09	—	—	—	—
Total actuarial Gain/(Loss) to be recognized	—	—	—	—
III Actual Return on Plan Assets				
Expected return on plan assets	—	—	—	—
Actuarial Gain/(loss) on Plan Assets	—	—	—	—
Actual Return on Plan Assets	—	—	—	—
IV Amount recognized in the Balance Sheet				
Liability at the end of the year 31.03.09	961	—	682	—
Fair value of plan assets as at 31.03.09	—	—	—	—
Difference	961	—	682	—
Unrecognized Past service cost	—	—	—	—
Net asset or liability recognized in the B/S	961	—	682	—
V Expense recognized in Profit and Loss Account				
Current service cost	886	—	658	—
Interest cost on benefit obligation	25	—	23	—
Expected return on plan assets	—	—	—	—
Net actuarial gain/(loss) to be recognized	—	—	—	—
Past service cost (Non vested benefit recognized)	—	—	—	—
Past service cost (vested benefit recognized)	—	—	—	—
Expense recognized in the Profit and Loss account	911	—	682	—
VI Balance Sheet Reconciliation				
Opening net Liability	50	—	23	—
Expenses as above	911	—	682	—
Contribution by employers/Benefit paid	961	—	—	—


RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

(Rs. '000)

Particulars	Gratuity		Leave Encashment	
	2008-09	2007-08	2008-09	2007-08
VII Actuarial Assumption for the year				
Discount Rate	8%	—	8%	—
Escalation Rate	5%	—	5%	—
Rate of Return on Plan Assets				
Valuation Method	Projected Unit Credit Method	—	Projected Unit Credit Method	—

11. Segmental Reporting :

Since the Company has not issued any policy, disclosures as required by Accounting Standard 17 'Segment Reporting' issued by the Institute of Chartered Accountant of India are not made.

12. Lease:

During the year Company has taken office premises on lease.

- a. Lease rent debited Profit and Loss Accounts:

(Rs. '000)

Particulars	As at	As at
	March 31, 2009	March 31, 2008
Leave and License Expenses	32,421	NIL

- b. The minimum lease payments to be made in future towards non cancelable operating lease agreements are as follows:

(Rs. '000)

Particulars	As at	As at
	March 31, 2009	March 31, 2008
Not later than one year	41,673	NIL
Later than one year and not later than five years	44,938	NIL
Later than five years	NIL	NIL

13. Related Party disclosures:

- a. Following is the list of related parties:

Nature of Relationship	Name of the Related Party
Holding Company	Prism Cement Limited
Joint Venture Partner	QBE Holdings (AAP) Pty Limited
Holding Company of Joint Venture Partner	QBE Insurance Group Limited
Fellow Subsidiary of Joint Venture Partner	QBE Insurance (International) Limited
Key Management personnel and relative of such personnel	Mr. Praveen Gupta – Chief Executive Officer Mrs. Medha Gupta

- b. Details of transactions with related parties:

(Rs.'000)

Particulars	Nature of Transactions	2008-09		2007-08	
		Rupees	Receivable / (Payable)	Rupees	Receivable / (Payable)
Prism Cement Limited	Share Allotment	1,406,000	—	74,000	—
	Share Application Money	51,800	(51,800)	—	—
	Re-imbusement of Expenses	5,070	—	224	—
QBE Holdings (AAP) Pty Limited	Share Allotment	494,000	—	26,000	—
	Share Application Money	18,200	(18,200)	—	—


RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

(Rs.'000)

Particulars	Nature of Transactions	2008-09		2007-08	
		Rupees	Receivable / (Payable)	Rupees	Receivable / (Payable)
QBE Insurance (International) Limited	Internet Charges	785	(785)	—	—
	Re-imbusement of Expenses	13	—	—	—
Praveen Gupta	Remuneration	13,177	(2,963)	3,190	—
Mrs. Medha Gupta	Leave & License Expenses	900	—	—	—

14. Earning per Share:

Particulars	As at	As at
	March 31, 2009	March 31, 2008
Net Loss for the period (Rs in '000)	66,191	25,380
Total no. of share outstanding at end of year	200,000,000	10,000,000
Weighted average no. of equity share	76,438,156	3,333,333
Nominal value per share	Rs. 10	Rs. 10
Basic Earning per share	Rs. (0.87)	Rs. (7.61)
Diluted Earning per share	Rs. (0.87)	Rs. (7.61)

15. Deferred taxes:

Accounting Standard 22 – 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India requires the Company to accrue taxes on income in the same period as the revenue and expenses to which they relate. As the taxable income is different from the reported income due to timing differences, there arises a potential deferred tax asset or deferred tax liability, as the case may be. The components of the Company's deferred tax liabilities and assets are tabulated below. In view of the existence of unabsorbed depreciation and carried forward business loss as at the year end, the recognition of deferred tax assets is restricted to the extent of deferred tax liability arising from timing differences on account of depreciation, reversal of which is virtually certain.

(Rs. '000)

Particulars	As at	As at
	March 31, 2009	March 31, 2008
Deferred Tax Liability:		
Depreciation	1,591	NIL
Total	1,591	NIL
Deferred Tax Assets:		
Leave Encashment	211	NIL
Sec 43 B Expenses	936	NIL
Preliminary Expenditure	175	NIL
Unabsorbed Depreciation	269	NIL
Total	1,591	NIL
Net Deferred Tax Liability	NIL	NIL

16. Previous years figures have been regrouped / reclassified wherever necessary to conform to current year classifications

17. Summary of Financial Statements and ratio's as on 31st March

(Rs. '000)

Particulars	As at	As at
	March 31, 2009	March 31, 2008
Operating Results		
Gross written premium	—	—
Net premium income	—	—
Income from investment	—	—
Miscellaneous Income	—	—
Total Income	—	—


RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED

IRDA Registration No. 141 dated 11th December, 2008

Particulars	(Rs. '000)	
	As at March 31, 2009	As at March 31, 2008
Commission	—	—
Operating Expense	—	—
Claims, Increase in URR and other outgoes	—	—
Operating Profit/Loss	—	—
Non Operating Results	—	—
Total Income Under Share holder's account	54,413	228
Profit/Loss before tax	(66,191)	(25,360)
Provision for tax	405	20
Profit/Loss after tax	(66,596)	(25,380)
Miscellaneous Policy holder's account	—	—
Total Funds	Not applicale being General Insurance Company	
Total Investments	—	—
Yield on investments	—	—
Shareholder's account	Not applicale being General Insurance Company	
Total Funds	—	—
Total Investments	—	—
Yield on investments	—	—
Paid up Equity Capital	2,000,000	100,000
Net Worth	1,978,025	74,620
Total Assets	1,987,983	76,553
Yield on Total Investments	—	—
Earning per Share	(0.87)	(7.61)
Book value per Share	9.89	7.46
Total Dividend	—	—
Dividend per share	—	—
Gross Premium growth rate	—	—
Gross Premium to Avg. Shareholder's fund ratio	—	—
Growth rate of Shareholder's fund	—	—
Net Retention Ratio	—	—
Net Commission Ratio	—	—
Expense of Management to Gross Premium ratio	—	—
Combined Ratio	—	—
Technical Reserve to Net Premium	—	—
Underwriting balance ratio	—	—
Operating Profit Ratio	—	—
Liquid Ratio	746%	1,879%
Net Earning Ratio	(122%)	(11,132%)
Return on net worth	(3%)	(34%)
Reinsurance ratio	—	—

For Contractor, Nayak & Kishnadwala <i>Chartered Accountants</i> (Gautam Nayak) <i>Partner</i> Membership No.: 38127 Mumbai Dated : April 13, 2009	For Sudit K. Parekh & Co. <i>Chartered Accountants</i> (Srikant Jilla) <i>Partner</i> Membership No.: 39461	Akshay Raheja <i>Director</i> Praveen Gupta <i>Chief Executive Officer</i> Mumbai Dated : April 13, 2009	Michael Goodwin <i>Director</i> Mini Nair <i>Chief Financial Officer</i>
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**RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED**

IRDA Registration No. 141 dated 11th December, 2008

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE FOR THE YEAR ENDED MARCH 31, 2009**I. Registration Details**

Registration No.

U66030MH2007PLC173129

State Code

11

Balance Sheet Date

Date	Month	Year
31	03	2009

II. Capital raised during the year (Amount in Rs. thousands)

Public Issue

Nil

Bonus Issue

Nil

Rights Issue

Nil

Private Placement

1,900,000

III. Position of Mobilisation and Deployment of Funds (Amounts in Rs. thousands)

Total Liabilities

1,978,025

Total Assets

1,978,025

Sources of Funds

Paid-up Capital

2,000,000

Loans

Nil

Reserves & Surplus

(91,975)

Deferred Tax Liability

Nil

Application of Funds

Net Fixed Assets

47,128

Net Current Assets

56,042

Investments

1,874,855

Misc. Expenditure

-

IV. Performance of Company (Amount in Rs. thousands)

Total Revenue

54,414

Total Expenditure

120,604

Profit/Loss before Tax (Tick appropriate box + for Profit, - for Loss)

- 66,190

Profit/Loss after Tax

- 66,595

Earning per share in Rs.

- 0.87

Dividend rate %

Nil

V. Generic Names of The Principal Products/Services of Company

Item Code No. (ITC Code)

-

Product description

General Insurance

Note : The Company being an insurance Company, the accounts of the Company are not required to be made in accordance with Schedule VI. Further, the Insurance Act, 1938 requires the financial statement of the Company to be split in Revenue Accounts and Profit and Loss Account. In view of this, it is not possible to give all the information as required by Part IV of this schedule.

Akshay Raheja
DirectorMichael Goodwin
DirectorPraveen Gupta
Chief Executive OfficerMini Nair
Chief Financial OfficerMumbai
Dated : April 13, 2009

**RAHEJA QBE GENERAL INSURANCE COMPANY LIMITED**

IRDA Registration No. 141 dated 11th December, 2008

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

(Rs.'000)

	Year ended 31st March, 2009	Year ended 31st March, 2008
Cash flows from operating activities		
Payment of Other Operating Expenses	(122,834)	(53,491)
Fringe Benefit Tax	(470)	20
Income tax paid	-	-
Wealth tax paid	(5)	-
Miscellaneous Income	464	-
Net Cash Flow from Operating Activities	-	(53,471)
Cash flows from investing activities		
Purchase of investments (Net)	(2,185,223)	(40,228)
Sale of Investments (including gain/loss)	353,843	-
Purchase of fixed Assets	(52,681)	-
Sale of Fixed Assets (including gain/loss)	-	-
Interest, Dividends received	34,066	228
Net Cash Flow from Investing Activities	-	(40,000)
Cash flows from financing activities		
Capital infusion	1,900,000	100,000
Share Application Money received	70,000	-
Net Cash Flow from Financing Activities	-	100,000
Net Increase / Decrease in Cash & Cash equivalents	-	6,529
Cash and cash equivalents at the beginning of year	-	-
Cash and cash equivalents at the end of year	-	6,529

As per our Report of even date attached

For Contractor, Nayak & Kishnadwala
Chartered Accountants

For Sudit K. Parekh & Co.
Chartered Accountants

(Gautam Nayak)
Partner
Membership No.: 38127

(Srikant Jilla)
Partner
Membership No.: 39461

Mumbai
Dated : April 13, 2009

For and on behalf of the Board of Directors

Akshay Raheja
Director

Michael Goodwin
Director

Praveen Gupta
Chief Executive Officer

Mini Nair
Chief Financial Officer

Mumbai
Dated : April 13, 2009



PRISM CEMENT LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name	Raheja QBE General Insurance Company Limited
A The Financial Year of the Subsidiary Company	March 31, 2009
B Shares of the Subsidiary held by Prism Cement Limited on the above date	
(a) Number and face value	14,80,00,000 equity shares of Rs. 10/- each fully paid up
(b) Extent of holding	74%
C The net aggregate of Profit / Loss of the Subsidiary Company so far as it concerns the members of Prism Cement Limited :	
(a) Not dealt with in the accounts of Prism Cement Limited for the period ended March 31, 2009 amounted to :-	
(i) for the subsidiaries financial year ended as in (A) above	Rs. 4.93 Crores (Loss)
(ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary	Rs. 1.88 Crores (Loss)
(b) Dealt with in the accounts of Prism Cement Limited for the period ended March 31, 2009 amounted to	
(i) for the financial year of the subsidiary as stated in (A) above.	—
(ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary	—

Aneeta S. Kulkarni
Company Secretary

Rajesh G. Kapadia *Chairman*
Rajan B. Raheja }
Aziz H. Parpia } *Directors*
Vijay Aggarwal }
Akshay R. Raheja }
Manoj Chhabra *Managing Director*

Mumbai, April 14, 2009



PRISM CEMENT LIMITED

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

ATTENDANCE SLIP

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

NAME AND ADDRESS OF THE SHAREHOLDER

Folio No. _____
DP ID. _____
Client ID. _____

No. of Shares held :

I hereby record my presence at the 17th ANNUAL GENERAL MEETING of the Company to be held on Tuesday, May 12, 2009 at 11.30 a.m. at Taj Mahal Hotel, 4-1-999, Abids Road, Hyderabad - 500 001.

SIGNATURE OF THE SHAREHOLDER/PROXY *

* Strike out whichever is not applicable

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



PRISM CEMENT LIMITED

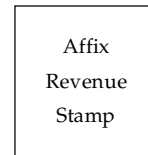
Registered Office : 305, Laxmi Niwas Apartments, Ameerpet, Hyderabad - 500 016
Corporate Office : 'Rahejas', Main Avenue, V. P. Road, Santacruz (W), Mumbai - 400 054.

PROXY FORM

Folio No. _____
DP ID. _____
Client ID. _____

I/We, _____ of _____ being a member / members of PRISM CEMENT LIMITED hereby appoint _____ or failing him _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the 17th ANNUAL GENERAL MEETING of the Company to be held on Tuesday, May 12, 2009 at 11.30 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2009.



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

The Proxy need not be a member of the Company.

