

ACC

Sada Atoot Raho

Embracing Tomorrow

ACC Limited
76th Annual Report 2011



Board of Directors

Mr N S Sekhsaria
Chairman

Mr Paul Hugentobler
Deputy Chairman

Mr Kuldip Kaura
Chief Executive Officer &
Managing Director

Mr S M Palia

Mr Naresh Chandra

Mr Markus Akermann

Mr M L Narula

Mr R A Shah

Mr Shailesh Haribhakti

Mr Aidan Lynam

Mr Sushil Kumar Roongta

Mr Ashwin Dani

Audit Committee

Mr Shailesh Haribhakti, Chairman

Mr S M Palia

Mr Naresh Chandra

Mr Paul Hugentobler

Mr Sushil Kumar Roongta

**Shareholders'/Investors'
Grievance Committee**

Mr Paul Hugentobler, Chairman

Mr M L Narula

Mr Kuldip Kaura

Compensation Committee

Mr N S Sekhsaria, Chairman

Mr Paul Hugentobler

Mr Shailesh Haribhakti

Compliance Committee

Mr R A Shah, Chairman

Mr Naresh Chandra

Mr Shailesh Haribhakti

Mr Paul Hugentobler

Mr Kuldip Kaura

CAPEX Committee

Mr Paul Hugentobler, Chairman

Mr S M Palia

Mr M L Narula

Mr Aidan Lynam

Mr Sushil Kumar Roongta

Mr Kuldip Kaura

Managing Committee

Mr Kuldip Kaura, Chairman

Mr Sunil Nayak

Mr J DattaGupta

Mr Ramit Budhreja

Mr Rajiv Prasad

Mr Vivek Chawla

Mr Shakti Arora

**Company Secretary &
Head Compliance**

Mr Burjor D Nariman

Auditor

S R Batliboi & Associates

Cost Auditor

N I Mehta & Company

Bankers

State Bank of India

Citibank, N.A.

The Hongkong & Shanghai
Banking Corporation Limited

HDFC Bank Limited

ICICI Bank Limited

Registered Office

Cement House
121 Maharshi Karve Road
Mumbai 400 020

Website: www.acclimited.com

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Annual General Meeting

On Wednesday, March 28, 2012
at 3.00 p.m.

at Birla Matushri Sabhagar
19, Sir Vithaldas Thackersey Marg
Mumbai 400 020

Members are requested to kindly bring their copies of the Annual Report to the Meeting.

Our performance in 2011 was satisfying. We want to sustain this progress to ensure that the company continues on its growth trajectory.

Our core processes exhibit vitality, teamwork and innovativeness which will help the entire organization to move together and seize various growth opportunities that come our way.



Plant Operations



ACC Wadi

The state-of-the-art kiln at Wadi, the Kudithini and Thondebhavi grinding plants in Karnataka and the Chanda clinkering line in Maharashtra stabilized during the year. The other plants improved in overall performance, efficiency and productivity.

Four of our plants received national manufacturing excellence awards.

We aim to sustain this trend, particularly in respect of key deliverables like capacity utilization, energy efficiency, quality, safety, maintenance and cost competitiveness. We wish to raise the bar in manufacturing performance through continuous improvements in operation processes, comprehensive maintenance and high safety standards.



ACC Chanda



ACC Lakheri



ACC Gagai



Customer Service



One of our most important objectives is to provide superior value to our customers through continuous improvements in quality and service levels.

A large and committed dealer network, are partners in servicing customers throughout the country.

Special application cements namely, F2R, Concrete+ and Coastal+, were extended to new regional markets and were well received.



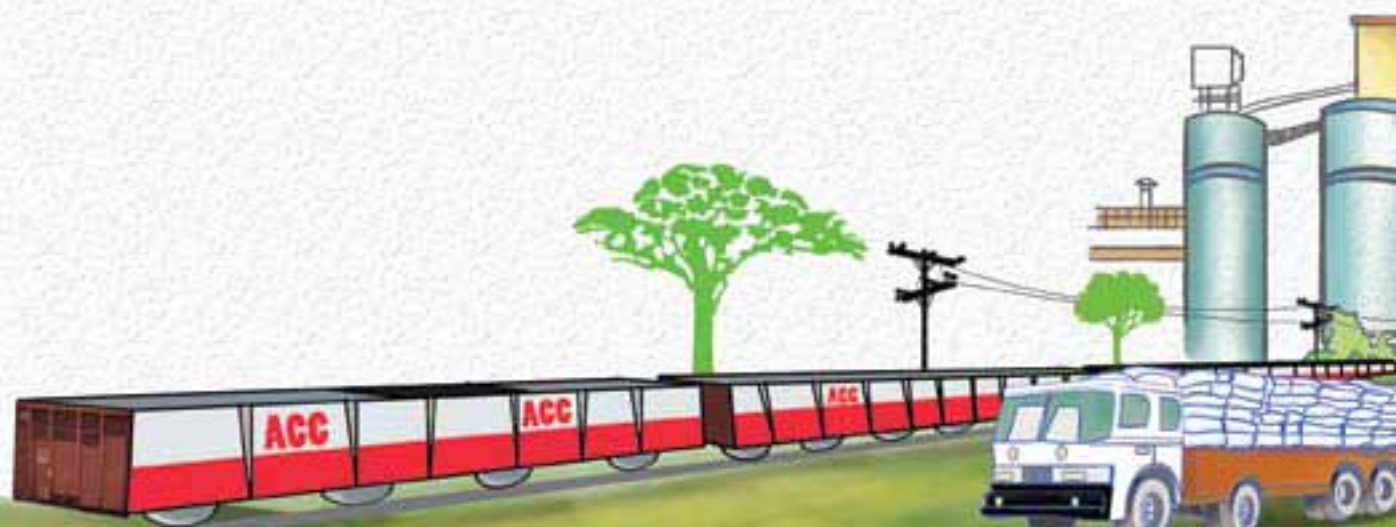
Reaching the End-user



Efficient distribution and logistics management is a key differentiator in customer servicing.

We initiated a plan to enhance delivery performance by improving in-plant logistics, optimizing rail movement, faster vehicle turnaround time and better warehousing.





Sustainability

We are proud of our track record as a trend-setter among cement companies in sustainable development. An overarching target is the reduction of carbon dioxide emissions through improvements in each major stage of production in different ways:

- a) by promoting blended cements
- b) by implementing improvements in energy efficiency
- c) by promoting the use of alternative fuels and raw materials (AFR)
- d) by promoting clean green technologies



We actively support water management and conservation schemes for the communities around our operations.



ACC's environment-friendly ethos is illustrated by the green campus of our plants.

Our waste management portfolio for co-processing in our kilns was broadened during the year to include waste streams from new industries. We continued to pursue the usage of renewable energy through wind power and solar energy to raise the use of bio-mass energy.

A project for a waste heat recovery system is under implementation at Gagal plant to produce power through the deployment of waste heat generated in the manufacturing process.



The success of our sustainability agenda and goals is ensured by assigning organization-wide accountability to stakeholders and fixing individual performance targets.



Bio-mass plantations are actively encouraged on barren land in our mines and plants, giving us useful alternative energy inputs and providing livelihood opportunities to locals.



Tree planting is a regular activity in and around our townships with enthusiastic support of our employees' families and local communities.



Holcim's global waste management brand, Geocycle, was unveiled in India.



A Helping Hand

We engage with local communities around our operations, lending a willing hand in a mission to improve the quality of their daily lives and the environment they live in. Community advisory panels, including representatives from local residents, continued to set priorities and oversee the progress of development and welfare schemes in a participatory approach. Collaboration with village support groups and NGOs enhanced the reach and effectiveness of our schemes.





Human Resources

The success we enjoyed during the year was entirely because of our people. Positive results were enabled by promoting leadership, cross-functional collaboration, innovativeness, training inputs for skill enhancement and various improvement projects across the organization.

Recognizing the power of good people practices, the organization now seeks to institutionalize excellence across all core processes of manufacturing, logistics, marketing and other functions. In anticipation of growth, we are creating long term plans for cadre building in different streams.



Regular conferences and meetings foster the sharing of good practices and enrich cross-functional collaboration.



Industrial relations at all our plants were peaceful.



Employees were motivated through rewards and recognition of good work done.



Awards

During the year, we were recognized by reputable organizations for achievements in a wide variety of functional areas - Safety, Manufacturing, Energy Excellence and Environment Management.



Awards received in 2011

- ACC Secretarial & Share Processes receive **ISO 9001 - 2008 Certification**.
- **Association of Business Communicators of India (ABCI) Awards** in Bronze category for ACC's intranet portal, Annual Report, House Journal and Screensavers.
- **Confederation of Indian Industry (CII) Energy Award** to ACC Wadi.
- **Confederation of Indian Industry (CII) Environmental Best Practices Award** to ACC Damodhar.
- **Dun & Bradstreet Rolta Corporate Award 2010** - leader in Cement category.
- **IMC Ramkrishna Bajaj National Quality (RBNQ) Awards** - Certificate of Merit and Performance Excellence Trophy to ACC Gagal and Gagal DAV Senior Secondary Public School.
- **India Manufacturing Excellence Awards 2011** - Gold Certificates of Merit to ACC Lakheri, Gagal, Wadi and Silver to Jamul by The Economic Times and Frost & Sullivan.
- **4th Global Initiative for Restructuring Environment & Management (GIREM) Award** for Company of the Year 2011.

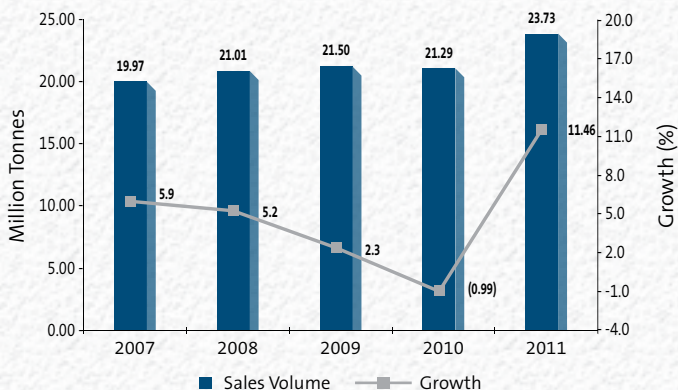


- **Golden Peacock Award** for Eco-Innovation by World Environment Foundation to ACC Alternative Fuels & Raw Materials (AFR).
- **Greentech CSR Platinum Award 2011** in cement sector by Greentech Foundation to ACC Damodhar.
- **Greentech Environment Award 2011** by Greentech Foundation to ACC AFR and Gold category in cement sector to ACC Lakheri.
- **Greentech Safety Award** by Greentech Foundation to ACC Tikaria in Platinum category; Lakheri in Gold category and to Chaibasa, Madukkarai, Jamul, Sindri and Wadi in Silver category.
- **Safety Innovation Award 2011** from The Institution of Engineers' (India) to ACC Kymore and ACC Tikaria.

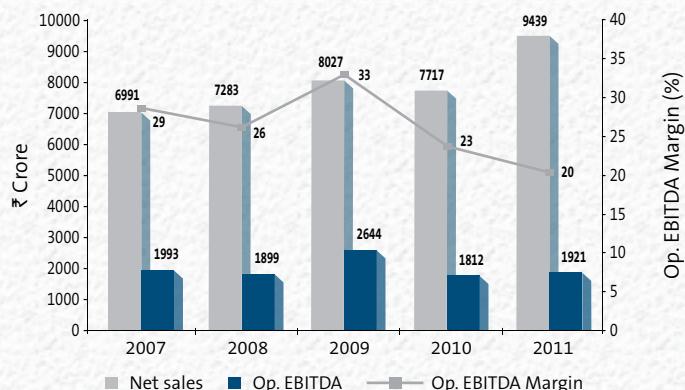


Performance Highlights

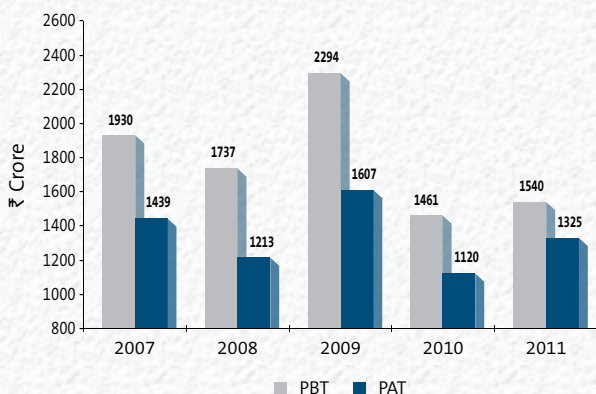
SALES VOLUME & GROWTH



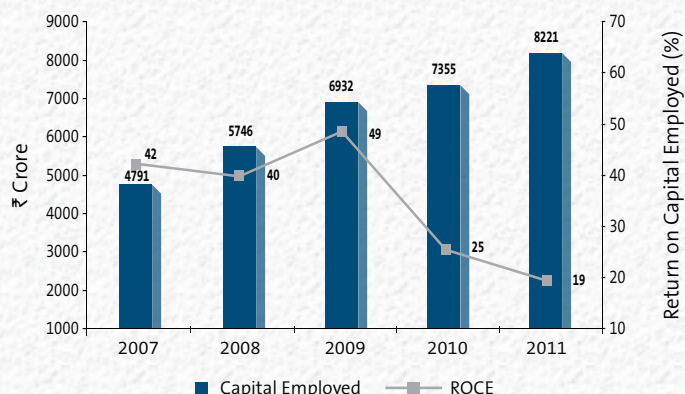
NET SALES, OPERATING EBITDA & OPERATING EBITDA MARGIN



PROFIT BEFORE TAX & PROFIT AFTER TAX



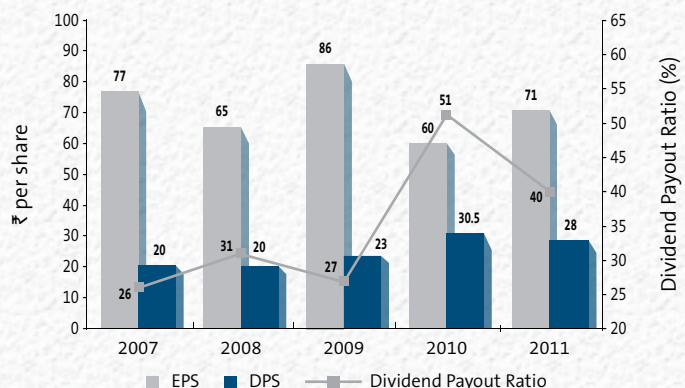
CAPITAL EMPLOYED & RETURN ON CAPITAL EMPLOYED



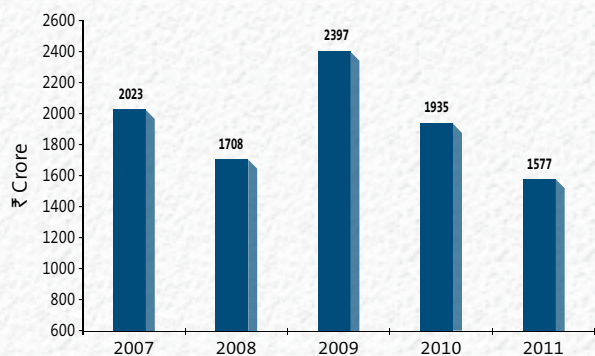
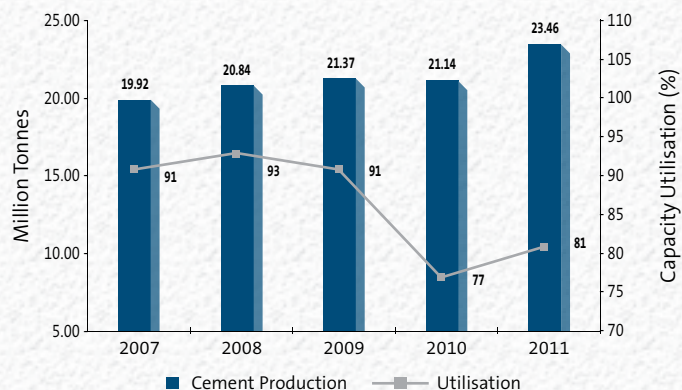
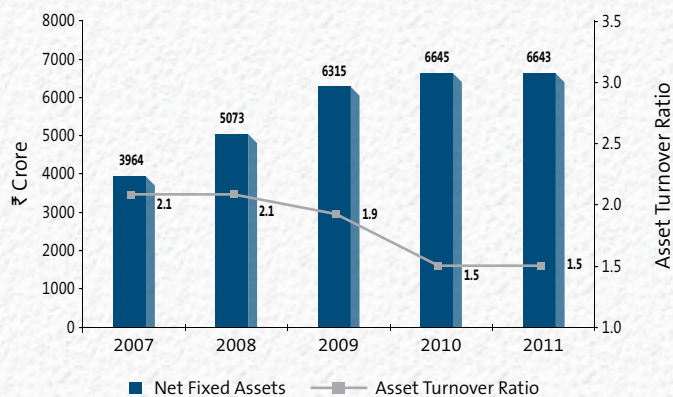
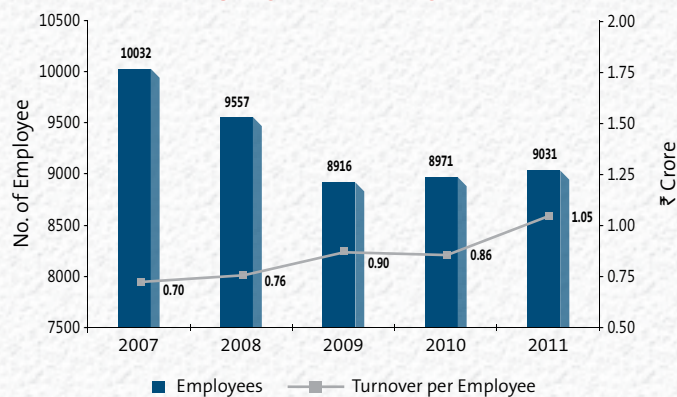
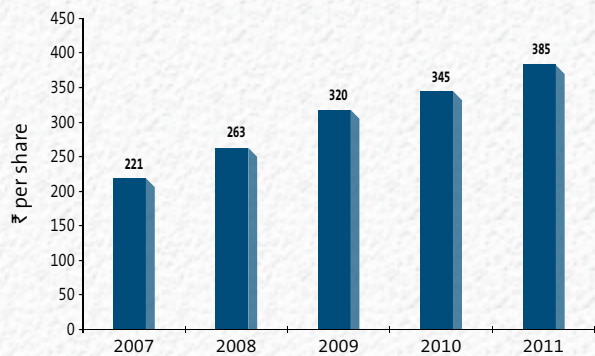
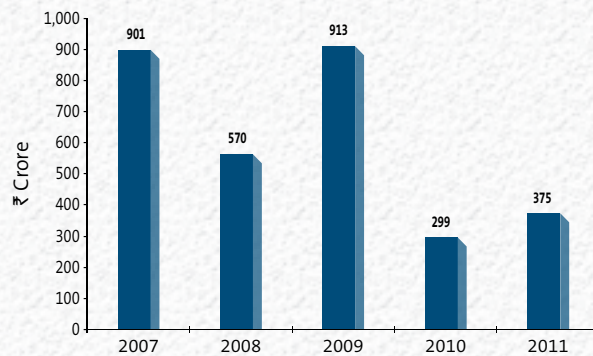
NET WORTH & RETURN ON NET WORTH



DIVIDEND PER SHARE, EARNING PER SHARE AND DIVIDEND PAYOUT RATIO*

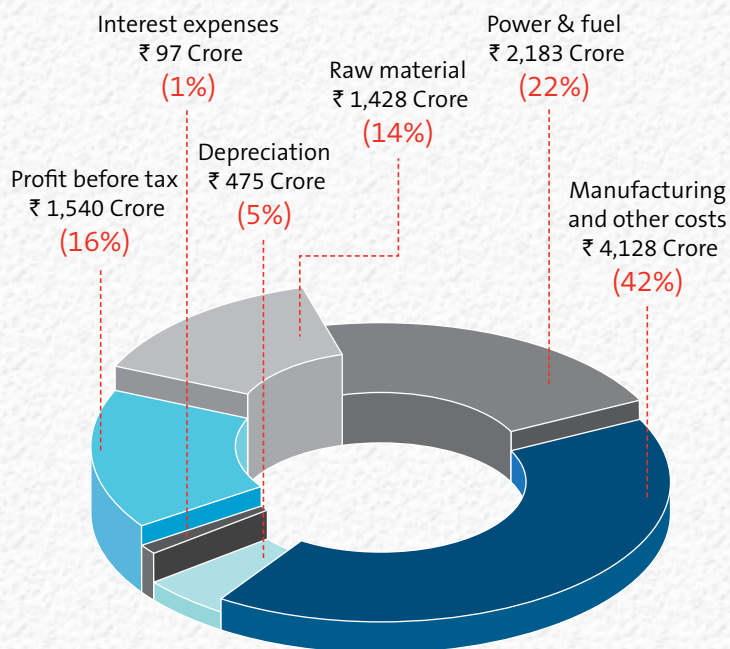


* Dividend Payout Ratio is calculated without considering dividend distribution tax

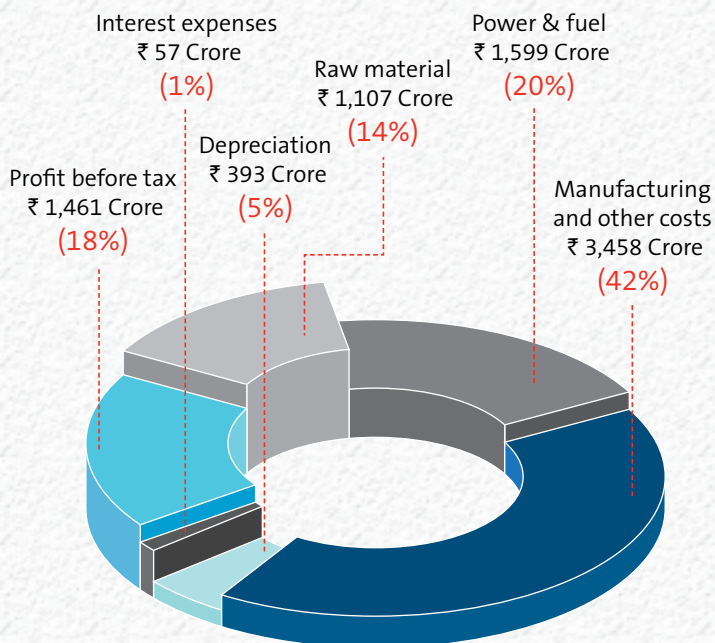
NET CASH GENERATED FROM OPERATIONS**CEMENT PRODUCTION & CAPACITY UTILISATION****NET FIXED ASSETS & ASSET TURNOVER RATIO****EMPLOYEES AT THE YEAR END & TURNOVER PER EMPLOYEE****BOOK VALUE PER SHARE****ECONOMIC VALUE ADDED (EVA)**

Cost & Profit as a Percentage of Total Income

2011



2010



Financial Highlights

₹ Crore

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005* | 2004-05 | 2003-04 | 2002-03 |
|----------------------------------|-------|-------|---------|---------|---------|-------|-------|---------|---------|---------|
| INCOME STATEMENT | | | | | | | | | | |
| Net Sales | 9,439 | 7,717 | 8,027 | 7,283 | 6,991 | 5,803 | 3,221 | 3,902 | 3,284 | 2,860 |
| Operating EBITDA | 1,921 | 1,812 | 2,644 | 1,899 | 1,993 | 1,717 | 616 | 715 | 496 | 353 |
| Profit before Tax | 1,540 | 1,461 | 2,294 | 1,737 | 1,930 | 1,620 | 684 | 444 | 254 | 118 |
| Profit after Tax | 1,325 | 1,120 | 1,607 | 1,213 | 1,439 | 1,232 | 544 | 378 | 200 | 104 |
| BALANCE SHEET | | | | | | | | | | |
| Net Worth | 7,192 | 6,469 | 6,016 | 4,928 | 4,153 | 3,142 | 2,130 | 1,585 | 1,319 | 1,024 |
| Borrowings | 511 | 524 | 567 | 482 | 306 | 771 | 1,071 | 1,408 | 1,353 | 1,405 |
| Net Fixed Assets | 6,643 | 6,645 | 6,315 | 5,073 | 3,964 | 3,481 | 3,122 | 2,872 | 2,472 | 2,456 |
| Cash and cash equivalents# | 2,832 | 2,288 | 1,876 | 1,438 | 1,489 | 1,080 | 348 | 57 | 114 | 35 |
| Current Assets | 3,618 | 2,753 | 2,256 | 2,760 | 2,203 | 1,921 | 1,421 | 1,214 | 1,040 | 891 |
| Current Liabilities | 3,664 | 3,746 | 3,114 | 2,766 | 2,221 | 1,672 | 1,335 | 1,076 | 941 | 807 |
| Capital Employed | 8,221 | 7,355 | 6,932 | 5,746 | 4,791 | 4,234 | 3,508 | 3,301 | 2,982 | 2,720 |
| SIGNIFICANT RATIOS | | | | | | | | | | |
| Operating EBITDA / Net sales | 20% | 23% | 33% | 26% | 29% | 30% | 19% | 18% | 15% | 12% |
| Return on Capital Employed** | 19% | 25% | 49% | 40% | 42% | 41% | 19% | 18% | 12% | 9% |
| Return on Net Worth | 18% | 17% | 27% | 25% | 35% | 39% | 34% | 24% | 15% | 10% |
| Current Ratio | 0.99 | 0.73 | 0.72 | 1.00 | 0.99 | 1.15 | 1.06 | 1.13 | 1.11 | 1.10 |
| Debt Equity Ratio | 0.07 | 0.08 | 0.09 | 0.10 | 0.07 | 0.25 | 0.50 | 0.89 | 1.02 | 1.37 |
| Price Earning Ratio | 16.29 | 18.04 | 10.23 | 7.39 | 13.74 | 16.44 | 17.74 | 17.25 | 21.62 | 23.60 |
| Dividend Yield Ratio | 2% | 3% | 3% | 4% | 2% | 1% | 2% | 2% | 2% | 2% |
| Net worth per Share (₹) | 385 | 345 | 320 | 263 | 221 | 168 | 115 | 89 | 74 | 60 |
| Dividend per Share (₹) | 28.00 | 30.50 | 23.00 | 20.00 | 20.00 | 15.00 | 8.00 | 7.00 | 4.00 | 2.50 |
| Basic Earnings per Share (₹) | 70.59 | 59.66 | 85.60 | 64.63 | 76.75 | 66.02 | 30.02 | 21.23 | 11.68 | 6.08 |
| CASH FLOWS | | | | | | | | | | |
| Net cash provided by / (used in) | | | | | | | | | | |
| Operating activities | 1,577 | 1,935 | 2,397 | 1,708 | 2,023 | 1,422 | 644 | 598 | 478 | 442 |
| Investing activities | (264) | (812) | (1,505) | (1,170) | (824) | (483) | (181) | (519) | (415) | (159) |
| Financial activities | (768) | (621) | (455) | (297) | (1,075) | (423) | (419) | (87) | (33) | (275) |

*Pertains to nine months period

#Cash and cash equivalents includes investment in short term deposits and mutual funds

** Return on capital employed calculated without considering capital work-in-progress

ECONOMIC VALUE ADDED [EVA] STATEMENT

| | ₹ Crore | | | | |
|--|---------------|---------------|---------------|--------------|---------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Capital Employed | 8,221 | 7,355 | 6,932 | 5,746 | 4,791 |
| Avg. Capital Employed | 7,788 | 7,144 | 6,339 | 5,268 | 4,512 |
| EVA | | | | | |
| Net Operating Profit after Taxes | 1,325 | 1,120 | 1,607 | 1,213 | 1,439 |
| Cost of Capital | 950 | 821 | 694 | 643 | 538 |
| EVA | 375 | 299 | 913 | 570 | 901 |
| Return on Capital Employed (%) | 17.01 | 15.68 | 25.35 | 23.02 | 31.88 |
| Weighted Average Cost of Capital (%) | 12.20 | 11.49 | 10.95 | 12.20 | 11.92 |
| EVA / Average Capital Employed (%) | 4.81 | 4.19 | 14.40 | 10.82 | 19.96 |
| Enterprise Value | | | | | |
| Market Capitalisation (As at December, 31) | 21,345 | 20,194 | 16,362 | 9,012 | 19,228 |
| Add: Debts | 511 | 524 | 567 | 482 | 306 |
| Less: Cash and Cash Equivalents | 2,832 | 2,288 | 1,876 | 1,438 | 1,489 |
| EV (Enterprise Value) | 19,024 | 18,430 | 15,053 | 8,056 | 18,045 |
| EV / Yr. End Capital Employed (Times) | 2.31 | 2.51 | 2.17 | 1.40 | 3.77 |

Notice

NOTICE IS HEREBY GIVEN THAT THE SEVENTY-SIXTH ANNUAL GENERAL MEETING OF ACC LIMITED will be held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 on **Wednesday, March 28, 2012 at 3.00 p.m.** to transact the following business:-

ORDINARY BUSINESS

1. To receive and adopt the Audited Profit and Loss Account for the financial year ended December 31, 2011, the Balance Sheet as at that date and the Report of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr Paul Hugentobler who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr M L Narula who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr S M Palia who retires by rotation and is eligible for reappointment.
6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

“RESOLVED that in place of Messrs. S R Batliboi & Associates, the retiring Auditors, who have expressed their inability to continue, Messrs. S R Batliboi & Co., Chartered Accountants (Membership No. 301003E), be and are hereby appointed as Auditors of the Company for the Company’s financial year ending December 31, 2012, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and in respect of

whom the Company has received a special notice from a Member, pursuant to the provisions of Section 190 read with Section 225 of the Companies Act, 1956, signifying his intention to propose the appointment of Messrs. S R Batliboi & Co. as Statutory Auditors on a remuneration to be determined by the Board of Directors or a Committee thereof”.

SPECIAL BUSINESS

7. To appoint Mr Bernard Fontana as a Director in place of Mr Markus Akermann who retires by rotation and does not wish to seek re-election and in respect of whom, the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a Member proposing Mr Fontana’s candidature for the office of Director.
8. To appoint a Director in place of Mr Ashwin Dani who was appointed by the Board of Directors as an Additional Director of the Company with effect from December 15, 2011 and who holds office up to the date of the forthcoming Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a Member proposing Mr Dani’s candidature for the office of Director.

Notes:

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

- b. The Register of Members and Share Transfer Books of the Company shall remain closed from March 14, 2012 to March 28, 2012, both days inclusive.
- c. The Dividend, after declaration, will be paid to those Members of the Company whose names stand on the Register of Members on March 28, 2012. The dividend in respect of shares held in dematerialized form in the Depository System will be paid to the beneficial owners of shares as on March 13, 2012 as per the list provided by the Depositories for this purpose. The dividend will be payable on and from April 3, 2012.
- d. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In cases where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records.
- e. During the current financial year 2012, the Company will be required to transfer to the Investor Education & Protection Fund, the unclaimed Dividend for the year ended March 31, 2005. Intimation of unclaimed dividend will be individually sent to the concerned

Members who are requested to immediately return the outdated warrants to the Company or write to the Company in the matter to enable the Company to issue demand drafts in lieu thereof.

- f. The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 7 & 8 as set out above is annexed hereto.
- g. As per the provisions of the Companies Act, 1956, facility for making nominations is available for Members in respect of the shares held by them. Nomination forms can be obtained from the Share Department of the Company or can be downloaded from the Company's website www.acclimited.com

By Order of the Board of Directors,
For ACC Limited

B D Nariman
Company Secretary & Head Compliance

Mumbai
February 9, 2012
Registered Office:
"Cement House",
121, Maharshi Karve Road,
Mumbai 400 020

EXPLANATORY STATEMENTS

The following Explanatory Statements, as required by Section 173 of the Companies Act, 1956, set out all material facts relating to the business under Item Nos. 7 & 8 mentioned in the accompanying Notice dated February 9, 2012.

2. **Item No. 7:** Mr Markus Akermann, a Director of the Company who retires by rotation has expressed his desire not to seek re-election. It is accordingly proposed to appoint Mr Bernard Fontana, Chief Executive Officer of Holcim Limited on the Company's Board of Directors in place of Mr Markus Akermann.
3. Mr Fontana holds a degree in Engineering from the Ecole Polytechnique and Ecole Nationale Supérieure des Techniques Avancées in Paris. He started his career with Groupe SNPE in France and in 1998, he was appointed Head – US Operations. From 2001 to 2004, Mr Fontana was a Member of the Executive Committee of the said Company. Mr Fontana thereafter joined Arcelor Mittal, wherein he was given the responsibility for HR, IT and Business Development at Flat Carbon. He was also a Member of the Management Committee with responsibility for the Automotive Worldwide Business Unit. He was also subsequently responsible for HR and the global alliance with Nippon Steel. In 2010, Mr Fontana took over as Chief Executive Officer of Aperam, a Luxembourg-domiciled listed corporate group that was spun off from Arcelor Mittal.
4. Mr Fontana has taken over as Chief Executive Officer of Holcim Limited with effect from February 01, 2012 from Mr Markus Akermann who has retired as Chief Executive Officer on January 31, 2012.
5. Notice under Section 257 of the Companies Act, 1956, has been received from a Member signifying his intention to propose the appointment of Mr Fontana as a Director of the Company.
6. In view of Mr Fontana's vast and varied experience and the fact that he is the Chief Executive Officer of Holcim Limited, the ultimate Holding Company and Promoter, it is desirable that Mr Fontana be appointed as a Director of the Company.
7. The Board commends the above appointment and the relevant Resolution at Item No. 7 of the accompanying Notice.
8. None of the other Directors except Mr Bernard Fontana is interested in the Resolution set out at Item No. 7 of the accompanying Notice.
9. **Item No. 8:** The Board of Directors has appointed Mr Ashwin Dani as an Additional Director on the Board with effect from December 15, 2011.
10. Mr Dani completed his BSc (Hons.) from Institute of Science, University of Bombay and BSc (Tech) (Pigments, Paints & Varnishes) from U.D.C.T., University of Bombay. He holds Masters Degree in Polymer Science from University of Akron, Akron, Ohio, USA.
11. Mr Dani is currently the Vice Chairman of Asian Paints Limited. He is also Chairman of Resins &

Plastics Limited, Gujarat Organics Limited and Hi-Tech Plast Limited.

12. In view of his business acumen, his vast and varied experience and in particular his expertise in Supply Chain Management for which he has received the “Cheminor Award” from the Indian Institute of Materials Management, it is desirable that the Company continues to avail of his expertise and guidance.

13. Under Section 260 of the Companies Act, 1956, Mr. Dani holds office as Director only till the date of the forthcoming Annual General Meeting.

14. Notice under Section 257 of the Companies Act, 1956, has been received from a Member signifying his intention to propose the appointment of Mr Dani as a Director of the Company.

15. The Board commends the above appointment and the relevant Resolution at Item No. 8 of the accompanying Notice.

16. None of the other Directors except Mr Ashwin Dani is interested in the Resolution set out at Item No. 8 of the accompanying Notice.

By Order of the Board of Directors,
For ACC Limited

B D Nariman
Company Secretary & Head Compliance

Mumbai
February 9, 2012
Registered Office:
“Cement House”,
121, Maharshi Karve Road,
Mumbai 400 020

Invitation to participate in the Green Initiative launched by the Ministry of Corporate Affairs

The Ministry of Corporate Affairs (MCA) has permitted paperless compliances by the Companies, vide its circulars No. 17/2011 and No. 18/2011 dated April 21, 2011 and April 29, 2011 respectively. MCA has clarified that services of documents on Members by e-mail will constitute sufficient compliances with Section 53 of the Companies Act, 1956, provided the Members are given an advance opportunity to register their Email address or changes, if any, therein with the Company.

Pursuant thereto, we once again invite those members who have not registered their Email address to participate in the Green Initiative by registering their Email address with the Company for the purpose of service of documents viz. Annual Report, Notice of General Meetings, Notice of Postal Ballot, Intimation of ECS Credits etc. by email.

Annexure to Items 3, 4, 5, 7 & 8 of the Notice

Details of Directors seeking appointment / reappointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

| Name of the Director | Mr Paul Hugentobler | Mr M L Narula | Mr S M Palia | Mr Bernard Fontana | Mr Ashwin Dani |
|---|---|--|--|--|---|
| Date of Birth | 14.02.1949 | 25.10.1940 | 25.04.1938 | 11.03.1961 | 24.10.1942 |
| Nationality | Swiss | Indian | Indian | French | Indian |
| Date of Appointment on Board | 06.05.2005 | 01.04.2007 | 25.01.2002 | - | 15.12.2011 |
| Qualification | Degree in Civil Engineering from ETH, Zurich; Degree in Economic Science from University of St. Gallen | B.Sc.; Engineering (Electrical) from Punjab University; Fellow, Institute of Engineers | B.Com.; LL.B; CAIIB; CIIB (London) | Degree in Engineering from the Ecole Polytechnique and the Ecole Nationale Supérieure des Techniques Avancées, Paris | BSc (Honours); B.Sc (Tech) (Pigments Paints & Varnishes); Masters Degree in Polymer Science (USA); Diploma in Colour Science (USA) |
| Shareholding in ACC | NIL | NIL | NIL | NIL | NIL |
| List of Directorships held in other Companies | Ambuja Cements Limited; ACC Concrete Limited; Holcim (India) Private Limited; Siam City Cement Public Limited; Holcim (Vietnam) Limited; Holcim (Lanka) Limited; Holcim Services (Asia) Limited; Holcim (Malaysia) Ltd.; Holcim (Singapore) Pte Limited; PT Holcim Indonesia Tbk, Jakarta; Holcim Services (South Asia) Limited | Everest Industries Limited; Axis Holding Pvt. Limited; Holcim (India) Private Limited; Holcim (Lanka) Limited, Colombo; PT Holcim Indonesia Tbk, Jakarta | Tata Steel Limited; GRUH Finance Limited; Saline Area Vitalisation Enterprises Limited; Tata Motors Limited; AI Champdany Industries Limited; The Bombay Dyeing & Manufacturing Company Limited; Jerambhai Management Services Private Limited; Wadhwa Endowment Management Private Limited | - | Asian Paints Limited; Asian PPG Industries Limited; Gujarat Organics Limited; Hitech Plast Limited; Resins & Plastics Limited; Sun Pharmaceutical Industries Limited; Rangudyan Insurance Broking Services Limited; Geetanjali Trading & Investments Private Limited |

Directors' Report & Management Discussion And Analysis

TO THE MEMBERS OF
ACC LIMITED

The Directors take pleasure in presenting the Seventy Sixth Annual Report together with the Audited Accounts, for the year ended December 31, 2011. The Management Discussion and Analysis has also been incorporated into this report.

1. FOREWORD

2011 was a challenging year for the national economy, industrial production slowed down and the overall performance of the cement sector was also below expectation.

The cement sector saw a demand growth of ~ 6% in 2011 over 2010, whereas the Company ended the year 2011 with a growth of ~11.5% in sales volumes. The successful ramp up of expansion projects at Wadi and Chanda during 2011, helped the Company with the much needed volume and took the Company's total sales to 23.73 million tonnes. The cement sector witnessed major escalations in cost of raw materials especially in respect of coal. Hikes in petroleum costs led to increased freight costs. Owing to increased input costs, the cement sector's profitability margins declined.

In 2012, cement consumption is expected to be robust. Economic development will accelerate as India plans to invest ~ USD 1 trillion in infrastructure in the twelfth Five Year Plan period and the cement industry is well placed to meet this demand. However, prices are expected to remain under pressure across regions in view of steep escalations in the cost of major inputs.

2. HIGHLIGHTS OF PERFORMANCE

- Cement despatches were 23.68 million tonnes during the year as compared to 21.17 million tonnes during 2010;
- Consolidated income for the year under review was ₹ 10428 crore, an increase of 21% as compared to ₹ 8619 crore in 2010;
- Consolidated profit before tax increased in 2011 to ₹ 1505 crore against ₹ 1415 crore in 2010;
- Consolidated profit after tax was higher in 2011 at ₹ 1301 crore against ₹ 1078 crore in 2010.

3. FINANCIAL RESULTS

| | Consolidated | | Standalone | |
|--|--------------|---------|------------|---------|
| | ₹ Crore | | ₹ Crore | |
| | 2011 | 2010 | 2011 | 2010 |
| Sale of product and services (net of excise duty) and Other Income | 10428.45 | 8619.38 | 9852.20 | 8074.26 |
| Profit before Tax | 1505.29 | 1415.41 | 1540.42 | 1461.45 |
| Provision for tax | 215.45 | 341.36 | 215.16 | 341.44 |
| Profit after tax | 1300.80 | 1077.53 | 1325.26 | 1120.01 |
| Balance brought forward from previous year | 3175.45 | 3040.37 | 3381.41 | 3203.85 |
| Profit available for appropriations | 4476.25 | 4117.90 | 4706.67 | 4323.86 |
| Appropriations: | | | | |
| Interim Dividend | 206.52 | 187.75 | 206.52 | 187.75 |
| Proposed Final Dividend | 319.17 | 384.88 | 319.17 | 384.88 |
| Dividend Distribution Tax | 85.28 | 95.10 | 85.28 | 95.10 |
| Previous Year Dividend Distribution Tax | (1.49) | (0.93) | (1.49) | (0.93) |
| General Reserves | 250.00 | 250.00 | 250.00 | 250.00 |
| Debenture Redemption Reserve | 25.00 | 25.00 | 25.00 | 25.00 |
| Amortization Reserves | 0.65 | 0.65 | 0.65 | 0.65 |
| Surplus carried to the next year's account | 3591.12 | 3175.45 | 3821.54 | 3381.41 |

4. DIVIDEND

Your Directors are pleased to recommend a final dividend of ₹ 17 per Equity share of ₹ 10 each. The Company had distributed an interim dividend of ₹ 11 per Equity share in August 2011. The total dividend for the year ended December 31, 2011 would accordingly be ₹ 28 per Equity share as

against the total dividend of ₹ 30.50 per Equity share for the year ended December 31, 2010 which included the payment of one-time "Special Dividend" of ₹ 7.50 for the Platinum Jubilee Year. The total outgo for the current year amounts to ₹ 610.97 crore, including dividend distribution tax of ₹ 85.28 crore, as against ₹ 667.73 crore, including dividend distribution tax of ₹ 95.10 crore in the previous year.

5. ECONOMIC SCENARIO AND OUTLOOK

The year under review ended with softening of inflation and interest rates which augured well for better growth prospects of the economy. This trend would benefit infrastructure, construction and real estate sectors which would in turn spur demand growth in the cement sector.

The economy is expected to grow at a healthy pace in the medium to long term due to its strong fundamentals and steady domestic consumption.

A normal monsoon, coupled with improving rural incomes and investments in infrastructure should give a boost to cement demand in 2012.

6. CEMENT INDUSTRY OUTLOOK AND OPPORTUNITIES

During 2011, the Cement Industry added ~30 million tonnes of capacity taking its installed capacity to 290 million tonnes. Subdued demand conditions led to capacity utilization falling below 80%. The demand for cement is expected to grow at 10% over 2011 and capacity addition to increase at around 8% year-on-year. A lower utilization rate coupled with increase in cost of raw materials and increasing logistics costs are likely to keep overall prices under pressure in all regions. Pressure on costs will continue to mount mainly on account of increases in the cost of domestic coal and owing to the volatility in costs of imported coal.

7. CEMENT BUSINESS – PERFORMANCE AT A GLANCE

| | 2011 | 2010 | Change % |
|--------------------------------|---------|---------|----------|
| Production - million tonnes | 23.46 | 21.21 | 10.61 |
| Sales volume - million tonnes* | 23.73 | 21.29 | 11.46 |
| Sale value - ₹ Crore | 9438.66 | 7717.33 | 22.30 |
| Operating EBITDA % | 20.35% | 23.49% | |

* includes sale to ACC Concrete Ltd. and trading sales.

8. MODERNISATION

Operations of the state-of-the-art kiln at Wadi and the cement grinding plants at Kudithini and Thondebhavi stabilized during the year. The new clinkering unit at Chanda in Maharashtra also stabilized its operations during the year. The cement mill at Chanda was successfully commissioned during the year under review and commercial operations have commenced in January 2012 after appropriate ramping up.

9. SUSTAINABLE DEVELOPMENT

9.1 Alternative Fuels and Raw Materials (AFR)

The Company continued in its endeavour to promote co-processing as an effective waste management solution for a number of industries. Several new waste streams were added during the year under review including from industrial sectors such as petroleum, pulp & paper and packaging. The use of biomass as a renewable source of energy registered a significant increase during the year. Special efforts were taken to serve the waste management needs of society by co-processing segregated combustibles from municipal solid waste (MSW) of a number of cities and townships in the proximity of our larger cement plants. The Holcim group's global waste management brand, Geocycle, was unveiled in India. Consequently, all activities of the Company's AFR Department relating to promotion and advocacy of waste management through co-processing in cement kilns would hereafter be carried out under the Geocycle banner.

9.2 Renewable Energy

ACC has been pursuing the scope of widening the usage of renewable energy in applications where currently fossil based energy is being used.

a) **Waste Heat Recovery System:** The Company has under implementation, a project at the Galgal plant to produce power

through waste heat recovery. This waste heat recovery system is capable of generating ~45 million units of power per year of green energy, thereby reducing ~37,000 tonnes of CO₂ per year.

- b) **Wind Energy:** Wind power generation during the year under review from the total installed capacity of 19 MW was 38.89 million units. The wind power generated has been used to substitute part of the fossil-based energy usage at Madukkarai, Lakheri, Thane Office and the Bulk Cement Terminal at Kalamboli.
- c) **Rain water harvesting:** Rain water harvesting was taken up in barren and vacant land available in limestone mines, factory and colony areas across the Company.
- d) **Solar Energy:** Solar energy is generated throughout the year from 27 KW capacity of PV panels installed at ACC Corporate Office, Thane Office and at the Chanda Control room.

10. COMMUNITY DEVELOPMENT

The Company continued to engage with the local communities by encouraging their active involvement in various development and welfare schemes. Community Advisory Panels at plant locations enabled a participatory approach in setting priorities for their own development schemes. Local entrepreneurship was promoted through Self Help Groups (SHG) for creating opportunities for sustainable livelihood among unemployed youth through skill development, vocational guidance, training in computer operation and applications, bridge education and scholarship programmes. Our plants also assisted local communities with projects in the areas of drinking water, water conservation

and management, rain water harvesting, health and family planning camps and insurance schemes for truck drivers associated with our plants.

Our plants engaged with Village Support Groups and NGO's to enhance the reach and effectiveness of our schemes. The effectiveness of our programmes was assessed through Social Engagement Surveys carried out at different plant locations based on feedback from stakeholders.

11. OCCUPATIONAL HEALTH & SAFETY (OH&S)

The Company strived to achieve ZERO HARM standards at the workplace through specific initiatives and programmes addressing critical areas of operations. "Safety Champions" were identified amongst line managers and given specific assignments. "Visible Safety Leadership" programmes were held during the year to inculcate safety leadership amongst line managers. Best safety practices were selected and shared among all plants. Third party audits and safety audit training programmes for Internal Auditors were conducted during the year. Hazard identification and risk assessment workshops have been enhanced to engage all categories of employees including contract workers. Safety induction training for contract workers is now a regular practice at all sites.

12. HUMAN RESOURCES

During the year under review, efforts were on across the organization in promoting leadership, cross-functional collaboration, innovativeness and various improvement projects. This led to a new journey of "institutionalizing excellence" embracing all core processes including manufacturing, marketing, logistics and other processes. People processes such as talent/career management, productivity improvement, communication and providing quality of life to employees are being examined afresh. Employees continued to receive adequate training

inputs to ensure skills enhancement and job enrichment. An Employee Rewards and Recognition Scheme 'Gaurav' was introduced during the year.

Industrial Relations at all Units were cordial. A four year wage settlement was concluded with the unions during the year under review.

13. FINANCE

Your Company's cash and cash equivalent as at December 31, 2011 was ₹ 2832 crore. The Company continues to focus on judicious management of its net working capital. Receivables, inventories and other working capital parameters are kept under strict check through continuous monitoring. The Company's debt program continues to enjoy 'AAA' rating from CRISIL. During the year under review, the consortium arrangement for meeting working capital requirements was discontinued and the Company opted for multiple banking arrangements.

14. SHARE CAPITAL

The validity of the various Stock Option Schemes have since expired and all unexercised Stock Options have lapsed. Accordingly, no new equity shares have been issued during the year. As required by SEBI (Depositories & Participants) Regulations, 1996, an audit of the Share Capital of the Company has been undertaken on a quarterly basis and the auditor's certificate is submitted to BSE Limited and The National Stock Exchange of India Limited.

15. FIXED DEPOSITS

Despite efforts to identify and repay unclaimed deposits, the total amount of fixed deposits matured and remaining unclaimed as on December 31, 2011 was ₹ 0.07 crore.

16. MERGER OF ENCORE CEMENT AND ADDITIVES PRIVATE LIMITED, LUCKY MINMAT LIMITED AND NATIONAL LIMESTONE COMPANY PRIVATE LIMITED

During the year under review, your Company made an application to the Honorable High Court of Judicature at Bombay for approval to a Scheme of Amalgamation of three of the Company's wholly owned subsidiaries viz. Encore Cement and Additives Private Limited, Lucky Minmat Limited and National Limestone Company Private Limited. The amalgamation process is currently in progress. The amalgamation of the said three subsidiaries would enable the Company to utilize the resources of the said subsidiaries to further augment its cement business and would also go towards reducing the overheads and other common expenses.

17. SUBSIDIARY COMPANIES

17.1 ACC Concrete Limited (ACCCL)

The sales volumes of ACC Concrete Limited (ACCCL) were in line with the previous year. Despite this, sales revenue increased by 12.9%. The market in the Company's main serviceable areas grew by 3% from 19 million cubic metres to 19.7 million cubic metres with the total Ready Mixed Concrete (RMX) market growing by ~7%. However, this growth was witnessed in the first half year with the latter part of the year showing signs of stagnation. During the year under review, the Company continued to focus on consolidating its position by increasing volumes from its existing plants and through on-site projects and franchised operations.

Operational EBITDA losses were reduced to ₹ 5.05 crore in 2011 from a level of ₹ 7.88 crore in 2010 through systematic management of costs and productivity improvement.

During the year under review, the Company increased its Authorised, Subscribed and Paid-Up Share Capital from ₹ 200 crore to ₹ 250 crore by the issue and allotment of 5,00,00,000 Equity Shares of the face value of ₹ 10 each for cash at par to ACC Limited.

The outlook for the construction sector in 2012 still remains moderate and RMX volumes are expected to come from infrastructure, industrial and retail sectors, while demand from commercial and residential sectors is expected to be low.

The Company is making vigorous efforts to extend its customer focus by providing a total solution concept and leveraging the cement sales network.

17.2 Bulk Cement Corporation (India) Limited (BCCI)

During the year under review, BCCI handled a cement volume of 9.34 lakh tonnes as compared to 9.18 lakh tonnes achieved in 2010. The profit after tax for the year 2011 is ₹ 68.35 lakhs as against ₹ 38.83 lakhs in the year 2010.

17.3 Audited Statements of Accounts of the Company's Subsidiaries

As required under Section 212 of the Companies Act, 1956, the audited statements of account, along with the report of the Board of Directors relating to the Company's subsidiaries; ACC Concrete Limited, ACC Mineral Resources Limited, Bulk Cement Corporation (India) Limited, Encore Cement and Additives Private Limited, Lucky Minmat Limited and National Limestone Company Private Limited, together with the respective Auditors' Reports thereon for the year ended December 31, 2011 are annexed.

18. DIRECTORS

The Board has appointed Mr Ashwin Dani as an Additional Director of the Company with effect from December 15, 2011. Mr Dani holds office upto the date of the forthcoming Annual General Meeting (AGM) of the Company and his candidature for appointment as a Director has been included in the Notice convening the forthcoming AGM of the Company.

Mr D K Mehrotra who was on the Board of Directors since October 14, 2005, resigned as Director of the Company with effect from July 28, 2011. The Board has placed on record its warm appreciation of the valuable services rendered by Mr Mehrotra during his tenure as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956, and in terms of the Memorandum and Articles of Association of the Company, Mr Paul Hugentobler, Mr S M Palia, Mr Markus Akermann and Mr M L Narula retire by rotation and are eligible for reappointment.

Mr Markus Akermann has, however, expressed his desire not to seek re-election at the AGM. The Board has placed on record its warm appreciation of the valuable services rendered by Mr Akermann during his tenure as Director of the Company since May 2005.

It is proposed to appoint Mr Bernard Fontana, Chief Executive Officer, Holcim Limited, as a Director of the Company in place of Mr Akermann. The relevant Resolution for the appointment of Mr Fontana has been included in the Notice convening the forthcoming AGM of the Company.

19. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Internal Control System of the Company is well structured and is commensurate with the size, scale and complexity of its operations. It is being

constantly assessed and strengthened with new / revised standard operating procedures, tighter internal and information technology (IT) controls. The major initiative in 2011 was the implementation of the Governance, Risk and Compliance Module (GRC) which would go a long way in enhancing the IT Governance framework with tighter access controls. The Internal Audit Department, based on risk assessment, continued to perform regular internal audits and checks to ensure that internal control systems were properly in place and that responsibilities were being discharged effectively. The Audit Committee of the Board also reviews the adequacy and efficacy of the internal control systems and gives its suggestions for strengthening them wherever required.

20. BUSINESS RISK MANAGEMENT

Your Company has robust Business Risk Management (BRM) practices to identify, evaluate business risks and opportunities. The business risks and opportunities so identified are integrated into the business plan and a detailed action plan to mitigate the identified business risks is thereafter drawn up and its implementation monitored.

The key business risks identified by the Company and its mitigation plans are as under:

Fuel Risks:

Availability of fuel at reasonable rates is one of the main concerns of the Company as it uses large quantities of coal annually to meet its kiln and captive power generation requirements. The year 2011 witnessed a steep hike in the price of coal which adversely impacted the profitability of the Company. During the current year, coal prices are expected to further rise sharply. This, coupled with limited production of fuel in the country, is expected to result in higher input costs for a fuel intensive industry like cement. Further, the availability of

linkage coal is gradually dwindling. The Company is trying to mitigate its fuel risk by increased usage of alternative fuels and optimization of coal mix. It has initiated steps and is in the process of developing its own coal blocks which would partly go to meet its coal requirements.

Project Risks:

The Cement Industry is capital intensive in nature. Its Compound Annual Growth Rate (CAGR) for the next five years is expected to be ~10%. In the execution of large projects which are highly capital intensive in nature, there could be exposure to time and cost overruns. To mitigate these risks, the Company has strengthened its project management team as well as its project accounting and governance framework. Whilst the Company continues to draw on Holcim's expertise, a separate organizational structure at project sites with defined roles and accountability will be put in place for large projects.

Competition Risks:

The Cement Industry is becoming intensely competitive with the foray of new entrants and some of the existing players adopting inorganic growth strategies. To mitigate this risk, the Company is leveraging its newly created capacities to increase market share, enhance brand equity and visibility, enlarge product portfolio and service offerings. It would also leverage on its infrastructure, commercial and institutional sales team to offer better value to large customers.

People Risks:

With the industry growing at a fast pace and demand for experienced and trained manpower outstripping supply, the ability to retain existing talent and attract new professional talent assumes crucial importance. The Company is creating long term plan for 'Cadre Building' in different streams,

and has initiated a process for potential identification and talent management.

21. AWARDS

During the year under review, your Company received many awards and felicitations conferred by reputable organizations for achievements in different areas such as Safety, Manufacturing Excellence and Environment Management.

22. ENHANCING SHAREHOLDERS VALUE

We are happy to report that the Company's has received ISO 9001:2008 Certification from Det Norske Veritas AS Certification Services (DNV) for the processes of the Secretarial & Compliance Division, Share Department an ISD support. The ISO 9001:2008 certification certifies the robustness of quality management processes.

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving the high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. The Company is also committed in creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions for the society for a sustainable growth and development.

23. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- that in the preparation of the annual accounts for the year ended December 31, 2011, the

applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- that such accounting policies as mentioned in Note 1 of the Notes to the Accounts have been selected and have been applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on December 31, 2011, and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken 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;
- the annual accounts have been prepared on a going concern basis.

24. AUDIT

Messrs S R Batliboi & Associates, Chartered Accountants, who are the Statutory Auditors of the Company and who hold office upto the date of the Annual General Meeting, have expressed their inability to continue as Auditors of the Company. Messrs S R Batliboi & Associates, Chartered Accountants, have been the Auditors of the Company since 2005, first as Joint Auditors and thereafter as the Auditors of the Company. The Board has placed on record its appreciation of the services rendered by the Auditors.

The Members are requested to appoint Messrs S R Batliboi & Co., Chartered Accountants, as Auditors of the Company for the current year and to authorize the Directors to fix their remuneration as per Item 6 of the Notice concerning the Annual General Meeting of the Company.

Messrs S R Batliboi & Co. have confirmed their eligibility under Section 224(1B) of the Companies Act, 1956, for appointment as Auditors.

Members' attention is invited to the observation made by the Auditors to point (xxi) of their 'CARO Report' issued pursuant to the Companies (Auditor's Report) Order, 2003 (CARO Report) which is self explanatory.

As per the requirement of the Central Government and in pursuance of Section 233 B of the Companies Act, 1956, your Company carries out an audit of cost records relating to cement each year. Subject to approval of the Central Government, your Directors have appointed Messrs N I Mehta & Co., Cost Auditors, to audit the cost accounts of the Company for the financial year 2011.

25. CORPORATE GOVERNANCE

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

26. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards viz. AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India forms part of this Annual Report.

27. ENERGY TECHNOLOGY AND FOREIGN EXCHANGE

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Sec 217(1)(e) of the Companies Act 1956, are given in Annexure 'A' to the Directors' Report.

28. PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read

with the Companies (Particulars of Employees) Rules, 1975 as amended, is given in Annexure 'B' to the Directors' Report.

29. ACKNOWLEDGEMENTS

Your Directors are thankful to the various Central and State Government Departments and Agencies for their continued help and cooperation. The Directors are grateful to the various stakeholders – customers, members, banks, dealers, vendors and other business partners for the excellent support received from them during the year. Your Directors wish to place on record their sincere appreciation to all employees for their commitment and continued contribution to the Company.

30. CAUTIONARY STATEMENT

Statements in the Directors' Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For and on behalf of the Board of Directors

N S Sekhsaria
Chairman

Mumbai
February 09, 2012

Annexure 'A' to Directors' Report (Para 27)

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.

A: CONSERVATION OF ENERGY

(a) Energy conservation and efficiency measures undertaken in various areas of the cement plants:

- Conversion of Separator Dust Collector fan in Raw Mill 1 & 2 from HT to LT and installing LT Variable Voltage Variable Frequency Drive (VVVFD) at Galgal plant;
- Replacement of Waste Gas Fans with High Efficiency Fans for Line K-3 at Wadi plant;
- Installation of higher capacity Fuller-Kinyon (FK) pump for transferring the dry flyash into the bin of cement mills at Galgal plant;
- By carrying out optimization of Cement Mill #3 at Bargarh, the output rate was increased from 90 to 107 TPH. Eliminating FK pump and installation of mechanical conveying system for transportation of Pozzolona Portland Cement was also carried out at Bargarh plant;
- Thermal imaging of kiln and pre heater was carried out to identify major thermal loss areas and subsequent rectification was carried out at Madukkarai plant;
- Optimization of VRM and ball mill circuit and taking the ball mill dust collector product as final product at Galgal plant;
- Computational Fluid Dynamics (CFD) studies were carried out to improve flow distribution and to reduce pressure drop of VRM cyclones at Chaibasa and Bargarh plants and Pre-heater cyclones at Lakheri and Galgal plants;
- Variable Voltage Variable Frequency Drives (VVVFD) were installed for Raw Mills 4 & 5 drives at Wadi plant; Kiln and Cement Mill drives at Jamul; Positive Displacement (PD) blower at Lakheri;
- 3 nos. Filter drums & Cake Besta Feeder DC drives were replaced with new generation AC motor and drive, and 4 nos. Vacuum pump's motor RPM were optimized for Filtration Department of Madukkarai plant;
- Compressed Air pipe lines were modified & interconnected to a common header for cement mill section to reduce the number of operating compressors at Jamul;
- 3 nos. Air cooled condenser fans and auxilliary cooling tower fan were replaced with FRP fan blade assembly for 15 MW CPP at Madukkarai plant;
- Boiler Feed Pump for 15 MW CPP was replaced at Tikaria plant;
- Microprocessor based multi-step capacity controllers were installed at Jamul and Tikaria plants for various reciprocating compressors to optimize the operating pressure within a narrow band;
- Detailed Energy Audit was conducted at Thondebhavi plant, and detailed compressed air audit was conducted for Jamul plant. Study to measure fan efficiency was conducted at Jamul, Madukkarai, Chaibasa, Wadi and Bargarh plants;
- Energy Monitoring System was installed at Wadi and Chanda plant;
- 330 ton Shredding machine was installed for increased use of biomass in Hot Air Generator at Sindri Plant;
- Capacitor banks have been added to the system across ACC plants to improve plant power factor;
- Replacement of conventional lamps with Compact Fluorescent Lamps for plant and colony lighting was done across ACC plants.

Green power –

- The Wind Farm installed at Rajasthan generated 13.73 million units of green energy during 2011, as compared to 13.69 million units generated during 2010;
- The Wind Farm installed at Tamil Nadu generated 21.55 million units of green energy during 2011, as compared to 21.96 million units generated during 2010:

- The Wind Farm installed at Maharashtra generated 3.61 million units of green energy during 2011. The units of green energy generated since the inception of the windfarm in April 2010 and upto December 2010 was 3.05 million units.

Alternative fuels –

In 2011, the Company co-processed different types of alternative fuels totaling 29860 tonnes.

(b) Additional Proposals being implemented for further conservation of energy

- At Gagai, 7.3 MW Waste Heat Recovery Power Generation is under execution and is expected to go on stream by end of 2012, generating approx 45.48 million units of power per annum.

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

The measures stated in points (a) and (b) above would further improve the thermal and electrical energy efficiency of the plants. During the year 2011, electrical energy reduced by 2.07 % and thermal energy reduced by 1.15 % over 2010.

Form A Power and Fuel Consumption

| | Current Year | | | Previous Year | | |
|---------------------------------------|------------------|----------------------|------------|------------------|----------------------|------------|
| | Lakh Units (Kwh) | Total Cost (₹ Lakhs) | ₹ Per Unit | Lakh Units (Kwh) | Total Cost (₹ Lakhs) | ₹ Per Unit |
| 1 Electricity (Gross) | | | | | | |
| a) Purchased | 6917 | 33625 | 4.86 | 5865 | 25202 | 4.30 |
| b) Own Generation : | | | | | | |
| i) Through Diesel Generator | 30 | 531 | 17.40 | 73 | 915 | 12.52 |
| ii) Through Steam Turbine / Generator | 17614 | 65521 | 3.72 | 17399 | 49216 | 2.83 |

| | Current Year | | | Previous Year | | |
|--------------------|------------------------|----------------------|--------------------------|------------------------|----------------------|--------------------------|
| | Quantity (Lakh Tonnes) | Total Cost (₹ Lakhs) | Average Rate (₹ / Tonne) | Quantity (Lakh Tonnes) | Total Cost (₹ Lakhs) | Average Rate (₹ / Tonne) |
| 2 Coal (for kiln)* | 24.30 | 122764 | 5053 | 21.10 | 84635 | 4012 |

* Does not include other fuel / alternative fuels used in kiln.

Consumption per unit of production

| | @ Standard | Current Year | Previous Year |
|--------------------------------------|------------|--------------|---------------|
| a) Electricity Kwh/T* of Cement | | | |
| Semidry / Dry process | 98-110 | 84 | 87 |
| b) Furnace Oil K Ltrs/T of Cement | - | - | - |
| c) Coal for kiln K.cal/Kg of clinker | | | |
| Semidry / Dry process | 720-990 | 742 | 750 |

@ Source : Publication of Confederation of Indian Industries

* Excludes non-process power consumption.

(B) TECHNOLOGY ABSORPTION**Research & Development (R&D)****1. Specific areas in which R&D is carried out by the Company**

- a) Improving quality of blended cement through innovative processing utilizing industrial by-products for improved quality performance of ACC Plants
- b) Conservation of resources through maximizing the use of low-grade limestone for cement manufacture
- c) Development of application oriented cements with decreased CO₂ emissions
- d) Development of new products or discovering new methods of analysis
- e) Productivity research for increased efficiency in use of resources
- f) Recycling of wastes and research for efficient use of scarce materials
- g) Characterization of industrial wastes and looking into possibilities of environment friendly co-processing of wastes in cement manufacture, leading to thermal substitution and conservation of natural resources
- h) Development and use of cement grinding aid and accelerators for PPC & PSC for improved performance in concrete and reduced clinker factor in blended cements
- i) Development of cements tailored for specific market clusters and application segments
- j) Quality Benchmarking exercise for different market clusters of ACC products

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

- a) Effective use of marginal quality raw materials and fuels with improved clinker quality
- b) Increased absorption of blending materials like fly ash and slag in blended cements
- c) Effective replacement of the costlier natural gypsum by a cheaper by-product phospho gypsum without affecting the quality of cement
- d) Maintain a lead position in all the market clusters of the country
- e) Launch of special high performance products like F2R, Concrete+, Coastal+ for specific market segments / market climatic conditions
- f) Effective use of SPC at each stage of cement manufacture for improving consistency of operations and consistency in product quality
- g) Fuel efficiency

3. Future plan of action

- a) Exploratory research works on the above specific areas
- b) Focus on development of products aimed at enhancing use of cement in various applications and development of application oriented cement based cementitious material
- c) Use of waste / by-products in cement manufacture as alternative materials
- d) Improve product quality particularly with respect to long term durability and reduction in cost of manufacture

4. Expenditure on R & D**₹ Lakhs**

| | | | | | |
|--|----|----|----|----|------|
| a) Capital | .. | .. | .. | .. | 72 |
| b) Recurring (Gross) | .. | .. | .. | .. | 558 |
| c) Total | .. | .. | .. | .. | 630 |
| d) Total R&D expenditure as percentage of total turnover | .. | .. | .. | .. | 0.07 |

(C) FOREIGN EXCHANGE EARNINGS & OUTGO**₹ Lakhs**

| | | | | | |
|-------------------------|----|----|----|----|------|
| Foreign exchange earned | .. | .. | .. | .. | 1384 |
| Foreign exchange used | .. | .. | .. | .. | 4194 |

Annexure 'B' to Directors' Report (Para 28)

Employed for Full Year

| Sr. No. | Name | Remuneration Gross (₹) | Designation & Nature of Duties | Qualification | Date of Commencement of Employment | Total Experience (Years) | Age | Last Employment |
|---------|----------------------|------------------------|--|---|------------------------------------|--------------------------|-----|--|
| 1 | A. K. SAXENA | 9207120 | PRESIDENT - WADI CEMENT CLUSTER | Diploma, BE | 18-Nov-85 | 26 | 49 | Lohia Starlinger Pvt Ltd |
| 2 | ATUL KHOSLA | 8797420 | PRESIDENT - PROJECTS | ME | 18-Jul-07 | 29 | 53 | Lafarge India Pvt Ltd |
| 3 | B SHERDIWALA | 7177153 | PRESIDENT - HUMAN RESOURCES | BSc, M.A, M PHIL, LLB | 19-Mar-84 | 28 | 54 | NIL |
| 4 | BHARAT PAREKH | 6931752 | HEAD - CAPEX (CPO) | BE | 10-Jul-08 | 34 | 58 | Aditya Birla Group |
| 5 | BURJOR DORAB NARIMAN | 8476996 | COMPANY SECRETARY & HEAD COMPLIANCE | Bcom, FCS | 14-Dec-09 | 37 | 57 | Bombay Dyeing & MFG Company Ltd |
| 6 | J V B SASTRY | 6462384 | DIRECTOR - LOGISTICS | Bcom, M.Com | 24-Jun-88 | 32 | 52 | Coromandel Fertilisers Ltd |
| 7 | J.DATTAGUPTA | 11971066 | CHIEF COMMERCIAL OFFICER | B.Tech (IIT) | 10-Aug-76 | 36 | 58 | NIL |
| 8 | JOYDEEP MUKHERJEE | 6530972 | DIRECTOR - SALES | BSc, PG Diploma, PG | 21-Jun-07 | 24 | 45 | Hindalco |
| 9 | KULDIP K KAURA | 47689532 | CEO & MANAGING DIRECTOR | BE | 5-Aug-10 | 41 | 64 | Vedanta Resources PLC |
| 10 | M.K. MISHRA | 7219455 | DIRECTOR - PLANT | BE | 10-Feb-85 | 27 | 51 | Lakshmi Cement |
| 11 | P N IYER | 8535869 | DIRECTOR - SALES | Bcom, PGDBA | 2-Jan-09 | 30 | 56 | NMDC |
| 12 | R S RATHORE | 7395062 | DIRECTOR - PLANT | BE | 26-Jul-80 | 34 | 55 | Rajasthan Ind.Minerals Dev.Corporation |
| 13 | R VASUDEVAN | 6733372 | SR. VICE PRESIDENT | B Tech , PG Diploma | 7-Dec-77 | 35 | 59 | Planning Commission Government of India |
| 14 | RAJIV KUMAR | 6599731 | DIRECTOR - SALES | Bcom, MBA | 2-Jun-89 | 25 | 49 | ABC India Ltd |
| 15 | RAJIV PRASAD | 18680942 | CHIEF EXECUTIVE - NORTH REGION | BE, PG Diploma | 27-Nov-09 | 22 | 50 | Halonix Limited |
| 16 | RAKESH SINHA | 6048077 | DIRECTOR - PLANT | BE | 24-Dec-09 | 30 | 55 | The India Cement Ltd |
| 17 | RAMIT BUDHRAJA | 12801677 | CHIEF EXECUTIVE - SOUTH WEST REGION | B.Tech, MBA | 1-May-06 | 25 | 51 | Holcim Ltd |
| 18 | SA KHADILKAR | 6129749 | DIRECTOR - QUALITY & PRODUCT DEVELOPMENT | B Sc , MSc Chemistry | 1-Apr-81 | 34 | 56 | Morarjee Mills (Piramal Organic Chemicals) |
| 19 | SHAKTI ARORA | 13518078 | CHIEF CENTRAL PROCUREMENT OFFICER | BE, MBA | 13-Jul-09 | 29 | 51 | Mahindra & Mahindra Limited |
| 20 | SUNIL NAYAK | 13822241 | CHIEF FINANCIAL OFFICER | B.Com, FCA, FCS, AICWA, LLB, GAMP (ISB/Kellogg) | 14-Aug-08 | 29 | 52 | Clariant Chemicals India Limited |
| 21 | VIVEK CHAWLA | 12461255 | CHIEF EXECUTIVE - EAST REGION | BE Mining | 3-Jan-94 | 18 | 51 | Grasim Ind.Ltd |

Employed for Part of the Financial Year

| Sr. No. | Name | Remuneration Gross (₹) | Designation & Nature of Duties | Qualification | Date of Commencement of Employment | Total Experience (Years) | Age | Last Employment |
|---------|----------------------|------------------------|--------------------------------|---------------|------------------------------------|--------------------------|-----|------------------|
| 1 | GEOFFREY DEAN CURRIE | 6,632,699 | DIRECTOR - OH & S | BA | 18-Apr-11 | 15 | 43 | Cement Australia |
| 2 | T N TIWARI | 5,427,421 | CHIEF PUBLIC AFFAIRS OFFICER | BSc, B Tech | 7-Aug-72 | 40 | 63 | NIL |

NOTES :-

- (I) Gross Remuneration shown above is subject to tax and comprises salary, allowances, incentive, monetary value of perquisites and Company's contribution to Provident Fund and Officer's Superannuation Fund.
- (II) In addition to the above remuneration, employees are entitled to Gratuity in accordance with the Company's rules.
- (III) All the employees have adequate experience to discharge the responsibility assigned to them.
- (IV) The nature of employment in all cases is contractual.

For and on behalf of the Board of Directors

N. S. Sekhsaria
Chairman

Corporate Governance

The Directors present the Company's report on Corporate Governance for the year ended December 31, 2011.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

ACC's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices most of which were implemented before they were mandatorily prescribed. "Transparency" and "Accountability" which are the two columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. This has enabled your Company to fulfilling the aspirations of its various stakeholders and earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates. Your Company has complied with the requirements of Corporate Governance as laid down under Clause 49 of the Listing Agreement with the Stock Exchanges.

During the year under review, the Secretarial & Compliance Division and Share Department of the Company had subjected their internal processes to audit by Det Norske Veritas AS Certification Services (DNV) an external agency having expertise in quality management systems and it is heartening to report that your Company has received ISO 9001:2008 certification for the processes of the Secretarial & Compliance Division, Share Department and ISD Support.

GOVERNANCE STRUCTURE

ACC's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and

freedom to the management to achieve these corporate objectives within a given framework thereby bringing about an enabling environment for value creation through sustainable profitable growth.

The Board of Directors - The ACC Board plays a pivotal role in the creation of shareholder value. Its functions, responsibility and accountability are clearly defined. As its primary role is fiduciary in nature, the Board is responsible for ensuring that the Company runs on sound ethical business practices and that the resources of the Company are utilized in a manner so as to create sustainable growth and value for the Company's Members and business partners and to fulfill the aspirations of the society and the communities in which it operates. As part of its function, the Board periodically reviews the items required to be placed before it as per Clause 49 of the Listing Agreement and in particular reviews and approves corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall corporate performance, directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations.

The Committee of Directors - With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Shareholders' / Investors' Grievance Committee, Compensation Committee, Compliance Committee and Capex Committee. Each of these Committees has been mandated to operate within a given framework.

Management Structure - Management Structure for running the business of the Company as a whole is put

in place with appropriate delegation of powers and responsibilities which broadly is as under:

- a. **Chief Executive Officer & Managing Director** - The Chief Executive Officer & Managing Director is responsible for the day-to-day management of the Company subject to the supervision, direction and control of the Board of Directors. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various committees.
- b. **Managing Committee** - The Company has formed a Managing Committee which comprises the Chief Executive Officer & Managing Director, Chief Executives of the Regions and Corporate Functional Heads. This Committee is a brain storming and consultative committee where important business issues are discussed, monthly performance reviewed and targets set. The various business challenges are also discussed and decisions taken within the framework of the strategic policies laid down by the Board.
- c. **Chief Executives at the Regions** - The business operations of the Company have been divided into three regions, viz. North, East and South West. Each Region is managed by a Chief Executive who is responsible for the overall business and for the day-to-day management of operations within the Regions. He is supported by the Director Sales and Director Logistics who look after the sales operations and the logistics function respectively within the Region. The Chief Executives of the Regions report to the Chief Executive Officer & Managing Director.
- d. **Director Plant** - The Director Plant is responsible for operation and maintenance of the plant and all other functions relating to the day-to-day management of the Plant, including all local issues and compliances as applicable at plant level. The

Director Plants report to the Chief Executives of their respective Regions.

BOARD OF DIRECTORS

Composition of the Board as on December 31, 2011

| Category | No of Directors |
|--|-----------------|
| Non Executive & Independent Directors | 6 |
| Other Non Executive Directors including the Chairman | 5 |
| Executive Director (CEO & Managing Director) | 1 |
| Total | 12 |

Holcim (India) Private Limited has informed the Company that Mr N S Sekhsaria, Chairman would no longer be a part of the Promoter Group on the Board of Directors of ACC Limited. The Board has accordingly reviewed the status of Mr Sekhsaria and has regarded him as a Non Executive/Independent Director with effect from January 19, 2012.

Directors' Profile

The Board of Directors is composed of highly renowned professionals drawn from diverse fields, who bring with them a wide range of skill and experience to the Board, which enhances the quality of the Board's decision making process.

The brief profile of the Company's Board of Directors is as under:

Mr N S Sekhsaria (Chairman): Mr N S Sekhsaria is a doyen of the Indian Cement Industry and one of the most respected business personalities in India. In a career spanning over 30 years, he has introduced new standards in management, marketing, efficiency and corporate social responsibility to an industry he has helped transform.

Mr Sekhsaria is the Founder-Promoter and current Chairman of Ambuja Cements Limited. Mr Sekhsaria was invited to join the ACC Board in 1999 and was appointed Deputy Chairman in January 2000. In 2006, Mr Sekhsaria took over as Chairman of the Board.

Mr Sekhsaria built Ambuja Cements Limited into a benchmark for Indian Industry. His acumen as an entrepreneur and technocrat turned that Company into the most efficient and profitable cement company in India and redefined industry practices by changing the perception of cement from a commodity to a branded product. Mr Sekhsaria championed community development by establishing the Ambuja Cement Foundation and guiding it into a model of excellence in social responsibility.

With his considerable wealth of experience, Mr Sekhsaria brings immense value to the Board of ACC. Under his leadership, ACC has achieved significant improvements in the areas of project management, logistics and overall cost-competitiveness. The impact of this guidance shows in the high growth trajectory ACC has experienced since 1999.

Mr Paul Hugentobler (Deputy Chairman): Mr Paul Hugentobler obtained a degree in Civil Engineering from the ETH, Zurich, and a degree in Economic Science from the University of St. Gallen. He joined Holcim Group Support in 1980 as Project Manager and in 1994 was appointed as Area Manager for Holcim Limited. From 1999 until 2000, he also served as CEO of Siam City Cement, Bangkok, Thailand. He has been a Member of the Executive Committee since January 1, 2002 with the responsibility for South Asia and ASEAN excluding Philippines. He is the Vice Chairman of Ambuja Cements Limited.

Mr Kuldip Kaura (CEO & MD): Mr Kuldip Kaura holds a degree in Mechanical Engineering, BE (Hons.) from Birla

Institute of Technology & Science (BITS), Pilani and has also attended various Executive Education Programmes at London Business School and Swedish Institute of Management, Stockholm. Mr Kaura has rich experience in leading businesses and companies in diverse sectors such as power, natural resources, metals, mining etc. and has deep understanding of Corporate Governance, brand building and Sustainable Development in India, U.K. and U.S. Regulatory Environment. He has served in senior capacities with various reputable companies including as Chief Executive Officer with Vedanta Resources Plc till 2008.

Mr S M Palia: B. Com., LL. B, CAIIB, CIIB (London). Mr Palia is a Development Banker by profession. He was with IDBI from 1964-1989 during which period he held various responsible positions including that of Executive Director. He has also acted as an Advisor to Industrial Bank of Yemen, Saana (North Yemen) and Industrial Bank of Sudan, Khartoum (Sudan) under World Bank assistance programmes. He was also the Managing Director of Kerala Industrial & Technical Consultancy Organization Limited, set up to provide consultancy service to micro, small and medium enterprises. He is a Director on the Boards of leading companies viz. Tata Steel Limited, Tata Motors Limited, The Bombay Dyeing & Manufacturing Co. Limited. He is the Chairman-Emeritus of Rashtriya Gramin Vikas Nidhi and a Trustee of Bombay Community Public Trust.

Mr Naresh Chandra, IAS (Retired): Mr Naresh Chandra is a post graduate in mathematics from Allahabad University. He was a former Cabinet Secretary to the Government of India and was the Governor of the State of Gujarat. He was also India's Ambassador to the United States of America. He has served on numerous important Committees including as Chairman of Corporate Governance Committee instituted by the Government of India. Mr Naresh Chandra, was Chairman of

Committee of Civil Aviation Policy, Ministry of Civil Aviation. He is a Director on the Boards of various companies. He is the recipient of Padma Vibhushan from the Government of India.

Mr Markus Akermann: Mr Markus Akermann obtained a degree in Business Economics from the University of St. Gallen in 1973 and studied Economics and Social Sciences at the University of Sheffield, U.K. He began his professional career in 1975 with the former Swiss Bank Corporation. In 1978, he joined Holcim Limited where he was active in a number of roles including Area Manager for Latin America and Holcim Trading. In 1993, he was appointed to the Executive Committee with responsibility for Latin America and international trading activities. He was appointed Chief Executive Officer of Holcim Limited in 2002.

Mr M L Narula: B.Sc. Engineering (Electrical). Graduate from Punjab University and Fellow, Institute of Engineers, Mr Narula has been closely associated with the Company for over 45 years in various senior positions at plants and in the Corporate Office including that of Managing Director of the Company from December 1, 2002 till his retirement on March 31, 2007. Mr Narula has vast experience and in depth knowledge of the Cement Industry. He is presently a Non Executive Director on the Company's Board with effect from April 1, 2007. Mr Narula is also a Director on the Boards of other Indian and Foreign Companies and is a Senior Advisor to Holcim Group Support Zurich, Switzerland.

Mr R A Shah: Mr R A Shah is a leading Solicitor and a Senior Partner of M/s Crawford Bayley and Co., a firm of Advocates & Solicitors. He specializes in a broad spectrum of corporate laws in general, with special focus on Foreign Investments, Joint Ventures, Technology and Licence Agreements, Intellectual Property Rights, Mergers and Acquisitions, Industrial Licensing, Anti Trust Laws,

Company Law and Taxation. He is a Director on the Board of various public limited companies and is Chairman of the Board in many of these companies. He is also on the Audit Committee of some of the companies on which he is a Director.

Mr Shailesh Haribhakti: Fellow Chartered Accountant. Mr Shailesh Haribhakti is the Managing Partner of Haribhakti & Co, Chartered Accountants and Chairman of BDO Consulting Pvt. Ltd. He served a three year term on the Standards Advisory Council of the International Accounting Standards Board. He is a Committee Member of Futures & Options segment of National Stock Exchange of India Limited and was a Member of the SEBI Committee on Disclosures and Accounting Standards. He serves as Member of Managing Committees of ASSOCHAM and IMC, Corporate Governance Committees of ASSOCHAM and CII and is Chairman of the Energy and Environment Committee of IMC. He is on the Board of Directors of several listed and private companies.

Mr Aidan Lynam: Mr Aidan Lynam holds a degree in Engineering from the University College of Dublin and an MBA from IMD, Lausanne, Switzerland. In addition to the above, Mr. Lynam is a Member of the Institute of Engineers in Ireland (M.I.E.I), Chartered Member of the British Institute of Manufacturing Engineers (C.Eng M.I.E.E.).

Mr Lynam is presently in the services of Holcim Limited and is Area Manager responsible for Vietnam, Sri Lanka, Bangladesh, Singapore, Malaysia and Cambodia. Mr Lynam also represents South Asia/ASEAN region for IT shared services (HSEA), Geocycle and OH&S Core Group.

Mr Sushil Kumar Roongta: Mr Roongta holds a degree in Bachelor of Engineering from Birla Institute of Technology & Science (BITS), Pilani and a Post Graduate

Diploma in Business Management - International Trade from the Indian Institute of Foreign Trade (IIFT), New Delhi. He is a Fellow of All India Management Association (AIMA).

Mr Roongta is presently the Managing Director of Vedanta Aluminium Limited. He was also the Executive Chairman of Steel Authority of India Limited (SAIL), which position he held till his retirement from that Company. Under his leadership, SAIL achieved new benchmarks in operational and financial performance and was ranked the second among "World Class Steel Makers" by World Steel Dynamics, USA. SAIL was conferred the status of "Maharatna" by the Government of India in 2010 being one of the four PSUs to be awarded this status.

Mr Roongta was on the Governing Boards of reputable academic institutions, and is on certain Committees constituted by the Government of India and Chambers of Commerce & Industry.

Mr Roongta is a recipient of a number of awards including SCOPE Award for excellence and outstanding contribution to the Public Sector Management - Individual Category 2008.

Mr Ashwin Dani (appointed w.e.f. 15.12.2011): Mr Dani completed his BSc (Hons.) from Institute of Science, University of Bombay and BSc (Tech) (Pigments, Paints & Varnishes) from U.D.C.T., University of Bombay. He holds Masters Degree in Polymer Science from University of Akron, Akron, Ohio, USA and Diploma in Colour Science from Rensselaer Polytechnic, Troy, New York.

Mr Dani started his career in 1967, as a Development Chemist with Inmont Corp., (now known as BASF) Detroit, USA, a major supplier of automotive OEM and refinishes. He joined Asian Paints in 1968 as Senior Executive and moved through successive senior positions like Director - R&D, Works Director, Whole-time Director

and Vice Chairman & Managing Director. He is currently the Vice Chairman of Asian Paints Limited. Mr Dani was instrumental in setting up a 50:50 Joint Venture between Asian Paints Limited and PPG Industries Inc., USA, the world leading manufacturers of automotive coatings. The Indian Company operates under the name "Asian PPG Industries Limited". Mr Dani has been a member on the Board of that Company since its inception.

Mr Dani is also a member on the Board of Sun Pharmaceutical Industries Limited, one of the leading pharmaceutical companies in the country. He was a Member of the Central Board of Trustees - Employees Provident Fund of the Government of India.

Among other positions that Mr Dani currently holds are Chairman - Resins & Plastics Limited, Chairman - Gujarat Organics Limited and Chairman - Hi-Tech Plast Limited.

Mr Dani is one of the two founder members of Colour Group of India, a body dedicated to the promotion of computerized colour matching and measurement of colour by instruments and computers. He was Vice President of the Federation of Indian Chambers of Commerce and Industry (FICCI), New Delhi, during the year 2010-2011.

Mr Dani was the recipient of the prestigious Ernst & Young Entrepreneur of the year award in the Manufacturing' category in November 2003, recipient of the "Cheminor Award" from the Indian Institute of Materials Management for excellence in Supply Chain and recipient of "Achiever of the Year Award - Chemical Industry" by the Chemtech Foundation.

Mr D K Mehrotra (resigned w.e.f. July 28, 2011): Mr Mehrotra was the Managing Director of Life Insurance Corporation of India and is presently acting as the Current-in-Charge Chairman of Life Insurance Corporation of India.

Other Relevant Details of Directors:

| Name of the Director | Date of Appointment | Category | **Number of Directorship(s) held in Indian Public Limited Companies (including ACC) | ***Committee(s) position (including ACC) | |
|---|---------------------|--------------------------------|---|--|----------|
| | | | | Member | Chairman |
| *Mr N S Sekhsaria | 27.12.1999 | Non Executive | 3 | 2 | - |
| Mr Paul Hugentobler | 06.05.2005 | Non Executive | 3 | 2 | 1 |
| Mr Kuldeep Kaura | 05.08.2010 | Executive | 6 | 2 | - |
| Mr S M Palia | 25.01.2002 | Non Executive/ Independent | 7 | 4 | 2 |
| Mr Naresh Chandra IAS (Retd.) | 05.05.2004 | Non Executive/ Independent | 12 | 8 | 1 |
| Mr Markus Akermann | 06.05.2005 | Non Executive | 2 | - | - |
| Mr M L Narula | 01.04.2007 | Non Executive | 2 | 2 | - |
| Mr R A Shah | 24.01.2006 | Non Executive/ Independent | 15 | 5 | 5 |
| Mr Shailesh Haribhakti | 17.02.2006 | Non Executive / Independent | 14 | 5 | 5 |
| Mr Aidan Lynam | 22.04.2010 | Non Executive | 1 | - | - |
| Mr Sushil Kumar Roongta | 03.02.2011 | Non Executive / Independent | 6 | 4 | 1 |
| Mr Ashwin Dani | 15.12.2011 | Non Executive / Independent | 8 | 5 | 3 |
| Mr D K Mehrotra (resigned w.e.f. 28.07.2011) | 14.10.2005 | Non Executive / Independent | 4 | - | - |

* Independent Director w.e.f. 19.01.2012, pursuant to the letter received from Holcim (India) Private Limited referred to hereinabove;

** Excludes directorships held in Private Limited Companies, Foreign Companies and Section 25 Companies;

*** Includes Chairmanship/Membership in mandatory committees viz Audit Committee & Shareholders' / Investors' Grievance Committee.

Board Meetings held during the Year

| Dates on which the Board Meetings were held | Total Strength of the Board | No of Directors Present |
|---|-----------------------------|-------------------------|
| February 3, 2011 | 12 | 12 |
| April 26, 2011 | 12 | 10 |
| July 28, 2011 | 11 | 07 |
| November 1, 2011 | 11 | 09 |
| December 15, 2011 | 12 | 11 |

Attendance of Directors at Board Meetings and Annual General Meeting

| Name of the Director | Attendance at the Board Meetings held on | | | | | Attendance at the AGM held on April 13, 2011 |
|--|--|------------------|------------------|------------------|-------------------|--|
| | February 3, 2011 | April 26, 2011 | July 28, 2011 | November 1, 2011 | December 15, 2011 | |
| Mr N S Sekhsaria | ✓ | ✓ | Leave of Absence | ✓ | ✓ | ✓ |
| Mr Paul Hugentobler | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr Kuldip Kaura | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr S M Palia | ✓ | Leave of Absence | ✓ | ✓ | ✓ | ✓ |
| Mr Naresh Chandra IAS (Retd.) | ✓ | ✓ | Leave of Absence | ✓ | ✓ | ✓ |
| Mr Markus Akermann | ✓ | Leave of Absence | Leave of Absence | Leave of Absence | ✓ | Leave of Absence |
| Mr M L Narula | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr R A Shah | ✓ | ✓ | ✓ | ✓ | ✓ | Leave of Absence |
| Mr Shailesh Haribhakti | ✓ | ✓ | ✓ | ✓ | ✓ | Leave of Absence |
| Mr Aidan Lynam | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr Sushil Kumar Roongta | ✓ | ✓ | Leave of Absence | Leave of Absence | Leave of Absence | Leave of Absence |
| Mr Ashwin Dani (appointed w.e.f. 15.12.2011) | Not Applicable | Not Applicable | Not Applicable | Not Applicable | ✓ | Not Applicable |
| Mr D K Mehrotra (resigned w.e.f. 28.07.2011) | ✓ | ✓ | Not Applicable | Not Applicable | Not Applicable | ✓ |

COMMITTEES OF THE BOARD

Audit Committee - (Constituted in 1986)

The Audit Committee acts as the link between the Statutory and the Internal Auditors and the Board of Directors.

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges read with Section 292(A) of the Companies Act, 1956. These broadly include:

- approval of the Annual Internal Audit Plan;
- review of the financial reporting system and internal control systems;
- discussions on quarterly, half yearly and annual financial results including major accounting entries involving exercise of judgement by the management;
- representation by the Statutory Auditors to the management in regard to any internal control weaknesses observed by them during the course of their audit and the action taken by the management thereon;
- discussions with Statutory, Internal & Cost Auditors on matters related to their area of audit;
- review of Internal Audit Report and implementation of action points arising therefrom;

- review of Risk Management framework concerning the critical operation of the Company;
- Management Discussion & Analysis of the Company's operations;
- review of significant related party transactions;
- review of implementation of the Fraud Risk Management Policy and the Fraud Risk Assessment Reports;
- recommendation for appointment of Statutory and Cost Auditors and their remuneration;
- appointment, removal and terms of remuneration of the Chief Financial Officer and the Chief Internal Auditor.

The Audit Committee and the Internal Audit Department of the Company are governed by their respective Charters to ensure effective compliance with Clause 49 of the Listing Agreement. These charters are reviewed from time to time with a view to bring them in line with the regulatory framework.

The Internal Audit Department is headed by the Chief Internal Auditor who functions independently and reports to the Chairman of the Audit Committee.

The Company has implemented well structured Internal Audit Control Systems to ensure reliability of financial and operational information and statutory/regulatory compliances.

The composition of the Audit Committee and details of the Members participation at the Meetings of the Committee are as under:

| Name of the Member | Category | Attendance at the Audit Committee Meetings held on | | | | |
|-----------------------------------|----------------------------|--|------------------|------------------|------------------|-------------------|
| | | February 2, 2011 | April 25, 2011 | July 27, 2011 | October 31, 2011 | December 14, 2011 |
| Mr Shailesh Haribhakti (Chairman) | Non Executive/ Independent | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr S M Palia | Non Executive/ Independent | ✓ | Leave of Absence | ✓ | ✓ | ✓ |
| Mr Naresh Chandra, IAS (Retd.) | Non Executive/ Independent | ✓ | ✓ | Leave of Absence | ✓ | ✓ |
| Mr Paul Hugentobler | Non Executive | ✓ | ✓ | ✓ | ✓ | ✓ |
| *Mr Sushil Kumar Roongta | Non Executive/ Independent | Not Applicable | Not Applicable | Leave of Absence | Leave of Absence | Leave of Absence |

* Appointed on the Audit Committee w.e.f April 25, 2011.

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. They have attended all the Meetings during the year. The representative of the Cost Auditor is invited to attend the Meeting of the Audit Committee when the Cost Audit Report is tabled for discussion. The Chief Executive Officer & Managing Director, the Chief Financial Officer, the Chief Internal Auditor and the Chief Executives at the Regions attend all the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. A representative of Holcim Group's internal audit team is also invited to attend the meeting and share Holcim's expertise in international best practices in Internal Audit.

During the year under review, the Audit Committee meets the Statutory Auditors and the Internal Auditor

separately with a view to get their inputs on any significant matters relating to their areas of audit.

Self Assessment by the Audit Committee

The Audit Committee has set in place a process to measure and benchmark its performance each year. The assessment broadly covers composition, structure and committee meetings; business and risk management; overview of the financial reporting process; internal control systems and overview of internal and external audits. The results of the self assessment are presented to the Audit Committee along with the action plan in the areas requiring improvement.

Shareholders'/Investors' Grievance Committee - (Constituted in 1962)

The Shareholders'/Investors' Grievance Committee deals with various matters relating to:-

- transfer/transmission of shares/debentures;
- issue of duplicate share certificates;

- issue and allotment of rights/bonus shares/shares against Employee Stock Options;
- review of shares dematerialized and all other related matters;
- monitoring expeditious redressal of investors' grievances;
- non receipt of Annual Report and declared dividend;
- all other matters related to shares/debentures.

Company Secretary is the Compliance Officer as per the Listing Agreement.

During the year, 56 complaints were received from Members, all of which have been attended/resolved as of date. No investor grievance remained unattended/pending for more than thirty days as on December 31, 2011. The Company had 12 share transfers pending as on December 31, 2011. These transfer deeds were lodged after December 23, 2011.

The composition of the Shareholders'/Investors' Grievance Committee and details of the Members participation at the Meetings of the Committee are as under:

| Name of the Member | Attendance at the Shareholders'/Investor Grievance Committee Meetings held on | | | | |
|--------------------------------|---|----------------|---------------|------------------|-------------------|
| | February 3, 2011 | April 26, 2011 | July 28, 2011 | November 1, 2011 | December 15, 2011 |
| Mr Paul Hugentobler (Chairman) | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr M L Narula | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr Kuldip Kaura | ✓ | ✓ | ✓ | ✓ | ✓ |

Compensation Committee (Non Mandatory Committee - Constituted in 1993)

The terms of reference of the Compensation Committee, inter alia consists of reviewing the overall compensation policy, the remuneration structure, service agreement and other employment conditions of the Chief Executive

Officer & Managing Director with a view to retaining and motivating the best managerial talents. In determining the remuneration, the Committee takes into consideration the industry trend, remuneration paid by comparable concerns, responsibilities to be shouldered by the Chief Executive Officer & Managing Director, the Company's and individual's performance.

The composition of the Compensation Committee and the details of Members participation at the Meetings of the Committee are as under:

| Name of the Member | Attendance at the Compensation Committee Meetings held on | | |
|-----------------------------|---|----------------|-------------------|
| | February 3, 2011 | April 26, 2011 | December 15, 2011 |
| Mr N S Sekhsaria (Chairman) | ✓ | ✓ | ✓ |
| Mr Paul Hugentobler | ✓ | ✓ | ✓ |
| Mr Shailesh Haribhakti | ✓ | ✓ | ✓ |

Compliance Committee (Non Mandatory Committee - Constituted in 2008)

The Compliance Committee plays an important role in building a regime of zero tolerance to any form of non compliance which is essential for sustainable growth.

The terms of reference of the Committee broadly comprises:

- reviewing the legal environment in which the Company operates with a view to understand the implications of major legislative and regulatory developments and their interpretation by the Courts of law that may significantly affect the Company;
- reviewing compliance with the provisions of Competition Law and to provide guidance in regard to the development of the laws in India and abroad;
- reviewing the compliance reports received from the Chief Executive Officer & Managing Director, Chief Executives of the Regions, the Chief Financial Officer, President Human Resources and the Company Secretary & Head Compliance and recommend corrective actions where required;
- reviewing significant legal cases filed by and against the Company.

The composition of the Compliance Committee and the details of the Members participation at the Meetings of the Committee are as under:

| Name of the Member | Attendance at the Compliance Committee Meetings held on | | | | |
|----------------------------------|---|----------------|------------------|------------------|------------------|
| | February 2, 2011 | April 25, 2011 | July 27, 2011 | August 5, 2011 | November 1, 2011 |
| Mr R A Shah (Chairman) | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr Naresh Chandra IAS (Retd.) | ✓ | ✓ | Leave of Absence | ✓ | ✓ |
| Mr Shailesh Haribhakti | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr Paul Hugentobler | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr Kuldip Kaura | ✓ | ✓ | ✓ | Leave of Absence | ✓ |

Capex Committee (Non Mandatory Committee - Constituted in 2010)

The Capex Committee was constituted to undertake a detailed examination of various large project proposals and report/recommend the same to the Board. The terms of reference of the said Committee are as under:

- to evaluate the financial viability of all expansion and large capex proposals for recommendation to the Board;
- to monitor the projects with regard to the committed expenditure and time schedules;
- to discuss post audit evaluation of above completed projects;
- to evaluate acquisition proposals and make appropriate recommendations to the Board;
- such other duties relating to capex projects as may be assigned to the Committee from time to time by the Board.

The composition of the Capex Committee and the details of the Members' participation at the Meetings of the Committee are as under:

| Name of the Member | Attendance at the Capex Committee Meeting held on July 14, 2011 |
|--|---|
| Mr Paul Hugentobler (Chairman) | ✓ |
| Mr S M Palia | Leave of Absence |
| Mr M L Narula | ✓ |
| Mr Aidan Lynam | Leave of Absence |
| Mr Sushil Kumar Roongta (appointed w.e.f. 26.04.2011) | Leave of Absence |
| Mr Kuldip Kaura | ✓ |

REMUNERATION POLICY

(a) Remuneration Policy for Executive Director:

Subject to the approval of the Members and other approvals as may be required under the Companies Act, 1956, the remuneration of the Chief Executive Officer & Managing Director is decided by the Board of Directors on the recommendation of the

Compensation Committee. In determining the remuneration, the Compensation Committee takes into consideration the industry trend, remuneration paid by comparable concerns, responsibilities to be shouldered by the Chief Executive Officer & Managing Director, the Company's and individual's performance.

The remuneration structure of Mr Kuldip Kaura, Chief Executive Officer & Managing Director and the terms of appointment which have been approved by the Members of the Company are as under:

| Terms of appointment and remuneration of Mr Kuldip Kaura, Chief Executive Officer & Managing Director | |
|---|---|
| Period of Appointment: | From 05.08.2010 to 12.08.2010 as Chief Executive Officer & Managing Director Designate and as Chief Executive Officer & Managing Director from 13.08.2010 to 31.12.2013 |
| Salary Grade: | ₹ 11,00,000 - ₹ 25,00,000 |
| Allowances: | <ul style="list-style-type: none"> i. Special Allowance as may be decided by the Board on the recommendation of the Compensation Committee ii. Housing : Free furnished residential accommodation or HRA at the rate of 40% of the basic salary iii. LTA: An amount not exceeding 12.5% of the basic salary. The entitlement for any one year to the extent not availed of shall be allowed to be accumulated up to the next two Corporate financial years |

| | |
|--|---|
| Perquisites: | <ul style="list-style-type: none"> i. Membership of two clubs ii. Personal Accident Insurance Policy as per the rules of the Company iii. Medical Reimbursement: Such amount as may be decided by the Board on the recommendation of the Compensation Committee including Group Medical Insurance Policy as per the rules of the Company iv. Other Perquisites as may be decided by the Board on the recommendation of the Compensation Committee subject to the overall ceiling on managerial remuneration as prescribed under the Companies Act, 1956 |
| Retiral Benefits: | Contribution to Provident Fund and Superannuation Fund as per the rules of the Company |
| Performance Incentive: | Amount equivalent to a maximum of 37.5% of the basic salary and allowances (which includes 7.5% as Holcim's Global Performance Incentive) the component of tax, if any, applicable on the shares so granted by Holcim shall be borne by the Company |
| Minimum Remuneration: | Where in the financial years during the currency of the tenure of the Chief Executive Officer & Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified, subject to requisite approvals being obtained |
| Notice Period & Severance Fees: | Six months notice or six months salary in lieu of notice may be given either by the Company or the Chief Executive Officer & Managing Director |

(b) Remuneration Policy for Non Executive Directors:

The Non Executive Directors are paid Sitting Fees of ₹ 20,000/- for each meeting of the Board/Committee of the Board attended by them. The total amount of sitting fees paid during the financial year ended December 31, 2011 was ₹ 20.40 lakhs.

In recognition of their contribution and the time spent on the Company's business and taking into consideration the size and complexity of the Company's operations, stringent accounting standards and governance norms, the Members of the Company have at the 74th Annual General Meeting held on April 8, 2010 sanctioned the payment of commission to the Non-Executive Directors of an amount not exceeding one percent of the net profits

of the Company as computed in the manner provided by Section 198(1) of the Companies Act, 1956.

Pursuant thereto, the Company has provided for the payment of commission of ₹ 13.00 lakhs to each of the Non Executive Directors for the financial year 2011, which is payable pro rata to those Directors who were in office for part of the year. The Company has also provided for payment in addition, a commission of ₹ 9.00 lakhs for each of the Non Executive Member Directors of the Audit Committee and Compliance Committee payable pro rata to those who occupied the office for part of the year. The maximum commission payable to each Non Executive Director has been fixed at ₹ 22.00 lakhs. The commission is being paid on a uniform basis to reinforce the principle of collective responsibility.

Details of Remuneration paid/payable to Directors for the financial year ended December 31, 2011

₹ Lakhs

| Name | Salary | Commission | Sitting Fees | Total |
|--|--------|------------|--------------|--------|
| Mr N S Sekhsaria | - | 13.00 | 1.40 | 14.40 |
| Mr Paul Hugentobler | - | 22.00 | 4.80 | 26.80 |
| Mr Kuldip Kaura | 476.90 | - | - | 428.61 |
| Mr S M Palia | - | 22.00 | 1.60 | 23.60 |
| Mr Naresh Chandra | - | 22.00 | 2.40 | 24.40 |
| Mr Markus Akermann | - | 13.00 | 0.40 | 13.40 |
| Mr M L Narula | - | 13.00 | 2.20 | 15.20 |
| Mr R A Shah | - | 22.00 | 2.00 | 24.00 |
| Mr S Haribhakti | - | 22.00 | 3.60 | 25.60 |
| Mr Aidan Lynam | - | 13.00 | 1.00 | 14.00 |
| Mr Sushil Kumar Roongta | - | 17.99 | 0.40 | 18.39 |
| Mr Ashwin Dani (appointed w.e.f. 15.12.2011) | - | 0.61 | 0.20 | 0.81 |
| Mr D K Mehrotra (resigned w.e.f. 28.07.2011) | - | 7.41 | 0.40 | 7.81 |

Notes:

- The amounts indicated against the name of Mr D K Mehrotra have been paid to Life Insurance Corporation of India
- Mr Sushil Kumar Roongta and Mr Ashwin Dani, Non Executive/Independent Directors have been paid commission on a prorata basis
- Salary includes basic salary, performance incentive, allowances, contribution to provident fund, superannuation and gratuity fund and perquisites (including monetary value of taxable perquisites) etc.

SUBSIDIARY COMPANIES

The Company does not have a material non-listed Indian subsidiary whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

The Internal Audit Report of the Subsidiary Companies are placed before and reviewed by the Audit Committee.

Copies of the Minutes of the Audit Committee/ Board Meetings of Subsidiary Companies are individually given

to all the Directors and are tabled at the subsequent Board Meetings.

DISCLOSURES

There are no materially significant transactions with related parties viz. Promoters, Directors, Management or their subsidiaries or relatives conflicting with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report.

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities

and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

During the year under review an investigation into the affairs of the Company was carried out by Ministry of Corporate Affairs. The investigations pertained to market operations of the Company. A report has since been submitted to the Competition Commission which is investigating into the complaints of alleged cartelization and price fixing filed by certain builders lobby. The Company has fully cooperated in the investigation as also the investigation by the Competition Commission and will take suitable steps as advised to safeguard its interests.

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended). The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/regulatory compliances. The Company's business processes are on SAP-ERP and SAP-HR platforms and has a strong monitoring and reporting process resulting in financial discipline and accountability.

Adoption of non mandatory requirements under Clause 49 of the Listing Agreement are being reviewed from time to time. Among the non mandatory requirements adopted by the Company, is the setting up of the Compensation Committee and the introduction of the

Fraud Risk Management Policy which contains features of the Whistle Blower Policy.

Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certification

The Chief Executive Officer & Managing Director and the Chief Financial Officer have issued a certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

CODE OF CONDUCT

The Board of Directors has approved a Code of Business Conduct and Ethics which is applicable to the Members of the Board and all employees in the Management grade. The Code has been posted on the Company's website www.acclimited.com.

The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to conflict of interests, bribery and corruption, integrity of accounting and financial reporting, fair competition, Corporate Social Responsibility, concern for sustainable development/sustainable performance, concern for occupational health and safety, use of licensed software, email and internet connectivity and corporate communications.

All the Board Members and the senior management personnel have confirmed compliance with the Code.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated

employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company. The Company Secretary & Head Compliance is responsible for implementation of the Code.

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

Means of Communication

- The unaudited quarterly/half yearly results are announced within forty five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are thereafter given by way of a Press Release to various news agencies/analysts and published within forty-eight hours in leading English and Marathi daily newspapers viz. Economic Times, Free Press Journal, Maharashtra Times and Navshakti;
- The audited financial statements form a part of the Annual Report which is sent to the members prior to the Annual General Meeting;
- The Company also informs by way of intimation to BSE and NSE all price sensitive matters or such other matters which in its opinion are material and of relevance to the members and subsequently issues a Press Release in regard to the same;

- The full Annual Report of the Company as well as the quarterly/half yearly and the annual results and the press releases of the Company are also placed on the Company's website: www.acclimited.com;
- In compliance with Clause 52 of the Listing Agreement with the Stock Exchanges, the Annual Report, the quarterly/half yearly and annual financial statements, the quarterly shareholding pattern, quarterly Corporate Governance Compliance Report are regularly being filed on Corporate Filing & Dissemination System "Corp Filing" and are available for viewing by the Members/Investors by visiting the website of www.corpfiling.co.in;
- Individual reminders are sent each year to those members whose dividends have remained unclaimed, before transferring the monies to the Investors' Education & Protection Fund (IEPF).

GENERAL INFORMATION FOR MEMBERS

Investor Services

The Company has an in-house Share Department located at its Registered Office which offers all share related services to its Members and investors. These services include transfer/transmission/dematerialisation of shares, payment of dividends, sub-division/consolidation of share certificates and investor grievances.

Correspondence with the Company

ACC Limited
Share Department
"Cement House"
121, Maharshi Karve Road,
Mumbai 400020

Telephone Nos: (022) 33024473; 33024469

Fax No: (022) 66317458

Communication by e-mail:

For transfer/
transmission/subdivision/
demat and investor sujata.chitre@acclimited.com
grievance remaining
unattended:

For loss of shares/
dividend/general inquiries krishnan.chidambaram@acclimited.com
and investor grievance
remaining unattended:

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain Demat Account/s, for their queries relating to shareholding, change of address, credit of dividend through NECS. However queries relating to non receipt of dividend, non receipt of annual reports or on matters relating to the working of the Company should be sent to the Company.

Members who hold shares in physical form should address their queries to the Company.

Members are requested to ensure that correspondence for change of address, change in bank details, processing of unclaimed dividend, subdivision of shares, renewal/ split/consolidation of share certificates, issue of duplicate share certificates should be signed by the first named member as per his specimen signature lodged with the Company. The Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address.

Members are requested to indicate their DP ID & Client ID/Ledger Folio number in their correspondence with the Company and also to provide their Email addresses and telephone numbers/FAX numbers to facilitate prompt response from the Company.

Exclusive E-Mail ID & Toll Free Number

The Company has designated an e-mail ID to enable the Members and investors to correspond with the Company. The e-mail ID is **ACC-InvestorSupport@acclimited.com**

The Company has also set up a toll free number 1800-3002-1001 to facilitate the Members/Investors to contact the Company. The toll free services will be available on all working days of the Company from 9.15 a.m. till 5.00 p.m.

Plant Location

The location of the Company's Plants are given on the inside cover page of the Annual Report.

MARKET INFORMATION
Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been paid to the Exchanges:

| Name & Address of the Stock Exchange | Stock/Scrip Code | ISIN Number for NSDL/CDSL (Dematerialised shares) |
|--|---------------------|---|
| BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400001 | 500410 | |
| The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051 | ACC | INE012A01025 |

The Privately placed Non-Convertible Debentures are listed on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited.

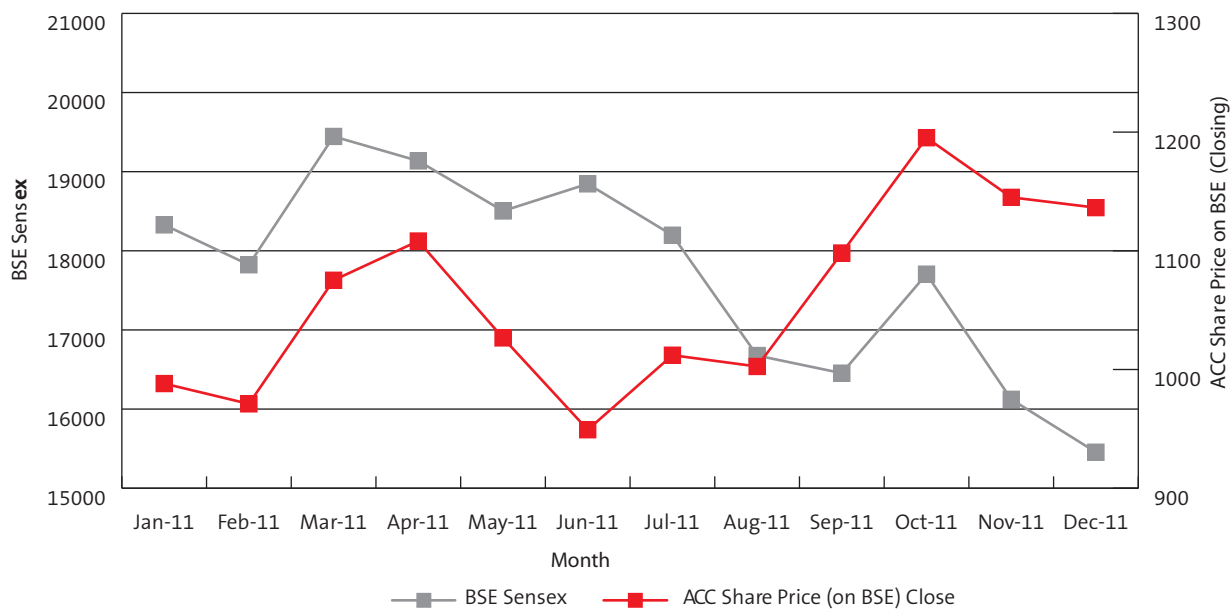
ISIN Numbers for Privately Placed Debentures

| | |
|-------------|--------------|
| NSDL & CDSL | INE012A07188 |
| | INE012A07196 |

ACC Share Price on BSE vis-a-vis BSE Sensex January - December 2011

| Month | BSE Sensex Close | ACC Share Price | | | No of shares traded during the month | Turnover (₹ Crores) |
|--------|------------------|-----------------|---------|---------|--------------------------------------|---------------------|
| | | High ₹ | Low ₹ | Close ₹ | | |
| Jan-11 | 18,327.76 | 1085.90 | 966.50 | 988.15 | 7,74,299 | 79.48 |
| Feb-11 | 17,823.40 | 1028.55 | 923.40 | 971.05 | 26,26,224 | 260.84 |
| Mar-11 | 19,445.22 | 1096.90 | 975.40 | 1075.20 | 9,47,224 | 96.73 |
| Apr-11 | 19,135.96 | 1142.50 | 1071.00 | 1108.25 | 6,08,428 | 67.66 |
| May-11 | 18,503.28 | 1114.05 | 963.10 | 1026.60 | 5,08,285 | 51.30 |
| Jun-11 | 18,845.87 | 1048.65 | 917.00 | 949.25 | 3,79,436 | 37.48 |
| Jul-11 | 18,197.20 | 1033.00 | 939.00 | 1012.05 | 4,70,442 | 46.15 |
| Aug-11 | 16,676.75 | 1024.05 | 948.00 | 1002.55 | 6,86,534 | 68.66 |
| Sep-11 | 16,453.76 | 1104.00 | 995.15 | 1098.15 | 7,49,458 | 79.57 |
| Oct-11 | 17,705.01 | 1229.65 | 1077.00 | 1195.25 | 7,07,227 | 80.44 |
| Nov-11 | 16,123.46 | 1233.00 | 1100.00 | 1145.05 | 6,02,914 | 70.99 |
| Dec-11 | 15,454.92 | 1228.00 | 1084.75 | 1136.35 | 5,15,657 | 59.71 |

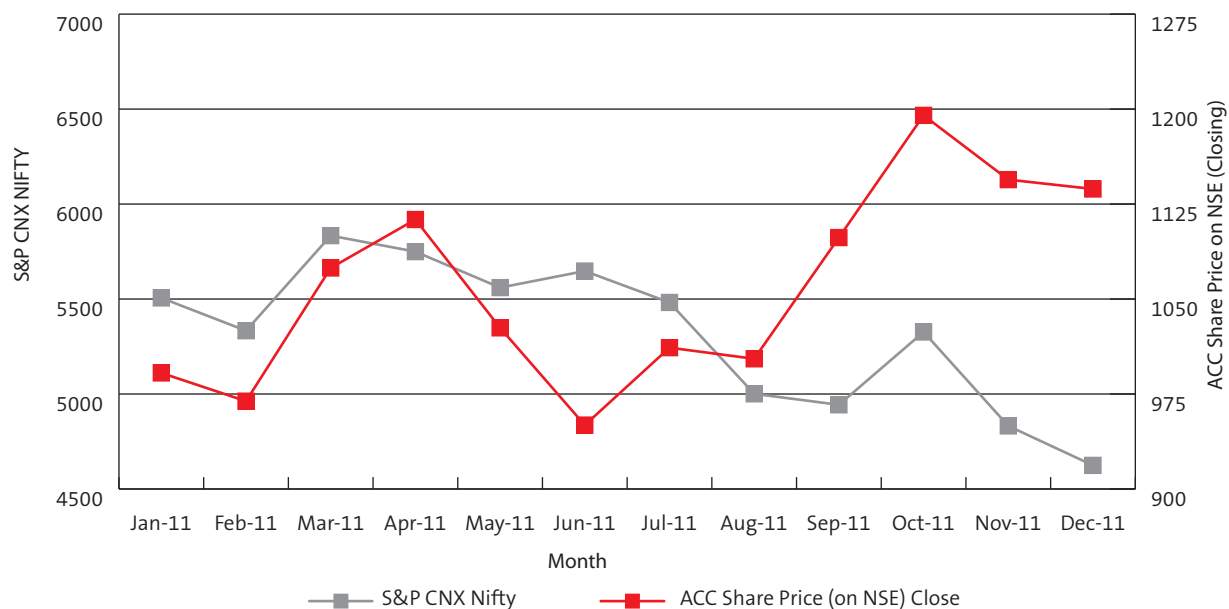
ACC Share Price on BSE & BSE Sensex



ACC Share Price on NSE vis-a-vis S&P CNX Nifty January - December 2011

| Month | S & P CNX Nifty Close | ACC Share Price | | | No of shares traded during the month | Turnover (₹ Crores) |
|--------|-----------------------|-----------------|----------|----------|--------------------------------------|---------------------|
| | | High ₹ | Low ₹ | Close ₹ | | |
| Jan-11 | 5505.90 | 1088.00 | 965.70 | 991.65 | 52,22,867 | 535.61 |
| Feb-11 | 5333.25 | 1,028.00 | 922.20 | 969.35 | 86,22,241 | 846.47 |
| Mar-11 | 5833.75 | 1,099.00 | 974.20 | 1,074.55 | 57,66,391 | 590.49 |
| Apr-11 | 5749.50 | 1,144.00 | 1,061.00 | 1,112.80 | 58,27,499 | 651.76 |
| May-11 | 5560.15 | 1,114.80 | 962.75 | 1,027.25 | 51,79,176 | 520.08 |
| Jun-11 | 5647.40 | 1,053.05 | 917.60 | 950.45 | 34,06,642 | 335.65 |
| Jul-11 | 5482.00 | 1,036.50 | 938.35 | 1,011.60 | 57,45,773 | 564.12 |
| Aug-11 | 5001.00 | 1,024.80 | 936.20 | 1,002.80 | 49,78,349 | 497.11 |
| Sep-11 | 4943.25 | 1,105.00 | 995.50 | 1,098.55 | 74,90,863 | 792.96 |
| Oct-11 | 5326.60 | 1,237.40 | 1,077.50 | 1,195.05 | 48,43,310 | 550.95 |
| Nov-11 | 4832.05 | 1,232.95 | 1,097.45 | 1,144.30 | 55,47,418 | 650.64 |
| Dec-11 | 4624.30 | 1,230.00 | 1,084.00 | 1,136.90 | 54,80,346 | 633.62 |

ACC Share Price on NSE & S&P CNX NIFTY



SHARE TRANSFER SYSTEM/DIVIDEND AND OTHER RELATED MATTERS

i. Share transfers

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

ii. Nomination facility for shareholding

As per the provisions of the Companies Act, 1956, facility for making nomination is available for Members in respect of shares held by them. Those Members who hold shares in physical form may obtain nomination form from the Share Department of the Company or download the same from the Company's website www.acclimited.com.

iii. Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders/legal heirs be furnished to the Company while obtaining the services of transfer, transposition, and transmission of shares.

iv. Subdivision of shares

The Company had subdivided the face value of its Equity Shares from ₹ 100 each to ₹ 10 each in 1999. The old shares having face value of ₹ 100 are no longer tradable on the Stock Exchanges. Members holding share certificates of the face value of ₹ 100 each are requested to send the certificates to the Share Department of the Company for exchange.

v. Payment of dividend through National Electronic Clearing Service (NECS)

The Company provides the facility for remittance of dividend to the members through NECS. To facilitate dividend payment through NECS, Members who

hold shares in demat mode should inform their depository participant and such of the members holding shares in physical form should inform the Company of the core banking account number allotted to them by their bankers consequent upon the banks migration to the core banking system. In cases where the core banking account number is not intimated to the Company/Depository Participant, the Company will issue dividend warrants to the Members.

vi. Unclaimed Dividends

The Company is required to transfer dividends which have remained unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. The Company will transfer, the dividends for the year ended March 31, 2005 which have remained unclaimed to the said fund in September 2012.

vii. Pending Investors' Grievances

Any Member/investor whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary and Head Compliance at the Registered Office with a copy of the earlier correspondence.

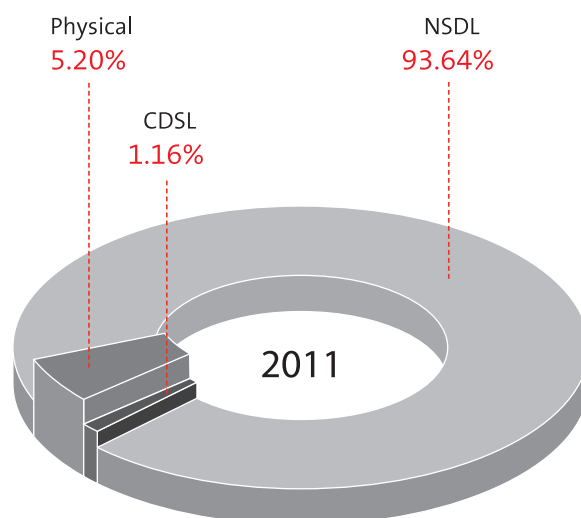
viii. Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an independent external auditor. The purpose of this audit is to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited and The National Stock Exchange of India Limited and is also placed before the Shareholders'/Investors' Grievance Committee and the Board of Directors.

Distribution of Shareholding as on December 31, 2011

| No. of shares slab | No. of Members | % | No. of Shares | | | | | | | |
|--------------------|----------------|--------|---------------|--------------------|-----------|--------------------|---------|--------------------|---------------------|--------------------|
| | | | Physical | % of Share Capital | NSDL | % of Share Capital | CDSL | % of Share Capital | Total No. of Shares | % of Share Capital |
| 1-50 | 63373 | 58.14 | 276579 | 0.15 | 670681 | 0.36 | 237301 | 0.13 | 1184561 | 0.63 |
| 51-100 | 13996 | 12.84 | 313448 | 0.17 | 688045 | 0.37 | 145532 | 0.08 | 1147025 | 0.61 |
| 101-200 | 11152 | 10.23 | 523217 | 0.28 | 982639 | 0.52 | 155165 | 0.08 | 1661021 | 0.88 |
| 201-500 | 10199 | 9.36 | 1023021 | 0.54 | 2050416 | 1.09 | 284382 | 0.15 | 3357819 | 1.79 |
| 501-1000 | 4992 | 4.58 | 1000485 | 0.53 | 2326918 | 1.24 | 292438 | 0.16 | 3619841 | 1.93 |
| 1001-5000 | 4367 | 4.00 | 2335399 | 1.24 | 5917601 | 3.16 | 621734 | 0.33 | 8874734 | 4.73 |
| 5001-10000 | 466 | 0.43 | 635043 | 0.34 | 2349723 | 1.25 | 228171 | 0.12 | 3212937 | 1.71 |
| >10000 | 459 | 0.42 | 3657628 | 1.95 | 160810717 | 85.65 | 219073 | 0.11 | 164687418 | 87.72 |
| Total | 109004 | 100.00 | 9764820 | 5.20 | 175796740 | 93.64 | 2183796 | 1.16 | 187745356 | 100.00 |

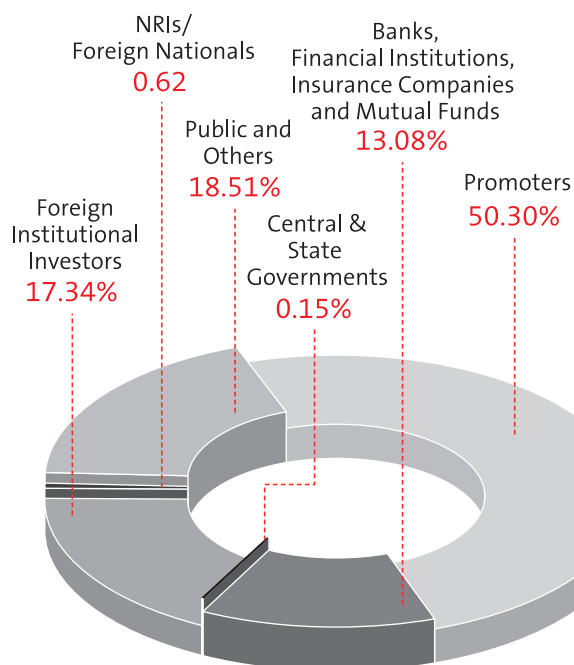
The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby Members have an option to dematerialize their shares with either of the depositories.

Distribution of Shareholding

Shareholding Pattern as on December 31, 2011

| Category | | No. of Shares held | % | |
|---|---------------------------------------|--------------------|--------|-------|
| Promoters | | | | |
| i. | *Ambuja Cements India Private Limited | 93888120 | 50.01 | 50.30 |
| ii. | Holderind Investments Ltd. | 541000 | 0.29 | |
| Banks, Financial Institutions, Insurance Companies & Mutual Funds | | | | |
| i. | Banks | 277377 | 0.15 | 13.08 |
| ii. | Financial Institutions | 20349857 | 10.84 | |
| iii. | Insurance Companies | - | - | |
| iii. | Mutual Funds | 3930247 | 2.09 | |
| Central & State Governments | | 287815 | 0.15 | |
| Foreign Institutional Investors | | 32564344 | 17.34 | |
| NRIs/Foreign Nationals | | 1157525 | 0.62 | |
| Public and Others | | 34749071 | 18.51 | |
| TOTAL | | 187745356 | 100.00 | |

Shareholding Pattern



*Ambuja Cements India Private Limited has now been amalgamated into Holcim (India) Private Limited. ACC Limited is therefore a subsidiary of Holcim (India) Private Limited which is a subsidiary of its ultimate parent Company Holcim Ltd. Switzerland.

Statement showing Shareholding of more than 1% of the Capital as on December 31, 2011

| Sr. No. | Names of the Members | | Number of shares | Percentage of Capital |
|---------|---|--------------------|------------------|-----------------------|
| 1 | *Ambuja Cements India Private Limited Holderind Investments Ltd (Promoter) | 93888120 541000 | 94429120 | 50.30 |
| 2 | Life Insurance Corporation of India | | 18602043 | 9.91 |
| 3 | ICICI Prudential Life Insurance Company Ltd | | 3800117 | 2.02 |
| 4 | JP Morgan Funds - Emerging Markets Equity Fund | | 3410858 | 1.82 |
| 5 | The Growth Fund of America, Inc | | 2605000 | 1.39 |
| | TOTAL | | 122847138 | 65.44 |

* Ambuja Cement India Private Limited has now been amalgamated into Holcim (India) Private Limited

Global Depository Receipts (GDR) or any Convertible instrument, conversion dates and likely impact on Equity
NIL

Particulars of past three Annual General Meetings:

| AGM | Year | Venue | Date | Time | Special Resolutions passed |
|------|------|---|------------|-----------|--|
| 75th | 2010 | Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 | 13.04.2011 | 3.00 p.m. | No Special Resolution was passed |
| 74th | 2009 | | 08.04.2010 | 3.00 p.m. | Payment of commission to Non-Executive Directors |
| 73rd | 2008 | | 08.04.2009 | 3.00 p.m. | Alteration of Article 157(ii) of the Articles of Association of the Company which deals with the manner in which the Seal of the Company is to be used |

No Extraordinary General Meeting was held during the period under reference. However, a Court Convened Meeting was held on June 1, 2011 to seek Members' approval for the Scheme of Amalgamation of Encore Cement and Additives Private Limited, Lucky Minmat Limited and National Limestone Company Private Limited, with the Company.

Details of Resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern

During the year under review, no resolution has been passed through the exercise of postal ballot.

FINANCIAL CALENDAR:

| | |
|---|--|
| Board Meeting for consideration of Accounts for the financial year ended December 31, 2011 and recommendation of dividend | February 9, 2012 |
| Posting of Annual Reports | On or before March 2, 2012 |
| Book Closure Dates | March 14, 2012 to March 28, 2012 (both days inclusive) |
| Last date for receipt of Proxy Forms | March 26, 2012 before 3.00 p.m. |
| Date, Time & Venue of the 76th Annual General Meeting | March 28, 2012 at 3.00 p.m. Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 |
| Dividend Payment date | April 3, 2012 |
| Probable date of despatch of warrants | March 30, 2012 |
| Board Meeting for consideration of unaudited quarterly results for the financial year ending December 31, 2012 | Within forty-five days from the end of the quarter as stipulated under the Listing Agreement with the Stock Exchanges. |
| Audited results for the current financial year ending December 31, 2012 | Within two months from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchanges. |

For and on behalf of the Board

N S Sekhsaria
Chairman

Mumbai
February 09, 2012

DECLARATIONS

Compliance with Code of Business Conduct and Ethics

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended December 31, 2011.

For ACC Limited

Kuldip Kaura
Chief Executive Officer & Managing Director

Mumbai
February 09, 2012

CEO / CFO Certification

As required by sub clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial year ended December 31, 2011, the Company has complied with the requirements of the said sub clause.

For ACC Limited

For ACC Limited

Kuldip Kaura
Chief Executive Officer & Managing Director

Sunil Nayak
Chief Financial Officer

Mumbai
February 09, 2012

S.R. Batliboi & Associates
Chartered Accountants

**16th Floor, "D" Wing ,
The Ruby,
29, Senapati Bapat Marg,
Tulsi Pipe Road,
Dadar (West),
Mumbai - 400 028**

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF ACC LIMITED

We have examined the compliance of conditions of Corporate Governance by ACC Limited, for the year ended December 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of 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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements 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 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 S. R. Batliboi & Associates
Firm Registration Number : 101049W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Mumbai:
February 09, 2012

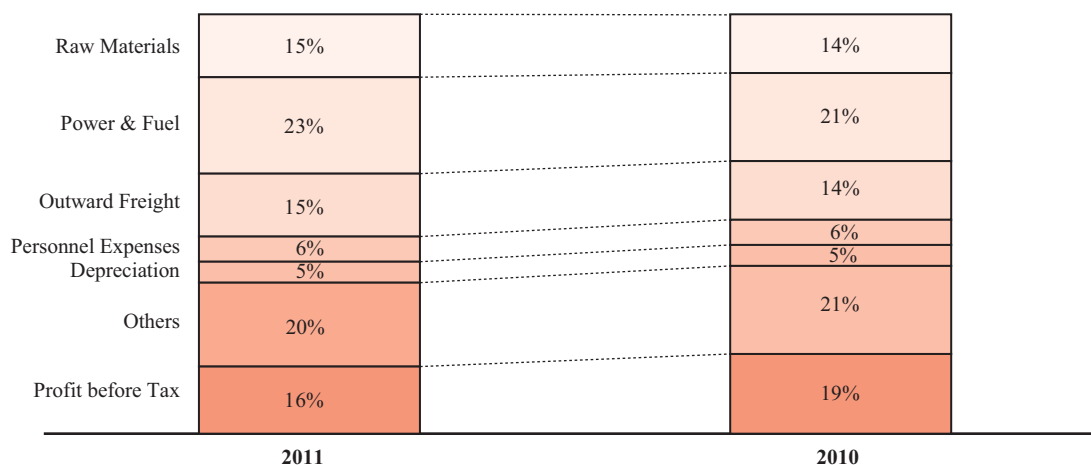
Financial Analysis of ACC Limited (Standalone)

The following table set forth the breakup of the Company's expenses as part of the Net Sales

Figures in ₹ Crore

| | 2011 | % of Net Sales | 2010 | % of Net Sales |
|---|-----------------|----------------|-----------------|----------------|
| Net Sales | 9,438.66 | 100% | 7,717.33 | 100% |
| Operating and Other Income | 413.54 | 4% | 356.93 | 5% |
| Increase in Stock in trade and Work in progress | (94.39) | -1% | (56.58) | -1% |
| Consumption of Raw materials | 1,428.00 | 15% | 1,106.58 | 14% |
| Purchase of Traded Cement | 169.78 | 2% | 117.63 | 2% |
| Personnel Expenses | 525.69 | 6% | 461.89 | 6% |
| Power & Fuel | 2,183.19 | 23% | 1,598.67 | 21% |
| Outward Freight charges on Cement etc. | 1,401.71 | 15% | 1,070.30 | 14% |
| Depreciation & Amortisation | 475.30 | 5% | 392.68 | 5% |
| Other Expenditure | 2,125.59 | 22% | 1,864.86 | 24% |
| Interest Expenses | 96.91 | 1% | 56.78 | 1% |
| Profit before Tax | 1,540.42 | 16% | 1,461.45 | 19% |

Components of Net Sales (%)



1. Net Sales:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|---------------------------------------|-----------|----------|----------|----------|
| Sale of Products and Services (Gross) | 10,478.39 | 8,563.71 | 1,914.68 | 22.36% |
| Less - Excise Duty | 1,039.73 | 846.38 | 193.35 | 22.84% |
| Sale of Products and Services (Net) | 9,438.66 | 7,717.33 | 1,721.33 | 22.30% |

Net sales has increased due to following:-

- Cement Sales volume during the current year at 23.73 million tonnes recorded an increase of 11.46% over previous year.

2. Operating and other income:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|------------------------|--------|--------|---------|----------|
| Other Operating Income | 221.63 | 258.45 | (36.82) | -14.25% |
| Other Income | 191.91 | 98.48 | 93.43 | 94.87% |

Other Operating Income has decreased due to decrease in sale of surplus generated power.

Other Income is increased primarily on account of increase in interest received on bank deposits as well as profit on sale of current investments.

3. Purchase of Trading Cement:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|----------------------------|--------|--------|--------|----------|
| Purchase of Trading Cement | 169.78 | 117.63 | 52.15 | 44.33% |

Purchase of Trading Cement has increased due to increase in quantity by 40% from 0.30 to 0.42 million tonnes.

4. Raw Materials Consumed:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|------------------------|----------|----------|--------|----------|
| Raw Materials Consumed | 1,428.00 | 1,106.58 | 321.42 | 29.05% |

Consumption of Raw Materials has increased due to following:-

- Cement production during the current year at 23.46 million tonnes recorded an increase of 11% over previous year, this was made possible by stabilization of recently added capacity at chanda and wadi, coupled with enhanced availability from other plants.

- Steep escalations in major input cost such as Gypsum and Fly ash as well as increase in freight cost on inter unit clinker transfer.

5. Power and Fuel:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|----------------|----------|----------|--------|----------|
| Power and Fuel | 2,183.19 | 1,598.67 | 584.52 | 36.56% |

Power and Fuel cost has increased due to following:-

- Clinker production increased by 18% over the previous year.
- Steep escalations in the cost of imported and domestic coal:-
 - Average Imported coal price increased by 21%.
 - Increase in domestic coal prices w.e.f. March 01, 2011 by Coal India Limited, the average domestic coal price increased by 23%.
- Increase in power tariff by 13%.
- The impact of increase in prices of different grades of coal was partially offset by improvement in consumption norms and improved efficiency of equipment. All of these have resulted in reduction of power consumption from 105.95 kwh/t of cement to 92.92 kwh/t.

6. Personnel Expenses:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|--------------------|--------|--------|--------|----------|
| Personnel Expenses | 525.69 | 461.89 | 63.80 | 13.81% |

Personnel expenses increased due to normal increments and platinum jubilee incentive paid during the current year. Increase in employee cost is partially offset by lower provision of retirement benefits as the Company has recognised a debit of ₹ 28.10 Crore (Previous Year - ₹ 53.50 Crores).

7. Outward Freight Charges on Cement etc.:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|--|----------|----------|--------|----------|
| Outward Freight Charges on Cement etc. | 1,401.71 | 1,070.30 | 331.41 | 30.96% |

Freight charges increased on account of following:-

- Increase in cement dispatches.
- Increase in freight rates by 12% from ₹ 660 per ton to ₹ 742 per ton, linked with diesel prices.

8. Other Expenses:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|---|-----------------|-----------------|---------------|---------------|
| Packing Materials consumed | 343.64 | 268.55 | 75.09 | 27.96% |
| Repairs | 455.45 | 474.03 | (18.58) | -3.92% |
| Royalty | 138.19 | 116.59 | 21.60 | 18.53% |
| Loading, Transportation and other charges | 237.03 | 186.21 | 50.82 | 27.29% |
| Discount, Rebates and Allowances | 84.00 | 80.08 | 3.92 | 4.90% |
| Rates and Taxes | 100.22 | 97.20 | 3.02 | 3.11% |
| Advertisement | 106.90 | 77.00 | 29.90 | 38.83% |
| Excise Duties | 103.94 | 115.14 | (11.20) | -9.73% |
| Rent | 18.96 | 19.75 | (0.79) | -4.00% |
| Insurance | 18.58 | 18.32 | 0.26 | 1.42% |
| Stores and Spare parts Consumed | 14.53 | 11.30 | 3.23 | 28.58% |
| Commission on Sales | 26.47 | 23.64 | 2.83 | 11.97% |
| Miscellaneous Expenses | 476.38 | 371.26 | 105.12 | 28.31% |
| Provision for Bad and Doubtful Debts and Advances | 1.31 | 5.79 | (4.48) | -77.37% |
| TOTAL | 2,125.60 | 1,864.86 | 260.74 | 13.98% |

Other expenses has increased on account of following:-

- Packing Materials cost has increase due to increase in bags consumed for cement dispatches by 11% as well as increase in price of bags by 16%.
- Royalty charges increased due to 18% increase in limestone quantity extracted.
- Advertisement Expenses increased due to spending on improving the brand visibility as well as expenditure on launching of new value added premium products.
- Miscellaneous Expense has gone up by 28.31% due to increase in third party services on account of trainings, tax, IT, various excellence projects and others.

9. Depreciation and Amortisation:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|-------------------------------|--------|--------|--------|----------|
| Depreciation and Amortisation | 475.30 | 392.68 | 82.62 | 21.04% |

There is increase in depreciation on account of assets capitalization of ₹ 1,589.64 Crore as compared to ₹ 1,333.66 Crore in the previous year.

During the current year there is commissioning of chanda expansion and other capitalizations.

10. Interest Expenses:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|-------------------|-------|-------|--------|----------|
| Interest Expenses | 96.91 | 56.78 | 40.13 | 70.68% |

Interest Expenses has increased due to decrease in interest capitalization by ₹ 35.32 Crore as compared to previous year.

11. Fixed Assets:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|--------------------------|----------|----------|------------|----------|
| Net Fixed Assets | 6,207.53 | 5,082.44 | 1,125.09 | 22.14% |
| Capital Work in progress | 435.32 | 1,562.80 | (1,127.48) | -72.14% |

Net Fixed Assets increased mainly due to commissioning of expansion at chanda having 7,000 tons per day capacity and other capitalizations.

12. Investments:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|-------------|----------|----------|---------|----------|
| Investments | 1,624.95 | 1,702.67 | (77.72) | -4.56% |

There is decrease in Investments on account of following:-

- Decrease in current investment by ₹ 127.71 Crore as compared to previous year.
- During the current year, the Company has subscribed ₹ 50 Crore to Equity Share Capital of its wholly owned subsidiary, ACC Concrete Limited.

13. Inventories:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|------------------------------------|----------|--------|--------|----------|
| Stock-in-trade and Stores & Spares | 1,099.70 | 914.98 | 184.72 | 20.19% |

Inventories has increased by due to followings:-

- Inventory of Raw materials was higher by 13% due to increase in volume and price of Gypsum.
- Increase in prices of coal led to increase in Coal inventory by 38.21%.
- Increase in prices of raw materials and fuel led to increase in value of finished and semi-finished products by ₹ 94.39 Crore.

14. Sundry Debtors:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|----------------|--------|--------|--------|----------|
| Sundry Debtors | 260.41 | 178.28 | 82.13 | 46.07% |

There is increase in Sundry Debtors as compared to previous year. During the current year, provision of ₹ 29.34 Crore written back pertaining to sales tax matter made in earlier years. The average collection days outstanding for cement sales as on December 31, 2011 is 4.60 as compared to 4.37 as on December 31, 2010.

15. Other Current Assets:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|----------------------|-------|-------|---------|----------|
| Other Current Assets | 15.01 | 56.12 | (41.11) | -73.25% |

During the current year, the Other Current Assets have gone down as compared to previous year.

16. Loans and Advances:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|--------------------|--------|--------|---------|----------|
| Loans and Advances | 590.26 | 623.94 | (33.68) | -5.40% |

Loans and Advances marginally decreased due to following:-

- Decrease in loans and advances to subsidiary companies by ₹ 30.36 Crore as compared to previous year.
- Decrease in advances to suppliers by ₹ 21.95 Crore as compared to previous year.
- Increase in deposits with railways, Govt bodies and others by ₹ 19.08 Crore.

17. Current Liabilities:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|---------------------|----------|----------|--------|----------|
| Current Liabilities | 2,610.36 | 2,250.55 | 359.81 | 15.99% |

Current Liabilities have increased as compared to previous year on account of higher provision for marketing and sales expenses, which in turn is arising out of higher sales volume during the current year and increase in provision for expenses in line with increase in production.

18. Provisions:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|------------|----------|----------|----------|----------|
| Provisions | 1,054.02 | 1,495.87 | (441.85) | -29.54% |

Provisions has decreased due to followings:-

- Employee benefits provision has increased by ₹ 16.42 Crore on account of change in discount rate as well as change in assumption for salary escalation rates.
- Decrease in provision for income tax by ₹ 382.06 Crore (₹ 227.97 Crore written back pertaining to earlier years).

19. Loan Funds:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|-----------------|--------|--------|--------|----------|
| Secured Loans | 500.00 | 509.93 | (9.93) | -1.95% |
| Unsecured Loans | 10.73 | 13.89 | (3.16) | -22.75% |

There is marginal decrease in Loan funds on account of repayment of loans.

20. Cash Flow:

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|---|----------|----------|----------|----------|
| Net Cash Flow From Operating Activities | 1,577.38 | 1,935.38 | (358.00) | -18.50% |

The Net Cash From Operating Activities is decreased due to following:-

- Increase in Direct taxes paid (net) during the current year.
- Higher operating EBITDA during the current year.
- Decrease in net working capital.

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|---|--------|--------|----------|----------|
| Net Cash Flow From Investing Activities | 264.24 | 812.25 | (548.01) | -67.47% |

During the current year, fund used in investing activities has decreased by due to following:

- Decreased in cash outflow for Capex purpose by ₹ 365.16 Crore.
- Increase in interest received by ₹ 83.88 Crore.

Figures in ₹ Crore

| | 2011 | 2010 | Change | Change % |
|---|--------|--------|--------|----------|
| Net Cash Flow From Financing Activities | 768.32 | 621.39 | 146.93 | 23.65% |

The Net Cash From Financing Activities is increased by due to higher payment of dividend and dividend distribution tax as compared to previous year.

Auditors' Report to the Members of ACC Limited

1. We have audited the attached Balance Sheet of ACC Limited ('the Company') as at December 31, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards 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 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) 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 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;
 - 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 the written representations received from the directors, as on December 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on December 31, 2011 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 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 December 31, 2011;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES

Firm Registration number: 101049W

Chartered Accountants

per Sudhir Soni

Partner

Membership No.: 41870

Place: Mumbai

Date: February 09, 2012

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our Report of even date)

Re: ACC Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (e) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct major weakness in the internal control system of the company in respect of these areas.
- (v) (a) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b) is not applicable.
- (vi) The Company has not accepted any deposits from the public to which the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 related to the manufacture of Cement, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (ix) (a) According to the records of the Company provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues have generally been regularly deposited during the year with appropriate authorities except ₹ 2.48 Crores at certain locations where

we are informed that the Company has applied for exemption from the operation of the Employees' State Insurance Act, 1948.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

₹ Crore

| | | Forum where dispute is pending | | | | |
|--|------------------------------------|--------------------------------|--|---------------|------------------|-----------------|
| Name of Statute (Nature of Dues) | Period to which the amount Relates | Commiss- ionarate | Appellate authorities & Tribunal | High Court | Supreme Court | Total Amount |
| Sales Tax (Tax/ Penalty/ Interest) | 1984-85 to 2011-12 | 86.64 | 59.99 | 28.62 | 6.02 | 181.27 |
| Central Excise Act (Duty/Penalty/ Interest) | 1994-95 to 2011-12 | 4.26 | 16.62 | 0.62 | 2.42 | 23.92 |
| Service Tax under Finance Act, 1994 (Tax/Penalty/ Interest) | 2005-06 to 2011-12 | - | 3.79 | - | - | 3.79 |
| Cess Matters | 2001-02 to 2011-12 | 6.94 | - | 1.75 | 15.78 | 24.47 |
| Income Tax Matters | 2006-07 | - | 6.68 | - | - | 6.68 |

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, bank or debenture holders.
- (xii) According to the information and explanation given to us and based on the documents and records produced before us, the company has not granted loans and advances on the basis of security by way of pledge of share, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has created securities or charge in respect of debentures issued and outstanding at the year end.
- (xx) The Company has not raised any money by the way of public issue during the year. Therefore the provisions of clause (xx) of the said Order are not applicable to the Company.
- (xxi) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by management, *except for certain instances of fraud on the Company by vendors and employees, as detailed in note 10 B in Schedule 18 to the financial statements*, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. BATLIBOI & ASSOCIATES

Firm Registration number: 101049W

Chartered Accountants

per Sudhir Soni

Partner

Membership No.: 41870

Place: Mumbai

Date: February 09, 2012

Balance Sheet as at December 31, 2011

| | Schedules | 2011 ₹ Crore | 2010 ₹ Crore |
|---|-----------|-----------------|-----------------|
| SOURCES OF FUNDS: | | | |
| Shareholders' Funds: | | | |
| Share Capital | 1 | 187.95 | 187.95 |
| Reserves and Surplus | 2 | 7,004.32 | 6,281.54 |
| | | 7,192.27 | 6,469.49 |
| Loan Funds: | | | |
| Secured Loans | 3 | 500.00 | 509.93 |
| Unsecured Loans | 4 | 10.73 | 13.89 |
| | | 510.73 | 523.82 |
| Deferred Tax Liabilities (Net) | 5 | 518.36 | 361.53 |
| TOTAL FUNDS | | 8,221.36 | 7,354.84 |
| APPLICATION OF FUNDS: | | | |
| Fixed Assets: | | | |
| | 6 | | |
| Gross Block | | 9,645.37 | 8,076.95 |
| Less: Accumulated Depreciation & Amortisation | | 3,437.84 | 2,994.51 |
| Net Block | | 6,207.53 | 5,082.44 |
| Capital Work-in-Progress (including Capital Advances) | | 435.32 | 1,562.80 |
| | | 6,642.85 | 6,645.24 |
| Investments | 7 | 1,624.95 | 1,702.67 |
| Current Assets, Loans and Advances: | | | |
| Inventories | 8 | 1,099.70 | 914.98 |
| Sundry Debtors | 9 | 260.41 | 178.28 |
| Cash and Bank Balances | 10 | 1,652.56 | 980.03 |
| Other Current Assets | 11 | 15.01 | 56.12 |
| Loans and Advances | 12 | 590.26 | 623.94 |
| | | 3,617.94 | 2,753.35 |
| Less : Current Liabilities and Provisions: | | | |
| Current Liabilities | 13 | 2,610.36 | 2,250.55 |
| Provisions | 14 | 1,054.02 | 1,495.87 |
| | | 3,664.38 | 3,746.42 |
| Net Current Assets | | (46.44) | (993.07) |
| TOTAL ASSETS | | 8,221.36 | 7,354.84 |
| Notes to Accounts | 18 | | |

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our report of even date

For and on behalf of the Board of Directors of ACC Limited,

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

per Sudhir Soni
Partner
Membership No. 41870

Mumbai, February 09, 2012

N. S. Sekhsaria
Chairman

Kuldip Kaura
CEO & Managing Director

Burjor D. Nariman
Company Secretary

Paul Hugentobler
Deputy Chairman

Sunil K. Nayak
Chief Financial Officer

S. M. Palia
Naresh Chandra
Markus Akermann
M. L. Narula
R. A. Shah
Shailesh Haribhakti
Aidan Lynam
Sushil Kumar Roongta
Ashwin Dani

Directors

Profit and Loss Account for the year ended December 31, 2011

| | Schedules | 2011 ₹ Crore | 2010 ₹ Crore |
|--|-----------|-----------------|-----------------|
| INCOME: | | | |
| Sale of Products and Services (Gross) | | 10,478.39 | 8,563.71 |
| Less - Excise Duty | | 1,039.73 | 846.38 |
| Sale of Products and Services (Net) {Refer Note - 19 & 24(A)} | | 9,438.66 | 7,717.33 |
| Other Operating Income | 15A | 221.63 | 258.45 |
| Other Income | 15B | 191.91 | 98.48 |
| | | 9,852.20 | 8,074.26 |
| EXPENDITURE: | | | |
| Purchase of Trading cement | | 169.78 | 117.63 |
| Manufacturing and other expenses | 16 | 7,569.79 | 6,045.72 |
| Depreciation and Amortisation | 6 | 475.30 | 392.68 |
| Interest expenses | 17 | 96.91 | 56.78 |
| | | 8,311.78 | 6,612.81 |
| Profit before Tax | | 1,540.42 | 1,461.45 |
| Provision for Tax | | | |
| Current Tax | | (295.43) | (411.16) |
| Tax adjustment for earlier years | | 227.97 | 82.00 |
| Deferred Tax Charge | | (147.70) | (12.28) |
| | | (215.16) | (341.44) |
| Profit after Tax | | 1,325.26 | 1,120.01 |
| Balance brought forward from Previous Year | | 3,381.41 | 3,203.85 |
| Profit available for appropriation | | 4,706.67 | 4,323.86 |
| Appropriations: | | | |
| Interim Dividend | | 206.52 | 187.75 |
| Proposed Final Dividend | | 319.17 | 384.88 |
| Dividend Distribution Tax | | 85.28 | 95.10 |
| Previous Year Dividend Distribution Tax | | (1.49) | (0.93) |
| Transfer to General Reserve | | 250.00 | 250.00 |
| Transfer to Debenture Redemption Reserve | | 25.00 | 25.00 |
| Transfer to Amortisation Reserve | | 0.65 | 0.65 |
| | | 885.13 | 942.45 |
| Surplus carried to Balance Sheet | | 3,821.54 | 3,381.41 |
| Earnings per Share {Face value of ₹ 10 each (Refer Note - 6)} | | | |
| Basic | | ₹ 70.59 | 59.66 |
| Diluted | | ₹ 70.42 | 59.52 |
| Notes to Accounts | 18 | | |

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date

For and on behalf of the Board of Directors of ACC Limited,

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

N. S. Sekhsaria
Chairman

Paul Hugentobler
Deputy Chairman

S. M. Palia
Naresh Chandra
Markus Akermann

per Sudhir Soni
Partner
Membership No. 41870

Kuldip Kaura
CEO & Managing Director

Sunil K. Nayak
Chief Financial Officer

M. L. Narula
R. A. Shah
Shailesh Haribhakti
Aidan Lynam
Sushil Kumar Roongta
Ashwin Dani

Directors

Mumbai, February 09, 2012

Burjor D. Nariman
Company Secretary

Cash Flow Statement for the year ended December 31, 2011

| | 2011 ₹ Crore | 2010 ₹ Crore |
|--|-----------------|-----------------|
| A. Cash flow from operating activities | | |
| 1 Net Profit before Tax | 1,540.42 | 1,461.45 |
| Adjustments for: | | |
| 2 Depreciation and Amortisation | 475.30 | 392.68 |
| 3 Loss on sale / write off of Fixed Assets (Net) | 9.44 | 38.37 |
| 4 Profit on Sale of Current Investments, Other than trade | (36.15) | - |
| 5 Interest and Dividend Income | (155.76) | (98.48) |
| 6 Interest Expense | 96.91 | 56.78 |
| 7 Provision for Bad and Doubtful Debts and Advances written back (Net) | (35.43) | (31.50) |
| 8 Capital Spares Consumed | 14.76 | 16.51 |
| 9 Wealth Tax provision | 0.15 | 0.71 |
| 10 Provision for obsolescence of spare parts | 6.05 | 71.19 |
| Operating profit before working capital changes | 1,915.69 | 1,907.71 |
| Movements in Working Capital: | | |
| 11 Decrease / (Increase) in Sundry debtors and Loans & advances | (37.65) | 84.88 |
| 12 Decrease / (Increase) in Inventories | (190.76) | (207.20) |
| 13 Decrease / (Increase) in Other current assets | 6.06 | 1.70 |
| 14 Increase / (Decrease) in Current liabilities and Provisions | 300.46 | 224.24 |
| Cash generated from operations | 1,993.80 | 2,011.33 |
| 15 Direct Taxes Paid - (Net of refunds) | (416.42) | (75.95) |
| Net Cash flow from operating activities | 1,577.38 | 1,935.38 |
| B. Cash flow from investing activities | | |
| 16 Loans to Subsidiary Companies | (30.64) | (58.77) |
| 17 Repayment of Loans from Subsidiary Companies | 61.00 | 23.13 |
| 18 Purchase of Fixed Assets (Including Capital work-in-progress) | (468.07) | (833.23) |
| 19 Proceeds from sale of Fixed Assets | 29.82 | 22.11 |
| 20 Profit on Sale of Current Investments, Other than trade | 36.15 | - |
| 21 Purchase of Investments | - | (37.16) |
| 22 Investment in subsidiary Company | (50.00) | (11.78) |
| 23 Investment in Deposits | - | (10.00) |
| 24 Dividend Received | 31.83 | 51.66 |
| 25 Interest Received | 125.67 | 41.79 |
| Net cash used in investing activities | (264.24) | (812.25) |
| C. Cash flow from financing activities | | |
| 26 Interest paid {includes capitalised ₹ 1.28 Crore (Previous Year - ₹ 36.60 Crore)} | (72.76) | (78.14) |
| 27 Proceeds from issue of Share Capital (Including Securities premium) | - | 0.08 |
| 28 (Repayment) / Proceeds of Short term Borrowings | (9.93) | 9.93 |
| 29 Repayment of Long term Borrowings | (3.16) | (53.03) |
| 30 Dividend paid (including Dividend Distribution Tax) | (682.47) | (500.23) |
| Net cash used in financing activities | (768.32) | (621.39) |
| Net increase / (decrease) in cash and cash equivalents | 544.82 | 501.74 |
| Cash and cash equivalents at the beginning of the year | 2,287.59 | 1,785.85 |
| Cash and cash equivalents at the end of the year | 2,832.41 | 2,287.59 |
| Components of cash and cash equivalents: | | |
| Cash and Bank Balances as per Balance sheet (Refer Schedule 10) | 1,652.56 | 980.03 |
| Add : Investment in Mutual Funds | 594.00 | 1,307.56 |
| Add : Investment in Certificate of Deposits | 585.85 | - |
| Cash and Cash equivalents in cash flow statement | 2,832.41 | 2,287.59 |

Note : Cash and Cash Equivalents includes ₹ 32.19 Crore (Previous Year - ₹ 27.33 Crore) in respect of Unclaimed Dividend, the balance of which is not available to the Company.

Notes to accounts form an integral part of the Cash flow statement

As per our report of even date

For and on behalf of the Board of Directors of ACC Limited,

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

N. S. Sekhsaria
Chairman

Paul Hugentobler
Deputy Chairman

S. M. Palia
Naresh Chandra
Markus Akermann

per Sudhir Soni
Partner
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Kuldip Kaura
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Shailesh Haribhakti
Aidan Lynam
Sushil Kumar Roongta
Ashwin Dani

Directors

Burjor D. Nariman
Company Secretary

Mumbai, February 09, 2012

Schedules forming part of the Balance Sheet

SCHEDULE - 1, SHARE CAPITAL

| | 2011 | 2010 |
|--|---------------|---------------|
| | ₹ Crore | ₹ Crore |
| AUTHORISED | | |
| 22,50,00,000 (Previous Year - 22,50,00,000) Equity Shares of ₹ 10 each | 225.00 | 225.00 |
| 10,00,00,000 (Previous Year - 10,00,00,000) Preference Shares of ₹ 10 each | 100.00 | 100.00 |
| | 325.00 | 325.00 |
| ISSUED | | |
| 18,87,93,243 (Previous Year - 18,87,93,243) Equity Shares of ₹ 10 each | 188.79 | 188.79 |
| SUBSCRIBED & PAID-UP | | |
| 18,77,45,356 (Previous Year - 18,77,45,356) Equity Shares of ₹ 10 each fully paid | 187.75 | 187.75 |
| Add : 3,84,060 (Previous Year - 3,84,060) Equity Shares of ₹ 10 each Forfeited - Amount Paid | 0.20 | 0.20 |
| | 187.95 | 187.95 |
| TOTAL | 187.95 | 187.95 |

Notes :

Out of the above

60,72,640 (Previous Year - 60,72,640) Equity Shares of ₹ 10 each, fully paid were issued for consideration other than cash pursuant to contracts.
9,19,52,080 (Previous Year - 9,19,52,080) Equity Shares of ₹ 10 each, fully paid were issued by way of Bonus Shares by utilisation of Securities Premium and Reserves.

9,38,88,120 (Previous Year - 9,01,78,937) Equity shares are held by Holcim (India) Private Limited, the holding company and 5,41,000 (Previous Year - 5,41,000) equity shares are held by Holderind Investments Ltd., Mauritius, both these Companies are subsidiaries of Holcim Ltd., Switzerland, the ultimate holding company.

SCHEDULE - 2, RESERVES AND SURPLUS

| | 2011 | 2010 |
|--|-----------------|-----------------|
| | ₹ Crore | ₹ Crore |
| Capital Reserve | | |
| Balance as per last account | 67.64 | 67.64 |
| Add: Reversal of capital subsidy Provision {Refer Note - 14B(b)} | 7.00 | - |
| | 74.64 | 67.64 |
| Securities Premium | | |
| Balance as per last account | 844.84 | 844.69 |
| Add: Additions on exercise of Employees Stock Option | - | 0.15 |
| | 844.84 | 844.84 |
| General Reserve | | |
| Balance as per last account | 1,919.86 | 1,669.86 |
| Add: Amount transferred from Profit and Loss Account | 250.00 | 250.00 |
| | 2,169.86 | 1,919.86 |
| Debenture Redemption Reserve | | |
| Balance as per last account | 60.00 | 35.00 |
| Add: Amount transferred from Profit and Loss Account | 25.00 | 25.00 |
| | 85.00 | 60.00 |
| Amortisation Reserve | | |
| Balance as per last account | 7.79 | 7.14 |
| Add: Amount transferred from Profit and Loss Account | 0.65 | 0.65 |
| | 8.44 | 7.79 |
| Profit and Loss Account | 3,821.54 | 3,381.41 |
| TOTAL | 7,004.32 | 6,281.54 |

Schedules forming part of the Balance Sheet

SCHEDULE - 3, SECURED LOANS

| | 2011 | 2010 |
|--|---------|---------|
| | ₹ Crore | ₹ Crore |
| PRIVATELY PLACED NON - CONVERTIBLE DEBENTURES | | |
| *Secured by a charge on all movable and immovable assets under the Debenture Trust Deed | | |
| (a) 2,000 (Previous Year 2,000) 11.30% Non-Convertible Debentures of ₹ 10,00,000 each redeemable at par on December 09, 2013 | 200.00 | 200.00 |
| (b) 3,000 (Previous Year 3,000) 8.45% Non-Convertible Debentures of ₹ 10,00,000 each redeemable at par on October 07, 2014 | 300.00 | 300.00 |
| Cash credit facility from Bank | - | 9.93 |
| *Secured by Hypothecation of inventory and books debts | | |
| TOTAL | 500.00 | 509.93 |

* The mortgage/charges indicated in above rank *pari-passu inter-se* and are subject to the prior charges in favour of the Company's Bankers on specific movable assets for securing working capital requirements / guarantee facilities.

SCHEDULE - 4, UNSECURED LOANS

| | 2011 | 2010 |
|---|---------|---------|
| | ₹ Crore | ₹ Crore |
| Long - Term Loans | | |
| Deferred payment Liability - IDCOL | 6.50 | 8.12 |
| {Due within one year ₹ 3.24 Crore (Previous Year - ₹ 3.24 Crore)} | | |
| (Refer Note - 20) | | |
| Deferred Sales Tax Loans | 4.23 | 5.77 |
| {Due within one year ₹ 1.41 Crore (Previous Year - ₹ 1.41 Crore)} | | |
| TOTAL | 10.73 | 13.89 |

SCHEDULE - 5, DEFERRED TAX LIABILITIES (Net)

| | 2011 | 2010 |
|--|---------|---------|
| | ₹ Crore | ₹ Crore |
| Deferred Tax Liabilities arising on account of: | | |
| Depreciation and amortisation differences | 692.87 | 533.88 |
| | 692.87 | 533.88 |
| Deferred Tax Assets arising on account of: | | |
| Provision for Employee Benefits | 48.73 | 47.84 |
| Expenditure debited to Profit and loss Account but allowed for tax purposes in the following years | 62.54 | 67.62 |
| Provision for obsolescence of Spare Parts | 25.06 | 23.65 |
| Others | 38.18 | 33.24 |
| | 174.51 | 172.35 |
| Net Deferred Tax Liabilities | 518.36 | 361.53 |

Schedules forming part of the Balance Sheet

SCHEDULE - 6, FIXED ASSETS

₹ Crore

| FIXED ASSETS | | | GROSS BLOCK AT COST | | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | |
|---------------------------|---|--|---------------------|---------------------------|----------------------------|---------------------|-----------------------------|-----------------|----------------------------|---------------------|---------------------|---------------------|
| | | | As at 01/01/2011 | Additions/ Adjustments | Deductions/ Adjustments | As at 31/12/2011 | As at 01/01/2011 | For the Year | Deductions/ Adjustments | As at 31/12/2011 | As at 31/12/2011 | As at 31/12/2010 |
| Tangible Assets: | | | | | | | | | | | | |
| 1. | Freehold Land | 192.44 | 56.30 | 0.07 | 248.67 | - | - | - | - | 248.67 | 192.44 | |
| 2. | Leasehold Land | 57.61 | 1.09 | - | 58.70 | 30.62 | 4.19 | - | 34.81 | 23.89 | 26.99 | |
| 3. | Buildings | 812.86 | 129.54 | 0.68 | 941.72 | 156.51 | 26.68 | 0.25 | 182.94 | 758.78 | 656.35 | |
| 4. | Plant and Machinery | 6,462.00 | 1,328.56 | 51.61 | 7,738.95 | 2,586.12 | 417.41 | 28.13 | 2,975.40 | 4,763.55 | 3,875.88 | |
| 5. | Roads, Bridges and Fences | 134.48 | 32.78 | 0.15 | 167.11 | 39.32 | 6.15 | 0.13 | 45.34 | 121.77 | 95.16 | |
| 6. | Railway Sidings | 99.22 | 54.51 | - | 153.73 | 30.41 | 5.16 | - | 35.57 | 118.16 | 68.81 | |
| 7. | Rolling Stock | 93.10 | 26.78 | 0.11 | 119.77 | 52.70 | 3.33 | - | 56.03 | 63.74 | 40.40 | |
| 8. | Furniture, Fixtures and Equipments | 116.40 | 13.49 | 2.58 | 127.31 | 33.96 | 6.44 | 1.61 | 38.79 | 88.52 | 82.44 | |
| 9. | Vehicles | 34.21 | 2.46 | 3.30 | 33.37 | 13.05 | 2.99 | 1.85 | 14.19 | 19.18 | 21.16 | |
| Sub Total | | 8,002.32 | 1,645.51 | 58.50 | 9,589.33 | 2,942.69 | 472.35 | 31.97 | 3,383.07 | 6,206.26 | 5,059.63 | |
| Intangible Assets: | | | | | | | | | | | | |
| 10. | Computer Software | 55.61 | 0.43 | - | 56.04 | 51.82 | 2.95 | - | 54.77 | 1.27 | 3.79 | |
| 11. | Mining Right (Refer Note - 21) | 19.02 | - | 19.02 | - | - | - | - | - | - | 19.02 | |
| Sub Total | | 74.63 | 0.43 | 19.02 | 56.04 | 51.82 | 2.95 | - | 54.77 | 1.27 | 22.81 | |
| TOTAL | | 8,076.95 | 1,645.94 | 77.52 | 9,645.37 | 2,994.51 | 475.30 | 31.97 | 3,437.84 | 6,207.53 | 5,082.44 | |
| Previous Year | | 6,826.27 | 1,411.88 | 161.20 | 8,076.95 | 2,667.98 | 392.68 | 66.15 | 2,994.51 | 5,082.44 | | |
| 12. | Capital Work-in-Progress {Including Capital advances ₹ 69.69 Crore (Previous Year - ₹ 97.28 Crore)} | | | | | | | | | | 435.32 | 1,562.80 |
| Notes:- | (i) | Buildings include cost of Shares ₹ 5,710 (Previous Year - ₹ 5,960) in various Co-operative Housing Societies, in respect of 16 residential flats (Previous Year - 17). | | | | | | | | | | |
| | (ii) | Rolling stock includes assets given on lease to Railways under "Own Your Wagons" Scheme, Gross Block ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore) and accumulated depreciation ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore). | | | | | | | | | | |
| | (iii) | Plant & Machinery and Roads, Bridges & Fences include Gross Block of ₹ 12.68 Crore (Previous Year - ₹ 12.68 Crore), ₹ 26.17 Crore (Previous Year - ₹ 26.17 Crore), and Net Block ₹ Nil (Previous Year - ₹ 0.30 Crore), ₹ 0.37 Crore (Previous Year - ₹ 4.35 Crore), respectively, in respect of expenditure incurred on capital assets, ownership of which does not vest with the Company. | | | | | | | | | | |

Schedules forming part of the Balance Sheet

SCHEDULE - 7, INVESTMENTS

| | 2011 | 2010 | 2011 | 2010 |
|--|-------------|-------------|---------|---------|
| | Numbers | Numbers | ₹ Crore | ₹ Crore |
| Long - Term Investments (At Cost) | | | | |
| Trade Investments | | | | |
| (a) Equity Shares - Fully Paid (Quoted):- | | | | |
| Face value ₹ 2 each | | | | |
| Shiva Cement Limited | 23,650,000 | 23,650,000 | 23.65 | 23.65 |
| (b) Equity Shares - Fully Paid (Unquoted):- | | | | |
| Face value ₹ 10 each | | | | |
| Alcon Cement Company Private Limited | 408,001 | 408,001 | 22.25 | 22.25 |
| Asian Concretes and Cements Private Limited | 8,100,000 | 8,100,000 | 36.81 | 36.81 |
| Moira Madhujore Coal Limited | 47,507 | 47,507 | 0.35 | 0.35 |
| | | | 83.06 | 83.06 |
| Subsidiary Companies | | | | |
| (a) Equity Shares - Fully Paid (Unquoted):- | | | | |
| Face value ₹ 10 each | | | | |
| Bulk Cement Corporation (India) Limited | 31,842,050 | 31,842,050 | 37.27 | 37.27 |
| ACC Concrete Limited | 150,000,000 | 100,000,000 | 150.00 | 100.00 |
| Encore Cement and Additives Private Limited | 5,000,000 | 5,000,000 | 11.78 | 11.78 |
| Face value ₹ 100 each | | | | |
| Lucky Minmat Limited | 325,000 | 325,000 | 38.10 | 38.10 |
| ACC Mineral Resources Limited | 495,000 | 495,000 | 4.95 | 4.95 |
| National Limestone Company Private Limited | 8,650 | 8,650 | 16.24 | 16.24 |
| (b) 1% Cumulative Redeemable Preference Share Fully paid (Unquoted) :- | | | | |
| Face value ₹ 10 each | | | | |
| ACC Concrete Limited | 100,000,000 | 100,000,000 | 100.00 | 100.00 |
| | | | 358.34 | 308.34 |
| Other than trade investments | | | | |
| (a) Government Securities (Unquoted) | | | | |
| Face value ₹ 1,000,000 each | | | | |
| 5.13% Himachal Pradesh Infrastructure Development Board Bonds | 37 | 37 | 3.70 | 3.71 |
| {Includes ₹ Nil (Previous Year - ₹ 0.01 Crore) | | | | |
| deposited with Government and others as security deposit} | | | | |
| (b) Equity Shares - Fully Paid (Unquoted):- | | | | |
| Face value ₹ 10 each | | | | |
| * Kanoria Sugar & General Mfg. Company Limited | 4 | 4 | - | - |
| * Gujarat Composites Limited | 60 | 60 | - | - |
| * Rohtas Industries Limited | 220 | 220 | - | - |
| * The Jaipur Udyog Limited | 120 | 120 | - | - |
| * Digvijay Finlease Limited | 90 | 90 | - | - |
| * The Travancore Cement Company Limited | 100 | 100 | - | - |
| * Ashoka Cement Limited | 50 | 50 | - | - |
| Face value ₹ 5 each | | | | |
| * The Sone Valley Portland Cement Company Limited | 100 | 100 | - | - |
| | | | 3.70 | 3.71 |

Schedules forming part of the Balance Sheet

SCHEDULE - 7, INVESTMENTS - (Contd.)

| | 2011 | 2010 | 2011 | 2010 |
|--|-------------|----------------|---------|---------|
| | Units as at | Units as at | ₹ Crore | ₹ Crore |
| Current Investments, other than trade (lower of cost or fair value) | | | | |
| Investment in Certificate of Deposits - Fully paid-up (unquoted):- | | | | |
| Unit of Face value ₹ 100,000 each | | | | |
| UCO Bank | 10,000 | - | 97.61 | - |
| Punjab National Bank | 10,000 | - | 97.61 | - |
| Bank of Maharashtra | 10,000 | - | 97.62 | - |
| Cebtral Bank of India | 10,000 | - | 97.61 | - |
| Oriental Bank | 10,000 | - | 97.70 | - |
| Indian Overseas Bank | 10,000 | - | 97.70 | - |
| | | | 585.85 | - |
| Investment in Mutual Funds - Fully paid-up (Unquoted):- | | | | |
| Unit of Face value ₹ 10 each | | | | |
| Baroda Pioneer Liquid Fund Institutional | - | 20,022,161.126 | - | 20.03 |
| Birla Sun Life Cash Manager Institutional Premium | - | 16,108,279.614 | - | 16.11 |
| Birla Sun Life Cash Plus Institutional Premium | - | 39,970,577.980 | - | 40.05 |
| DSP Blackrock - FMP 3m Series 21 | - | 10,000,000.000 | - | 10.17 |
| DSP Blackrock - FMP 3m Series 22 | - | 20,000,000.000 | - | 20.31 |
| DSP Blackrock - FMP 3m Series 23 | - | 25,000,000.000 | - | 25.31 |
| DSP Blackrock - FMP 3m Series 24 | - | 13,003,672.000 | - | 13.11 |
| DWS Treasury Fund - Cash - Institutional | - | 12,058,165.703 | - | 12.12 |
| Fidelity - Ultra Short Term Debt Fund - Super IP | - | 37,066,808.016 | - | 37.09 |
| HDFC - Qif - Plan B | - | 18,936,435.177 | - | 19.26 |
| HDFC - Qif - Plan C | - | 10,001,468.213 | - | 10.11 |
| HDFC Floating Rate Income Fund - STP | - | 5,016,321.395 | - | 5.06 |
| HDFC Liquid Fund - Premium Plan | - | 32,638,005.426 | - | 40.01 |
| ICICI Prudential Interval Fund III Quarterly Interval Plan | - | 8,001,121.304 | - | 8.12 |
| ICICI Prudential Quarterly Interval II | - | 24,002,811.678 | - | 24.20 |
| IDBI Liquid Fund | - | 38,172,468.243 | - | 38.18 |
| IDFC Cash Fund - Plan C - Institutional | - | 20,005,370.997 | - | 20.01 |
| IDFC Money Manager Fund - TP - Super Inst Plan C | - | 8,098,770.811 | - | 8.10 |
| JM High Liquidity - Super IP | - | 41,006,468.989 | - | 41.08 |
| JM Money Manager Fund Regular Plan | - | 8,084,491.036 | - | 8.09 |
| Kotak Flexi Debt Fund - IP | - | 9,972,049.911 | - | 10.02 |
| Kotak Liquid - Institutional Premium | - | 36,064,337.314 | - | 44.10 |
| Kotak QIP -Series 10 - Inst | - | 9,999,999.909 | - | 10.14 |
| Kotak QIP -Series 9 | - | 15,000,956.714 | - | 15.26 |
| Kotak Quarterly Interval Plan - Series 5 | - | 13,000,000.000 | - | 13.19 |
| L & T Liquid Fund - Super IP | - | 8,908,528.415 | - | 9.01 |
| Principal Pnb Fmp 64 - 91d - Series XXV | - | 15,000,000.000 | - | 15.14 |
| Principal Pnb Fmp 65 - 91d - Series XXVI | - | 10,001,537.177 | - | 10.14 |
| Principal Pnb Fmp 91d - Series XXIV | - | 30,000,000.000 | - | 30.47 |
| Religare Active Income Fund Institutional | - | 10,125,685.700 | - | 10.13 |
| Religare Liquid Fund - Institutional Plan | - | 18,037,826.480 | - | 18.05 |
| Religare Liquid Fund - Super Institutional Plan | - | 12,065,015.001 | - | 12.07 |
| Religare Fmp Series IV Plan A - 3m | - | 25,000,000.000 | - | 25.33 |
| Religare Fmp Series IV Plan C - 3m | - | 20,000,000.000 | - | 20.17 |
| SBI - Debt Fund Series - 90d - 36 | - | 26,007,792.000 | - | 26.11 |
| SBI - Debt Fund Series - 90d - 37 | - | 15,000,000.000 | - | 15.06 |

Schedules forming part of the Balance Sheet

SCHEDULE - 7, INVESTMENTS - (Contd.)

| | 2011 | 2010 | 2011 | 2010 |
|---|----------------|----------------|-----------------|-----------------|
| | Units as at | Units as at | ₹ Crore | ₹ Crore |
| Current Investments, other than trade (lower of cost or fair value) | | | | |
| SBI - SHF - Ultra Short Term Fund - Institutional Plan | - | 16,185,329.803 | - | 16.20 |
| SBI Magnum Instacash Fund | - | 84,285,756.222 | - | 141.18 |
| SBI Premier Liquid Fund - Super IP | - | 32,943,173.848 | - | 33.05 |
| Sundaram - QIP - Interval Plan - D - Inst | - | 15,000,000.000 | - | 15.25 |
| Sundaram - QIP - Interval Plan - E - Inst | - | 10,000,000.000 | - | 10.09 |
| Sundaram - QIP - Interval Plan - C - Inst | - | 15,002,258.477 | - | 15.18 |
| Sundaram Flexible Fund St Institutional | - | 19,853,963.460 | - | 20.04 |
| Sundaram Money Fund - Super Inst | - | 8,989,015.061 | - | 9.07 |
| Sundaram Money Fund - Super Inst | - | 19,897,841.822 | - | 20.08 |
| Sundaram Ultra Short Term Fund - Super Inst | - | 17,100,327.405 | - | 17.17 |
| Tata Floater Fund | - | 7,050,405.801 | - | 7.08 |
| Tata Liquid Fund - Ship | - | 19,960,848.457 | - | 20.03 |
| Templeton India - Ultra Short Bond Fund - Super Institutional | - | 10,004,321.517 | - | 10.02 |
| UTI - FIIF - Quarterly Plan - Series III - Inst | - | 14,002,112.074 | - | 14.11 |
| UTI - FIIF - Series II - QIP - IV - IP | - | 25,001,058.025 | - | 25.38 |
| Fidelity Cash Fund - Super IP - Gr | 11,953,816.080 | - | 17.00 | - |
| JP Morgan India Liquid Fund - Super - Gr | 18,434,403.020 | - | 25.00 | - |
| SBI Premier Liquid Fund - Super IP - Gr | 54,675,349.922 | - | 90.00 | - |
| Unit of Face value ₹ 100 each | | | | |
| ICICI Prudential Flexible Income Plan Premium | - | 574,005.982 | - | 6.07 |
| ICICI Prudential Liquid Super Institutional Plan | - | 4,403,186.341 | - | 44.04 |
| ICICI Prudential Ultra Short Term Plan Super Premium | - | 2,001,214.827 | - | 20.02 |
| Birla Sunlife Cashplus - Inst.Prem.Plan - Gr | 1,491,883.557 | - | 25.00 | - |
| DWS Insta Cash Plus Fund - Super IP - Gr | 3,710,297.038 | - | 50.00 | - |
| ICICI Prudential Liquid Fund - Super IP - Gr | 2,539,546.932 | - | 39.00 | - |
| Unit of Face value ₹ 1,000 each | | | | |
| Axis Liquid Fund | - | 351,124.468 | - | 35.12 |
| DSP Black Rock Cash Plus Fund Institutional | - | 50,525.227 | - | 5.06 |
| DSP Black Rock Liquidity Fund Institutional | - | 300,293.139 | - | 30.04 |
| DSP Black Rock Money Manager Fund Institutional | - | 190,669.903 | - | 19.07 |
| Pramerica Liquid Fund | - | 131,343.144 | - | 13.13 |
| Templeton India - TMA - Super Institutional Plan | - | 199,903.275 | - | 20.00 |
| UTI - FRF - STP - Institutional | - | 201,288.501 | - | 20.14 |
| UTI Treasury Advantage Fund - IP | - | 200,268.944 | - | 20.03 |
| Axis Liquid Fund - IP - Gr | 543,904.288 | - | 63.00 | - |
| DSP Blackrock Liquidity Fund - IP - Gr | 166,877.767 | - | 25.00 | - |
| IDBI Liquid Fund - Gr | 537,523.564 | - | 60.00 | - |
| Pramerica Liquid Fund - Gr | 223,953.272 | - | 25.00 | - |
| Principal Cash Management Fund - Gr | 399,531.773 | - | 65.00 | - |
| Religare Liquid Fund - Super Ip - Gr | 358,490.218 | - | 60.00 | - |
| UTI Liquid Fund - Cash Plan - IP - Gr | 293,681.367 | - | 50.00 | - |
| | | | 594.00 | 1,307.56 |
| TOTAL | | | 1,624.95 | 1,702.67 |
| Notes (I) Aggregate amount of quoted Investments {Market value ₹ 11.90 Crore (Previous Year - ₹ 19.18 Crore)} | | | 23.65 | 23.65 |
| Aggregate amount of unquoted Investments | | | 1,601.30 | 1,679.02 |
| (II) * Denotes amount less than ₹ 50,000 | | | | |

Schedules forming part of the Balance Sheet

SCHEDULE - 7, INVESTMENTS - (Contd.)

(III) During the year the Company acquired and sold the following investments in Mutual Funds

| PARTICULARS | Face Value | No. of Units | Purchase Cost |
|---|------------|-----------------|---------------|
| | ₹ | | ₹ Crore |
| Axis Liquid Fund - IP -Ddr | 1,000 | 1,799,863.011 | 180.00 |
| Axis Liquid Fund - IP - Gr | 1,000 | 4,852,164.670 | 546.07 |
| Axis Treasury Advantage Fund - Gr | 1,000 | 367,385.162 | 40.00 |
| Baroda Pioneer Liquid Fund - Institutional - Daily Dividend | 1,000 | 79,949.632 | 8.00 |
| Birla Sun Life - Savings Fund - Institutional Premium - Dividend | 10 | 74,949,034.656 | 75.00 |
| Birla Sun Life Cash Plus - Institutional Premium - Dividend | 10 | 134,737,262.338 | 135.00 |
| Birla Sunlife - Savings Fund - Institutional - Gr | 10 | 96,455,785.740 | 180.00 |
| Birla Sunlife Cash Plus - Inst. Premium Plan - Gr | 10 | 340,259,159.295 | 545.00 |
| Birla Sunlife Cash Plus - Inst. Premium Plan - Gr | 100 | 14,740,642.537 | 245.00 |
| BNP Paribas Overnight Fund - IP - Gr | 10 | 152,853,495.946 | 234.00 |
| BNP Paribas Overnight Fund - IP - Ddr | 10 | 73,977,806.658 | 74.00 |
| DSP Blackrock Liquidity Fund - IP -Gr | 1,000 | 4,023,321.688 | 580.00 |
| DSP Black Rock Liquidity Fund - Institutional - Dividend | 1,000 | 1,069,661.880 | 107.00 |
| DSP Blackrock Liquidity Fund - IP - Ddr | 1,000 | 1,759,443.840 | 176.00 |
| DSP Blackrock Momey Manager Fund - IP - Gr | 1,000 | 585,782.460 | 80.00 |
| DWS Insta Cash - Institutional - Daily Divd | 100 | 2,492,423.034 | 25.00 |
| DWS Insta Cash Plus Fund - Super IP - Ddr | 100 | 6,779,390.652 | 109.00 |
| DWS Insta Cash Plus Fund - Super IP - Gr | 100 | 20,079,783.049 | 265.00 |
| DWS Treasury Fund Cash -IP - Gr | 100 | 1,517,533.312 | 17.00 |
| Fidelity - Ultra Short Term Debt Fund - Super IP - Daily Dividend | 10 | 16,981,490.176 | 17.00 |
| Fidelity - Ultra Short Term Debt Fund - Super IP - Daily Gr | 10 | 39,284,395.452 | 50.00 |
| Fidelity Cash Fund -Super IP - Gr | 10 | 66,251,021.793 | 90.00 |
| Fidelity - Ultra Short Term Debt Fund - Institutional- Gr | 10 | 5,711,395.049 | 7.00 |
| HDFC - Frif - Stf - WP - Dividend | 10 | 19,839,498.457 | 20.00 |
| HDFC Cash Management Fund - Treasury - WP - Dividend | 10 | 14,952,898.370 | 15.00 |
| HDFC Cash Management Fund - Treasury Plan - Dividend | 10 | 18,803,354.518 | 20.00 |
| HDFC Liquid Fund - Premium Plan - Dividend | 10 | 44,862,069.528 | 55.00 |
| HDFC Liquid Fund - Premium Plan - Gr | 10 | 80,634,326.686 | 165.00 |
| ICICI Prudential Super Institutional Plan -Daily Dividend | 100 | 5,198,825.066 | 52.00 |
| ICICI Prudential - Flexible Income Plan - Premium - Dividend | 100 | 3,783,042.512 | 40.00 |
| ICICI Prudential Flexible Income Plan - Premium - Gr | 100 | 8,205,002.535 | 150.00 |
| ICICI Prudential Liquid Fund - Super IP - Ddr | 100 | 15,196,565.576 | 152.00 |
| ICICI Prudential Liquid Fund - Super IP - Gr | 100 | 44,684,362.628 | 664.00 |
| IDBI Liquid Fund - Gr | 1,000 | 4,275,060.810 | 465.00 |
| IDBI Liquid Fund -Ddr | 1,000 | 1,090,000.000 | 109.00 |
| IDFC Cash Fund - Plan C - Institutional - Dividend | 10 | 124,968,757.811 | 125.00 |
| IDFC Cash Fund - Plan C - Super IP - Gr | 10 | 132,064,933.245 | 165.00 |
| JM High Liquidity - Super IP - Daily Dividend | 10 | 101,831,977.238 | 102.00 |
| JP Morgan India Liquid Fund - Super - Gr | 10 | 100,915,291.138 | 133.00 |
| JP Morgan India Liquid Fund - Super -IP -Gr | 10 | 11,585,874.502 | 15.00 |

Schedules forming part of the Balance Sheet

SCHEDULE - 7, INVESTMENTS - (Contd.)

| PARTICULARS | Face Value | No. of Units | Purchase Cost |
|---|------------|-----------------|---------------|
| | ₹ | | ₹ Crore |
| Kotak Bond Short Term Fund -Gr | 10 | 42,358,073.978 | 80.00 |
| Kotak Floater - Lt - Gr | 10 | 25,664,057.487 | 40.00 |
| Kotak Floater - St - Dividend | 10 | 18,781,755.995 | 19.00 |
| Kotak Floater - St - Gr | 10 | 98,283,318.108 | 158.00 |
| Kotak Liquid - Inst. Premium Plan - Gr | 10 | 186,949,950.832 | 383.00 |
| Kotak Liquid - Institutional Premium - Daily Dividend | 10 | 129,219,044.538 | 153.00 |
| L & T Liquid Fund - IP - Dividend | 10 | 15,816,059.231 | 16.00 |
| L & T Liquid -IP - Gr | 10 | 7,999,560.024 | 16.00 |
| Pramerica Liquid Fund - Dividend | 1,000 | 149,985.751 | 15.00 |
| Pramerica Ultra Short Term Bond Fund - Gr | 1,000 | 479,799.574 | 50.00 |
| Pramerica Liquid Fund -Gr | 1,000 | 1,085,425.382 | 115.00 |
| Principal Cash Management Fund - Ddr | 10 | 64,995,450.318 | 65.00 |
| Principal Cash Management Fund - Gr | 10 | 223,470,193.141 | 350.00 |
| Principal Cash Management Fund - Institutional Premium | 10 | 19,998,600.098 | 20.00 |
| Principal Near Term Fund - Conservative - Gr | 10 | 32,238,513.418 | 50.00 |
| Reliance Liquid Fund - Cash Plan - Ddr | 10 | 17,950,904.277 | 20.00 |
| Religare Liquid Fund - Super Institutional - Dividend | 1,000 | 289,772.558 | 29.00 |
| Religare Credit Opportunities Fund - IP - Gr | 10 | 44,541,049.031 | 50.00 |
| Religare Liquid Fund - Super IP - Ddr | 1,000 | 999,215.716 | 100.00 |
| Religare Liquid Fund - Super IP - Gr | 1,000 | 2,425,364.983 | 335.00 |
| Religare Ultra Short Term Fund - IP - Gr | 1,000 | 369,817.862 | 50.00 |
| SBI - Shdf - Ultra Short Term - IP - Gr | 10 | 62,492,188.476 | 80.00 |
| SBI Magnum Instacash Fund - Dividend | 10 | 8,955,063.491 | 15.00 |
| SBI Magnum Instacash Fund - Gr | 10 | 41,707,750.704 | 93.00 |
| SBI Premier Liquid Fund - Super IP - Ddr | 10 | 429,603,787.690 | 431.00 |
| SBI Premier Liquid Fund - Super IP - Gr | 10 | 468,457,370.979 | 752.00 |
| Sundaram Money Fund - Super Inst - Dividend | 10 | 49,527,998.177 | 50.00 |
| Sundaram Money Fund - Super IP - Ddr | 10 | 59,433,597.813 | 60.00 |
| Sundaram Money Fund - Super IP - Gr | 10 | 38,663,539.575 | 81.00 |
| Tata Floater Fund - Dividend | 10 | 55,801,347.204 | 56.00 |
| Tata Liquid - Shif - Dividend | 1,000 | 1,453,540.538 | 162.00 |
| Tata Liquid-Shif -Gr | 1,000 | 1,579,474.267 | 294.00 |
| Taurus Liquid Fund - Super Ins. -Gr | 1,000 | 46,478.829 | 5.00 |
| Taurus Short Term Income Fund - Gr | 1,000 | 409,097.510 | 70.00 |
| Tempelton India - Tma - Super IP - Gr | 1,000 | 1,207,633.521 | 182.00 |
| Templeton India - Tma - Super IP - Dividend | 1,000 | 379,744.432 | 38.00 |
| Templeton India Ultra Short Bond Fund - Super Inst - Dividend | 10 | 14,982,620.161 | 15.00 |
| UTI - Floating Rate Fund - Short Term Plan - Inst - Dividend | 1,000 | 579,553.338 | 58.00 |
| UTI Liquid Fund - Cash Plan -IP -Gr | 1,000 | 146,604.006 | 25.00 |
| UTI Treasury Advantage Fund - IP - Daily Dividend | 1,000 | 796,056.612 | 80.00 |
| TOTAL | | | 10,893.07 |

Schedules forming part of the Balance Sheet

SCHEDULE - 8, INVENTORIES (At cost or net realisable value whichever is lower)

| | 2011 | 2010 |
|--|-----------------|---------------|
| | ₹ Crore | ₹ Crore |
| Raw Materials | 156.33 | 138.50 |
| Stores & Spare Parts, Packing Material and Fuels (Refer Note 23) | 535.36 | 462.86 |
| Work-in-Progress | 283.05 | 201.19 |
| Finished Goods | 124.96 | 112.43 |
| TOTAL | 1,099.70 | 914.98 |

SCHEDULE - 9, SUNDRY DEBTORS

| | 2011 | 2010 |
|---|---------------|---------------|
| | ₹ Crore | ₹ Crore |
| SUNDRY DEBTORS (SECURED AND CONSIDERED GOOD) | | |
| (a) Over Six Months | - | - |
| (b) Others | 67.53 | 61.49 |
| | 67.53 | 61.49 |
| SUNDRY DEBTORS (UNSECURED) | | |
| (a) Over Six Months - | | |
| (i) Sale of Products and Services - | | |
| Considered Good | 5.55 | 5.14 |
| Considered Doubtful | 1.46 | 1.38 |
| | 7.01 | 6.52 |
| (ii) Railway, Insurance and Other Claims* | | |
| Considered Good | 50.15 | 8.89 |
| Considered Doubtful | 8.57 | 50.95 |
| | 58.72 | 59.84 |
| | 65.73 | 66.36 |
| Less: Provision made for Bad and Doubtful Debts | 10.03 | 52.33 |
| | 55.70 | 14.03 |
| (b) Others - (Considered Good) | | |
| (i) Sale of Products and Services | 131.19 | 101.49 |
| (ii) Railway, Insurance and Other Claims* | 5.99 | 1.27 |
| | 137.18 | 102.76 |
| | 192.88 | 116.79 |
| TOTAL | 260.41 | 178.28 |
| Included in Sundry Debtors are : | | |
| (i) Dues from Subsidiary Companies | 15.07 | 14.66 |
| (ii) Dues from Company under same mangement | | |
| Ambuja Cements Limited | 1.35 | 0.56 |
| Holcim Group Support Limited | 0.19 | 0.03 |
| Holcim (India) Private Limited | 0.01 | - |
| Holcim (Bangladesh) Limited | - | 0.11 |
| Holcim Services(South Asia) Limited | - | 0.16 |
| Holcim Singapore Limited | - | 0.02 |
| (iii) *Dues from Central / State Governments | 64.36 | 60.66 |

Schedules forming part of the Balance Sheet

SCHEDULE - 10, CASH AND BANK BALANCES

| | 2011 | 2010 |
|---|-----------------|---------------|
| | ₹ Crore | ₹ Crore |
| Cash on Hand | 0.16 | 8.69 |
| {Including Cheques on hand ₹ Nil (Previous Year - ₹ 7.34 Crore)} | | |
| Balance with Scheduled Banks | | |
| In Current Account | 78.06 | 58.93 |
| In Fixed Deposits | 1,542.14 | 885.07 |
| In Unclaimed Dividend Accounts | 32.19 | 27.33 |
| Post Office Savings Accounts | 0.01 | 0.01 |
| {Maximum balance during the year ₹ 0.01 Crore (Previous Year - ₹ 0.01 Crore)} | | |
| TOTAL | 1,652.56 | 980.03 |

SCHEDULE - 11, OTHER CURRENT ASSETS

| | 2011 | 2010 |
|---------------------------------|--------------|--------------|
| | ₹ Crore | ₹ Crore |
| Accrued Interest on Investments | 7.58 | 8.91 |
| Other Accrued Interest | 1.67 | 2.07 |
| Fixed Assets held for sale | 5.76 | 45.14 |
| TOTAL | 15.01 | 56.12 |

SCHEDULE - 12, LOANS AND ADVANCES (Unsecured, Considered Good, unless otherwise stated)

| | 2011 | 2010 |
|--|---------------|---------------|
| | ₹ Crore | ₹ Crore |
| Loans and advances to Subsidiary Companies (Refer Note - 18) | 75.54 | 105.90 |
| Sundry Advances and Deposits, etc. | | |
| Advances Recoverable in cash or in kind or for value to be received* | 102.06 | 124.01 |
| Deposits with Railways, Government Bodies and Others : | | |
| Considered Good | 253.86 | 234.78 |
| Considered Doubtful | 4.44 | 3.30 |
| | 258.30 | 238.08 |
| Less - Provision made for Doubtful Advances | 4.44 | 3.30 |
| | 253.86 | 234.78 |
| Deposit with HDFC Limited | 100.00 | 100.00 |
| Balances with Excise, Customs, Port Trust Authorities, etc. | 58.80 | 59.25 |
| TOTAL | 590.26 | 623.94 |
| *Includes due from Officers | 0.06 | 0.12 |
| Maximum balance during the year | 0.12 | 0.22 |

Schedules forming part of the Balance Sheet

SCHEDULE - 13, CURRENT LIABILITIES

| | 2011 | 2010 |
|--|----------|----------|
| | ₹ Crore | ₹ Crore |
| Sundry Creditors | | |
| Payable to Subsidiaries | 1.67 | 1.75 |
| Dues to other than Micro and Small enterprises (Refer Note - 16) | 1,930.46 | 1,616.38 |
| Advance from customers | 147.84 | 137.51 |
| Deposits from Dealers and Others | 490.80 | 460.12 |
| Investor Education and Protection Fund* | | |
| Unclaimed Dividend | 32.19 | 27.33 |
| Unclaimed Matured Deposits | 0.07 | 0.13 |
| | 32.26 | 27.46 |
| Interest on Secured Loans accrued but not due | 7.33 | 7.33 |
| TOTAL | 2,610.36 | 2,250.55 |

* No amounts due and outstanding to be credited to Investor Education and Protection Fund as at December 31, 2011

SCHEDULE - 14, PROVISIONS

| | 2011 | 2010 |
|--|----------|----------|
| | ₹ Crore | ₹ Crore |
| Provision for Employee Benefits (Refer note - 11) | 139.10 | 122.68 |
| Provision for Mines Restoration (Refer note - 13) | 14.26 | 12.62 |
| Provision for Income Tax {net of Payment of ₹ 1,353.17 Crore (Previous Year - ₹ 912.79 Crore)} | 529.71 | 911.77 |
| Proposed Final Dividend | 319.17 | 384.88 |
| Dividend Distribution Tax | 51.78 | 63.92 |
| TOTAL | 1,054.02 | 1,495.87 |

Schedules forming part of the Profit and Loss Account

SCHEDULE - 15A, OTHER OPERATING INCOME

| | 2011 | 2010 |
|--|---------------|---------------|
| | ₹ Crore | ₹ Crore |
| Provision no longer required written back | 100.84 | 102.99 |
| Sale of Surplus generated Power | 13.54 | 45.58 |
| Miscellaneous Income | 107.25 | 109.88 |
| {Includes Gain on Exchange (Net) - ₹ Nil (Previous Year - ₹ 2.64 Crore)} | | |
| TOTAL | 221.63 | 258.45 |

SCHEDULE - 15B, OTHER INCOME

| | 2011 | 2010 |
|--|---------------|--------------|
| | ₹ Crore | ₹ Crore |
| Profit on Sale of Current Investments, Other than trade | 36.15 | - |
| Interest on Bank deposits {TDS ₹ 12.03 Crore (Previous Year - ₹ 3.77 Crore)} | 121.09 | 43.03 |
| Other interest income {TDS ₹ 0.28 Crore (Previous Year - ₹ 0.26 Crore)} | 2.85 | 3.79 |
| Dividend from Long Term Investments - Trade | 2.24 | 1.43 |
| Dividend from current Investments - Other than trade | 29.58 | 50.23 |
| TOTAL | 191.91 | 98.48 |

SCHEDULE - 16, MANUFACTURING AND OTHER EXPENSES

| | 2011 | 2010 |
|--|----------|----------|
| | ₹ Crore | ₹ Crore |
| MANUFACTURING EXPENSES | | |
| Raw Materials Consumed | 1,428.00 | 1,106.58 |
| Stores and Spare parts Consumed | 14.53 | 11.30 |
| Packing Materials Consumed | 343.64 | 268.55 |
| Power and Fuel | 2,183.19 | 1,598.67 |
| Repairs to Building | 13.89 | 12.19 |
| Repairs to Machinery (Refer Note 23) | 383.95 | 421.65 |
| Repairs to Other Items | 57.61 | 40.19 |
| Royalties | 138.19 | 116.59 |
| Excise Duties (including Education Cess) | 103.94 | 115.14 |
| {Includes excise duty on captive consumption of Clinker ₹ 101.06 Crore (Previous Year - ₹ 108.12 Crore)} | | |
| | 4,666.94 | 3,690.86 |
| PERSONNEL EXPENSES (Refer Note 22) | | |
| Salaries, Wages, Dearness Allowance and Bonus | 428.37 | 375.64 |
| Contributions / Provisions to and for Provident and Other Funds | 61.06 | 54.50 |
| Workmen and Staff Welfare Expenses | 36.26 | 31.75 |
| | 525.69 | 461.89 |

Schedules forming part of the Profit and Loss Account

SCHEDULE - 16, MANUFACTURING AND OTHER EXPENSES (Contd.)

| | 2011 | 2010 |
|---|-----------------|-----------------|
| | ₹ Crore | ₹ Crore |
| ADMINISTRATIVE, SELLING AND OTHER EXPENSES | | |
| Rent | 18.96 | 19.75 |
| Rates and Taxes {includes Wealth Tax ₹ 0.15 Crore (Previous Year - ₹ 0.71 Crore)} | 100.22 | 97.20 |
| Insurance | 18.58 | 18.32 |
| Loading, Transportation and Other Charges | 237.03 | 186.21 |
| Discount, Rebates and Allowances | 84.00 | 80.08 |
| Commission on Sales | 26.47 | 23.64 |
| Miscellaneous expenses {Includes Loss on sale / write off of Fixed Assets (Net) - ₹ 9.44 Crore (Previous Year - ₹ 38.37 Crore)} | 476.37 | 371.26 |
| Provision for Bad and Doubtful Debts and Advances | 1.31 | 5.79 |
| Advertisement | 106.90 | 77.00 |
| Outward Freight Charges on Cement etc | 1,401.71 | 1,070.30 |
| | 2,471.55 | 1,949.55 |
| (INCREASE) / DECREASE IN FINISHED GOODS AND WORK-IN-PROGRESS | | |
| Closing Stock - | | |
| Finished Goods | 124.96 | 112.43 |
| Work-in-Progress | 283.05 | 201.19 |
| | 408.01 | 313.62 |
| Opening Stock - | | |
| Finished Goods | 112.43 | 88.08 |
| Work-in-Progress | 201.19 | 168.96 |
| | 313.62 | 257.04 |
| | (94.39) | (56.58) |
| TOTAL | 7,569.79 | 6,045.72 |

SCHEDULE - 17, INTEREST EXPENSES

| | 2011 | 2010 |
|---|--------------|--------------|
| | ₹ Crore | ₹ Crore |
| Debentures | 47.95 | 47.95 |
| Term Loans | - | 1.52 |
| Interest on Income Tax | 17.25 | 15.49 |
| {Net of interest on refund ₹ 24.17 Crore (Previous Year - ₹ 44.67 Crore)} | | |
| Others | 32.99 | 28.42 |
| | 98.19 | 93.38 |
| Less - Adjustments for - | | |
| Interest Capitalised | 1.28 | 36.60 |
| TOTAL | 96.91 | 56.78 |

Schedules forming part of the Balance Sheet, Profit and Loss Account and Cash Flow Statement

SCHEDULE – 18, NOTES TO ACCOUNTS

1. Basis of preparation

- (i) The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.
- (ii) The Financial statements have been prepared under the historical cost convention on an accrual basis, except where impairment is made.
- (iii) The Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

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 the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Significant accounting policies

(i) Fixed Assets

- a) Fixed assets are stated at cost of acquisition or construction (net of Cenvat credit availed) less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost less impairment losses if any.
- b) Advances paid towards the acquisition of fixed assets outstanding at each Balance Sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under Capital Work-in-Progress.
- c) Machinery spares which can be used only in connection with a particular item of Fixed Assets and the use of which is irregular, are capitalized at cost net of Cenvat.
- d) Fixed assets held for disposal are stated at the lower of net book value and net realisable value.

(ii) Depreciation and Amortisation

- a) Depreciation on fixed assets is provided using the straight-line method at the rates prescribed in schedule XIV to the Companies Act, 1956, as the management estimate of useful life coincides with useful life based on the rate mentioned in the Schedule XIV. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed off.
- b) Machinery spares which are capitalised are depreciated over the useful life of the related fixed asset. The written down value of such spares is charged to the Profit and Loss Account, on issue for consumption.
- c) Cost of leasehold land is amortised over the period of the lease.
- d) In respect of quarry freehold land, amortisation reserve is created by amortising the cost over the number of years of the mining rights of the quarries.

(iii) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

(iv) Intangible Assets

- a) Computer Software cost is amortised over a period of three years using straight-line method.
- b) Costs incurred to gain access to mineral reserves are capitalised and amortised over the life of the quarry, which is based on the estimated tonnes of raw materials to be extracted from the reserves.

(v) Borrowing Costs

Borrowing costs relating to acquisition and construction of an asset which takes substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use. All other borrowing

costs are charged to revenue. Borrowing costs consist of interest and other cost that an entity incurs in connection with borrowing of funds.

(vi) Investments

Current investments are carried at the lower of cost or fair value. Long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

(vii) Inventories

Inventories are valued after providing for obsolescence, as follows:

a) Raw Materials, Stores & Spare Parts, Packing Material and Fuels

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

b) Work-in-progress and Finished goods

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

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

(viii) Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank, in hand (including cheques in hand) and short-term investments with an original maturity of three months or less.

(ix) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Products and Services

a) Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are disclosed net of sales tax / VAT, discounts and returns, as applicable. Excise duties deducted from turnover (gross) are the amounts that are included in the amount of turnover (gross) and not the entire amount of liability that arose during the year. Excise duties in respect of finished goods are shown separately as an item of Manufacturing Expenses and included in the valuation of finished goods.

b) Revenue from services is recognised pro-rata over the period of the contract as and when services are rendered.

Interest and Dividend Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when the shareholders' right to receive dividend is established by the Balance Sheet date.

(x) Accounting of Claims

a) Claims receivable are accounted at the time when such income has been earned by the Company depending on the certainty of receipts. Claims payable are accounted at the time of acceptance.

b) Claims raised by Government Authorities regarding taxes and duties, which are disputed by the Company, are accounted based on the merits of each claim.

(xi) Government Grants and Subsidies

a) Government Grants and subsidies from the government are recognized when there is reasonable certainty that the grant/subsidy will be received and all attaching conditions will be complied with.

b) Government grants and subsidies receivable against an expense are deducted from such expense and subsidy/grant receivable against a specific fixed asset is deducted from cost of the relevant fixed asset.

- c) Government grants of the nature of promoters' contribution are credited to Capital Reserve and treated as a part of shareholders' funds.
- d) Sales include the amount of Sales Tax / VAT refunds received / due in accordance with incentive schemes.

(xii) Operating Lease

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(xiii) Research and development

Expenditure on Research phase is recognised as an expense when it is incurred. Expenditure on development phase which results in creation of assets is included in Fixed Assets.

(xiv) Foreign currency transactions

Foreign currency transactions are initially recorded at the rates of exchange prevailing on the date of transactions. Foreign currency monetary items are subsequently reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

Derivative Instruments

As per Accounting Standard ('AS') 11 – 'The Effects of Changes in Foreign Exchange Rates' the premium or the discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is amortized as expense or income over the life of the contract. As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS – 11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored.

(xv) Retirement and Other employee benefits

- a) Defined Contribution Plan

Contribution to Officer's Superannuation Fund, ESIC and Labour Welfare Fund are recognised as an expense in the Profit and Loss Account, as they are incurred. There are no other obligations other than the contribution payable to the respective trusts.

- b) Defined Benefit Plan and Other Long Term Benefits

Retirement benefits in the form of gratuity, additional gratuity, provident fund, post retirement medical benefit schemes, medical benefits under voluntary retirement scheme and other long term benefits in the form of leave encashment, silver jubilee and long service awards are determined on the basis of an actuarial valuation using the projected unit credit method as at Balance Sheet date. Actuarial gains/losses are recognized immediately in the Profit and Loss Account.

- c) Short term compensated absences are provided based on past experience of leave availed.
- d) Payments made under the Voluntary Retirement Scheme are charged to the Profit and Loss Account immediately.

(xvi) Employees Stock Option Scheme

The intrinsic value of option granted under Employees Stock Option Schemes is written off over the vesting period.

(xvii) Income taxes

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and / or deferred tax provisions that may become necessary due to certain developments or reviews during the relevant period. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India.

Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

(xviii) Contingencies / Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate 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 contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

(xix) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

(xx) Mines Restoration Expenditure

The Company provides for the estimated expenditure required to restore quarries and mines. The initial recognition of the provision for mines restoration cost comprises of the estimated costs for restoration caused by operations necessary before the raw materials can be exploited. Actual payments for restoration are charged directly against the provision. The present obligation is revised annually based on technical estimates by internal or external specialists.

4. Segment Reporting

The Company has only one business segment 'Cement' as its primary segment and hence disclosure of segment-wise information is not required under Accounting Standard 17 - 'Segmental Information' notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).

The Company has only one Geographical Segment. The Company caters mainly to the needs of the domestic market. The export turnover is not significant in the context of total turnover.

5. Related Party Disclosure

| (A) Names of the Related parties where control exists: | Nature of Relationship |
|---|---|
| (i) Holcim Ltd. | Ultimate Holding Company |
| (ii) Holderind Investments Ltd. | Holding Company of Holcim (India) Private Limited |
| (iii) Holcim (India) Private Limited* | Holding Company |
| (iv) Ambuja Cement India Private Limited* | Holding Company |
| (v) Bulk Cement Corporation (India) Limited | Subsidiary Company |
| (vi) ACC Mineral Resources Limited | Subsidiary Company |
| (vii) Lucky Minmat Limited | Subsidiary Company |
| (viii) ACC Concrete Limited | Subsidiary Company |
| (ix) National Limestone Company Private Limited | Subsidiary Company |
| (x) Encore Cement and Additives Private Limited | Subsidiary Company w.e.f. Jan 28, 2010 |

(B) Others - With whom transactions have been taken place during the year

| (a) Names of other Related parties | | Nature of Relationship |
|---|---|---|
| (i) | Alcon Cement Company Private Limited | Associate Company |
| (ii) | Asian Concretes & Cements Private Limited | Associate Company w.e.f. April 01, 2010 |
| (iii) | Ambuja Cements Limited | Fellow Subsidiary |
| (iv) | Holcim Group Support Limited | Fellow Subsidiary |
| (v) | Holcim (Singapore) Pte Limited | Fellow Subsidiary |
| (vi) | Holcim Trading FZCO | Fellow Subsidiary |
| (vii) | Holcim (Lanka) Limited | Fellow Subsidiary |
| (viii) | P T Holcim Indonesia Tbk | Fellow Subsidiary |
| (ix) | Holcim Services (South Asia) Limited | Fellow Subsidiary |
| (x) | Siam City Cement Public Company Limited | Fellow Subsidiary |
| (xi) | Holcim (Bangladesh) Limited | Fellow Subsidiary |
| (xii) | Holcim (Canada) INC | Fellow Subsidiary |
| (xiii) | Holcim (Vietnam) Limited | Fellow Subsidiary |
| (xiv) | Holcim Environment Services SA | Fellow Subsidiary |
| (xv) | Holcim (Malaysia) SDN BHD | Fellow Subsidiary |
| (xvi) | Holcim (US) INC | Fellow Subsidiary |
| (xvii) | Holcim Foundation | Entity controlled by Holcim Ltd. |
| (xviii) | Holcim Philippines | Fellow Subsidiary |

(b) Key Management Personnel:

| Name of the Related Party | | Nature of Relationship |
|----------------------------------|---------------------------------------|-------------------------------|
| (i) | Mr. Kuldip K. Kaura (w.e.f. 05.08.10) | CEO & Managing Director |
| (ii) | Mr. Sumit Banerjee (up to 13.08.10) | Managing Director |

Note:

During the current year, the Company has become a subsidiary of Holcim (India) Private Limited and accordingly Holcim Group Companies which were reported as promoter group Companies till last year, have now being reported as Fellow Subsidiaries. Previous year's disclosures have been regrouped based on current year's relationship to facilitate comparison.

*During the current year Ambuja Cement India Private Limited has amalgamated with Holcim (India) Private Limited.

(C) Transactions with Subsidiary Companies

| | 2011 | 2010 |
|--|---------------|--------------|
| | ₹ Crore | ₹ Crore |
| (i) Purchase of Finished / Unfinished Goods / Raw Materials | 83.64 | 29.32 |
| Encore Cement and Additives Private Limited | 82.55 | 27.56 |
| Others | 1.09 | 1.76 |
| (ii) Sale of Finished / Unfinished Goods | 134.91 | 79.32 |
| ACC Concrete Limited | 105.45 | 75.18 |
| Encore Cement and Additives Private Limited | 29.46 | 4.14 |
| (iii) Reimbursement of Expenses / Cost of Materials / Stores Paid / Payable | 22.12 | 17.48 |
| Bulk Cement Corporation (India) Limited | 20.81 | 14.07 |
| Lucky Minmat Limited | - | 1.05 |
| Others | 1.31 | 2.36 |

(C) Transactions with Subsidiary Companies (Contd.)

| | 2011 | 2010 |
|--|--------------|---------------|
| | ₹ Crore | ₹ Crore |
| (iv) Reimbursement of Expenses/Cost of Materials/Stores Received/Receivable | 1.90 | 1.52 |
| ACC Concrete Limited | 0.53 | 0.56 |
| Lucky Minmat Limited | 0.10 | 0.29 |
| Encore Cement and Additives Private Limited | 1.10 | 0.44 |
| National Limestone Company Private Limited | 0.07 | 0.12 |
| Others | 0.10 | 0.11 |
| (v) Rendering of Services | 1.11 | 0.75 |
| Bulk Cement Corporation (India) Limited | 1.11 | 0.75 |
| (vi) Receiving of Services | 13.46 | 13.32 |
| Bulk Cement Corporation (India) Limited | 13.46 | 13.02 |
| Others | - | 0.30 |
| (vii) Guarantee given during the year on behalf of Subsidiary Company | - | 0.36 |
| Encore Cement and Additives Private Limited | - | 0.36 |
| (viii) Interest on Inter Corporate Deposits / Other Advances Received | - | 0.03 |
| ACC Concrete Limited | - | 0.01 |
| Encore Cement and Additives Private Limited | - | 0.02 |
| (ix) Investment in Subsidiary in Equity Shares Capital | 50.00 | 11.78 |
| ACC Concrete Limited | 50.00 | - |
| Encore Cement and Additives Private Limited | - | 11.78 |
| (x) Inter Corporate Deposits / Other Advances Given | 30.89 | 58.77 |
| ACC Concrete Limited | 26.00 | 28.00 |
| Encore Cement and Additives Private Limited | 2.00 | 27.65 |
| ACC Mineral Resources Limited | 2.89 | 3.12 |
| (xi) Inter Corporate Deposits / Other advances Liquidated | 61.00 | 23.13 |
| ACC Concrete Limited | 59.00 | 23.00 |
| Encore Cement and Additives Private Limited | 2.00 | - |
| Others | - | 0.13 |
| (xii) Inter Corporate Deposits / Other Advances as at the end of the year | 73.65 | 103.77 |
| ACC Concrete Limited | 40.00 | 73.00 |
| Encore Cement and Additives Private Limited | 27.65 | 27.65 |
| ACC Mineral Resources Limited | 6.00 | 3.12 |
| (xiii) Outstanding balance included in Sundry Debtors | 15.07 | 14.66 |
| ACC Concrete Limited | 14.54 | 14.66 |
| Others | 0.53 | - |
| (xiv) Outstanding balance included in Loans and Advances | 1.89 | 2.13 |
| National Limestone Company Private Limited | 1.03 | 1.27 |
| Encore Cement and Additives Private Limited | 0.86 | 0.60 |
| Others | - | 0.26 |
| (xv) Outstanding balance included in Current Liabilities | 1.67 | 1.75 |
| Bulk Cement Corporation (India) Limited | 1.61 | 1.70 |
| Others | 0.06 | 0.05 |

(D) Transactions with Associate Companies

| | 2011 | 2010 |
|--|--------------|--------------|
| | ₹ Crore | ₹ Crore |
| (i) Purchase of Finished Goods | 76.55 | 60.23 |
| Alcon Cement Company Private Limited | 76.55 | 60.23 |
| (ii) Purchase of Raw Materials | 16.64 | - |
| Asian Concretes & Cements Private Limited | 16.64 | - |
| (iii) Sale of Finished / Unfinished Goods | 27.16 | 22.80 |
| Alcon Cement Company Private Limited | 27.16 | 22.64 |
| Others | - | 0.16 |
| (iv) Investment in Associates (Acquisition of Equity Shares) | - | 36.81 |
| Asian Concretes & Cements Private Limited | - | 36.81 |
| (v) Dividend Received | 2.24 | 1.43 |
| Alcon Cement Company Private Limited | 2.24 | 1.43 |
| (vi) Reimbursement of Expenses/Cost of Materials/Stores Received/Receivable | 8.89 | 5.37 |
| Alcon Cement Company Private Limited | 8.89 | 5.37 |
| (vii) Rendering of Services | 1.36 | 1.23 |
| Alcon Cement Company Private Limited | 1.36 | 1.23 |
| (viii) Receiving of Services | 48.18 | 17.35 |
| Asian Concretes & Cements Private Limited | 47.56 | 16.68 |
| Others | 0.62 | 0.67 |
| (ix) Outstanding balance included in Debtors | 4.66 | 5.28 |
| Alcon Cement Company Private Limited | 4.66 | 5.28 |
| (x) Outstanding balance included in Current Liabilities | 13.64 | 10.96 |
| Alcon Cement Company Private Limited | 2.31 | 3.58 |
| Asian Concretes & Cements Private Limited | 11.33 | 7.38 |

(E) Details of Transactions relating to Holding Companies

| | 2011 | 2010 |
|--------------------------------|---------------|---------------|
| | ₹ Crore | ₹ Crore |
| Dividend paid | 293.61 | 199.48 |
| Holcim (India) Private Limited | 291.91 | 198.24 |
| Holderind Investments Limited | 1.70 | 1.24 |

(F) Details of Transactions relating to Fellow Subsidiary Companies

| | 2011 | 2010 |
|--|---------------|--------------|
| | ₹ Crore | ₹ Crore |
| (i) Purchase of Gypsum and Coal | 130.18 | 75.30 |
| Holcim Trading FZCO | 113.91 | 75.30 |
| Ambuja Cements Limited | 16.27 | - |
| (ii) Purchase of Unfinished Goods | 5.04 | 9.79 |
| Ambuja Cements Limited | 5.04 | 9.79 |

(F) Details of Transactions relating to Fellow Subsidiary Companies (Contd.)

| | 2011 | 2010 |
|--|--------------|--------------|
| | ₹ Crore | ₹ Crore |
| (iii) Purchase of Stores & Spares | 0.64 | 0.01 |
| Ambuja Cements Limited | 0.64 | 0.01 |
| (iv) Purchase of Fixed Assets | 13.97 | - |
| Ambuja Cements Limited | 13.97 | - |
| (v) Sale of Finished / Unfinished Goods | 6.57 | 7.34 |
| Ambuja Cements Limited | 6.57 | 7.34 |
| (vi) Sale of Raw material & other items | 0.36 | 3.16 |
| Holcim (Bangladesh) Limited | 0.36 | 2.67 |
| Holcim Environment Services SA | - | 0.49 |
| (vii) Rendering of Services | 2.63 | 3.07 |
| Ambuja Cements Limited | 2.63 | 3.07 |
| (viii) Reimbursement of Expenses Paid / Payable | 3.39 | 0.21 |
| Ambuja Cements Limited | - | 0.12 |
| Holcim Trading FZCO | 3.13 | 0.09 |
| Others | 0.26 | - |
| (ix) Reimbursement of Expenses Received / Receivable | 4.59 | 2.96 |
| Ambuja Cements Limited | 3.99 | 2.74 |
| Others | 0.60 | 0.22 |
| (x) Receiving of Services (Training / Technical Consultancy etc.) | 57.32 | 45.22 |
| Holcim Group Support Limited | 30.88 | 24.01 |
| Holcim Services (South Asia) Limited | 26.03 | 20.84 |
| Others | 0.41 | 0.37 |
| (xi) Outstanding Balance Included in Current Assets | 1.55 | 0.88 |
| Holcim Services (South Asia) Limited | - | 0.16 |
| Ambuja Cement Limited | 1.35 | 0.56 |
| Holcim (Bangladesh) Limited | 0.00 | 0.11 |
| Holcim Group Support Limited | 0.19 | 0.03 |
| Others | 0.01 | 0.02 |
| (xii) Outstanding Balance Included in Current Liabilities | 17.34 | 13.08 |
| Holcim Group Support Limited | 7.97 | 5.71 |
| Holcim Trading FZCO | 3.83 | 6.03 |
| Holcim Services (South Asia) Limited | 5.35 | 0.11 |
| Others | 0.19 | 1.23 |

(G) Details of Transaction with Key Management Personnel

| | 2011 | 2010 |
|---|-------------|-------------|
| | ₹ Crore | ₹ Crore |
| Remuneration | 4.77 | 3.69 |
| (i) Mr. Sumit Banerjee (up to 13.08.10) | - | 1.86 |
| (ii) Mr. Kuldip K. Kaura (w.e.f. 05.08.10) | 4.77 | 1.83 |

6. Earnings per Share - [EPS]

| | 2011 | 2010 |
|--|--------------|--------------|
| | ₹ Crore | ₹ Crore |
| (I) Net Profit as per Profit and Loss Account | 1325.26 | 1,120.01 |
| (II) Weighted average number of equity shares for Earnings Per Share computation | | |
| Shares for Basic Earnings Per Share | 18,77,45,356 | 18,77,44,727 |
| Add: Potential diluted equity shares | 4,39,316 | 4,16,549 |
| Number of Shares for Diluted Earnings Per Share | 18,81,84,672 | 18,81,61,276 |
| (III) Earnings Per Share | | |
| Face value per Share | ₹ 10.00 | 10.00 |
| Basic | ₹ 70.59 | 59.66 |
| Diluted | ₹ 70.42 | 59.52 |

7. Directors' Remuneration

| | 2011 | 2010 |
|---|---------|---------|
| | ₹ Crore | ₹ Crore |
| Managing Director* | | |
| Salaries and Performance Bonus | 4.36 | 2.00 |
| Perquisites | - | 1.40 |
| Contributions to Provident and Superannuation Funds | 0.41 | 0.29 |
| | 4.77 | 3.69 |
| Non-Executive Directors – | | |
| Commission | 1.88 | 1.30 |
| Sitting Fees | 0.21 | 0.24 |
| | 6.86 | 5.23 |

Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included above.

*Remuneration excludes cost of benefits under share based payments incurred and paid by Holcim Ltd., the ultimate holding company.

Computation of Net Profit under Section 349 of the Companies Act, 1956

| | 2011 | 2010 |
|--|-----------------|-----------------|
| | ₹ Crore | ₹ Crore |
| Profit before tax as per Profit and Loss Account | 1,540.42 | 1,461.45 |
| Add - | | |
| Depreciation & amortisation as per Profit and Loss Account | 475.30 | 392.68 |
| Provision for Wealth Tax | 0.15 | 0.71 |
| Tax on Yanbu operations | 0.39 | 2.08 |
| Assets written off as per Profit and Loss Account | 31.03 | 54.73 |
| Provision for Doubtful Debts and advances written back (net) | (35.43) | (31.50) |
| Compensation under Voluntary Retirement Scheme | 1.41 | 1.88 |
| | 2,013.27 | 1,882.03 |

7. Directors' Remuneration (Contd.)

| | 2011 | 2010 |
|--|-----------------|-----------------|
| | ₹ Crore | ₹ Crore |
| Less- | | |
| Depreciation under Section 350 of the Companies Act, 1956 | 475.30 | 392.68 |
| Interest on debentures capitalised | 1.28 | 36.60 |
| Profit on Sale of Investments | 36.15 | - |
| Assets written off under Section 350 of the Companies Act, 1956. | 31.03 | 54.73 |
| Profit on Sale of Assets (Net) | 21.59 | 16.36 |
| Profit as per Section 349 of the Companies Act, 1956 | 1,447.92 | 1,381.66 |
| Add - | | |
| Remuneration to Directors | 6.86 | 5.23 |
| Profit as per Section 198 | 1,454.78 | 1,386.89 |
| Maximum remuneration to Managing Director as per Section 198 and 309 of the Companies Act, 1956 @ 5% | 72.74 | 69.34 |
| Remuneration actually approved for payment | 4.77 | 3.69 |
| Maximum commission to Non-Executive Directors under Section 198 of the Companies Act, 1956 @ 1% | 14.55 | 13.87 |
| Commission actually approved for payment | 1.88 | 1.30 |

8. Miscellaneous expenses of schedule 16 includes payment to Statutory Auditors (excluding service tax):

| | 2011 | 2010 |
|--|-------------|-------------|
| | ₹ Crore | ₹ Crore |
| As auditors | | |
| (i) Audit fees | 2.49 | 2.33 |
| (ii) Audit fees for tax financial statements | 0.53 | 0.50 |
| (iii) Out of pocket expenses | 0.20 | 0.10 |
| In other matters - Certification | 0.02 | 0.01 |
| | 3.24 | 2.94 |

9. Proposed Amalgamation

The Board of Directors at its Meeting held on February 03, 2011 and the Members of the Company at the Court convened Meeting held on June 01, 2011 have approved the Scheme of Amalgamation of Lucky Minmat Limited, National Limestone Company Private Limited and Encore Cement & Additives Private Limited, wholly owned subsidiaries with the Company.

As per the above Scheme, the appointed date is January 01, 2011. The Scheme of Amalgamation was filed with the Bombay High Court and is pending approval of the Court.

In view of the above, no effect of the above Scheme of Amalgamation has been recognized in the financial statements.

10.

- During the year, the Company has subscribed to 5,00,00,000 fully paid Equity Share for a total consideration of ₹ 50 Crore in its wholly owned subsidiary ACC Concrete Limited.
- Management became aware of certain instances of frauds on the Company by its vendors, including in some cases in collusion with employees, where the amounts involved are not significant. In another instance, an employee improperly recorded accounting adjustments, which were detected during the year. Investigations into this matter have resulted in a net charge to the Profit and Loss account of ₹ 4.11 Crore for the year. The Company has taken necessary steps to strengthen controls and has taken action, as considered appropriate.

11. Employee Benefits:

a) Defined Contribution Plans – Amount recognised and included in Schedule 16 “Contributions / Provisions to and for Provident and Other Funds” of Profit and Loss Account ₹ 7.59 Crore (*Previous Year - ₹ 7.28 Crore*).

b) Defined Benefit Plans – As per actuarial valuation on December 31, 2011

The Company has a defined benefit gratuity and post retirement medical benefit plans as given below:

- i. Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of services. The scheme is funded with insurance companies in the form of a qualifying insurance policy.
- ii. Benefits under Post Employment medical Benefit plans are payable for actual domiciliary treatment / hospitalization for employees and their specified relatives.

| | Gratuity | | Post Employment Medical Benefits(PEMB) |
|--|----------------------|--------------------|---|
| | Funded | Non Funded | |
| | ₹ Crore | ₹ Crore | ₹ Crore |
| I Expense recognised in the Statement of Profit & Loss for the year ended December 31, 2011 | | | |
| 1 Current Service cost | 6.38 5.25 | 2.20 1.60 | 0.02 0.04 |
| 2 Interest Cost | 8.76 6.87 | 3.20 2.15 | 0.16 0.23 |
| 3 Employee Contributions | - - | - - | (0.41) (0.41) |
| 4 Expected return on plan assets | (8.82) (7.87) | - - | - - |
| 5 Net Actuarial (Gains) / Losses | 15.68 17.20 | 7.51 10.54 | 1.13 (0.23) |
| 6 Past service cost | - - | - - | - - |
| 7 Settlement / Curtailment (Gain) | - - | - - | - - |
| 8 Total expense | 22.00 21.45 | 12.91 14.29 | 0.90 (0.37) |
| II Net Asset/(Liability) recognised in the Balance Sheet as at December 31, 2011 | | | |
| 1 Present value of Defined Benefit Obligation | (134.32) (117.16) | (52.05) (41.83) | (2.58) (2.28) |
| 2 Fair value of plan assets | 118.77 103.72 | - - | - - |
| 3 Funded status [Surplus / (Deficit)] | (15.55) (13.44) | - - | - - |
| 4 Net asset / (liability) | (15.55) (13.44) | (52.05) (41.83) | (2.58) (2.28) |

| | Gratuity | | Post Employment Medical Benefits(PEMB) |
|---|--------------------|------------------|---|
| | Funded | Non Funded | |
| | ₹ Crore | ₹ Crore | ₹ Crore |
| III Change in Obligation during the Year ended December 31, 2011 | | | |
| 1 Present value of Defined Benefit Obligation at beginning of the year | 117.16 101.13 | 41.83 31.60 | 2.28 3.61 |
| 2 Current Service cost | 6.38 5.25 | 2.20 1.60 | 0.02 0.04 |
| 3 Interest Cost | 8.76 6.87 | 3.20 2.15 | 0.16 0.23 |
| 4 Settlement / Curtailment (Gain) | - - | - - | - - |
| 5 Past service cost | - - | - - | - - |
| 6 Employee Contributions | - - | - - | (0.41) (0.41) |
| 7 Actuarial (Gains) / Losses | 16.11 17.66 | 7.51 10.54 | 1.13 (0.23) |
| 8 Benefits Payments | (14.09) (13.75) | (2.69) (4.06) | (0.60) (0.96) |
| 9 Present value of Defined Benefit Obligation at the end of the year | 134.32 117.16 | 52.05 41.83 | 2.58 2.28 |
| IV Change in Assets during the Year ended December 31, 2011 | | | |
| 1 Plan assets at the beginning of the year | 103.72 95.39 | - - | - - |
| 2 Settlements | - - | - - | - - |
| 3 Expected return on plan assets | 8.82 7.87 | - - | - - |
| 4 Contributions by Employer | 5.80 - | - - | - - |
| 5 Actual benefits paid | - - | - - | - - |
| 6 Actuarial Gains / (Losses) | 0.43 0.46 | - - | - - |
| 7 Plan assets at the end of the year | 118.77 103.72 | - - | - - |
| 8 Actual return on plan assets | 9.25 8.33 | - - | - - |

V The major categories of plan assets as a percentage of total plan

| | |
|-----------------------------|--------------------|
| Qualifying Insurance Policy | 100% (P.Y. – 100%) |
|-----------------------------|--------------------|

VI Effect of One percentage point change in the assumed Medical Inflation rate

| | One percentage increase - ₹ Crore | One percentage decrease - ₹ Crore |
|--|-----------------------------------|-----------------------------------|
| Increase / (Decrease) on aggregate service and interest cost of Post Employment Medical Benefits | 0.06 <i>0.28</i> | (0.06) <i>(0.24)</i> |
| Increase / (Decrease) on Present value of Defined Benefit Obligation as at December 31, 2011 | 0.67 <i>0.93</i> | (0.64) <i>(0.82)</i> |

VII Actuarial Assumptions:**As at December 31, 2011**

| | |
|--|---|
| 1 Discount Rate | 8.5% p.a. (P.Y. – 8% p.a.) |
| 2 Expected rate of return on plan assets | 8.5% p.a. (P.Y. – 8% p.a.) |
| 3 Mortality pre retirement | Indian assured lives Mortality (1994-96) (modified) ultimate. |
| 4 Mortality post-retirement | Mortality for annuitants LIC (1996-98) ultimate |
| 5 Employee turnover rate | 5% p.a. (P.Y. – 5% p.a.) |
| 6 Medical premium inflation | 12% p.a. for first 5 years and thereafter 8% p.a. |

(Figures in italics pertain to previous year)

- c) The Guidance issued by the Accounting Standard Board (ASB) on implementing AS-15, Employee Benefits (revised 2005) states that provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. In regard to any future obligation arising due to interest shortfall (i.e. government interest to be paid on provident fund scheme exceeds rate of interest earned on investment), pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the same. During the year, the Company has recognised as expenses of ₹ 1.76 Crore (*Previous Year - ₹ Nil*) towards the deficit in the fund.
- d) Basis used to determine expected rate of return on assets:
- The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation. The Gratuity Scheme is invested in Life Insurance Corporation (LIC) of India's Group Gratuity-cum-Life Assurance cash accumulation policy and HDFC Standard Life's Group Unit Linked Plan - For Defined Benefit Scheme.
- e) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- f) The Company expects to contribute ₹ Nil to Gratuity fund in the year 2012.
- g) Post employment defined benefit plan expenses are included under personnel expenses in Profit and Loss Account.
- h) Amounts for the current and previous four years are as follows:

(i) Gratuity (Funded)

₹ Crore

| | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|----------|----------|----------|----------|---------|
| Defined benefit obligation | (134.32) | (117.16) | (101.13) | (123.24) | (98.41) |
| Plan assets | 118.77 | 103.72 | 95.39 | 84.14 | 74.12 |
| Surplus / (deficit) | (15.55) | (13.44) | (5.74) | (39.10) | (24.29) |
| Experience adjustments on plan assets | (0.43) | (0.46) | (0.71) | (0.83) | 0.65 |
| Experience adjustments on plan liabilities | (19.94) | (10.54) | (5.74) | 6.35 | 9.67 |

(ii) Gratuity (Non funded)

₹ Crore

| | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|---------|---------|---------|---------|---------|
| Defined benefit obligation | (52.05) | (41.83) | (31.60) | (39.00) | (26.74) |
| Plan assets | - | - | - | - | - |
| Surplus / (deficit) | (52.05) | (41.83) | (31.60) | (39.00) | (26.74) |
| Experience adjustments on plan assets | N.A. | N.A. | N.A. | N.A. | N.A. |
| Experience adjustments on plan liabilities | 9.49 | 7.67 | (3.83) | 4.52 | (6.96) |

(iii) Post Employment Medical Benefits

₹ Crore

| | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|--------|--------|--------|---------|---------|
| Defined benefit obligation | (2.58) | (2.28) | (3.61) | (10.18) | (17.40) |
| Plan assets | - | - | - | - | - |
| Surplus / (deficit) | (2.58) | (2.28) | (3.61) | (10.18) | (17.40) |
| Experience adjustments on plan assets | N.A. | N.A. | N.A. | N.A. | N.A. |
| Experience adjustments on plan liabilities | 1.02 | (0.20) | (2.96) | (6.14) | 2.33 |

12. Operating Lease

| | 2011 | 2010 |
|--|---------|---------|
| | ₹ Crore | ₹ Crore |
| a) Future Lease Rental payments | | |
| (i) Not later than one year | 77.84 | 55.54 |
| (ii) Later than one year and not later than five years | 318.10 | 190.56 |
| (iii) Later than five years | 154.49 | 179.37 |
| b) Operating lease payment recognised in Profit & Loss Account amounting to ₹ 66.67 Crore (Previous Year - ₹ 39.64 Crore) | | |
| c) General description of the leasing arrangement: | | |
| (i) Leased Assets: Grinding facility, Dumpers, Cranes and Tippers, Car, Locomotives, Godowns, Flats, Computers and other related equipments. | | |
| (ii) Future lease rentals are determined on the basis of agreed terms. | | |
| (iii) There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases. | | |
| (iv) At the expiry of the lease term, the Company has an option either to return the asset or extend the term by giving notice in writing. | | |

13. Movement of provision during the year as required by Accounting Standard 29 :

Mines Restoration Expenditure

| | 2011 | 2010 |
|-----------------------------------|---------|---------|
| | ₹ Crore | ₹ Crore |
| Opening provision | 12.62 | 9.98 |
| Add: Provision during the year | 2.43 | 3.10 |
| Less: Utilisation during the year | (0.79) | (0.46) |
| Closing provision | 14.26 | 12.62 |

Mines restoration expenditure is incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure.

14. A) Contingent Liabilities Not Provided For –

- a) Guarantee given on behalf of subsidiary companies to the extent of ₹ 0.08 Crore (*Previous year – ₹ 0.51 Crore*).
- b) Indemnity, Guarantee/s given to Banks/Financial Institutions, Government Bodies and others ₹ 177.91 Crore (*Previous year – ₹ 148.40 Crore*).
- c) Sales Tax, Excise Duties & Other Dues ₹ 101.03 Crore (*Previous year – ₹ 59.41 Crore*).

In respect of item (c) future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums / authorities.

- d) The Company had filed petitions against the orders / notices of various authorities demanding ₹ 169.75 Crore (*Previous Year – ₹ 155.21 Crore*) towards payment of additional Royalty on Limestone based on the ratio of 1.6 tonnes of Limestone to 1 tonne of Cement produced at its factories in Madhya Pradesh and Chattisgarh and on cement produced vis a vis consumption of limestone at its factory in Tamil Nadu. The Company holds the view that the payment of royalty on limestone is correctly made based on the actual quantity of limestone extracted from the mining area.

The Company has also received a demand resulting in a liability of ₹ 59.06 Crore (*Previous Year– ₹ 45.37 Crore*) towards payment of additional Royalty on Limestone based on the ratio of 1.4 tonnes of Limestone to 1 tonne of Clinker for one of its plant in the state of Karnataka. The Company has conducted studies to establish the quantity of Limestone consumed in the manufacture of Clinker at this plant and royalty payments towards Limestone are in accordance with such consumption ratios.

In view of these demands being legally unjustifiable, the Company does not expect any liability in these matters.

- B) a)** The Company had availed Sales-tax incentives in respect of its new 1 MTPA plant at Gagal (Gagal II) under the HP State Industrial Policy, 1991. The Company accrued Sales-tax incentives aggregating ₹ 56 Crore (*Previous year – ₹ 56 Crore*). However, the Sales tax authorities had introduced certain restrictive conditions after the commissioning of the unit, stipulating that the incentive is admissible only for the incremental amount over the base revenue and production. The Company contends that Gagal II being a new unit, such restrictive conditions cannot be imposed on it as per the Industrial Policy. The Company is in appeal before the Himachal Pradesh High Court against the decision of the HP Tax Tribunal on this matter. Consequent to the decision during the previous year of the Supreme Court in another case related to Transport Subsidy and acceptance by the Central Government in that case that Gagal II is a new unit, management believes there is a material shift in the merits in favour of the Company in the Sales-Tax incentives case. Therefore, during the previous year, the Company had written back ₹ 56 Crore which was provided as a measure of abundant caution in earlier years. The Company had provided an amount of ₹ 7 Crore towards interest, which is also written back during the previous year.

- b) Pursuant to incentives available under a State Industrial Policy in respect of one of its cement plants, the Company had preferred claims and till Dec 2008 accrued ₹ 15 Crore on account of Capital Investment Subsidy and ₹ 29.44 Crore as Sales Tax / VAT subsidy receivable from the State Government. However, since the payments / reimbursements were not forthcoming, management considered it prudent to create a provision against the amounts receivable, and in an earlier year, provided for an amount of ₹ 29.44 Crore by charge to Profit and Loss Account and adjusted the Capital Reserve Account to the extent of the Capital Investment Subsidy. No further accruals of the subsidy have been made for the subsequent period though the Company continued to lodge its claims with the authorities.

During the year, the company has received ₹ 7 Crore being a part of ₹ 15 Crore on account of Capital Investment Subsidy and same has been accounted in capital reserve. The Government has also contended that the Company is not eligible for the rest of ₹ 8 Crore.

Further, during the year, the Jharkhand Government, for the first time, objected to the claims filed citing various restrictions, which neither arises from the Industrial Policy, nor from the approvals.

The Company has filed a writ before the Jharkhand High Court against the restrictions and disputes on the extent of eligible claims now being sought to be effected / raised by the Government and the Company's writ before the Jharkhand High Court for consideration of the amounts claimed as eligible without restriction, and payment thereof by the Government Authorities has been admitted during the year.

Further, during the year, the company has credited ₹ 33 Crore to its profit & loss account, through write back of the provision of ₹ 29.44 Crore and accrual of the balance, on an estimated basis, representing the quantum of benefits (for the entire period of the claims) after taking into consideration all restrictions and disputes raised by the Jharkhand Government till now.

- 15.** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 286.45 Crore (*Previous year – ₹ 259.05 Crore*).

- 16.** There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues.

This information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

17. a) Particulars of un hedged foreign currency exposure as at Balance Sheet date

| Particulars | Amount |
|------------------|---|
| Export Debtors | ₹ 3.52 Crore (SAR 0.25 Crore @ Closing rate of 1 SAR = ₹ 14.34) {Previous year ₹ 10.04 Crore (SAR 0.83 Crore @ Closing rate of 1 SAR = ₹ 12.15)} |
| Import Creditors | ₹ 5.00 Crore (USD 0.09 Crore @ Closing rate of 1 USD = ₹ 54.29) {Previous year ₹ 33.26 Crore (USD 0.73 Crore @ Closing rate of 1 USD = ₹ 45.55)} |
| | ₹ 8.00 Crore (CHF 0.14 Crore @ Closing rate of 1 CHF = ₹ 57.76) {Previous year ₹ 5.71 Crore (CHF 0.12 Crore @ Closing rate of 1 CHF = ₹ 48.43)} |
| | ₹ 1.23 Crore (EUR 0.02 Crore @ Closing rate of 1 EUR = ₹ 70.29) {Previous year ₹ 1.20 Crore (EUR 0.02 Crore @ Closing rate of 1 EUR = ₹ 60.37)} |
| | ₹ 0.01 Crore (JPY 0.01 Crore @ Closing rate of 1 JPY = ₹ 0.70) (Previous year ₹ Nil) |
| | ₹ 0.07 Crore (SGD 0.002 Crore @ Closing rate of 1 SGD = ₹ 41.76) (Previous year ₹ Nil) |

b) The details of forward contracts outstanding at the year end are as follows:-

| Year | Number of Contracts | Buy Amount | ₹ Crore | Purpose |
|------|---------------------|-----------------|---------|-------------------------|
| 2011 | - | - | - | Import of Capital items |
| 2010 | 1 | 3,11,990 (Euro) | 1.88 | |

18. Loans and Advances, in the nature of loans – As required under Clause 32 of Listing Agreement

To Subsidiaries –

| Particulars | 2011 | 2010 | Maximum Balance during the Year | Maximum Balance during the previous Year |
|--|---------|---------|---------------------------------|--|
| | ₹ Crore | ₹ Crore | ₹ Crore | ₹ Crore |
| Inter Corporate Deposits: | | | | |
| ACC Concrete Limited | 40.00 | 73.00 | 90.00 | 74.00 |
| ACC Mineral Resources Limited | 6.00 | 3.12 | 6.00 | 3.12 |
| Encore Cement and Additives Private Ltd. | 27.65 | 27.65 | 27.65 | 27.65 |

Note - There is no repayment schedule in respect of the above loans

19. Sales include Sales Tax incentive of ₹ 9.04 Crore (Previous Year - ₹ 7.67 Crore)**20. Deferred Payment Liability included in “Unsecured Loans – Schedule 4” comprises ₹ 6.50 Crore (Previous Year – ₹ 8.12 Crore) payable to the Industrial Development Corporation of Orissa Limited (IDCOL) in eight equal annual instalments without interest or penalty. The fifth instalment was due for payment on December 22, 2011.****21. During the year, the Company has written off expenditure incurred for mining rights aggregating ₹ 19.02 Crore due to an inordinate delay in ability to access the related mining reserves.****22. Personnel expenses exclude cost relating to share based payments incurred and paid by Holcim Ltd., the ultimate holding Company, to the employees of the Company.****23. During the previous year, the Company changed its basis of identifying obsolescence of spare parts with respect to the actual usage pattern. Accordingly, an amount of ₹ 71.16 Crore was recognized under repairs to machinery in schedule 16 as a write down for the previous year (including ₹ 47.36 Crore pertaining to the period until December 31, 2009).**

24. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3 & 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956 :-**(A) Sales by class of goods (Net) -**

| | | 2011 | | 2010 | |
|----------------------------|-------------|----------|----------|----------|----------|
| | Unit | Quantity | ₹ Crore | Quantity | ₹ Crore |
| (i) Cement | Lakh Tonnes | 233.07 | 9,177.61 | 209.84 | 7,522.31 |
| (ii) Clinker | " | 2.41 | 62.14 | 1.20 | 31.99 |
| (iii) Consultancy Services | - | - | 12.40 | - | 44.02 |
| (iv) Purchased Cement | Lakh Tonnes | 4.22 | 186.51 | 3.03 | 119.01 |
| | | | 9,438.66 | | 7,717.33 |

(B) Details of raw materials consumed

| | | 2011 | | 2010 | |
|--|-------------|----------|----------|----------|----------|
| | Unit | Quantity | ₹ Crore | Quantity | ₹ Crore |
| (i) Slag | Lakh Tonnes | 26.51 | 228.89 | 22.52 | 196.56 |
| (ii) Gypsum | " | 11.89 | 302.19 | 10.94 | 243.13 |
| (iii) Fly Ash | " | 42.01 | 214.18 | 42.99 | 146.66 |
| (iv) Purchase of clinker | " | 0.38 | 11.62 | 4.49 | 114.27 |
| (v) Freight on inter unit clinker transfer | | - | 264.77 | - | 145.96 |
| (vi) Others* | | - | 406.35 | - | 260.00 |
| | | | 1,428.00 | | 1,106.58 |

*include no item which in value individually accounts for 10 percent or more of the total value of raw materials consumed.

(C) Purchase of Cement

| | | 2011 | | 2010 | |
|--------|-------------|----------|---------|----------|---------|
| | Unit | Quantity | ₹ Crore | Quantity | ₹ Crore |
| Cement | Lakh Tonnes | 4.22 | 169.78 | 3.11 | 117.63 |

(D) Licensed and installed capacity, actual production and opening and closing stocks-

| | | Installed/Rated Capacity | | Actual Production | |
|--------|-------------|--------------------------|--------|-------------------|--------|
| | Unit | 2011 | 2010 | 2011 | 2010 |
| Cement | Lakh Tonnes | 286.83 | 270.83 | 234.60 | 211.43 |

Licensed Capacity per annum not indicated due to the abolition of Industrial Licences as per Notification No. 477 (E) dated July 25, 1991 issued under The Industries (Development and Regulation) Act, 1951.

| | Unit | Opening stock as at January 1, 2011 | | Closing stock as at December 31, 2011 | |
|-----------------------|-------------|--|---------|--|---------|
| | | Quantity | ₹ Crore | Quantity | ₹ Crore |
| (i) Cement | Lakh Tonnes | 3.92 | 111.92 | 3.96 | 124.76 |
| (ii) Purchased Cement | " | 0.01 | 0.51 | 0.01 | 0.20 |
| | | | 112.43 | | 124.96 |

Closing stock quantity excludes self consumption, shortages and handling loss of 1.49 Lakh Tonnes (*Previous Year 1.15 Lakh Tonnes*)

(E) Value of imports calculated on C.I.F. basis -

| | 2011 | 2010 |
|-----------------------------|---------|---------|
| | ₹ Crore | ₹ Crore |
| (i) Raw Material | 105.07 | 134.09 |
| (ii) Stores and Spare Parts | 76.45 | 54.50 |
| (iii) Coal | 200.13 | 290.60 |
| (iv) Capital Goods | 21.38 | 29.41 |
| | 403.03 | 508.60 |

(F) Expenditure in foreign currencies (on accrual basis) -

| | 2011 | 2010 |
|---------------------------------------|---------|---------|
| | ₹ Crore | ₹ Crore |
| Technical Know-how paid (Gross) | 18.18 | 16.30 |
| Consultants' Fees (net of recoveries) | 2.28 | 3.34 |
| Others | 21.48 | 28.59 |
| | 41.94 | 48.23 |

(G) Value of imported and indigenous raw materials, stores and spare parts consumed -

(a) Raw Materials

| | 2011 | | 2010 | |
|------------|----------|--------|----------|--------|
| | ₹ Crore | % | ₹ Crore | % |
| Imported | 111.32 | 7.80 | 154.41 | 13.95 |
| Indigenous | 1,316.68 | 92.20 | 952.17 | 86.05 |
| | 1,428.00 | 100.00 | 1,106.58 | 100.00 |

(b) Stores and Spare Parts

| | 2011 | | 2010 | |
|------------|---------|--------|---------|--------|
| | ₹ Crore | % | ₹ Crore | % |
| Imported | 43.76 | 14.54 | 39.94 | 13.69 |
| Indigenous | 257.29 | 85.46 | 251.71 | 86.31 |
| | 301.05 | 100.00 | 291.65 | 100.00 |

(H) Earnings in foreign exchange (on accrual basis) -

| | 2011 | 2010 |
|----------------------|---------|---------|
| | ₹ Crore | ₹ Crore |
| Consultancy Services | 13.84 | 51.83 |
| | 13.84 | 51.83 |

(I) Remittances in foreign currencies -

| | 2011 | 2010 |
|---|----------|----------|
| | | |
| On account of dividend to non-resident shareholders | | |
| (a) Final Dividend | | |
| No. of shareholders | 1 | 1 |
| No. of Equity Shares | 5,41,000 | 5,41,000 |
| Amount remitted (₹ Crore) | 1.11 | 0.70 |
| Year to which it pertains | 2010 | 2009 |
| (b) Interim Dividend | | |
| No. of shareholders | 1 | 1 |
| No. of Equity Shares | 5,41,000 | 5,41,000 |
| Amount remitted (₹ Crore) | 0.60 | 0.54 |
| Year to which it pertains | 2011 | 2010 |

25. Previous year's figures have been regrouped/restated wherever necessary to make them comparable with current year's figures.

As per our report of even date

For and on behalf of the Board of Directors of ACC Limited,

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

per Sudhir Soni
Partner

Membership No. 41870

Mumbai, February 09, 2012

N. S. Sekhsaria
Chairman

Kuldip Kaura
CEO & Managing Director

Burjor D. Nariman
Company Secretary

Paul Hugentobler
Deputy Chairman

Sunil K. Nayak
Chief Financial Officer

S. M. Palia
Nareish Chandra
Markus Akermann
M. L. Narula
R. A. Shah
Shailesh Haribhakti
Aidan Lynam
Sushil Kumar Roongta
Ashwin Dani

Directors

Additional information pursuant to part IV of the schedule VI to the companies act, 1956.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. L26940MH1936PLC002515

State Code No. 11

Balance Sheet Date 31 12 2011

Date Month Year

II. Capital raised during the year (Amount in ₹ Thousands)

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

ESOS

NIL

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities

118857407

Total Assets

118857407

Sources of Funds

Paid-up Capital

1879454

Secured Loans

5000000

Reserves & Surplus

70043242

Unsecured Loans

107324

Deferred Tax Liabilities

5183603

Application of Funds

Net Fixed Assets

66428545

Investments

16249510

Net Current Assets

(464432)

Misc. Expenditure

NIL

Accumulated Losses

NIL

IV. Performance of Company (Amount in ₹ Thousands)

Revenue

98522001

Expenditure

83117766

Profit/(Loss) before Tax

+ 15404235

Profit/(Loss) after Tax

+ 13252635

Earning per share (in ₹)

70.59

Dividend rate %

280

V. Generic Name of Principal Product of the Company (As Per Monetary Terms)

Item Code No. (ITC Code)

252300

C E M E N T

Statement regarding subsidiary companies pursuant to Section 212 of the Companies Act, 1956

| | ACC Mineral Resources Limited | Bulk Cement Corporation (India) Limited | Lucky Minmat Limited | ACC Concrete Limited | National Limestone Co. Pvt. Limited | Encore Cement and Additives Pvt. Limited* |
|--|--|--|---|--|--|---|
| (A) The "Financial Year" of the Subsidiary Companies | December 31, 2011 | December 31, 2011 | December 31, 2011 | December 31, 2011 | December 31, 2011 | December 31, 2011 |
| (B) Shares of the Subsidiary held by ACC Limited on the above dates : | | | | | | |
| (a) Number and face value | 495,000 Shares of ₹ 100 / - each fully paid up | 31,842,050 Shares of ₹ 10 / - each fully paid up | 325,000 Share of ₹ 100 / - each fully paid up | 150,000,000 Equity Share of ₹ 10 / - each fully paid up and 100,000,000 1% cumulative redeemable Preference Share of ₹ 10 / - each fully paid up | 8,650 Shares of ₹ 100 / - each fully paid up | 5,000,000 Shares of ₹ 10 / - each fully paid up |
| (b) Extent of holding | 100% | 94.65% | 100% | 100% | 100% | 100% |
| (C) The net aggregate of Profits/(Losses) of the Subsidiary Companies so far as it concerns the members of The ACC Limited - | | | | | | |
| (a) Not dealt with in the accounts of ACC Limited for the year ended December 31, 2011 amounted to - | | | | | | |
| (i) for the Subsidiaries financial year ended as in (A) above (₹ Lakhs) | (14.73) | 68.35 | (26.01) | (2,375.59) | (2.75) | 186.96 |
| (ii) for the previous financial years of the Subsidiaries since they became the Holding Company's subsidiaries (₹ Lakhs) | (44.79) | 733.56 | (41.09) | (17,282.57) | (14.18) | (624.18) |
| (b) Dealt with in the accounts of ACC Limited for the year ended December 31, 2011 amounted to - | | | | | | |
| (i) for the Subsidiaries financial year ended as in (A) above | - | - | - | - | - | - |
| (ii) for the previous financial years of the Subsidiaries since they became the Holding Company's subsidiaries | - | - | - | - | - | - |

* Encore Cement and Additives Pvt. Ltd. became a subsidiary of the Company on January 28, 2010

For and on behalf of the Board of Directors of ACC Limited,

N. S. Sekhsaria
Chairman

Kuldip Kaura
CEO & Managing Director

Burjor D. Nariman
Company Secretary

Paul Hugentobler
Deputy Chairman

Sunil K. Nayak
Chief Financial Officer

S. M. Palia
Naresh Chandra
Markus Akermann
M. L. Narula
R. A. Shah
Shailesh Haribhakti
Aidan Lynam
Sushil Kumar Roongta
Ashwin Dani

Directors

Mumbai, February 09, 2012

Auditor's Report to the Board of Directors on the Consolidated Financial Statement of ACC Limited

We have audited the attached consolidated balance sheet of ACC Group, comprising of ACC Limited ('the Company') and its subsidiaries and associates as at 31st December 2011 and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the group's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of ₹ 172.14 Crore as at 31st December 2011, the total revenue of ₹ 772.16 Crore and cash flows amounting to ₹ 1.83 Crore for the year then ended and of three associates which reflect the Group's share of profit of ₹ 11.00 Crore, for the period then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

We report that the consolidated financial statements have been prepared by the group's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, 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:

- (a) in the case of the consolidated balance sheet, of the state of affairs of the ACC Group as at 31st December 2011;
- (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES

Firm registration number: 101049W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: February 09, 2012

Consolidated Balance Sheet as at December 31, 2011

| | Schedules | 2011 ₹ Crore | 2010 ₹ Crore |
|---|-----------|-----------------|-----------------|
| SOURCES OF FUNDS: | | | |
| Shareholders' Funds: | | | |
| Share Capital | 1 | 187.95 | 187.95 |
| Reserves and Surplus | 2 | 6,791.10 | 6,092.78 |
| | | 6,979.05 | 6,280.73 |
| Minority Interest | | 2.46 | 2.42 |
| Loan Funds: | | | |
| Secured Loans | 3 | 500.00 | 509.93 |
| Unsecured Loans | 4 | 10.73 | 14.03 |
| | | 510.73 | 523.96 |
| Deferred Tax Liabilities (Net) | 5 | 523.84 | 366.81 |
| TOTAL FUNDS | | 8,016.08 | 7,173.92 |
| APPLICATION OF FUNDS: | | | |
| Fixed Assets: | | | |
| | 6 | | |
| Gross Block | | 10,032.22 | 8,458.13 |
| Less: Accumulated Depreciation and Amortisation | | 3,625.77 | 3,151.49 |
| Net Block | | 6,406.45 | 5,306.64 |
| Capital Work-in-Progress (including Capital Advances) | | 440.74 | 1,564.15 |
| | | 6,847.19 | 6,870.79 |
| Investments | 7 | 1,293.10 | 1,406.86 |
| Current Assets, Loans and Advances: | | | |
| Inventories | 8 | 1,112.94 | 925.90 |
| Sundry Debtors | 9 | 339.22 | 249.40 |
| Cash and Bank Balances | 10 | 1,659.92 | 985.56 |
| Other Current Assets | 11 | 15.74 | 56.92 |
| Loans and Advances | 12 | 548.25 | 545.25 |
| | | 3,676.07 | 2,763.03 |
| Less : Current Liabilities and Provisions: | | | |
| Current Liabilities | 13 | 2,745.22 | 2,370.55 |
| Provisions | 14 | 1,055.41 | 1,496.87 |
| | | 3,800.63 | 3,867.42 |
| Net Current Assets | | (124.56) | (1,104.39) |
| Miscellaneous Expenditure | 15 | 0.35 | 0.66 |
| (To the extent not written off or adjusted) | | | |
| TOTAL ASSETS | | 8,016.08 | 7,173.92 |
| Notes to Accounts | 19 | | |

The schedules referred to above and notes to accounts form an integral part of the Consolidated Balance Sheet

As per our report of even date

For and on behalf of the Board of Directors of ACC Limited,

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

N. S. Sekhsaria
Chairman

Paul Hugentobler
Deputy Chairman

S. M. Palia
Naresh Chandra
Markus Akermann
M. L. Narula

per Sudhir Soni
Partner

Kuldip Kaura
CEO & Managing Director

Sunil K. Nayak
Chief Financial Officer

R. A. Shah
Shailesh Haribhakti
Aidan Lynam
Sushil Kumar Roongta
Ashwin Dani

Directors

Membership No. 41870

Burjor D. Nariman
Company Secretary

Mumbai, February 09, 2012

Consolidated Profit and Loss Account for the year ended December 31, 2011

| Schedules | 2011 ₹ Crore | 2010 ₹ Crore |
|--|-----------------|-----------------|
| INCOME: | | |
| Sale of Products and Services (Gross) | 11,048.60 | 9,101.09 |
| Less - Excise Duty | 1,036.27 | 840.46 |
| Sale of Products and Services (Net) (Refer Note -15) | 10,012.33 | 8,260.63 |
| Other Operating Income 16A | 225.11 | 260.91 |
| Other Income 16B | 191.01 | 97.84 |
| | 10,428.45 | 8,619.38 |
| EXPENDITURE: | | |
| Purchase of Trading Cement and Other Product | 168.19 | 148.98 |
| Manufacturing and Other Expenses 17 | 8,148.02 | 6,569.34 |
| Depreciation and Amortisation 6 | 510.04 | 427.72 |
| Interest Expenses 18 | 96.91 | 57.93 |
| | 8,923.16 | 7,203.97 |
| Profit before Tax | 1,505.29 | 1,415.41 |
| Provision for Tax | | |
| Current Tax | (295.51) | (411.16) |
| Tax adjustment for earlier years | 227.97 | 81.97 |
| Deferred Tax Charge | (147.91) | (12.17) |
| | (215.45) | (341.36) |
| Profit after Tax | 1,289.84 | 1,074.05 |
| Add - Share of Profit in Associates | 11.00 | 3.50 |
| Less - Minority Interest | (0.04) | (0.02) |
| Profit after Tax | 1,300.80 | 1,077.53 |
| Balance brought forward from Previous Year | 3,175.45 | 3,040.37 |
| Profit available for appropriation | 4,476.25 | 4,117.90 |
| Appropriations: | | |
| Interim Dividend | 206.52 | 187.75 |
| Proposed Final Dividend | 319.17 | 384.88 |
| Dividend Distribution Tax | 85.28 | 95.10 |
| Previous Year Dividend Distribution Tax | (1.49) | (0.93) |
| Transfer to General Reserve | 250.00 | 250.00 |
| Transfer to Debenture Redemption Reserve | 25.00 | 25.00 |
| Transfer to Amortisation Reserve | 0.65 | 0.65 |
| | 885.13 | 942.45 |
| Surplus carried to Balance Sheet | 3,591.12 | 3,175.45 |
| Consolidated Earnings per Share {Face value of ₹ 10 each (Refer Note - 6)} | | |
| Basic | ₹ 69.29 | 57.39 |
| Diluted | ₹ 69.12 | 57.27 |
| Notes to Accounts 19 | | |

The schedules referred to above and notes to accounts form an integral part of the Consolidated Profit and Loss Account

As per our report of even date

For and on behalf of the Board of Directors of ACC Limited,

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

N. S. Sekhsaria
Chairman

Paul Hugentobler
Deputy Chairman

S. M. Palia
Naresh Chandra
Markus Akermann
M. L. Narula

per Sudhir Soni
Partner

Kuldip Kaura
CEO & Managing Director

Sunil K. Nayak
Chief Financial Officer

R. A. Shah
Shailesh Haribhakti
Aidan Lynam
Sushil Kumar Roongta
Ashwin Dani

Directors

Membership No. 41870

Burjor D. Nariman
Company Secretary

Mumbai, February 09, 2012

Consolidated Cash Flow Statement for the year ended December 31, 2011

| | 2011 ₹ Crore | 2010 ₹ Crore |
|--|-----------------|-----------------|
| A. Cash flow from operating activities | | |
| 1 Net Profit before Tax | 1,505.29 | 1,415.41 |
| Adjustments for: | | |
| 2 Depreciation and Amortisation | 510.04 | 427.72 |
| 3 Loss on sale / write off of Fixed Assets (Net) | 11.06 | 39.59 |
| 4 Profit on Sale of Current Investments, Other than trade | (36.62) | (0.11) |
| 5 Interest and Dividend Income | (154.38) | (97.72) |
| 6 Interest Expenses | 96.91 | 57.93 |
| 7 Miscellaneous expenditure written off | 3.67 | 3.10 |
| 8 Provision for Bad and Doubtful Debts and advances written back (Net) | (28.64) | (35.01) |
| 9 Capital Spares Consumed | 14.76 | 16.51 |
| 10 Wealth Tax provision | 0.15 | 0.71 |
| 11 Provision for obsolescence of spare parts | 6.05 | 71.19 |
| Operating profit before working capital changes | 1,928.29 | 1,899.32 |
| Movements in Working Capital: | | |
| 12 Decrease / (Increase) in Sundry debtors and Loans & advances | (58.34) | 81.46 |
| 13 Decrease / (Increase) in Inventories | (193.08) | (206.81) |
| 14 Decrease / (Increase) in Other current assets | 6.07 | 2.17 |
| 15 Increase / (Decrease) in Current liabilities and Provisions | 315.70 | 225.56 |
| Cash generated from operations | 1,998.64 | 2,001.70 |
| 16 Direct Taxes Paid - (Net of refunds) | (416.61) | (76.19) |
| Net Cash flow from operating activities | 1,582.03 | 1,925.51 |
| B. Cash flow from investing activities | | |
| 17 Purchase of Fixed Assets (Including Capital work-in-progress) | (484.05) | (842.07) |
| 18 Proceeds from sale of Fixed Assets | 30.68 | 21.90 |
| 19 Profit on Sale of Current Investments, Other than trade | 36.62 | 0.11 |
| 20 Purchase of Investments in Associates (Net of Dividend) | (3.77) | (35.73) |
| 21 Investment in subsidiary Company | - | (11.78) |
| 22 Investment in Deposits | - | (10.00) |
| 23 Dividend Received | 30.19 | 50.82 |
| 24 Interest Received | 125.96 | 41.98 |
| Net cash used in investing activities | (264.37) | (784.77) |
| C. Cash flow from financing activities | | |
| 25 Interest paid {includes capitalised ₹ 1.28 Crore (Previous Year - ₹ 36.60 Crore)} | (72.76) | (79.29) |
| 26 Proceeds from issue of Share Capital (Including Securities premium) | - | 0.08 |
| 27 Proceeds from Short term Borrowings | - | 9.93 |
| 28 Repayment of Short term Borrowings | (9.93) | (18.92) |
| 29 Proceeds from Long term Borrowings | - | 0.14 |
| 30 Repayment of Long term Borrowings | (3.30) | (53.03) |
| 31 Dividend paid (including Dividend Distribution Tax) | (682.47) | (500.23) |
| Net cash used in financing activities | (768.46) | (641.32) |
| Net increase / (decrease) in cash and cash equivalents | 549.20 | 499.42 |
| Cash and cash equivalents at the beginning of the year | 2,305.67 | 1,806.23 |
| Taken over on acquisition of Subsidiary | - | 0.02 |
| Cash and cash equivalents at the end of the year | 2,854.87 | 2,305.67 |
| Components of cash and cash equivalents : | | |
| Cash and Bank Balances as per Balance Sheet (Refer Schedule 10) | 1,659.92 | 985.56 |
| Add : Investment in Mutual Funds | 609.10 | 1,320.11 |
| Add : Investment in Certificate of Deposits | 585.85 | - |
| Cash and Cash equivalents in cash flow statement | 2,854.87 | 2,305.67 |

Note : Cash and Cash Equivalents includes ₹ 32.19 Crore (Previous Year - ₹ 27.33 Crore) in respect of Unclaimed Dividend, the balance of which is not available to the Company.

Notes to accounts form an integral part of the Consolidated Cash flow statement

As per our report of even date

For and on behalf of the Board of Directors of ACC Limited,

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

N. S. Sekhsaria
Chairman

Paul Hugentobler
Deputy Chairman

S. M. Palia
Naresh Chandra
Markus Akermann

per Sudhir Soni
Partner
Membership No. 41870

Kuldip Kaura
CEO & Managing Director

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R. A. Shah
Shailesh Haribhakti
Aidan Lynam
Sushil Kumar Roongta
Ashwin Dani

Directors

Burjor D. Nariman
Company Secretary

Mumbai, February 09, 2012

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 1, SHARE CAPITAL

| | 2011 | 2010 |
|--|---------------|---------------|
| | ₹ Crore | ₹ Crore |
| AUTHORISED | | |
| 22,50,00,000 (Previous Year - 22,50,00,000) Equity Shares of ₹ 10 each | 225.00 | 225.00 |
| 10,00,00,000 (Previous Year - 10,00,00,000) Preference Shares of ₹ 10 each | 100.00 | 100.00 |
| | 325.00 | 325.00 |
| ISSUED | | |
| 18,87,93,243 (Previous Year - 18,87,93,243) Equity Shares of ₹ 10 each | 188.79 | 188.79 |
| SUBSCRIBED & PAID-UP | | |
| 18,77,45,356 (Previous Year - 18,77,45,356) Equity Shares of ₹ 10 each fully paid | 187.75 | 187.75 |
| Add : 3,84,060 (Previous Year - 3,84,060) Equity Shares of ₹ 10 each Forfeited - Amount Paid | 0.20 | 0.20 |
| | 187.95 | 187.95 |
| TOTAL | 187.95 | 187.95 |

Notes :

Out of the above

60,72,640 (Previous Year - 60,72,640) Equity Shares of ₹ 10 each, fully paid were issued for consideration other than cash pursuant to contracts.
9,19,52,080 (Previous Year - 9,19,52,080) Equity Shares of ₹ 10 each, fully paid were issued by way of Bonus Shares by utilisation of Securities Premium and Reserves.

9,38,88,120 (Previous Year - 9,01,78,937) Equity shares are held by Holcim (India) Private Limited, the holding company and 5,41,000 (Previous Year - 5,41,000) equity shares are held by Holderind Investments Ltd., Mauritius, both these Companies are subsidiaries of Holcim Ltd., Switzerland, the ultimate holding company.

SCHEDULE - 2, RESERVES AND SURPLUS

| | 2011 | 2010 |
|--|-----------------|-----------------|
| | ₹ Crore | ₹ Crore |
| Capital Reserve | | |
| Balance as per last account | 0.07 | 0.07 |
| Add: Reversal of capital subsidy Provision {Refer Note - 12B(b)} | 7.00 | - |
| | 7.07 | 0.07 |
| Securities Premium | | |
| Balance as per last account | 844.84 | 844.69 |
| Add: Additions on exercise of Employees Stock Option | - | 0.15 |
| | 844.84 | 844.84 |
| General Reserve | | |
| Balance as per last account | 2,004.63 | 1,754.63 |
| Add: Amount transferred from Profit and Loss Account | 250.00 | 250.00 |
| | 2,254.63 | 2,004.63 |
| Debenture Redemption Reserve | | |
| Balance as per last account | 60.00 | 35.00 |
| Add: Amount transferred from Profit and Loss Account | 25.00 | 25.00 |
| | 85.00 | 60.00 |
| Amortisation Reserve | | |
| Balance as per last account | 7.79 | 7.14 |
| Add: Amount transferred from Profit and Loss Account | 0.65 | 0.65 |
| | 8.44 | 7.79 |
| Profit and Loss Account | | |
| | 3,591.12 | 3,175.45 |
| TOTAL | 6,791.10 | 6,092.78 |

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 3, SECURED LOANS

| | 2011 | 2010 |
|--|---------|---------|
| | ₹ Crore | ₹ Crore |
| PRIVATELY PLACED NON - CONVERTIBLE DEBENTURES | | |
| *Secured by a charge on all movable and immovable assets under the Debenture Trust Deed | | |
| (a) 2,000 (Previous Year 2,000) 11.30% Non-Convertible Debentures of ₹ 1,000,000 each redeemable at par on December 09, 2013 | 200.00 | 200.00 |
| (b) 3,000 (Previous Year 3,000) 8.45% Non-Convertible Debentures of ₹ 1,000,000 each redeemable at par on October 07, 2014 | 300.00 | 300.00 |
| Cash credit facility from Bank | - | 9.93 |
| *Secured by Hypothecation of inventory and books debts | | |
| TOTAL | 500.00 | 509.93 |

* The mortgage / charges indicated in above rank *pari-passu inter-se* and are subject to the prior charges in favour of the Company's Bankers on specific movable assets for securing working capital requirements / guarantee facilities.

SCHEDULE - 4, UNSECURED LOANS

| | 2011 | 2010 |
|------------------------------------|---------|---------|
| | ₹ Crore | ₹ Crore |
| Long Term Loans | | |
| Deferred payment Liability - IDCOL | 6.50 | 8.12 |
| (Refer Note -16) | | |
| Deferred Sales Tax Loans | 4.23 | 5.77 |
| Other | - | 0.14 |
| TOTAL | 10.73 | 14.03 |

SCHEDULE - 5, DEFERRED TAX LIABILITIES (Net)

| | 2011 | 2010 |
|--|---------|---------|
| | ₹ Crore | ₹ Crore |
| Deferred Tax Liabilities arising on account of: | | |
| Depreciation and amortisation differences | 699.09 | 540.74 |
| | 699.09 | 540.74 |
| Deferred Tax Assets arising on account of: | | |
| Provision for Employee Benefits | 48.73 | 47.84 |
| Expenditure debited to Profit and Loss Account but allowed for tax purposes in the following years | 62.54 | 67.62 |
| Provision for obsolescence of Spare Parts | 25.06 | 23.65 |
| Others | 38.92 | 34.82 |
| | 175.25 | 173.93 |
| Net Deferred Tax Liabilities | 523.84 | 366.81 |

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 6, FIXED ASSETS

₹ Crore

| FIXED ASSETS | GROSS BLOCK AT COST | | | | | DEPRECIATION / AMORTISATION | | | | | NET BLOCK | |
|---|---------------------|--|------------------------|-------------------------|------------------|-----------------------------|--|--------------|-------------------------|------------------|------------------|------------------|
| | As at 01/01/2011 | Additions on Acquisition of Subsidiary | Additions/ Adjustments | Deductions/ Adjustments | As at 31/12/2011 | As at 01/01/2011 | Additions on Acquisition of Subsidiary | For the year | Deductions/ Adjustments | As at 31/12/2011 | As at 31/12/2011 | As at 31/12/2010 |
| Tangible Assets: | | | | | | | | | | | | |
| 1. Freehold Land | 192.76 | - | 56.65 | 0.07 | 249.34 | - | - | - | - | - | 249.34 | 192.76 |
| 2. Leasehold Land | 61.24 | - | 1.09 | - | 62.33 | 31.37 | - | 4.25 | - | 35.62 | 26.71 | 29.87 |
| 3. Buildings | 873.67 | - | 131.62 | 2.93 | 1,002.36 | 177.33 | - | 33.93 | 1.17 | 210.09 | 792.27 | 696.34 |
| 4. Plant and Machinery | 6,650.79 | - | 1,336.78 | 52.07 | 7,935.50 | 2,684.02 | - | 433.15 | 27.94 | 3,089.23 | 4,846.27 | 3,966.77 |
| 5. Roads, Bridges and Fences | 137.27 | - | 32.78 | 0.15 | 169.90 | 41.76 | - | 6.18 | 0.14 | 47.80 | 122.10 | 95.51 |
| 6. Railway Sidings | 102.78 | - | 54.51 | - | 157.29 | 32.42 | - | 5.33 | - | 37.75 | 119.54 | 70.36 |
| 7. Rolling Stock | 133.50 | - | 26.84 | 0.11 | 160.23 | 68.35 | - | 5.25 | - | 73.60 | 86.63 | 65.15 |
| 8. Furniture, Fixtures and Equipments | 119.98 | - | 14.20 | 2.60 | 131.58 | 35.15 | - | 6.73 | 1.62 | 40.26 | 91.32 | 84.83 |
| 9. Vehicles | 39.32 | - | 2.85 | 6.82 | 35.35 | 11.38 | - | 4.49 | 4.89 | 10.98 | 24.37 | 27.94 |
| Sub Total | 8,311.31 | - | 1,657.32 | 64.75 | 9,903.88 | 3,081.78 | - | 499.31 | 35.76 | 3,545.33 | 6,358.55 | 5,229.53 |
| Intangible Assets: | | | | | | | | | | | | |
| 10. Computer Software | 58.39 | - | 0.54 | - | 58.93 | 53.23 | - | 3.94 | - | 57.17 | 1.76 | 5.16 |
| 11. Goodwill | 68.41 | - | - | - | 68.41 | 16.48 | - | 6.79 | - | 23.27 | 45.14 | 51.93 |
| 12. Mining Rights (Refer Note - 17) | 20.02 | - | - | 19.02 | 1.00 | - | - | - | - | - | 1.00 | 20.02 |
| Sub Total | 146.82 | - | 0.54 | 19.02 | 128.34 | 69.71 | - | 10.73 | - | 80.44 | 47.90 | 77.11 |
| TOTAL | 8,458.13 | - | 1,657.86 | 83.77 | 10,032.22 | 3,151.49 | - | 510.04 | 35.76 | 3,625.77 | 6,406.45 | 5,306.64 |
| Previous Year | 7,165.02 | 33.88 | 1,421.87 | 162.64 | 8,458.13 | 2,786.59 | 3.76 | 427.72 | 66.58 | 3,151.49 | 5,306.64 | |
| 13. Capital Work-in-Progress {Including Capital advances ₹ 75.46 Crore (Previous Year - ₹ 97.28 Crore)} | | | | | | | | | | | 440.74 | 1,564.15 |

Notes:- (i) Buildings include cost of Shares ₹ 5,710 (Previous Year - ₹ 5,960) in various Co-operative Housing Societies, in respect of 16 residential flats (Previous Year - 17).

(ii) Rolling stock includes assets given on lease to Railways under "Own Your Wagons" Scheme, Gross Block ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore) and accumulated depreciation ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore).

(iii) Plant and Machinery and Roads, Bridges & Fences include Gross Block of ₹ 12.68 crore (Previous Year - ₹ 12.68 Crore), ₹ 26.17 Crore (Previous Year - ₹ 26.17 Crore) and Net Block ₹ Nil Crore (Previous Year - ₹ 0.30 Crore), ₹ 0.37 Crore (Previous Year - ₹ 4.35 Crore) respectively, in respect of expenditure incurred on capital assets, ownership of which does not vest with the Company.

(iv) Goodwill is on account of Investment in subsidiaries.

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 7, INVESTMENTS

| | 2011 | 2010 | 2011 | 2010 |
|--|------------|------------|---------|---------|
| | Numbers | Numbers | ₹ Crore | ₹ Crore |
| Long - Term Investments (At Cost) | | | | |
| Trade Investments | | | | |
| (a) Equity Shares - Fully Paid (Quoted):- | | | | |
| Face value ₹ 2 each | | | | |
| Shiva Cement Limited | 23,650,000 | 23,650,000 | 23.65 | 23.65 |
| (b) Equity Shares - Fully Paid (Unquoted):- | | | | |
| Face value ₹ 10 each | | | | |
| Moirra Madhujore Coal Limited | 47,507 | 47,507 | 0.35 | 0.35 |
| Associate Companies | | | | |
| Equity Shares - Fully Paid (Unquoted):- | | | | |
| Face value ₹ 10 each | | | | |
| Alcon Cement Company Private Limited | 408,001 | 408,001 | 23.25 | 22.94 |
| {includes unamortised Goodwill of ₹ 10.09 Crore (Previous Year - ₹ 11.71 Crore)} | | | | |
| Add : Share of Profit | | | 4.77 | 3.36 |
| Less: Dividend Received | | | (2.24) | (1.43) |
| Less: Amortisation of Goodwill | | | (1.62) | (1.62) |
| | | | 24.16 | 23.25 |
| Asian Concretes and Cements Private Limited | 8,100,000 | 8,100,000 | 35.79 | 36.81 |
| {includes unamortised Goodwill of ₹ 12.82 Crore (Previous Year - ₹ 14.37 Crore)} | | | | |
| Add : Share of Profit | | | 4.66 | 0.14 |
| Less: Amortisation of Goodwill | | | (1.55) | (1.16) |
| | | | 38.90 | 35.79 |
| Aakaash Manufacturing Company Cements Private Limited | 4,401 | - | 6.01 | - |
| (Acquired during the year by ACC Concrete Limited) | | | | |
| (includes unamortised Goodwill of ₹ 2.49 Crore) | | | | |
| Add : Share of Profit | | | 1.57 | - |
| Less: Amortisation of Goodwill | | | (0.19) | - |
| | | | 94.45 | 83.04 |
| Other than Trade Investments | | | | |
| (a) Government Securities (Unquoted) | | | | |
| Face value ₹ 1,000,000 each | | | | |
| 5.13% Himachal Pradesh Infrastructure Development Board Bonds | 37 | 37 | 3.70 | 3.71 |
| {includes ₹ Nil (Previous Year - ₹ 0.01 Crore) | | | | |
| deposited with Government and others as security deposit} | | | | |
| (b) Equity Shares - Fully Paid (Unquoted):- | | | | |
| Face value ₹ 10 each | | | | |
| * Kanoria Sugar & General Mfg. Company Limited | 4 | 4 | - | - |
| * Gujarat Composites Limited | 60 | 60 | - | - |
| * Rohtas Industries Limited | 220 | 220 | - | - |
| * The Jaipur Udyog Limited | 120 | 120 | - | - |
| * Digvijay Finlease Limited | 90 | 90 | - | - |
| * The Travancore Cement Company Limited | 100 | 100 | - | - |
| * Ashoka Cement Limited | 50 | 50 | - | - |
| Face value ₹ 5 each | | | | |
| * The Sone Valley Portland Cement Company Limited | 100 | 100 | - | - |
| | | | 3.70 | 3.71 |

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 7, INVESTMENTS - (Contd.)

| | 2011 | 2010 | 2011 | 2010 |
|--|-------------|----------------|---------|---------|
| | Units as at | Units as at | ₹ Crore | ₹ Crore |
| Current Investments, Other than trade (lower of cost or fair value) | | | | |
| Investment in Certificate of Deposits - Fully paid-up (unquoted):- | | | | |
| Unit of Face value ₹ 100,000 each | | | | |
| UCO Bank | 10,000 | - | 97.61 | - |
| Punjab National Bank | 10,000 | - | 97.61 | - |
| Bank of Maharashtra | 10,000 | - | 97.62 | - |
| Cebrtal Bank of India | 10,000 | - | 97.61 | - |
| Oriental Bank | 10,000 | - | 97.70 | - |
| Indian Overseas Bank | 10,000 | - | 97.70 | - |
| | | | 585.85 | - |
| Investment in Mutual Funds - Fully paid-up (Unquoted):- | | | | |
| Unit of Face value ₹ 10 each | | | | |
| Baroda Pioneer Liquid Fund Institutional | - | 20,022,161.126 | - | 20.03 |
| Birla Sun Life Cash Manager Institutional Premium | - | 16,108,279.614 | - | 16.11 |
| Birla Sun Life Cash Plus Institutional Premium | - | 39,970,577.980 | - | 40.05 |
| DSP Blackrock - FMP 3m Series 21 | - | 10,000,000.000 | - | 10.17 |
| DSP Blackrock - FMP 3m Series 22 | - | 20,000,000.000 | - | 20.31 |
| DSP Blackrock - FMP 3m Series 23 | - | 25,000,000.000 | - | 25.31 |
| DSP Blackrock - FMP 3m Series 24 | - | 13,003,672.000 | - | 13.11 |
| DWS Treasury Fund - Cash - Institutional | - | 12,058,165.703 | - | 12.12 |
| Fidelity - Ultra Short Term Debt Fund - Super IP | - | 37,066,808.016 | - | 37.09 |
| HDFC - Qif - Plan B | - | 18,936,435.177 | - | 19.26 |
| HDFC - Qif - Plan C | - | 10,001,468.213 | - | 10.11 |
| HDFC Floating Rate Income Fund - STP | - | 5,016,321.395 | - | 5.06 |
| HDFC Liquid Fund - Premium Plan | - | 32,638,005.426 | - | 40.01 |
| ICICI Prudential Interval Fund III Quarterly Interval Plan | - | 8,001,121.304 | - | 8.12 |
| ICICI Prudential Quarterly Interval II | - | 24,002,811.678 | - | 24.20 |
| IDBI Liquid Fund | - | 38,172,468.243 | - | 38.18 |
| IDFC Cash Fund - Plan C - Institutional | - | 20,005,370.997 | - | 20.01 |
| IDFC Money Manager Fund - TP - Super Inst Plan C | - | 8,098,770.811 | - | 8.10 |
| JM High Liquidity - Super IP | - | 41,006,468.989 | - | 41.08 |
| JM Money Manager Fund Regular Plan | - | 8,084,491.036 | - | 8.09 |
| Kotak Flexi Debt Fund - IP | - | 9,972,049.911 | - | 10.02 |
| Kotak Liquid - Institutional Premium | - | 36,064,337.314 | - | 44.10 |
| Kotak QIP -Series 10 - Inst | - | 9,999,999.909 | - | 10.14 |
| Kotak QIP -Series 9 | - | 15,000,956.714 | - | 15.26 |
| Kotak Quarterly Interval Plan - Series 5 | - | 13,000,000.000 | - | 13.19 |
| L & T Liquid Fund - Super IP | - | 8,908,528.415 | - | 9.01 |
| Principal Pnb Fmp 64 - 91d - Series XXV | - | 15,000,000.000 | - | 15.14 |
| Principal Pnb Fmp 65 - 91d - Series XXVI | - | 10,001,537.177 | - | 10.14 |
| Principal Pnb Fmp 91d - Series XXIV | - | 30,000,000.000 | - | 30.47 |
| Religare Active Income Fund Institutional | - | 10,125,685.700 | - | 10.13 |
| Religare Liquid Fund - Institutional Plan | - | 18,037,826.480 | - | 18.05 |
| Religare Liquid Fund - Super Institutional Plan | - | 12,065,015.001 | - | 12.07 |
| Religare Fmp Series IV Plan A - 3m | - | 25,000,000.000 | - | 25.33 |
| Religare Fmp Series IV Plan C - 3m | - | 20,000,000.000 | - | 20.17 |
| SBI - Debt Fund Series - 90d - 36 | - | 26,007,792.000 | - | 26.11 |
| SBI - Debt Fund Series - 90d - 37 | - | 15,000,000.000 | - | 15.06 |
| SBI - SHF - Ultra Short Term Fund - Institutional Plan | - | 16,185,329.803 | - | 16.20 |
| SBI Magnum Instacash Fund | - | 84,285,756.222 | - | 141.18 |
| SBI Premier Liquid Fund - Super IP | - | 32,943,173.848 | - | 33.05 |

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 7, INVESTMENTS - (Contd.)

| | 2011 | 2010 | 2011 | 2010 |
|---|----------------|----------------|-----------------|-----------------|
| | Units as at | Units as at | ₹ Crore | ₹ Crore |
| Current Investments, Other than trade (lower of cost or fair value) | | | | |
| Sundaram - QIP - Interval Plan - D - Inst | - | 15,000,000.000 | - | 15.25 |
| Sundaram - QIP - Interval Plan - E - Inst | - | 10,000,000.000 | - | 10.09 |
| Sundaram - QIP - Interval Plan - C - Inst | - | 15,002,258.477 | - | 15.18 |
| Sundaram Flexible Fund St Institutional | - | 19,853,963.460 | - | 20.04 |
| Sundaram Money Fund - Super Inst | - | 8,989,015.061 | - | 9.07 |
| Sundaram Money Fund - Super Inst | - | 19,897,841.822 | - | 20.08 |
| Sundaram Ultra Short Term Fund - Super Inst | - | 17,100,327.405 | - | 17.17 |
| Tata Floater Fund | - | 7,050,405.801 | - | 7.08 |
| Tata Liquid Fund - Ship | - | 19,960,848.457 | - | 20.03 |
| Templeton India - Ultra Short Bond Fund - Super Institutional | - | 10,004,321.517 | - | 10.02 |
| UTI - FIIF - Quarterly Plan - Series III - Inst | - | 14,002,112.074 | - | 14.11 |
| UTI - FIIF - Series II - QIP - IV - IP | - | 25,001,058.025 | - | 25.38 |
| LIC -MF Income Plus - Daily Div Plan | - | 8,199,043.94 | - | 9.00 |
| Reliance Liquid Fund -Dividend Reinvestment Plan | - | 262,499.89 | - | 0.40 |
| Fidelity Cash Fund -Super IP - Gr | 11,953,816.080 | - | 17.00 | - |
| JP Morgan India Liquid Fund - Super - Gr | 18,434,403.020 | - | 25.00 | - |
| SBI Premier Liquid Fund - Super IP - Gr | 54,675,349.92 | - | 90.00 | - |
| SBI-SHF-Ultra Short Term Fund - Institutional Plan -Growth Option | 7,313,844.38 | - | 10.00 | - |
| Unit of Face value ₹ 100 each | | | | |
| ICICI Prudential Flexible Income Plan Premium | - | 574,005.982 | - | 6.07 |
| ICICI Prudential Liquid Super Institutional Plan | - | 4,403,186.341 | - | 44.04 |
| ICICI Prudential Ultra Short Term Plan Super Premium | - | 2,001,214.827 | - | 20.02 |
| Birla Sunlife Cashplus - Inst.Prem.Plan - Gr | 1,491,883.557 | - | 25.00 | - |
| DWS Insta Cash Plus Fund - Super IP - Gr | 3,710,297.038 | - | 50.00 | - |
| ICICI Prudential Liquid Fund - Super IP - Gr | 2,539,546.932 | - | 39.00 | - |
| Unit of Face value ₹ 1,000 each | | | | |
| Axis Liquid Fund | - | 351,124.468 | - | 35.12 |
| DSP Black Rock Cash Plus Fund Institutional | - | 50,525.227 | - | 5.06 |
| DSP Black Rock Liquidity Fund Institutional | - | 300,293.139 | - | 30.04 |
| DSP Black Rock Money Manager Fund Institutional | - | 190,669.903 | - | 19.07 |
| Pramerica Liquid Fund | - | 131,343.144 | - | 13.13 |
| Templeton India - TMA - Super Institutional Plan | - | 199,903.275 | - | 20.00 |
| UTI - FRF - STP - Institutional | - | 201,288.501 | - | 20.14 |
| UTI Treasury Advantage Fund - IP | - | 200,268.944 | - | 20.03 |
| UTI Liquid Cash Plan Daily Income RE- INV | - | 30,909.88 | - | 3.15 |
| Axis Liquid Fund - IP - Gr | 543,904.288 | - | 63.00 | - |
| DSP Blackrock Liquidity Fund - IP - Gr | 166,877.767 | - | 25.00 | - |
| IDBI Liquid Fund - Gr | 537,523.564 | - | 60.00 | - |
| Pramerica Liquid Fund - Gr | 223,953.272 | - | 25.00 | - |
| Principal Cash Management Fund - Gr | 399,531.773 | - | 65.00 | - |
| Religare Liquid Fund - Super Ip - Gr | 358,490.218 | - | 60.00 | - |
| UTI Liquid Fund - Cash Plan - IP - Gr | 293,681.367 | - | 50.00 | - |
| UTI Treasury Advantage Fund - IP | 36,115.813 | - | 5.10 | - |
| | | | 609.10 | 1,320.11 |
| TOTAL | | | 1,293.10 | 1,406.86 |
| Notes (i) Aggregate amount of quoted Investments {Market value ₹ 11.90 Crore (Previous Year - ₹ 19.18 Crore)} | | | 23.65 | 23.65 |
| Aggregate amount of unquoted Investments | | | 1269.45 | 1383.21 |
| (ii) * Denotes amount less than ₹ 50,000 | | | | |

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 8, INVENTORIES

(At cost or net realisable value whichever is lower)

| | 2011 | 2010 |
|---|-----------------|---------------|
| | ₹ Crore | ₹ Crore |
| Raw Materials | 167.41 | 146.74 |
| Stores & Spare Parts, Packing Materials and Fuels (Refer Note 19) | 537.29 | 464.67 |
| Work-in-Progress | 283.05 | 201.19 |
| Finished Goods | 125.19 | 113.30 |
| TOTAL | 1,112.94 | 925.90 |

SCHEDULE - 9, SUNDRY DEBTORS

| | 2011 | 2010 |
|---|---------------|---------------|
| | ₹ Crore | ₹ Crore |
| SUNDRY DEBTORS (SECURED AND CONSIDERED GOOD) | | |
| (a) Over Six Months | - | - |
| (b) Others | 67.53 | 61.49 |
| | 67.53 | 61.49 |
| SUNDRY DEBTORS (UNSECURED) | | |
| (a) Over Six Months - | | |
| (i) Sale of Products and Services - | | |
| Considered Good | 11.17 | 6.11 |
| Considered Doubtful | 11.81 | 5.96 |
| | 22.98 | 12.07 |
| (ii) Railway, Insurance and Other Claims* | | |
| Considered Good | 50.15 | 8.89 |
| Considered Doubtful | 8.57 | 50.95 |
| | 58.72 | 59.84 |
| | 81.70 | 71.91 |
| Less: Provision made for Bad and Doubtful Debts | 20.38 | 56.91 |
| | 61.32 | 15.00 |
| (b) Others - (Considered Good) | | |
| (i) Sale of Products and Services | 204.38 | 171.64 |
| (ii) Railway, Insurance and Other Claims* | 5.99 | 1.27 |
| | 210.37 | 172.91 |
| | 271.69 | 187.91 |
| TOTAL | 339.22 | 249.40 |
| Included in Sundry Debtors : | | |
| *Dues from Central / State Governments | 64.36 | 60.66 |

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 10, CASH AND BANK BALANCES

| | 2011 | 2010 |
|--|-----------------|---------------|
| | ₹ Crore | ₹ Crore |
| Cash on Hand | 0.16 | 8.69 |
| {Including Cheques on hand ₹ Nil (Previous Year - ₹ 7.34 Crore)} | | |
| Balances with Scheduled Banks | | |
| In Current Accounts | 83.16 | 61.78 |
| In Fixed Deposits | 1,544.32 | 887.53 |
| In Unclaimed Dividend Accounts | 32.19 | 27.33 |
| Post Office Savings Accounts | 0.01 | 0.01 |
| Share of Cash and Bank balances in Joint Ventures | 0.08 | 0.22 |
| TOTAL | 1,659.92 | 985.56 |

SCHEDULE - 11, OTHER CURRENT ASSETS

| | 2011 | 2010 |
|---|--------------|--------------|
| | ₹ Crore | ₹ Crore |
| Accrued Interest on Investments | 7.61 | 8.98 |
| Other Accrued Interest | 1.67 | 2.07 |
| Fixed Assets held for sale | 6.45 | 45.86 |
| Share of Other Current Assets in Joint ventures | 0.01 | 0.01 |
| TOTAL | 15.74 | 56.92 |

SCHEDULE - 12, LOANS AND ADVANCES (Unsecured, Considered Good, unless otherwise stated)

| | 2011 | 2010 |
|---|---------------|---------------|
| | ₹ Crore | ₹ Crore |
| Sundry Advances and Deposits, etc. | | |
| Advances Recoverable in cash or in kind or for value to be received | 111.59 | 131.14 |
| Deposits with Railways, Government Bodies and Others : | | |
| Considered Good | 270.81 | 250.20 |
| Considered Doubtful | 4.44 | 3.30 |
| | 275.25 | 253.50 |
| Less - Provision made for Doubtful Advances | 4.44 | 3.30 |
| | 270.81 | 250.20 |
| Advance payments against taxes (Net of provision) | 1.07 | 0.79 |
| Deposit with HDFC Limited | 100.00 | 100.00 |
| Balances with Excise, Customs, Port Trust Authorities, etc. | 64.78 | 63.12 |
| TOTAL | 548.25 | 545.25 |

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 13, CURRENT LIABILITIES

| | 2011 | 2010 |
|--|----------|----------|
| | ₹ Crore | ₹ Crore |
| Sundry Creditors | | |
| Dues to other than Micro and Small enterprises | 2,063.04 | 1,737.19 |
| Advance from customers | 147.84 | 137.51 |
| Deposits from Dealers and Others | 494.75 | 461.06 |
| Investor Education and Protection Fund* | | |
| Unclaimed Dividend | 32.19 | 27.33 |
| Unclaimed Matured Deposits | 0.07 | 0.13 |
| | 32.26 | 27.46 |
| Interest on Secured Loans accrued but not due | 7.33 | 7.33 |
| TOTAL | 2,745.22 | 2,370.55 |

* No amounts due and outstanding to be credited to Investor Education and Protection Fund as at December 31, 2011

SCHEDULE - 14, PROVISIONS

| | 2011 | 2010 |
|--|----------|----------|
| | ₹ Crore | ₹ Crore |
| Provision for Employee Benefits (Refer Note - 7) | 140.49 | 123.68 |
| Provision for Mines Restoration (Refer Note - 11) | 14.26 | 12.62 |
| Provision for Income Tax {net of Payment of ₹ 1,353.17 Crore (Previous Year - ₹ 912.79 Crore)} | 529.71 | 911.77 |
| Proposed Final Dividend | 319.17 | 384.88 |
| Dividend Distribution Tax | 51.78 | 63.92 |
| TOTAL | 1,055.41 | 1,496.87 |

SCHEDULE - 15, MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)

| | 2011 | 2010 |
|----------------------|---------|---------|
| | ₹ Crore | ₹ Crore |
| Preliminary Expenses | 0.35 | 0.66 |
| TOTAL | 0.35 | 0.66 |

Schedules forming part of the Consolidated Profit and Loss Account

SCHEDULE - 16A, Other Operating Income

| | 2011 | 2010 |
|--|---------------|---------------|
| | ₹ Crore | ₹ Crore |
| Provision no longer required written back | 103.04 | 105.12 |
| Sale of Surplus generated Power | 13.54 | 45.58 |
| Miscellaneous Income | 108.53 | 110.21 |
| {Includes Gain on Exchange (Net) - ₹ Nil (Previous Year - ₹ 2.58 Crore)} | | |
| TOTAL | 225.11 | 260.91 |

SCHEDULE - 16B, Other Income

| | 2011 | 2010 |
|--|---------------|--------------|
| | ₹ Crore | ₹ Crore |
| Profit on Sale of Current Investments, Other than trade | 36.62 | 0.11 |
| Interest on Bank deposits {TDS ₹ 12.04 Crore (Previous Year - ₹ 3.79 Crore)} | 121.31 | 43.22 |
| Other interest income {TDS ₹ 0.28 Crore (Previous Year - ₹ 0.26 Crore)} | 2.88 | 3.84 |
| Dividend from current Investments - Other than trade | 30.19 | 50.66 |
| Share of Other Income in Joint Ventures | 0.01 | 0.01 |
| TOTAL | 191.01 | 97.84 |

SCHEDULE - 17, MANUFACTURING AND OTHER EXPENSES

| | 2011 | 2010 |
|--|-----------------|-----------------|
| | ₹ Crore | ₹ Crore |
| MANUFACTURING EXPENSES | | |
| Raw Materials Consumed | 1,785.49 | 1,434.34 |
| Stores and Spare parts Consumed | 16.58 | 12.74 |
| Packing Materials Consumed | 346.59 | 269.67 |
| Power and Fuel | 2,198.95 | 1,610.21 |
| Repairs to Buildings | 14.33 | 12.47 |
| Repairs to Machinery (Refer Note 19) | 390.44 | 427.79 |
| Repairs to Other Items | 60.42 | 43.15 |
| Royalties | 138.94 | 117.14 |
| Excise Duties (including Education Cess) | 122.69 | 124.58 |
| {Includes excise duty on captive consumption of Clinker ₹ 101.06 Crore (Previous Year - ₹ 108.12 Crore)} | | |
| | 5,074.43 | 4,052.09 |
| PERSONNEL EXPENSES (Refer Note 18) | | |
| Salaries, Wages, Dearness Allowance and Bonus | 462.99 | 407.17 |
| Contributions / Provisions to and for Provident and Other Funds | 62.96 | 56.23 |
| Workmen and Staff Welfare Expenses | 39.62 | 34.79 |
| | 565.57 | 498.19 |

Schedules forming part of the Consolidated Profit and Loss Account

SCHEDULE - 17, MANUFACTURING AND OTHER EXPENSES (Contd.)

| | 2011 | 2010 |
|--|-----------------|-----------------|
| | ₹ Crore | ₹ Crore |
| ADMINISTRATIVE, SELLING AND OTHER EXPENSES | | |
| Rent | 31.06 | 34.53 |
| Rates and Taxes {includes Wealth Tax ₹ 0.15 Crore (Previous Year - ₹ 0.71 Crore)} | 102.05 | 99.48 |
| Insurance | 18.85 | 18.61 |
| Loading, Transportation and Other Charges | 228.09 | 177.97 |
| Discount, Rebates and Allowances | 84.00 | 80.08 |
| Commission on Sales | 26.47 | 23.64 |
| Miscellaneous expenses {Includes Loss on sale / write off of Fixed Assets (Net) - ₹ 11.06 Crore (Previous Year - ₹ 39.59 Crore)} | 540.49 | 426.02 |
| Provision for Bad and Doubtful Debts and Advances | 8.10 | 9.46 |
| Advertisement | 106.90 | 77.00 |
| Outward Freight Charges on Cement etc | 1,456.19 | 1,125.80 |
| | 2,602.20 | 2,072.59 |
| (INCREASE) / DECREASE IN FINISHED GOODS AND WORK-IN-PROGRESS | | |
| Closing Stock - | | |
| Finished Goods | 125.54 | 113.30 |
| Work-in-Progress | 283.16 | 201.19 |
| | 408.70 | 314.49 |
| Opening Stock - | | |
| Finished Goods | 113.30 | 88.08 |
| Work-in-Progress | 201.19 | 168.96 |
| | 314.49 | 257.04 |
| Acquired during the year {Refer Note 10(b)} | | |
| Finished Goods | - | 3.23 |
| | - | 3.23 |
| | (94.21) | (54.22) |
| Share of Manufacturing and Other Expenses of Joint Ventures | 0.03 | 0.69 |
| TOTAL | 8,148.02 | 6,569.34 |

SCHEDULE - 18, INTEREST EXPENSES

| | 2011 | 2010 |
|---|--------------|--------------|
| | ₹ Crore | ₹ Crore |
| Debentures | 47.95 | 47.95 |
| Term Loans | - | 1.85 |
| Interest on Income Tax | 17.24 | 15.49 |
| {Net of interest on refund ₹ 24.18 Crore (Previous Year - ₹ 44.67 Crore)} | | |
| Others | 33.00 | 29.24 |
| | 98.19 | 94.53 |
| Less - Adjustments for - | | |
| Interest Capitalised | 1.28 | 36.60 |
| TOTAL | 96.91 | 57.93 |

Schedules forming part of the Consolidated Balance Sheet, Profit and Loss Account and Cash Flow Statement

SCHEDULE – 19, NOTES TO ACCOUNTS

1. Basis of preparation

- (i) The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended). The Consolidated Financial Statements comprise the financial statements of ACC Limited (the Company), and its subsidiaries. The Company, and its subsidiaries constitute the ACC Group. Reference in these notes to the 'Company' or 'ACC' shall mean to include ACC Limited and / or any of its subsidiaries, consolidated in these financial statements unless otherwise stated.
- (ii) The list of Companies which are included in consolidation and the Parent Company's holdings therein are as under:

| Name of the Company | Percentage Holding | |
|--|--------------------|--------|
| | 2011 | 2010 |
| a. Subsidiaries | | |
| 1 ACC Concrete Limited (ACCCL) | 100% | 100% |
| 2 Bulk Cement Corporation (India) Limited (BCCI) | 94.65% | 94.65% |
| 3 ACC Mineral Resources Limited | 100% | 100% |
| 4 Lucky Minmat Limited | 100% | 100% |
| 5 National Limestone Co. Private Limited | 100% | 100% |
| 6 Encore Cements & Additives Private Limited (w.e.f. January 28, 2010) | 100% | 100% |
| b. Associates | | |
| 1 Alcon Cement Company Private Limited | 40% | 40% |
| 2 Asian Concretes and Cements Private Limited (w.e.f. April 01, 2010) | 45% | 45% |
| c. Associates of ACC Concrete Limited | | |
| 1 Aakaash Manufacturing Private Limited (w.e.f. March 25, 2011) | 40% | - |
| d. Joint Venture of ACC Mineral Resources Limited | | |
| 1 MP AMRL (Semaria) Coal Company Limited | 49% | 49% |
| 2 MP AMRL (Bicharpur) Coal Company Limited | 49% | 49% |
| 3 MP AMRL (Marki Barka) Coal Company Limited | 49% | 49% |
| 4 MP AMRL (Morga) Coal Company Limited | 49% | 49% |

Each of the above Companies is incorporated in India & financials statements are drawn up to the same reporting date as that of the parent Company i.e. December 31, 2011.

- (iii) The Consolidated Financial Statements have been prepared to comply in all material respect with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.
- (iv) The Consolidated Financial Statements have been prepared under the historical cost convention on an accrual basis, except where impairment is made.
- (v) The Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
- (vi) The Consolidated Financial Statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized Profits/ Losses.
- (vii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- (viii) The difference between the cost of investment in the subsidiaries, and the Company's share of net assets at the time of acquisition of share in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be. Goodwill is amortised over a period of ten years from the date of acquisition/investment.

- (ix) Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders.

Minority interest in the net assets of consolidated subsidiaries consists of:

- (a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
 - (b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.
- (x) Minority interest's share of Net Profit / (Loss) for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
- (xi) Investment in associates where the Company directly or indirectly through subsidiaries holds more than 20% of equity, are accounted for using equity method as per Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated financial Statements" notified by Companies (Accounting Standards) Rules, 2006 (as amended).
- (xii) The difference between the cost of investment in the associates and the Company's share of net assets at the time of acquisition of share in the associate is identified in the financial statements as Goodwill or Capital Reserve as the case may be. Goodwill is amortised over a period of ten years from the date of investment.
- (xiii) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006 (as amended).

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 the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Significant accounting policies

(i) Fixed Assets

- a) Fixed assets are stated at cost of acquisition or construction (net of Cenvat credit availed) less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost less impairment losses if any.
- b) Advances paid towards the acquisition of fixed assets outstanding at each Balance Sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under Capital Work-in-Progress.
- c) Machinery spares which can be used only in connection with a particular item of Fixed Assets and the use of which is irregular, are capitalized at cost net of Cenvat.
- d) Fixed assets held for disposal are stated at the lower of net book value and net realisable value.

(ii) Depreciation and Amortisation

- a. Depreciation on fixed assets is provided using the straight-line method at the rates prescribed in schedule XIV to the Companies Act, 1956 or based on the useful lives of the assets as estimated by Management, whichever is higher. The depreciation on following assets is provided at higher rates :

| Assets | Useful Life |
|---------------|-------------|
| Transit Mixer | 8 Years |
| Pumps | 6 Years |

Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed off.

- b. Machinery spares which are capitalised are depreciated over the useful life of the related fixed asset. The written down value of such spares is charged to the Profit and Loss Account, on issue for consumption.
- c. Cost of leasehold land is amortised over the period of the lease.
- d. In respect of quarry freehold land, amortisation reserve is created by amortising the cost over the number of years of the mining rights of the quarries.

(iii) Intangible Assets

- a) Computer Software cost is amortised over a period of three years using straight-line method.
- b) Costs incurred to gain access to mineral reserves are capitalised and amortised over the life of the quarry, which is based on the estimated tonnes of raw materials to be extracted from the reserves.

(iv) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

(v) Borrowing Costs

Borrowing costs relating to acquisition and construction of an asset which takes substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and other cost that an entity incurs in connection with borrowing of funds.

(vi) Investments

Current investments are carried at the lower of cost or fair value. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

(vii) Inventories

Inventories are valued after providing for obsolescence, as follows:

- a. Raw Materials, Stores & Spare Parts, Packing Materials and Fuels

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

- b. Work-in-progress and Finished goods

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

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

(viii) Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank, in hand (including cheques in hand) and short term investment with an original maturity of three months or less.

(ix) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Products and Services

- a) Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are disclosed net of sales tax / VAT, discounts and returns, as applicable. Excise duties deducted from turnover (gross) are the amounts that are included in the amount of turnover (gross) and not the entire amount of liability that arose during the year. Excise duties in respect of finished goods are shown separately as an item of Manufacturing Expenses and included in the valuation of finished goods.
- b) Revenue from services is recognised pro-rata over the period of the contract as and when services are rendered.

Interest and Dividend Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when the shareholders' right to receive dividend is established by the Balance Sheet date.

(x) Accounting of claims

- a) Claims receivable are accounted at the time when such income has been earned by the Company depending on the certainty of receipts. Claims payable are accounted at the time of acceptance.
- b) Claims raised by Government Authorities regarding taxes and duties, which are disputed by the Company, are accounted based on the merits of each claim.

(xi) Government Grant and Subsidies

- a) Government Grants and subsidies from the government are recognized when there is reasonable certainty that the grant/subsidy will be received and all attaching conditions will be complied with.
- b) Government grants and subsidies receivable against an expense are deducted from such expense and subsidy/grant receivable against a specific fixed asset is deducted from cost of the relevant fixed asset.
- c) Government grants of the nature of promoters' contribution are credited to Capital Reserve and treated as a part of shareholders' funds.
- d) Sales include the amount of Sales Tax / VAT refunds received / due in accordance with incentive schemes.

(xii) Operating Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(xiii) Research and development

Expenditure on Research phase is recognised as an expense when it is incurred. Expenditure on development phase which results in creation of assets is included in Fixed Assets.

(xiv) Foreign currency transactions

Foreign currency transactions are initially recorded at the rates of exchange prevailing on the date of transactions. Foreign currency monetary items are subsequently reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

Derivative Instruments

As per Accounting Standard (AS) 11 – 'The Effects of Changes in Foreign Exchange Rates' the premium or the discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is amortized as expense or income over the life of the contract. As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS – 11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored.

(xv) Retirement and Other employee benefits

- a) Defined Contribution Plan

Contribution to Officer's Superannuation Fund, ESIC and Labour Welfare Fund are recognised as an expense in the Profit and Loss Account, as they are incurred. There are no other obligations other than the contribution payable to the respective trusts.

b) Defined Benefit Plan and Other Long Term Benefits

Retirement benefits in the form of gratuity, additional gratuity, provident fund, post retirement medical benefit schemes, medical benefits under voluntary retirement scheme and other long term benefits in the form of leave encashment, silver jubilee and long service awards are determined on the basis of actuarial valuation using the projected unit credit method as at Balance Sheet date. Actuarial gains/losses are recognized immediately in the Profit and Loss Account.

c) Short term compensated absences are provided based on past experience of leave availed.

d) Payments made under the Voluntary Retirement Scheme are charged to the Profit and Loss Account immediately.

(xvi) Employees Stock Option Scheme

The intrinsic value of option granted under Employees Stock Option Schemes is written off over the vesting period.

(xvii) Income taxes

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and / or deferred tax provisions that may become necessary due to certain developments or reviews during the relevant period. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

(xviii) Contingencies / Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate 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 contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

(xix) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

(xx) Mines Restoration Expenditure

The Company provides for the estimated expenditure required to restore quarries and mines. The initial recognition of the provision for mines restoration cost comprises of the estimated costs for restoration caused by operations necessary before the raw materials can be exploited. Actual payments for restoration are charged directly against the provision. The present obligation is revised annually based on technical estimates by internal or external specialists.

(xxi) Segment Reporting Policies**Identification of segments**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

4. Segment Reporting

The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system. The Company's operations predominantly relate to manufacture of cement. Other business segment reported is Ready Mixed Concrete. The export turnover is not significant in the context of total turnover. As such there are no reportable Geographical Segments.

Inter segment transfers:

Inter Segment Transfer Pricing Policy – Cement supplied to ready mixed concrete activity is based on current market prices. All other inter segment transfers are at cost.

INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

₹ Crore

| | Cement | | Ready Mix Concrete | | Total | |
|-----------------------------------|-----------------|-----------------|--------------------|----------------|------------------|------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| REVENUE | | | | | | |
| External sales | 9,324.32 | 7,651.46 | 688.01 | 609.17 | 10,012.33 | 8,260.63 |
| Inter-segment sales | 86.93 | 61.89 | - | - | 86.93 | 61.89 |
| Total revenue | 9,411.25 | 7,713.35 | 688.01 | 609.17 | 10,099.26 | 8,322.52 |
| RESULT | | | | | | |
| Segment result | 1,417.32 | 1,391.79 | (25.37) | (28.84) | 1,391.95 | 1,362.95 |
| Unallocated corporate Income | | | | | 55.87 | 12.67 |
| Operating Profit | | | | | 1,447.82 | 1,375.62 |
| Interest expenses | | | | | (96.91) | (57.93) |
| Interest and Dividend income | | | | | 154.38 | 97.72 |
| Income Taxes | | | | | (215.45) | (341.36) |
| Profit after tax | | | | | 1,289.84 | 1,074.05 |
| OTHER INFORMATION | | | | | | |
| Segment assets | 8,523.79 | 8,268.17 | 222.74 | 222.38 | 8,746.53 | 8,490.55 |
| Unallocated corporate assets | | | | | 3,070.18 | 2,550.79 |
| Total assets | | | | | 11,816.71 | 11,041.34 |
| Segment liabilities | 2,543.26 | 2,204.82 | 119.11 | 110.65 | 2,662.37 | 2,315.47 |
| Unallocated corporate liabilities | | | | | 2,175.29 | 2,445.14 |
| Total liabilities | | | | | 4,837.66 | 4,760.61 |
| Capital expenditures | 489.39 | 824.45 | 10.35 | 4.10 | 499.74 | 828.55 |
| Depreciation and Amortization | 489.78 | 406.68 | 20.26 | 21.04 | 510.04 | 427.72 |
| Other non-cash expenses | 53.00 | 134.45 | 8.89 | 4.73 | 61.89 | 139.18 |

5. Related Party Disclosure :

| (A) Names of the Related parties where control exists: | | Nature of Relationship |
|---|---|---|
| (i) | Holcim Ltd. | Ultimate Holding Company |
| (ii) | Holderind Investments Ltd. | Holding Company of Holcim(India)Private Limited |
| (iii) | Holcim (India) Private Limited* | Holding Company |
| (iv) | Ambuja Cement India Private Limited* | Holding Company |
| (v) | MP AMRL(Semaria) Coal Company Limited | Joint Venture of ACC Mineral Resources Limited |
| (vi) | MP AMRL(Bicharpur) Coal Company Limited | Joint Venture of ACC Mineral Resources Limited |
| (vii) | MP AMRL(Marki Barka) Coal Company Limited | Joint Venture of ACC Mineral Resources Limited |
| (viii) | MP AMRL(Morga) Coal Company Limited | Joint Venture of ACC Mineral Resources Limited |
| (B) Others - With whom transactions have been taken place during the year | | |
| (a) Names of other Related parties | | Nature of Relationship |
| (i) | Alcon Cement Company Private Limited | Associate Company |
| (ii) | Asian Concretes & Cements Private Limited | Associate Company w.e.f. April 01, 2010 |
| (iii) | Aakaash Manufacturing Company Private Limited | Associate Company of ACC Concrete Limited w.e.f. March 25,2011 |
| (iv) | Ambuja Cements Limited | Fellow Subsidiary |
| (v) | Holcim Group Support Limited | Fellow Subsidiary |
| (vi) | Holcim (Singapore) Pte Limited | Fellow Subsidiary |
| (vii) | Holcim Trading FZCO | Fellow Subsidiary |
| (viii) | Holcim (Lanka) Limited | Fellow Subsidiary |
| (ix) | P T Holcim Indonesia Tbk | Fellow Subsidiary |
| (x) | Holcim Services (South Asia) Limited | Fellow Subsidiary |
| (xi) | Siam City Cement Public Company Limited | Fellow Subsidiary |
| (xii) | Holcim (Bangladesh) Limited | Fellow Subsidiary |
| (xiii) | Holcim (Canada) INC | Fellow Subsidiary |
| (xiv) | Holcim (Vietnam) Limited | Fellow Subsidiary |
| (xv) | Holcim Environment Services SA | Fellow Subsidiary |
| (xvi) | Holcim (Malaysia) SDN BHD | Fellow Subsidiary |
| (xvii) | Holcim (US) INC | Fellow Subsidiary |
| (xviii) | Holcim Foundation | Entity Controlled by Holcim Ltd. |
| (xix) | Holcim Philippines | Fellow Subsidiary |
| (xx) | Holcim Service (Asia) Limited | Fellow Subsidiary |
| (xxi) | P T Holcim Beton | Fellow Subsidiary |
| (xxii) | Holcim Group Support (S) PTE Ltd. | Fellow Subsidiary |
| (b) Key Management Personnel: | | |
| Name of the Related Party | | Nature of Relationship |
| (i) | Mr. Kuldeep K. Kaura (w.e.f. 05.08.10) | CEO & Managing Director of ACC Limited |
| (ii) | Mr. Sumit Banerjee (up to 13.08.10) | Managing Director of ACC Limited |
| (iii) | Mr. Hans J. Fuchs | Managing Director of ACCCL |
| (iv) | Mr. K.R.K. Prusty | Head BCCI untill September 25, 2011 |
| | Mr. Ram Manohar Sowbhagya | Head BCCI from November 21, 2011 |
| (v) | Mr. K.B.S. Swamy | Managing Director of Encore Cements & Additives Private Limited upto July 15, 2010 |
| (vi) | Mr. C. M. Reddy | CEO & Executive Director of Encore Cements & Additives Private Limited |
| (vii) | Mr. P. Umeswar Rao | Non Executive Director of Encore Cements & Additives Private Limited upto December 24, 2010 |

Note:

During the current year, the Company has become a subsidiary of Holcim (India) Private Limited and accordingly Holcim Group Companies, which were reported as promoter group Companies till last year, have now been reported as Fellow Subsidiaries. Previous year's disclosure have been regrouped based on current year's relationship to facilitate comparison.

*During the current year Ambuja Cement India Private Limited has amalgamated with Holcim (India) Private Limited.

(C) Transactions with Associate Companies

| | 2011 | 2010 |
|---|---------------|--------------|
| | ₹ Crore | ₹ Crore |
| (i) Purchase of Finished Goods | 131.21 | 60.23 |
| Alcon Cement Company Private Limited | 76.55 | 60.23 |
| Aakaash Manufacturing Company Private Limited | 54.66 | - |
| (ii) Purchase of Raw Materials | 16.64 | - |
| Asian Concretes & Cements Private Limited | 16.64 | - |
| (iii) Sale of Finished / Unfinished Goods | 27.16 | 22.80 |
| Alcon Cement Company Private Limited | 27.16 | 22.64 |
| Others | - | 0.16 |
| (iv) Investment in Associates (Acquisition of Equity Shares) | 6.01 | 36.81 |
| Asian Concretes & Cements Private Limited | - | 36.81 |
| Aakaash Manufacturing Company Private Limited | 6.01 | - |
| (v) Dividend Received | 2.24 | 1.43 |
| Alcon Cement Company Private Limited | 2.24 | 1.43 |
| (vi) Reimbursement of Expenses / Cost of Materials / Stores Paid / Payable | 0.01 | - |
| Aakaash Manufacturing Company Private Limited | 0.01 | - |
| (vii) Reimbursement of Expenses / Cost of Materials / Stores Received / Receivable | 8.89 | 5.37 |
| Alcon Cement Company Private Limited | 8.89 | 5.37 |
| (viii) Rendering of Services | 1.36 | 1.23 |
| Alcon Cement Company Private Limited | 1.36 | 1.23 |
| (ix) Receiving of Services | 48.18 | 17.35 |
| Asian Concretes & Cements Private Limited | 47.56 | 16.68 |
| Others | 0.62 | 0.67 |
| (x) Outstanding balance included in Debtors | 4.66 | 5.28 |
| Alcon Cement Company Private Limited | 4.66 | 5.28 |
| (xi) Outstanding balance included in Current Liabilities | 21.42 | 10.96 |
| Alcon Cement Company Private Limited | 2.31 | 3.58 |
| Asian Concretes & Cements Private Limited | 11.33 | 7.38 |
| Aakaash Manufacturing Company Private Limited | 7.78 | - |

(D) Details of Transactions relating to Holding Companies

| | 2011 | 2010 |
|--------------------------------|---------------|---------------|
| | ₹ Crore | ₹ Crore |
| Dividend paid | 293.61 | 199.48 |
| Holcim (India) Private Limited | 291.91 | 198.24 |
| Holderind Investments Limited | 1.70 | 1.24 |

(E) Details of Transactions relating to Fellow subsidiary Companies

| | 2011 | 2010 |
|---|---------------|--------------|
| | ₹ Crore | ₹ Crore |
| (i) Purchase of Gypsum and Coal | 130.18 | 75.74 |
| Holcim Trading FZCO | 113.91 | 75.74 |
| Ambuja Cements Limited | 16.27 | - |
| (ii) Purchase of Unfinished Goods | 44.29 | 62.08 |
| Ambuja Cements Limited | 44.29 | 62.08 |
| (iii) Purchase of Stores & Spares | 0.64 | 0.01 |
| Ambuja Cements Limited | 0.64 | 0.01 |
| (iv) Purchase of Fixed Assets | 13.97 | - |
| Ambuja Cements Limited | 13.97 | - |
| (v) Sale of Finished / Unfinished Goods | 6.57 | 7.34 |
| Ambuja Cements Limited | 6.57 | 7.34 |
| (vi) Sale of Raw material & other items | 0.36 | 3.16 |
| Holcim (Bangladesh) Limited | 0.36 | 2.67 |
| Holcim Environment Services SA | - | 0.49 |
| (vii) Sale of Fixed Assets | 0.01 | - |
| Ambuja Cements Limited | 0.01 | - |
| (viii) Rendering of Services | 2.63 | 3.07 |
| Ambuja Cements Limited | 2.63 | 3.07 |
| (ix) Reimbursement of Expenses Paid / Payable | 3.39 | 0.25 |
| Ambuja Cements Limited | - | 0.12 |
| Holcim Trading FZCO | 3.13 | 0.09 |
| Others | 0.26 | 0.04 |
| (x) Reimbursement of Expenses Received / Receivable | 4.59 | 2.96 |
| Ambuja Cements Limited | 3.99 | 2.74 |
| Others | 0.60 | 0.22 |
| (xi) Receiving of Services (Training / Technical Consultancy etc.) | 60.64 | 48.25 |
| Holcim Group Support Limited | 31.18 | 24.55 |
| Holcim Services (South Asia) Limited | 27.51 | 22.42 |
| Others | 1.95 | 1.28 |
| (xii) Rendering of Services | - | 0.05 |
| Holcim Group Support (S) PTE Ltd. | - | 0.05 |
| (xiii) Outstanding Balance Included in Current Assets | 1.55 | 0.88 |
| Holcim Services (South Asia) Limited | - | 0.16 |
| Ambuja Cement Limited | 1.35 | 0.56 |
| Holcim (Bangladesh) Limited | - | 0.11 |
| Holcim Group Support Limited | 0.19 | 0.03 |
| Others | 0.01 | 0.02 |
| (xiv) Outstanding Balance Included in Current Liabilities | 22.06 | 17.40 |
| Holcim Group Support Limited | 8.73 | 7.16 |
| Holcim Trading FZCO | 3.83 | 6.03 |
| Holcim Services (South Asia) Limited | 5.63 | 0.46 |
| Ambuja Cement Limited | 2.05 | 2.88 |
| Others | 1.82 | 0.87 |

(F) Details of Transaction with Key Management Personnel

| | 2011 | 2010 |
|--|-------------|-------------|
| | ₹ Crore | ₹ Crore |
| Remuneration | 6.56 | 5.54 |
| (i) Mr. Sumit Banerjee (up to 13.08.10) | - | 1.86 |
| (ii) Mr. Kuldip K. Kaura (w.e.f. 05.08.10) | 4.77 | 1.83 |
| (iii) Mr. Hans J. Fuchs | 1.77 | 1.64 |
| (iv) Others | 0.02 | 0.21 |
| Deposit taken during the year | - | 0.13 |
| (i) Mr. C. M. Reddy | - | 0.03 |
| (ii) Mr. P. Umeswar Rao | - | 0.10 |
| Deposit repaid during the year | 0.03 | 0.61 |
| (i) Mr. K.B.S. Swamy | - | 0.19 |
| (ii) Mr. C. M. Reddy | 0.03 | 0.13 |
| (iii) Mr. P. Umeswar Rao | - | 0.29 |
| Interest paid during the year | - | 0.02 |
| (i) Mr. K.B.S. Swamy | - | 0.01 |
| (ii) Mr. P. Umeswar Rao | - | 0.01 |
| Closing balance of Deposit at the end of year | - | 0.03 |
| Mr. C. M. Reddy | - | 0.03 |

(G) Details of Transactions relating to relatives of persons referred to in item (F) above

| | 2011 | 2010 |
|-------------------------------------|---------|---------|
| | ₹ Crore | ₹ Crore |
| Unsecured Loan paid during the year | - | 0.58 |
| Interest paid during the year | - | 0.11 |

(H) Details of Transactions with Joint Venture Companies

| | 2011 | 2010 |
|---|-------------|-------------|
| | ₹ Crore | ₹ Crore |
| Advances given | 0.89 | 1.45 |
| MP AMRL (Semaria) Coal Company Limited | 0.16 | 1.41 |
| MP AMRL (Bicharpur) Coal Company Limited | 0.71 | 0.01 |
| MP AMRL (Marki Barka) Coal Company Limited | 0.02 | 0.01 |
| MP AMRL (Morga) Coal Company Limited | - | 0.02 |
| Reimbursement of expenses | 0.03 | 0.04 |
| MP AMRL (Bicharpur) Coal Company Limited | 0.01 | 0.01 |
| MP AMRL (Marki Barka) Coal Company Limited | 0.02 | 0.01 |
| MP AMRL (Morga) Coal Company Limited | - | 0.02 |
| Outstanding balance in Current Liabilities | 2.26 | 1.41 |
| MP AMRL (Semaria) Coal Company Limited | 1.57 | 1.41 |
| MP AMRL (Bicharpur) Coal Company Limited | 0.69 | - |

6. Consolidated Earnings per Share - [EPS]

| | 2011 | 2010 |
|--|--------------|--------------|
| | ₹ Crore | ₹ Crore |
| (I) Net Profit as per Consolidated Profit and Loss Account | 1,300.80 | 1077.53 |
| (II) Weighted average number of equity shares for Earnings per Share computation | | |
| Shares for Basic Earnings per Share | 18,77,45,356 | 18,77,44,727 |
| Add: Potential diluted equity shares | 4,39,316 | 4,16,549 |
| Number of Shares for Diluted Earnings per Share | 18,81,84,672 | 18,81,61,276 |
| (III) Earnings per Share | | |
| Face value per Share | ₹ 10.00 | 10.00 |
| Basic | ₹ 69.29 | 57.39 |
| Diluted | ₹ 69.12 | 57.27 |

7. Employee Benefits:

- a) Defined Contribution Plans – Amount recognised and included in Schedule 17 “Contributions / Provisions to and for Provident and Other Funds” of Profit and Loss Account ₹ 7.63 Crore (*Previous Year - ₹ 7.40 Crore*).
- b) Defined Benefit Plans – As per actuarial valuation on December 31, 2011

The Company has a defined benefit gratuity and post retirement medical benefit plans as given below:

- i. Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of service. The scheme is funded with insurance companies in the form of a qualifying insurance policy.
- ii. Benefits under Post Employment medical Benefit plans are payable for actual domiciliary treatment / hospitalization for employees and their specified relatives.

| | Gratuity | | Post Employment Medical Benefits(PEMB) |
|--|------------------|----------------|---|
| | Funded | Non Funded | |
| | ₹ Crore | ₹ Crore | ₹ Crore |
| I Expense recognised in the Statement of Profit & Loss for the year ended December 31, 2011 | | | |
| 1 Current Service cost | 6.67 5.50 | 2.21 1.60 | 0.02 0.04 |
| 2 Interest Cost | 8.85 6.94 | 3.21 2.15 | 0.16 0.23 |
| 3 Employee Contributions | - - | - - | (0.41) (0.41) |
| 4 Expected return on plan assets | (8.90) (7.96) | - - | - - |
| 5 Net Actuarial (Gains) / Losses | 15.62 17.11 | 7.54 10.47 | 1.13 (0.23) |
| 6 Past service cost | - - | - - | - - |
| 7 Settlement / Curtailment (Gain) | - - | - - | - - |
| 8 Total expense | 22.24 21.59 | 12.96 14.22 | 0.90 (0.37) |

| | Gratuity | | Post Employment Medical Benefits(PEMB) |
|---|----------------------|--------------------|---|
| | Funded | Non Funded | |
| | ₹ Crore | ₹ Crore | ₹ Crore |
| II Net Asset/(Liability) recognised in the Balance Sheet as at December 31, 2011 | | | |
| 1 Present value of Defined Benefit Obligation | (135.82) (118.55) | (52.17) (41.90) | (2.58) (2.28) |
| 2 Fair value of plan assets | 119.82 104.90 | - - | - - |
| 3 Funded status [Surplus / (Deficit)] | (16.00) (13.65) | - - | - - |
| 4 Net asset / (liability) | (16.00) (13.65) | (52.17) (41.90) | (2.58) (2.28) |
| III Change in Obligation during the Year ended December 31, 2011 | | | |
| 1 Present value of Defined Benefit Obligation at beginning of the year | 118.55 102.36 | 41.90 31.75 | 2.28 3.61 |
| 2 Current Service cost | 6.67 5.50 | 2.21 1.60 | 0.02 0.04 |
| 3 Interest Cost | 8.85 6.94 | 3.21 2.15 | 0.16 0.23 |
| 4 Settlement / Curtailment (Gain) | - - | - - | - - |
| 5 Past service cost | - - | - - | - - |
| 6 Employee Contributions | - - | - - | (0.41) (0.41) |
| 7 Actuarial (Gains) / Losses | 16.07 17.55 | 7.54 10.47 | 1.13 (0.23) |
| 8 Benefit Payments | (14.32) (13.80) | (2.69) (4.07) | (0.60) (0.96) |
| 9 Present value of Defined Benefit Obligation at the end of the year | 135.82 118.55 | 52.17 41.90 | 2.58 2.28 |
| IV Change in Assets during the Year ended December 31, 2011 | | | |
| 1 Plan assets at the beginning of the year | 104.90 96.50 | - - | - - |
| 2 Settlements | - - | - - | - - |
| 3 Expected return on plan assets | 8.90 7.96 | - - | - - |
| 4 Contributions by Employer | 5.80 - | - - | - - |
| 5 Actual benefits paid | (0.23) - | - - | - - |
| 6 Actuarial Gains / (Losses) | 0.45 0.44 | - - | - - |
| 7 Plan assets at the end of the year | 119.82 104.90 | - - | - - |
| 8 Actual return on plan assets | 9.25 8.33 | - - | - - |

V The major categories of plan assets as a percentage of total plan

| | |
|-----------------------------|--------------------|
| Qualifying Insurance Policy | 100% (P.Y. – 100%) |
|-----------------------------|--------------------|

VI Effect of One percentage point change in the assumed Medical Inflation rate

| | One percentage increase - ₹ Crore | One percentage decrease - ₹ Crore |
|--|-----------------------------------|-----------------------------------|
| Increase / (Decrease) on aggregate service and interest cost of Post Employment Medical benefits | 0.06 <i>0.28</i> | (0.06) <i>(0.24)</i> |
| Increase / (Decrease) on Present value of Defined Benefit Obligation as at December 31, 2011 | 0.67 <i>0.93</i> | (0.64) <i>(0.82)</i> |

VII Actuarial Assumptions:

As at December 31, 2011

| | |
|--|---|
| 1 Discount Rate | 8.5% p.a. (P.Y. – 8% p.a.) |
| 2 Expected rate of return on plan assets | 8.5% p.a. (P.Y. – 8% p.a.) |
| 3 Mortality pre retirement | Indian assured lives Mortality (1994-96) (modified) ultimate. |
| 4 Mortality post-retirement | Mortality for annuitants LIC (1996-98) ultimate |
| 5 Employee turnover rate | 5% p.a. (P.Y. – 5% p.a.) |
| 6 Medical premium inflation | 12% p.a. for 5 years and thereafter 8% p.a. |

(Figures in italics pertains to previous year)

- c) The Guidance issued by the Accounting Standard Board (ASB) on implementing AS-15, Employee Benefits (revised 2005) states that provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. In regard to any future obligation arising due to interest shortfall (i.e. Government interest to be paid on provident fund scheme exceeds rate of interest earned on investment), pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the same. During the year, the Company has recognised as expenses of ₹ 1.76 Crore (*Previous Year - ₹ Nil*) towards the deficit in the fund.
- d) Basis used to determine expected rate of return on assets:
- The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation. The Gratuity Scheme is invested in Life Insurance Corporation (LIC) of India's Group Gratuity-cum-Life Assurance cash accumulation policy and HDFC Standard Life's Group Unit Linked Plan - For Defined Benefit Scheme.
- e) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- f) The Company expects to contribute ₹ Nil to Gratuity fund in the year 2012.
- g) Post employment defined benefit plan expenses are included under personnel expenses in Profit and Loss Account.
- h) Amounts for the current and previous four periods are as follows:

(i) Gratuity (Funded)

₹ Crore

| | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|----------|----------|----------|----------|---------|
| Defined benefit obligation | (135.82) | (118.55) | (102.36) | (124.30) | (98.41) |
| Plan assets | 119.82 | 104.90 | 96.50 | 84.90 | 74.12 |
| Surplus / (deficit) | (16.00) | (13.65) | (5.86) | (39.40) | (24.29) |
| Experience adjustments on plan assets | (0.45) | (0.44) | (0.91) | (0.83) | 0.65 |
| Experience adjustments on plan liabilities | (19.94) | (10.54) | (5.74) | 6.35 | 9.67 |

(ii) Gratuity (Non funded)

₹ Crore

| | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|---------|---------|---------|---------|---------|
| Defined benefit obligation | (52.17) | (41.90) | (31.75) | (39.16) | (26.74) |
| Plan assets | - | - | - | - | - |
| Surplus / (deficit) | (52.17) | (41.90) | (31.75) | (39.16) | (26.74) |
| Experience adjustments on plan assets | N.A. | N.A. | N.A. | N.A. | N.A. |
| Experience adjustments on plan liabilities | 9.49 | (7.67) | (3.83) | 4.52 | (6.96) |

(iii) Post Employment Medical Benefits

₹ Crore

| | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|--------|--------|--------|---------|---------|
| Defined benefit obligation | (2.58) | (2.28) | (3.61) | (10.18) | (17.40) |
| Plan assets | - | - | - | - | - |
| Surplus / (deficit) | (2.58) | (2.28) | (3.61) | (10.18) | (17.40) |
| Experience adjustments on plan assets | N.A. | N.A. | N.A. | N.A. | N.A. |
| Experience adjustments on plan liabilities | 1.02 | (0.20) | (2.96) | (6.14) | 2.33 |

8. Operating Lease

| | 2011 | 2010 |
|--|---------|---------|
| | ₹ Crore | ₹ Crore |
| a) Future Lease Rental payments | | |
| (i) Not later than one year | 90.08 | 66.10 |
| (ii) Later than one year and not later than five years | 320.31 | 191.49 |
| (iii) Later than five years | 154.49 | 179.37 |

b) Operating Lease payment recognised in the Profit & Loss Account amounting to ₹ 112.06 Crore (Previous Year – ₹ 77.19 Crore)

c) General description of the leasing arrangement:

- (i) Leased Assets: Grinding facility, Dumpers, Cranes and Tipplers, Cars, Locomotives, Godowns, Flats, Computers and other related equipments, Office and other premises, Pumps and Transit mixers etc.
- (ii) Future lease rentals are determined on the basis of agreed terms.
- (iii) There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.
- (iv) At the expiry of the lease term, the Company has an option either to return the asset or extend the term by giving notice in writing.

9. Proposed Amalgamation

The Board of Directors at its Meeting held on February 03, 2011 and the Members of the Company at the Court convened Meeting held on June 01, 2011 have approved the Scheme of Amalgamation of Lucky Minmat Limited, National Limestone Company Private Limited and Encore Cement & Additives Private Limited, wholly owned subsidiaries with the Company.

As per the above Scheme, the appointed date is January 01, 2011. The Scheme of Amalgamation was filed with the Bombay High Court and is pending approval of the Court.

10.

- A. During the year, the Company has subscribed to 5,00,00,000 fully paid Equity Share for a total consideration of ₹ 50 Crore in its wholly owned subsidiary ACC Concrete Limited.
- B. During the current year, ACC Concrete Limited a subsidiary company has acquired 40% stake in Aakaash Manufacturing Company Private Limited for a total consideration of ₹ 6.01 Crore (including stamp duty, registration fees).

- C. Management became aware of certain instances of frauds on the Company by its vendors, including in some cases in collusion with employees, where the amounts involved are not significant. In another instance, an employee improperly recorded accounting adjustments, which were detected during the year. Investigations into this matter have resulted in a net charge to the Profit and Loss account of ₹ 4.11 Crore for the year. The Company has taken necessary steps to strengthen controls and has taken action, as considered appropriate.

11. Movement of provision during the year as required by Accounting Standard 29 :

Mines Restoration Expenditure

| | 2011 | 2010 |
|-----------------------------------|---------|---------|
| | ₹ Crore | ₹ Crore |
| Opening provision | 12.62 | 9.98 |
| Add: Provision during the year | 2.43 | 3.10 |
| Less: Utilisation during the year | (0.79) | (0.46) |
| Closing provision | 14.26 | 12.62 |

Mines restoration expenditure is incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure.

12. A) Contingent Liabilities Not Provided For –

- Indemnity, Guarantee/s given to Banks / Financial Institutions, Government Bodies and others ₹ 187.76 Crore (*Previous Year - ₹ 156.74 Crore*).
- Sales Tax, Excise Duties & Other Dues ₹ 107.55 Crore (*Previous Year - ₹ 67.01 Crore*).

In respect of item (b) future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums / authorities.

- The Company had filed petitions against the orders / notices of various authorities demanding ₹ 169.75 Crore (*Previous Year - ₹ 155.21 Crore*) towards payment of additional Royalty on Limestone based on the ratio of 1.6 tonnes of Limestone to 1 tonne of Cement produced at its factories in Madhya Pradesh and Chattisgarh and on cement produced vis a vis consumption of limestone at its factory in Tamil Nadu. The Company holds the view that the payment of royalty on limestone is correctly made based on the actual quantity of limestone extracted from the mining area.

The Company has also received a demand resulting in a liability of ₹ 59.06 Crore (*Previous Year - ₹ 45.37 Crore*) towards payment of additional Royalty on Limestone based on the ratio of 1.4 tonnes of Limestone to 1 tonne of Clinker for one of its plant in the state of Karnataka. The Company has conducted studies to establish the quantity of Limestone consumed in the manufacture of Clinker at this plant and royalty payments towards Limestone are in accordance with such consumption ratios.

In view of these demands being legally unjustifiable, the Company does not expect any liability in these matters.

- The Company had availed Sales-tax incentives in respect of its new 1 MTPA plant at Gagal (Gagal II) under the HP State Industrial Policy, 1991. The Company accrued Sales-tax incentives aggregating ₹ 56 Crore (*Previous Year - ₹ 56 Crore*). However, the Sales tax authorities had introduced certain restrictive conditions after the commissioning of the unit, stipulating that the incentive is admissible only for the incremental amount over the base revenue and production. The Company contends that Gagal II being a new unit, such restrictive conditions cannot be imposed on it as per the Industrial Policy. The Company is in appeal before the Himachal Pradesh High Court against the decision of the HP Tax Tribunal on this matter. Consequent to the decision during the previous year of the Supreme Court in another case related to Transport Subsidy and acceptance by the Central Government in that case that Gagal II is a new unit, management believes there is a material shift in the merits in favour of the Company in the Sales-Tax incentives case. Therefore, during the previous year, the Company had written back ₹ 56 Crore which was provided as a measure of abundant caution in earlier years. The Company had also provided an amount of ₹ 7 Crore towards interest, which is also written back during the previous year.
 - Pursuant to incentives available under a State Industrial Policy in respect of one of its cement plants, the Company had preferred claims and till December 2008 accrued ₹ 15 Crore on account of Capital Investment Subsidy and ₹ 29.44 Crore as Sales Tax / VAT subsidy receivable from the State Government. However, since the payments / reimbursements were not forthcoming, management considered it prudent to create a provision against the amounts receivable, and in an earlier year,

provided for an amount of ₹ 29.44 Crore by charge to Profit and Loss Account and adjusted the Capital Reserve Account to the extent of the Capital Investment Subsidy. No further accruals of the subsidy have been made for the subsequent period though the Company continues to lodge its claims with the authorities.

During the year, the company has received ₹ 7 Crore being a part of ₹ 15 Crore on account of Capital Investment Subsidy and same has been accounted in capital reserve. The Government has also contended that the Company is not eligible for the rest of ₹ 8 Crore.

Further, during the year, the Jharkhand Government, for the first time, objected to the claims filed citing various restrictions, which neither arises from the Industrial Policy, nor from the approvals.

The Company has filed a writ before the Jharkhand High Court against the restrictions and disputes on the extent of eligible claims now being sought to be effected / raised by the Government and the Company's writ before the Jharkhand High Court for consideration of the amounts claimed as eligible without restriction, and payment thereof by the Government Authorities has been admitted during the year.

Further, during the year, the company has credited ₹ 33 Crore to its profit & loss account, through write back of the provision of ₹ 29.44 Crore and accrual of the balance, on an estimated basis, representing the quantum of benefits (for the entire period of the claims) after taking into consideration all restrictions and disputes raised by the Jharkhand Government till now.

- 13.** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 292.57 Crore (Previous year – ₹ 259.33 Crore).

14. a) Particulars of un hedged foreign currency exposure as at Balance Sheet date

| Particulars | Amount |
|------------------|---|
| Export Debtors | ₹ 3.52 Crore (SAR 0.25 Crore @ Closing rate of 1 SAR = ₹ 14.34) {Previous Year ₹ 10.04 Crore (SAR 0.83 Crore @ Closing rate of 1 SAR = ₹ 12.15)} ₹ 0.65 Crore (USD 0.01 Crore @ Closing rate of 1 USD = ₹ 54.29)(Previous Year ₹ Nil) |
| Import Creditors | ₹ 6.62 Crore (USD 0.12 Crore @ Closing rate of 1 USD = ₹ 54.29) {Previous Year ₹ 34.02 Crore (USD 0.75 Crore @ Closing rate of 1 USD = ₹ 45.55)} ₹ 8.84 Crore (CHF 0.15 Crore @ Closing rate of 1 CHF = ₹ 57.76) {Previous Year ₹ 7.10 Crore (CHF 0.15 Crore @ Closing rate of 1 CHF = ₹ 48.43)} ₹ 1.23 Crore (EUR 0.02 Crore @ Closing rate of 1 EUR = ₹ 70.29) {Previous Year ₹ 1.20 Crore (EUR 0.02 Crore @ Closing rate of 1 EUR = ₹ 60.37)} ₹ 0.01 Crore (JPY 0.01 Crore @ Closing rate of 1 JPY = ₹ 0.70) (Previous Year ₹ Nil) ₹ 0.07 Crore (SGD 0.002 Crore @ Closing rate of 1 SGD = ₹ 41.76) (Previous Year ₹ Nil) |

b) The details of forward contracts outstanding at the year end are as follows:-

| Year | Number of Contracts | Buy Amount | ₹ Crore | Purpose |
|------|---------------------|-----------------|---------|-------------------------|
| 2011 | - | - | - | Import of Capital items |
| 2010 | 1 | 3,11,990 (Euro) | 1.88 | |

- 15.** Sales of Products and Services include Sales Tax incentive of ₹ 9.04 Crore (Previous Year - ₹ 7.67 Crore).
- 16.** Deferred Payment Liability included in "Unsecured Loans – Schedule 4" comprises ₹ 6.50 Crore (Previous Year – ₹ 8.12 Crore) payable to the Industrial Development Corporation of Orissa Limited (IDCOL) in eight equal annual instalments without interest or penalty. The fifth instalment was due for payment on December 22, 2011.
- 17.** During the year, the Company has written off expenditure incurred for mining rights aggregating ₹ 19.02 Crore due to an inordinate delay in ability to access the related mining reserves.
- 18.** Personnel expenses exclude cost relating to share based payments incurred and paid by Holcim Ltd., the ultimate holding Company, to the employees of the Company.

19. During the previous year, the Company changed its basis of identifying obsolescence of spare parts with respect to the actual usage pattern. Accordingly, an amount of ₹ 71.16 Crore was recognized under repairs to machinery in Schedule 17 as a write down for the year (including ₹ 47.36 Crore pertaining to the period until December 31, 2009).
20. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.
21. The Consolidated results for the year ended December 31, 2011 are not comparable with the previous year, due to following :
- Investment in subsidiary Encore Cements & Additives Private Limited w.e.f. January 28, 2010
 - Investment in associate Asian Concretes & Cement Private Limited w.e.f. April 01, 2010
 - Investment in Aakaash Manufacturing Company Private Limited w.e.f. March 25, 2011
- The effect of the operations of these entities on the results is not significant.
22. Previous year's figures have been regrouped / restated wherever necessary to make them comparable with current year's figures.

As per our report of even date

For and on behalf of the Board of Directors of ACC Limited,

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

per Sudhir Soni
Partner

Membership No. 41870

Mumbai, February 09, 2012

N. S. Sekhsaria
Chairman

Kuldip Kaura
CEO & Managing Director

Burjor D. Nariman
Company Secretary

Paul Hugentobler
Deputy Chairman

Sunil K. Nayak
Chief Financial Officer

S. M. Palia
Naresh Chandra
Markus Akermann
M. L. Narula
R. A. Shah
Shailesh Haribhakti
Aidan Lynam
Sushil Kumar Roongta
Ashwin Dani

} *Directors*

Consolidated Group Operating Results and Net Worth - Explanatory Statement

CONSOLIDATED GROUP OPERATING RESULTS FOR THE YEAR ENDED DECEMBER 31, 2011

| | 2011 | 2010 |
|--|----------|----------|
| | ₹ Crore | ₹ Crore |
| ACC's Net Profit | 1,325.26 | 1,120.01 |
| Add: Pro-rata share of profits / (losses) of subsidiaries - | | |
| Bulk Cement Corporation (India) Limited | 0.67 | 0.39 |
| ACC Concrete Limited | (23.75) | (29.11) |
| ACC Mineral Resources Limited | (0.14) | (0.51) |
| Lucky Minmat Limited | (0.26) | (0.04) |
| National Limestone Co. Pvt. Limited | (0.02) | (0.08) |
| Encore Cements and Additives Pvt. Limited | 1.87 | (6.24) |
| | (21.63) | (35.59) |
| Add: Pro-rata share of profit of Associates | 9.40 | 3.50 |
| Less: Minority Interest of Subsidiary (BCCI) | 0.04 | 0.02 |
| Less: Amortisation of Goodwill on acquisition of Subsidiary and Investment in Associates | 9.95 | 9.47 |
| Less: Unrealised profit on purchase of Fixed Assets | - | (0.53) |
| Less: Dividend received from Associates | 2.24 | 1.43 |
| | 1,300.80 | 1,077.53 |

CONSOLIDATED GROUP NET WORTH AS AT DECEMBER 31, 2011

| | 2011 | 2010 |
|---|----------|----------|
| | ₹ Crore | ₹ Crore |
| ACC's Net Worth | 7,192.27 | 6,469.49 |
| Add: Net worth as per Balance Sheet of Subsidiary Companies - | | |
| Bulk Cement Corporation (India) Limited | 44.63 | 43.95 |
| ACC Concrete Limited | 53.38 | 26.85 |
| ACC Mineral Resources Limited | 4.29 | 4.40 |
| Lucky Minmat Limited | 2.42 | 2.68 |
| National Limestone Co. Pvt. Limited | (0.03) | (0.01) |
| Encore Cements and Additives Pvt. Limited | (6.55) | (8.42) |
| | 98.14 | 69.45 |
| Less: Pro-rata share of Minority shareholders interest in the Net Worth of Subsidiary Companies | 2.46 | 2.42 |
| Less: ACC's share in pre-acquisition Net Worth of Subsidiary Companies | 290.40 | 240.40 |
| | (194.72) | (173.37) |
| Less: Amortisation of Goodwill in Subsidiary Companies | 23.27 | 16.48 |
| Less: Unrealised profit on purchase of Fixed Assets | (0.53) | (0.53) |
| Add: Increase in Net Worth of Alcon Cement Company Pvt. Ltd. | 1.91 | 1.00 |
| Add: Increase in Net Worth of Asian Cements & Concretes Pvt. Ltd. | 2.08 | (1.03) |
| Less: Other adjustments (Net) | 0.10 | 0.07 |
| | 6,978.70 | 6,280.07 |

Directors' Report

TO THE MEMBERS OF
ACC CONCRETE LIMITED

The Directors take pleasure in presenting the Fifth Annual Report on the business and operations of the Company and the Audited Accounts for the year ended December 31, 2011.

1. FINANCIAL RESULTS

| Particulars | Consolidated | | Standalone | |
|--|--------------|-------------|-------------|-------------|
| | 2011 | 2010 | 2011 | 2010 |
| | ₹ Lac | | ₹ Lac | |
| Sale of products and services & Other Income | 68,989.46 | 61,129.04 | 68,989.46 | 61,129.04 |
| Loss before Depreciation, Interest and Tax | (505.18) | (788.02) | (486.54) | (788.02) |
| Depreciation | 2,026.00 | 2,104.33 | 2,026.00 | 2,104.33 |
| Interest | 1.04 | 18.87 | 1.04 | 18.87 |
| Loss before Tax | (2,532.22) | (2,911.22) | (2,513.58) | (2,911.22) |
| Profit of Associates | 156.63 | - | - | - |
| Provision for Taxation | - | - | - | - |
| Loss after Tax | (2,375.59) | (2,911.22) | (2,513.58) | (2,911.22) |
| Balance brought forward from Previous Year | (17,282.57) | (14,371.35) | (17,282.57) | (14,371.35) |
| Balance carried to Balance Sheet | (19,658.16) | (17,282.57) | (19,796.15) | (17,282.57) |

2. OPERATIONS

A sales revenue increase of 12.9% was achieved despite sales volumes being in line with the previous year. The market in the Company's main serviceable areas grew by 3% from 19 million cubic metres to 19.7 million cubic metres with the total RMX market growing by 7%. However, the growth was witnessed in the first half year. The latter part of the year showed signs of stagnation and in certain metros such as Mumbai, a degrowth.

Given the market situation and the rising costs of materials, competition was fierce resulting in

pricing pressure especially in the last quarter of the year.

The Company continued to focus on consolidating its position by increasing volumes from its existing plants and therefore expansion remained curtailed. The number of operational plants increased marginally from 48 to 51 by the end of the financial year under review. New locations adopted low capital cost routes through on-site projects and franchised operations.

Consolidated operational EBITDA losses were reduced from ₹ 788.02 lac in 2010 to ₹ 505.18 lac in 2011 through systematic management of costs and productivity improvement. A focussed approach on cash management resulted in tight control throughout 2011 on Net Working Capital.

3. DIVIDEND

Your Directors do not recommend payment of dividend for the financial year ended December 31, 2011.

4. FUTURE OUTLOOK

In 2012, the outlook for the construction sector still remains moderate and RMX volumes are expected to come from infrastructure, industrial and retail sectors, while multi-storey buildings with commercial and major residential sectors are forecast to slow down on account of funding availability and current occupancy levels in office space in Metros.

The penetration into the concrete market is expected to remain at approximately 7%. This presents opportunities through market segmentation to capture volume within potential sectors from the Company's current locations through an increased leveraging of the cement sales network.

5. BUSINESS COLLABORATION AGREEMENT

The Company had entered into a Business Collaboration Agreement with Aakaash Manufacturing Company Private Limited to capture a larger market share in Goa and nearby areas; and pursuant thereto during the year, the Company has acquired a 40% equity stake in that Company.

6. SHARE CAPITAL

The Company has increased its Authorised, Subscribed and Paid-Up Share Capital from ₹ 200 crore to ₹ 250 crore by the issue and allotment of 5,00,00,000 Equity Shares of the face value of ₹ 10 each for cash at par to ACC Limited, its holding Company.

7. DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr J DattaGupta and Mr Ramit Budhreja retire by rotation and are eligible for re-appointment.

8. AUDIT COMMITTEE

In compliance with the provisions of Section 292A of the Companies Act, 1956, an Audit Committee of the Board has been constituted comprising the following persons: -

Mr Sunil K Nayak (Chairman)
Mr J DattaGupta
Mr Ramit Budhreja

During the year under review four Audit Committee Meetings were held.

9. AUDITORS

Messrs K S Aiyar & Co, Chartered Accountants, who are the Statutory Auditors of the Company, hold office up to the date of the ensuing Annual General Meeting and are eligible for

re-appointment. As required under the provision of Section 224(IB) of the Companies Act, 1956, the Company has obtained written confirmation from Messrs K S Aiyar & Co that their appointment, if made, would be in conformity with the Companies Act, 1956. The Members are requested to appoint Messrs K S Aiyar & Co, Chartered Accountants, as Auditors of the Company for the year 2012 and to authorize the Board of Directors to determine their remuneration.

10. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Energy Conservation

The Company is not required to disclose particulars relating to conservation of energy, as it is not a scheduled industry under Section 217 read with Rule 2 of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

The Company has set up various processes and procedures to ensuring optimum energy utilization.

Technology Absorption, Adaptation and Innovation

The Company has not acquired any technology for its manufacturing process. However, the technology adopted and applied is the latest technology available in the Industry.

Foreign Exchange Earnings and Outgo

| | 2011 ₹ Lac | 2010 ₹ Lac |
|-------------------------|---------------|---------------|
| PARTICULARS | | |
| Foreign exchange earned | 0.32 | - |
| Foreign exchange outgo | 248.20 | 460 |

11. PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, regarding employees is given in Annexure A to the Directors' Report.

12. DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- a. that in the preparation of the annual accounts for the year ended December 31, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Note 1 of the Notes to the Accounts have been selected and have been applied consistently, and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on December 31, 2011, and of the loss of the Company for the year ended on that date;

- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts have been prepared on a going concern basis.

13. ACKNOWLEDGEMENT

The Directors wish to convey their appreciation to their bankers, customers and other business associates for the excellent assistance and co-operation received and to ACC Limited, the holding Company, for its continued trust and support. The Directors also thank all the employees of the Company for their valuable service and support during the year.

For and on behalf of the Board of Directors

Hans J Fuchs
Managing Director

Sunil K Nayak
Director

Mumbai
February 07, 2012

Annexure 'A' to Directors' Report (Para 11)

Statement Pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended December 31, 2011.

| Sr. No. | Name | Designation & Nature of duties | Remuneration Gross ₹ | Qualification | Date of Commence-ment of Employment | Total Experience (years) | Age in Years | Last Employment |
|---------|--------------------|--------------------------------|----------------------|---------------------------|-------------------------------------|--------------------------|--------------|-----------------------------|
| 1 | Fuchs Hans | Managing Director | 1,77,42,289 | Certificate in management | 19-May-08 | 28 | 46 | PT Hocim Indonesia TBK(HIL) |
| 2 | Dr. Mishra Tanaya* | Chief People Officer | 46,24,910 | PHD, LLB | 1-Oct-08 | 19 | 40 | Shopper's Stop Limited |

- Notes:
- (i) Gross Remuneration shown above is subject to tax and comprises salary, allowances , incentive, monetary value of perquisites, companies contribution to Provident Fund and Officer's Superannuation Fund .
 - (ii) In addition to the above remuneration, employees are entitled to gratuity in accordance with the Company's rules.
 - (iii) All the employees have adequate experience to discharge the responsibility assigned to them.
 - (iv) The nature of employment in all cases is contractual.
 - (v) *indicate that the employee was in service only for part of the year.

For and on behalf of the Board of Directors

Hans Fuchs
Managing Director

Sunil Nayak
Director

Mumbai,
February 07, 2012

Registered Office :
Cement House,
121, Maharshi Karve Road,
Mumbai 400 020.

Auditors' Report to the board of directors of ACC Concrete Limited on the Consolidated Financial Statements of ACC Concrete Limited

1. We have audited the attached Consolidated Balance Sheet of ACC Concrete Group, comprising of ACC Concrete Limited ('the Company') and its associates as at December 31, 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These 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 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 an associate, whose financial statements reflect the Group's share of profit of ₹ 156.63 lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management of the Company, and our opinion is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, and Accounting Standard (AS) 23 Accounting for Investments in Associates in Consolidated Financial Statements, notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components and to the best of 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 case of the consolidated balance sheet, of the state of affairs of ACC Concrete Group as at December 31, 2011;
 - (ii) in case of the Consolidated Profit and Loss Account, of the loss for the year then ended; and
 - (iii) in case of the Consolidated Cash Flow Statement, of the cash flows for the year then ended.

For K. S. Aiyar & Co,
Chartered Accountants
Firm Registration No: 100186W

Raghuvir M. Aiyar
Partner
Membership No.: 38128

Place: Mumbai
Date: February 07, 2012

Consolidated Balance Sheet as at December 31, 2011

| | Schedules | 2011 ₹ Lacs | 2010 ₹ Lacs |
|---|-----------|------------------|------------------|
| SOURCES OF FUNDS : | | | |
| Shareholders' Funds : | | | |
| Share Capital | 1 | 25,000.00 | 20,000.00 |
| Reserves and Surplus | 2 | 23.71 | 23.71 |
| | | 25,023.71 | 20,023.71 |
| Loan Funds : | | | |
| Unsecured Loans | 3 | 4,000.00 | 7,300.00 |
| TOTAL FUNDS | | 29,023.71 | 27,323.71 |
| APPLICATION OF FUNDS : | | | |
| Fixed Assets : | | | |
| | 4 | | |
| Gross Block | | 17,270.49 | 16,923.33 |
| Less: Accumulated Depreciation and Amortisation | | 7,342.98 | 5,687.18 |
| Net Block | | 9,927.51 | 11,236.15 |
| Capital Work-in-Progress (including Capital Advances) | | 114.37 | 42.26 |
| | | 10,041.88 | 11,278.41 |
| Investments | 5 | 738.91 | - |
| Current Assets, Loans and Advances : | | | |
| Inventories | 6 | 992.87 | 693.47 |
| Sundry Debtors | 7 | 9,320.98 | 8,573.98 |
| Cash and Bank Balances | 8 | 409.92 | 183.77 |
| Other Current Assets | 9 | 68.78 | 71.55 |
| Loans and Advances | 10 | 1,951.93 | 1,709.89 |
| | | 12,744.48 | 11,232.66 |
| Less : Current Liabilities and Provisions : | | | |
| Current Liabilities | 11 | 14,054.97 | 12,431.23 |
| Provisions | 12 | 132.93 | 95.07 |
| | | 14,187.90 | 12,526.30 |
| Net Current Assets | | (1,443.42) | (1,293.64) |
| Miscellaneous Expenditure | 13 | 28.18 | 56.37 |
| (to the extent not written off or adjusted) | | | |
| Profit and Loss Account | | 19,658.16 | 17,282.57 |
| TOTAL ASSETS | | 29,023.71 | 27,323.71 |
| Notes to Accounts | 17 | | |

The schedules referred to above and notes to accounts form an integral part of the Consolidated Balance Sheet

As per our report of even date

For K. S. Aiyar & Co.
Firm Reg. no. 100186W
Chartered Accountants

Raghuvir M. Aiyar
Partner
Membership No. 38128

Mumbai, February 07, 2012

For and on behalf of the Board of ACC Concrete Limited,

Hans J. Fuchs
Managing Director

Allwyn D'costa
Chief Financial Officer

Sunil K. Nayak
Director

Vinayak Gupta
Company Secretary

Consolidated Profit and Loss Account for the year ended December 31, 2011

| | Schedules | 2011 ₹ Lacs | 2010 ₹ Lacs |
|--|-----------|----------------|----------------|
| INCOME: | | | |
| Sale of Products and Services (Gross) | | 69,238.82 | 60,916.75 |
| Less : Excise Duty | | (437.54) | - |
| Sale of Products and Services (Net) | | 68,801.28 | 60,916.75 |
| Other Income | 14 | 188.18 | 212.29 |
| | | 68,989.46 | 61,129.04 |
| EXPENDITURE: | | | |
| Manufacturing and Other Expenses | 15 | 69,494.64 | 61,917.06 |
| Depreciation & Amortisation | 4 | 2,026.00 | 2,104.33 |
| Interest Expenses | 16 | 1.04 | 18.87 |
| | | 71,521.68 | 64,040.26 |
| Loss before Tax | | (2,532.22) | (2,911.22) |
| Provision for Taxation | | - | - |
| Loss after Tax | | (2,532.22) | (2,911.22) |
| Add: Profit of Associate | | 156.63 | - |
| Loss after Tax | | (2,375.59) | (2,911.22) |
| Balance brought forward from Previous Year | | (17,282.57) | (14,371.35) |
| Balance carried to Balance Sheet | | (19,658.16) | (17,282.57) |
| | | | |
| Basic and Diluted Earnings per Share | | ₹ (2.47) | (3.01) |
| Face Value per Share | | ₹ 10.00 | 10.00 |
| Notes to Accounts | 17 | | |

The schedules referred to above and notes to accounts form an integral part of the Consolidated Profit and Loss Account

As per our report of even date

For K. S. Aiyar & Co.
Firm Reg. no. 100186W
Chartered Accountants

Raghuvir M. Aiyar
Partner
Membership No. 38128

Mumbai, February 07, 2012

For and on behalf of the Board of ACC Concrete Limited,

Hans J. Fuchs
Managing Director

Allwyn D'costa
Chief Financial Officer

Sunil K. Nayak
Director

Vinayak Gupta
Company Secretary

Consolidated Cash Flow Statement

for the year ended December 31, 2011

| | 2011 | 2010 |
|---|-------------------|-----------------|
| | ₹ Lacs | ₹ Lacs |
| A. Cash flow from operating activities | | |
| 1 Net Loss before Tax | (2,532.22) | (2,911.22) |
| Adjustments for : | | |
| 2 Depreciation | 2,026.00 | 2,104.33 |
| 3 Interest and Dividend Income | (5.92) | (9.53) |
| 4 Interest Expense | 1.04 | 18.87 |
| 5 Stores / Inventory Write off | - | (9.18) |
| 6 Loss on Sale / Discarded Fixed Assets - Net | 159.49 | 121.08 |
| 7 Miscellaneous Expenditure written off | 46.83 | 28.17 |
| 8 Provision for Retirement Benefits | 48.81 | 4.14 |
| 9 Provision for Bad and Doubtful Debts | 678.76 | 350.70 |
| 10 Balances Written back | (208.69) | (209.26) |
| Operating profit before working capital changes | 214.10 | (511.90) |
| Adjustments for : | | |
| 11 Trade receivables | (1,425.76) | (1,596.56) |
| 12 Inventories | (299.40) | (5.62) |
| 13 Assets Held for Disposal / other current assets | 2.77 | 47.40 |
| 14 Other receivables | (242.04) | (165.10) |
| 15 Trade payables | 1,779.18 | 1,863.13 |
| Net Cash flow from operating activities | 28.85 | (368.65) |
| B. Cash flow from investing activities | | |
| 16 Purchase of Fixed Assets | (1,035.30) | (410.43) |
| 17 Purchase of Investments | (558.62) | - |
| 18 Sale / Retirement of Assets | 86.34 | 30.99 |
| 19 Interest and Dividend received | 5.92 | 14.83 |
| Net cash used in investing activities | (1,501.66) | (364.61) |
| C. Cash flow from financing activities | | |
| 20 Interest paid | (1.04) | (18.87) |
| 21 Proceeds from issue of Share Capital | 5,000.00 | - |
| 22 Proceeds from Short term Borrowings (Net) | - | 500.00 |
| 23 Repayment of Short term Borrowings (Net) | (3,300.00) | - |
| Net cash used in financing activities- | 1,698.96 | 481.13 |
| Net increase/(decrease) in cash and cash equivalents | 226.15 | (252.13) |
| Cash and cash equivalents - Opening Balance | 183.77 | 435.90 |
| - Closing Balance | 409.92 | 183.77 |

Notes : 1 All figures in brackets are outflow.
2 Previous Period's figures are regrouped / recasted wherever necessary.
3 Cash and Cash Equivalents is Cash and Bank Balance as per Balance Sheet.

As per our report of even date For and on behalf of the Board of ACC Concrete Limited,

For K. S. Aiyar & Co.
Chartered Accountants
Firm Reg. no. 100186W

Hans J. Fuchs
Managing Director

Sunil K. Nayak
Director

Raghuvir M. Aiyar
Partner
Membership No. 38128

Allwyn D'costa
Chief Financial Officer

Vinayak Gupta
Company Secretary

Mumbai, February 07, 2012

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 1, SHARE CAPITAL

| | 2011 | 2010 |
|---|------------------|------------------|
| | ₹ Lacs | ₹ Lacs |
| AUTHORISED - | | |
| 150,000,000 Equity Shares of ₹ 10 each | 15,000.00 | 10,000.00 |
| (Previous Year - 100,000,000 Equity Shares of ₹ 10 each) | | |
| 100,000,000 Preference Shares of ₹ 10 each | 10,000.00 | 10,000.00 |
| (Previous Year - 100,000,000 Preference Shares of ₹ 10 each) | | |
| | 25,000.00 | 20,000.00 |
| ISSUED, SUBSCRIBED & PAID UP - | | |
| 150,000,000 Equity Shares of ₹ 10 each, fully paid | 15,000.00 | 10,000.00 |
| (Previous Year - 100,000,000 Equity Shares of ₹ 10 each, fully paid) | | |
| 100,000,000 1% Cumulative Redeemable Preference Share of ₹ 10 each, fully paid (Refer Note - 10) | 10,000.00 | 10,000.00 |
| (Previous Year - 100,000,000 1% Cumulative Redeemable Preference Shares of ₹ 10 each, fully paid) | | |
| (All the Shares are held by ACC Limited, the Holding Company and its nominees) | 25,000.00 | 20,000.00 |
| TOTAL | 25,000.00 | 20,000.00 |

SCHEDULE - 2, RESERVES AND SURPLUS

| | 2011 | 2010 |
|-----------------|--------------|--------------|
| | ₹ Lacs | ₹ Lacs |
| Capital Reserve | 23.71 | 23.71 |
| TOTAL | 23.71 | 23.71 |

SCHEDULE - 3, UNSECURED LOANS

| | 2011 | 2010 |
|--|-----------------|-----------------|
| | ₹ Lacs | ₹ Lacs |
| Short Term Loan | 4,000.00 | 7,300.00 |
| (Inter - Corporate Deposits from ACC Limited, the Holding Company) | | |
| TOTAL | 4,000.00 | 7,300.00 |

Schedules forming part of the Consolidated Balance Sheet

₹ Lacs

SCHEDULE - 4. FIXED ASSETS

| FIXED ASSETS | | GROSS BLOCK AT COST | | | TOTAL DEPRECIATION / AMORTISATION | | | | NET BLOCK | |
|---|---------------------|---------------------------|---------------------------|---------------------|-----------------------------------|--------------|----------------|---------------------|---------------------|---------------------|
| | As at 01-01-2011 | Additions/ Adjustments | Deductions/ Adjustment | As at 31-12-2011 | As at 01-01-2011 | For the year | On Disposal | As at 31-12-2011 | As at 31-12-2011 | As at 31-12-2010 |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) |
| 1 Leasehold Land | 300.06 | - | - | 300.06 | 16.51 | 5.50 | - | 22.01 | 278.05 | 283.55 |
| 2 Buildings | 5,007.29 | 305.80 | 225.39 | 5,087.70 | 1,971.44 | 692.66 | 63.80 | 2,600.30 | 2,487.40 | 3,035.85 |
| 3 Machinery, Plant | 8,936.57 | 526.12 | 2.16 | 9,460.53 | 2,649.91 | 989.37 | 0.95 | 3,638.33 | 5,822.20 | 6,286.66 |
| 4 Furniture, Fixtures and Equipments | 247.26 | 31.92 | - | 279.18 | 39.88 | 22.22 | - | 62.10 | 217.08 | 207.38 |
| 5 Motor Cars, Trucks, etc. (Transit Mixers) | 1,391.19 | 28.96 | 344.94 | 1,075.21 | 713.84 | 148.93 | 298.29 | 564.48 | 510.73 | 677.35 |
| 6 Electric Installations | 762.71 | 59.27 | 43.54 | 778.44 | 156.18 | 68.12 | 7.16 | 217.14 | 561.30 | 606.53 |
| Sub Total | 16,645.08 | 952.07 | 616.03 | 16,981.12 | 5,547.76 | 1,926.80 | 370.20 | 7,104.36 | 9,876.76 | 11,097.32 |
| 7 Intangible Asset | 278.25 | 11.12 | - | 289.37 | 139.42 | 99.20 | - | 238.62 | 50.75 | 138.83 |
| Sub Total | 278.25 | 11.12 | - | 289.37 | 139.42 | 99.20 | - | 238.62 | 50.75 | 138.83 |
| Total | 16,923.33 | 963.19 | 616.03 | 17,270.49 | 5,687.18 | 2,026.00 | 370.20 | 7,342.98 | 9,927.51 | 11,236.15 |
| Previous Year | 16,732.43 | 472.60 | 281.70 | 16,923.33 | 3,712.48 | 2,104.33 | 129.63 | 5,687.18 | 11,236.15 | |

Note:

- i) Capital work in Progress and Unallocated Capital Expenditure including Capital Advance on Fixed Assets:- 114.37 42.26
- ii) The Company is in process of getting the lease hold land transferred in its name

SCHEDULE - 5. INVESTMENT - Long Term (at Cost)

| | 2011 | 2010 |
|---|---------|--------|
| | ₹ Lacs | ₹ Lacs |
| Trade Investments | | |
| Equity Shares - Fully Paid (Unquoted):- | 600.92 | - |
| Aakaash Manufacturing Company Private Limited (4,401 Equity shares of ₹ 10 each acquired during the year) (Includes unamortised goodwill of ₹ 248.50 Lacs, Previous Year ₹ Nil) | | |
| Add: Share of Profit | 156.63 | - |
| Less: Amortisation of goodwill | (18.64) | - |
| TOTAL | 738.91 | - |

SCHEDULE - 6. INVENTORIES (At Cost or Net realisable value whichever is lower)

| | 2011 | 2010 |
|--------------------------------|--------|--------|
| | ₹ Lacs | ₹ Lacs |
| Raw Materials | 940.88 | 644.93 |
| Stores & Spare Parts and Fuels | 51.99 | 48.54 |
| TOTAL | 992.87 | 693.47 |

SCHEDULE - 7. SUNDRY DEBTORS

| | 2011 | 2010 |
|---|----------|----------|
| | ₹ Lacs | ₹ Lacs |
| SUNDRY DEBTORS (UNSECURED) | | |
| (a) Over Six Months - | | |
| Considered Good | 561.09 | 97.43 |
| Considered Doubtful | 1,034.64 | 457.92 |
| | 1,595.73 | 555.35 |
| Less: Provision made for Bad and Doubtful Debts | 1,034.64 | 457.92 |
| | 561.09 | 97.43 |
| (b) Others - (Considered Good) | 8,759.89 | 8,476.55 |
| TOTAL | 9,320.98 | 8,573.98 |

Note: Unsecured Debtors considered good includes ₹ 1,647.00 Lacs (Previous Year - ₹ 1,352.82 Lacs) in respect of which the Company holds guarantees from the bank

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 8, CASH AND BANK BALANCES

| | 2011 | 2010 |
|-------------------------------|---------------|---------------|
| | ₹ Lacs | ₹ Lacs |
| Balances With Scheduled Banks | | |
| In Current Account | 409.87 | 183.72 |
| In Fixed Deposit | 0.05 | 0.05 |
| TOTAL | 409.92 | 183.77 |

SCHEDULE - 9, OTHER CURRENT ASSETS

| | 2011 | 2010 |
|----------------------------|--------------|--------------|
| | ₹ Lacs | ₹ Lacs |
| Fixed Assets held for sale | 68.78 | 71.55 |
| TOTAL | 68.78 | 71.55 |

SCHEDULE - 10, LOANS AND ADVANCES -

(Unsecured, Considered Good, unless otherwise stated)

| | 2011 | 2010 |
|---|-----------------|-----------------|
| | ₹ Lacs | ₹ Lacs |
| 1. Balances With Government | | |
| Authorities on Current Accounts | 592.22 | 383.46 |
| 2. Sundry Advances And Deposits, etc. | | |
| (a) Advances Recoverable in cash or in Kind of for value to be received | | |
| Considered Good | 339.73 | 272.94 |
| | 339.73 | 272.94 |
| (b) Advances and Deposits with Railways, Government Bodies and others | | |
| Considered Good | 986.04 | 1,036.90 |
| | 986.04 | 1,036.90 |
| (a+b) | 1,325.77 | 1,309.84 |
| 3 Advance Payment Against Taxes (Net of provision) | 33.94 | 16.59 |
| TOTAL | 1,951.93 | 1,709.89 |

SCHEDULE - 11, CURRENT LIABILITIES

| | 2011 | 2010 |
|--------------------------------|------------------|------------------|
| | ₹ Lacs | ₹ Lacs |
| Sundry Creditors | | |
| Payable to the Holding Company | 1,453.96 | 1,460.73 |
| Other Sundry Creditors | 12,205.61 | 10,876.86 |
| Sundry Deposits | 395.40 | 93.64 |
| TOTAL | 14,054.97 | 12,431.23 |

SCHEDULE - 12, PROVISIONS

| | 2011 | 2010 |
|---------------------------------|---------------|--------------|
| | ₹ Lacs | ₹ Lacs |
| Provision for Employee Benefits | 132.93 | 95.07 |
| TOTAL | 132.93 | 95.07 |

SCHEDULE - 13, MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

| | 2011 | 2010 |
|----------------------|--------------|--------------|
| | ₹ Lacs | ₹ Lacs |
| Preliminary Expenses | 28.18 | 56.37 |
| TOTAL | 28.18 | 56.37 |

Schedules forming part of the Consolidated Profit and Loss Account

SCHEDULE - 14, OTHER INCOME

| | 2011 | 2010 |
|---|---------------|---------------|
| | ₹ Lacs | ₹ Lacs |
| Other Operating Income | | |
| Provision no longer required written back | 208.69 | 209.26 |
| Foreign Exchange Gains (Losses) | (26.43) | (6.50) |
| | 182.26 | 202.76 |
| Other Income | | |
| Interest Income | 5.92 | 9.53 |
| | 5.92 | 9.53 |
| TOTAL | 188.18 | 212.29 |

Schedules forming part of the Consolidated Profit and Loss Account

SCHEDULE - 15, MANUFACTURING AND OTHER EXPENSES

| | 2011 | 2010 |
|---|------------------|------------------|
| | ₹ Lacs | ₹ Lacs |
| MANUFACTURING AND DISTRIBUTION EXPENSES | | |
| Purchase of Ready Mixed Concrete | 7,151.87 | 4,754.98 |
| Raw Materials Consumed | 43,451.51 | 39,421.76 |
| Stores & Spare parts Consumed | 94.64 | 84.02 |
| Labour Expenses Sub contracted | 1,068.53 | 759.10 |
| Outbound Freight Charges | 5,745.44 | 5,910.55 |
| Conversion charges Paid | 72.86 | - |
| Pumping and Conveying Charges | 1,443.11 | 1,412.64 |
| Power and Fuel | 958.10 | 807.86 |
| Repairs to Building | 3.98 | 9.41 |
| Repairs to Machinery | 377.60 | 325.87 |
| Repairs to Other Items | 251.52 | 233.14 |
| | 60,619.16 | 53,719.33 |
| PAYMENTS TO AND PROVISIONS FOR EMPLOYEES | | |
| Salaries, Wages, Dearness Allowance and Bonus | 3,288.29 | 2,972.89 |
| Contributions / Provisions to and for Provident and Other Funds | 186.18 | 171.98 |
| Workmen and Staff Welfare Expenses | 328.26 | 296.91 |
| | 3,802.73 | 3,441.78 |
| ADMINISTRATIVE, SELLING AND OTHER EXPENSES | | |
| Rent | 1,194.70 | 1,467.51 |
| Rates and Taxes | 133.10 | 188.14 |
| Insurance | 12.55 | 13.62 |
| Consultancy Services | 753.92 | 841.64 |
| Advertisement | 0.36 | 0.08 |
| Miscellaneous Expenses written off | 46.82 | 28.18 |
| Provision for Bad and Doubtful Debts | 678.76 | 350.70 |
| Net Value of Discarded or Dismantled or Scrapped Capital Assets | 163.03 | 121.91 |
| Other Expenses | 2,089.51 | 1,744.17 |
| | 5,072.75 | 4,755.95 |
| TOTAL | 69,494.64 | 61,917.06 |

SCHEDULE - 16, INTEREST EXPENSES

| | 2011 | 2010 |
|----------------|-------------|--------------|
| | ₹ Lacs | ₹ Lacs |
| Other Interest | 1.04 | 18.87 |
| TOTAL | 1.04 | 18.87 |

Schedules forming part of the Consolidated Balance Sheet, Profit and Loss Account and Cash Flow Statement

Schedule –17, NOTES TO CONSOLIDATED ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON DECEMBER 31st, 2011

1. Basis of preparation

- (i) The Consolidated financial statements of the Company are prepared under the historical cost convention on accrual basis of accounting and in accordance with the accounting principles generally accepted in India and in compliance with the provision of the Companies Act, 1956 and comply with the mandatory accounting standards (AS) specified in Companies (Accounting Standard) Rules, 2006 (as amended) prescribed by the Central Government of India.
- (ii) The Consolidated Financial statements are based on historical cost and are prepared on accrual basis, except where impairment is made and revaluation is carried out.
- (iii) Accounting policies have been consistently applied by the Company.
- (iv) The following associate company is included in Consolidation:

| Name of the Company | Percentage Holding | |
|---|--------------------|------|
| | 2011 | 2010 |
| Aakaash Manufacturing Company Private Limited | 40% | - |

The above Company is incorporated in India. The audited financial statement of the Associate have been drawn up to 31st Dec 2011 using accounting policies for depreciation on fixed assets which are different than that of the company, the resultant adjustments which are not material have not been considered.

- (v) Investment in associates are accounted for using Equity method as per Accounting Standard – AS23- “Accounting for Investments in Associates in Consolidated financial Statements” notified by Companies (Accounting Standard) Rules, 2006 (as amended).
- (vi) The difference between the cost of investment in the Associate, and the company's share of net assets at the time of acquisition of share in the associate is recognized in the financial statement as Goodwill or Capital Reserve as the case may be. Goodwill is amortised over a period of ten years from the date of acquisition / investment.

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 the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Significant Accounting Policies

(i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

- a) Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.
- b) Income from jobs and other services rendered is accounted for as per the terms of contract.

Interest and Dividend Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when the shareholders' right to receive dividend is established by the Balance Sheet Date.

(ii) Accounting of claims

- a) Claims receivable are accounted at the time when such income has been earned by the Company depending on the certainty of receipts. Claims payable are accounted at the time of acceptance.

- b) Claims raised by Government Authorities regarding taxes and duties, which are disputed by the Company, are accounted based on the merits of each claim.

(iii) Fixed assets

- a) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation, impairment losses.

b) Depreciation

The useful life of transit mixers and pumps is estimated at 8 years and 6 years respectively. Buildings, civil cost and installations are estimated to have useful life of 10 years. These assets are depreciated over the useful life on straight line method on a pro-rata basis.

The assets transferred from ACC Limited under the business purchase agreement are depreciated over the remaining useful life considering the period for which ACC Limited has already used such assets.

Useful life of certain assets is tailored based upon the commercial agreements and the carrying amount of such assets is allocated over their useful life.

In case of Plant & Machinery and Electrical installation at the Ready mixed concrete plants, depreciation has been provided on triple shift basis for the entire year even though the plants have worked only double and single shifts at various times, based on assessment of estimated useful life.

All other assets are depreciated on the straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956, on a pro-rata basis.

- c) Cost of leasehold land is amortised over the period of lease.

(iv) Intangibles

Software cost is amortised over a period of three years.

(v) Impairment

An impairment loss is charged to the Profit and Loss Account wherever the carrying amount of an asset exceeds its estimated recoverable amount. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

(vi) Expenditure during construction period

In case of new projects expenditure incurred, including trial production expenses net of revenue earned, prior to commencement of commercial production are capitalised.

(vii) Investments

Current investments are carried at the lower of cost or fair value. Long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

(viii) Leases

Lease payments under operating lease are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

(ix) Inventories

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

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

(x) Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transactions. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising on

the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(xi) Employee benefits

a) Defined Contribution Plan

Defined contribution plan consists of Government Provident Fund Scheme and Employee State Insurance scheme. Company's contribution paid / payable during the year under these schemes are charged to Profit and Loss Account. There are no other obligations other than the contribution made by the company.

b) Defined Benefit Plan

Company's liabilities towards gratuity, additional gratuity and long term compensated absences are the defined benefit plans. Company's liabilities towards these are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on Government bonds.

c) Other employee benefit

Company's liability towards silver jubilee and long service awards and additional gratuity as applicable is determined on the basis of period of service as at Balance Sheet Date.

(xii) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Deferred Tax Assets are reviewed at each Balance Sheet date.

(xiii) Contingencies / Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate 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 contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

4. SEGMENT REPORTING

The Company is operating only in one significant business segment i.e. Ready Mixed Concrete; hence segment information as per Accounting Standard 17 is not required to be disclosed. The Company is catering only to the need of the domestic market; as such there is no reportable Geographical Segment.

5. MISCELLANEOUS EXPENDITURE

Share issue expenses are being amortized over a period of 60 months from the commencement of commercial operations.

6. RELATED PARTY DISCLOSURE

(A) Particulars of Related Parties, which control or are under common control with the company :

| Name of the Related Parties | | Nature of Relationship |
|-----------------------------|--|--|
| (i) | ACC Limited | Holding Company |
| (ii) | ACC Mineral Resources Limited (Formerly The Cement Marketing Company of (India) Limited) | Fellow Subsidiary Company |
| (iii) | Lucky Minmat Limited (formerly Lucky Minmat Private Limited) | Fellow Subsidiary Company |
| (iv) | Bulk Cement Corporation (India) Limited | Fellow Subsidiary Company |
| (v) | National Limestone Company Private Limited | Fellow Subsidiary Company. |
| (vi) | Encore Cement and Additives Private Limited | Fellow Subsidiary Company w.e.f 28.01.2010 |
| (vii) | MP AMRL(Semaria) Coal Company Limited | Joint Venture of Fellow Subsidiary Company ACC Mineral Resources Limited |
| (viii) | MP AMRL(Bicharpur) Coal Company Limited | Joint Venture of Fellow Subsidiary Company ACC Mineral Resources Limited |
| (ix) | MP AMRL(Marki Barka) Coal Company Limited | Joint Venture of Fellow Subsidiary Company ACC Mineral Resources Limited |
| (x) | MP AMRL(Morga) Coal Company Limited | Joint Venture of Fellow Subsidiary Company ACC Mineral Resources Limited |
| (xi) | Alcon Cement Company Private Limited | Associate Company of the Holding Company |
| (xii) | Asian Concretes & Cements Private Limited | Associate Company of the holding Company w.e.f April 01, 2010 |
| (xiii) | Aakaash Manufacturing Company Private Limited | Associate Company w.e.f. March 25, 2011 |
| (xiv) | Ambuja Cement India Private Limited* | Holding Company of Holding Company |
| (xv) | Ambuja Cements Limited | Fellow Subsidiary of Holding Company |
| (xvi) | Holderind Investments Limited | Holding Company of Holcim (India) Private Limited |
| (xvii) | Holcim (India) Private Limited* | Holding Company of Holding Company |
| (xviii) | Holcim Services (Asia) Limited | Fellow Subsidiary of Holding Company |
| (xix) | Holcim Group Support Limited | Fellow Subsidiary of Holding Company |
| (xx) | Holcim (Singapore) Limited | Fellow Subsidiary of Holding Company |
| (xxi) | Holcim Trading FZCO | Fellow Subsidiary of Holding Company |
| (xxii) | Holcim (Lanka) Limited | Fellow Subsidiary of Holding Company |
| (xxiii) | P T Holcim Indonesia Tbk | Fellow Subsidiary of Holding Company |
| (xxiv) | Holcim Services (South Asia) Limited | Fellow Subsidiary of Holding Company |
| (xxv) | Holcim Limited | Ultimate Holding Company of Holding Company |
| (xxvi) | Siam City Concrete Co. Limited | Fellow Subsidiary of Holding Company |

| Name of the Related Parties | Nature of Relationship |
|---|--------------------------------------|
| (xxvii) Siam City Cement Public Company Limited | Fellow Subsidiary of Holding Company |
| (xxviii) National Cement Factory | Fellow Subsidiary of Holding Company |
| (xix) Holcim Bangladesh Limited | Fellow Subsidiary of Holding Company |
| (xxx) Holcim (Canada) INC | Fellow Subsidiary of Holding Company |
| (xxxi) Holcim Vietnam Limited | Fellow Subsidiary of Holding Company |
| (xxxii) Holcim Environment Services SA, Belgium | Fellow Subsidiary of Holding Company |
| (xxxiii) Holcim Foundation | Fellow Entity of Holding Company |
| (xxxiv) Holcim (Malaysia) SDN BHD | Fellow Subsidiary of Holding Company |
| (xxxv) Holcim (US) | Fellow Subsidiary of Holding Company |
| (xxxvi) Holcim Group Support (S) PTE Limited | Fellow Subsidiary of Holding Company |
| (xxxvii) Holcim Philippines | Fellow Subsidiary of Holding Company |

(B) Key Management Personnel:

| Name of the Related Party | Nature of Relationship |
|---------------------------|------------------------|
| (i) Mr. Hans Fuchs | Managing Director |

Note:

During the current year, the Holding Company has become a subsidiary of Holcim (India) Private Limited and accordingly Holcim Group companies which were reported as promoter group Companies till last year, have now being reported as Fellow Subsidiaries of Holding Company. Previous year's disclosures have been regrouped based on current year's relationship to facilitate comparison.

*During the current year Ambuja Cement India Private Limited has amalgamated with Holcim (India) Private Limited.

(C) Transactions with Holding Company

| | 2011 | 2010 |
|---|-----------|----------|
| | ₹ Lacs | ₹ Lacs |
| (i) Purchase of Finished/ Unfinished goods | 10,545.08 | 7,518.45 |
| (ii) Reimbursement of Expenses/ Cost of Material/Stores Paid | 52.53 | 55.00 |
| (iii) Reimbursement of Expenses/ Cost of Material/Stores Received | 32.14 | 41.54 |
| (iv) Receiving of Services | - | 0.01 |
| (v) Interest paid during the year | - | 1.11 |
| (vi) Investment received in the Share Capital of the Company | 5,000.00 | - |
| (vii) Inter Corporate Deposits Received During the Year | 2,600.00 | 2,800.00 |
| (viii) Inter Corporate Deposits Liquidated During the Year | 5,900.00 | 2,300.00 |
| (ix) Inter Corporate Deposits as at the end of the Year | 4,000.00 | 7,300.00 |
| (x) Outstanding balance included in Current Liabilities (Net) | 1,453.96 | 1,460.73 |

(D) Transactions with National Limestone Company Private Limited - Fellow Subsidiary Company

| | 2011 | 2010 |
|--|--------|--------|
| | ₹ Lacs | ₹ Lacs |
| (i) Purchase of Finished/ Unfinished goods | 35.06 | - |
| (ii) Outstanding balance included in Current Liabilities (Net) | 8.23 | - |

(E) Transactions with Aakaash Manufacturing Company Private Limited - Associate Company

| | 2011 | 2010 |
|---|----------|--------|
| | ₹ Lacs | ₹ Lacs |
| (i) Purchase of Finished/ Unfinished goods | 5,466.10 | - |
| (ii) Reimbursement of Expenses/ Cost of Material/Stores Paid | 0.50 | - |
| (iii) Outstanding balance included in Current Liabilities (Net) | 778.27 | - |

(F) Details of Transactions with Fellow Subsidiary of Holding Company

| | 2011 | 2010 |
|---|-----------------|-----------------|
| | ₹ Lacs | ₹ Lacs |
| (i) Purchase of Finished/ Unfinished goods/Stores And Spares | 3,925.30 | 5,228.77 |
| Ambuja Cement Limited | 3,925.30 | 5,228.77 |
| (ii) Sale of Fixed Assets | 1.04 | - |
| Ambuja Cement Limited | 1.04 | - |
| (iii) Reimbursement of Expenses | | |
| Paid / Payable | - | 3.88 |
| P T Holcim Beton | - | 3.88 |
| (iv) Training/Technical Know how/ Market survey/Management Fees etc. | 332.31 | 303.11 |
| Holcim Group Support Limited | 30.13 | 54.11 |
| Holcim Services (South Asia) Limited | 147.91 | 158.34 |
| Holcim Services (Asia) Limited | 153.84 | 87.86 |
| Siam City Cement Public Company Limited | 0.43 | 2.80 |
| (v) Training Fees Received | (0.32) | 5.49 |
| Holcim Group Support (S) PTE Ltd. | - | 5.04 |
| PT Holcim Indonesia TBK | (0.32) | 0.45 |
| (vi) Outstanding Balance Included in Current Liability | 472.71 | 432.53 |
| Ambuja Cement Ltd | 204.62 | 172.15 |
| Holcim Service South Asia Ltd | 28.31 | 46.19 |
| Holcim Group Support Ltd | 76.45 | 144.74 |
| Holcim Services Asia Ltd | 153.48 | 68.33 |
| PT Holcim Indonesia TBK | 9.86 | 1.12 |

(G) Details of Transactions relating to persons referred to in item (B) of above

| | 2011 | 2010 |
|---------------------|--------|--------|
| | ₹ Lacs | ₹ Lacs |
| Remuneration | | |
| Mr. Hans Fuchs | 177.42 | 164.31 |

7. CONSOLIDATED EARNINGS PER SHARE - [EPS]

| | 2011 | 2010 |
|---|-------------|-------------|
| | ₹ Lacs | ₹ Lacs |
| Profit/(Loss) after taxation as per Consolidated | | |
| Profit and Loss account (₹ Lacs) | (2,375.59) | (2,911.22) |
| Less: Preference dividend on 1% Cumulative Redeemable Preference Share Capital (₹ Lacs) | 100.00 | 100.00 |
| Profit/(Loss) after dividend on preference share capital (₹ Lacs) | (2,475.59) | (3011.22) |
| Weighted average number of Equity shares outstanding | 100,273,973 | 100,000,000 |
| Basic earnings per Share (Weighted Average) in ₹ (face value - ₹ 10 per share) | (2.47) | (3.01) |

(Basic and Diluted earning per share are the same)

8. EMPLOYEE BENEFIT :

Defined benefit plans / compensated absences – As per actuarial valuation on December 31, 2011.

| Particulars | Gratuity | Leave Encashment |
|-------------|----------|------------------|
| | Funded | Non Funded |
| | ₹ Lacs | ₹ Lacs |

(I) Expenses recognized in the Statement of Profit & Loss for the year ended December 31, 2011

| | | | | |
|---|-----------------------------------|------------------|----------------|----------------|
| 1 | Current Service cost | 28.61 23.10 | 0.19 0.22 | 15.33 16.17 |
| 2 | Interest Cost | 9.31 6.73 | 0.52 0.43 | 3.54 2.45 |
| 3 | Expected return on plan assets | (7.84) (8.85) | - - | - - |
| 4 | Actuarial Losses (+)/ gains (-) | (5.58) (8.89) | 2.02 (7.3) | 2.76 9.17 |
| 5 | Curtailment Losses (+)/ gains (-) | - - | - - | - - |
| 6 | Total Expense * | 24.50 12.09 | 2.73 (6.64) | 21.63 27.79 |

(II) Net Asset / (Liability) recognized in the Balance Sheet as at December 31, 2011

| | | | | |
|---|---|----------------------|------------------|--------------------|
| 1 | Present value of Defined Benefit obligation | (147.58) (136.97) | (9.62) (6.90) | (63.55) (53.19) |
| 2 | Fair value of plan assets | 103.48 117.36 | - - | - - |
| 3 | Funded status [Surplus / (Deficit)] | (44.10) (19.61) | (9.62) (6.90) | (63.55) (53.19) |
| 4 | Net asset / liability | (44.10) (19.61) | (9.62) (6.90) | (63.55) (53.19) |

| Particulars | Gratuity | Leave Encashment |
|-------------|----------|------------------|
| | Funded | Non Funded |
| | ₹ Lacs | ₹ Lacs |

(III) Change in Obligation during the year ended on December 31, 2011

| | | | | |
|----|--|-------------------|----------------|--------------------|
| 1 | Present value of Defined Benefit Obligation at the beginning of the year | 136.97 123.26 | 6.90 14.39 | 53.19 41.28 |
| 2 | Current Service cost | 28.61 23.10 | 0.19 0.22 | 15.33 16.17 |
| 3 | Interest cost | 9.31 6.73 | 0.52 0.43 | 3.54 2.45 |
| 4 | Settlement cost | - - | - - | - - |
| 5 | Past Service cost | - - | - - | - - |
| 6 | Employee contributions | - - | - - | - - |
| 7 | Actuarial Gains(-) / Losses(+) | (3.82) (11.07) | 2.02 (7.30) | 2.76 (9.17) |
| 8 | Premium paid | - - | - - | - - |
| 9 | Curtailment Gains(-) / Losses(+) | - - | - - | - - |
| 10 | Benefit Payments/Payable | (23.48) (5.06) | - (0.84) | (11.27) (15.88) |
| 11 | Present value of Defined Benefit Obligation at the end of the year | 147.58 136.97 | 9.62 6.90 | 63.55 53.19 |

(IV) Change in Assets during the year ended December 31, 2011

| | | | | |
|---|--|------------------|--------|--------|
| 1 | Plan Assets at the beginning of the year | 117.36 110.68 | - - | - - |
| 2 | Settlements | - - | - - | - - |
| 3 | Expected return on plan assets | 7.84 8.85 | - - | - - |
| 4 | Contributions by employer | - - | - - | - - |
| 5 | Actual benefits paid | (23.48) - | - - | - - |
| 6 | Actuarial Gains(+) / Losses(-) | 1.76 (2.18) | - - | - - |
| 7 | Plan assets at the end of the year | 103.48 117.36 | - - | - - |

(V) The major categories of plan assets as a percentage of total plan Qualifying Insurance Policy

| | | | |
|---|--|--|---|
| | 100% | - | - |
| (VI) Actuarial Assumptions as at December 31, 2011 | | | |
| 1 | Discount Rate | 7.50% p.a.(P. Y. - 7.50% p.a.) | |
| 2 | Expected rate of return on plan assets | 7.50% p.a.(P. Y. - 7.50% p.a.) | |
| 3 | Mortality | Indian Assured Lives Mortality (1994-96) Modified Ultimate | |
| 4 | Turnover Rate | 25% p.a. (P. Y. - 25% p.a.) | |
| 5 | Disability | 5% Allowance for disability is made in the mortality rates | |

(Figures in italics pertain to previous year)

- (a) * (i) (6) of the above includes ₹ 0.01 Lacs (*Previous Year - ₹ Nil*) being Gratuity (Funded) and ₹ 0.03 Lacs. (*Previous Year - ₹ Nil*) being Leave Encashment capitalized to the cost of Fixed Assets.

Amounts recognised as an expense/(income) and included in the Schedule 15 Under "Salaries, Wages, Dearness Allowance and Bonus" of Profit and Loss Account are ₹ 2.73 Lacs (*Previous Year Credit - ₹ 6.64 Lacs*) for non funded Gratuity, ₹ 21.63 Lacs (*Previous Year - ₹ 27.79 Lacs*) for Leave Encashment, Under "Contributions / Provision to and for Provident and other Funds" of Profit and Loss Account is ₹ 24.50 Lacs (*Previous Year - ₹ 12.09 Lacs*) for Gratuity (Funded).

- (b) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (c) Basis used to determine Expected rate of return on assets

The Expected rate of return on plan assets is based on market expectation, at the beginning of the period, for return over the entire life of the related obligation.

9. (a) The Company has issued 1,000 Lacs 1% cumulative redeemable preference shares of ₹ 10 each to the Holding Company for cash at par on August 27, 2009.

The Company has not made provision for dividend payable amounting to ₹ 100.00 Lacs for the year (*Previous Year - ₹ 100.00 Lacs*) towards 1% cumulative redeemable preference shares in absence of profits for the year. The Cumulative Liability in respect of dividend payable on Cumulative Redeemable Preference Shares is ₹ 234.68 Lacs (*Previous Year - ₹ 134.68 Lacs*).

The Company has not created a Capital Redemption Reserve towards redemption of the 1% Cumulative Redeemable Preference Shares, in the absence of profits. The due date of redemption of the same is August 26, 2012.

- (b) During the year Company has issued 500 Lacs Equity Shares of ₹ 10 each to Holding company for cash at par.

10. OPERATING LEASE

- (a) Future Lease Rental payments

| | 2011 | 2010 |
|--|----------|----------|
| | ₹ Lacs | ₹ Lacs |
| (i) Not Later than one year | 1,224.44 | 1,060.92 |
| (ii) Later than one year and not later than five years | 221.38 | 93.10 |
| (iii) Later than five years | - | - |

Variable charges in case of Transit Mixers and Pumps are not considered

- (b) Outbound Freight Charge of ₹ 5,745.44 Lacs (*Previous Year - ₹ 5,910.55 Lacs*) include lease rent of ₹ 3,240.36 Lacs (*Previous Year - ₹ 2,603.17 Lacs*) and Pumping and Conveying Charges of ₹ 1,443.11 Lacs (*Previous Year - ₹ 1,412.64 Lacs*) include lease rent of ₹ 1,298.68 Lacs (*Previous Year - ₹ 1,152.16 Lacs*). (Refer Schedule – 15)

- (c) General description of leasing arrangement:

- (i) Leased Assets: Office and other premises, Pumps and Transit Mixers etc.
- (ii) Lease rentals are charged on the basis of agreed terms.

11. TAXATION

No provision for current tax is made in view of the losses for the year.

In view of carried forward losses, the Company has deferred tax assets; however, as a matter of prudence and in view of the absence of virtual certainty of future taxable income, the same has not been recognized in the financial statements.

12. The Company had entered into Business collaboration agreement with Aakaash Manufacturing Company Private Limited to capture market in Goa and nearby area. Aakaash Manufacturing Company Private Limited has four Ready Mix Concrete plants in Goa with an annual turnover of ₹ 6,800 Lacs. An "agreement to sell" was entered into between the Company and the selling shareholders of Aakaash Manufacturing Company Private Limited, under which during the year the Company has acquired 40% equity stake in Aakaash Manufacturing Company Private Limited at consideration of ₹ 550.13 Lacs. The stamp duty, registration fees on the same have been added to the cost of Investment. As per agreement the company has agreed to pay the Selling Shareholders additional consideration of 40% of sales tax refund if received by Aakaash Manufacturing Company Private Limited on or before March 31, 2013. Provision has been made in the accounts for an estimated amount of ₹ 42.30 Lacs towards the additional consideration payable.

13. CONTINGENT LIABILITIES NOT PROVIDED FOR

- (a) Indemnity, Guarantees given to Banks/Financial Institutions, Government Bodies and others ₹ 984.50 Lacs (*Previous Year - ₹ 833.58 Lacs*)
- (b) Letter of Credit opened with Banks/Financial Institutions ₹ 679.25 Lacs (*Previous Year - ₹ Nil*) for procurement of Raw Materials
- (c) Sales tax, entry tax & other dues ₹ 130.00 lacs (*Previous Year - ₹ 352.43 Lacs*), in respect of this Company has issued Bank guarantee of ₹ 33.00 Lacs (*Previous Year - ₹ 255.81 Lacs*) which is included in item (a) above.
- (d) Claims against the Company not admitted as debt – Royalty ₹ 13.00 Lacs (*Previous Year - ₹ 12.98 Lacs*), in respect of this Company has issued Bank guarantee of ₹ 5.00 Lacs (*Previous Year - ₹ 4.90 Lacs*) which is included in item (a) above.

14. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 66.23 lacs. (*Previous Year - ₹ 11.11 lacs*)

15. The pre-operative expenses incurred and transferred to Capital work in progress is as under:

| | 2011 | 2010 |
|---|--------|--------|
| | ₹ Lacs | ₹ Lacs |
| Salary and Allowances | 11.58 | - |
| Contribution to Provident and other funds | 0.07 | - |
| Total | 11.65 | - |

16. The Consolidated results for the year ended December 31, 2011 are not comparable with the previous year since this is the first year of consolidation.

17. Other Expenses includes payment to Statutory Auditors as given below:

Payment to Statutory Auditors (excluding service tax)

| | 2011 | 2010 |
|--|--------|--------|
| | ₹ Lacs | ₹ Lacs |
| Audit Fees | 22.00 | 22.00 |
| Tax Accounts Audit and Tax Audit Fees | 8.00 | 8.00 |
| For other services (Limited Review etc.) | 14.54 | 12.00 |
| Expenses Reimbursed | 3.67 | 3.31 |
| TOTAL | 48.21 | 45.31 |

18. Particulars of un-hedged foreign currency exposure as at Balance Sheet date.

| Particulars | Amount |
|--|--------|
| Creditors CHF ₹ 76.45 lacs (CHF 1.31 lacs @ closing rate of 1 CHF = ₹ 58.45) { <i>Previous year - ₹ 139.05 lacs</i> (CHF 2.87 lacs @ closing rate of 1 CHF = ₹ 48.43)} | |
| USD ₹ 163.34 lacs (USD 2.98 lacs @ closing rate of 1 USD = ₹ 54.80) { <i>Previous year - ₹ 75.60 lacs</i> (USD 1.66 lacs @ closing rate of 1 USD = ₹ 45.55)} | |

19. Previous year's figures have been regrouped/ restated wherever necessary to make them comparable with current Year's figure.

As per our report of even date

For K. S. Aiyar & Co.
Firm Registration No. 100186W
Chartered Accountants

Raghuvir M. Aiyar
Partner
Membership No. 38128

Mumbai, February 07, 2012

For and on behalf of the Board of ACC Concrete Limited,

Hans J. Fuchs
Managing Director

Allwyn D'costa
Chief Financial Officer

Sunil K. Nayak
Director

Vinayak Gupta
Company Secretary

Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

U51909MH2007PLC170646

State Code

11

Balance Sheet

31

12

2011

Date

Month

Year

II. Capital raised during the year (Amount in ₹ Thousands)

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

500000

III. Position of Moblisation and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities

4321161

Total Assets

4321161

Source of Funds

Paid-up Capital

2500000

Secured Loans

NIL

Reserves & Surplus

2371

Unsecured Loans

400000

Application of Funds

Net Fixed Assets

1004188

Net Current Assets

(144342)

Investments

73891

Misc. Expenditure

2818

Accumulated Losses

1965816

IV. Performance of Company (Amount in ₹ Thousands)

Revenue

6898946

Expenditure

7152168

Profit / (-) Loss Before Tax

-253222

Profit / (-) Loss After Tax

-253222

Earnings per Share (in ₹)

(2.47)

Dividend Rate %

NIL

V. Generic name of three principal Products / Services of the Company (As Per Monetary Terms)

Item Code No. (ITC Code)

3824.20

Product Description

READYMIXEDCONCRETE

Directors' Report

TO THE MEMBERS OF

ACC MINERAL RESOURCES LIMITED

The Directors take pleasure in presenting the Eighty Third Annual Report on the business and operations of the Company and the Audited Accounts for the year ended December 31, 2011.

1. FINANCIAL RESULTS

| Particulars | 2011 | 2010 |
|--|-----------|---------|
| | ₹ | ₹ |
| Sale of products and services and Other Income | - | 500,441 |
| Profit Before Depreciation, Interest and Tax | (464,761) | 46,637 |
| Profit/(Loss) Before Tax | (464,761) | 46,637 |
| Provision for Taxation | - | - |
| Profit/(Loss) After Tax | (464,761) | 46,637 |
| Balance brought forward from previous year | 617,869 | 571,232 |
| Balance Carried to Balance Sheet | 153,108 | 617,869 |

2. OPERATIONS

In the year 2009, the Company had entered into four Joint Venture Agreements with Madhya Pradesh State Mining Corporation Limited (MPSMC) for development and mining of four coal blocks allotted to MPSMC by the Government of India. Currently various regulatory clearances are in process for all the four coal blocks. However, the regulatory clearance for the Bicharpur coal block in Shahdol District is in an advanced stage and the selection of an outsourced agency for carrying out the entire Bicharpur coal mine development and operation is in progress. One of the coal blocks viz. Morga IV allotted to the Company in the State of Chattisgarh falls under the "No-Go Area" as per Ministry of Environment & Forest but this is still under scrutiny by the Government.

The Company has no operating activity in the coal blocks except for the preliminary exploration activities

carried out in two of the three unexplored coal blocks. The Company does not have any trading activity nor earnings from investments and therefore, there is no income and the losses shown above represents the administrative expenditure and amortization of expenses incurred for increasing the authorised share capital of the Company.

3. DIVIDEND

Your Directors do not recommend payment of dividend for the financial year ended December 31, 2011.

4. DIRECTORS

The Board of Directors has appointed Mr Rajendra Singh Rathore, as an Additional Director of the Company with effect from April 21, 2011. As Additional Director, Mr Rajendra Singh Rathore holds office till the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment as a Director is included at Item No 5 of the Notice convening the Annual General Meeting.

The Board of Directors has appointed Mr Rajiv Prasad, as an Additional Director of the Company with effect from October 24, 2011. As Additional Director, Mr Rajiv Prasad holds office till the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment as a Director is included at Item No 6 of the Notice convening the Annual General Meeting.

Mr Vivek Chawla who was appointed as a Director of the Company with effect from July 16, 2009, resigned from the Board of Directors of the Company with effect from October 21, 2011. The Board has placed on record its appreciation of the valuable services rendered by Mr Vivek Chawla during his tenure as Director of the Company.

In accordance with the provisions of the Companies Act, 1956, Mr T N Tiwari and Mr Burjor D Nariman retire by rotation and are eligible for reappointment.

5. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them,

your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- a. that in the preparation of the annual accounts for the year ended December 31, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Note 1 of the Notes to the Accounts have been selected and have been applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on December 31, 2011, and of the loss of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts have been prepared on a going concern basis.

6. AUDITORS

Messrs K S Aiyar & Co, Chartered Accountants, who are the Statutory Auditors of the Company, hold office up to the date of the ensuing Annual General Meeting and are eligible for re-appointment. As required under the provision of Section 224(IB) of the Companies Act, 1956, the Company has obtained written confirmation from Messrs K S Aiyar & Co that their appointment, if made, would be in conformity with the Companies Act, 1956. The Members are requested to appoint Messrs K S Aiyar & Co, Chartered Accountants, as Auditors of the Company for the year 2012 and to authorize the Board of Directors to determine their remuneration.

7. AUDIT COMMITTEE

The Company is not required to constitute an Audit Committee under the provisions of Section 292A of the Companies Act, 1956.

8. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Energy Conservation & Technology Absorption

In the absence of any manufacturing activity, the information under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is Nil.

Foreign Exchange Earnings and Outgo

No transactions have been made in foreign currency during the year under review.

9. Particulars of Employees

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

10. ACKNOWLEDGEMENT

Your Directors express their appreciation of the excellent co-operation received from the Madhya Pradesh State Mining Corporation Limited and the Government of Madhya Pradesh. Your Directors also acknowledge the unstinted assistance and support received from ACC Limited, its holding Company and thank all the employees for their valuable contribution during the year.

For and on behalf of the Board

Kuldip Kaura
Chairman

Mumbai
February 01, 2012

Auditor's Report on the Consolidated Accounts of ACC Mineral Resources Limited

TO THE BOARD OF DIRECTORS,

1. We have audited the attached Consolidated Balance Sheet of ACC MINERAL RESOURCES LIMITED wherein is included its proportionate share in four joint venture companies, as at December 31, 2011, and also the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 27 Financial Reporting of interests in Joint Venture Companies issued by the Central Government under Companies (Accounting Standards) Rules, 2006.
4. On the basis of the information and explanation given to us and on the consideration of the separate audit report on standalone financial statements of the Company and our audit of its four joint venture companies for the limited purpose of consolidation, we are of the opinion that:
 - a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of the Company as at December 31, 2011;
 - b) The Consolidated Profit and Loss account gives a true and fair view of the consolidated Loss of the Company for the year then ended; and
 - c) The Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of the Company for the year then ended.

For **K. S. AIYAR & CO.**

Chartered Accountants

Firm Registration No.100186W

RAJESH S. JOSHI

Partner

Mumbai

Date: February 01, 2012

Membership No.38526

Consolidated Balance Sheet as at December 31, 2011

| Schedules | As at December 31, 2011 | As at December 31, 2010 |
|--|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| SOURCES OF FUNDS : | | |
| Shareholders' Funds : | | |
| Share Capital 1 | 49,500,000.00 | 49,500,000.00 |
| Loan Funds : | | |
| Unsecured Loans | 60,000,000.00 | 31,150,000.00 |
| TOTAL FUNDS | 109,500,000.00 | 80,650,000.00 |
| APPLICATION OF FUNDS : | | |
| Fixed Assets 2 | | |
| Gross Block | 16,354,976.00 | 12,655,699.00 |
| Less: Depreciation and Amortisation | 22,464.00 | 443.00 |
| Net Block | 16,332,512.00 | 12,655,256.00 |
| Capital Work-in-progress | 6,468,709.00 | 4,814,661.00 |
| | 22,801,221.00 | 17,469,917.00 |
| Deferred Tax Asset | 954,672.00 | 1,697,196.00 |
| Current Assets, Loans and Advances : | | |
| Cash and Bank Balances 3 | 1,634,609.00 | 3,088,165.00 |
| Loans and Advances 4 | 80,722,170.00 | 55,953,462.00 |
| | 82,356,779.00 | 59,041,627.00 |
| Less : Current Liabilities and Provisions : | | |
| Current Liabilities 5 | 3,249,918.00 | 3,021,166.00 |
| Provisions 6 | 9,500.00 | 9,500.00 |
| | 3,259,418.00 | 3,030,666.00 |
| Net Current Assets | 79,097,361.00 | 56,010,961.00 |
| Miscellaneous Expenditure 7 | 694,858.00 | 992,662.00 |
| (to the extent not written off or adjusted) | | |
| Profit & Loss Account | 5,951,888.00 | 4,479,264.00 |
| TOTAL ASSETS | 109,500,000.00 | 80,650,000.00 |
| Notes to Accounts 8 | | |

The schedules referred to above and notes to accounts form an integral part of the Consolidated Balance Sheet

As per our report of even date

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186 W

Rajesh S. Joshi
Partner
Membership No. 38526

Mumbai, February 01, 2012

For and on behalf of the Board of
ACC Mineral Resources Limited,

Burjor D Nariman
Sunil Nayak } Director

Dinesh Kumar Sonthalia
Company Secretary

Consolidated Profit and Loss Account for the year ended December 31, 2011

| Schedules | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---|---|---|
| | ₹ | ₹ |
| INCOME: | | |
| Dividend Received | - | 496,166.00 |
| Interest Received | 69,747.00 | 62,684.00 |
| Other Income | - | 4,275.00 |
| | 69,747.00 | 563,125.00 |
| EXPENDITURE: | | |
| Auditor's Fee | 205,994.00 | 170,700.00 |
| Bank Charges | 1,369.00 | 1,708.00 |
| Consultancy Charges | 62,318.00 | 52,041.00 |
| General Charges and CSR | 61,869.00 | 38,818.00 |
| Printing and Stationery | 1,395.00 | 4,384.00 |
| Rent | 98,490.00 | 48,143.00 |
| Rates and Taxes | 4,900.00 | - |
| Travelling and Conveyance Expenses | 43,687.00 | 310,096.00 |
| Preliminary Expenses | - | 6,386,680.00 |
| Depreciation and Amortisation | 22,021.00 | 443.00 |
| Miscellaneous Expenditure written off | 297,804.00 | 297,804.00 |
| Loss before Tax | (730,100.00) | (6,747,692.00) |
| Provision for Tax | | |
| Deferred Tax | 742,524.00 | (1,697,196.00) |
| | 742,524.00 | (1,697,196.00) |
| Loss after Tax | (1,472,624.00) | (5,050,496.00) |
| Balance brought forward From Previous Year | (4,479,264.00) | 571,232.00 |
| Balance Carried to Balance Sheet | (5,951,888.00) | (4,479,264.00) |
| Face Value per Share | 100.00 | 100.00 |
| Basic and Diluted Earnings per Share | (2.97) | (10.20) |
| Notes to Accounts 8 | | |

The schedules referred to above and notes to accounts form an integral part of the Consolidated Profit and Loss Account

As per our report of even date

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186 W

Rajesh S. Joshi
Partner
Membership No. 38526

Mumbai, February 01, 2012

For and on behalf of the Board of
ACC Mineral Resources Limited,

Burjor D Nariman
Sunil Nayak } Director

Dinesh Kumar Sonthalia
Company Secretary

Consolidated Cash Flow Statement for the year ended December 31, 2011

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---|---|---|
| | ₹ | ₹ |
| A. Cash flow from operating activities | | |
| 1 Net Loss before Tax | (730,100.00) | (6,747,692.00) |
| Adjustments for : | | |
| 2 Interest and Dividend Income | (69,747.00) | (563,125.00) |
| Operating profit before working capital changes | (799,847.00) | (7,310,817.00) |
| Adjustments for : | | |
| 3 Other receivables | (24,768,708.00) | (40,236,382.00) |
| 4 Trade payables | 228,752.00 | (6,058,817.00) |
| 5 Miscellaneous Expenditure | 297,804.00 | 297,804.00 |
| Net Cash flow from operating activities | (25,041,999.00) | (53,308,212.00) |
| B. Cash flow from investing activities | | |
| 6 Purchase of Fixed Assets | (5,331,304.00) | (17,469,917.00) |
| 7 Sale/Redemption of Investments | - | 43,251,888.00 |
| 8 Interest and Dividend received | 69,747.00 | 563,125.00 |
| Net cash used in investing activities | (5,261,557.00) | 26,345,096.00 |
| C. Cash flow from financing activities | | |
| 9 Proceeds from Short term Borrowings | 28,850,000.00 | 29,850,000.00 |
| Net cash used in financing activities | 28,850,000.00 | 29,850,000.00 |
| Net increase / (decrease) in cash and cash equivalents | (1,453,556.00) | 2,886,884.00 |
| Cash and cash equivalents - Opening Balance | 3,088,165.00 | 201,281.00 |
| - Closing Balance | 1,634,609.00 | 3,088,165.00 |

Notes : 1 All figures in brackets are outflow.
2 Previous Period's figures are regrouped / rearranged wherever necessary.
3 Cash and Cash Equivalents is Cash and Bank Balance as per Consolidate Balance Sheet.

As per our report of even date

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186 W

Rajesh S. Joshi
Partner
Membership No. 38526

Mumbai, February 01, 2012

For and on behalf of the Board of
ACC Mineral Resources Limited,

Burjor D Nariman
Sunil Nayak } Director

Dinesh Kumar Sonthalia
Company Secretary

Schedules forming part of the consolidated Balance Sheet

SCHEDULE - 1, SHARE CAPITAL

| | AMRL As at December 31, 2011 | Joint Venture Total As at December 31, 2011 | As at December 31, 2011 | As at December 31, 2010 |
|--|------------------------------------|---|-------------------------------|-------------------------------|
| | ₹ | ₹ | ₹ | ₹ |
| AUTHORISED - | | | | |
| 2,000,000 Equity Shares of ₹ 100 each | 200,000,000.00 | - | 200,000,000.00 | 200,000,000.00 |
| ISSUED, SUBSCRIBED & PAID UP - | | | | |
| 495,000 Equity Shares of ₹ 100 each, fully paid | 49,500,000.00 | - | 49,500,000.00 | 49,500,000.00 |
| (All the Shares are held by ACC Limited, the Holding Company and its nominees) | | | | |
| TOTAL | 49,500,000.00 | - | 49,500,000.00 | 49,500,000.00 |

SCHEDULE 2 : FIXED ASSETS

| Nature of fixed assets | Gross Block | | | Depreciation / Amortisation | | | Net Block | |
|--------------------------|-----------------------------|-------------------------|---------------------|-----------------------------|------------------------|---------------------|---------------------|---------------------|
| | As at 01/01/2011 Year | Additions during the | As at 31/12/2011 | As at 01/01/2011 Year | Provided during the | As at 31/12/2011 | As at 31/12/2011 | As at 31/12/2010 |
| Land | 2,653,427 | 3,464,981 | 6,118,408 | - | - | - | 6,118,408 | 2,653,427 |
| Digital Camera | 6,272 | - | 6,272 | 443 | 332 | 775 | 5,497 | 5,829 |
| Printers | - | 184,756 | 184,756 | - | 20,517 | 20,517 | 164,239 | - |
| Furniture & Fixtures | - | 49,540 | 49,540 | - | 1,172 | 1,172 | 48,368 | - |
| Intangible Assets | 9,996,000 | - | 9,996,000 | - | - | - | 9,996,000 | 9,996,000 |
| TOTAL | 12,655,699 | 3,699,277 | 16,354,976 | 443 | 22,021 | 22,464 | 16,332,512 | 12,655,256 |
| Capital work-in-progress | | | | | | | 6,468,709 | 4,814,661 |
| | | | | | | | 22,801,221 | 17,469,917 |
| Previous Year | - | 12,655,699 | - | 12,655,699 | 443 | 443 | | |

SCHEDULE - 3, CASH AND BANK BALANCES

| | AMRL As at December 31, 2011 | Joint Venture Total As at December 31, 2011 | As at December 31, 2011 | As at December 31, 2010 |
|----------------------------------|------------------------------------|---|-------------------------------|-------------------------------|
| | ₹ | ₹ | ₹ | ₹ |
| 1. Cash on Hand | 8,282.00 | - | 8,282.00 | 5,375.00 |
| 2. Balances With Scheduled Banks | | | | |
| In Current Account | 783,872.00 | 107,455.00 | 891,327.00 | 1,171,790.00 |
| In Fixed Deposit Accounts | - | 735,000.00 | 735,000.00 | 1,911,000.00 |
| TOTAL | 792,154.00 | 842,455.00 | 1,634,609.00 | 3,088,165.00 |

SCHEDULE - 4, LOANS AND ADVANCES

(Unsecured, Considered Good, unless otherwise stated)

| | AMRL As at December 31, 2011 | Joint Venture Total As at December 31, 2011 | As at December 31, 2011 | As at December 31, 2010 |
|--|------------------------------------|---|-------------------------------|-------------------------------|
| | ₹ | ₹ | ₹ | ₹ |
| 1 Advances Recoverable in cash or in Kind of for value to be received Considered Good | | | | |
| (a) Advances to Joint Venture Companies | 11,550,570.00 | - | 11,550,570.00 | 7,174,916.00 |
| (b) Advance to others | 69,070,309.00 | 12,250.00 | 69,082,559.00 | 48,717,546.00 |
| (C) Accrued Interest | - | 58,532.00 | 58,532.00 | 52,500.00 |
| 2 Advance Payment Against Taxes | | | | |
| (a) Advance Tax | 8,500.00 | - | 8,500.00 | 8,500.00 |
| (b) Tax Deducted at source on fixed deposits | - | 22,009.00 | 22,009.00 | - |
| TOTAL | 80,629,379.00 | 92,791.00 | 80,722,170.00 | 55,953,462.00 |

Schedules forming part of the consolidated Balance Sheet

SCHEDULE - 5, CURRENT LIABILITIES

| | AMRL As at December 31, 2011 | Joint Venture Total As at December 31, 2011 | As at December 31, 2011 | As at December 31, 2010 |
|------------------------|------------------------------------|---|-------------------------------|-------------------------------|
| | ₹ | ₹ | ₹ | ₹ |
| Sundry Creditors | | | | |
| Other Sundry Creditors | 3,076,472.00 | - | 3,076,472.00 | 2,824,066.00 |
| Other Liabilities | 139,285.00 | 34,161.00 | 173,446.00 | 197,100.00 |
| TOTAL | 3,215,757.00 | 34,161.00 | 3,249,918.00 | 3,021,166.00 |

SCHEDULE - 6, PROVISIONS

| | AMRL As at December 31, 2011 | Joint Venture Total As at December 31, 2011 | As at December 31, 2011 | As at December 31, 2010 |
|------------------------|------------------------------------|---|-------------------------------|-------------------------------|
| | ₹ | ₹ | ₹ | ₹ |
| Provision for Taxation | 9,500.00 | - | 9,500.00 | 9,500.00 |
| TOTAL | 9,500.00 | - | 9,500.00 | 9,500.00 |

SCHEDULE - 7, MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)

| | AMRL As at December 31, 2011 | Joint Venture Total As at December 31, 2011 | As at December 31, 2011 | As at December 31, 2010 |
|---|------------------------------------|---|-------------------------------|-------------------------------|
| | ₹ | ₹ | ₹ | ₹ |
| Expenses incurred for increase in Authorised Share Capital Net off amortisation | 694,858.00 | - | 694,858.00 | 992,662.00 |
| TOTAL | 694,858.00 | - | 694,858.00 | 992,662.00 |

Schedule –8, NOTES TO ACCOUNTS**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON DECEMBER 31, 2011****1. (I) Basis of preparation**

- (i) The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting in accordance with the accounting principles generally accepted in India and in compliance with provisions of the Companies Act, 1956 and comply with the mandatory Accounting Standards (AS) specified in the Companies (Accounting Standard) Rules, 2006, prescribed by the Central Government.
- (ii) Financial statements are based on historical cost except where impairment is made and or revaluation is carried out.
- (iii) Accounting policies have been consistently applied by the Company except as stated otherwise.
- (iv) The Consolidated financial statements are prepared in accordance with the Accounting Standard 27, 'Financial Reporting of Interests in Joint Ventures' issued by the Central Government under the Companies (Accounting Standard) Rules, 2006. The consolidated financial statements comprises of the financial statements of ACC Mineral resources Limited (the company) and its 49% share in the four joint venture companies namely MP AMRL (Semaria) Coal Company Limited, MP AMRL (Bicharpur) Coal Company Limited, MP AMRL (Marki Barka) Coal Company Limited and MP AMRL (Morga) Coal Company Limited. Accordingly all the assets, liabilities, incomes and expenses of the joint venture companies have been included to the extent of 49% representing the company's share in these consolidated financial statement of the company.

(II) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(III) Significant Accounting Policies**A) Revenue recognition****Dividend and Interest income**

Dividend income is recognised when the right to receive such dividend is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

B) Fixed Assets

- (i) Tangible fixed assets are stated at the cost of acquisition less depreciation. Mineral rights of coal has been recognized as intangible assets and valued equivalent to the Equity share capital allotted to The M.P. State Mining Corporation Limited (MPSMC) in lieu thereof in terms of the provisions of Joint Venture Agreement. The value of mineral rights of coal may increase to the extent of further allotment of equity share capital to MPSMC.
- (ii) Capital work-in-progress includes expenses on account of prospecting, expenses for regulatory clearances, exploration and evaluation of coal mines etc. These expenses are carried forward and will be capitalized once the mine starts the commercial production.

C) Depreciation / Amortization

Depreciation on tangible fixed assets is provided on straight line method at the rates prescribed in schedule XIV of the Companies Act, 1956 on a

pro-rata basis. The intangible fixed assets i.e. mineral rights of coal, exploration and evaluation asset etc. is to be amortized on the basis of extraction of coal in proportion to the available mineable reserves of coal.

D) Investments

Current investments are carried at lower of cost and fair market value. Long term investments are carried at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in nature.

E) Foreign currency transactions

Foreign currency transactions are initially recorded at the rates of exchange prevailing on the date of transactions. Foreign currency monetary items are subsequently reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

F) Income taxes

Tax expense comprises of current and deferred tax. The deferred tax charge or credit is recognized using current tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of assets.

Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets/liabilities are reviewed as at each balance sheet date.

G) Contingencies / Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate 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 estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefit is remote.

H) Segment Reporting

The company operates in one business segment i.e. Development and operation of coal mines. This business segment is regarded as the primary segment and disclosure of segment wise information is not required to be given as per As-17-'Segment Reporting'. As the company has not yet started its commercial activities, there are no reportable geographical segments.

2. Contingent Liabilities not provided for ₹ Nil (*Previous Year - ₹ Nil*)
3. Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ Nil (*Previous Year - ₹ Nil*)

4. Miscellaneous Expenditure

Expenses incurred in connection with increase in Authorised Share capital amounting to ₹ 1,489,000/- is being amortized over a period of 60 months commencing from May 2009.

5. Taxation

No provision for current tax is made as at 31st December 2011 in absence of any taxable income. However the income tax liability, if any, of the company would be determined on the basis of its results for the fiscal year ending on 31st March

2012 However the Deferred Tax Asset (DTA) has been created in Joint Venture Companies as below:

| Description | Value As per Books (₹) | Value as per Income Tax (₹) | Difference (₹) | DTA @ 33.2175% (₹) |
|----------------------|---------------------------|--------------------------------|-------------------|-----------------------|
| Preliminary Expenses | - | 5,865,320 | 5,865,320 | 954,672 |

6. Related Party Disclosure

(A) Particulars of Holding/ Associate Companies

| Name of Related Parties | Nature of Relationship |
|---|---|
| ACC Limited | Holding Company |
| Bulk Cement Corporation (India) Ltd. | Fellow Subsidiary Company |
| ACC Concrete Limited | Fellow Subsidiary Company |
| Lucky Minmat Limited | Fellow Subsidiary Company |
| National Limestone Company Pvt. Limited | Fellow Subsidiary Company |
| Alcon Cement Company Pvt. Ltd. | Associate Company of Holding Company |
| Encore Cement and Additives Pvt. Ltd. | Fellow Subsidiary Company w. e. f. January 28, 2010 |
| MP AMRL (Semaria) Coal Company Limited | Joint Venture Company (49% interest in Equity is held by AMRL) |
| MP AMRL (Bicharpur) Coal Company Limited | Joint Venture Company (49% interest in Equity is held by AMRL) |
| MP AMRL (Marki Barka) Coal Company Limited | Joint Venture Company (49% interest in Equity is held by AMRL) |
| MP AMRL (Morga) Coal Company Limited | Joint Venture Company (49% interest in Equity is held by AMRL) |
| Asian Concretes & Cements Pvt. Ltd. | Associate Company of Holding Company w. e. f. April 01, 2010 |
| Aakaash Manufacturing Company Private Limited | Associate Company of Fellow Subsidiary ACC Concrete Limited w.e.f. March 25, 2011 |
| Holcim Limited | Ultimate Holding Company of Holding Company |
| Ambuja Cement (India) Private Limited* | Holding Company of the Holding Company |
| Ambuja Cements Limited | Fellow Subsidiary of the Holding Company |
| Holderind Investments Limited | Holding company of Holcim (India) Private Limited |
| Holcim (India) Private Limited* | Holding Company of the Holding Company |
| Holcim (Bangladesh) Limited | Fellow Subsidiary of the Holding Company |
| Holcim Group Support Limited | Fellow Subsidiary of the Holding Company |
| Holcim Singapore Pte Limited | Fellow Subsidiary of the Holding Company |
| Holcim Trading FZCO | Fellow Subsidiary of the Holding Company |
| Holcim (Lanka) Ltd. | Fellow Subsidiary of the Holding Company |

| Name of Related Parties | Nature of Relationship |
|---|--|
| P T Holcim Indonesia Tbk | Fellow Subsidiary of the Holding Company |
| Holcim Services (South Asia) Limited | Fellow Subsidiary of the Holding Company |
| Holcim Foundation | Fellow Subsidiary of the Holding Company |
| Holcim (US) INC | Fellow Subsidiary of the Holding Company |
| Holcim (Canada) INC | Fellow Subsidiary of the Holding Company |
| Siam City Cement Public Company Limited | Fellow Subsidiary of the Holding Company |
| Holcim (Malaysia) SDN BHD | Fellow Subsidiary of the Holding Company |
| Holcim Environment Services Sa, Belgium | Fellow Subsidiary of the Holding Company |
| Holcim Vietnam Ltd. | Fellow Subsidiary of the Holding Company |
| Holcim Philippines | Fellow Subsidiary of the Holding Company |

Note:

During the current year, the Holding Company has become a subsidiary of Holcim (India) Private Limited and accordingly Holcim Group companies which were reported as promoter group Companies till last year, have now being reported as Fellow Subsidiaries of Holding Company. Previous year's disclosures have been regrouped based on current year's relationship to facilitate comparison.

*During the current year Ambuja Cement India Private Limited has amalgamated with Holcim (India) Private Limited.

(B) Transactions with Holding Company

| Particulars | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|--|--------------------------------------|--------------------------------------|
| | ₹ | ₹ |
| 1 Inter Corporate Deposits Received During The Year | 28,850,000 | 31,150,000 |
| 2 Inter Corporate Deposits paid during the year | - | 1,300,000 |
| 3 Inter Corporate Deposits as at the end of the year | 60,000,000 | 31,150,000 |

7. Earnings Per Share - [EPS]

| Particulars | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|--|--------------------------------------|--------------------------------------|
| | ₹ | ₹ |
| Profit/(Loss) after taxation as per Profit and Loss account | (1,472,624) | (5,050,496) |
| Weighted average number of Equity shares outstanding | 495,000 | 495,000 |
| Basic earnings per Share (Weighted Average) in Rupees (face value – ₹ 100 per share) | (2.97) | (10.20) |
| (There are no diluted equity shares and hence there is no working for diluted earning per share) | | |

8. Payment to Statutory Auditors:

| Particulars | For the year ended December 31, 2011 (Total) | For the year ended December 31, 2011 (AMRL) | For the year ended December 31, 2011 (JVC) | For the year ended December 31, 2010 (Total) |
|-------------------------------------|--|---|--|--|
| | ₹ | ₹ | ₹ | ₹ |
| Audit Fees | 89,200 | 50,000 | 39,200 | 50,000 |
| For other services | | | | |
| (i) Limited Review & Other Services | 56,000 | 56,000 | - | 56,000 |
| (ii) Audit for Tax Purpose A/c | 25,000 | 25,000 | - | - |
| (iii) Consolidation of Accounts | 25,000 | 25,000 | - | - |
| Expenses Reimbursed | - | - | - | - |
| TOTAL | 195,200 | 156,000 | 39,200 | 106,000 |

9. Transactions with Joint Venture Companies

| Particulars | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|--|--------------------------------------|--------------------------------------|
| | ₹ | ₹ |
| 1 Advances given to Joint Venture Companies (JVC) | 8,917,921 | 14,468,172 |
| 2 Re-imbursement of expenses from JVC | 338,207 | 399,710 |
| 3 Outstanding balance included in Current Assets | 22,648,176 | 14,068,462 |
| 10. Advances to others include ₹ 68,955,538 for carrying out the exploration activity of its Coal Blocks. The same shall be allocated to respective Coal Block's Joint Venture Company once the activity is complete and Geological Report and Detailed Project Report is prepared. | | |
| 11. Payment made in foreign currency Technical Fees: ₹ NIL {(Previous Year - ₹ 5,777,569) including ₹ 616,069 of Joint Venture Companies}. | | |
| 12. Other Additional information pursuant to the provisions of paragraph 3 & 4 of the part II of schedule VI to the Companies Act, 1956 is not applicable in absence of any commercial activity. | | |
| 13. There is no Micro, Small and Medium enterprise, as defined in the Micro, Small, Medium enterprises Development Act, 2006 to which the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. | | |
| 14. Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with current year's figures. | | |

As per our report of even date

For and on behalf of the Board of
ACC Mineral Resources Limited,**For K. S. Aiyar & Co.**
Chartered Accountants
Firm Registration No. 100186 W**Burjor D Nariman** } Director
Sunil Nayak**Rajesh S. Joshi**
Partner
Membership No. 38526**Dinesh Kumar Sonthalia**
Company Secretary

Mumbai, February 01, 2012

Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. **U10100MH1930PLC001612**

State Code **11**

Balance Sheet Date **31 12 2011**

II. Capital raised during the year (Amount in ₹ Thousands)

Public Issue

Nil

Bonus Issue

Nil

Rights Issue

Nil

Private Placement

Nil

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities

112759

Total Assets

112759

Sources of Funds

Paid-up Capital

49500

Unsecured Loans

60000

Application of Funds

Net Fixed Assets

22801

Net Current Assets

79097

Accumulated Losses

5952

Investments

Nil

Misc. Expenditure

695

Deferred Tax Asset

955

IV. Performance of Company (Amount in ₹ Thousands)

Revenue

70

Total Expenditure

800

Profit / Loss Before Tax

-730

Profit / Loss After Tax

-1473

Earning per share in ₹

(2.97)

Dividend Rate %

Nil

V. Generic name of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code) **Nil**

Directors' Report

TO THE MEMBERS OF
BULK CEMENT CORPORATION (INDIA) LIMITED

The Directors take pleasure in presenting the Twentieth Annual Report on the business and operations of the Company and the Audited Accounts for the year ended December 31, 2011.

1. FINANCIAL RESULTS

| PARTICULARS | 2011 | 2010 |
|--|----------|----------|
| | ₹ Lac | ₹ Lac |
| Sale of Products, Services and Other Income | 1,459.71 | 1,355.62 |
| Profit Before Tax | 89.87 | 47.93 |
| Provision for Taxation | | |
| - Current Tax | 8.01 | - |
| - Short Provisioning in Income tax in respect of earlier years | - | 2.60 |
| - Deferred Tax | 13.51 | 6.50 |
| | 21.52 | 9.10 |
| Profit after Taxation | 68.35 | 38.83 |
| Balance brought forward | 1,032.06 | 993.23 |
| Balance carried forward to Balance Sheet | 1,100.41 | 1,032.06 |

2. OPERATIONS

The total dispatches for the year ended December 31, 2011 were 9.34 Lac MT compared to 9.18 Lac MT in the corresponding period of the previous year which is higher by 2%.

In all 295 rakes were received during the year 2011. Company has started deployment of 58 BCCW Rakes since May 2011 and have stabilized rake operation.

The specific power consumption for the year 2011 was 2.85 Units/MT as against 2.89 Units/MT for the year 2010.

The Company continued to operate at unity power factor throughout the year. Power incentive for maintaining unity power factor was ₹ 12.41 lac for the year 2011.

3. DIVIDEND

Your Directors do not recommend payment of dividend for the financial year ended December 31, 2011.

4. INDUSTRIAL RELATIONS

During the year under review, industrial relations at the Company's unit continued to remain cordial and peaceful.

5. PARTICULARS OF 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 the Board of Directors) Rules, 1988, the particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are mentioned herein below:

FORM "A"

Form for Disclosure of Particulars with respect to Conservation of Energy, Power and Fuel Consumption:

| PARTICULARS | 2011 | 2010 |
|---|-----------|-----------|
| 1 Electricity | | |
| a. Units Purchased KWH | 2,663,160 | 2,675,730 |
| Total Amount (₹ Lac) | 169.99 | 152.85 |
| Rate/Unit (₹/KW) | 6.38 | 5.71 |
| b. Own Generation | - | - |
| 2. Consumption / Unit of Production Electricity (Unit/MT) | 2.85 | 2.89 |

Disclosure of particulars with respect to Foreign Exchange Earnings and Outgo

| PARTICULARS | 2011 | 2010 |
|-------------------------|------|------|
| Foreign Exchange Earned | - | - |
| Foreign Exchange used | - | - |

The Company has not entered into any technology transfer agreement.

6. PARTICULARS OF EMPLOYEES

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Sec 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

7. DIRECTORS

The Board of Directors has appointed Mr A S Upadhyay, Executive Director / Traffic Transportation (F), Railway Board, as an Additional Director of the Company with effect from November 18, 2011. Mr Upadhyay represents the Ministry of Railways on the Board of Directors of your Company. As an Additional Director, Mr Upadhyay holds office upto the date of the forthcoming Annual General Meeting. A resolution pertaining to his appointment as a Director of the Company is included in the Notice convening the forthcoming Annual General Meeting.

The Board of Directors has appointed Mr Rajat Kumar, Director in the Department of Industrial Policy and Promotion, as an Additional Director of the Company with effect from February 1, 2012. Mr Rajat Kumar represents the Government of India, Ministry of Commerce and Industry on the Board of Directors of your Company. As an Additional Director, Mr Rajat Kumar holds office upto the date of the forthcoming Annual General Meeting. A resolution pertaining to his appointment as a Director of the Company is included in the Notice convening the forthcoming Annual General Meeting.

The Government of India, Ministry of Commerce and Industry, Department of Industrial Policy and Promotion had earlier appointed Mr Premanshu Biswas as a Director on the Board of Directors of the Company with effect from June 6, 2011 in place of Mr Shymal Misra. However, Mr Premanshu Biswas ceased to be a Director of the Company consequent upon the appointment of Mr Rajat Kumar.

Mr Shyamal Misra who was appointed as a Director of the Company with effect from July 19, 2010, ceased to be a Director of the Company with effect from June 6, 2011.

Mr Suchitto Kumar Das who was appointed by the Government of India, Ministry of Railways, as a Director of the Company with effect from July 17, 2009, ceased to be a Director of the Company with effect from November 18, 2011.

The Board has placed on record its appreciation of the valuable services rendered by the aforesaid Directors.

In accordance with the provisions of the Companies Act, 1956, Mr Ramit Budhraj, Mr Burjor D Nariman and Mr Sankarsan Dasgupta retire by rotation and are eligible for re-appointment.

8. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- that in the preparation of the annual accounts for the year ended December 31, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Note 1 of the Notes to the Accounts have been selected and have been applied consistently and judgement

and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on December 31, 2011, and of the profit of the Company for the year ended on that date;

- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts have been prepared on a going concern basis.

9. AUDIT COMMITTEE

As on February 1, 2012 the Audit Committee comprises the following Members:

Mr Rajat Kumar
Mr Sunil Nayak
Mr Ramit Budhraj
Mr Burjor D Nariman
Mr Sankarsan Dasgupta

Mr Shyamal Misra who was the Chairman of the Audit Committee upto June 6, 2011 demitted his office as a Member of the Committee consequent upon his ceasing to be a Director of the Company.

During the year ended December 31, 2011 four Audit Committee Meetings were held.

10. AUDITORS

Messrs K S Aiyar & Co, Chartered Accountants, who are the Statutory Auditors of the Company, hold

office up to the date of the ensuing Annual General Meeting and are eligible for re-appointment. As required under the provision of Section 224(IB) of the Companies Act, 1956, the Company has obtained written confirmation from Messrs K S Aiyar & Co that their appointment, if made, would be in conformity with the Companies Act, 1956. The Members are requested to appoint Messrs K S Aiyar & Co, Chartered Accountants, as Auditors of the Company for the year 2012 and to authorize the Board of Directors to determine their remuneration.

11. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their grateful appreciation of the excellent assistance and co-operation received from the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Ministry of Railways, ACC Limited, the holding Company and Company's Bankers. Your Directors also thank all the employees of the Company for their valuable service and support during the year.

For and on behalf of the Board of Directors

Ramit Budhraj
Director

Sunil K Nayak
Director

Mumbai
February 01, 2012

Auditor's Report to the members of Bulk Cement Corporation (India) Limited

1. We have audited the attached Balance Sheet of BULK CEMENT CORPORATION (INDIA) LIMITED, as at December 31, 2011, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards 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 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) ('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:
 - a) 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;
 - b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
 - c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Profit and Loss 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;
 - e) on the basis of the written representations received from the directors, as on December 31, 2011, and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on December 31, 2011 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2011;
 - ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **K. S. Aiyar & Co.**

Chartered Accountants

Firm Registration No. 100186W

Rajesh S. Joshi

Partner

Membership No. 38526

Place: Mumbai

Date: February 01, 2012

Annexure to the Auditor's Report (Referred to in paragraph 3 of our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Most of the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) Fixed assets that have been disposed off during the year were not material so as to affect the going concern status of the Company.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. No discrepancies were noticed on verification between the physical stocks and the book stocks.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) According to the information and explanations given to us, there are no transactions that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956. Accordingly, sub-clause (b) is not applicable.
- (vi) The Company has not accepted any deposits from the public to which the provisions of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 are not applicable to the Company at present as the Company's current financial year had commenced prior to 01-04-2011.
- (ix) (a) According to the records of the Company, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom duty, Excise duty, Cess and other material statutory dues with the appropriate authorities. Based on our audit procedures and

according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at December 31, 2011 for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess which have not been deposited on account of any dispute, are as follows:

| Nature of dues | Period to which the amount relates | Amounts involved (dues to the extent not deposited) | Forum where the dispute is pending |
|--|------------------------------------|---|------------------------------------|
| Service Tax | Financial years 2001-02 to 2005-06 | ₹ 27.71 Lac | CESTAT |
| Inadmissible Cenvat credit availed on railway wagons | June - 2009 | ₹ 109.36 Lac | CESTAT |

- (x) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) There are no dues to banks or financial institutions or debenture holders.
- (xii) Based on our examination of documents and records, we are of the opinion that the Company has not granted any 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, nidhi/mutual benefit fund and therefore the requirements pertaining to such class of companies are not applicable.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the Company has not raised any loans during the period.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company we report that no funds raised on short-term basis have been used for long-term applications.
- (xviii) 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) The Company has not issued any debentures during the year under audit. Therefore the provisions of clause (xix) of the order is not applicable to the company.
- (xx) The Company has not raised any money by way of public issue during the year. Therefore, the provision of clause (xx) of the order is not applicable to the Company.
- (xxi) Based upon the audit procedures performed and according to the information and explanations given and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **K. S. Aiyar & Co.**
Chartered Accountants
Firm Registration No. 100186W

Rajesh S. Joshi

Partner

Membership No. 38526

Place: Mumbai
Date: February 01, 2012

Balance Sheet as at December 31, 2011

| Schedules | As at December 31, 2011 | As at December 31, 2010 |
|---|-------------------------------|-------------------------------|
| | ₹ Lac | ₹ Lac |
| SOURCES OF FUNDS: | | |
| Shareholder's Fund: | | |
| Share Capital 1 | 3,364.21 | 3,364.21 |
| Reserves and Surplus 2 | 1,100.41 | 1,032.06 |
| Deferred Tax Liability (Net) (Refer Note - 3) | 558.07 | 544.56 |
| TOTAL FUNDS | 5,022.69 | 4,940.83 |
| APPLICATION OF FUNDS: | | |
| Fixed Assets: 3 | | |
| Gross block | 8,726.92 | 8,713.15 |
| Less: Accumulated Depreciation | 5,214.85 | 4,668.11 |
| Net Block | 3,512.07 | 4,045.04 |
| Capital Work-in-Progress (including Capital advances and Assets in transit) | 337.25 | 6.50 |
| | 3,849.32 | 4,051.54 |
| Investments 4 | 1,510.00 | 1,255.38 |
| Current Assets, Loans and Advances: | | |
| Inventory-Stores and Spares (as certified by management) | 52.52 | 40.00 |
| Sundry Debtors 5 | 162.76 | 170.48 |
| Cash and Bank Balances 6 | 23.48 | 24.40 |
| Loans and Advances 7 | 134.23 | 96.63 |
| | 372.99 | 331.51 |
| Less: Current Liabilities | | |
| Sundry Liabilities 8 | 709.62 | 697.60 |
| Net Current Assets | (336.63) | (366.09) |
| TOTAL ASSETS | 5,022.69 | 4,940.83 |
| Notes to Accounts 11 | | |

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our Report of even date attached For and on behalf of the Board of Directors
of Bulk Cement Corporation (India) Limited

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186 W

Ramit Budhraj
Sunil K. Nayak } Directors

Rajesh S. Joshi
Partner
Membership No. 38526

Mumbai, February 01, 2012

Profit and Loss Account for the year ended December 31, 2011

| Schedules | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---|---|---|
| | ₹ Lac | ₹ Lac |
| INCOME: | | |
| Sale of Products/ Services and Other Income 9 | 1,459.71 | 1,355.62 |
| EXPENDITURE : | | |
| Operating and Other Expenses 10 | 816.69 | 755.85 |
| Depreciation 3 | 553.15 | 551.84 |
| | 1,369.84 | 1,307.69 |
| Profit before Tax | 89.87 | 47.93 |
| Provision for Tax | | |
| Current Tax | 8.01 | - |
| Short Provisioning in Income Tax in respect of Earlier Years | - | 2.60 |
| Deferred Tax | 13.51 | 6.50 |
| | 21.52 | 9.10 |
| Profit after Tax | 68.35 | 38.83 |
| Profit brought forward | 1,032.06 | 993.23 |
| Balance carried to Balance Sheet | 1,100.41 | 1,032.06 |
| Earnings per Share (Refer Note - 4) | | |
| Basic and Diluted Earnings per Share | ₹ 0.20 | 0.12 |
| Notes to Accounts 11 | | |

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per our Report of even date attached For and on behalf of the Board of Directors
of Bulk Cement Corporation (India) Limited

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186 W

Ramit Budhraj
Sunil K. Nayak } Directors

Rajesh S. Joshi
Partner
Membership No. 38526

Mumbai, February 01, 2012

Cash Flow Statement for the year ended December 31, 2011

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|--|--|--|
| | ₹ Lac | ₹ Lac |
| A. Cash flow from operating activities | | |
| 1 Net Profit before tax | 89.87 | 47.93 |
| Adjustments For: | | |
| Depreciation | 553.15 | 551.84 |
| Interest Received | (2.86) | - |
| Loss / (Profit) on sale of assets | (0.99) | 0.19 |
| Dividend Earned | (60.83) | (38.04) |
| (Profit) on sale of Investment | (46.81) | (11.19) |
| Operating profit before working capital changes | 531.53 | 550.73 |
| Movements in Working Capital: | | |
| 2 Trade Receivables | 7.72 | 5.25 |
| 3 Inventories | (12.52) | (8.56) |
| 4 Other receivables | (29.55) | 71.99 |
| 5 Trade payables | 12.03 | (198.98) |
| Cash generated from operations | 509.21 | 420.43 |
| 6 Direct Taxes Paid (Net of refunds) | (16.07) | (17.77) |
| Net Cash flow from operating activities | 493.14 | 402.66 |
| B. Cash flow from investing activities | | |
| 7 Interest received | 2.86 | - |
| 8 Purchase of Investments | (7,019.70) | (2,152.52) |
| 9 Sale of Investments | 6,811.90 | 1,708.32 |
| 10 Purchase of Fixed Assets and Increase in Capital work in Progress and Capital Advance | (351.32) | (5.46) |
| 11 Sales of Fixed Assets | 1.37 | 0.02 |
| 12 Dividend on Mutual Fund | 60.83 | 38.04 |
| Net Cash from Investing activities | (494.06) | (411.60) |
| Net increase / (decrease) in cash and cash equivalents | (0.92) | (8.94) |
| Opening Balance | 24.40 | 33.34 |
| Closing Balance | 23.48 | 24.40 |

Notes:

1. All figures in brackets are outflow.
2. Figures for the previous year have been regrouped / restated wherever necessary to make them comparable.
3. Direct Taxes paid are treated as arising from Operating Activities and are not bifurcated between Investing and Financing Activities.
4. Cash and Cash Equivalent is Cash and Bank Balances as per Balance Sheet.

As per our Report of even date attached

For and on behalf of the Board of Directors
of Bulk Cement Corporation (India) Limited

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186 W

Ramit Budhraj
Sunil K. Nayak } Directors

Rajesh S. Joshi
Partner
Membership No. 38526
Mumbai, February 01, 2012

Schedules forming part of the Balance Sheet

SCHEDULE - 1, SHARE CAPITAL

| | As at December 31, 2011 | As at December 31, 2010 |
|---|-------------------------------|-------------------------------|
| | ₹ Lac | ₹ Lac |
| AUTHORISED | | |
| 3,40,00,000 Equity Shares of ₹ 10 each | 3,400.00 | 3,400.00 |
| 1,10,00,000 Preference Shares of ₹ 10 each | 1,100.00 | 1,100.00 |
| TOTAL | 4,500.00 | 4,500.00 |
| ISSUED, SUBSCRIBED AND FULLY PAID UP | | |
| 3,36,42,070 Equity Shares of ₹ 10 each fully paid | 3,364.21 | 3,364.21 |
| {ACC Limited, the Holding Company, holds 3,18,42,050 (Previous Year - 3,18,42,050) Equity shares} | | |
| TOTAL | 3,364.21 | 3,364.21 |

SCHEDULE-2, RESERVES & SURPLUS

| | As at December 31, 2011 | As at December 31, 2010 |
|-------------------------|-------------------------------|-------------------------------|
| | ₹ Lac | ₹ Lac |
| Profit and Loss Account | 1,100.41 | 1,032.06 |
| TOTAL | 1,100.41 | 1,032.06 |

Schedules forming part of the Balance Sheet

SCHEDULE - 3, FIXED ASSETS

₹ Lac

| FIXED ASSETS | GROSS BLOCK | | | | DEPRECIATION | | | | | NET BLOCK | |
|---|---------------------|---------------------------|---------------|---------------------|---------------------|---------------|---------------|-------------|---------------------|---------------------|---------------------|
| | As at 01-01-2011 | Additions/ Adjustments | Deletions | As at 31-12-2011 | As at 01-01-2011 | For the year | On Disposals | Adjustments | As at 31-12-2011 | As at 31-12-2011 | As at 31-12-2010 |
| Building | 390.63 | (140.62) | - | 250.01 | 122.72 | 12.91 | - | (27.81) | 107.82 | 142.19 | 267.91 |
| Bulding & Installation | - | 0.68 | - | 0.68 | - | 0.02 | - | - | 0.02 | 0.66 | - |
| Plant & Machinery | 3,053.10 | 186.03 | - | 3,239.13 | 2,353.07 | 296.11 | - | 52.29 | 2,701.47 | 537.66 | 700.03 |
| Roads, Bridges | 193.70 | - | - | 193.70 | 37.61 | 3.16 | - | - | 40.77 | 152.93 | 156.09 |
| Rails & Sidings | 355.56 | - | - | 355.56 | 201.18 | 16.89 | - | - | 218.07 | 137.49 | 154.38 |
| Wagon & Loco | 4,040.42 | 6.16 | - | 4,046.58 | 1,563.37 | 192.14 | - | - | 1,755.51 | 2,291.07 | 2,477.05 |
| Furniture & Fixtures | 13.81 | - | - | 13.81 | 12.37 | 0.24 | - | - | 12.61 | 1.20 | 1.44 |
| Office Equipments | 22.40 | 0.71 | - | 23.11 | 14.53 | 0.56 | - | - | 15.09 | 8.02 | 7.86 |
| Vehicles | 6.80 | 7.62 | (6.80) | 7.62 | 5.80 | 0.93 | (6.42) | - | 0.31 | 7.31 | 1.00 |
| Electrical Installation | 636.73 | (40.01) | - | 596.72 | 357.47 | 30.19 | - | (24.48) | 363.18 | 233.54 | 279.27 |
| TOTAL | 8,713.15 | 20.57 | (6.80) | 8,726.92 | 4,668.12 | 553.15 | (6.42) | - | 5,214.85 | 3,512.07 | 4,045.04 |
| Previous Year | 8,693.19 | 20.53 | 0.57 | 8,713.15 | 4,116.63 | 551.84 | (0.38) | - | 4,668.11 | 4,045.04 | |
| Capital Work in Progress (Including Capital advances and Assets in transit) | | | | | | | | | | 337.25 | 6.50 |

Note: The terminal is on leasehold land of the Central Government in possession of the Company. It was sanctioned for the project by the Ministry of Industry, Government of India, vide letter No.DCCI/ 1-26/91-92 DT 27-09-93. Sublease granted by Central government to the company for 60 years on 12-12-2008 effective from 12-12-1991.

SCHEDULE - 4, INVESTMENT

| | As at December 31, 2011 | As at December 31, 2010 |
|------------------------|-------------------------------|-------------------------------|
| | ₹ Lac | ₹ Lac |
| Short Term Liquid Fund | 1,510.00 | 1,255.38 |
| TOTAL | 1,510.00 | 1,255.38 |

During the year the Company acquired and sold the following investments in Mutual Funds

| Particulars | Face Value ₹ | No. of Units | Purchase Price ₹ |
|--|-----------------|---------------|---------------------|
| LIC MF Liquid Fund-Dividend Plan | 10.00 | 28,727,408.11 | 315,429,814 |
| LIC Nomura MF Interval Fund-Series1-Monthly Dividend Plan | 10.00 | 9,612,574.62 | 96,125,746 |
| Reliance Liquid Fund-Treasury Plan-Retail Option-Daily Dividend | 10.00 | 266,394.98 | 4,060,605 |
| UTI Liquid Cash Plan Institutional-Daily Income Option -Reinvestment | 1,000.00 | 54,807.55 | 55,873,317 |
| TOTAL | | | 84,787,076 |

SCHEDULE - 5, SUNDRY DEBTORS

| | As at December 31, 2011 | As at December 31, 2010 |
|--|-------------------------------|-------------------------------|
| | ₹ Lac | ₹ Lac |
| SUNDRY DEBTORS (UNSECURED) | | |
| (a) Over Six Months | | |
| Considered Good | - | - |
| (b) Others Considered Good | 162.76 | 170.48 |
| Due from The Holding Company: ACC Limited ₹ 162.76 Lac; (Previous Year - ₹ 170.48 Lac), Maximum Outstanding Balance during the Year ₹ 436.18 Lac; (Previous Year - ₹ 380.96 Lac) | | |
| TOTAL | 162.76 | 170.48 |

SCHEDULE - 6, CASH AND BANK BALANCES

| | As at December 31, 2011 | As at December 31, 2010 |
|-------------------------------|-------------------------------|-------------------------------|
| | ₹ Lac | ₹ Lac |
| Cash on Hand | 0.06 | 0.14 |
| Balances with Scheduled Banks | | |
| In Current Accounts | 23.42 | 24.26 |
| TOTAL | 23.48 | 24.40 |

SCHEDULE - 7, LOANS AND ADVANCES (Unsecured Considered Good)

| | As at December 31, 2011 | As at December 31, 2010 |
|--|-------------------------------|-------------------------------|
| | ₹ Lac | ₹ Lac |
| Balance with Excise, Customs and Port Trust Authorities on Current accounts | 5.88 | 3.29 |
| Advances recoverable in cash or in kind or for value to be received | 63.34 | 36.38 |
| Other Deposits | 17.95 | 17.95 |
| Advance Tax Paid {Net of provision for Taxation, ₹ 131.48 Lac; (Previous Year - ₹ 123.15 Lac)} | 47.05 | 38.75 |
| Advance Fringe Benefit Tax {Net of provision for Taxation, ₹ 1.95 Lac; (Previous Year - ₹ 1.95 Lac)} | 0.01 | 0.26 |
| TOTAL | 134.23 | 96.63 |

Schedules forming part of the Balance Sheet

SCHEDULE - 8, CURRENT LIABILITIES

| | As at December 31, 2011 | As at December 31, 2010 |
|-------------------------|-------------------------------|-------------------------------|
| | ₹ Lac | ₹ Lac |
| Sundry Creditors | | |
| For Capital Expenditure | 367.93 | 367.37 |
| For Other Liabilities | 341.69 | 330.23 |
| TOTAL | 709.62 | 697.60 |

Schedules forming part of the Profit and Loss Account

SCHEDULE - 9, SALE OF PRODUCTS, SERVICES AND OTHER INCOME

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|-------------------------------|---|---|
| | ₹ Lac | ₹ Lac |
| Bulk Handling Charges | 1,048.70 | 940.96 |
| Freight Rebate | 297.49 | 360.58 |
| | 1,346.19 | 1,301.54 |
| Other Income | | |
| Income From Mutual Fund | 60.83 | 38.04 |
| Profit on sale of Investment | 46.81 | 11.19 |
| Interest | 1.58 | - |
| Interest on Income Tax Refund | 1.28 | - |
| Profit on Sale of Fixed Asset | 0.99 | - |
| Others | 2.03 | 4.85 |
| | 113.52 | 54.08 |
| TOTAL | 1,459.71 | 1,355.62 |

SCHEDULE - 10, OPERATING AND OTHER EXPENSES

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|--|---|---|
| | ₹ Lac | ₹ Lac |
| Payments to and Provision for Employees | | |
| Staff Welfare | 0.38 | 0.76 |
| Deputation Charges | 112.29 | 77.58 |
| | 112.67 | 78.34 |
| Operation and Other Expenses | | |
| Purchase of Power | 170.64 | 152.85 |
| Plant Operating Charges | 91.57 | 88.14 |
| Rates & Taxes | 38.66 | 37.46 |
| Insurance | 13.97 | 14.66 |
| Repairs and Maintenance - Plant | 260.14 | 272.92 |
| Repairs and Maintenance - Buildings | 39.56 | 19.06 |
| Repairs and Maintenance - Others | 3.56 | 13.43 |
| Communication | 2.56 | 1.96 |
| Travelling and Conveyance | 5.12 | 5.46 |
| Security Charges | 42.02 | 36.14 |
| Legal Services | 14.98 | 9.26 |
| Auditors Remuneration (Ref note 11) | 6.06 | 6.47 |
| Other Expenses | 15.18 | 19.51 |
| Loss on Sale of Fixed Assets | - | 0.19 |
| | 704.02 | 677.51 |
| TOTAL | 816.69 | 755.85 |

Schedules forming part of the Balance Sheet and Profit and Loss Account

SCHEDULE – 11, NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2011

1. Significant Accounting Policies:

A) Accounting Convention:

These financial statements are prepared on the historical cost convention, on an accrual basis.

B) Revenue Recognition:

Revenue arising from charges for bulk handling of cement is recognized based on tonnage handled and rebate on freight granted by the Railways is recognized based on tonnage of bulk cement despatched from the supplier to the Company's terminal at Kalamboli.

Interest and Dividend Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when the shareholders' right to receive dividend is established by the Balance Sheet date.

C) Fixed Assets and Depreciation

- (i) Fixed assets are stated at cost of acquisition or construction, including attributable interest and financial cost till such assets are ready for its intended use, less accumulated depreciation, impairment losses and specific grants received, if any.
- (ii) Depreciation is provided in the accounts on the Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956, on a pro-rata basis.

D) Investments

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments. Current investments are stated at cost or fair value whichever is lower.

E) Inventory

The Company does not carry any inventory of raw materials and there are no Stock of Traded Finished Goods at the end of the year. The stock of stores and spares is valued at cost Weighted Average (Moving) and net realizable value whichever is less.

F) Employees Benefit

The Company operates through the employees on deputation from the parent company.

All the emoluments payable to these employees along with the related benefits are claimed by the parent company and is reimbursed. This is disclosed as Deputation Charges in the profit & loss account.

G) Taxation

Tax expense comprises of Current, Deferred tax. Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred Income Taxes reflect the impact of current timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets are reviewed at each balance sheet date.

H) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

I) Contingencies / Provisions

Provisions are recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the expenditure 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 estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

J) During the year the company is engaged in only one business segment i.e. bulk handling of cement.

Hence other segmental information as per Accounting Standard 17 is not required to be disclosed.

2 Related Party Disclosures

(i) Particulars of Related Parties, which control or are under common control with the Company:

| Name of the Related Parties | Nature of Relationship |
|--|---|
| (i) ACC Ltd | Holding Company |
| (ii) ACC Mineral Resources Limited | Fellow Subsidiary Company |
| (iii) Lucky Minmat Limited | Fellow Subsidiary Company |
| (iv) ACC concrete Limited | Fellow Subsidiary Company |
| (v) National Limestone Company Private Limited | Fellow Subsidiary Company |
| (vi) Encore Cement and Additives Private Limited | Fellow Subsidiary Company w.e.f. January 28, 2010 |
| (vii) MP AMRL (Semaria) Coal Company Limited | Joint Venture of ACC Mineral Resources Ltd.(AMRL), a Fellow Subsidiary Company |
| (viii) MP AMRL (Bicharpur) Coal Company Limited | Joint Venture of ACC Mineral Resources Ltd.(AMRL), a Fellow Subsidiary Company |
| (ix) MP AMRL (Marki Barka) Coal Company Limited | Joint Venture of ACC Mineral Resources Ltd.(AMRL), a Fellow Subsidiary Company |
| (x) MP AMRL (Morga) Coal Company Limited | Joint Venture of ACC Mineral Resources Ltd. (AMRL), a Fellow Subsidiary Company |
| (xi) Alcon Cement Company Private Limited | Associate Company of Holding Company |
| (xii) Asian Concretes & Cements Private Limited | Associate Company of Holding Company w.e.f. April 01, 2010 |
| (xiii) Aakaash Manufacturing Company Private Limited | Associate Company of fellow subsidiary company ACC Concrete Limited w.e.f. March 25, 2011 |
| (xiv) Ambuja Cement India Private Limited* | Holding Company of Holding Company |
| (xv) Ambuja Cements Limited | Fellow Subsidiary of Holding Company |
| (xvi) Holcim Limited | Ultimate Holding Company of Holding Company |
| (xvii) Holderind Investments Limited | Holding Company of Holcim (India) Private Limited |
| (xviii) Holcim (India) Private Limited* | Holding Company of Holding Company |
| (xix) Holcim Group Support Limited | Fellow Subsidiary of Holding Company |
| (xx) Holcim (Singapore) Pte Limited | Fellow Subsidiary of Holding Company |
| (xxi) Holcim Trading FZCO | Fellow Subsidiary of Holding Company |

| Name of the Related Parties | Nature of Relationship |
|--|--------------------------------------|
| (xxii) Holcim (Lanka) Limited | Fellow Subsidiary of Holding Company |
| (xxiii) P T Holcim Indonesia Tbk | Fellow Subsidiary of Holding Company |
| (xxiv) Holcim Services (South Asia) Limited | Fellow Subsidiary of Holding Company |
| (xxv) Holcim Foundation | Fellow Entity of Holding Company |
| (xxvi) Siam City Cement Public Company Limited | Fellow Subsidiary of Holding Company |
| (xxvii) Holcim Bangladesh Limited | Fellow Subsidiary of Holding Company |
| (xxviii) Holcim (Canada) INC. | Fellow Subsidiary of Holding Company |
| (xxix) Holcim Environment Services SA, Belgium | Fellow Subsidiary of Holding Company |
| (xxx) Holcim Vietnam Limited | Fellow Subsidiary of Holding Company |
| (xxxi) Holcim (Malaysia) SDN BHD | Fellow Subsidiary of Holding Company |
| (xxxii) Holcim (US) INC | Fellow Subsidiary of Holding Company |
| (xxxiii) Holcim Philippines | Fellow Subsidiary of Holding Company |

(ii) Key Management Personnel:

| Name of the Related Parties | Nature of Relationship |
|-----------------------------|-----------------------------------|
| Mr K.R.K.Prusty | Head BCCI upto September 25, 2011 |
| Mr Ram Manohar Sowbhagya | Head BCCI from November 21, 2011 |

Note:

During the current year, the Holding Company has become a subsidiary of Holcim (India) Private Limited and accordingly Holcim Group companies which were reported as promoter group Companies till last year, have now being reported as Fellow Subsidiaries of Holding Company. Previous year's disclosures have been regrouped based on current year's relationship to facilitate comparison.

*During the current year Ambuja Cement India Private Limited has amalgamated with Holcim (India) Private Limited.

(iii) Transactions with Related Parties during the year:

| Description of Transactions | Holding Company ACC Limited. | |
|--|---------------------------------|----------------------|
| | December 31, 2011 | December 31, 2010 |
| | ₹ Lac | ₹ Lac |
| a) Rendering of Services | 1,048.70 | 940.96 |
| b) Deputation Charges | 111.15 | 74.76 |
| c) Purchase of Fixed Assets | 5.09 | 0.33 |
| d) Reimbursement of Freight Rebate | 297.49 | 360.58 |
| e) Outstanding balance included in Current assets | 162.77 | 176.74 |
| f) Outstanding balance included in Current liabilities | - | 6.26 |
| g) Reimbursement of expenses paid (Net of Reversal) | 5.23 | 3.77 |
| h) Reimbursement of expenses received | 2,081.16 | 1,408.11 |

3. Taxation

- a) The Company has been recognizing in the financial statements the deferred tax assets/liabilities, in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Central Government under the Companies (Accounting Standard Rules 2006) . During the year, the Company has debited to the Profit & Loss Account provision of Deferred Tax Liability of ₹ 13.51 Lac (Previous Year - ₹ 6.50 Lac).

The year-end position is as follows:

| | As at December 31, 2011 ₹ Lac | As at December 31, 2010 ₹ Lac |
|------------------------------|--|--|
| Deferred Tax Liabilities: | | |
| Depreciation Differences | 621.92 | 685.91 |
| Deferred Tax Assets: | | |
| Unabsorbed Losses / Others | 63.85 | 141.35 |
| Net Deferred Tax Liabilities | 558.07 | 544.56 |

4. Earnings per Share:

| Particulars | For the year ended December 31, 2011 ₹ Lac | For the year ended December 31, 2010 ₹ Lac |
|---|--|--|
| Profit after taxation as per Profit and loss account | 68.35 | 38.83 |
| Weighted average number of Equity shares outstanding | 33,642,070 | 33,642,070 |
| Basic earnings per Share in ₹ (face value - ₹ 10 per share) | 0.20 | 0.12 |
| (There are no potential equity shares and hence there is no working for diluted earning per share). | | |

5. Additional claims were made by Central railways in respect of wagon maintenance charges of 125 Wagons amounting to ₹ 773.46 Lac for the period w.e.f Oct 1997-June 2009. This was calculated by railways based on the capital cost that was arrived at as per applicable inflation rate as per RBI norms at yearly rests which hitherto was calculated at 3 yearly rests. The Company disputed claim on such revised basis of calculation from 3 yearly rest to yearly rest. The matter is being followed up with the railways. As against these claims, the company has already made a provision as per its own computations of ₹ 730.11 Lac and has also paid that amount to the railways.

The railways have raised a claim for ₹ 99.53 Lac, in respect of wagon maintenance charges for the above referred 125 wagons, for period July 2010-June 2011. The same has been calculated by railways based on the capital cost of ₹ 1,990.58 Lac arrived at after making necessary inflation adjustment and accordingly made provision of the same amount and has already paid the said amount to the railways

Similarly, the Company has made a provision of ₹ 49.76 Lac, on an estimated basis for all 125 wagons for the period from July, 2011 to December, 2011).

The railways have raised demand for wagon maintenance charges of ₹ 57.78 Lac from May 2009 to June 2011 in respect of the 42 wagons of the 4th rake purchased in 2009 by the Company which has already been paid by the company. In addition to the above, for the period July 2011 to December 2011, an amount of ₹ 11.69 Lac has been provided in respect of the 4th Rake as per the estimates.

6. Contingent Liabilities Not Provided For:

| Sr. No. | Particulars | As at December 31 2011 ₹ Lac | As at December 31 2010 ₹ Lac |
|---------|--|---------------------------------------|---------------------------------------|
| 1. | Claim by Railway for Maintenance Charges till June 30, 2009 for privately owned wagons by the Company | 43.35 | 43.35 |
| 2. | Service Tax and Penalty | 27.71 | 27.71 |
| 3. | Inadmissible Cenvat Credit availed on Railway Wagons | 109.36 | 109.36 |
| 4. | Sales Tax Demand of Financial Year 2004-05 not accepted by the Company | - | 12.38 |
| 5. | Show Cause cum Demand notice disallowing Cenvat Availed on Cement Returned in Bulk for Period April 2007-November 2008 | 37.48 | - |
| 6. | Show Cause cum Demand notice disallowing Cenvat Availed on Cement lost in Handling for Period April-2007-March 2011 | 50.65 | - |

7. The benefit of credit against the payment made towards Minimum Alternate Tax for the earlier years is available in accordance with the provision of Section 115JAA over a period of subsequent ten assessment years and the same will be accounted for when actually availed.

8. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principle amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

9. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3 & 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

| Sr.No. | Particulars | For the year ended December 31, 2011 % ₹ Lac | For the year ended December 31, 2010 % ₹ Lac |
|--------|------------------------|--|--|
| 1. | Spares Parts Consumed: | | |
| | Indigenous | 100 71.45 | 100 106.81 |

10. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) ₹ 545.96 Lac (Previous Year - ₹ Nil).

11 Auditors Remuneration:

| Sr. No | Particulars | For the year ended December 31, 2011 ₹ Lac | For the year ended December 31, 2010 ₹ Lac |
|--------|---------------------------|--|--|
| (a) | Audit Fees | 2.25 | 2.25 |
| (b) | Fees for Tax Audit | 1.20 | 1.20 |
| (c) | Fees for Other Services | 2.50 | 2.50 |
| (d) | Reimbursement of Expenses | 0.11 | 0.52 |
| | Total | 6.06 | 6.47 |

12. Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with the current year's figures.

As Per our report of even date

For K. S. Aiyar & Co
Chartered Accountants
Firm Registration No.100186 W

For and on behalf of the Board of Directors
of Bulk Cement Corporation (India) Limited

Ramit Budhraj
Sunil K. Nayak } Directors

Rajesh S. Joshi
Partner
Membership No. 38526
Mumbai, February 01, 2012

Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

U99999MH1992PTC066679

State Code

11

Balance Sheet

31

12

2011

II. Capital Raised during the year (Amount in ₹ thousands)

Public Issue

N

I

L

Rights Issue

N

I

L

Bonus Issue

N

I

L

Private Placement

N

I

L

III. Position of Mobilisation and Development of Funds (Amount in ₹ thousands)

Total Liabilities

5

7

3

2

3

1

Total Assets

5

7

3

2

3

1

Sources of Funds

Paid up Capital

3

3

6

4

2

1

Reserves & Surplus

1

1

0

0

4

1

Unsecured Loans

N

I

L

Deferred Tax Liability

5

5

8

0

7

Secured Loans

N

I

L

Application of Funds

Net Fixed Assets

3

8

4

9

3

2

Investments

1

5

1

0

0

0

Net Current Assets

(

3

3

6

6

3

)

Misc. Expenditure

N

I

L

Accumulated Losses

N

I

L

IV. Performance of the Company (Amount in ₹ thousands)

Turnover

1

4

5

9

7

1

Total Expenditure

1

3

6

9

8

4

Profit / Loss Before Tax

+

8

9

8

7

Profit After Tax

+

6

8

3

5

Earning per share (in ₹) For Share of ₹ 10.00 each

0

.

2

0

Dividend Rate %

N

I

L

V. Generic name of three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

2

5

2

3

0

0

Product Description

| | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|--|
| T | R | A | D | I | N | G | | I | N | | C | E | M | E | N | T | |
| T | R | A | N | S | P | O | R | T | A | T | I | O | N | | & | | |
| D | I | S | T | R | I | B | U | T | I | O | N | | O | F | | | |
| B | U | L | K | | C | E | M | E | N | T | | | | | | | |

Directors' Report

TO THE MEMBERS OF
ENCORE CEMENT AND ADDITIVES PRIVATE LIMITED

The Directors take pleasure in presenting the Sixth Annual Report on the business and operations of the Company and the Audited Accounts for the year ended December 31, 2011.

2. FINANCIAL RESULTS

| PARTICULARS | 2011 | 2010 |
|---|------------|------------|
| | ₹ Lac | ₹ Lac |
| Sale of Products (excluding Excise Duty) and Other Income | 6,525.92 | 2,242.39 |
| Less: Expenditure other than Depreciation and Interest | 6,122.50 | 2,576.22 |
| Profit/Loss before Depreciation and Interest | 403.42 | (333.83) |
| Less: Depreciation | 216.22 | 193.34 |
| Interest | - | 117.98 |
| Profit/Loss before Tax | 187.20 | (645.15) |
| Provision for Taxation | 0.24 | - |
| Profit/Loss after Taxation | 186.96 | (645.15) |
| Balance brought forward from previous years | (1,342.16) | (697.01) |
| Balance carried forward to the next year's account | (1,155.20) | (1,342.16) |

3. OPERATIONS

- Production of Portland Slag Cement (PSC) was 201954 MT during the year as against 73010 MT during the previous year.
- Capacity utilisation was 56%. This was commensurate with the market conditions.
- Sale of PSC was 201629 MT as against 72825 MT during the previous year. Production of Dry Slag was 95185 MT as against 32680 MT during the previous year.
- Sale of Ground Slag during the year was 7518 MT (including export of 3998 MT) as against 7570 MT (including export of 490 MT) during the previous year.

- Continuous efforts are on for modification/ replacement of facilities with a view to improving plant operations and saving cost.

4. DIVIDEND

Your Directors do not recommend payment of dividend for the financial year ended December 31, 2011.

5. INDUSTRIAL RELATIONS

During the year under review, industrial relations at the Company's unit continued to remain cordial and peaceful.

6. PROPOSED AMALGAMATION OF THE COMPANY WITH ACC LIMITED

The Board of Directors had at its Meeting held on January 31, 2011 approved the Scheme of Amalgamation of your Company with ACC Limited, the holding Company. Thereafter, the Company Summons for Direction was filed before the Honourable High Court of Judicature at Bombay, pursuant to which the Honourable High Court was pleased to waive the Meeting of the Members and the Creditors. Notice of the Amalgamation has been served on all creditors of the Company as directed by the Honourable High Court. The matter has now been listed for final hearing.

7. DIRECTORS

Mr C M Reddy resigned as Director with effect from April 1, 2011. The Board has placed on record its appreciation of the valuable services rendered by Mr C M Reddy during his tenure as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr Vivek Chawla, Director retires by rotation and being eligible offers himself for re-appointment.

8. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations

obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- a. that in the preparation of the annual accounts for the year ended December 31, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Note 1 of the Notes to the Accounts have been selected and have been applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on December 31, 2011, and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts have been prepared on a going concern basis.

9. AUDITORS

Messrs K S Aiyar & Co., Chartered Accountants, who are the Statutory Auditors of the Company, hold office up to the date of the ensuing Annual General Meeting and are eligible for re-appointment. As required under the provision of Section 224(IB) of the Companies Act, 1956, the Company has obtained written confirmation from Messrs K S Aiyar & Co. that their appointment, if made, would be in conformity with the Companies Act, 1956. The Members are requested to appoint Messrs K S Aiyar & Co., Chartered Accountants, as Auditors of the Company for the year 2012 and to authorize the Board of Directors to determine their remuneration.

10. AUDIT COMMITTEE

The Company is not required to constitute an Audit Committee under the provisions of Section 292A of the Companies Act, 1956.

11. PARTICULARS OF 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, the particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are set out in Annexure 'A' to the Directors' Report.

12. PARTICULARS OF EMPLOYEES

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956, read with the (Particulars of Employees) Rules 1975.

13. ACKNOWLEDGEMENT

The Directors take this opportunity to express their grateful appreciation for the excellent assistance and cooperation received from the Rashtriya Ispat Nigam Limited, Visakhapatnam Special Economic Zone and the Company's Bankers. Your Directors also acknowledge the unstinted assistance and Management support received from ACC Limited, the holding Company, and thanks all the employees of the Company for their valuable services and support during the year.

For and on behalf of the Board of directors

Sunil K Nayak
Chairman

Mumbai
February 01, 2012

Annexure 'A' to Director's Report

Statement pursuant to 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

(A) CONSERVATION OF ENERGY

- a) Energy conservation measures taken:
 - Modified/replaced Motors with lower ratings
 - Installed and monitored Capacitor Banks to reduce losses
 - Replaced Factory lightings with SV/MV lamps in place of incandescent lamps.
- b) Additional investment and proposals for reductions of energy consumption:
 - Process optimisation of Slag Grinding Section for conservation of energy
- c) The impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
 - Savings in energy consumption and consequent reduction in the cost of production.
- d) Total energy consumption and energy consumption per unit of production as per Form A.

Form A

Power and Fuel Consumption

| | Current year | | | Previous Year | | |
|--------------------------|--------------|---------------------|------------|---------------|---------------------|------------|
| | Units(KWH) | Total (Amount in ₹) | ₹ per Unit | Units(KWH) | Total (Amount in ₹) | ₹ per Unit |
| 1. Electricity Purchased | 9,585,371 | 34,107,457.00 | 3.56 | 3,612,636 | 15,253,634.00 | 4.22 |

| | Current year | | | Previous Year | | |
|------------------------|-------------------|---------------------|------------------------|-------------------|---------------------|------------------------|
| | Quantity (Tonnes) | Total (Amount in ₹) | Average Rate (₹/Tonne) | Quantity (Tonnes) | Total (Amount in ₹) | Average Rate (₹/Tonne) |
| 2. Coal for Slag Dryer | 3599.07 | 10565861.71 | 2,935.72 | 1268.7 | 4001436.29 | 3,153.97 |

| | Consumption per Unit of Production | |
|-----------------------------|------------------------------------|---------------|
| | Current Year | Previous year |
| a. Electricity KWH/T Cement | 47.46 | 48.27 |
| b. Coal /T of Dried Slag | 0.04 | 0.04 |

(B) TECHNOLOGY ABSORPTION

There is no Research and Development (R&D) activity nor any absorption, adaption and innovation in technology carried out by the Company.

- (C)** An amount of ₹ 35.37 Lac foreign exchange was earned during the year against export of slag. There was no outflow of foreign exchange during the year.

For and on behalf the Board of directors

Sunil K Nayak
Chairman

Mumbai
February 01, 2012

Auditor's Report to the members of the Encore Cement and Additives Private Limited

1. We have audited the attached Balance Sheet of Encore Cement and Additives Private Limited, as at December 31, 2011, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards 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 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) 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:
 - a) 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;
 - b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
 - c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Profit and Loss 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;
 - e) on the basis of the written representations received from the directors, as on December 31, 2011, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on December 31, 2011 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2011;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For K. S. Aiyar & Co.

Chartered Accountants

Firm Registration No. 100186W

Raghuvir M. Aiyar

Partner

Place: Mumbai

Date: February 01, 2012

Membership No.: 38128

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our Report of even date)

- | | |
|--|---|
| <p>(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) A substantial portion of the fixed assets has been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.</p> <p>(c) Fixed assets disposed off during the year were not substantial. According to the information and explanations given to us, we are of the opinion that the disposal of fixed assets has not affected the going concern status of the Company.</p> <p>(ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.</p> <p>(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.</p> <p>(iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.</p> <p>(b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable.</p> <p>(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.</p> <p>(v) Based on the Audit procedures performed and according to the information and explanations given to us there are no transactions that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956. Accordingly sub clause (b) is not applicable</p> <p>(vi) The Company has not accepted any deposits from the public to which the provisions of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 apply.</p> <p>(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.</p> <p>(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.</p> | <p>(ix) According to the records of the Company, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, cess and other material statutory dues applicable to it have been generally regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no undisputed dues in respect of Provident fund, Investor education and Protection fund, Employees' state insurance, Income-tax, Wealth-tax, Service tax, Sales-tax, Customs duty, Excise duty, Cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable.</p> <p>(x) The accumulated losses of the Company exceed 50% of its net worth. The Company has not incurred cash losses during the financial year covered by our audit but has incurred cash losses in the immediately preceding financial year.</p> <p>(xi) According to information and explanations given to us the company has not taken any money from any financial institution, bank or debenture holder, and hence clause (4) (xi) is not applicable to the company.</p> <p>(xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.</p> <p>(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.</p> <p>(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.</p> <p>(xv) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.</p> <p>(xvi) According to the records of the Company, no term loans have been raised during the year.</p> <p>(xvii) 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 aggregating to ₹ 2447.25 lakhs have been partially utilised for financing the cash losses and partially for long-term investment in fixed assets.</p> <p>(xviii) 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.</p> <p>(xix) The Company has not issued any debentures during the year. Therefore the provisions of clause (xix) of the Order are not applicable to the Company.</p> <p>(xx) The Company has not raised any money by way of public issue during the year. Therefore, the provision of clause (xx) of the Order is not applicable to the Company.</p> <p>(xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.</p> |
|--|---|

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

Raghuvir M. Aiyar
Partner

Place: Mumbai
Date: February 01, 2012

Membership No.: 38128

Balance Sheet as at December 31, 2011

| Schedules | As at December 31, 2011 | As at December 31, 2010 |
|--|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| Sources of Funds : | | |
| Shareholders' Funds | | |
| Share Capital 1 | 50,000,000 | 50,000,000 |
| Loan Funds : | | |
| Unsecured Loans 2 | 276,500,000 | 277,937,000 |
| TOTAL : | 326,500,000 | 327,937,000 |
| Application of Funds: | | |
| Fixed Assets 3 | | |
| Gross Block | 253,866,396 | 236,951,356 |
| Less: Depreciation | 77,232,656 | 55,686,707 |
| Net Block | 176,633,740 | 181,264,649 |
| Capital Work-in-Progress | | |
| (including Capital Advance) | 2,570,778 | 3,827,257 |
| | 179,204,518 | 185,091,906 |
| Current Assets, Loans and Advances : | | |
| Inventories 4 | 23,228,126 | 35,803,373 |
| Sundry Debtors 5 | 15,157,822 | 2,036,351 |
| Cash and Bank Balances 6 | 3,006,288 | 2,691,706 |
| Loans and Advances 7 | 32,191,671 | 22,373,376 |
| | 73,583,907 | 62,904,806 |
| Less : Current Liabilities and Provisions : | | |
| Current Liabilities 8 | 41,178,555 | 53,797,085 |
| Provisions 9 | 630,594 | 479,050 |
| | 41,809,149 | 54,276,135 |
| Net Current Assets | 31,774,758 | 8,628,671 |
| Profit and Loss Account | 115,520,724 | 134,216,423 |
| TOTAL ASSETS | 326,500,000 | 327,937,000 |
| Notes to Accounts 13 | | |

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our report of even date

For and on behalf of the Board of Encore
Cement And Additives (P) Ltd

For K.S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

Sunil K. Nayak
Chairman

Raghuvir M. Aiyar
Partner
Membership No. 38128

Burjor D. Nariman **M. Balaji**
Director Head Finance And
Company Secretary

Mumbai, February 01, 2012

Mumbai, February 01, 2012

Profit and Loss Account for the year ended December 31, 2011

| Schedules | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---|---|---|
| | ₹ | ₹ |
| INCOME: | | |
| Sales (Gross) | 747,607,469 | 249,970,289 |
| Less: Excise Duty | 109,096,598 | 35,211,817 |
| Net Sales | 638,510,871 | 214,758,472 |
| Other Income 10 | 14,081,027 | 9,480,896 |
| | 652,591,898 | 224,239,368 |
| EXPENDITURE: | | |
| Manufacturing and Other expenses 11 | 612,250,159 | 257,622,387 |
| Depreciation 3 | 21,622,121 | 19,333,801 |
| Interest expenses 12 | - | 11,798,109 |
| | 633,872,280 | 288,754,297 |
| Profit / (Loss) before Tax | 18,719,618 | (64,514,929) |
| Provision for Tax | | |
| For earlier years | 23,919 | - |
| Profit / (Loss) after Tax | 18,695,699 | (64,514,929) |
| Balance brought forward | | |
| from Previous Year | (134,216,423) | (69,701,494) |
| Balance carried to Balance Sheet | (115,520,724) | (134,216,423) |
| Earning per Share (Face Value of ₹ 10 each) | | |
| Basic & Diluted Earnings per Share | ₹ 3.74 | (12.90) |
| Notes to Accounts 13 | | |

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date

For and on behalf of the Board of Encore
Cement And Additives (P) Ltd

For K.S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

Sunil K. Nayak
Chairman

Raghuvir M. Aiyar
Partner
Membership No. 38128

Burjor D. Nariman **M. Balaji**
Director Head Finance And
Company Secretary

Mumbai, February 01, 2012

Mumbai, February 01, 2012

Cash Flow Statement for the year ended December 31, 2011

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---|---|---|
| | ₹ | ₹ |
| A. Cash flow from operating activities | | |
| 1 Net Profit/(Loss) before Tax | 18,719,618 | (64,514,929) |
| Adjustments for : | | |
| 2 Depreciation | 21,622,121 | 19,333,801 |
| 3 Interest and Dividend Income | (252,000) | - |
| 4 Interest expenses | - | 11,798,109 |
| 5 Loss on Sale/ Discarded Fixed Assets - Net | 95,101 | 20,695 |
| 6 Miscellaneous Expenditure written off | - | 124,276 |
| 7 Provision for Retirement Benefits | 225,773 | 479,050 |
| Operating profit before working capital changes | 40,410,613 | (32,758,998) |
| Adjustments for : | | |
| 8 Trade receivables | (13,121,471) | (1,230,669) |
| 9 Inventories | 12,575,248 | 6,190,643 |
| 10 Other receivables | (9,818,296) | (1,021,733) |
| 11 Trade payables | (12,692,758) | (12,079,788) |
| Cash generated from operations | 17,353,335 | (40,900,545) |
| 12 Direct Taxes - (Net) | (23,919.00) | - |
| Net Cash flow from operating activities | 17,329,416 | (40,900,545) |
| B. Cash flow from investing activities | | |
| 13 Purchase of Fixed Assets | (15,829,834) | (31,521,922) |
| 14 Sale of Assets | - | 12,000 |
| 15 Interest and Dividend received | 252,000 | - |
| Net cash used in investing activities | (15,577,834) | (31,509,922) |
| C. Cash flow from financing activities | | |
| 16 Interest paid | - | (11,798,109) |
| 17 Proceeds from Short term Borrowings | - | 86,750,777 |
| 18 Repayment of Short term Borrowings | (1,437,000) | - |
| Net cash from financing activities | (1,437,000) | 74,952,668 |
| Net increase/(decrease) in cash and Cash equivalents | 314,582 | 2,542,201 |
| Opening Balance | 2,691,706 | 149,505 |
| Closing Balance | 3,006,288 | 2,691,706 |

Notes: 1 All figures in brackets are outflow.

2 Cash and Cash Equivalents is Cash and Bank Balance as per Balance Sheet.

As per our report of even date

For and on behalf of the Board of Encore
Cement And Additives (P) Ltd

For K.S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

Sunil K. Nayak
Chairman

Raghuvir M. Aiyar
Partner
Membership No. 38128

Burjor D. Nariman **M. Balaji**
Director Head Finance And
Company Secretary

Mumbai, February 01, 2012

Mumbai, February 01, 2012

Schedules forming part of the Balance Sheet

SCHEDULE - 1 SHARE CAPITAL

| | As at December 31, 2011 | As at December 31, 2010 |
|--|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| AUTHORISED - | | |
| 5,500,000 Equity Shares of ₹ 10 each | | |
| (Previous Year - 5,500,000 Equity Shares of ₹ 10 each) | 55,000,000 | 55,000,000 |
| ISSUED, SUBSCRIBED & PAID UP - | | |
| 5,000,000 Equity Shares of ₹ 10 each, fully paid | 50,000,000 | 50,000,000 |
| (Previous Year - 5,000,000 Equity Shares of ₹ 10 each, fully paid) | | |
| (All the Shares are held by ACC Limited, the Holding Company and its nominees) | | |
| TOTAL | 50,000,000 | 50,000,000 |

SCHEDULE - 2 UNSECURED LOANS

| | As at December 31, 2011 | As at December 31, 2010 |
|---------------------------------------|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| From ACC Limited, the Holding Company | 276,500,000 | 276,500,000 |
| From Directors | - | 300,000 |
| From Others | - | 1,137,000 |
| TOTAL | 276,500,000 | 277,937,000 |

Schedules forming part of the Balance Sheet

SCHEDULE - 3 FIXED ASSETS

| FIXED ASSETS | GROSS BLOCK AT COST | | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | |
|---|---------------------|--|---|---------------------|-----------------------------|-------------------------------------|---|---------------------|---------------------|---------------------|
| | As at 31.12.2010 | Additions/ Adjustments during the year | Deductions/ Adjustments during the year | As at 31.12.2011 | As at 31.12.2010 | For the year ended 31.12.2011 | Deductions/ Adjustments during the year | As at 31.12.2011 | As at 31.12.2011 | As at 31.12.2010 |
| Tangible Assets : | | | | | | | | | | |
| 1. Buildings | 54,215,701 | 4,186,825 | - | 58,402,526 | 4,907,929 | 1,887,324 | - | 6,795,253 | 51,607,273 | 49,307,772 |
| 2. Machinery, Plant | 146,183,075 | 9,010,997 | - | 155,194,072 | 39,423,330 | 15,597,966 | - | 55,021,296 | 100,172,776 | 106,759,745 |
| 3. Furniture, Fixtures and Equipments | 2,417,161 | 3,552,775 | 171,273 | 5,798,663 | 627,085 | 568,201 | 76,173 | 1,119,113 | 4,679,550 | 1,790,077 |
| 4. Motor Cars, Trucks, etc. | - | 247,180 | - | 247,180 | - | 9,843 | - | 9,843 | 237,337 | - |
| 5. Electric Installations | 34,135,419 | 88,536 | - | 34,223,955 | 10,728,364 | 3,558,787 | - | 14,287,151 | 19,936,804 | 23,407,055 |
| TOTAL | 236,951,356 | 17,086,313 | 171,273 | 253,866,396 | 55,686,708 | 21,622,121 | 76,173 | 77,232,656 | 176,633,740 | 181,264,649 |
| Previous Year | 199,035,388 | 37,956,198 | 40,230 | 236,951,356 | 36,360,442 | 19,333,801 | 7,535 | 55,686,707 | 181,264,649 | |
| 6. Capital Work - in - Progress and Unallocated Capital Expenditure (including Capital advance) | | | | | | | | | 2,570,778 | 3,827,257 |

SCHEDULE - 4 INVENTORIES

| | As at December 31, 2011 | As at December 31, 2010 |
|-------------------------------------|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| Raw Materials and Packing Materials | 18,877,740 | 25,351,457 |
| Fuel | 118,304 | 849,412 |
| Stores and Spares | 1,969,727 | 891,781 |
| Finished Goods | 2,262,355 | 8,710,723 |
| TOTAL | 23,228,126 | 35,803,373 |

SCHEDULE - 5 SUNDRY DEBTORS

(Unsecured, Considered Good)

| | As at December 31, 2011 | As at December 31, 2010 |
|--|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| (a) Over six months | - | - |
| (b) Others | 15,157,822 | 2,036,351 |
| {(Includes ₹ 8,641,148 from ACC Limited, the Holding Company, (Previous Year ₹- 1,634,820))} | | |
| TOTAL | 15,157,822 | 2,036,351 |

SCHEDULE - 6 CASH AND BANK BALANCE

| | As at December 31, 2011 | As at December 31, 2010 |
|---------------------------------|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| 1. Cash on Hand | 4,585 | 20,924 |
| 2. Balances With Scheduled Bank | | |
| In Current Account | 3,001,703 | 2,670,782 |
| TOTAL | 3,006,288 | 2,691,706 |

SCHEDULE - 7 LOANS AND ADVANCES

Unsecured, Considered Good, unless otherwise stated

| | As at December 31, 2011 | As at December 31, 2010 |
|---|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| Advances Recoverable in Cash or in kind or value to be received Considered Good | | |
| Balance with Customs | 7,710,859 | 2,788,837 |
| Advances and Deposits | 24,480,812 | 19,584,539 |
| {(₹ Nil - with ACC Limited, the Holding Company, (Previous Year - ₹ 425,500))} | | |
| TOTAL | 32,191,671 | 22,373,376 |

SCHEDULE - 8 CURRENT LIABILITIES

| | As at December 31, 2011 | As at December 31, 2010 |
|--|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| Sundry Creditors | | |
| For Materials* | 22,257,419 | 27,220,695 |
| For Expenses | 18,921,136 | 26,576,390 |
| * {(Includes ₹ 17,235,631 to ACC Limited, the Holding Company, (Previous Year - ₹ 8,013,612))} | | |
| TOTAL | 41,178,555 | 53,797,085 |

SCHEDULE - 9 PROVISIONS

| | As at December 31, 2011 | As at December 31, 2010 |
|----------------------|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| For Gratuity | 292,039 | 184,142 |
| For Leave Encashment | 314,636 | 294,908 |
| For Taxation | 23,919 | - |
| TOTAL | 630,594 | 479,050 |

Schedules forming part of the Profit and Loss Account

SCHEDULE - 10 OTHER INCOME

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---|---|---|
| | ₹ | ₹ |
| Scrap Sales | 12,613,245 | 2,791,515 |
| Interest Received | 252,000 | - |
| Old Vendor Balances/Provisions written back | 1,176,190 | 6,686,345 |
| Exchange Gain (Net) | 39,592 | 3,036 |
| TOTAL | 14,081,027 | 9,480,896 |

SCHEDULE - 11 MANUFACTURING AND OTHER EXPENSES

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---|---|---|
| | ₹ | ₹ |
| MANUFACTURING EXPENSES | | |
| Raw Materials Consumed | 482,468,884 | 156,992,283 |
| Stores and Spare parts Consumed | 9,775,388 | 5,102,593 |
| Packing Materials Consumed | 29,533,781 | 11,199,997 |
| Power and Fuel | 44,673,318 | 19,255,070 |
| Labour Charges Packing, Process & Maintenance | 10,564,639 | 8,688,351 |
| Repairs to Machinery | 1,130,925 | 1,538,329 |
| Repairs to Other Items | 2,561,810 | 4,932,591 |
| | 580,708,745 | 207,709,214 |
| PAYMENTS TO AND PROVISIONS FOR EMPLOYEES | | |
| Salaries, Wages and Bonus | 6,092,023 | 10,296,030 |
| Contributions / Provisions to and for Provident and Other Funds | 356,470 | 138,859 |
| Workmen and Staff Welfare Expenses | 726,707 | 1,086,935 |
| | 7,175,200 | 11,521,824 |
| ADMINISTRATIVE, SELLING AND OTHER EXPENSES | | |
| Rates and Taxes | 1,066,177 | 459,128 |
| Rent | 1,438,587 | 1,388,227 |
| Insurance | 90,216 | 22,215 |
| Loading, Transportation and Other Charges | 6,995,795 | 1,056,752 |
| Other Expenses | 8,327,071 | 10,461,300 |
| Bad and Doubtful Debts | - | 1,456,587 |
| | 17,917,846 | 14,844,209 |
| (INCREASE)/DECREASE IN STOCKS IN TRADE | | |
| Closing Stock : | | |
| Finished Goods | 1,168,191 | 120,161 |
| Semi Finished Goods | 1,094,165 | 8,590,563 |
| | 2,262,356 | 8,710,724 |
| Opening Stock of: | | |
| Finished Goods | 120,161 | - |
| Semi Finished Goods | 8,590,563 | 32,257,864 |
| | 8,710,724 | 32,257,864 |
| | 6,448,368 | 23,547,140 |
| TOTAL | 612,250,159 | 257,622,387 |

SCHEDULE - 12 INTEREST

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|--------------|---|---|
| | ₹ | ₹ |
| Term Loans | - | 4,000,158 |
| Others | - | 7,797,951 |
| TOTAL | - | 11,798,109 |

Schedule - 13, NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST December, 2011

1. (I) Basis of preparation

- The financial statements of the Company are prepared under the historical cost convention on accrual basis of accounting and in accordance with the accounting principles generally accepted in India and in compliance with the provisions of the Companies Act, 1956 and comply with the mandatory Accounting Standards (AS) specified in Companies (Accounting Standard) Rules, 2006 prescribed by the Central Government of India.
- Financial statements are based on historical cost and are prepared on accrual basis, except where impairment is made and revaluation is carried out.

(II) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(III) SIGNIFICANT ACCOUNTING POLICIES

A) Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, which is generally on dispatch of goods.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

B) Fixed assets

- Fixed assets are stated at cost of acquisition or construction including installation cost, attributable interest and finance cost, till such time assets are ready for their intended use, less accumulated depreciation, impairment losses and specific grants received, if any.
 - Advances paid towards the acquisition of fixed assets outstanding at each Balance Sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under Capital Work-in-Progress.
- Depreciation

Depreciation on Fixed Assets is calculated on straight line basis at the rates prescribed in Schedule XIV of the Companies Act, 1956, on a pro-rata basis.

C) Impairment

An impairment loss is charged to the Profit and Loss account wherever the carrying amount of an asset exceeds its estimated recoverable amount.

Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

D) Expenditure during construction period

In case of new projects expenditure incurred, including trial production expenses net of revenue earned, prior to commencement of commercial production are capitalised.

E) Inventories

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

F) Government Grant and Subsidies

Subsidy receivable against an expense is deducted from such expense and subsidy/grant receivable against a specific fixed asset is deducted from cost of the relevant fixed Asset.

G) Foreign currency translation

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transactions. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expense in the year in which they arise.

H) Employee benefits

(i) Defined Contribution Plan

Defined contribution plan consists of Government Provident Fund Scheme and Employee State Insurance scheme. Company's contribution paid / payable during the year under these schemes are charged to Profit and Loss Account. There are no other obligations other than the contribution made by the Company.

(ii) Defined Benefit Plan

The employees' gratuity fund schemes and long term compensated absences are the defined benefit plans. Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by the reference to market yields at the Balance Sheet date on Government bonds.

I) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Deferred Tax Assets are reviewed at each Balance Sheet date.

J) Contingencies / Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate 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 contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

2. SEGMENT REPORTING

The Company is operating only in one significant business segment i.e. Cement; hence segment information as per Accounting Standard 17 is not required to be disclosed. The Company is catering predominately to the needs of the domestic market, as such there is no reportable Geographical Segments.

3. RELATED PARTY DISCLOSURE

(A) Particulars of Holding / Associate Companies

| Name of the Related Parties | Nature of Relationship |
|---|--|
| 1. ACC Limited | Holding Company |
| 2. Bulk Cement Corporation (India) Limited | Fellow Subsidiary Company |
| 3. ACC Mineral Resources Limited | Fellow Subsidiary Company |
| 4. Lucky Minmat Limited | Fellow Subsidiary Company |
| 5. ACC Concrete Limited | Fellow Subsidiary Company |
| 6. Aakash Manufacturing Company Private Limited | Associate Company of Fellow Subsidiary ACC Concrete Limited. |
| 7. National Limestone Company Pvt. Ltd. | Fellow Subsidiary Company |
| 8. MP AMRL(Semaria) Coal Company Ltd. | Joint Venture of Fellow Subsidiary ACC Mineral Resources Ltd. (AMRL) |
| 9. MP AMRL(Bicharpur) Coal Company Ltd. | Joint Venture of Fellow Subsidiary ACC Mineral Resources Ltd. (AMRL) |
| 10. MP AMRL(Marki Barka) Coal Company Ltd. | Joint Venture of Fellow Subsidiary ACC Mineral Resources Ltd. (AMRL) |
| 11. MP AMRL(Morga) Coal Company Ltd. | Joint Venture of Fellow Subsidiary ACC Mineral Resources Ltd. (AMRL) |
| 12. Alcon Cement Company Pvt. Ltd. | Associate Company of the Holding Company |
| 13. Asian Concretes & Cements Pvt. Ltd. | Associate Company of the Holding Company w.e.f. April 01, 2010 |
| 14. Holcim Limited | Ultimate Holding Company of Holding Company |
| 15. Ambuja Cement India Private Ltd.* | Holding Company of the Holding Company |
| 16. Ambuja Cements Limited | Fellow Subsidiary of the Holding Company |
| 17. Holderind Investments Limited | Holding Company of Holcim (India) Private Limited |
| 18. Holcim (India) Private Limited* | Holding Company of the Holding Company |
| 19. Holcim Group Support Limited | Fellow Subsidiary of the Holding Company |
| 20. Holcim Singapore Pte Limited | Fellow Subsidiary of the Holding Company |
| 21. Holcim Trading FZCO | Fellow Subsidiary of the Holding Company |
| 22. Holcim (Lanka) Ltd. | Fellow Subsidiary of the Holding Company |
| 23. P T Holcim Indonesia Tbk | Fellow Subsidiary of the Holding Company |

| Name of the Related Parties | Nature of Relationship |
|--|--|
| 24. Holcim Services (South Asia) Limited | Fellow Subsidiary of the Holding Company |
| 25. Holcim Foundation | Fellow Entity of the Holding Company |
| 26. Holcim (Malaysia) SDN BHD | Fellow Subsidiary of the Holding Company |
| 27. Siam City Cement Public | Fellow Subsidiary of the Holding Company |
| 29. Holcim (US) | Fellow Subsidiary of the Holding Company |
| 29. Holcim Bangladesh Limited | Fellow Subsidiary of the Holding Company |
| 30. Holcim (Canada) Inc. | Fellow Subsidiary of the Holding Company |
| 31. Holcim Environment Services Sa, | Fellow Subsidiary of the Holding Company |
| 32. Holcim Vietnam Limited | Fellow Subsidiary of the Holding Company |

(B) Key Management Personnel:

| Name of Related Parties | Nature of Relationship |
|-------------------------|---|
| Mr. K. B. S. Swamy | Managing Director up to July 15, 2010 |
| Mr. C. M. Reddy | CEO & Executive Director up to March 31, 2011 |
| Mr. P. Umeswar Rao | Executive Director up to January 27, 2010 |

(C) Relatives of Key management Personnel

| | |
|------------------------|---------------------------------|
| i) C. Sashikala Reddy | (W/o Mr. C. M. Reddy) |
| ii) Dr. Sudha Madhuri | (W/o Mr. P. Umeswar Rao) |
| iii) K. Krishna Kalyan | (S/o Mr. K. B. S. Swamy) |
| iv) K. Prabhakar Rao | (Brother of Mr. K. B. S. Swamy) |
| v) K. Ramani Kumar | (W/O Mr. K. B. S. Swamy) |
| vi) K. Sheshavadutha | (Father of Mr. K. B. S. Swamy) |
| vii) K. Somaraju Abbai | (Brother of Mr. K. B. S. Swamy) |

Note:

During the current year, the Holding Company has become a subsidiary of Holcim (India) Private Limited and accordingly Holcim Group companies which were reported as promoter group Companies till last year, have now being reported as Fellow Subsidiaries of Holding Company. Previous year's disclosures have been regrouped based on current year's relationship to facilitate comparison.

*During the current year Ambuja Cement India Private Limited has amalgamated with Holcim (India) Private Limited.

(D) Transactions with Holding Company

| Particulars | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|--|--------------------------------------|--------------------------------------|
| | ₹ | ₹ |
| 1. Purchase of Finished/Unfinished goods | 292,475,135 | 41,356,550 |
| 2. Investment in the share capital of the Company received | - | 50,000,000 |
| 3. Interest on inter Corporate Deposit Paid | - | 229,000 |
| 4. Inter Corporate Deposit Received | 20,000,000 | 251,500,000 |
| 5. Inter Corporate Deposit Repaid | 20,000,000 | - |
| 6. Reimbursement Received | 7,402,841 | 11,701,738 |
| 7. Reimbursement Paid | 11,009,015 | 4,441,440 |

| Particulars | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|--|--------------------------------------|--------------------------------------|
| | ₹ | ₹ |
| 8. Sale of Finished Goods (inclusive of Excise Duty, VAT and CST) | 823,400,951 | 275,641,391 |
| 9. Inter corporate Deposits at the end of the Period | 276,500,000 | 276,500,000 |
| 10. Outstanding Balance included in Current Assets | 8,641,148 | 2,060,320 |
| 11. Outstanding balance included in Current Liabilities /Loan and Advances | 17,235,631 | 8,013,612 |
| 12. Bank Guarantee issued by Holding Company | - | 3,598,000 |

(E) Details of transactions with Relatives of the key management Personnel:

| Particulars | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | ₹ | ₹ |
| 1 Unsecured Loan paid during the year | - | 5,775,000 |
| 2 Interest Paid during the year | - | 1,143,000 |

(F) Details of Transactions relating to persons referred to in item (B) of above

| Particulars | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---|--------------------------------------|--------------------------------------|
| | ₹ | ₹ |
| 1 Remuneration | | |
| Mr. K. B. S. Swamy | - | 389,000 |
| Mr. C. M. Reddy | 225,000 | 1,053,000 |
| Mr. P. Umeswar Rao | - | 1,177,000 |
| 2. Deposits taken during the year | | |
| Mr. N. Suman | - | 300,000 |
| Mr. P. Umeswar Rao | - | 973,000 |
| 3 Deposits repaid during the Year | | |
| Mr. K. B. S. Swamy | - | 1,944,000 |
| Mr. N. Suman | - | 1,295,000 |
| Mr. C. M. Reddy | 300,000 | - |
| Mr. P. Umeswar Rao | - | 2,880,000 |
| 4 Interest Paid during the year | | |
| Mr. K. B. S. Swamy | - | 66,000 |
| Mr. C. M. Reddy | - | 33,000 |
| Mr. P. Umeswar Rao | - | 115,000 |
| 5 Closing balance of deposit at the end of Year | | |
| Mr. C M Reddy | - | 300,000 |

4. Earnings Per Share - [EPS]

| Particulars | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---|--------------------------------------|--------------------------------------|
| Profit/(Loss) after taxation as per Profit and Loss account (₹) | 18,695,699 | (64,514,929) |
| Weighted average number of Equity shares outstanding (No.) | 5,000,000 | 5,000,000 |
| Basic earnings per Share (Weighted Average) (face value - ₹ 10 per share) – (₹) | 3.74 | (12.90) |
| The basic and diluted earnings per shares are same | | |

5. MANAGERIAL REMUNERATION

| Particulars | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|--------------|--------------------------------------|--------------------------------------|
| | ₹ | ₹ |
| Salary | 225,000 | 2,696,000 |
| TOTAL | 225,000 | 2,696,000 |

6. EMPLOYEE BENEFIT

Defined Contribution Plans – Amount recognised and included in Schedule 11 “Contributions / Provisions to and for Provident and Other Funds” of Profit and Loss Account ₹ 225,773 (*Previous Year - ₹ 483,313*).

Defined Benefit Plans – As per actuarial valuation on December 31, 2011

The Company has a defined benefit gratuity and post retirement leave encashment plans as given below:

Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of service.

Earned leave standing to the credit of employees are encashable at the time of retirement / cessation of service.

| | Gratuity Non Funded | Leave encashment Non Funded |
|---|---------------------|-----------------------------|
| I. Expense recognised in the Statement of Profit & Loss for the year ended December 31, 2011 | | |
| Current Service cost | 63,361 159,803 | 96,476 241,115 |
| Interest Cost | 15,167 8,607 | 23,579 12,927 |
| Net Actuarial (Gains) / Losses | 78,032 15,729 | (50,842) 45,129 |
| Total expense | 156,560 70,162 | 69,213 (123,261) |

II. Net Asset / (Liability) recognised in the Balance Sheet as at December 31, 2011

| | | |
|---|------------------------|------------------------|
| Present value of Defined Benefit Obligation | 292,039 184,142 | 314,636 294,908 |
| Fair value of plan assets | - - | - - |
| Funded status [Surplus / (Deficit)] | 292,039 184,142 | 314,636 294,908 |
| Net asset / (liability) | (292,039) (184,142) | (314,636) (294,908) |

| | Gratuity Non Funded | Leave encashment Non Funded |
|--|---------------------|-----------------------------|
| III. Change in Obligation during the Year ended December 31, 2011 | | |
| Present value of Defined Benefit Obligation at beginning of the year | 184,142 - | 294,908 - |
| Current Service cost | 63,361 45,826 | 96,476 65,205 |
| Interest Cost | 15,167 8,607 | 23,579 12,927 |
| Settlement / Curtailment (Gain) | - - | - - |
| Past service cost | - - | - - |
| Actuarial (Gains) / Losses | 78,032 15,729 | (50,842) 45,129 |
| Benefit Payments | 48,663 - | 49,485 4263 |
| Present value of Defined Benefit Obligation at the end of the year | 292,039 184,142 | 314,636 294,908 |

Actuarial Assumptions: As at December 31, 2011

Discount Rate 9% p.a. (*P.Y. – 8.25% p.a.*)

Employee turnover rate 5% p.a. (*P.Y. – 5% p.a.*)

(Figures in italics pertain to previous year)

7. TAXATION

No provision for current tax is made in view of carried forward losses, The Company has deferred tax assets, However, as a matter of prudence the same has not been recognized in the financial statements.

8. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ NIL (*Previous Year - ₹ 16.89 Lacs*)

9. Payment to Statutory Auditors (Excluding Service Tax):

| Particulars | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|--|--------------------------------------|--------------------------------------|
| | ₹ | ₹ |
| Audit Fees | 350,000 | 350,000 |
| Audit Fee for tax financial statements | 120,000 | 120,000 |
| For other services | 75,000 | 75,000 |
| Out of pocket expenses | 58,218 | - |
| TOTAL | 603,218 | 545,000 |

10. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principle amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

11. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3 & 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956**(A) Sale by class of goods**

| Product | Unit | For the year ended December 31, 2011 | | For the Year ended December 31, 2010 | |
|--------------|------|---|--------------------|---|--------------------|
| | | Quantity | Amount (₹) | Quantity | Amount(₹) |
| Cement(PSC) | MT | 201,629.00 | 625,418,166 | 72,825.00 | 207,023,468 |
| Ground Slag | MT | 7,518.00 | 13,092,705 | 7,570.00 | 7,815,004 |
| Iron Fines | MT | - | 12,498,230 | - | 2,587,405 |
| TOTAL | | | 651,009,101 | | 217,425,877 |

(B) Opening Stocks

| Product | Unit | As at December 31, 2011 | | As at December 31, 2010 | |
|------------------|------|----------------------------|------------------|----------------------------|-------------------|
| | | Quantity | Amount (₹) | Quantity | Amount(₹) |
| (i) Cement (PSC) | MT | 38.61 | 120,160 | - | - |
| (ii) Ground Slag | MT | 8,324.03 | 8,590,563 | 16,361.07 | 37,555,000 |
| TOTAL | | | 8,710,723 | | 37,555,000 |

(C) Closing Stocks

| Product | Unit | As at December 31, 2011 | | As at December 31, 2010 | |
|------------------|------|----------------------------|------------------|----------------------------|------------------|
| | | Quantity | Amount (₹) | Quantity | Amount(₹) |
| (i) Cement (PSC) | MT | 352.59 | 1,168,191 | 38.61 | 120,160 |
| (ii) Ground Slag | MT | 829.46 | 1,094,165 | 8,324.03 | 8,590,563 |
| TOTAL | | | 2,262,356 | | 8,710,723 |

(D) Details of Raw Materials consumed

| Product | Unit | For the year ended December 31, 2011 | | For the Year ended December 31, 2010 | |
|-------------------|------|---|--------------------|---|--------------------|
| | | Quantity | Amount (₹) | Quantity | Amount(₹) |
| (i) Gypsum | MT | 5,187 | 7,420,055 | 814 | 1,144,000 |
| (ii) Cement (OPC) | MT | 104,806 | 406,697,071 | 40,507.1 | 127,707,457 |
| (iii) Slag | MT | 107,207 | 68,351,757 | 38,408.14 | 31,255,045 |
| | | | 482,468,883 | | 160,106,502 |

(E) Licensed and installed capacity, actual production and opening and closing Stocks

| Product | Unit | *Installed/Rated Capacity per annum(As certified by the Management) | | Actual Production | |
|-------------------------|------|---|-------------------------------|-------------------------------|-------------------------------|
| | | As at December 31, 2011 | As at December 31, 2010 | As at December 31, 2011 | As at December 31, 2010 |
| Portland Slag Cement | MT | 400,000 | 400,000 | 201,954 | 73,010 |
| Ground Slag | MT | 200,000 | 200,000 | 95,185 | 32,680 |

* Licensed Capacity per annum not indicated due to the abolition of Industrial License as per No. 477(E) Dated July 25, 1991 issued under The Industries (Development and Regulation) Act, 1951.

The Company is in the business of manufacturing Ground Slag and PSC Cement

(F) Value of Imported and indigenous Raw materials, components and spare parts consumed :-

| Materials | Raw Materials | | Component & Spare parts | | Raw Materials | | Component & Spare parts | |
|-----------------|--------------------------------------|-------|--------------------------------------|-----|--------------------------------------|-------|--------------------------------------|-----|
| | For the year ended December 31, 2011 | | For the year ended December 31, 2011 | | For the year ended December 31, 2010 | | For the year ended December 31, 2010 | |
| | Amount ₹ | % | Amount ₹ | % | Amount ₹ | % | Amount ₹ | % |
| (i) Imported | 7,420,055 | 1.54 | - | - | 1,144,000 | 0.64 | - | - |
| (ii) Indigenous | 475,048,828 | 98.46 | 9,775,388 | 100 | 171,049,884 | 99.36 | 5,102,593 | 100 |
| TOTAL | 482,468,883 | 100 | 9,775,388 | 100 | 172,193,884 | 100 | 5,102,593 | 100 |

(G) Earnings in Foreign Exchange (on accrual basis)

| Particulars | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|-------------------------------------|---|---|
| | ₹ | ₹ |
| Export of Ground Slag on FOB basis. | 9,609,345 | 844,840 |
| | 9,609,345 | 844,840 |

(H) Particulars of unhedged foreign currency exposure as at Balance Sheet date

Export Debtors ₹ 6,516,674 (US\$ 120,044 @ ₹ 54.29), *Previous Year* - ₹ 401,531 (US \$ 8,859.90 @ ₹ 45.32)

- Pursuant to the share purchase agreement dated January 28, 2010, ACC Limited has purchased 50 Lac shares (entire Paid Up Capital) of the Company from the original promoters. There fore the Company has become a 100% Subsidiary Company of ACC Limited w.e.f. January 28, 2010.
- The Company has accumulated losses as at December 31, 2011, and the Net worth is negative. The Company has obtained support from ACC Limited "Holding Company" assuring continuous support to finance the operations of the Company which are being turned around after acquisition hence the accounts have been prepared on a going concern basis.
- The Company has filed a Scheme Petition in the High Court of Bombay in June 2011 and hearings had been held by the said Court for Amalgamation of the Company with ACC Limited (Holding Company).
- Previous years figures are regrouped/rearranged wherever necessary.

As per our report of even date

For and on behalf of the Board of Encore
Cement And Additives (P) Ltd

For K.S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

Sunil K. Nayak
Chairman

Raghuvir M. Aiyar
Partner
Membership No.38128

Burjor D. Nariman **M. Balaji**
Director Head Finance And
Company Secretary

Mumbai, February 01, 2012

Mumbai, February 01, 2012

Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. **U74140AP2006PTC048814**

State Code **11**

Balance Sheet **31122011**

II. Capital raised during the year (Amount in ₹ Thousands)

Public Issue

NI L

Bonus Issue

NI L

ESOS

NI L

Rights Issue

NI L

Private Placement

NI L

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities

368309

Sources of Funds

Paid-up Capital

50000

Secured Loans

NI L

Deferred Tax Liabilities

NI L

Application of Funds

Net Fixed Assets

179204

Net Current Assets

31775

Accumulated Losses

115521

Total Assets

368309

Reserves & Surplus

NI L

Unsecured Loans

276500

Investments

NI L

Misc. Expenditure

NI L

IV. Performance of Company (Amount in ₹ Thousands)

Turnover

652592

Profit / (Loss) Before Tax

+ 18720

Earning per share (in ₹)

3.74

Expenditure

633872

Profit / (Loss) After Tax

+ 18696

Dividend Rate %

NI L

V. Generic name of three Principal Products of the Company (as per monetary terms)

Item Code No. (ITC Code) **252300**

Product Description **C E M E N T**

Director's Report

TO THE MEMBERS OF
LUCKY MINMAT LIMITED

- The Directors take pleasure in presenting the Thirty Sixth Annual Report on the business and operations of the Company and the Audited Accounts for the year ended December 31, 2011.

2. FINANCIAL RESULTS

| PARTICULARS | 2011 | 2010 |
|--|-------------|-------------|
| | ₹ | ₹ |
| Sale of Products, Services and Other Income | 1,08,97,967 | 90,46,446 |
| Loss Before Tax | (26,00,938) | (4,17,415) |
| Provision for Taxation - Fringe Benefits Tax | - | - |
| Loss after Taxation | (26,00,938) | (4,17,415) |
| Balance brought forward from previous year | (65,08,217) | (60,90,802) |
| Balance carried forward to Balance Sheet | (91,09,155) | (65,08,217) |

3. OPERATIONS

The total dispatches for the year ended December 31, 2011 were 51,051 MT as compared to 41,433 MT for the year ended December 31, 2010.

The Company has incurred a loss before tax of ₹ 26,00,938 for the year ended December 31, 2011 as compared to a loss of ₹ 4,17,415 for the year ended December 31, 2010. The loss after tax for the year ended December 31, 2011 is ₹ 26,00,938 as compared to a loss of ₹ 4,17,415 for the year ended December 31, 2010.

4. DIVIDEND

Your Directors do not recommend payment of dividend for the financial year ended December 31, 2011.

5. INDUSTRIAL RELATIONS

During the year under review, industrial relations at the Company's unit continued to remain cordial and peaceful.

6. PROPOSED AMALGAMATION OF THE COMPANY WITH ACC LIMITED

The Board of Directors had at its Meeting held on January 27, 2011 approved a Scheme of Amalgamation of your Company with ACC Limited, the holding Company, subject to all requisite approvals being obtained.

7. DIRECTORS

Mr S K Das who was appointed as a Director of the Company with effect from June 16, 2009 resigned as Director with effect from March 1, 2011. The Board has placed on record its appreciation of the valuable services rendered by Mr S K Das during his tenure as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956, Mr K M Gupta and Mr Sankarsan Dasgupta retire by rotation and are eligible for reappointment.

8. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- that in the preparation of the annual accounts for the year ended December 31, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Note 1 of the Notes to the Accounts have been

selected and have been applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on December 31, 2011, and of the loss of the Company for the year ended on that date;

- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts have been prepared on a going concern basis.

9. AUDITORS

Messrs K S Aiyar & Co, Chartered Accountants, who are the Statutory Auditors of the Company, hold office up to the date of the ensuing Annual General Meeting and are eligible for re-appointment. As required under the provision of Section 224(IB) of the Companies Act, 1956, the Company has obtained written confirmation from Messrs K S Aiyar & Co that their appointment, if made, would be in conformity with the Companies Act, 1956. The Members are requested to appoint Messrs K S Aiyar & Co, Chartered Accountants, as Auditors of the Company for the year 2012 and to authorize the Board of Directors to determine their remuneration.

10. AUDIT COMMITTEE

The Company is not required to constitute an Audit Committee under the provisions of Section 292A of the Companies Act, 1956.

11. SECRETARIAL AUDIT

Pursuant to the provisions of Section 383A of the Companies Act, 1956, the Company has obtained certificate from Pramod S Shah & Associates,

Practising Company Secretary, that the Company has complied with the provisions of the Companies Act, 1956. As required by the said Section, the certificate is attached to this report.

12. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no technology absorption and no foreign exchange earnings or outgo during the year under review. Hence, the information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is NIL.

The Company has not entered into any technology transfer agreement.

13. PARTICULARS OF EMPLOYEES

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Sec 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

14. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their appreciation of the excellent co-operation received from the Government and Company's Bankers. Your Directors also acknowledge the unstinted assistance and support received from ACC Limited, the holding Company, and thank all the employees for their valuable contribution during the year.

For and on behalf of the Board

B D Nariman
Chairman

Mumbai
February 01, 2011

Pramod S. Shah

B.A., B.Com., L.L.B., F.C.S., S.E.O.

Mobile : 98211 06217

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PRAMOD S. SHAH & ASSOCIATES
Practising Company Secretaries

Compliance Certificate*U/S 383A of the Companies Act, 1956 & Rule 3 of the Companies (Compliance Certificate) Rules, 2001*

To,
The Members,
Lucky Minmat Limited

Nominal Capital: 3,25,00,000/-**Registration No. : 11- 001697****(31/12/2011)**

We have examined the registers, records, books and papers of **M/s Lucky Minmat Limited** (the Company) as required to be maintained under the Companies Act 1956, (the Act) and the rules made thereunder for the financial year ended **31st December 2011** and have reviewed the provisions contained in the Memorandum and Articles of Association of the Company. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a public limited Company, comments are not required.
4. The Board of Directors duly met **4** times on **27/01/2011, 21/04/2011, 21/07/2011, 19/10/2011** in respect of which meetings, proper notice was given and the proceedings of the Meetings including the Circular Resolution was properly recorded and signed in the Minutes books maintained for the purpose.
5. The Company has not closed its Register of Members or Debenture holders during the financial year.
6. The Annual General Meeting for the year ended **31/12/2010** was held on **11/03/2011**, after giving due notice to the Members of the Company and the resolutions passed thereat were duly recorded and signed in Minutes book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into contracts falling within the purview of Section 297 of the Act in respect of contracts specified in that Section.
10. The Company has made a "NIL" entry in the register maintained under Section 301 of the Act as there are no contracts under Section 297 or 299 of the Companies Act, 1956.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.

12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company:
 - i. has not allotted /transmitted securities during the financial year and has delivered the certificates for transfer in accordance with the provisions of the Act.
 - ii. has not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - iii. has not posted warrants to any members of the Company as no dividend was declared during the financial year.
 - iv. was not required to transfer any amount to Investor Education & Protection Fund.
 - v. has duly complied with the requirements of Section 217 of the Act regarding Board's Report.
14. The Board of Directors of the Company is duly constituted. There was no appointment of Alternate Directors and Directors to fill in casual vacancies. One Director resigned during the financial year.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions which required the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31st December, 2011.
25. The Company has not made loans and investments or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's registered office from one state to another during the financial year.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. There were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year, for offences under the Act.

32. The Company has not received any money as security from its employees during the financial year.

33. The Company has deposited both employees' and employer's contribution to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

Place : Mumbai

Date : 27/01/2012

Signature :

Name of Company Secretary : Pramod S. Shah

C.P.No. : 3804

Annexure A

The Company has been maintaining the following statutory records:

- 1) Minutes Book (Board Meeting)
- 2) Minutes Book (AGM & EGM)
- 3) Register of Members.
- 4) Register of Directors.
- 5) Register of Director's shareholding.
- 6) Register of Assets.
- 7) Register of Investment.
- 8) Register of Charges.
- 9) Register of Contracts.
- 10) Register of Common Seal.
- 11) Register of Application and Allotment.

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on **31st December, 2011**.

| Sr. No. | Form No. | Filed u/s | For | Filed on | Whether filed within prescribed time Yes/No | If delay in filing whether requisite additional fee paid Yes/No |
|---------|--|-----------|----------------------------------|------------|---|---|
| 1 | Form 20B & Annual Return | 159 | 11/03/2011 | 30/04/2011 | Yes | No |
| 2 | Form 23AC & 23ACA (Balance Sheet and Profit & Loss Account) | 220 | 31/12/2010 | 29/03/2011 | Yes | No |
| 3 | Form 66 | 383A | 31/12/2010 | 25/03/2011 | Yes | No |
| 4 | Form 32 | 303(2) | Cessation of Mr Sudhir Kumar Das | 18/03/2011 | Yes | No |
| 5 | Form 32 | 303(2) | Regularization of Mr S B Singh | 23/03/2011 | Yes | No |

Auditor's Report to the members of the Lucky Minmat Limited

1. We have audited the attached Balance Sheet of LUCKY MINMAT LIMITED, as at December 31, 2011, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards 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 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) ('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:
 - a) 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;
 - b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
 - c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Profit and Loss 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;
 - e) on the basis of the written representations received from the directors, as on December 31, 2011, and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on December 31, 2011 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2011;
 - ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For K. S. Aiyar & Co.

Chartered Accountants

Firm Registration No. 100186W

Sachin A. Negandhi

Partner

Membership No.: 112888

Place: Mumbai

Date: February 01, 2012

Annexure to the Auditor's Report

(Referred to in paragraph 3 of our Report of even date on the Accounts for the year ended December 31, 2011 of LUCKY MINMAT LIMITED)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) No fixed assets are disposed off during the year.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are 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 verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) Based upon the audit procedures performed and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b) is not applicable.
- (vi) The Company has not accepted any deposits from the public to which the provisions of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 apply.
- (vii) In our opinion the company has an Internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to the records of the Company, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, cess and other material statutory

dues applicable to it have been regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess which have not been deposited on account of any dispute.
- (x) The Company has accumulated losses at the end of the financial year and has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the Company has not taken any money from financial institution, bank or debenture holders and hence clause 4(xi) is not applicable.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not raised any term loans during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) 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, no debentures were issued during the year.
- (xx) The Company has not raised any money by way of public issue during the year. Therefore, the provision of clause (xx) of the order is not applicable to the Company.
- (xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: February 01, 2012

Balance Sheet as at December 31, 2011

| Schedules | As at December 31, 2011 | As at December 31, 2010 |
|---|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| SOURCES OF FUNDS: | | |
| Shareholders' Funds: | | |
| Share Capital 1 | 32,500,000 | 32,500,000 |
| Reserves and Surplus 2 | 834,918 | 834,918 |
| | 33,334,918 | 33,334,918 |
| TOTAL FUNDS | 33,334,918 | 33,334,918 |
| APPLICATION OF FUNDS: | | |
| Fixed Assets : 3 | | |
| Gross Block | 445,456 | 445,456 |
| Less: Accumulated Depreciation | 399,486 | 395,191 |
| Net Block | 45,970 | 50,265 |
| Investments 4 | 20,850 | 20,850 |
| Current Assets, Loans and Advances: | | |
| Sundry Debtors 5 | 539,133 | 613,209 |
| Cash and Bank Balances 6 | 23,636,230 | 27,144,514 |
| Other Current Assets 7 | 337,573 | 1,005,282 |
| Loans and Advances 8 | 3,336,435 | 3,097,669 |
| | 27,849,371 | 31,860,674 |
| Less : Current Liabilities and Provisions: | | |
| Current Liabilities 9 | 2,825,928 | 4,240,588 |
| Provisions 10 | 864,500 | 864,500 |
| | 3,690,428 | 5,105,088 |
| Net Current Assets | 24,158,943 | 26,755,586 |
| Profit & Loss Account | 9,109,155 | 6,508,217 |
| TOTAL ASSETS | 33,334,918 | 33,334,918 |
| Notes to Accounts 13 | | |

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our report of even date

For and on behalf of the Board of
Lucky Minmat Limited,

For K.S.Aiyar & Co.
Chartered Accountants
Firm Registration No:- 100186W

B.D.Nariman Chairman

S Das Gupta
Dr. S.B. Singh }
K.M.Gupta } Director

Sachin A. Negandhi
Partner
Membership No: 112888
Mumbai, February 01, 2012

Profit and Loss Account for the year ended December 31, 2011

| Schedules | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|--|---|---|
| | ₹ | ₹ |
| INCOME: | | |
| Sale of Products and Services | 9,444,424 | 7,193,973 |
| Other Income 11 | 1,453,543 | 1,852,473 |
| | 10,897,967 | 9,046,446 |
| EXPENDITURE: | | |
| Manufacturing and Other Expenses 12 | 13,494,610 | 9,459,565 |
| Depreciation and Amortisation 3 | 4,295 | 4,296 |
| | 13,498,905 | 9,463,861 |
| Loss before Tax | (2,600,938) | (417,415) |
| Provision for Taxation | - | - |
| Loss after Tax | (2,600,938) | (417,415) |
| Balance brought forward from Previous Year | (6,508,217) | (6,090,802) |
| Balance carried to Balance Sheet | (9,109,155) | (6,508,217) |
| Basic & Diluted Earnings per Share | (8.00) | (1.28) |
| Notes to Accounts 13 | | |

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date

For and on behalf of the Board of
Lucky Minmat Limited,

For K.S.Aiyar & Co.
Chartered Accountants
Firm Registration No:- 100186W

B.D.Nariman Chairman

S Das Gupta
Dr. S.B. Singh }
K.M.Gupta } Director

Sachin A. Negandhi
Partner
Membership No: 112888
Mumbai, February 01, 2012

Cash Flow Statement for the year ended December 31, 2011

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---|---|---|
| | ₹ | ₹ |
| A. Cash flow from operating activities | | |
| 1. Loss before tax | (2,600,938) | (417,415) |
| Adjustments for: | | |
| Depreciation | 4,295 | 4,296 |
| Interest Received | (1,453,543) | (1,852,473) |
| Operating profit before working capital changes | (4,050,186) | (2,265,592) |
| Movement in Working Capital | | |
| 2. Decrease / (Increase) in Sundry Debtors | 74,076 | (613,209) |
| 3. Decrease / (Increase) in Inventories | - | 59,416 |
| 4. Decrease / (Increase) in Other Current Assets | 356,005 | (240,479) |
| 5. Increase / (Decrease) in Other Liabilities & Provisions | (1,414,660) | (3,905,890) |
| Cash generated from operations | (5,034,765) | (6,965,755) |
| 6. Direct Taxes paid - (Net of Refunds) | (238,766) | (429,458) |
| Net cash from operating activities | (5,273,531) | (7,395,213) |
| B. Cash flow from investing activities | | |
| 7. Interest Received | 1,765,247 | 1,852,473 |
| Net cash from investing activities | 1,765,247 | 1,852,473 |
| Net increase / (decrease) in cash & cash equivalents | (3,508,284) | (5,542,740) |
| Cash & Cash equivalents : | | |
| Opening Balance | 27,144,514 | 32,687,253 |
| Closing Balance | 23,636,230 | 27,144,514 |

As per our report of even date

For and on behalf of the Board of
Lucky Minmat Limited,

For K.S.Aiyar & Co.
Chartered Accountants
Firm Registration No:- 100186W

B.D.Nariman Chairman

S Das Gupta
Dr. S.B. Singh }
K.M.Gupta } Director

Sachin A. Negandhi
Partner
Membership No: 112888
Mumbai, February 01, 2012

Schedules forming part of the Balance Sheet

SCHEDULE - 1, SHARE CAPITAL

| | As at December 31, 2011 | As at December 31, 2010 |
|---|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| AUTHORISED - | | |
| 325,000 Equity Shares of ₹100 each | 32,500,000 | 32,500,000 |
| (Previous Year - 325,000 Equity Shares of ₹100 each) | 32,500,000 | 32,500,000 |
| ISSUED - | | |
| 325,000 Equity Shares of ₹100 each | 32,500,000 | 32,500,000 |
| (Previous Year - 325,000 Equity Shares of ₹100 each) | | |
| SUBSCRIBED - | | |
| 325,000 Equity Shares of ₹100 each | 32,500,000 | 32,500,000 |
| (Previous Year - 325,000 Equity Shares of ₹100 each) | | |
| (All the Shares held by ACC Limited the Holding Company and its nominees) | | |
| TOTAL | 32,500,000 | 32,500,000 |

SCHEDULE - 2, RESERVES AND SURPLUS

| | As at December 31, 2011 | As at December 31, 2010 |
|-----------------|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| General Reserve | 834,918 | 834,918 |
| TOTAL | 834,918 | 834,918 |

Schedules forming part of the Balance Sheet

SCHEDULE - 3, FIXED ASSETS

| FIXED ASSETS | GROSS BLOCK AT COST | | DEPRECIATION | | | NETBLOCK | |
|--------------------------|---------------------|------------------|------------------|--------------|------------------|------------------|------------------|
| | As at 01-01-2011 | As at 31-12-2011 | As at 01-01-2011 | For the Year | As at 31-12-2011 | As at 31-12-2011 | As at 31-12-2010 |
| Tangible Assets : | | | | | | | |
| Buildings | 388,076 | 388,076 | 388,076 | - | 388,076 | - | - |
| Plant & Machinery | 43,680 | 43,680 | 3,438 | 2,075 | 5,513 | 38,167 | 40,242 |
| Computer Printer | 13,700 | 13,700 | 3,677 | 2,220 | 5,897 | 7,803 | 10,023 |
| TOTAL | 445,456 | 445,456 | 395,191 | 4,295 | 399,486 | 45,970 | 50,265 |
| Previous Year | 445,456 | 445,456 | 390,895 | 4,296 | 395,191 | 50,265 | |

SCHEDULE - 4, INVESTMENTS

| | As at December 31, 2011 | As at December 31, 2010 |
|------------------------------|-------------------------|-------------------------|
| | ₹ | ₹ |
| Other Investments | | |
| Government Securities | | |
| National Saving Certificates | 20,850 | 20,850 |
| TOTAL | 20,850 | 20,850 |

SCHEDULE - 5, SUNDRY DEBTORS

| | As at December 31, 2011 | As at December 31, 2010 |
|---|-------------------------|-------------------------|
| | ₹ | ₹ |
| DEBTORS (Unsecured, Considerd Good) | | |
| Over Six Months | - | - |
| Others | 539,133 | 613,209 |
| (Recieveable from Holding Company, ACC Limited) | | |
| TOTAL | 539,133 | 613,209 |

SCHEDULE - 6, CASH AND BANK BALANCES

| | As at December 31, 2011 | As at December 31, 2010 |
|--|-------------------------|-------------------------|
| | ₹ | ₹ |
| Balance With Scheduled Banks | | |
| In Current Account | 2,226,922 | 3,085,703 |
| In Fixed Deposits | 21,356,024 | 24,005,527 |
| Balance With Non Scheduled Banks- | | |
| Kendri Sahkari Sikar Bank | | |
| In Current Account | | |
| {Maximum Balance outstanding during the year | | |
| ₹ 36,494 (Previous Year - ₹ 36,494)} | 36,494 | 36,494 |
| In Fixed Deposits | | |
| {Maximum Balance outstanding during the year | | |
| ₹ 16,790 (Previous Year - ₹ 16,790)} | 16,790 | 16,790 |
| TOTAL | 23,636,230 | 27,144,514 |

SCHEDULE - 7, OTHER CURRENT ASSETS

| | As at December 31, 2011 | As at December 31, 2010 |
|------------------|-------------------------|-------------------------|
| | ₹ | ₹ |
| Accrued Interest | 304,573 | 616,277 |
| Prepaid Expense | 33,000 | 389,005 |
| TOTAL | 337,573 | 1,005,282 |

SCHEDULE - 8, LOANS AND ADVANCES

(Unsecured, Considered Good, unless otherwise stated)

| | As at December 31, 2011 | As at December 31, 2010 |
|---------------------------------------|-------------------------|-------------------------|
| | ₹ | ₹ |
| Sundry Advances and Deposits, etc. | | |
| Security Deposit with Holding Company | 100,000 | 100,000 |
| Advance Payments against Taxes | 3,236,435 | 2,997,669 |
| TOTAL | 3,336,435 | 3,097,669 |

SCHEDULE - 9, CURRENT LIABILITIES

| | As at December 31, 2011 | As at December 31, 2010 |
|----------------------------|-------------------------|-------------------------|
| | ₹ | ₹ |
| Sundry Creditors: | | |
| Payable to Holding Company | - | 3,317,745 |
| Others | 1,331,003 | 810,875 |
| Other Current Liabilities | 1,494,925 | 111,968 |
| TOTAL | 2,825,928 | 4,240,588 |

SCHEDULE - 10, PROVISIONS

| | As at December 31, 2011 | As at December 31, 2010 |
|------------------------|-------------------------|-------------------------|
| | ₹ | ₹ |
| Provision for Taxation | 864,500 | 864,500 |
| TOTAL | 864,500 | 864,500 |

Schedules forming part of the Profit and Loss Account

SCHEDULE - 11, OTHER INCOME

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---|---|---|
| | ₹ | ₹ |
| Other Income | | |
| Interest recieved on Fixed Deposit | 1,453,543 | 1,852,473 |
| {TDS ₹ 132,983 (Previous Year ₹ 153,561)} | | |
| TOTAL | 1,453,543 | 1,852,473 |

SCHEDULE - 12. MANUFACTURING AND OTHER EXPENSES

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|--|---|---|
| | ₹ | ₹ |
| MANUFACTURING EXPENSES | | |
| Stores and Spares parts Consumed | 1,105,480 | 436,961 |
| Power and Fuel (Diesel & Electricity) | 18,200 | 21,839 |
| Repairs to Other Items | 6,480 | 29,900 |
| Royalties | 5,211,128 | 3,425,911 |
| Loading, Transportation, Mines Expenses and Other Charges | 5,979,140 | 4,356,207 |
| | 12,320,428 | 8,270,818 |
| ADMINISTRATIVE, SELLING AND OTHER EXPENSES | | |
| Rates and Taxes (Including Sale Tax Expense & Cess) | - | 152,388 |
| Travelling Expenses | 342,474 | 297,626 |
| Bank Charges | 947 | 6,821 |
| Advertisement | - | 23,040 |
| Legal Expenses | 46,386 | 4,380 |
| Stationary Expense | 26,030 | 23,801 |
| Professional Fees | 274,077 | 146,495 |
| Miscellaneous Expenses | 156,209 | 119,479 |
| Auditors Remuneration | 295,000 | 295,000 |
| Corporate Social Responsibility | 33,059 | 60,301 |
| | 1,174,182 | 1,129,331 |
| Explosive Written Off | - | 59,416 |
| | 13,494,610 | 9,459,565 |

Schedule -13, NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2011

(A) Basis of preparation

- The financial statements have been prepared in accordance with the accounting principle generally accepted in India and comply in all material aspects with the notified Accounting Standards specified in Companies (Accounting Standards) Rules, 2006 prescribed by the Central Govt and the relevant provisions of the Companies Act, 1956.
- Financial statements are based on historical cost and are prepared on accrual basis, except where impairment is made and revaluation is carried out.
- Accounting policies have been consistently applied by the Company.

(B) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(C) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

I. Sale of goods

Revenue from sales is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, which is generally on dispatch of products and is stated net of returns.

II. Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(D) Fixed assets

Fixed assets are stated at cost of acquisition or construction including attributable interest and financial costs till such assets are ready for its intended use, less accumulated depreciation, impairment losses and specific grants received, if any.

(E) Depreciation

All assets are depreciated on the straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956, on a pro-rata basis.

(F) Impairment

The carrying amounts of assets are reviewed at each Balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

(G) Inventories

Inventories of Raw material & finished goods are valued at lower of cost or Net realization value, cost is determined on First in First out (FIFO) Basis.

(H) Investment

Current Investments are stated at lower of cost or fair value. Long term Investments are stated at cost. Provision for diminution in value is made only if decline is other than temporary.

(I) Income taxes

Tax expense comprises of current and deferred tax. Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

(J) Contingencies / Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate 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 contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

(K) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(L) Segment Reporting

The Company is operating only in one significant business segment i.e. Extraction and sale of lime stone; hence segment information as per Accounting Standard 17 is not required to be disclosed. The Company is catering mainly to the need of the domestic market; as such there is no reportable Geographical Segments.

2. Related Party Disclosure**(A) Particulars of Related Parties, which control or are under common control with the Company:**

| Name of Related Parties | Nature of Relationship |
|--|---|
| ACC Limited | Holding Company |
| Bulk Cement Corporation (India) Limited. | Fellow Subsidiary Company |
| ACC Mineral Resourcing Limited | Fellow Subsidiary Company |
| National Limestone Company Private Limited | Fellow Subsidiary Company |
| ACC Concrete Limited | Fellow Subsidiary Company |
| Encore Cement and Additives Private Limited. | Fellow Subsidiary Company w.e.f. January 28, 2010. |
| MP AMRL (Semaria) Coal Company Limited | Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL) |

| Name of Related Parties | Nature of Relationship |
|---|---|
| MP AMRL (Bicharpur) Coal Company Limited | Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL) |
| MP AMRL (Marki Barka) Coal Company Limited | Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL) |
| MP AMRL (Morga) Coal Company Limited | Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL) |
| Alcon Cement Company Private Limited | Associate Company of the Holding Company |
| Asian Concretes & Cements Private Limited | Associate Company of the holding company w.e.f. April 01, 2010. |
| Aakaash Manufacturing Company Private Limited | Associate Company of Fellow Subsidiary ACC Concrete Limited w.e.f. March 25, 2011 |
| Ambuja Cement India Private Limited (Amalgamated with Holcim (India) Private Limited during the current year) | Holding Company of the Holding Company |
| Ambuja Cements Limited | Fellow subsidiary of the holding Company |
| Holderind Investments Limited | Fellow subsidiary of the holding Company |
| Holcim (India) Private Limited* | Holding Company of the Holding Company |
| Holcim Group Support Limited | Fellow subsidiary of the holding Company |
| Holcim (Singapore) Pte Limited | Fellow subsidiary of the holding Company |
| Holcim Trading FZCO | Fellow subsidiary of the holding Company |
| Holcim (Lanka) Limited | Fellow subsidiary of the holding Company |
| PT Holcim Indonesia Tbk | Fellow subsidiary of the holding Company |
| Holcim Services (South Asia) Limited | Fellow subsidiary of the holding Company |
| Siam City Cement Public Company Limited | Fellow subsidiary of the holding Company |
| Holcim (Bangladesh) Limited | Fellow subsidiary of the holding Company |
| Holcim (Canada) INC. | Fellow subsidiary of the holding Company |
| Holcim (Vietnam) Limited | Fellow subsidiary of the holding Company |
| Holcim Environment Services SA, Belgium | Fellow subsidiary of the holding Company |
| Holcim (Malaysia) SDN BHD | Fellow subsidiary of the holding Company |
| Holcim (US) | Fellow subsidiary of the holding Company |
| Holcim Foundation | Fellow entity of the holding Company |
| Holcim Philippines | Fellow subsidiary of the holding Company |

Note:

During the current year, the Holding Company has become a subsidiary of Holcim (India) Private Limited and accordingly Holcim Group companies which were reported as promoter group Companies till last year, have now being reported as Fellow Subsidiaries of Holding Company. Previous year's disclosures have been regrouped based on current year's relationship to facilitate comparison.

*During the current year Ambuja Cement India Private Limited has amalgamated with Holcim (India) Private Limited.

(B) Transactions with Holding Company

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|--|---|---|
| | ₹ | ₹ |
| (i) Sales of Finished / Unfinished goods to ACC Limited(Net) | 10,075,516 | 7,193,973 |
| (ii) Transportation Services to ACC Limited | - | 10,727,257 |
| (iii) TDS / VAT/ Service Tax / Royalty Paid on behalf of Lucky Minmat Limited By ACC Limited | 962,669 | 3,318,000 |
| (iv) Outstanding balance to ACC Limited | 539,133 | (3,317,745) |
| (v) Security Deposit with ACC Limited | 100,000 | 100,000 |

3. Earnings per Share-[EPS]

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|--|---|---|
| | ₹ | ₹ |
| Profit /(Loss) after taxation as per Profit & Loss Account | (2,600,937) | (417,415) |
| Weighted average number of Equity Shares Outstanding | 325,000 | 325,000 |
| Basic earnings per share (weighted average) (Face Value – ₹ 100 per share) (Basic and Diluted EPS are same.) | (8.00) | (1.28) |

4. Taxation

No provision for current tax is made in view of the losses for the year. In view of carried forward losses, the company has deferred tax assets; however, as a matter of prudence and in view of the absence of virtual certainty of future taxable income, the same has not been recognized in the financial statements.

5. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principle amount together with interest and accordingly no additional disclosures have been made.

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

6. Payment to Statutory Auditors:

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---|---|---|
| | ₹ | ₹ |
| Audit Fees | 100,000 | 100,000 |
| Fees for the Tax Audit | 70,000 | 70,000 |
| Fees for Other Services (Limited Review etc.) | 125,000 | 125,000 |
| TOTAL | 295,000 | 295,000 |

7. The Company has no employees on its payroll during the period

8. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3 & 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956(to the extent applicable)

(A) Sales by class of goods (Net)

| | | For the year ended December 31, 2011 | For the year ended December 31, 2010 | | |
|------------|----------|---|---|--------|-----------|
| Unit | Quantity | ₹ | Quantity | ₹ | |
| Lime Stone | MT | 51,051 Mt | 9,444,424 | 41,433 | 7,193,973 |

Particulars of Licensed, installed capacity and production Of Lime stone

| | 2011 | 2010 |
|------------------------------------|-----------|-----------|
| Licensed Capacity (MT per day) | 600 | 600 |
| Installed Capacity* (MT per day) | 600 | 600 |
| Actual Productions-During the Year | 51,051 MT | 41,433 MT |

*As certified by management and accepted by the Auditors

9. The Company has filed a scheme in the High Court of Bombay in June, 2011 and hearing has been held by the said Court for amalgamation of the company with ACC Limited (Holding company)

10. Previous period figures are regrouped / restated wherever necessary to make them comparable with current year figures.

As per our report of even date

For and on behalf of the Board of
Lucky Minmat Limited,

For K.S.Aiyar & Co.
Chartered Accountants
Firm Registration No:- 100186W

B.D.Nariman Chairman

S Das Gupta
Dr. S.B. Singh
K.M.Gupta } Director

Sachin A. Negandhi
Partner
Membership No: 112888

Mumbai, February 01, 2012

Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. **U14219RJ1976PLC001697**

State Code **17**

Balance Sheet Date **31 12 2011**

II. Capital Raised during the year (Amount in ₹ Thousands)

Public Issue

N I L

Bonus Issue

N I L

Rights Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Development of Funds (Amount in ₹ Thousands)

Total Liabilities

27916

Sources of Funds

Paid up Capital

32500

Secured Loans

N I L

Application of Funds

Net Fixed Assets

45.97

Net Current Assets

24158.94

Accumulated Losses

9109.15

Total Assets

27916

Reserves & Surplus

834.92

Unsecured Loans

N I L

Investments

20.85

Misc. Expenditure

N I L

IV. Performance of the Company (Amount in ₹ Thousands)

Turnover

10897.97

Profit / Loss Before Tax

- 2600.94

Earning per share (in ₹) For Share of ₹ 100.00 each

(8.00)

Total Expenditure

13498.91

Profit After Tax

- 2600.94

Dividend Rate %

N I L

V. Generic name of three Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code) **25210090**

Product Description

**E X T R A C T I O N
T R A N S P O R T A T I O N &
S A L E O F L I M E S T O N E**

Directors' Report

TO THE MEMBERS OF

NATIONAL LIMESTONE COMPANY PRIVATE LIMITED

1. The Directors take pleasure in presenting the Thirty First Annual Report on the business and operations of the Company and the Audited Accounts for the year ended December 31, 2011.

2. FINANCIAL RESULTS

| PARTICULARS | 2011 | 2010 |
|---|-------------|-------------|
| | ₹ | ₹ |
| Sale of Products, Services and Other Income | 1,31,67,961 | 85,68,915 |
| Loss Before Tax | (2,75,244) | (8,26,528) |
| Provision for Taxation | | |
| - Deferred Tax | - | (7,940) |
| Loss after Taxation | (2,75,244) | (8,18,588) |
| Balance brought forward from previous year | (14,17,640) | (5,99,052) |
| Balance carried forward to Balance Sheet | (16,92,884) | (14,17,640) |

3. OPERATIONS

The total dispatches for the year ended December 31, 2011 were 34,822 MT as compared to 39,592 MT for the year ended December 31, 2010.

The Company has incurred a loss before tax of ₹ 2,75,244 for the year ended December 31, 2011 as compared to a loss of ₹ 8,26,528 for the year ended December 31, 2010. The loss after tax for the year ended December 31, 2011 is ₹ 2,75,244 as compared to a loss of ₹ 8,18,588 for the year ended December 31, 2010.

4. DIVIDEND

Your Directors do not recommend payment of dividend for the financial year ended December 31, 2011.

5. INDUSTRIAL RELATIONS

During the year under review, industrial relations at the Company's unit continued to remain cordial and peaceful.

6. PROPOSED AMALGAMATION OF THE COMPANY WITH ACC LIMITED

The Board of Directors had at its Meeting held on January 27, 2011 approved a Scheme of Amalgamation of your Company with ACC Limited, the holding Company, subject to all requisite approvals being obtained.

7. DIRECTORS

Mr S K Das who was appointed as a Director of the Company with effect from June 16, 2009 resigned as Director with effect from March 1, 2011. The Board has placed on record its appreciation of the valuable services rendered by Mr S K Das during his tenure as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956, Mr Burjor D Nariman and Mr Krishan Mohan Gupta retire by rotation and are eligible for reappointment.

8. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- that in the preparation of the annual accounts for the year ended December 31, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Note 1 of the Notes to the Accounts have been selected and have been applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true

and fair view of the state of affairs of the Company as on December 31, 2011, and of the loss of the Company for the year ended on that date;

- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts have been prepared on a going concern basis.

9. AUDITORS

Messrs K S Aiyar & Co, Chartered Accountants, who are the Statutory Auditors of the Company, hold office up to the date of the ensuing Annual General Meeting and are eligible for re-appointment. As required under the provision of Section 224(IB) of the Companies Act, 1956, the Company has obtained written confirmation from Messrs K S Aiyar & Co that their appointment, if made, would be in conformity with the Companies Act, 1956. The Members are requested to appoint Messrs K S Aiyar & Co, Chartered Accountants, as Auditors of the Company for the year 2012 and to authorize the Board of Directors to determine their remuneration.

10. AUDIT COMMITTEE

The Company is not required to constitute an Audit Committee under provisions of Section 292A of the Companies Act, 1956.

11. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no technology absorption and no foreign exchange earnings or outgo during the year under review. Hence the information as required under Section 217(1)(e) of the Companies Act 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is NIL.

The Company has not entered into any technology transfer agreement.

12. PARTICULARS OF EMPLOYEES

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Sec 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

13. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their appreciation of the excellent co-operation received from the Government and Company's Bankers. Your Directors also acknowledge the unstinted assistance and support received from ACC Limited, the holding Company, and thank all the employees for their valuable contribution during the year.

For and on behalf of the Board,

Burjor D Nariman
Chairman

Mumbai
February 01, 2012

Auditors' Report to the members of the National Limestone Company Private Limited

1. We have audited the attached Balance Sheet of NATIONAL LIMESTONE COMPANY PRIVATE LIMITED, as at December 31, 2011, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards 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 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) ('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:
 - a) 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;
 - b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
 - c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Profit and Loss 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;
 - e) on the basis of the written representations received from the directors, as on December 31, 2011, and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on December 31, 2011 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2011;
 - ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: February 01, 2012

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our Report of even date on the Accounts for the year ended December 31, 2011 of NATIONAL LIMESTONE COMPANY PRIVATE LIMITED)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) No fixed assets are disposed off during the year.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are 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 verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) Based upon the audit procedures performed and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b) is not applicable.
- (vi) The Company has not accepted any deposits from the public to which the provisions of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 apply.
- (vii) The Company neither has a paid-up capital and reserves exceeding ₹ 50 Lac as at the commencement of the financial year, nor does it have an average annual turnover exceeding ₹ 5 crore for the period of three consecutive financial years immediately preceding the financial year and therefore, the directions in respect of internal audit are not applicable to the Company.
- (viii) The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to the records of the Company, Provident Fund, Investor Education and Protection Fund, Employees' State

Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, cess and other material statutory dues applicable to it have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and cess which have not been deposited on account of any dispute.
- (x) The accumulated losses of the Company exceed 50% of its net worth. The Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the Company has not taken any money from financial institution, bank or debenture holders and hence clause 4(xi) is not applicable.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not raised any term loans during the year.
- (xvii) 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 aggregating to ₹ 10.57 Lac have been utilised for financing the cash losses.
- (xviii) 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, no debentures were issued during the year.
- (xx) The Company has not raised any money by way of public issue during the year. Therefore, the provision of clause (xx) of the order is not applicable to the Company.
- (xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: February 01, 2012

Balance Sheet as at December 31, 2011

| Schedules | As at December 31, 2011 | As at December 31, 2010 |
|--|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| SOURCES OF FUNDS: | | |
| Shareholders' Funds: | | |
| Share Capital 1 | 865,000 | 865,000 |
| Reserves and Surplus 2 | 422,125 | 422,125 |
| | 1,287,125 | 1,287,125 |
| TOTAL FUNDS | 1,287,125 | 1,287,125 |
| APPLICATION OF FUNDS: | | |
| Fixed Assets: 3 | | |
| Gross Block | 1,342,179 | 1,342,179 |
| Less: Accumulated Depreciation | 691,154 | 663,633 |
| Net Block | 651,025 | 678,546 |
| Current Assets, Loans and Advances: | | |
| Inventory 4 | 4,636,697 | 5,206 |
| Sundry Debtors 5 | 993,446 | - |
| Cash and Bank Balances 6 | 2,125,387 | 1,669,097 |
| Other Current Assets 7 | 420,125 | 446,061 |
| Loans and Advances 8 | 11,057,704 | 10,744,298 |
| | 19,233,359 | 12,864,662 |
| Less : Current Liabilities and Provisions: | | |
| Current Liabilities 9 | 20,290,143 | 13,673,723 |
| | 20,290,143 | 13,673,723 |
| Net Current Assets | (1,056,784) | (809,061) |
| Profit & Loss Account | 1,692,884 | 1,417,640 |
| TOTAL ASSETS | 1,287,125 | 1,287,125 |
| Notes to Accounts 12 | | |

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our report of even date For and on behalf of the Board of National Lime Stone Co. Private Limited,

For K.S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

B.D. Nariman Chairman

Dr. S.B. Singh
S. Das Gupta
K.M. Gupta } Director

Sachin A. Negandhi
Partner
Membership No. 112888
Mumbai, February 01, 2012

Profit and Loss Account for the year ended December 31, 2011

| Schedules | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|--|---|---|
| | ₹ | ₹ |
| INCOME: | | |
| Sale of Products and Services | 13,165,098 | 8,565,601 |
| Other Income 10 | 2,863 | 3,314 |
| | 13,167,961 | 8,568,915 |
| EXPENDITURE: | | |
| Manufacturing and Other Expenses 11 | 13,415,684 | 9,367,923 |
| Depreciation 3 | 27,521 | 27,520 |
| | 13,443,205 | 9,395,443 |
| Loss before Tax | (275,244) | (826,528) |
| Provision for Taxation | | |
| Deferred Tax (Income) | - | (7,940) |
| Loss after Tax | (275,244) | (818,588) |
| Balance brought forward from Previous year | (1,417,640) | (599,052) |
| Balance carried to Balance Sheet | (1,692,884) | (1,417,640) |
| Basic & Diluted Earnings per Share | (31.82) | (94.63) |
| Notes to Accounts 12 | | |

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date For and on behalf of the Board of National Lime Stone Co. Private Limited,

For K.S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

B.D. Nariman Chairman

Dr. S.B. Singh
S. Das Gupta
K.M. Gupta } Director

Sachin A. Negandhi
Partner
Membership No. 112888
Mumbai, February 01, 2012

Cash Flow Statement for the year ended December 31, 2011

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---|---|---|
| | ₹ | ₹ |
| A. Cash flow from operating activities | | |
| 1. Loss before tax | (275,244) | (826,528) |
| Adjustments for: | | |
| Depreciation | 27,521 | 27,520 |
| Interest Received | (2,863) | (3,314) |
| Operating profit before working capital changes | (250,586) | (802,322) |
| Movement in Working Capital | | |
| 2. Decrease / (Increase) in Sundry Debtors | (993,446) | - |
| 3. Decrease / (Increase) in Inventories | (4,631,491) | - |
| 4. Decrease / (Increase) in Other Current Assets | (281,624) | (10,164,370) |
| 5. Increase / (Decrease) in Other Liabilities & Provisions | 6,616,421 | 12,156,838 |
| Cash generated from operations | 459,274 | 1,190,146 |
| 6. Direct Taxes refunds/(paid) | (5,847) | (214,474) |
| Net cash from operating activities | 453,427 | 975,672 |
| B Cash flow from investing activities | | |
| 7. Interest Received | 2,863 | 3,314 |
| Net cash from investing activities | 2,863 | 3,314 |
| Net increase / (decrease) in cash & cash equivalents | 456,290 | 978,986 |
| Cash & Cash equivalents : | | |
| Opening Balance | 1,669,097 | 690,111 |
| Closing Balance | 2,125,387 | 1,669,097 |

As per our report of even date

For and on behalf of the Board of National Lime Stone Co. Private Limited,

For K.S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

B.D. Nariman *Chairman*

Dr. S.B. Singh
S. Das Gupta
K.M. Gupta } *Director*

Sachin A. Negandhi
Partner
Membership No. 112888
Mumbai, February 01, 2012

Schedules forming part of the Balance Sheet

SCHEDULE - 1. SHARE CAPITAL

| | As at December 31, 2011 | As at December 31, 2010 |
|---|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| AUTHORISED - | | |
| 50,000 Equity Shares of ₹ 100 each | 5,000,000 | 5,000,000 |
| <i>(Previous Year - 50,000 Equity Shares of ₹ 100 each)</i> | | |
| | 5,000,000 | 5,000,000 |
| ISSUED - | | |
| 8,650 Equity Shares of ₹ 100 each | 865,000 | 865,000 |
| <i>(Previous Year - 8,650 Equity Shares of ₹ 100 each)</i> | | |
| SUBSCRIBED - | | |
| 8,650 Equity Shares of ₹ 100 each | 865,000 | 865,000 |
| <i>(Previous Year - 8,650 Equity Shares of ₹ 100 each)</i> | | |
| (All the Shares held by ACC Limited the Holding Company and its nominees) | | |
| TOTAL | 865,000 | 865,000 |

SCHEDULE - 2. RESERVES AND SURPLUS

| | As at December 31, 2011 | As at December 31, 2010 |
|-----------------|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| General Reserve | 422,125 | 422,125 |
| TOTAL | 422,125 | 422,125 |

Schedules forming part of the Balance Sheet

SCHEDULE - 3. FIXED ASSETS

₹

| FIXED ASSETS | GROSS BLOCK AT COST | | TOTAL DEPRECIATION | | | NET BLOCK | |
|--------------------------------|---------------------|---------------------|---------------------|-----------------|--------------------|---------------------|---------------------|
| | As at 01-01-2011 | As at 31-12-2011 | As at 01-01-2011 | For the year | Upto 31-12-2011 | As at 31-12-2011 | As at 31-12-2010 |
| Tangible Assets : | | | | | | | |
| Freehold Land | 380,154 | 380,154 | - | - | - | 380,154 | 380,154 |
| Leasehold Land | 47,977 | 47,977 | - | - | - | 47,977 | 47,977 |
| Factory Building | 719,591 | 719,591 | 536,161 | 24,033 | 560,194 | 159,397 | 183,430 |
| Tubewell | 35,283 | 35,283 | 13,661 | 576 | 14,237 | 21,046 | 21,622 |
| Office Building | 43,459 | 43,459 | 10,808 | 708 | 11,516 | 31,943 | 32,651 |
| Plant & Machinery | 40,000 | 40,000 | 36,836 | 1,900 | 38,736 | 1,264 | 3,164 |
| Weight Machine | 57,161 | 57,161 | 57,161 | - | 57,161 | - | - |
| Magazine / Explosive Warehouse | 18,554 | 18,554 | 9,006 | 304 | 9,310 | 9,244 | 9,548 |
| Total | 1,342,179 | 1,342,179 | 663,633 | 27,521 | 691,154 | 651,025 | 678,546 |
| Previous Year | 1,342,179 | 1,342,179 | 636,113 | 27,520 | 663,633 | 678,546 | |

SCHEDULE - 4. INVENTORY

| | As at December 31, 2011 | As at December 31, 2010 |
|----------------------------|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| Stock of Crushed Limestone | 4,621,346 | - |
| Stock of Explosive | 3,974 | 3,974 |
| Stock of Limestone | 11,377 | 1,232 |
| TOTAL | 4,636,697 | 5,206 |

SCHEDULE - 5. SUNDRY DEBTORS

| | As at December 31, 2011 | As at December 31, 2010 |
|---|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| DEBTORS (Unsecured, Consodered good) | | |
| Over Six Month | 126,847 | - |
| Others | 866,599 | - |
| TOTAL | 993,446 | - |

SCHEDULE - 6. CASH AND BANK BALANCES

| | As at December 31, 2011 | As at December 31, 2010 |
|-------------------------------------|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| Balance With Scheduled Banks | | |
| In Current Account | 1,668,387 | 1,100,097 |
| In Fixed Deposits | 457,000 | 569,000 |
| TOTAL | 2,125,387 | 1,669,097 |

SCHEDULE - 7. OTHER CURRENT ASSETS

| | As at December 31, 2011 | As at December 31, 2010 |
|------------------|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| Accrued Interest | 2,863 | 40,683 |
| Prepaid Expense | 417,262 | 405,378 |
| TOTAL | 420,125 | 446,061 |

SCHEDULE - 8. LOANS AND ADVANCES

(Unsecured, Considered Good unless otherwise stated)

| | As at December 31, 2011 | As at December 31, 2010 |
|--|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| Sundry Advances And Deposits, etc. | | |
| Advance to holding company | 50,000 | 50,000 |
| Advances Recoverable in cash or in kind or for value to be received | 10,765,576 | 10,458,017 |
| | 10,815,576 | 10,508,017 |
| Advance Payments against Taxes | 242,128 | 236,281 |
| TOTAL | 11,057,704 | 10,744,298 |

SCHEDULE - 9. CURRENT LIABILITIES

| | As at December 31, 2011 | As at December 31, 2010 |
|----------------------------|-------------------------------|-------------------------------|
| | ₹ | ₹ |
| Sundry Creditors | | |
| Payable to holding company | 15,678,851 | 12,797,015 |
| Others | 4,241,043 | 810,857 |
| Other Current Liabilities | 370,250 | 65,851 |
| TOTAL | 20,290,144 | 13,673,723 |

Schedules forming part of the Profit and Loss Account

SCHEDULE - 10. OTHER INCOME

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---------------------|---|---|
| | ₹ | ₹ |
| Other Income | | |
| Interest Income | 2,863 | 3,314 |
| TOTAL | 2,863 | 3,314 |

SCHEDULE - 11. MANUFACTURING AND OTHER EXPENSES

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|--|---|---|
| | ₹ | ₹ |
| MANUFACTURING EXPENSES | | |
| Purchase of Crushed Limestone | 6,719,025 | - |
| Purchase of Masonary Stone | 1,407,116 | - |
| Stores and Spares parts Consumed | 150,195 | 466,143 |
| Power and Fuel (Diesel & Electricity) | 2,265 | 19,688 |
| Crushing Charges | 2,966,082 | - |
| Royalties | 2,263,442 | 2,055,976 |
| Loading, Transportation, Mines Expenses and Other Charges | 2,451,045 | 6,312,946 |
| | 15,959,170 | 8,854,753 |
| ADMINISTRATIVE, SELLING AND OTHER EXPENSES | | |
| Rates and Taxes (Including Sale Tax Expense & Cess) | 16,904 | 40,162 |
| Travelling Expenses | 235,960 | 210,885 |
| Outward Transportation | 992,823 | - |
| Bank Charges | 5,067 | 15,612 |
| Professional Charges | 300,884 | 25,369 |
| Legal Expenses | 286,780 | 6,279 |
| Stationary Expense | 12,125 | 23,930 |
| Miscellaneous Expenses | 106,462 | 59,933 |
| Auditors Remuneration | 131,000 | 131,000 |
| | 2,088,005 | 513,170 |
| (INCREASE)/ DECREASE IN STOCKS | | |
| Closing Stocks - | | |
| Finished Goods | 4,621,346 | - |
| Raw Material | 15,351 | 5,206 |
| | 4,636,697 | 5,206 |
| Opening Stocks - | | |
| Raw Material | 5,206 | 5,206 |
| | 5,206 | 5,206 |
| | (4,631,491) | - |
| TOTAL | 13,415,684 | 9,367,923 |

SCHEDULE - 12. NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2011

(A) Basis of preparation

- The financial statements have been prepared in accordance with the accounting principle generally accepted in India and comply in all material aspects with the notified Accounting Standards specified in Companies (Accounting Standards) Rules, 2006 prescribed by the Central Govt and the relevant provisions of the Companies Act, 1956.
- Financial statements are based on historical cost and are prepared on accrual basis, except where impairment is made and revaluation is carried out.
- Accounting policies have been consistently applied by the Company.

(B) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(C) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

I. Sale of goods

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which is generally on dispatch of products and is stated net of returns.

II. Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(D) Fixed assets

Fixed assets are stated at cost of acquisition or construction including attributable interest and financial costs till such assets are ready for its intended use, less accumulated depreciation, impairment losses and specific grants received, if any.

(E) Depreciation

All assets are depreciated on the straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956, on a pro-rata basis.

(F) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

(G) Investments

Current Investments are stated at lower of cost or fair value. Long term Investments are stated at cost. Provision for diminution in value is made only if decline is other than temporary.

(H) Income taxes

Tax expense comprises of current and deferred tax. Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

(I) Contingencies / Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate 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 contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

(J) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(K) Segment Reporting

The Company is operating only in one significant business segment i.e. Extraction and sale of lime stone; hence segment information as per Accounting Standard 17 is not required to be disclosed. The company is catering mainly to the need of the domestic market; as such there is no reportable Geographical Segments.

(L) Inventories

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

2. Related Party Disclosure

Particulars of Related Parties, which control or are under common control with the Company:

| Name of Related Parties | Nature of Relationship |
|--|--|
| ACC Limited | Holding Company |
| Bulk Cement Corporation (India) Limited. | Fellow Subsidiary Company |
| ACC Mineral Resourcing Limited | Fellow Subsidiary Company |
| Lucky Minmat Limited | Fellow Subsidiary Company |
| ACC Concrete Limited | Fellow Subsidiary Company |
| Encore Cement and Additives Private Limited. | Fellow Subsidiary Company w.e.f. January 28, 2010. |

| Name of Related Parties | Nature of Relationship |
|---|---|
| MP AMRL (Semaria) Coal Company Limited | Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL) |
| MP AMRL (Bicharpur) Coal Company Limited | Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL) |
| MP AMRL (Marki Barka) Coal Company Limited | Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL) |
| MP AMRL (Morga) Coal Company Limited | Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL) |
| Alcon Cement Company Private Limited | Associate Company of the Holding Company |
| Asian Concretes & Cements Private Limited | Associate Company of the holding company w.e.f. April 01, 2010. |
| Aakaash Manufacturing Company Private Limited | Associate Company of Fellow subsidiary ACC Concrete Limited w.e.f. March 25, 2011 |
| Holcim Limited | Ultimate holding Company |
| Ambuja Cement India Private Limited* | Holding Company of the Holding Company |
| Ambuja Cements Limited | Fellow subsidiary of the holding Company |
| Holderind Investments Limited | Fellow subsidiary of the holding Company |
| Holcim (India) Private Limited* | Holding Company of the Holding Company |
| Holcim Group Support Limited | Fellow subsidiary of the holding Company |
| Holcim (Singapore) Pte Limited | Fellow subsidiary of the holding Company |
| Holcim Trading FZCO | Fellow subsidiary of the holding Company |
| Holcim (Lanka) Limited | Fellow subsidiary of the holding Company |
| PT Holcim Indonesia Tbk | Fellow subsidiary of the holding Company |
| Holcim Services (South Asia) Limited | Fellow subsidiary of the holding Company |
| Siam City Cement Public Company Limited | Fellow subsidiary of the holding Company |
| Holcim (Bangladesh) Limited | Fellow subsidiary of the holding Company |
| Holcim (Canada) INC. | Fellow subsidiary of the holding Company |
| Holcim (Vietnam) Limited | Fellow subsidiary of the holding Company |
| Holcim Environment Services SA, Belgium | Fellow subsidiary of the holding Company |
| Holcim (Malaysia) SDN BHD | Fellow subsidiary of the holding Company |
| Holcim (US) | Fellow subsidiary of the holding Company |
| Holcim Foundation | Fellow entity of the holding Company |
| Holcim Philippines | Fellow subsidiary of the holding Company |

Note:

During the current year, the Holding Company has become a subsidiary of Holcim (India) Private Limited and accordingly Holcim Group companies which were reported as promoter group Companies till last year, have now being reported as Fellow Subsidiaries of Holding Company. Previous year's disclosures have been regrouped based on current year's relationship to facilitate comparison.

*During the current year Ambuja Cement India Private Limited has amalgamated with Holcim (India) Private Limited.

(b) Transactions with Holding Company

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---|---|---|
| | ₹ | ₹ |
| (i) Sale to ACC Limited | 825,331 | 8,565,601 |
| (ii) Dead Rent / Land tax / F.B.T Paid on behalf of National Limestone Company Private Limited By ACC Limited | 692,167 | 1,210,000 |
| (iii) Transportation charge Recovery from ACC Limited | - | 7,677,000 |
| (iv) Outstanding balance (Net) to ACC Limited | 15,628,860 | 12,797,014 |

(c) Transactions with Fellow Subsidiary Company

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|---|---|---|
| | ₹ | ₹ |
| (i) Sale to ACC Concrete Limited | 1,852,523 | - |
| (ii) Freight Charges | 1,653,276 | - |
| (iii) Outstanding balance (Net) to ACC Concrete Limited | 822,698 | - |

3. Earnings per Share-[EPS]

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|--|---|---|
| | ₹ | ₹ |
| Profit / (Loss) after taxation as per Profit & Loss Account | (275,244) | (818,588) |
| Weighted average number of Equity Shares Outstanding | 8,650 | 8,650 |
| Basic earnings per share (weighted average) (Face Value – ₹ 100 per share) | (31.82) | (94.63) |
| (Basic and Diluted earnings per share are same) | | |

4. Taxation

No provision for current tax is made in view of the losses for the year. In view of carried forward losses, the company has deferred tax assets; however, as a matter of prudence and in view of the absence of virtual certainty of future taxable income, the same has not been recognized in the financial statements.

5. Contingent Liability Not Provided For

Demand for land tax.

| Year | 2011 | 2010 |
|---------------|----------------------|----------------------|
| | For the year | For the year |
| | Cumulative | Cumulative |
| Amount (in ₹) | 3,850,000 15,400,000 | 3,850,000 11,550,000 |

6. The Company has filed a petition against the Order / Notices of Mining Authorities towards a demand of ₹ 9,925,437/- as additional Royalty on Limestone extracted in earlier years which in view of Company is legally unsustainable and the Company does not expect any liability in this matter.
7. The Company has accumulated losses at December 31, 2011, and the net worth is negative. The company has obtained support from ACC Limited (Holding Company) assuring continuous support to finance the operation of the company which being turned after acquisition. Hence, the accounts are prepared on going concern basis.

8. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principle amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

9. Payment to Statutory Auditors

| Particulars | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|-------------------------|---|---|
| | ₹ | ₹ |
| Audit Fees | 75,000 | 75,000 |
| Fees for other services | 56,000 | 56,000 |
| TOTAL | 131,000 | 131,000 |

10. The Company has no employees on its payroll during the year

11. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3 & 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956 (wherever applicable)

(A) Sales by class of goods (Net)

| | 2011 | 2010 |
|------------|----------------------|------------------|
| Unit | Quantity ₹ | Quantity ₹ |
| Lime Stone | MT 34,822 131,65,098 | 39,592 85,65,601 |

12. Particulars of Licensed, Installed Capacity & Production

As Certified by Management

| | For the year ended December 31, 2011 | For the year ended December 31, 2010 |
|--|---|---|
| | ₹ | ₹ |
| Licensed Capacity Limestone (MT per day) | 300 MT | 300 MT |
| Installed Capacity*Limestone (MT per day) | 300 MT | 300 MT |
| Actual Productions-During the Year (Limestone) | 34,822 MT | 39,592 MT |

*As certified by management and accepted by the Auditors

13. The Company has filed a scheme in the High Court of Bombay in June, 2011 and hearing has been held by the said Court for amalgamation of the company with ACC Limited (Holding company)
14. Previous period figures are regrouped / restated wherever necessary to make them comparable with current year figures.

Signatures to Schedules 1 to 12

As per our report of even date For and on behalf of the Board of National Lime Stone Co. Private Limited,

For K.S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

B.D. Nariman Chairman

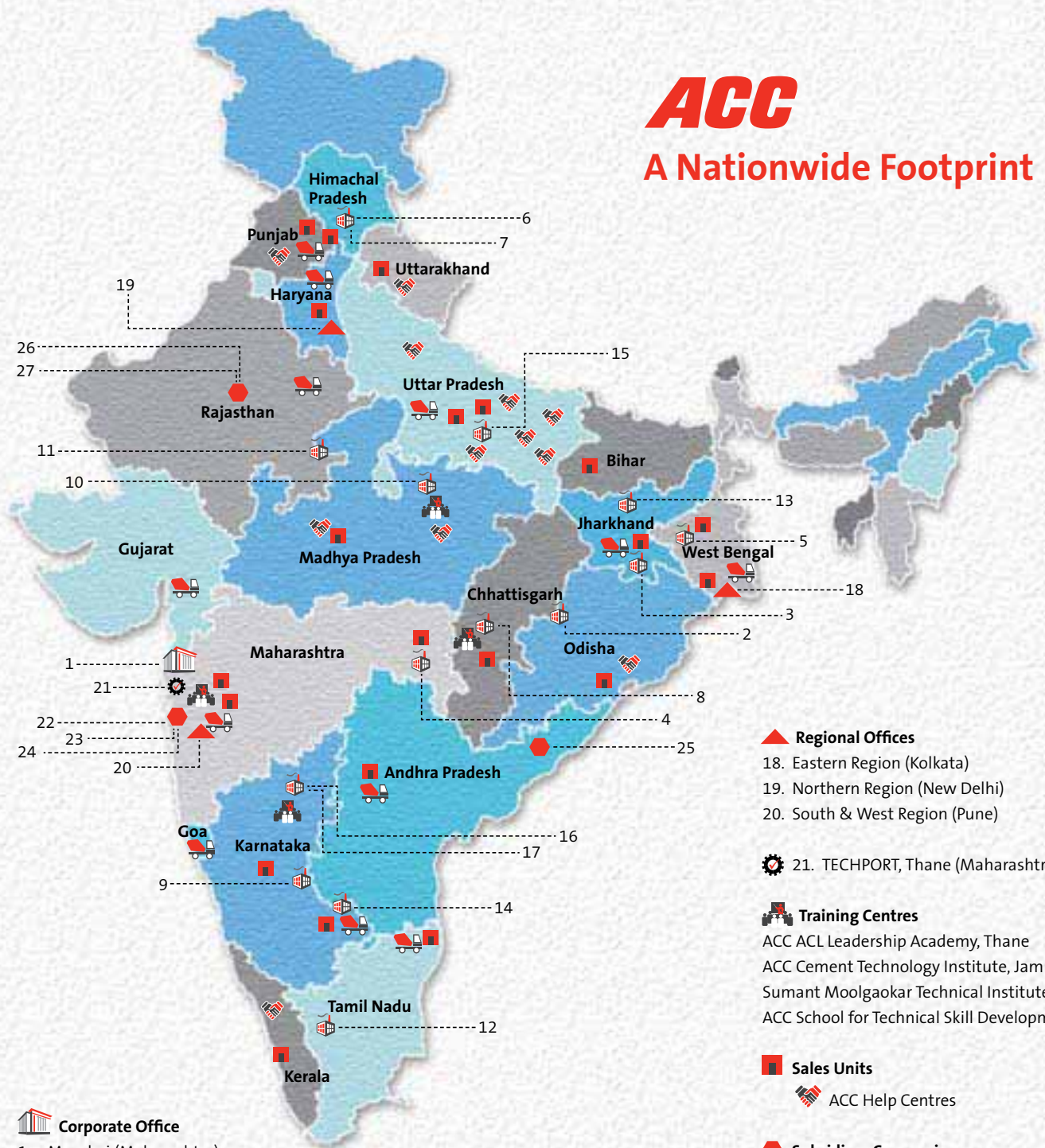
Dr. S.B. Singh
S. Das Gupta
K.M. Gupta } Director

Sachin A. Negandhi
Partner
Membership No. 112888
Mumbai, February 01, 2012

| | | | | | | | | | | | | | | | | | |
|---|---|---|---|--|---|---|--|---|---|---|---|--|---|---|---|---|---|
| S | A | L | E | | O | F | | L | I | M | E | | S | T | O | N | E |
|---|---|---|---|--|---|---|--|---|---|---|---|--|---|---|---|---|---|

ACC

A Nationwide Footprint



Corporate Office

1. Mumbai (Maharashtra)

Cement Plants

2. Bargarh (Odisha)
3. Chaibasa (Jharkhand)
4. Chanda (Maharashtra)
5. Damodhar (West Bengal)
6. Gagal I (HP)
7. Gagal II (HP)
8. Jamul (Chhattisgarh)
9. Kudithini (Karnataka)
10. Kymore (MP)
11. Lakheri (Rajasthan)
12. Madukkarai (TN)
13. Sindri (Jharkhand)
14. Thondebhavi (Karnataka)
15. Tikaria (UP)
16. Wadi I (Karnataka)
17. Wadi II (Karnataka)

Regional Offices

18. Eastern Region (Kolkata)
19. Northern Region (New Delhi)
20. South & West Region (Pune)

21. TECHPORT, Thane (Maharashtra)

Training Centres

ACC ACL Leadership Academy, Thane
ACC Cement Technology Institute, Jamul
Sumant Moolgaokar Technical Institute, Kymore
ACC School for Technical Skill Development, Wadi

Sales Units

ACC Help Centres

Subsidiary Companies

22. ACC Concrete Limited (Maharashtra)
23. ACC Mineral Resources Limited (Maharashtra)
24. Bulk Cement Corporation (India) Limited (Maharashtra)
25. Encore Cement & Additives Pvt. Ltd. (Andhra Pradesh)
26. Lucky Minmat Limited (Rajasthan)
27. National Limestone Company Pvt. Ltd. (Rajasthan)



ACC Limited

Cement House,
121, Maharshi Karve Road,
Mumbai 400 020, India.
www.acclimited.com