ACC

Embracing Tomorrow
Enhancing Value

ACC LIMITED
77th Annual Report 2012

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 Bernard Fontana

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
Chief Executive Officer & Managing Director

Mr Sunil Nayak
Chief Financial Officer

Mr J DattaGupta
Chief Commercial Officer

Mr Rajiv Prasad
Chief Executive, North Region

Mr Vivek Chawla
Chief Executive, East Region

Mr P N Iyer
Chief Executive, South & West Region

Mr Shakti Arora
Chief Central Procurement Officer

COMPANY SECRETARY & HEAD - COMPLIANCE

Mr Burjor D Nariman

AUDITOR

S R Batliboi & Co.

COST AUDITOR

N I Mehta & Company

BANKERS

State Bank of India

Citibank, NA

The Hongkong & Shanghai Banking Corporation Limited

HDFC Bank Limited

REGISTERED OFFICE

Cement House
121 Maharshi Karve Road
Mumbai 400 020

Website: www.acclimited.com

CONTENTS

Accounts - Subsidiary Companies

ANNUAL GENERAL MEETING

On Friday, April 5, 2013
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 journey to enhance customer value and pursue cost leadership continues through improvements in manufacturing, sales & marketing, logistics and procurement of major inputs.

We aim to maintain special focus on the following:

- Safety; Zero Harm anywhere to anyone associated with ACC.
- Enhancing Customer Value. Meeting and exceeding their expectations in supplying best quality cement consistently, with service levels aspiring to exceed their rising expectations.
- Building organisation and capability and implementing step changing ideas and innovations to realise our growth aspirations.
- Creating a great place to work.
- A special focus on input costs of coal and energy.
- Aim to move efficiently and move less.
- Continuing our good work with communities with a renewed focus.

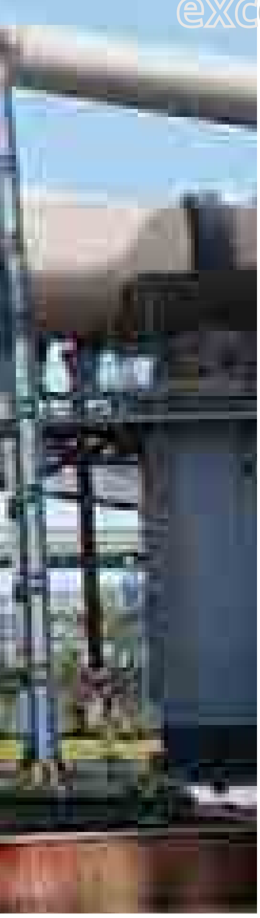
Through these efforts, we have aimed to realise our complete potential and achieve benchmark level of performance - to pursue what it takes to sustain superior performance over time.

At the close of the year 2012, we took a step forward in our growth journey by ordering the Jamul expansion project and groundbreaking at Jamul project site in Chhattisgarh.

New benchmarks in performance have been created by several plants with notable achievements in reducing specific thermal energy consumption, specific electrical energy and outstanding results in reducing the percentage of clinker factor.

MANUFACTURING EXCELLENCE

manufacturing excellence



The objective in our manufacturing excellence programme has been to achieve reduction in the cost of production both on an overall basis and at each plant. Dedicated project teams were formed to drive improvement projects on important cost performance indicators across all plants. In addition, companywide communities of practice were set up for key performance indicators to achieve improvements in the clinker factor, thermal and electrical efficiency. These initiatives created a basis for providing opportunities for regular sharing of best practices and ideas across the organisation as well as for internal and external benchmarking. A notable feature of the programme is the creation of model plants characterized by their best performance, best practices, infrastructure and setting up a good training culture.

We have also targeted improvements in the Coal Value Chain to address our fuel bill. Coal is among the most critical inputs for cement. Accordingly, we examined sourcing strategies for different types of coal, identifying the optimal coal mix for all plants and creating a roadmap for plants to use their optimal coal mix.

New benchmarks in performance have been created by several plants with notable achievements in reducing specific thermal energy consumption, specific electrical energy and outstanding results in reducing the percentage of clinker factor. A new milestone was also achieved by one plant when it successfully switched to 100 per cent use of petcoke.

ENHANCING CUSTOMER VALUE

enhancing
customer
value

New methods and tools have been designed to assess and benchmark marketing performances. There are new systems in place to garner customer feedback and insights as well as to gauge customer expectations.

The aim to secure superior value for the customer has generated a lot of excitement and energy in the young and dynamic sales team of the company. In the process, we have set about developing leaders, coaches and empowered teams in the sales function to drive the change needed to nurture and strengthen the company's brand advantage, sustain market share and aim for top-line growth.

New methods and tools have been designed to assess and benchmark marketing performances. There are new systems in place to garner customer feedback and insights as well as to gauge customer expectations. Simultaneously action has been initiated to improve customer service levels.

The company's core customers continue to comprise the individual house builder in our cities and towns. At the same time, urbanization and infrastructure development unfold new growth segments for our cement and concrete.

LOGISTICS EXCELLENCE

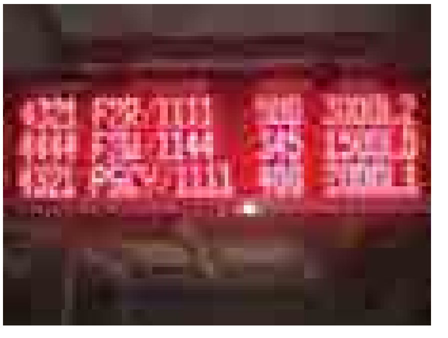
logistics excellence

Radio Frequency Identification (RFID) and Global Positioning Systems (GPS) technology are being deployed in our logistics operations in phases to identify and locate vehicles both within and outside our plants.

Cement is a vital building material that demands well-organized distribution and timely delivery. Inward and outward transportation form a significant share of our overall costs. Through a structured programme launched last year, the company aspired to achieve best-in-class logistics performance in terms of cost-to-serve and time-to-serve. This called for active collaboration between all internal and external stakeholders from the plant and sales offices to transporters, railways, clearing agents and channel partners. The guiding principles are simple - move less, handle less, move efficiently, contract efficiently and manage growth. Each of these generated several operational and strategic improvement initiatives across the company.

Radio Frequency Identification (RFID) and Global Positioning Systems (GPS) technology are being deployed in our logistics operations in phases to identify and locate vehicles both within and outside our plants. These help in minimising in-plant loading time and in tracking vehicles in transit to end-consumer destinations, thus cutting down delays, enhancing vehicle turn-arounds. RFID and GPS solutions hold the promise to revolutionize cement logistics operations.

Safety in logistics received special focus through concerted interventions in people development. Health and safety checks in our plants are being carried out in phases with the help of external consultants who examine aspects such as truck parking yards, traffic flow for inbound and outbound material, storage points, packing house, road and rail infrastructure and guidelines for safe and efficient evacuation management. Additionally, driver training and health camps are also carried out at all plants.



RESPONSIBLE BUSINESS

responsible business

The company maintained its ongoing thrust on reducing the overall carbon footprint of its operations using the recognized levers of (a) manufacturing blended cements that consume less clinker, (b) pursuing continuous improvements in thermal and electrical energy efficiency, (c) improving the usage of Alternative Fuels and Raw materials (AFR) and (d) adopting clean and green technologies.

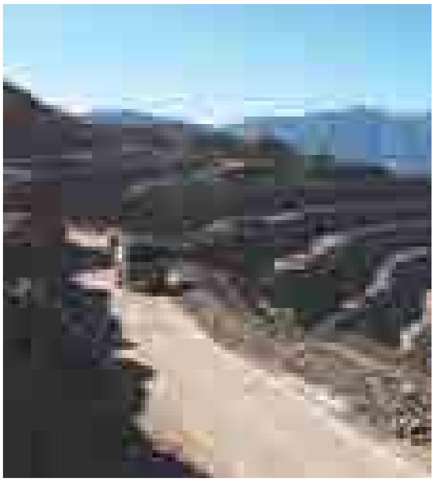
In the Corporate Sustainability Label programme initiated by CII-ITC Centre of Excellence for Sustainable Development (said to be the world's first evaluation of its kind), ACC was awarded the rating of "Sustainable Plus" in category Gold.

The company has been working on ways to maximize the present AFR business by maximizing existing waste streams, identifying new waste avenues, through better sourcing and securing future markets.

ACC is one of the three cement companies to co-chair the project to develop a roadmap for Low Carbon Technology for India's cement industry. Again, ACC was the only cement company to figure in the Carbon Disclosure Leadership Index that was part of the Carbon Disclosure Project report 2012 for India. In the Corporate Sustainability Label programme initiated by CII-ITC Centre of Excellence for Sustainable Development (said to be the world's first evaluation of its kind), ACC was awarded the rating of "Sustainable Plus" in category Gold.

A new green energy initiative of ACC, the waste heat recovery power generation plant at Gagal, is nearing completion and will be commissioned this year.

On the social side of the Triple Bottom Line, the company continued to partner with local communities in its neighbourhood to engage with them in providing education and healthcare and support efforts in creating sustainable livelihoods, building village infrastructure and other community development initiatives.



PEOPLE EXCELLENCE

people
excellence

Keeping business growth in mind, our journey of People Excellence revolves around building capability and leadership skills to make the organization future ready. We created a structured framework to develop people across all cadres and make them future leaders who would drive our growth initiatives. Due emphasis is given to upgrade the skills of all employees so they are aligned to changing business requirements. This journey will be continued and further institutionalized with the help of line managers. Our endeavour is to involve all line managers and make them take ownership of their team development. Our line managers will thus become "People Managers".

A robust learning and development architecture has been put in place to provide differential talent development solutions for each level of employees, including 'First Time Manager' skills.

Our talent management interventions have already received external recognition. Through these we are seeking to build organization capability and create a leadership pipeline. A robust learning and development architecture has been put in place to provide differential talent development solutions for each level of employees, including ‘First Time Manager’ skills. In addition, there are on-boarding centres and on-the-job training for fresh graduates and graduate engineer trainees.

Workmen and supervisors constitute a major part of our workforce. They are major partners in our growth journey and the backbone in driving operations and maintenance at the Plants. This vital group of the company is now renamed as “Shop Floor Associates” to convey a change in mindset, instill in them a greater sense of pride and recognition and to invite them to participate more meaningfully in problem-solving and improvement projects.

Global CSR Excellence and Leadership award to ACC Madukkarai, category Environment initiatives

Best Sustainable Business Practices award to ACC Geocycle from World CSR Forum

Corporate Affairs Leadership award from World CSR Forum

National Safety award to ACC Madukkarai from Inspectorate of Factories, Government of Tamil Nadu

Chief Financial Officer award 2012 from The Institute of Chartered Accountants of India category CA CFO - manufacturing sector

Second Asian Manufacturing and Supply Chain award for Excellence in material handling

Best Talent Management Strategy award from ET Now Talent & HR Leadership

Institution Building, CEO with HR Orientation and Talent Management awards from Institute of Public Enterprise - Global HR Excellence

National Energy Conservation award 2012 from Bureau of Energy Efficiency, Ministry of Power, Government of India to ACC Thondebhavi

Rajasthan Energy Conservation award 2012 to ACC Lakheri from Government of Rajasthan

Asia Responsible Entrepreneurship award in the category Social Empowerment from Enterprise Asia, South Asia

India Manufacturing Excellence awards 2012 - Platinum to ACC Lakheri, Gold Certificates of Merit to ACC Gagal, Jamul & Wadi (II) and Silver to Chanda and Kudithini by The Economic Times and Frost & Sullivan

National Safety Council award for 2011 to ACC Gagal

CNBC Asia India Talent Management award 2012

Greentech Environment award 2012 by Greentech Foundation to ACC Kudithini, Gold Category in Cement Sector

Association of Business Communicators of India (ABCI) awards for Annual Report design 2011, Parivar page on Facebook and Corporate Calendar for 2012

Earth Care award to ACC Gagal for Excellence in Climate Change, GHG Mitigation & Adaptation in Cement Sector from JSW Foundation

Best Environment Practice in Cement Industry to ACC Sindri by The Institution of Engineers (India) Dhanbad Local Center

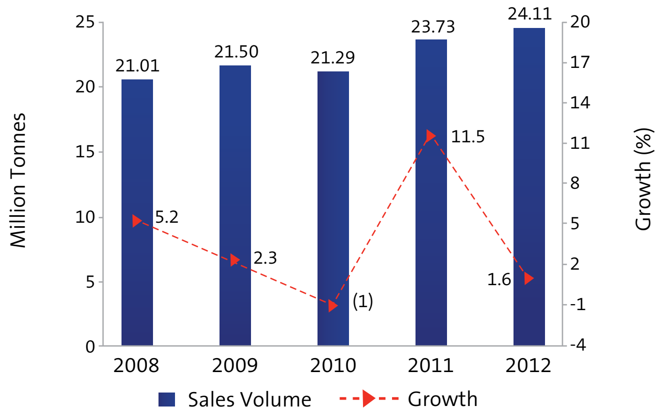
CII National Energy Management award for Energy Efficient Unit to ACC Lakheri

Green Manufacturing Excellence award 2012 by Frost and Sullivan to ACC Gagal, Lakheri, Sindri, Wadi and Thondebhavi

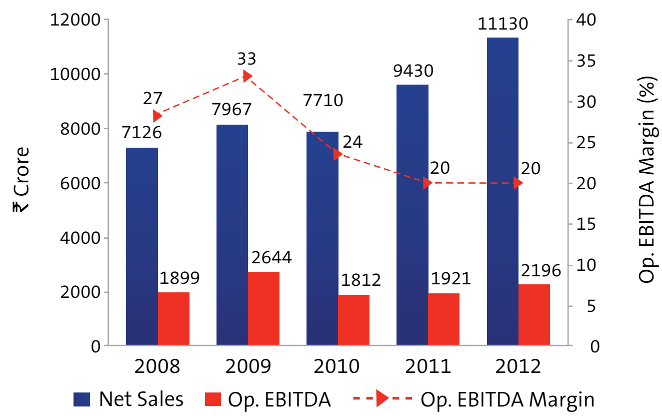
IMC Ramkrishna Bajaj National Quality award Certificate of Merit to ACC Gagal and **Performance Excellence Trophy** to DAV ACC Gagal Sr Secondary School

Performance Highlights

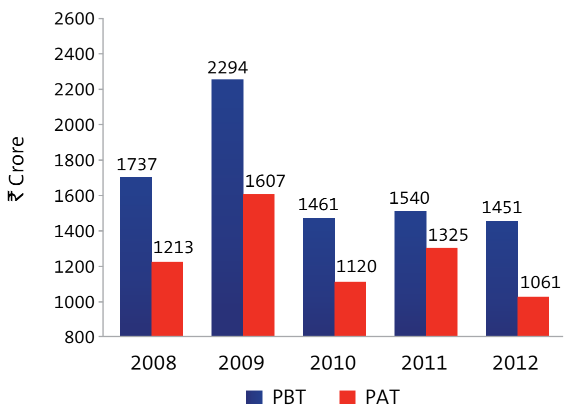
SALES VOLUME & GROWTH



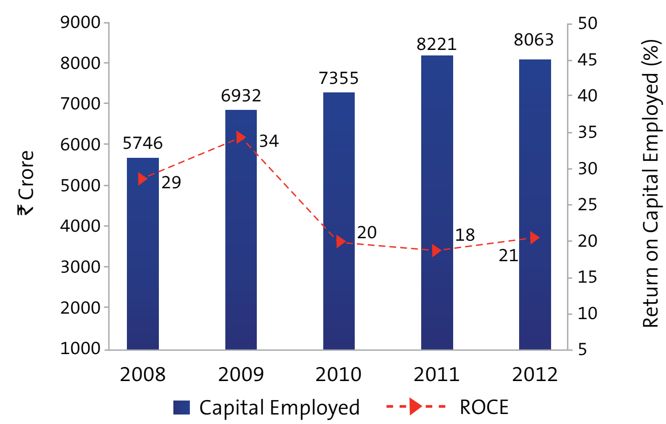
NET SALES, OPERATING EBITDA & OPERATING EBITDA MARGIN



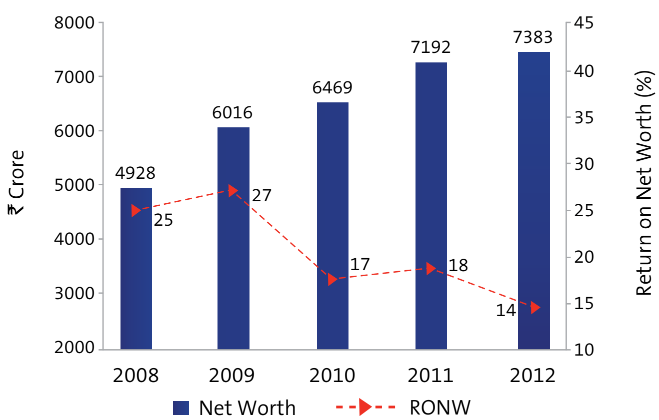
PROFIT BEFORE TAX & PROFIT AFTER TAX



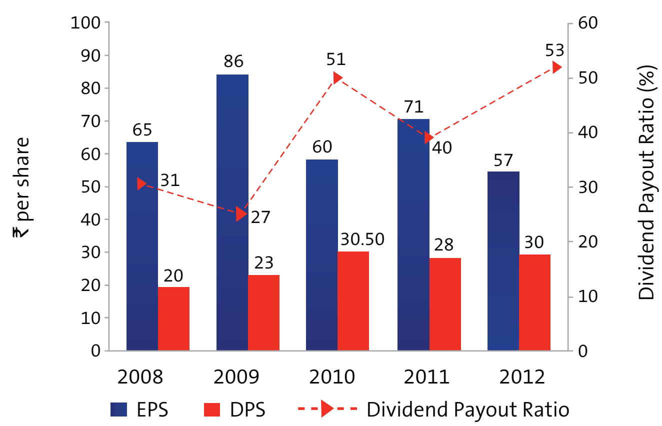
CAPITAL EMPLOYED & RETURN ON CAPITAL EMPLOYED



NET WORTH & RETURN ON NET WORTH

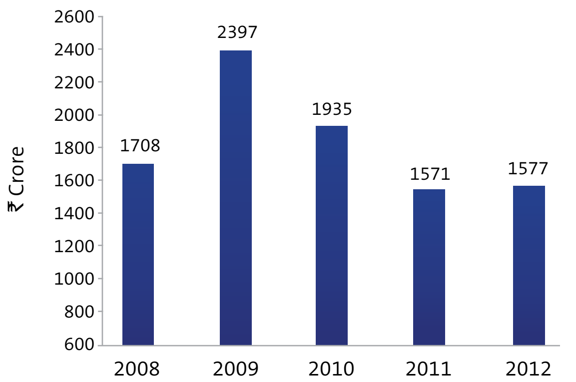


DIVIDEND PER SHARE, EARNING PER SHARE & DIVIDEND PAYOUT RATIO*

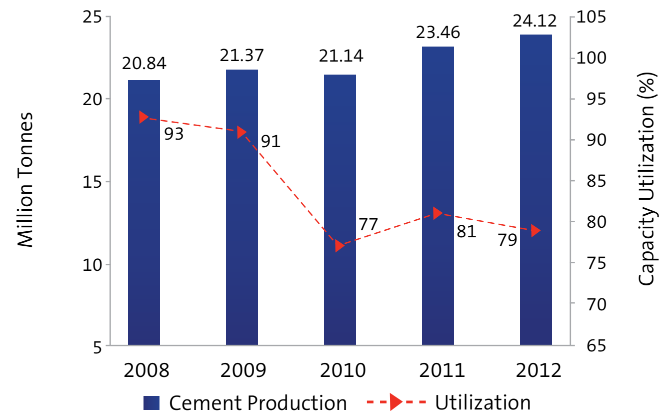


Dividend Payout Ratio is calculated without considering dividend distribution tax

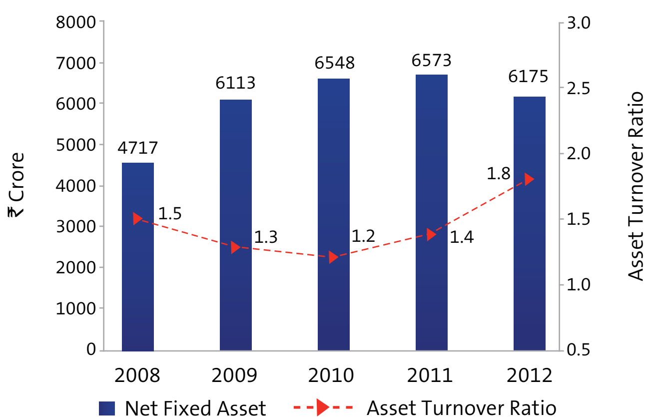
NET CASH GENERATED FROM OPERATIONS



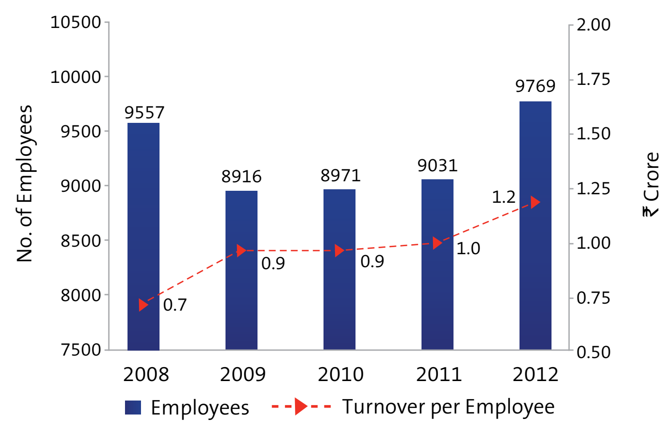
CEMENT PRODUCTION & CAPACITY UTILIZATION



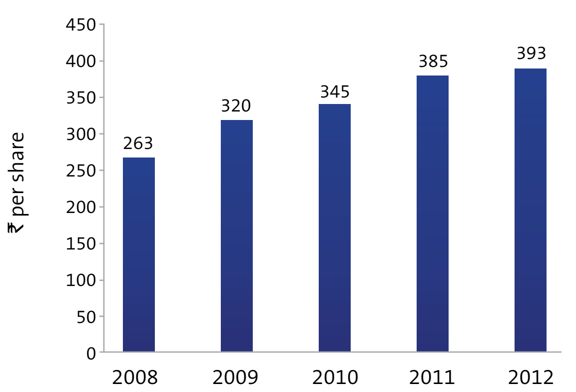
NET FIXED ASSETS & ASSET TURNOVER RATIO



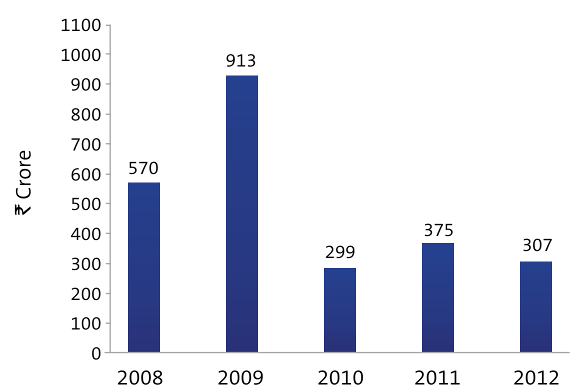
EMPLOYEES AT THE YEAR END & TURNOVER PER EMPLOYEE



BOOK VALUE PER SHARE

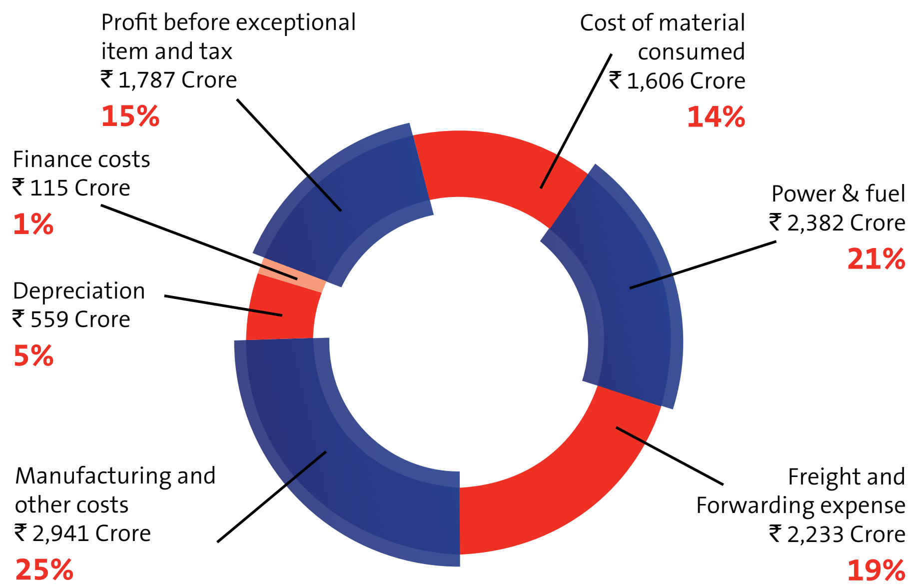


ECONOMIC VALUE ADDED (EVA)

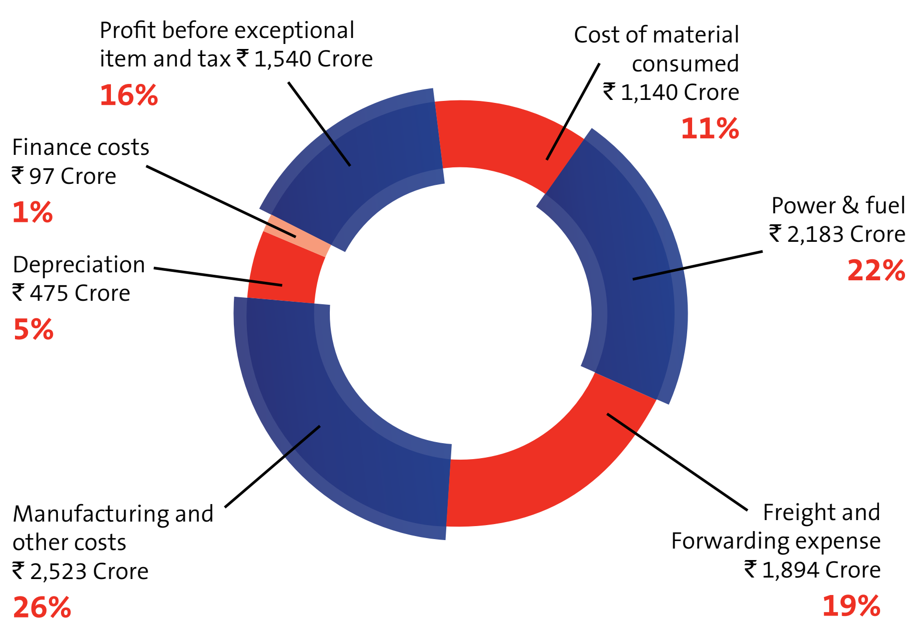


Cost & Profit as a Percentage of Total Income

2012



2011



Financial Highlights

₹ Crore

	2012	2011	2010	2009	2008	2007	2006	2005*	2004-05	2003-04
INCOME STATEMENT										
Net Sales	11,130	9,430	7,710	7,967	7,126	6,905	5,803	3,221	3,902	3,284
Operating EBIDTA	2,196	1,921	1,812	2,644	1,899	1,993	1,717	616	715	496
Profit before Tax	1,451	1,540	1,461	2,294	1,737	1,930	1,620	684	444	254
Profit after Tax	**1,061**	**1,325**	**1,120**	**1,607**	**1,213**	**1,439**	**1,232**	**544**	**378**	**200**
BALANCE SHEET										
Net Worth	7,383	7,192	6,469	6,016	4,928	4,153	3,142	2,130	1,585	1,319
Borrowings	163	511	524	567	482	306	771	1,071	1,408	1,353
Net Fixed Assets	6,175	6,573	6,548	6,113	4,717	3,741	3,396	3,047	2,835	2,451
Cash and cash equivalents#	**3,037**	**2,832**	**2,288**	**1,876**	**1,438**	**1,489**	**1,080**	**348**	**57**	**114**
Current Assets	3,198	3,791	2,851	2,458	3,116	2,426	2,006	1,496	1,251	1,061
Current Liabilities	3,863	3,768	3,746	3,114	2,766	2,221	1,672	1,335	1,076	941
Capital Employed	8,063	8,221	7,355	6,932	5,746	4,791	4,234	3,508	3,301	2,982
SIGNIFICANT RATIOS										
Operating EBIDTA / Net sales	20%	20%	24%	33%	27%	29%	30%	19%	18%	15%
Return on Capital Employed	**21%**	**18%**	**20%**	**34%**	**29%**	**36%**	**41%**	**19%**	**16%**	**12%**
Return on Net Worth	14%	18%	17%	27%	25%	35%	39%	34%	24%	15%
Current Ratio	0.83	1.01	0.76	0.72	1.00	0.99	1.15	1.06	1.13	1.11
Debts Equity Ratio	0.02	0.07	0.08	0.09	0.10	0.07	0.25	0.50	0.89	1.02
Price Earning Ratio	25.15	16.29	18.04	10.23	7.39	13.74	16.44	17.74	17.25	21.62
Net worth per Share (₹)	393	385	345	320	263	221	168	115	89	74
Dividend per share (₹)	30.00	28.00	30.50	23.00	20.00	20.00	15.00	8.00	7.00	4.00
Basic Earnings per Share (₹)	56.52	70.59	59.66	85.60	64.63	76.75	66.02	30.02	21.23	11.68
CASH FLOWS										
Net cash provided by / (used in)										
Operating activities	1,577	1,571	1,935	2,397	1,708	2,023	1,422	644	598	478
Investing activities	(311)	(258)	(812)	(1,505)	(1,170)	(824)	(483)	(181)	(519)	(415)
Financial activities	(1,066)	(768)	(621)	(455)	(297)	(1,075)	(423)	(419)	(87)	(33)

Balance Sheet for the year 2012 and 2011 have been published as per revised Schedule VI, whereas data for the period upto 2010 are as per old Schedule VI. For better comparison with earlier years, some figures have been regrouped.

*Pertains to 9 months period

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

Current maturities of Long-Term Borrowings have been included in Borrowings excluding the same from current liabilities.

Economic Value Added [EVA] Statement

₹ Crore

	2012	2011	2010	2009	2008
Capital employed	8063	8,221	7,355	6,932	5,746
Avg Capital Employed	8,142	7,788	7,144	6,339	5,268
EVA					
Net operating profit after taxes*	1,288	1,325	1,120	1,607	1,213
Cost of Capital	981	950	821	694	643
EVA	**307**	**375**	**299**	**913**	**570**
Return on Capital employed (%)	13.03	17.01	15.68	25.35	23.02
Weighted Average Cost of Capital (%)	12.05	12.20	11.49	10.95	12.20
EVA / Capital Employed (%)	**3.77**	**4.82**	**4.19**	**14.40**	**10.82**
Enterprise Value					
Market Capitalisation (As at December, 31)	26,836	21,345	20,194	16,362	9,012
Add: Debts	163	511	524	567	482
Less: Cash and Cash Equivalents	3,037	2,832	2,288	1,876	1,438
EV (Enterprise Value)	**23,962**	**19,023**	**18,430**	**15,053**	**8,055**
EV / Yr. End Capital Employed (Times)	**2.97**	**2.31**	**2.51**	**2.17**	**1.40**

* Net Operating profit excludes exceptional item and tax impact on the same.

Notice

NOTICE IS HEREBY GIVEN THAT THE SEVENTY-SEVENTH ANNUAL GENERAL MEETING OF ACC LIMITED will be held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 on **Friday, April 5, 2013** at **3.00 p.m.** to transact the following business:-

ORDINARY BUSINESS

1. To receive and adopt the Audited Statement of Profit and Loss for the financial year ended December 31, 2012, 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 N S Sekhsaria who retires by rotation and is eligible for re-appointment.

4. To appoint a Director in place of Mr Shailesh Haribhakti who retires by rotation and is eligible for re-appointment.

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

   "RESOLVED that Mr Naresh Chandra, a Director liable to retire by rotation does not seek re-appointment as per the Succession Policy and is therefore not re-appointed a Director of the Company.

   RESOLVED FURTHER that the vacancy on the Board of Directors of the Company so created be not filled."

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

   "RESOLVED that Mr Rajendra A Shah, a Director liable to retire by rotation does not seek re-appointment as per the Succession Policy and is therefore not re-appointed a Director of the Company.

   RESOLVED FURTHER that the vacancy on the Board of Directors of the Company so created be not filled."

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

   "RESOLVED that Messrs S R Batliboi & Co (Membership No 301003E), Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of service tax and all out of pocket expenses incurred in connection with the audit of the Accounts of the Company for the year ending December 31, 2013."

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 OF THE COMPANY.

b. The Register of Members and Share Transfer Books of the Company shall remain closed from March 23, 2013 to April 5, 2013, both days inclusive, for payment of final dividend.

c. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment at the forthcoming Annual General Meeting is given in the Annexure.

d. The Dividend, after declaration, will be paid to those Members of the Company whose names stand on the Register of Members on April 5, 2013. 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 22, 2013 as per the list provided by the Depositories for this purpose. The dividend will be payable on and from April 12, 2013.

e. 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.

f. During the current financial year 2013, the Company will be required to transfer to the Investor Education & Protection Fund, the unclaimed Dividend for the year ended December 31, 2005. Those Members who have not encashed their warrants 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.

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. Members holding shares in physical form may obtain Nomination Forms from the Share Department of the Company or can download the same from the Company's website www.acclimited.com. Members holding shares in dematerialized form should contact their Depository Participant(s) in this regard.

By Order of the Board of Directors,
For ACC Limited

Burjor D Nariman
Company Secretary & Head Compliance

Mumbai
February 7, 2013

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 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 to Members through e-mail will constitute sufficient compliances with Section 53 of the Companies Act, provided the Members are given an advance opportunity to register their Email IDs or changes if any therein with the Company.

Pursuant thereto, we invite our Members to participate in the Green Initiatives by registering their Email IDs with the Company to enable it to send documents required to be sent under Section 219 of the Companies Act viz. Annual Report and other documents such as Notices of General Meetings, Postal Ballot Notices, ECS Credits etc. by email.

Annexure to Item Nos. 3 and 4

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

Name of the Director	Mr N S Sekhsaria	Mr Shailesh Haribhakti
Date of Birth	21.09.1949	12.03.1956
Nationality	Indian	Indian
Date of Appointment on Board	27.12.1999	17.02.2006
Qualification	Bachelor of Chemical Engineering from Bombay University	FCA; FICWA
Shareholding in ACC	NIL	NIL
List of Directorships held in other Companies	Ambuja Cements Limited; Radha Madhav Investments Limited; Ambuja Cement Foundation (Section 25 Company); Ambuja Educational Institute (Section 25 Company); Narotam Sekhsaria Foundation (Section 25 Company); J M Financial Asset Reconstruction Company Private Limited.	Pantaloon Retail (India) Limited; Hexaware Technologies Limited; Ambuja Cements Limited; Mahindra Lifespace Developers Limited; Blue Star Limited; J K Paper Limited; Raymond Limited; Torrent Pharmaceuticals Limited; L&T Finance Holdings Limited; National Securities Depository Limited; Nufuture Haribhakti Business Services; Viom Network Limited; Hercules Hoists Limited; BDO Consulting Private Limited; Quadrum Solutions Private Limited; J M Financial Asset Reconstruction Company Private Limited; Ecofirst Services Private Limited; AAA Infrastructure Consulting & Engineers Private Limited; Reliance Enterprises and Ventures Private Limited; ADA Enterprises & Ventures Private Limited; AAA International Capital Private Limited; AAA Industries Private Limited; MentorCap Management Private Limited; Creative Collaboration Advisors Private Limited; Maven Vista Technologies Private Limited; Haribhakti Moti India Private Limited; Planet People and Profit Consulting Private Limited.

Directors' Report & Management Discussion and Analysis

TO THE MEMBERS OF
ACC LIMITED

The Directors take pleasure in presenting the Seventy Seventh Annual Report together with the audited accounts, for the year ended December 31, 2012. The Management Discussion and Analysis has also been incorporated into this report.

1. FOREWORD

The Indian economy experienced a slowdown in the year 2012, consequent to a deceleration in global economic growth. As a result, two important drivers of economic growth viz. infrastructure and industrial projects performed below expectations. Higher inflation and a depreciating rupee lead to a fall in domestic savings and consumption. Your Company faced these challenges with a new focus to achieve cost leadership and enhance value. This was enabled by planning for all-round improvements and innovativeness in productivity and profitability, leadership development and capability enhancement of its employees. In the process, many favourable trends were established.

Your Company closed the year by starting ground work on the next phase of the Company's expansion programme.

2. HIGHLIGHTS OF PERFORMANCE

- Operating EBITDA increased in 2012 by 14% to ₹ 2197 crore, from ₹ 1921 crore in 2011.
- Consolidated income for the year increased by 11% to ₹ 11621 crore, as compared to ₹ 10428 crore in 2011.
- Consolidated profit before tax in 2012 was ₹ 1441 crore, against ₹ 1505 crore in 2011. Similarly, consolidated profit after tax was ₹ 1059 crore against ₹ 1301 crore in 2011.

  Profit Before Tax and Profit After Tax would have been higher by ₹ 364.08 crore and ₹ 245.95 crore respectively, if there was no change in method of depreciation from Straight Line method to Written Down Value method in respect of Captive Power Plants.

3. FINANCIAL RESULTS

	Consolidated ₹ Crore		Standalone ₹ Crore	
	2012	2011	2012	2011
Revenue from Operations (Net) and Other Income	11621.47	10428.20	11622.78	9852.20
Profit Before Tax (PBT)	1440.99	1505.29	1451.49	1540.42
Provision for Tax	391.08	215.45	390.30	215.16
Profit After Tax (PAT)	1059.28	1300.80	1061.19	1325.26
Balance brought forward from previous year	3591.12	3175.45	3821.54	3381.41
Adjustment pursuant to Amalgamation	-	-	(216.29)	-
Profit available for Appropriations	4650.40	4476.25	4666.44	4706.67
Appropriations:				
Interim Dividend	206.52	206.52	206.52	206.52
Proposed Final Dividend	356.72	319.17	356.72	319.17
Dividend Distribution Tax	91.37	85.28	91.37	85.28
Previous Year Dividend Distribution Tax	-	(1.49)	-	(1.49)
General Reserve	150.00	250.00	150.00	250.00
Debenture Redemption Reserve	-	25.00	-	25.00
Amortization Reserves	-	0.65	-	0.65
Surplus carried to the next year's account	3845.79	3591.12	3861.83	3821.54

4. DIVIDEND

Your Directors are pleased to recommend a final dividend of ₹ 19 per equity share of ₹ 10 each. The Company had distributed an interim dividend of ₹ 11 per equity share of ₹ 10 each in August 2012. The total dividend for the year ended December 31, 2012 would accordingly be ₹ 30 per equity share of ₹ 10 each as against the total dividend of ₹ 28 per equity share of ₹ 10 each for the year ended December 31, 2011. The total outgo for the current year amounts to ₹ 654.61 crore, including dividend distribution tax of ₹ 91.37 crore, as against ₹ 610.97 crore including dividend distribution tax of ₹ 85.28 crore in the previous year.

5. ECONOMIC SCENARIO & OUTLOOK

The global economy experienced a slowdown especially noticed in developed economies, which had its impact on India as well. The Indian economy had to contend with high inflation in the year 2012 and increased lending rates. The tightening of the monetary policy further slowed the growth of the economy which affected all sectors including the cement industry.

There are signs that indicate the possibility of a revival in consumption and government spending in 2013. Coupled with expectations of a normal monsoon, this augurs well for the economy in the coming year.

6. CEMENT INDUSTRY OUTLOOK AND OPPORTUNITIES

In 2012, the cement industry added ~34 million tonnes of capacity taking its installed capacity to ~360 million tonnes. The first half of the calendar year witnessed high demand for cement at 10% YoY. This demand fell in the second half of the year following a slowdown in the construction sector.

Cement Industry is expected to gather momentum driven by a revival in the general investment climate and by reduction in interest rates which will positively impact demand from housing, infrastructure and industry segments. We, therefore expect a favourable rate of growth in cement consumption. At the same time, there is a likelihood of mounting pressure on costs mainly arising out of increases in the cost of coal, diesel, rail freight and exchange rate fluctuations.

Institutionalizing Excellence

In the beginning of 2012, the Company launched a new programme designed to deliver superior value to our customers while simultaneously seeking cost leadership through improvements in manufacturing, sales & marketing, logistics and procurement of major inputs. The programme called "Institutionalizing Excellence" is designed to further strengthen these processes so as to deliver and sustain enhanced performance levels. Built essentially around five pillars of core processes of the Organization, the overall objective of the programme is to achieve excellence in the functions comprising manufacturing, logistics, sales & marketing, people processes and certain strategic procurement projects.

The manufacturing excellence pillar includes efforts to reduce production cost through improvements in clinker factor, plant performance, thermal and electrical energy efficiencies. The sales and marketing teams aim to strengthen the Company's brand advantage, sustain market share and strive for top-line growth. In logistics, the plan is to achieve best-in-class performance in terms of cost-to-serve and time-to-serve. The Company has deployed emerging technologies like RFID (Radio Frequency Identification) and GPS (Global Positioning Systems) for the first time in the Indian Cement Industry, to enable easy tracking of road transport vehicles in our plants and in transit to the end-consumer. The Institutionalizing Excellence journey has already shown signs of improvement across the Company with traction in all areas covered by it.

7. CEMENT BUSINESS – PERFORMANCE AT A GLANCE

	2012	2011	Change %
Production - million tonnes	24.12	23.46	3%
Sales Volume - million tonnes	24.11	23.73	2%
Sale Value - ₹ crore	11130.45	9429.62	18%
Operating EBITDA ₹ crore	2195.57	1920.72	14%

8. EXPANSION CAPEX

Preliminary work on the new Jamul expansion project has commenced with ground-breaking at site and ordering out major plant equipment. Scheduled for completion in a phased manner in 2015, the project comprises a new clinkering line of 2.79 million tonnes capacity and grinding facility of 1.10 million tonnes at Jamul. In addition, it also includes the establishment of two other grinding plants in Eastern India, which will together enhance our capacity by 5 million tonnes of cement per annum. The total estimated cost of this expansion is ₹ 3300 crore and shall be funded through internal accruals.

9. READY MIXED CONCRETE (RMX)

During the year under review, the sales volume of RMX fell by 16%, mainly on account of a slowdown in the construction industry. Steps have been initiated to consolidate the Company's RMX business through increased volumes from its existing assets. Vigorous efforts are being made to extend the customer base and leveraging the Company's vast cement network.

The outlook for the construction sector in 2013 remains stable. Maximum demand for RMX is expected from Mumbai, Gurgaon and Bengaluru`, which are likely to attract larger investments in real estate and infra projects. We expect pricing to remain under pressure next year as a result of competition.

	2012	2011	Change %
Production - lakh cubic metres	16.54	19.79	(16%)
Sales Volume - lakh cubic metres	17.97	21.41	(16%)
Sale Value - ₹ crore	617.06	687.66	(10%)
Operating EBITDA - ₹ crore	2.12	(3.29)	164%

10. SUSTAINABLE DEVELOPMENT

10.1 Alternative Fuels and Raw Materials (AFR)

The Company continues to provide sustainable waste management solutions to various industries through co-processing. Our portfolio of clients has further increased with new waste streams. Efforts continued to be made to reduce dependence on fossil fuel and increase the use of biomass as a renewable source of energy.

Third party emission monitoring trial burns for hazardous waste, conducted in close co-ordination with regulatory authorities and industries, demonstrated that co-processing wastes in cement kilns did not have any adverse impact on the environment and on the quality of the end product.

10.2 Renewable Energy & Clean Development Mechanism (CDM)

Your Company generated 42.33 million units of wind power from its three wind power stations located in Rajasthan, Tamil Nadu and Maharashtra. During the year, 1,77,299 Certified Emission Reductions (CERs) were received from the United National Framework Convention on Climate Change (UNFCCC) for the CDM Projects of blended cements and wind power generation in Tamil Nadu. During the year, we registered our wind power generation in Rajasthan as a new CDM project.

10.3 Environment Performance

Your Company has installed Continuous Ambient Air Quality Monitoring Stations and Continuous Emission Monitoring Systems for kiln stacks at most of its plants. Online reporting of environment data to the

Central Pollution Control Board was started in respect of seven of its plants. During the year, your Company reduced CO_2 emission by ~2%. This was achieved through several initiatives like reduction of specific thermal energy, specific electrical energy, higher usage of blended materials like flyash and slag and the use of alternative fuels and raw materials.

Stack dust emissions were maintained well below statutory limits by installation of the state-of-the-art pollution control equipment in different plants of ACC and kiln stack emissions were lower by 15.49% as compared to the previous year.

Several initiatives have been undertaken across all plants to reduce specific water consumption for cement manufacturing and also enhance water harvesting efforts in different plants and mines.

The Company has under implementation a 7 MW Waste Heat Recovery Power generation unit at Gagal, Himachal Pradesh, which when completed, will be capable of generating ~45 million units of power per year of green energy, thereby further reducing the discharge of CO_2 into the environment.

As a member of the Cement Sustainability Initiative, your Company made key contribution in developing a Low Carbon Technology roadmap for the Indian Cement Industry.

11. COMMUNITY DEVELOPMENT

As part of its Corporate Social Responsibility, your Company undertakes a range of activities to improve the living conditions of the weaker sections living near its plants. These include education, healthcare, vocational guidance and rural development. Some of these like agriculture development were carried out in partnership with government agencies.

During the year under review, efforts to improve the quality of education in village schools benefitted about 28000 students. Bridge Education Support was given to about 4200 students, and 100 Scholarships were awarded to meritorious students to help them continue their education. Technology aided education initiatives like smart classes and interactive kiosks in rural schools aided about 6100 rural children to keep pace with modern methods of learning. About 800 women members of Self Help Groups (SHG) participated in Adult Literacy Programs run by your Company.

Skill development training programmes were imparted to unemployed youth in partnership with specialised NGOs which helped about 2376 youth get job placements in various manufacturing and service sector enterprises. Your Company also supported the formation of 604 SHGs and their strengthening through structured training activities. Members of these SHGs saved about ₹ 1.12 crore which helped them to secure matching grants from banks and other financial institutions to start micro-enterprises.

On the health and nutrition front, your Company's initiatives for better health benefitted 1.35 lakh people. Support to 144 anganwadi centres helped 11,150 mothers and children get access to better health and nutrition. Nearly 17,000 people were supported through counselling, testing and treatment, wherever applicable, for HIV/AIDS.

The Company released its Externally Assured A+ rating Sustainable Development Report 2011 in the GRI (Global Reporting Initiative) framework.

12. OCCUPATIONAL HEALTH & SAFETY (OH&S)

Your Company engages its employees in OH&S matters through a policy of communication, involvement and competency build-up applied consistently and continually throughout its operation. Different programmes targeting critical areas are being implemented across all sites to address risks associated with operations. Effectiveness of these programmes is being constantly assessed by the Top Management. External audits are being conducted to check the level of implementation of these safety programmes.

A behaviour based safety training programme "ACC Chetna" was launched in June 2012. The programme trains people to practice 5 simple behaviours that can prevent injuries at the workplace and at home.

Visible Safety Leadership programmes are being conducted across business units for senior line managers. The programme comprises practical exercises and interactive sessions and prepares line managers to act as a role model to their subordinates by visibly leading safety in the field.

The concept of Safety Champions has been successfully established and aims to involve and engage line managers in safety by way of execution of short term safety projects.

Risk assessment is an integral part of any job/activity. Our line managers are provided with different types of risk assessment tools to help them identify risk and decide on appropriate control measures. Hazard Identification and Risk Assessment (HIRA) workshops are being continued at sites to refine anticipation capability amongst the employees by enhancing their hazard observation skills. Apart from our employees, contractors are also being involved in HIRA workshops, which show an appreciable change in the attitude of contractors towards safety.

A concept of "Safety Circle" has been rolled out across the plants to promote safety ownership amongst line management. The intent of this concept is to involve as well as to engage shop floor employees including contractor workforce to identify safety concerns and execute safety projects for focused improvements in their respective work areas.

Our pro-wellness programmes reached more than 7,500 employees, contractors and community members during the year.

12.1 Logistics Safety

Logistics safety was given close attention with carefully planned interventions in people development and driver trainings. Health and safety checks have been initiated in the plants in phases with the help of external consultants. This includes examination of aspects such as plant packing house layouts, truck parking yards, inward and outward flow of traffic, storage areas and infrastructure for road and rail transport.

13. HUMAN RESOURCES

With an intent to create a future ready talent pool for managing our business growth, your Company has embarked on a journey towards People Excellence during the year. The aim of this journey is to re-engineer HR processes and ensure that each HR process is fine-tuned with current and future business requirement and an appropriate number of employees are groomed for future middle and senior leadership roles. Greater focus is given to hiring and retaining talent from different disciplines and streams.

Under a concept of 'On boarding Centres', a complete functional orientation programme is in place which is expected to deliver competent cement engineers and functional specialists. The concept has been evaluated as one of the best practices across manufacturing companies in the industry.

As extension of faster learning for young talent, your Company has embarked on a plan to impart intensive learning through challenging functional/ cross-functional projects and coaching to improve analytical and decision making capability.

The new talent management process has adopted a bottom-up approach to conduct the talent review process, where immediate line managers are involved in identifying high-potential employees from their own teams. One-on-one Development Conversations have been conducted with the identified high potentials to create their individual development plan based on individual and Organization's aspiration.

The industrial relations scenario was peaceful. Your Company embarked on a major programme for Shop Floor Associates Development with an emphasis on involving and engaging them in a variety of small improvement projects at the shop floor level so that their engagement level is enhanced. The Sumant Moolgaonkar Training Institute (SMTI) and ACC Cement Technology Institute (ACTI) are giving their full contribution in training artisans and diploma holders.

14. FINANCE

Your Company's cash and cash equivalent as at December 31, 2012 was ₹ 3037 crore. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters are kept under strict check through continuous monitoring. The Company's debt programme continues to enjoy "AAA" rating from CRISIL.

During the year, the Company had given an option of premature redemption of Non-Convertible Debentures to the holders of its Privately Placed Debentures having coupon rates of 8.45% and 11.30%. Out of ₹ 500 crore of Non-Convertible Debentures, debentures totalling ₹ 343 crore, stand prematurely redeemed as on December 31, 2012.

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, 2012 was ₹ 0.02 crore.

16. STATUS OF AMALGAMATION OF SUBSIDIARY COMPANIES

During the year, ACC Concrete Limited and Encore Cement and Additives Private Limited, both wholly owned subsidiaries of your Company, have amalgamated with your Company. The amalgamations would enable your Company to utilize the resources of the said subsidiaries to further augment its cement business and would bring down the cost of overheads and other common expenses.

The Scheme of Amalgamation of Lucky Minmat Limited and National Limestone Company Private Limited, both wholly owned subsidiary companies of your Company, was filed with the High Court of Judicature at Bombay and is pending due to certain regulatory approvals.

17. SUBSIDIARY COMPANIES

17.1 ACC Mineral Resources Limited (AMRL)

The wholly owned Company, AMRL, is a Special Purpose Vehicle which looks into the development of the four coal blocks allotted by the Madhya Pradesh State Mining Corporation Limited (MPSMC) through four companies incorporated jointly by MPSMC and AMRL pursuant to a joint venture agreement.

In January 2013, the Company received notice of de-allocation of one of the Coal Blocks from the Ministry of Coal, Government of India, on the grounds of non-receipt of forest and environmental clearances from the Ministry of Environment and Forests, in view of the block's proximity to the National Tiger Reserve at Bandhavgarh. MPSMC along with the concerned Joint Venture Company, have together filed a writ petition in the Jabalpur High Court for relief in the matter.

During the year under review, the preliminary and pre-development activities in the other three coal blocks are in progress. The Bicharpur Coal Block in Shahdol District is in an advanced stage of development. AMRL does not have any commercial activity or earnings from investments and therefore no income.

17.2 Bulk Cement Corporation (India) Limited (BCCI)

During the year under review, BCCI handled cement volumes of 9.20 lakh tonnes in 2012, as against 9.34 lakh tonnes in 2011. The Profit after tax for the year 2012 is ₹ 179.81 lakhs, as against ₹ 68.35 lakhs in the year 2011.

17.3 Singhania Minerals Private Limited

This Company was acquired in August 2012. Being wholly owned Company, the said acquisition will help the Company in augmenting its limestone reserves.

17.4 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 Mineral Resources Limited, Bulk Cement Corporation (India) Limited, Lucky Minmat Limited, National Limestone Company Private Limited and Singhania Minerals Private Limited together with the respective Auditors' Reports thereon for the year ended December 31, 2012 are annexed.

18. DIRECTORS

As per the Succession Policy for Directors, Mr Naresh Chandra and Mr R A Shah will be stepping down from the Board of Directors of the Company at the forthcoming Annual General Meeting of the Company. The Board has placed on record its appreaciation for the outstanding contributions made by Mr Naresh Chandra and Mr R A Shah during their respective tenures as Directors of the Company since May 5, 2004 and January 24, 2006 respectively.

It is proposed not to fill up these vacancies and accordingly the requisite resolutions in this behalf have been included at Items 5 & 6 of the Notice convening the Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956, and in terms of the Memorandum and Articles of Association of the Company, Mr N S Sekhsaria and Mr Shailesh Haribhakti retire by rotation and are eligible for re-appointment.

19. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has documented a robust and comprehensive internal control framework for all the major processes to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources.

The Internal Control System of the Company is commensurate with the size, scale and complexity of its operations. It is being constantly assessed and strengthened with new / revised standard operating procedures and robust internal and Information Technology (IT) controls.

The formalized systems of control facilitate effective compliance as per Clause 49 of the Listing Agreement with the Stock Exchanges, and Article 728(a) of the Swiss Code of Obligations applicable to the Holcim Group since 2008.

The Company's Internal Audit Department objectively and independently tests the design and operating effectiveness of the internal control system to provide a credible assurance to the Board and the Audit Committee regarding the adequacy and effectiveness of the internal control system. The Internal Audit function monitors the effectiveness of controls, and also provides an independent and objective assessment of the overall governance processes in the Company, including the application of a systematic risk management framework.

The scope and authority of the Internal Audit activity are well defined in the Internal Audit Charter, approved by the Audit Committee. Internal Audit plays a key role by providing an assurance to the Board of Directors, and value adding consultancy service to the business operations.

20. BUSINESS RISK MANAGEMENT

Your Company has robust Business Risk Management (BRM) practices to identify, evaluate business risks and opportunities. This is monitored both at the Corporate and at the regional levels. 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:

Fuels 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 2012 also witnessed an increase in the price of coal which adversely impacted the profitability of the Company. This, coupled with limited production of the 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 reducing. The Company is trying to mitigate its fuel risk by increased usage of alternative fuels and optimization of coal mix. It has also 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. In the execution of large projects, 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 Organization structure at project sites, with defined roles and accountability, is in place for large projects. A Capex Committee of the Board oversees the feasibility and progress of projects and makes suitable recommendations.

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 working to enhance brand equity and visibility and enlarge its product portfolio and service offerings. Simultaneously, there are several initiatives being taken as part of Institutionalizing Excellence programme in the areas of cost competitiveness and cost leadership.

OH&S Risks:

The Cement Industry is labour intensive and hence safety of its employees and shop floor associates is of utmost importance to the Company. To reinforce the safety culture in the Company, it has identified OH&S as a major focus area. Your Company already has various activities and programmes under way in all its plants and sales units.

21. ENHANCING SHAREHOLDERS VALUE

The processes of the Secretarial & Compliance Division, Share Department and ISD Support, are ISO 9001:2008 certified by Det Norske Veritas AS for 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 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 sustainable growth and development.

22. 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, 2012, 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 2 of the Notes to the Financial Statements, 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, 2012, 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.

23. AUDIT

The Company's Auditors Messrs S R Batliboi & Co., Chartered Accountants, Mumbai, who retire at the ensuing Annual General Meeting of the Company, are eligible for re-appointment. They have confirmed their eligibility under Section 224 of the Companies Act, 1956, for re-appointment as Auditors of the Company.

Members' attention is invited to the observation made by the Auditors at 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 233B of the Companies Act, 1956, your Company carries out an audit of cost records relating to cement each year. Subject to the approval of the Central Government, your Directors have appointed Messrs N I Mehta & Co., to audit the cost accounts of the Company for the financial year 2012.

24. 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.

25. BUSINESS RESPONSIBILITY REPORTING

As per Clause 55 of the Listing Agreement with the Stock Exchanges, a separate section on Business Responsibility Reporting forms part of this Annual Report.

26. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company, prepared in accordance with relevant Accounting Standards viz. AS21, AS23 and AS27 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 co-operation. The Directors are grateful to the various stakeholders – customers, shareholders, banks, dealers, vendors and other business partners for the excellent support received from them during the year under review. 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 7, 2013

Annexure 'A' to Directors' Report

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 were undertaken in various areas of the cement plants:

- Thondebhavi Plant started to operate the VRM with ZERO table water spray and successfully stopped heating of the system during mill startup which saved LDO and also improved specific electrical energy. Optimized the compressor distribution system in mill and packing plant. Optimized the velocity at the VRM Louver area and reduced the bag house fan flow.
- Madukkarai Plant replaced existing separator with high efficiency V-Separator at VRM. Installed Variable Speed Drives for cooler fans (7 nos), Positive Displacement Blower, Mill Vent fan, Separator Vent Fan. Optimised compressors by changing pipeline layout. Installed high efficiency fan impellers for cooler fans 3 and 4.

  Installed and hooked-up New Air Cooled condenser in place of existing condenser to increase the de-rated generation capacity from 8 MW to its full capacity of 15 MW in the Captive Power Plant.
- Jamul Plant installed medium voltage Variable Speed Drive for Kiln 3 Waste Gas Fan. Installed multistep controllers in Raw Mills dust collector compressors for better control of outlet pressure. Dense Phase pump conveying pipe-line was re-routed to avoid pressure drop. All pre-heater cyclone dispersion plate angle measured and adjusted for better heat transfer. Reduced radiation losses by thermal imaging and corrective action. Installed bag filter on top of preheater to remove the cold air from material conveying blower. Increased coal mill output by improving capacity of circulating fans.
- Lakheri Plant reduced cooler exhaust gas flow from 1.2 to 1.0 Nm3/kg Clinker, by attaching cooler plate to plate gaps, inter and under compartment sealing. Reduced cooler exhaust gas temperature from 240 deg C to 220 deg C by process optimization. Reduced heat loss due to radiation and convection in PH tower, Calciner, kiln shell, tertiary air duct, cooler and kiln hood by refractory management, heat resistant paint on kiln shell, controlling shell temperatures through raw mix optimization for stable coating formation in kiln. Met requirement of compressed air for old cement mills by interconnecting with new cement mill compressor, thereby stopping one compressor of 132 KW. Installed energy efficient impellers for cooler fan 4 and 10.
- Bargarh Plant started utilization of HPGR-1 as semi finished grinder for Cement mill 1 and 4 to increase output rate of these mills. Optimized pre-heater fan. Improved output of Raw mill by Optimization of feed size. Installed GRR in Raw Mill Fan. Compressed air lines in Slag VRM and mixing plant were re-routed in order to eliminate one 90 KW compressor.
- Chanda Plant installed Variable Speed drives for ID Fan of Limestone Crusher Bag Filter at Mines and transporting Clinker Pipe conveyor. Optimised loading of Power Transformers. Improved output from Raw Mill by optimizing Dam ring height.
- Kymore Plant Optimized DDF (Dual combustion De-nitrification Furnace) firing blower by reducing coal conveying air. Modified cooler house shoe which has eliminated frequent stoppage of K-1. Optimised Voltage and frequency at generation side and voltage at distribution side. Changed purging of all Bag filter to DP based mode for Compressed air saving. Conducted CFD (Computational Fluid Dynamics) study and modified 4th stage cyclone for K-1 and 3rd cyclone dip tube. Optimised

grinding media for both the Raw-mills for Productivity improvement. Reduced suction pressure of cooler fans by installing bell mouth at suction side. Eliminated Raw mill-1 and 2 circuit dust collector Bag house Fan. Eliminated Fly ash air-slide blower. Eliminated Service pump at Captive Power Plant.

- Gagal Plant commissioned Rota-scale for calciner coal and kiln feed in G-2. Installated Variable Speed Drives for Motor Cooling Fans for Main Motors of Raw Mill -2, Cement Mill -2, Kiln 1 BH Fan, Raw Mill 1, K1 Kiln Stream Fan, K1 Calciner String Fan, Kiln 1 ID FAN, Cement Mill 1. Variable Speed Drive were also installed for Kiln Coal Positive Displacement Blower, Raw Mill's Silo Dust Collector Fan, Cooler ID Fan, K1 Kiln Feed Dust Collector Fan. Installated new air-slide in Pre-grinder for Cement Mill 5 to take the Cyclone product as final product.
- Wadi Plant replaced two Gypsum conveyors with a single conveyor at Wadi II. Installed Variable Speed Drives for Calciner coal firing blowers at Wadi II and for Cement Mills - 1, 4 and 5 dust collector fans at Wadi I.
- Tikaria Plant modified cooling water circulation line of Cement Mill # 2 & 3 and VRM, thereby stopping two cooling tower pumps. Installed multistep controllers in all the fly-ash unloading compressors. Revived Variable Frequency Drives of Mill Vent fan and separator dust collector fans of all the three Cement Mills. Replaced intermediate diaphragm, feed head liner and re-graded grinding media of Cement Mill # 2. Replaced first chamber shell, liner plate and re-graded grinding media of Cement Mill # 1.
- Chaibasa Plant stopped one compressor in flotation section by removing the intercooler and converting the HP cylinder to LP cylinder. Removed orifice meter from VRM inlet fan. Modified the compressed air line to stop one small compressor. Rectified energy saver for compressed air optimization system.
- Detailed Energy Audit was conducted at Gagal, Kymore, Lakheri, Chaibasa, Kudithini & Encore plant, and detailed compressed air audit was conducted at Wadi plant.
- Energy Monitoring System was commissioned at Wadi II, Thondebhavi and Kudithini 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 and LED light for plant and colony lighting was done across ACC plants.
- ISO 50001 Certification Audit was conducted for Kymore, Jamul, Lakheri and Gagal plants.
- Commissioning of New Packer with wagon loading platform at Kymore.
- Thondebhavi Plant won 2nd Prize at Prestigious BEE National Energy Conservation Award's 2012, while Lakheri Plant was awarded by Confederation of Indian Industries as well as Govt. of Rajasthan.

Green power –

- The Wind Farm installed at Rajasthan generated 14.63 Million Units of green energy during 2012, as compared to 13.73 Million units generated during 2011.
- The Wind Farm installed at Tamil Nadu generated 24.2 Million units of green energy during 2012, as compared to 21.55 Million units generated during 2011.
- The Wind Farm installed at Maharashtra generated 3.50 Million units of green energy during 2012, as compared to 3.61 Million units generated during 2011.

Alternative Fuels –
In 2012, the Company co-processed differenr types of alternative fuels totaling 53,343 tonnes.

(b) Additional Proposals being implemented for further conservation of energy :
The installation of Medium Voltage and Low Voltage Drives is being carried out as part of "Fast Track Projects" in two phases across ACC plants. This will ensure substantial saving in electrical energy during 2013, as well in ensuring better process control.

(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 2012, the electrical energy reduced by 1.59%, thermal energy reduced by 0.81% and clinker factor reduced by 1.79% over 2011.

Form A
Power and Fuel Consumption – Cement

	Current Year			Previous Year		
	Lakh Units (Kwh)	Total Cost (₹ Lakhs)	₹ per Unit	Lakh units (Kwh)	Total Cost (₹ Lakhs)	₹ per Unit
Electricity (Gross)						
a) Purchased :	6152	32949	5.36	6917	33625	4.86
b) Own Generation :						
i) Through Diesel Generator	43	570	13.28	30	531	17.40
ii) Through Steam Turbine / Generator	17876	76829	4.30*	17614	65521	3.72

* Excluding impact due to change in depreciation method for Captive Power Plants.

	Quantity (Lakh Tonnes)	Total Cost (₹ Lakhs)	Average Rate (₹/Tonne)	Quantity (Lakh Tonnes)	Total Cost (₹ Lakhs)	Average Rate (₹/Tonne)
Coal (for kiln)**	23.29	132094	5672	24.30	122764	5053

** 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 #			
Semi-dry / Dry Process	98-110	84	84
b) Coal for kiln K.cal/Kg of clinker			
Cement -			
Semi-dry / Dry Process	720-990	736	742

@ Source : Publication of Confederation of Indian Industries
# Excludes non-process power consumption.

(B) TECHNOLOGY ABSORPTION

Research & Development

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 maximization of 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 increase 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 environmentally 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) Improving the grinding efficiency of Petcoke and Coal
j) Development of Cements tailored for specific market clusters and application segments
k) Development of cement based Niche products
l) Quality Benchmarking exercise for different market clusters of ACC products

2. Benefits derived as 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 slags in blended cements
c) Effective replacement of the costlier natural Gypsum by 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 Plus , Coastal Plus for specific Market segments / Market climatic conditions
f) Reduction in sp.power consumption for grinding
g) Effective use of SPC at each stage of Cement Manufacture for improving consistency of Operations and consistency in Product Quality
h) 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 / byproducts 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	172
b. Recurring (Gross)	652
c. Total	824
d. Total R&D expenditure as percentage of total turnover	0.07

5. Foreign Exchange Earnings & Outgo	**₹ Lakhs**
Foreign exchange earned	Nil
Foreign exchange used	7830

Annexure 'B' to Directors' Report

Employed for Full Year

Sr. No.	Name	Remuneration Gross (₹)	Designation & Nature of Duties	Qualification	Date of Commencement of Employment	Total Experience (Years)	Age in years	Last Employment
1	ANIL BANCHHOR	6244996	CHIEF EXECUTIVE - CONCRETE	BE (Civil)	13-Nov-96	28	50	TCE Consulting Engineer
2	B SHERDIWALA	9589332	PRESIDENT - HUMAN RESOURCES	BSc, M.A, M PHIL, LLB	19-Mar-84	29	55	NIL
3	BHARAT PAREKH	7650822	JT. PRESIDENT - CAPEX, MRO & SERVICES	BE Electronics	10-Jul-08	35	59	Aditya Birla Group
4	BURJOR DORAB NARIMAN	9228103	COMPANY SECRETARY & HEAD COMPLIANCE	BCom,FCS	14-Dec-09	38	58	Bombay Dyeing & MFG Company Ltd
5	G P TIWARI	6800674	DIRECTOR - PLANT	MSc Chemistry	9-Jul-09	29	50	Ultratech Cement
6	GEOFFREY DEAN CURRIE	11593390	DIRECTOR - OH & S	Bachelor of Business	18-Apr-11	16	44	Cement Australia
7	HANS FUCHS	16671984	MD - CONCRETE	Certificate in Mgt	19-May-08	29	47	PT Holcim Indonesia TBK(HIL)
8	J V B SASTRY	7957451	DIRECTOR - LOGISTICS	Mcom, M.Phil, MBA	24-Jun-88	33	53	Coromandel Fertilisers Ltd
9	J.DATTA GUPTA	12487531	CHIEF COMMERCIAL OFFICER	B.Tech (IIT)	10-Aug-76	37	59	NIL
10	JOYDEEP MUKHERJEE	8072684	DIRECTOR - SALES	B.A (Hons) , PGDMM, EMIB.	21-Jun-07	23	46	Hindalco
11	KULDIP K KAURA	52783462	CEO & MANAGING DIRECTOR	B.E. (Honours) in Mechanical Engineering	5-Aug-10	42	65	Vedanta Resources PLC
12	M.K. MISHRA	7781056	DIRECTOR - PLANT	BE	10-Feb-85	28	52	Lakshmi Cement
13	MARTIN MULLER	9300560	HEAD - TECHNICAL EDUCATION	Engineer HTL	1-Nov-11	34	62	Holcim Indonesia
14	P N IYER	10114638	CHIEF EXECUTIVE - SOUTH WEST REGION	BCom,PGDBA	2-Jan-09	31	57	Holcim (Bangladesh) ltd
15	R S RATHORE	8735760	DIRECTOR - PLANT	BE	26-Jul-80	35	56	Rajasthan State Minerals Development Corprn. (RSMDC)
16	RAJESH SETH	6189005	VICE PRESIDENT - CENTRAL LOGISTICS	B.Sc. (Hons.), PGDM (IIMA)	1-Jun-78	35	56	NIL
17	RAJIV KUMAR	7157190	Director Special Projects	BCom,MBA	2-Jun-89	26	50	ABC India Ltd
18	RAJIV PRASAD	20180926	CHIEF EXECUTIVE - NORTH REGION	BE, PG Diploma	27-Nov-09	28	51	Halonix Limited
19	RAJU J. MISRA	7747457	SR. VICE PRESIDENT - LEGAL SERVICES	BSc Science, BSc Shipping, LLB, PG Diploma in Security Law	7-Mar-08	26	52	ESSEL Group
20	RAKESH SINHA	7386084	DIRECTOR - PLANT	BE	24-Dec-09	31	56	The India Cement Ltd
21	S B SINGH	7274846	DIRECTOR - PLANT	MSc Chemistry, Ph. D Chemistry	3-Dec-84	32	54	Central Board for the Prevention & Control Water and Air Pollution
22	SA KHADILKAR	6839735	DIRECTOR - QUALITY & PRODUCT DEVELOPMENT	BSc , MSc Chemistry	1-Apr-81	35	57	Morarjee Mills (Piramal Organic Chemicals)
23	SHAKTI ARORA	14695330	CHIEF CENTRAL PROCUREMENT OFFICER	BE,MBA	13-Jul-09	30	52	Mahindra & Mahindra Limited
24	SUDIPTO BHATTACHARYA	6362421	VICE PRESIDENT - TAXATION & SPECIAL PROJECTS	BCom, CA	25-Jan-10	27	52	MTAR Technologies Pvt Ltd
25	SUNIL NAYAK	15263234	CHIEF FINANCIAL OFFICER	BCom, FCA, FCS, AICWA, LLB, GAMP (ISB/Kellogg)	14-Aug-08	30	53	Clariant Chemicals India Limited
26	U.V. PARLIKAR	6054159	DIRECTOR - Geocycle Business	M.Tech	1-Mar-95	30	54	National Peroxide Ltd
27	VIVEK CHAWLA	14217948	CHIEF EXECUTIVE - EAST REGION	BE Mining	3-Jan-94	32	52	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 in years	Last Employment
1	A. K. SAXENA	1338847	PRESIDENT - WADI CEMENT CLUSTER	Diploma,BE	18-Nov-85	27	50	Lohia Starlinger Pvt Ltd
2	ATUL KHOSLA	7535737	PRESIDENT - PROJECTS	ME	18-Jul-07	30	54	Lafarge India Pvt Ltd
3	ERNESTO JR. SEGALES MATELA	1935742	DY. GENERAL MANAGER - SAFETY	BSc Civil Engineering	17-Sep-12	27	50	Holcim Ltd
4	R VASUDEVAN	5344728	SR. VICE PRESIDENT	B Tech ,PG Diploma	7-Dec-77	36	60	Synthetic Foams Ltd
5	RAMIT BUDHRAJA	12777644	CHIEF EXECUTIVE - SOUTH WEST REGION	B.Tech,MBA	1-May-06	26	52	Holcim Ltd

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 and National Pension Scheme.
(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

Mumbai
February 7, 2013

N. S. Sekhsaria
Chairman

Corporate Governance

The Directors present the Company's report on Corporate Governance for the year ended December 31, 2012.

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, Accountability and Compliance with Laws which are the 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. These main drivers of Corporate Governance together with the various initiatives taken by the Company for development of communities in the vicinity of its Plants through meaningful Corporate Social Responsibility has enabled your Company to fulfill 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.

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 the 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 to create sustainable growth and value for the Company's Members, its business partners and to fulfill the aspirations of the society and the communities in which it operates.

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, Compliance Committee, Compensation Committee, Capex Committee and Shareholders' / Investors' Grievance 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 in place with appropriate delegation of powers and responsibilities. This broadly is as under:

a. **Chief Executive Officer and Managing Director –** The Chief Executive Officer and Managing Director (CEO & MD) 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 and 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 within the Region. The Chief Executives of the Regions, report to the Chief Executive Officer and 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, 2012

Category	No of Directors
Non Executive & Independent Directors including the Chairman	7
Other Non Executive Directors	4
Executive Director (CEO & Managing Director)	1
Total	12

Directors' Profile

The Board of Directors is comprised of highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills 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 Public Limited, Bangkok, Thailand. He is a Member of Holcim's 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 and as Managing Director of ABB Limited.

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 a Trustee of Bombay Community Public Trust and Chairman of Foundation for Research in Community Health.

Mr Naresh Chandra, IAS (Retired): Mr Naresh Chandra is a post graduate in mathematics from Allahabad University. He was a member of the Indian Administrative Service (IAS) and former Cabinet Secretary to the Government of India. He has held various important positions including that of Governor of the State of Gujarat and 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 the 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 Bernard Fontana (appointed w.e.f. 28.03.2012): Mr Fontana holds a degree in engineering from the Ecole Polytechnique and Ecole Nationale Superieure des Techniques Avancees 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 where he was given the responsibility for HR, IT and business development at Flat Carbon. He was also a Member of their 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. Mr Fontana is presently the Chief Executive Officer of Holcim Limited with effect from February 1, 2012.

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 46 years in various senior positions at the plants and in the Corporate Office including that of the 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.

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 a Chartered and Cost Accountant, and a Certified Internal Auditor, Financial Planner & Fraud Examiner. During a career span of four decades, he has successfully established and led many innovative services. His current passions involve outsourcing of knowledge processes, engaged investing, and efficiency & effectiveness enhancement in social, commercial and Governmental organizations. He strongly believes in 'shared value' creation, good public and corporate governance and promoting a green environment. He actively promotes these causes, and contributes towards their evolution by participating in the process of framing regulations and standards.

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: Mr Dani was the Vice Chairman and Managing Director of Asian Paints Limited from December 1998 to March 2009. Currently, he holds the position of Non-Executive Vice Chairman of Asian Paints Limited and was the Vice President of Federation of Indian Chambers of Commerce and Industry (FICCI). In addition to his Directorship in ACC Limited, he is also a member of the Board on Sun Pharmaceuticals Limited one of the leading pharmaceutical companies in the country.

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.

Mr Dani is the past President of the Indian Paint Association (IPA) and has received a number of awards for his contributions to the Paint Industry. He was a member of the Central Board of Trustees – Employees Provident Fund of the Government of India and was also the President of the Board of Governors of the UDCT Alumni Association, Mumbai. Currently, he is the member on the Board of Management of Institute of Chemical Technology (formerly UDCT), Mumbai.

Mr Dani is former managing Trustee of "Light on Yoga", a trust created by the world famous Yogacharya, Shri B.K.S. Iyengar and his disciples.

Mr Markus Akermann (resigned w.e.f. 28.03.2012): 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 as an 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 the Chief Executive Officer of Holcim Limited from 2002 to 2012.

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/ Independent	3	-	-
Mr Paul Hugentobler	06.05.2005	Non-Executive	3	2	1
Mr Kuldip Kaura	05.08.2010	Executive	5	2	-
Mr S M Palia	25.01.2002	Non-Executive/ Independent	7	5	2
Mr Naresh Chandra IAS (Retd.)	05.05.2004	Non-Executive/ Independent	12	8	1
Mr Bernard Fontana	28.03.2012	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	4
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	9	3	1
Mr Ashwin Dani	15.12.2011	Non-Executive/ Independent	7	3	2
Mr Markus Akermann (resigned w.e.f. 28.03.2012)	06.05.2005	Non-Executive	2	-	-

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

** Only mandatory committees considered 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 9, 2012	12	12
April 19, 2012	12	10
July 26, 2012	12	11
October 18, 2012	12	12
December 13, 2012	12	10

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 March 28, 2012
	February 9, 2012	April 19, 2012	July 26, 2012	October 18, 2012	December 13, 2012	
Mr N S Sekhsaria	✓	✓	✓	✓	✓	✓
Mr Paul Hugentobler	✓	✓	✓	✓	✓	✓
Mr Kuldip Kaura	✓	✓	✓	✓	✓	✓
Mr S M Palia	✓	✓	✓	✓	Leave of Absence	✓
Mr Naresh Chandra IAS (Retd.)	✓	✓	✓	✓	✓	Leave of Absence
Mr Bernard Fontana (appointed w.e.f. 28.03.2012)	Not Applicable	✓	Leave of Absence	✓	Leave of Absence	Leave of Absence
Mr M L Narula	✓	✓	✓	✓	✓	✓
Mr R A Shah	✓	✓	✓	✓	✓	✓
Mr Shailesh Haribhakti	✓	✓	✓	✓	✓	✓
Mr Aidan Lynam	✓	Leave of Absence	✓	✓	✓	Leave of Absence
Mr Sushil Kumar Roongta	✓	Leave of Absence	✓	✓	✓	✓
Mr Ashwin Dani	✓	✓	✓	✓	✓	✓
Mr Markus Akermann (resigned w.e.f. 28.03.2012)	✓	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Leave of Absence

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 quarterly/half yearly unaudited financial statements and the audited annual accounts, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, OH&S performance, progress of major projects and reviews such other items which require Board's attention. It 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 Agenda for the Board Meeting covers items set out as guidelines in Clause 49 of the Listing Agreement to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

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;
- approve 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 and 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 Director	Category	Attendance at the Audit Committee Meetings held on						
		February 7, 2012	February 8, 2012	March 28, 2012	April 18, 2012	July 25, 2012	October 17, 2012	December 12, 2012
Mr Shailesh Haribhakti, (Chairman)	Non-Executive/ Independent	✓	✓	✓	✓	✓	✓	✓
Mr S M Palia	Non-Executive/ Independent	✓	Leave of Absence	Leave of Absence	✓	✓	✓	✓
Mr Naresh Chandra, IAS (Retd.)	Non-Executive/ Independent	Leave of Absence	✓	Leave of Absence	✓	✓	✓	✓
Mr Paul Hugentobler	Non-Executive	✓	✓	✓	✓	✓	✓	✓
Mr Sushil Kumar Roongta	Non-Executive/ Independent	Leave of Absence	Leave of Absence	✓	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence

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 Audit Committee 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 CEO & MD, the Chief Financial Officer (CFO), 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 met 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.

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'/ Investors' Grievance Committee Meetings held on				
	February 9, 2012	April 19, 2012	July 26, 2012	October 18, 2012	December 13 , 2012
Mr Paul Hugentobler (Chairman)	✓	✓	✓	✓	✓
Mr M L Narula	✓	✓	✓	✓	✓
Mr Kuldip Kaura	✓	✓	✓	✓	✓

The Company Secretary also functions as the Compliance Officer.

During the year, 54 complaints were received from shareholders, all of which have been attended / resolved. No investor grievance has remained unattended / pending for more than thirty days.

The Company had one share transfer pending as on December 31, 2012. This transfer deed was lodged on the last day of the year.

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 CEO & MD 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 CEO & MD and the Company's and individual 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 8, 2012	April 19, 2012	October 18, 2012	December 13, 2012
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 with all applicable statutes, rules and regulations based on reports received from the CEO & MD, Chief Executives of the Regions, CFO, 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 8, 2012	April 18, 2012	June 25, 2012	July 25, 2012	August 22, 2012	October 17, 2012
Mr R A Shah (Chairman)	✓	✓	Leave of Absence	✓	✓	✓
Mr Naresh Chandra, IAS (Retd.)	✓	✓	Leave of Absence	✓	✓	✓
Mr Shailesh Haribhakti	✓	✓	✓	✓	✓	✓
Mr Paul Hugentobler	✓	✓	✓	✓	Leave of Absence	✓
Mr Kuldip Kaura	✓	✓	✓	✓	✓	✓

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 major 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 Meetings held on		
	January 23, 2012	October 16, 2012	December 11, 2012
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	Leave of Absence	Leave of Absence	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 CEO & MD 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 size of the Company's operations and the onerous responsibility required to be shouldered by the incumbent, the remuneration paid by comparable concerns and the performance of the Company.

The remuneration structure of Mr Kuldip Kaura, CEO & MD 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, CEO & MD

Period of Appointment:

From 05.08.2010 to 12.08.2010 as CEO & MD (Designate) and as CEO & MD w.e.f. 13.08.2010 to 31.12.2013

Salary Grade:

₹ 11,00,000 - ₹ 25,00,000

Allowances:

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:

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 Scheme). The component of tax, if any, applicable on the share 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 CEO & MD, 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 CEO & MD.

(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, 2012 was ₹ 25.60 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, the 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 under 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 2012, which is payable pro rata to those Directors who were in office for part of the year. The Company has also provided for payment of additional 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, 2012

₹ Lakhs

Name	Salary	Commission	Sitting Fees	Total
Mr N S Sekhsaria	-	13.00	1.80	14.80
Mr Paul Hugentobler	-	22.00	5.80	27.80
Mr Kuldip Kaura	527.83	-	-	527.83
Mr S M Palia	-	22.00	2.20	24.20
Mr Naresh Chandra	-	22.00	3.00	25.00
Mr Bernard Fontana (appointed w.e.f. 28.03.2012)	-	9.90	0.40	10.30
Mr M L Narula	-	13.00	2.60	15.60
Mr R A Shah	-	22.00	2.00	24.00
Mr S Haribhakti	-	22.00	4.40	26.40
Mr Aidan Lynam	-	13.00	1.20	14.20
Mr Sushil Kumar Roongta	-	22.00	1.00	23.00
Mr Ashwin Dani	-	13.00	1.00	14.00
Mr Markus Akermann (resigned w.e.f. 28.03.2012)	-	3.10	0.20	3.30

Notes:

1. Mr Bernard Fontana and Mr Markus Akermann, Non-Executive Directors have been paid commission on a prorata basis.
2. 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.

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 Financial Statements. The Company is gearing up to become compliant with International Financial Reporting Standards (IFRS) and will be ready to implement IFRS when it becomes applicable.

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

CEO & MD / CFO Certification

The CEO & MD and the CFO 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 concerned 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.

Communication with the Members

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 are published within forty-eight hours in leading English and Marathi daily newspapers.

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 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 and can be downloaded by the shareholder or members of the public.

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 Shareholders / 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). The information on unclaimed dividend is also posted on the website of the Company as aforesaid.

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 / issue of duplicate share certificates and investor grievances.

The Secretarial and Compliance Division and the Share Department had received ISO 9001:2008 certification in 2011 from Det Norske Veritas AS Certification Services (DNV) for the robustness of its internal processes. During the year under review, successful follow up audit was carried out by DNV.

Address for Correspondence with the Company

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

Telephone Nos: (022) 3302 4473; 3302 4469

Fax No: (022) 6631 7458

Communication by e-mail:

For transfer/ transmission/ subdivision/ demat and investor grievance remaining unattended:	sujata.chitre@acclimited.com
For loss of shares/ dividend/ general inquiries and investor grievance remaining unattended :	krishnan.chidambaram@acclimited.com

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 shareholder 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. The details of the Plants along with their addresses and telephone numbers are also available on the Company's website.

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 Exchanges	Stock Code / Scrip Code	ISIN Number for NSDL/CDSL (Dematerialised shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	500410	INE012A01025
The National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	ACC	

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

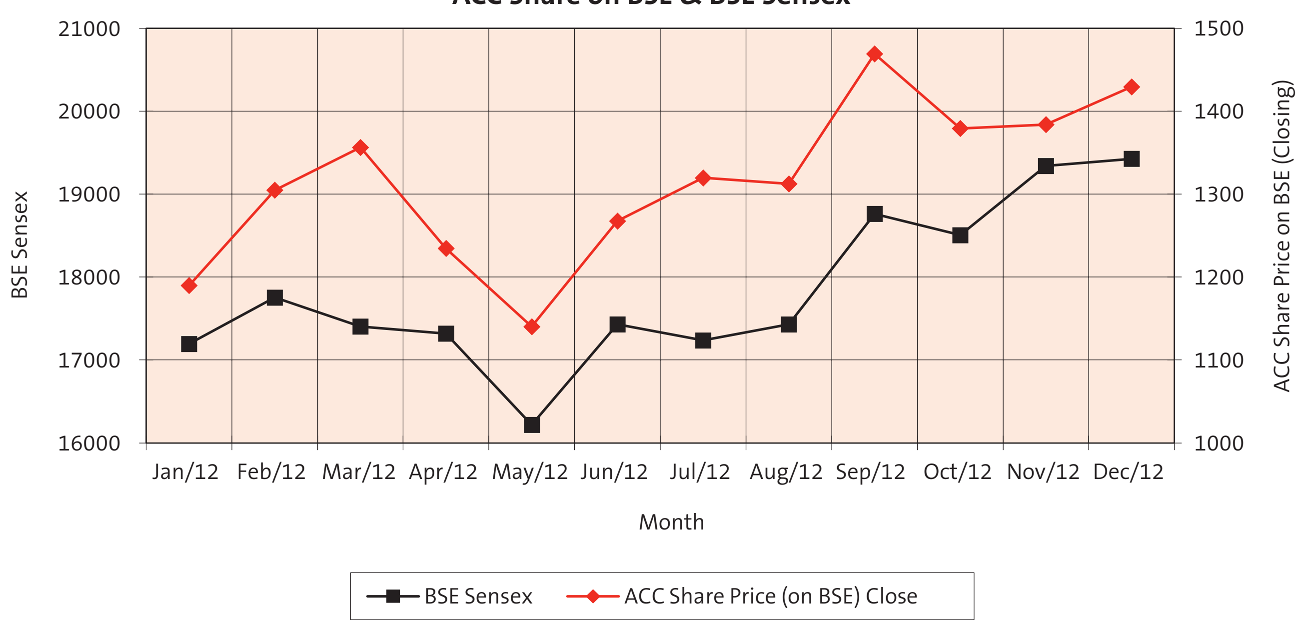
ISIN Numbers for Privately Placed Debentures:

NSDL & CDSL	INE012A07188 INE012A07196

ACC Share Price on BSE vis-à-vis BSE Sensex January – December 2012

Month	BSE Sensex Close	ACC Share Price			No of shares traded during the month	Turnover (₹ Crores)
		High ₹	Low ₹	Close ₹		
Jan-12	17193.55	1206.70	1083.10	1189.90	6,45,730	73.47
Feb-12	17752.68	1421.95	1188.00	1304.90	17,02,700	226.07
Mar-12	17404.20	1405.00	1272.45	1356.35	10,58,067	140.27
Apr-12	17318.81	1372.10	1186.05	1234.65	9,05,225	113.68
May-12	16218.53	1258.45	1117.25	1140.20	11,06,849	130.35
Jun-12	17429.98	1279.90	1105.05	1267.55	16,24,146	196.28
Jul-12	17236.18	1329.00	1244.00	1319.60	9,93,363	127.51
Aug-12	17429.56	1370.00	1300.00	1312.45	4,04,654	54.06
Sep-12	18762.74	1474.50	1285.20	1469.20	5,39,059	74.25
Oct-12	18505.38	1514.95	1366.00	1379.30	9,11,654	131.04
Nov-12	19339.90	1487.00	1351.15	1383.95	3,72,232	52.67
Dec-12	19426.71	1454.00	1368.00	1429.40	4,36,038	61.61

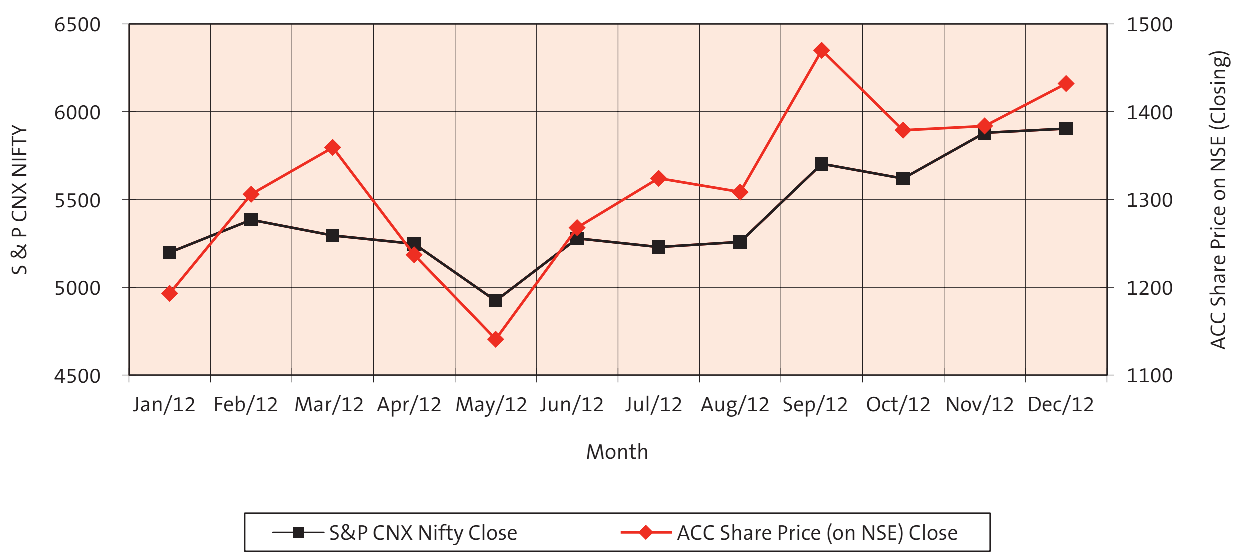
ACC Share on BSE & BSE Sensex



ACC Share Price on NSE vis-à-vis S&P CNX Nifty January – December 2012

Month	S&P CNX Nifty Close	ACC Share Price			No of shares traded during the month	Turnover (₹ Crores)
		High ₹	Low ₹	Close ₹		
Jan-12	5199.25	1207.00	1082.30	1193.20	61,68,971	703.63
Feb-12	5385.20	1421.75	1188.00	1306.05	1,03,61,707	1370.00
Mar-12	5295.55	1405.00	1273.00	1359.45	75,91,901	1015.84
Apr-12	5248.15	1373.25	1188.00	1237.15	88,37,161	1113.06
May-12	4924.25	1250.00	1116.20	1140.95	81,70,602	957.67
Jun-12	5278.90	1282.70	1104.05	1268.05	1,07,95,635	1303.69
Jul-12	5229.00	1332.30	1242.45	1324.20	72,59,149	930.65
Aug-12	5258.50	1370.80	1304.00	1308.50	44,86,347	598.66
Sep-12	5703.30	1477.50	1284.45	1470.05	50,42,644	696.24
Oct-12	5619.70	1545.35	1365.10	1379.05	81,07,918	1164.90
Nov-12	5879.85	1487.95	1351.45	1383.90	40,59,626	573.37
Dec-12	5905.10	1454.00	1367.15	1432.20	49,11,960	694.51

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. Members holding shares in physical form may obtain nomination form from the Share Department of the Company or download the same from the Company's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

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, transmission and issue of duplicate shares.

iv. Subdivision of shares

The Company had subdivided the face value of its Equity Shares from ₹ 100 face value to ₹ 10 face value in 1999. The old shares having face value of ₹ 100 face value are no longer tradeable on the Stock Exchanges. Members holding share certificates of the face value of ₹ 100 face value 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. 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 unpaid / unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. The Company will, in June 2013 transfer, the dividends for the year ended December 31, 2005 which have remained unclaimed / unpaid.

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

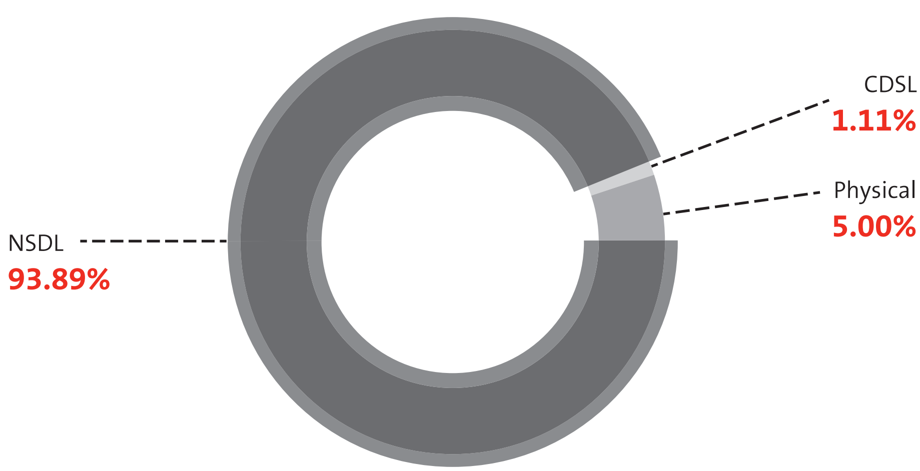
As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (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, 2012

No. of shares slab	No. of share-holders	% of share-holders	No. of Shares							
			Physical	% of share capital	NSDL	% of share capital	CDSL	% of share capital	Total No. of Shares	% of share capital
1-50	58305	56.91	270602	0.14	641814	0.34	156852	0.08	1069268	0.57
51-100	13326	13.01	301890	0.16	666735	0.36	125441	0.07	1094066	0.58
101-200	10746	10.49	499074	0.27	949194	0.51	152915	0.08	1601183	0.85
201-500	9918	9.68	980694	0.52	1994666	1.06	290797	0.15	3266157	1.74
501-1000	4900	4.78	947944	0.50	2307749	1.23	298259	0.16	3553952	1.89
1001-5000	4281	4.18	2207713	1.18	5834790	3.11	695704	0.37	8738207	4.65
5001-10000	460	0.45	605313	0.32	2398502	1.28	186325	0.10	3190140	1.70
>10000	509	0.50	3568215	1.90	161481954	86.01	182214	0.10	165232383	88.01
Total	102445	100.00	9381445	5.00	176275404	93.89	2088507	1.11	187745356	100.00

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

Distribution Shareholding as on December 31, 2012

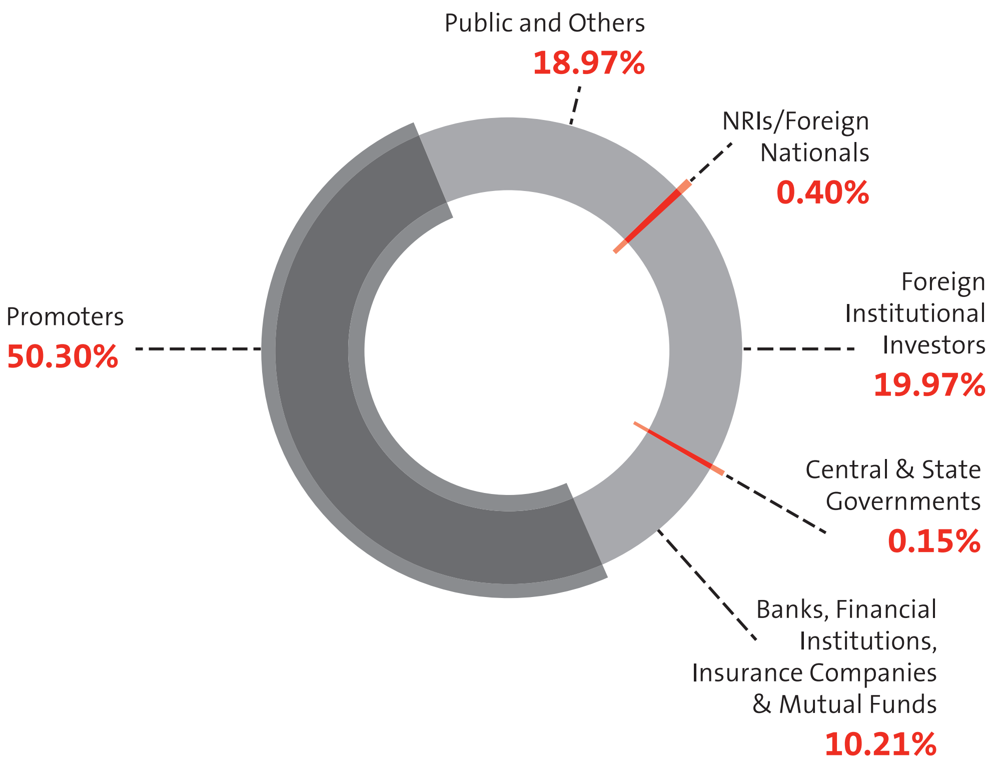


Shareholding Pattern as on December 31, 2012

Category	No. of Shares held	%	
Promoters:			
Holcim (India) Private Limited	93888120	50.01	50.30
Holderind Investments Limited	541000	0.29	
Banks, Financial Institutions, Insurance Companies & Mutual Funds:			
i. Banks	369710	0.20	10.21
ii Financial Institutions	15150970	8.07	
iii. Insurance Companies	-	-	
iv. Mutual Funds	3647975	1.94	
Central & State Governments	287815		0.15
Foreign Institutional Investors	37488785		19.97
NRIs / Foreign Nationals	760298		0.40
Public and Others	35610683		18.97
TOTAL	187745356		100.00

The Company is a subsidiary of Holcim (India) Private Limited and an ultimate subsidiary of Holcim Limited, Switzerland.

Shareholding Pattern as on December 31, 2012



Statement showing Shareholding of more than 1% of the Capital as on December 31, 2012

Sr. No.	Names of the shareholders		Number of shares	Percentage of Capital
1	Holcim (India) Private Limited (Promoter)	93888120	94429120	50.30
	Holderind Investments Ltd (Promoter)	541000		
2	Life Insurance Corporation of India		13497566	7.19
3	ICICI Prudential Life Insurance Company Ltd		3134855	1.67
4	JP Morgan Funds – Emerging Markets Equity Fund		2977958	1.59
5	Flagship Indian Investment Company (Mauritius) Ltd		2708176	1.44
6	JF India Fund		2050852	1.09
	TOTAL		118798527	63.28

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

NIL

Particulars of past three Annual General Meetings:

AGM	Financial Year	Venue	Date	Time	Special Resolutions passed
76th	Calendar Year 2011	Birla Matushri Sabhagar, 9, Sir Vithaldas Thackersey Marg, Mumbai 400 020	28.03.2012	3.00 p.m.	No Special Resolution was passed
75th	Calendar Year 2010		13.04.2011	3.00 p.m.	No Special Resolution was passed
74th	Calendar Year 2009		08.04.2010	3.00 p.m.	Payment of commission to Non-Executive Directors

No Extraordinary General Meeting was held during the period under reference.

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 2013:

First Quarter Results	:	May 2013
Second Quarter / Half yearly Results	:	July 2013
Third Quarter Results	:	October 2013
Annual Results for the year ending December 31, 2013	:	February 2014
Annual General Meeting for the year ended December 31, 2013	:	April 2014

For and on behalf of the Board

N S Sekhsaria
Chairman

Mumbai
February 7, 2013

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, 2012.

For ACC Limited

Kuldip Kaura
Chief Executive Officer & Managing Director

Mumbai
February 7, 2013

CEO / CFO Certification

a. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief :

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. To the best of our knowledge and belief there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiences in the design or operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee in regard to:

   i. significant changes in internal control over financial reporting during the year;

   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For ACC Limited

Kuldip Kaura
Chief Executive Officer & Managing Director

For ACC Limited

Sunil Nayak
Chief Financial Officer

Mumbai
February 7, 2013

ACC

S.R. Batliboi & Co.
Chartered Accountants

The Ruby, 14th Floor,
29, Senapati Bapat Marg,
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, 2012, 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 & Co
Firm Registration number: 301003E
Chartered Accountants

per Ravi Bansal
Partner
Membership No.: 49365

Mumbai
February 7, 2013

Business Responsibility Report

Section A: General Information about the Company

1. **Corporate Identity Number (CIN)** : L26940MH1936PLC002515

2. **Name of the Company** : ACC Limited

3. **Registered Address** : Cement House,
121, Maharshi Karve Road,
Mumbai - 400 020, India

4. **Website** : www.acclimited.com

5. **Email id** : brr.info@acclimited.com

6. **Financial Year reported** : January 1, 2012 – December 31, 2012

7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** Cement.

Group	Class	Sub class	Description
269	2694	26942	Manufacture of Portland Cement

8. **List three key products / services that the Company manufactures / provides (as in balance sheet):**

The Company manufactures cement of various kinds viz. Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) etc. and Ready Mixed Concrete (RMX)

9. **Total number of locations where business activity is undertaken by the Company:**

(i) Number of International locations : None

(ii) Number of National locations: 18 Cement Plants, 47 Ready Mixed Concrete Plants and 26 Offices including registered office, regional offices and sales offices.

10. **Markets served by the Company - Local / State / National / International** : National.

Section B: Financial Details of the Company

1. **Paid up capital (INR)** : ₹ 187.95 Crore

2. **Total turnover (INR)** : ₹ 11130.45 Crore

3. **Total profit after taxes (INR)** : ₹ 1061.19 Crore

4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

The Company's total spending on CSR is 1.9% of the average profit after taxes in the previous three financial years.

5. List of activities in which expenditure in 4 above has been incurred:

A. Enhancing Literacy and Education for the community.

B. Livelihood, Employability and Income Generation.

C. Health and Sanitation Programmes.

D. Equality and Women Empowerment.

E. Community Environment Projects.

F. Building Community Infrastructure.

Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?

Yes, the Company has 5 subsidiary Companies, viz.:

A. ACC Mineral Resources Limited

B. Bulk Cement Corporation (India) Limited

C. Lucky Minmat Limited

D. National Limestone Company Private Limited

E. Singhania Minerals Private Limited

2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).

Business Responsibility initiatives of the parent company are applicable to the subsidiary companies.

3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

– No.

Section D: BR Information

1. **Details of Director / Directors responsible for BR:**

   a) **Details of the Director / Directors responsible for implementation of the BR policy / policies:**

   - **DIN Number** : 00006293
   - **Name** : Mr Kuldip Kaura
   - **Designation** : Chief Executive Officer and Managing Director

   b) **Details of the BR head:**

Sr No	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Mr Burjor D Nariman
3	Designation	Company Secretary and Head Compliance
4	Telephone Number	(022) 3302 4321 / 3302 4329
5	E mail Id	brr.info@acclimited.com

2. **Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):**

   The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) realeased by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

   P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

   P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

   P3 – Businesses should promote the well-being of all employees.

   P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

   P5 – Businesses should respect and promote human rights.

   P6 – Businesses should respect, protect, and make efforts to restore the environment.

   P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

   P8 – Businesses should support inclusive growth and equitable development.

   P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr No	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for...	Y	Y The policy is embedded in the Company's quality and environment policies which inter alia, relate to safe and sustainable products.	Y	Y	Y The policy is embedded in the Company's Code of Business Conduct and Ethics, HR policies and various other HR practices	Y	N	Y	N
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	--	Y	Y	--	Y	--	Y	--
3	Does the policy conform to any national / international standards?	Y	--	Y	N	--	Y	--	N	--
4	Has the policy been approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Y	--	N	N	--	N	--	N	--
5	Does the Company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy?	Y	--	Y	Y	--	Y	--	Y	--
6	Indicate the link for the policy to be viewed online?	*	--	--	#	--	--	--	#	--
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	--	Y (to internal stake - holders)	Y	--	Y	--	Y	--
8	Does the Company have in-house structure to implement the policy/ policies?	Y	--	Y	Y	--	Y	--	Y	--
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	--	Y	N	--	N	--	N	--
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	N	--	N	N	--	Y	--	N	--

* http://www.acclimited.com/newsite/finance.asp?tag=cbc
# http://www.acclimited.com/newsite/corp_soc_resp.asp

2a. If answer to Sr No 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	--	--	--	--	--	--	--	--	--
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles	--	--	--	--	--	--	--	--	--
3	The Company does not have financial or manpower resources available for the task	--	--	--	--	--	--	--	--	--
4	It is planned to be done within next six months	--	--	--	--	--	--	--	--	--
5	It is planned to be done within next one year	--	--	--	--	--	--	--	--	--
6	Any other reason (please specify)	--	--	--	--	--	--	The Company has a track record of pioneering achievements, long experience and a leadership position which has benefitted the cement industry at large in initiating dialogue with Government. However, no need for a formal policy has been felt.	--	The Company has a systematic process of assessing customer needs, fulfilling them with innovative products and services. It also has a customer complaint redressal system.

3. Governance related to BR:

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

  Twice a year

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  Yes, the Company publishes printed versions of its Sustainability Report in a two year cycle. An electronic version of the report is uploaded on the Company's website in the intervening year as a web update. The hyperlink for viewing the Sustainability Report of the Company is http://www.acclimited.com/newsite/sdevelopment.asp

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

**1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No.
Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The Company considers Corporate Governance as an integral part of good management. The Company has a Code of Business Conduct and Ethics (along with an Anti-Bribery and Corruption Directive) and a Fraud Risk Management Policy that are approved by the Board of Directors and signed by the Company Secretary. These are applicable to all Board Members and employees of the Company and all its subsidiaries, and a quarterly / annual affirmation is taken from them. The Code is available on the Company's website at the web address: http://www.acclimited.com/newsite/finance.asp?tag=cbc

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company received 89 complaints under the Fraud Risk Management response mechanism, out of which 73 were resolved and the balance complaints are under various stages of investigation and completion.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

Blended cements namely Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC).

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):

i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain

Consumption per unit of production	Current Year (Jan. - Dec., 2012)	Previous Year (Jan. - Dec., 2011)
Electrical Energy (kWh / Ton of Cement)	88.13	89.55
Thermal Energy (K Cal / kg of Clinker)	736	742
CO_2 Emissions (kg CO_2 / Ton of Cement)	539.12	550.28

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company's products do not have any broad based impact on energy.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   Yes, all the Company's plants are situated close to the limestone mines which helps minimize transportation. The Company employs sustainable mining practices. Most bulk materials are transported inward by rail. Blended Cements are manufactured using fly ash / slag which are by-products of other industries. These are not environmentally friendly and need to be disposed off in a careful manner.

   In the manufacture of clinker, the Company utilizes Alternative Fuels and Raw Materials (AFR) which help to conserve natural resources. The Company encourages procurement through vendors who adopt sustainable practices.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?**

   The Company has a policy of procuring goods and services like horticulture, housekeeping and the like from nearby suitable sources of supply.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste. (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   Cement manufacturing process does not directly discharge any significant effluent or waste.

   The used cement bags get recycled and reused. About 87% of cement manufactured by the Company comprises blended cement which is produced using slag and fly ash which are wastes from other industrial processes.

   Recognizing the urgent need to address global problems of increasing paucity of fossil fuels and rampant practices of unsustainable waste disposal, the Company has pioneered the use of industrial, municipal and agricultural wastes as Alternative Fuels and Raw Materials (AFR) in India.

Principle 3: Businesses should promote the well-being of all employees

1. **Please indicate the total number of employees:**

Sr No	Category of Employees	No of Employees
1.	Management Staff	5065
2.	Shop Floor Associates	4704
	Total	9769

2. **Please indicate the total number of employees hired on temporary / contractual / casual basis:**

Sr No	Category of Employees	No of Employees
1.	Retainers / Advisors	61
2.	Sub-Contracted Employees	7912
3.	Casual Employees	73
	Total	8046

3. Please indicate the number of permanent women employees:

Number of permanent women employees : 324.

4. Please indicate the number of permanent employees with disabilities:

Number of permanent employees with disabilities : 16.

5. Do you have an employee association that is recognized by Management?

Yes, there are recognised trade unions affiliated to various trade union bodies. Company's Shop Floor Associates are members of their respective unions.

6. What percentage of your permanent employees are members of this recognised employee association?

Approximately 65% of permanent employees are members of recognised employee associations.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

Sr No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

A. Permanent Employees : 78%

B. Permanent Women Employees : 73%

C. Casual / Temporary / Contractual Employees : 100%

D. Employees with Disabilities : 69%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders? Yes / No

Yes, the Company has mapped its stakeholders as a part of its stakeholder engagement strategy development process.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, the Company has identified the disadvantaged vulnerable and marginalized stakeholders with the help of socio-demographic data of the community through base line surveys.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The Company's initiatives for differently-abled people in local communities at various plant locations, included formation of Self Help Groups (SHG) and setting up of micro enterprises for increasing their incomes. The Company has also facilitated issuance of Certificate of Disability to improve the access to Government benefits.

The Company runs two Anti-Retroviral Therapy (ART) centers to support people affected by HIV/AIDS through medical treatment and counselling. The Company has also supported patients by organizing them in Self Help Groups and through life skills development programmes.

The Company has enhanced access to healthcare for the community through health camps and mobile health clinics. The Company also jointly works with the local district administration for promoting national campaigns on DOTS for TB, Malaria prevention and immunization.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company does not have a stated Human Rights Policy. However, most of the aspects are covered in the Company's Code of Business Conduct and Ethics as well in various human resource practices.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

– NIL

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The extent of ACC's Corporate Environment Policy extends to the Company and its subsidiaries.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.

Yes, the Company is committed to reduction of GHGs emissions and has a clear roadmap to achieve the same. The hyperlink for the same is : http://www.acclimited.com/newsite/sdevelopment.asp

3. Does the Company identify and assess potential environmental risks? Y / N

Yes, the Company has a mechanism to identify and assess potential environmental risks in its plants and projects.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Yes, the Company has three registered projects under Clean Development Mechanism (CDM) and Environmental Compliance Report (Validation and Verification Reports) has been filed and Certified Emission Reductions were issued.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc? Y / N. If yes, please give hyperlink to web page etc.

The Company has taken up several initiatives on clean technology, energy efficiency and renewable energy. Details of these are available at: http://www.acclimited.com/newsite/sdevelopment.asp

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes, the emmissions / waste generated by the Company are within the permissible limits given by CPCB / SPCB.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.

– NIL.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.

The Company is a Member of:

A. Confederation of Indian Industry (CII)

B. Federation of Indian Chambers of Commerce and Industry (FICCI)

C. Bombay Chamber of Commerce & Industry

D. The Energy & Resources Institute (TERI) Business Council for Sustainable Development

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

Yes, following are the broad areas:

A. Sustainable Mining Practices

B. Waste Management

C. Energy Conservation

D. Promotion of Concrete Roads

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Yes, the Company has specific programmes / initiatives / projects in pursuance of its CSR policy.

The Company engages host communities through Community Advisory Panels (CAP) at all plant locations for planning CSR activities, process monitoring and evaluation. The CSR project participants include the disadvantaged, vulnerable and marginalized sections of the society.

The Company carried out CSR projects in pursuance of inclusive development, primarily focusing on:

- Enhancing Literacy and Education for Community,
- Livelihood, Employability and Income Generation,
- Health and Sanitation Programmes,
- Equality and Women Empowerment,
- Improving Water and Environmental Conditions of Community,
- Building of Community Infrastructure.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

The Company's CSR projects are implemented through an internal team as well as in partnership with non-governmental organizations (NGOs), and Government Institutions.

3. Have you done any impact assessment of your initiative?

Yes, the Company has conducted impact assessments of its CSR initiatives.

4. What is the Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

The Company spent an amount of ₹ 25.51 Crores in development projects as under in 2012:

Sr No	Focus Areas	Expenditure ₹ crore
1	Enhancing Literacy and Education for Community	1.88
2	Livelihood, Employability and Income Generation	2.09
3	Health and Sanitation Programs	1.48
4	Equality and Women Empowerment	5.12
5	Community Environment Projects	1.10
6	Building Community Infrastructure	9.30
7	Other Development Areas	4.54
	Total	**25.51**

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes. The Company follows participatory approach in selection of CSR initiatives. The Company conducts base line studies and need assessment surveys before initiating any CSR interventions. Community Advisory Panel (CAP), comprises various local stakeholders, which facilitates inclusive project planning, information sharing and participatory implementation. Stakeholder Engagement Surveys (SES) and Impact Audits are conducted to assess project outcomes; that also help in fostering ownership amongst local communities.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints / consumer cases are pending as on the end of financial year?**

   A total of 483 complaints were received from customers (end-consumers) in 2012, out of which 4 (amounting to <1%) were pending as of December 31, 2012, while the rest were satisfactorily resolved.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)**

   Yes, in respect of special products like 'ACC F2R (Foundation to Roof) Cement' etc., apart from the statutory information, the key product benefits are also highlighted on the cement bag.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as of end of financial year? If so, provide details thereof, in about 50 words or so.**

   The Builders Association of India (BAI) had in July 2010 filed a complaint before the Competition Commission of India (CCI) alleging anti competitive practices on the part of major cement manufacturers including ACC, which was investigated. The CCI has thereafter passed an Order against the cement manufacturers and a penality of ₹ 1147.59 crore was levied on the Company.

   This Order has been challenged by the cement manufacturers including your Company before the Competition Appellete Tribunal (COMPAT) and as on date the matter is subjudice.

4. **Did your Company carry out any consumer survey / consumer satisfaction trends?**

   Yes, Customer satisfaction survey is carried out by the Company every year.

Financial Analysis of ACC Limited (Standalone)

The following table set forth the breakup of the Company's expenses as part of the Revenue from operations (Net)

Figures in ₹ Crore

	2012	% of Net sales	2011	% of Net sales
Revenue from operations (net)	**11,357.96**	**100%**	**9,660.29**	**100%**
Other income	264.82	2%	191.91	2%
Cost of material consumed	1,605.52	14%	1,140.30	12%
Purchase of stock-in-trade	158.75	1%	169.78	2%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20.02	0%	(94.39)	-1%
Employee benefits expense	616.65	5%	533.01	5%
Power and fuel	2,382.26	21%	2,183.30	23%
Freight and Forwarding expense	2,233.36	20%	1,894.44	19%
Finance costs	114.65	1%	96.91	1%
Depreciation and amortization expense	558.88	5%	475.30	5%
Other expenses	2,145.82	19%	1,913.13	20%
Profit before exceptional item and tax	**1,786.87**	**16%**	**1,540.42**	**16%**

Note – On account of amalgamation of wholly owned subsidiaries, ACC Concrete Limited and Encore Cement and Additives Private Limited with the Company, the figures for the year ended December 31, 2012 are strictly not comparable with previous year.

1. Revenue from operations (net):

Figures in ₹ Crore

	2012	2011	Change	Change%
Cement and Clinker	10,513.38	9,417.22	1,096.16	12%
Ready Mix Concrete	605.80	-	605.80	100%
Sale of services	11.27	12.40	(1.13)	-9%
Other operating revenue	227.51	230.67	(3.16)	-1%
TOTAL	**11,357.96**	**9,660.29**	**1,697.67**	**18%**

Revenue from operations has increased due to following:-

- Net sale of cement and clinker has registered a growth of 12% mainly on account of improved sales realisation.
- The Company has achieved a sales volume of 24.11 million tonnes of cement during the year. This represented only marginally growth of 1.60% owing to difficult market conditions in the latter part of the year.

2. Other Income:

Figures in ₹ Crore

	2012	2011	Change	Change%
Other income	**264.82**	**191.91**	**72.91**	**37.99%**

- The increase in other income is attributable to return on surplus cash invested.

3. Cost of material Consumed:

Figures in ₹ Crore

	2012	2011	Change	Change%
Cost of material consumed	**1,605.52**	**1,140.30**	**465.22**	**40.80%**

Cost of material consumed has increased due to following:-

- Cement production during the current year at 24.12 million tonnes recorded an increase of 3% over previous year.
- Escalations in major input cost such as Gypsum, slag and fly ash.

4. Purchase of Traded goods:

Figures in ₹ Crore

	2012	2011	Change	Change%
Cement	92.20	169.78	(77.58)	-46%
Ready mix concrete	66.55	-	66.55	100%
TOTAL	**158.75**	**169.78**	**(11.03)**	**-6%**

- Previous year figures of traded cement includes an amount of ₹ 73 Crore, relating to cement purchased from subsidiary company Encore Cement, which is amalgamated during the year.

5. Power and Fuel:

Figures in ₹ Crore

	2012	2011	Change	Change%
Power and fuel	**2,382.26**	**2,183.30**	**198.96**	**9.11%**

Power and fuel cost has increased marginally due to following:-

- Increase in power tariff by 13.60%.
- During the current year consumption of imported coal has increased due to short receipt of linkage coal.
- The impact of increase in power tariff and coal cost is partially offset by improvement in consumption norms and improved efficiency of equipment. All of these have resulted in reduction of power consumption from 92.92 kwh/t of cement to 87.51 kwh/t.
- Clinker production decreased by 3% over the previous year.

6. Employee benefit expense:

Figures in ₹ Crore

	2012	2011	Change	Change%
Employee benefit expense	**616.65**	**533.01**	**83.64**	**15.69%**

- Employee benefit expenses increased due to normal increments in salary.
- The Company has recognized an additional expense of ₹ 13.04 Crore as compared to previous year, relating to provision for retirement benefits. The additional expense is on account of change in actuarial assumption factors.

7. Freight and Forwarding expense:

Figures in ₹ Crore

	2012	2011	Change	Change%
Freight and Forwarding expense	**2,233.36**	**1,894.44**	**338.92**	**17.89%**

- Freight and Forwarding expense has increased mainly due to increase in freight rates by 12% from ₹ 742.04 per ton to ₹ 829.52 per ton. The increase was mainly on account of higher diesel prices and surcharges imposed by railways.

8. Other Expenses:

Figures in ₹ Crore

	2012	2011	Change	Change%
Consumption of packing materials	381.53	344.94	36.59	10.61%
Repairs	515.74	455.45	60.29	13.24%
Royalties	130.85	138.19	(7.34)	-5.31%
Discount, Rebates and Allowances	83.16	84.00	(0.84)	-1.00%
Rates and Taxes	115.66	109.29	6.37	5.83%
Advertisement	102.58	106.90	(4.32)	-4.04%
Excise Duties	88.47	103.94	(15.47)	-14.88%
Rent	31.59	18.96	12.63	66.61%
Insurance	24.67	18.58	6.09	32.78%
Consumption of stores and spares	33.03	36.04	(3.01)	-8.35%
Miscellaneous Expenses	638.54	496.84	141.70	28.52%
TOTAL	**2,145.82**	**1,913.13**	**232.69**	**12.16%**

Other expenses has increased on account of following:-

- Consumption of packing material cost has increased mainly due to increase in price of bags.
- Repairs expenditure has increased on account of maintenance activities carried out at various locations.
- Rent expense increased by ₹ 12.44 Crore due to amalgamation of ACC concrete Limited.
- Miscellaneous expense has gone up due to increase in third party services on account of trainings, tax, IT, various excellence projects and others.

9. Depreciation and Amortization expense:

Figures in ₹ Crore

	2012	2011	Change	Change%
Depreciation and Amortization expense	**558.88**	**475.30**	**83.58**	**17.58%**

There is increase in depreciation on account of followings:-

- Effective January 01, 2012, the Company has with retrospectively effect changed its method of providing depreciation on fixed assets pertaining to its Captive Power Plants from the 'Straight Line' to the 'Written Down Value'. Accordingly additional depreciation charge for the year ended December 2012 is ₹ 28.70 Crore.
- Further, additional depreciation charge of ₹ 335.38 Crore relating to the period upto December 31, 2011 has been disclosed as an exceptional item.

10. Finance costs:

Figures in ₹ Crore

	2012	2011	Change	Change%
Finance cost	**114.65**	**96.91**	**17.74**	**18.31%**

- Finance costs comprise interest on debenture, interest on income tax and other interest. Finance cost has increased due to increase in interest on income tax.

11. Fixed Assets:

Figures in ₹ Crore

	2012	2011	Change	Change%
Tangible assets	5,858.86	6,206.26	(347.40)	-5.60%
Intangible assets	5.01	1.27	3.74	294.49%
Capital Work in progress	311.30	365.63	(54.33)	-14.86%

- Effective January 01, 2012, the Company has with retrospectively effect changed its method of providing depreciation on fixed assets pertaining to its Captive Power Plants from the 'Straight Line' to the 'Written Down Value' method. Accordingly, the Company has recognized an additional depreciation charge of ₹ 364.08 Crore.
- Capital work-in-progress has gone down mainly on account of capitalisation of Wadi Captive Power Plant.

12. Investments:

Figures in ₹ Crore

	2012	2011	Change	Change%
Non-current investments	194.67	445.10	(250.43)	-56%
Current investments	2,358.88	1,179.85	1,179.03	100%
TOTAL	**2,553.55**	**1,624.95**	**(928.60)**	**-57%**

Non-current investments has decreased due to followings:

- Decrease in investment by ₹ 261.78 Crore due to amalgamation of subsidiary Companies, ACC Concrete Limited and Encore Cement and Additives Private Limited.
- During the current year, the company has acquired 100% stake in Singhania Minerals Private Limited for a total consideration of ₹ 5 Crore.

Current investment has increased due to increase in investments of surplus cash.

13. Loans and Advances:

Figures in ₹ Crore

	2012	2011	Change	Change%
Long-term loans and advances	564.20	447.88	116.32	26%
Short-term loans and advances	323.29	332.32	(9.03)	-3%
TOTAL	**887.49**	**780.20**	**107.29**	**40%**

- Long-term loans and advances increased mainly due to increase in capital advances for Jamul expansion project.

14. Inventories:

Figures in ₹ Crore

	2012	2011	Change	Change%
Stores & Spare Parts and Packing Material	286.02	236.37	49.65	21%
Other inventories	847.53	863.17	(15.64)	-2%
TOTAL	**1,133.55**	**1,099.54**	**34.01**	**3%**

Inventories have increased due to followings:

- Packing material inventory increased due to increase in price of Bags price by 7%.
- Increase in stores & spares parts are due to planned maintenance activity for next year.
- Other inventories have gone down mainly on account of decrease in finished goods.

15. Trade receivables:

Figures in ₹ Crore

	2012	2011	Change	Change%
Trade receivables	**303.45**	**187.74**	**115.71**	**62%**

- The average collection days outstanding for cement sales as on December 31, 2012 is 4.59 as compared to 4.10 as on December 31, 2011 and similarly for RMX sales is 45 days.

16. Other assets:

Figures in ₹ Crore

	2012	2011	Change	Change%
Other non-current assets	165.84	56.14	109.70	195%
Other current assets	28.80	15.00	13.80	92%
TOTAL	**194.64**	**71.14**	**123.50**	**174%**

Other non-current assets have gone up due to accrual of incentive receivables from Government under various incentives schemes.

17. Long-term borrowings:

Figures in ₹ Crore

	2012	2011	Change	Change%
Secured borrowings	82.00	500.00	(418.00)	-83.60%
Unsecured borrowings	3.03	6.08	(3.05)	-50.16%
TOTAL	**85.03**	**506.08**	**(421.05)**	**-83.20%**

During the current year, the Company has bought back non-convertible debentures of ₹ 343 Crore and current maturities of debentures of ₹ 75 Crore is shown under other current liabilities.

18. Other Liabilities:

Figures in ₹ Crore

	2012	2011	Change	Change%
Other Long-term liabilities	381.09	372.26	8.83	2.37%
Other current liabilities	1,515.81	1,517.06	(1.25)	-0.08%
TOTAL	**1,896.90**	**1,889.32**	**7.58**	**0.40%**

Other liabilities have increased marginally as compared to previous year.

19. Provisions:

Figures in ₹ Crore

	2012	2011	Change	Change%
Long-term provisions	157.21	123.06	34.15	28%
Short-term provisions	1,226.88	1,049.94	176.94	17%
TOTAL	**1,384.09**	**1,173.00**	**211.09**	**18%**

- Long-term provisions have gone up due to increase in provision for employee benefits. The increase is on account of change in actuarial assumption factors.
- Short term provisions has increased mainly due to increase in provision for Income Tax by ₹ 127.07 Crore as compared to previous year.

20. Trade Payables:

Figures in ₹ Crore

	2012	2011	Change	Change%
Trade payables	**660.49**	**710.26**	**(49.77)**	**-7.01%**

- Trade payables have decreased marginally as compared to previous year.

21. Cash Flow:

Figures in ₹ Crore

	2012	2011	Change	Change%
Net cash flow from operating activities	**1,577.00**	**1,571.31**	**5.69**	**0.36%**

The net cash from operating activities is marginally increased as compared to previous year due to followings:-

- The operating profit before working capital changes and income tax during current year is ₹ 2,228 Crore, as compare to ₹ 1,909 Crore in previous year, as a result of higher operating profits during the current year.
- Cash outflow on income tax paid is ₹ 206 Crore, as compare to ₹ 416 Crore in previous year.
- During the current year working capital is increase by ₹ 446 Crore, as compare to ₹ 78 Crore decrease in the previous year.

Figures in ₹ Crore

	2012	2011	Change	Change%
Net cash flow from investing activities	**310.65**	**258.24**	**52.41**	**20.30%**

During the current year, net cash from investing activities has increased due to following:-

- Increase in outflow for purchase of fixed assets mainly on account of Capital advances for Jamul expansion project.
- Increase in return on investments of surplus cash by ₹ 58 Crore.

Figures in ₹ Crore

	2012	2011	Change	Change%
Net cash flow from financing activities	**1,066.02**	**768.32**	**297.70**	**38.75%**

- During the current year, the Company has bought back non-convertible debentures of ₹ 343 crore.

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, 2012 and also the Statement of Profit and Loss 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. Without qualifying our opinion, we draw attention to Note 38 (A) (f) of the financial Statements, relating to the order of the Competition Commission of India (CCI), concerning alleged contravention of the provisions of the Competition Act, 2002 and imposing a penalty of ₹ 1,147.59 Crore on the Company. The Company is advised by external legal Counsel that it has a good case for the Competition Appellate Tribunal setting aside the order passed by CCI, and accordingly no provision has been considered necessary by the Company in this regard.

5. Further to our comments above and 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, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   IV. In our opinion, the Balance Sheet, the Statement of Profit and Loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on December 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

   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, 2012;

      b) in the case of the Statement of Profit and Loss, 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 & CO.
Firm Registration No.: 301003E
Chartered Accountants

per Ravi Bansal
Partner
Membership No.: 49365

Place: Mumbai
Date: February 07, 2013

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 disposal of a substantial part 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.

(b) 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, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.

(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 ₹ 3.71 Crore 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.

Annexure to the Auditors' Report

(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	Commissi-onarate	Appellate authorities & Tribunal	High Court	Supreme Court	Total Amount
Sales Tax (Tax/Penalty/ Interest)	1984-85 to 2012 -13	32.03	111.05	76.54	6.15	225.77
Central Excise Act (Duty/Penalty/ Interest)	1994-95 to 2012-13	5.51	17.86	0.75	2.34	26.46
Service Tax under Finance Act, 1994 (Tax/ Penalty/ Interest)	2005-06 to 2012-13	-	13.83	-	-	13.83
Cess Matters	2001-02 to 2012-13	6.76	-	5.37	17.25	29.38

(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) We have been informed by the management of the Company that there were *certain instances of fraud that it detected and investigations relating to which have been completed, involving a representative of the Company colluding with vendors to receive undue benefits, resulting in a loss to the Company of ₹ 0.57 Crores as estimated by management, and certain instances of misappropriation by employees of sale proceeds estimated by management at ₹ 0.30 Crores.*

For S.R. BATLIBOI & CO.
Firm Registration No.: 301003E
Chartered Accountants

per Ravi Bansal
Partner
Membership No.: 49365

Place: Mumbai
Date: February 07, 2013

Balance Sheet as at December 31, 2012

Particulars	Note No.	2012 ₹ Crore	2011 ₹ Crore
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	187.95	187.95
Reserves and surplus	4	7,194.85	7,004.32
		7,382.80	7,192.27
Non-current liabilities			
Long-term borrowings	5	85.03	506.08
Deferred tax liabilities (Net)	6	516.92	518.36
Other Long-term liabilities	7	381.09	372.26
Long-term provisions	8	157.21	123.06
		1,140.25	1,519.76
Current liabilities			
Trade payables	9	660.49	710.26
Other current liabilities	10	1,515.81	1,517.06
Short-term provisions	11	1,226.88	1,049.94
		3,403.18	3,277.26
TOTAL		**11,926.23**	**11,989.29**
ASSETS			
Non-current assets			
Fixed Assets:			
Tangible assets	12	5,858.86	6,206.26
Intangible assets	12	5.01	1.27
Capital work-in-progress		311.30	365.63
Non-current investments	13	194.67	445.10
Long-term loans and advances	14	564.20	447.88
Other non-current assets	15	165.84	56.14
		7,099.88	7,522.28
Current assets			
Current investments	16	2,358.88	1,179.85
Inventories	17	1,133.55	1,099.54
Trade receivables	18	303.45	187.74
Cash and bank balances	19	678.38	1,652.56
Short-term loans and advances	20	323.29	332.32
Other current assets	21	28.80	15.00
		4,826.35	4,467.01
TOTAL		**11,926.23**	**11,989.29**
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

per RAVI BANSAL
Partner
Membership No. 49365

Mumbai, February 07, 2013

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

N.S.SEKHSARIA
Chairman

PAUL HUGENTOBLER
Deputy Chairman

KULDIP KAURA
CEO & Managing Director

SUNIL K. NAYAK
Chief Financial Officer

BURJOR D. NARIMAN
Company Secretary

S.M.PALIA
NARESH CHANDRA
M.L.NARULA
R.A.SHAH
SHAILESH V. HARIBHAKTI
AIDAN LYNAM
SUSHIL KUMAR ROONGTA
ASHWIN DANI
BERNARD FONTANA
Directors

Statement of Profit and Loss for the year ended December 31, 2012

Particulars	Note No.	2012 ₹ Crore	2012 ₹ Crore	2011 ₹ Crore
Revenue from operations (gross)		12,639.44		10,700.02
Less - Excise duty		1,281.48		1,039.73
Revenue from operations (net)	22	11,357.96		9,660.29
Other Income	23	264.82		191.91
Total Revenue			**11,622.78**	**9,852.20**
EXPENSES				
Cost of material consumed	24	1,605.52		1,140.30
Purchase of stock-in-trade	25	158.75		169.78
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	20.02		(94.39)
Employee benefits expense	27	616.65		533.01
Power and fuel		2,382.26		2,183.30
Freight and forwarding expense		2,233.36		1,894.44
Finance costs	29	114.65		96.91
Depreciation and amortization expense	12	558.88		475.30
Other expenses	28	2,145.82		1,913.13
Total Expenses			**9,835.91**	**8,311.78**
Profit before exceptional item and tax			**1,786.87**	**1,540.42**
Exceptional item	2(ii)		(335.38)	-
Profit before tax			**1,451.49**	**1,540.42**
Tax expenses				
Current tax		(439.16)		(295.43)
Tax adjustments for earlier years		(25.23)		227.97
Deferred tax		74.09		(147.70)
			(390.30)	(215.16)
Profit for the year			**1,061.19**	**1,325.26**
Earnings per equity share	30			
{Face value of ₹ 10 each (*Previous Year - ₹ 10*)}				
Basic		₹	56.52	70.59
Diluted		₹	56.38	70.42
Significant accounting policies	2			

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For S.R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

per RAVI BANSAL
Partner
Membership No. 49365

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
M.L.NARULA
R.A.SHAH
SHAILESH V. HARIBHAKTI
AIDAN LYNAM
SUSHIL KUMAR ROONGTA
ASHWIN DANI
BERNARD FONTANA
Directors

Mumbai, February 07, 2013

Cash Flow Statement for the year ended December 31, 2012

	2012 ₹ Crore	2011 ₹ Crore
A. Cash flow from operating activities		
Net Profit before Taxation	1,451.49	1,540.42
Adjustments for:		
Depreciation and Amortisation	558.88	475.30
Exceptional item (Refer Note - 2(ii))	335.38	-
Loss / (Profit) on sale / write off of fixed assets (Net)	(6.15)	9.44
Gain on current investments	(84.68)	(36.15)
Dividend income	(3.09)	(31.82)
Interest income	(170.90)	(123.94)
Finance costs	114.65	96.91
Provision for doubtful debts and advances (Net)	(3.48)	(35.43)
Capital Spares Consumed	36.36	14.76
Operating profit before working capital changes	2,228.46	1,909.49
Changes in Working Capital:		
Adjustments for Decrease / (Increase) in operating assets:		
Decrease / (Increase) in Trade receivable	(23.40)	(21.01)
Decrease / (Increase) in Inventories	(21.77)	(184.58)
Decrease / (Increase) in Short-term loans & advances	(41.78)	34.77
Decrease / (Increase) in Long-term loans & advances	(40.55)	(34.79)
Decrease / (Increase) in Other non-current assets	(109.28)	(2.30)
Adjustments for Increase / (Decrease) in operating liabilities:		
Increase / (Decrease) in Trade payables	(168.67)	124.89
Increase / (Decrease) in Other current liabilities	(83.55)	109.15
Increase / (Decrease) in Other long-term liabilities	5.56	33.86
Increase / (Decrease) in Short-term provisions	6.24	2.19
Increase / (Decrease) in Long-term provisions	31.66	15.86
Cash generated from operations	1,782.92	1,987.53
Income tax paid - (Net of refunds)	(205.92)	(416.22)
Net Cash flow from operating activities	**1,577.00**	**1,571.31**
B. Cash flow from investing activities		
Loans to subsidiary companies	(4.92)	(30.64)
Repayment of loans from subsidiary companies	-	61.00
Purchase of Fixed assets (Including capital work-in-progress and capital advances)	(568.40)	(468.07)
Proceeds from sale of Fixed assets	16.39	35.89
Gain on Current investments	84.68	36.15
Purchase of non current Investments	(0.34)	-
Purchase of Investments in subsidiary company	(5.00)	(50.00)
Investment in other bank balances	(0.12)	(0.07)
Dividend received	3.09	31.83
Interest received	163.97	125.67
Net cash used in investing activities	**(310.65)**	**(258.24)**

Cash Flow Statement for the year ended December 31, 2012 (contd.)

	2012 ₹ Crore	2011 ₹ Crore
C. Cash flow from financing activities		
Finance costs {includes interest capitalised ₹ Nil (*Previous Year ₹ 1.28 Crore*)}	(110.19)	(72.76)
Repayment of Short-term borrowings	(1.62)	(9.93)
Repayment of Long-term borrowings	(346.05)	(3.16)
Dividend paid	(522.88)	(585.05)
Dividend distribution tax paid	(85.28)	(97.42)
Net cash used in financing activities	**(1,066.02)**	**(768.32)**
Net increase / (decrease) in cash and cash equivalents	**200.33**	**544.75**
Cash and cash equivalents at the beginning of the year	2,830.32	2,285.57
Cash and cash equivalents acquired on account of amalgamation	4.40	-
Cash and cash equivalents at the end of the year	3,035.05	2,830.32
Components of cash and cash equivalents:		
Cash on hand	0.14	0.16
Balance with banks -		
On current accounts	111.03	78.06
On deposit account	530.00	1,540.06
Earmarked for specific purpose (Refer Note (1) below)	35.00	32.19
Cash and cash equivalents (Refer Note 19)	676.17	1,650.47
Add : Investment in Mutual Funds	1,034.00	594.00
Add : Investment in Certificate of Deposits	1,324.88	585.85
Cash and Cash equivalents in cash flow statement	**3,035.05**	**2,830.32**

Significant accounting policies (Refer Note - 2)

Note:

1 These balances are not available for use by the Company as they represent unpaid dividend liabilities.

2 The amalgamation of Encore and ACCCL with Company is non-cash transaction and hence, has no impact on the Company's cash flow for the Year.

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For S.R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

per RAVI BANSAL
Partner
Membership No. 49365

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
M.L.NARULA
R.A.SHAH
SHAILESH V. HARIBHAKTI
AIDAN LYNAM
SUSHIL KUMAR ROONGTA
ASHWIN DANI
BERNARD FONTANA
Directors

Mumbai, February 07, 2013

Notes to the Financial Statements for the year ended December 31, 2012

1. COMPANY OVERVIEW

ACC Limited (the Company) is a public limited company domiciled and headquartered in India and incorporated under the provision of Companies Act, 1956. Its shares are listed on two stock exchanges in India. The Company is engaged in the manufacturing and selling of Cement and Ready mix concrete. The Company caters mainly to the domestic market.

2 SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

a) The financial statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.

b) During the year ended December 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

c) The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

(ii) Change in accounting policy

Effective January 01, 2012, the Company has with retrospective effect changed its method of providing depreciation on fixed assets related to Captive Power Plants from the 'Straight Line' method to the 'Written Down Value' method, at the rates prescribed in Schedule XIV to the Companies Act, 1956. Management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of the time pattern in which the economic benefits will be derived from the use of these assets. Accordingly, the Company has recognized an additional depreciation charge of ₹ 364.08 Crore out of which the amount relating to the period upto December 31, 2011 of ₹ 335.38 Crore has been disclosed as an exceptional item.

Had the Company continued to use the earlier method of depreciation, the profit after tax for the current year would have been higher by ₹ 245.95 Crore.

(iii) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes different from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

(iv) Tangible Fixed assets

a) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment losses if any.

b) 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.

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

c) Fixed assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and are disclosed separately.

d) Losses arising from the retirement of, and gains and losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

e) Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress".

(v) Depreciation on tangible fixed assets

a) Depreciation on fixed assets other than Captive Power Plant related assets consisting of Buildings, Plant and Equipment (CPP assets), is provided using the straight-line method and on CPP assets using the written-down value 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 the following assets is provided at higher rates as compared to schedule XIV rates:

Assets	Useful Life
Transit Mixers	8 Years
Concrete 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 in the Statement of Profit and Loss, on issue for consumption.

c) Leasehold land is amortized on a straight-line basis over the period of lease.

d) Freehold land used for mining is depreciated on the basis of quantity of minerals actually extracted during the year with respect to the estimated total quantity of extractable mineral reserves.

(vi) Intangible Assets and Amortisation

Intangible assets are stated at cost of acquisition or construction less accumulated amortisation and impairment losses if any. Intangible assets are amortised over their estimated useful economic life as follows:

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 freehold land used for mining, which is based on the estimated quantity of minerals to be extracted.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(vii) 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 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.

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

(viii) Borrowing Costs

Borrowing costs directly attributable to the acquisition and construction of an asset which takes a substantial period of time to get ready for its intended use, are capitalised as a part of the cost of such assets, until such time the asset is substantially ready for its intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period they occur.

Borrowing costs consist of interest and other costs incurred in connection with borrowing of funds.

(ix) Investments

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

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Current investments are carried at the lower of cost and fair value.

(x) 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, Finished goods and Stock-in-Trade

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.

(xi) Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, demand deposits with banks and other short-term highly liquid investments with an original maturity of three months or less.

(xii) 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

Revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are disclosed net of sales tax / VAT, trade 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.

Income from services

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 Company's right to receive dividend is established by the Balance Sheet date.

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

(xiii) 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.

(xiv) Government Grants and Subsidies

a) Government Grants and subsidies are recognized when there is reasonable assurance that the conditions attached to them will be complied, and grant/subsidy will be received.

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.

(xv) Operating Lease

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 Statement of Profit and Loss on a straight-line basis over the lease term.

(xvi) 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.

(xvii) 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

The premium or the discount on forward exchange contracts not intended for trading or speculation purpose is amortized as expense or income over the life of the contract. Any profit and loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

As per the announcement of the Institute of Chartered Accountants of India, 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 in the Statement of Profit and Loss. Net gains are ignored.

(xviii) Employee benefits

a) Defined contribution plans

The Company's Officer's Superannuation Fund scheme, state governed provident fund scheme, employee state insurance scheme and Labour Welfare Fund scheme are considered as defined contribution plans. The contribution under the schemes is recognised as an expense in the Statement of Profit and Loss, as they are incurred. There are no other obligations other than the contribution payable to the respective funds.

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

b) Defined benefit plans

The Company's Gratuity fund scheme, additional gratuity scheme, provident fund scheme managed by trust and post employment benefit scheme are considered as defined benefit plans. The Company's liability is 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 Statement of Profit and Loss in the year in which they arise.

c) Other long term benefits

Silver jubilee and long service awards and accumulated compensated absences which are expected to be availed or encashed beyond 12 months from the end of the year, are treated as other long term employee benefits. The Company's liability is 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 Statement of Profit and Loss in the year in which they arise.

d) Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. These are provided based on past experience of leave availed.

e) For the purpose of presentation of Defined benefit plans and other long term benefits, the allocation between short term and long term provisions has been made as determined by an actuary.

f) Expenses incurred towards voluntary retirement scheme are charged to the Statement of Profit and Loss as and when incurred.

(xix) Income taxes

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and / or deferred tax adjustments 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 Income-tax Act, 1961.

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.

(xx) Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

(xxi) 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.

(xxii) 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.

(xxiii) Current / Non-Current

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

(xxiv) Segment Reporting

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.

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

3. SHARE CAPITAL

	2012	2011
	₹ Crore	₹ Crore
Authorised Shares		
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
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
TOTAL	187.95	187.95

i) Reconciliation of number of equity shares outstanding

	2012		2011	
	No. of shares	₹ Crore	No. of shares	₹ Crore
Equity Shares at the beginning of the year	18,77,45,356	187.75	18,77,45,356	187.75
Equity Shares at the end of the year	18,77,45,356	187.75	18,77,45,356	187.75

ii) Terms / rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

iii) Equity shares held by holding company / ultimate holding and their subsidiaries

	2012	2011
	₹ Crore	₹ Crore
Holcim (India) Private Limited, the Holding Company		
9,38,88,120 (*Previous Year - 9,38,88,120*) Equity shares ₹ 10 each fully paid	93.89	93.89
Holderind Investments Ltd., Mauritius, Holding Company of Holcim (India) Private Limited		
5,41,000 (*Previous Year - 5,41,000*) Equity shares ₹ 10 each fully paid	0.54	0.54

Both these Companies are subsidiaries of Holcim Ltd., Switzerland, the ultimate holding Company

iv) The Company has issued total 1,20,938 (*Previous Year - 3,04,110*) Equity shares ₹ 10 each fully paid during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan, for which, only exercise price has been recovered in cash.

v) Details of shareholders holding more than 5% shares in the Company

	2012		2011	
	No. of shares	% holding	No. of shares	% holding
Holcim (India) Private Limited	9,38,88,120	50.01	9,38,88,120	50.01
Life Insurance Corporation of India	1,34,97,566	7.19	1,86,02,043	9.91

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

4. RESERVES AND SURPLUS

	2012		2011
	₹ Crore	₹ Crore	₹ Crore
Capital Reserve			
Balance as per last Financial statements	74.64		67.64
Add: Addition on Amalgamation of ACC Concrete Limited (ACCCL)	0.24		-
Add: Reversal of capital subsidy provision	-		7.00
		74.88	74.64
Securities Premium Account		844.84	844.84
Debenture Redemption Reserve			
Balance as per last Financial statements	85.00		60.00
Add: Transferred from Surplus in Statement of Profit and Loss	-		25.00
Less: Transferred to General Reserve	45.75		-
		39.25	85.00
General Reserve			
Balance as per last Financial statements	2,169.86		1,919.86
Add: Transferred from Amortisation Reserve	8.44		-
Add: Transferred from Debenture Redemption Reserve	45.75		-
Add: Transferred from Surplus in Statement of Profit and Loss	150.00		250.00
		2,374.05	2,169.86
Amortisation Reserve			
Balance as per last Financial statements	8.44		7.79
Add: Transferred from Surplus in Statement of Profit and loss	-		0.65
Less: Transferred to General Reserve	8.44		-
		-	8.44
Surplus in Statement of Profit and Loss			
Balance as per last Financial statements	3,821.54		3,381.41
Add: Profit for the year	1,061.19		1,325.26
Less: Adjustment pursuant to amalgamation of ACCCL - Balance in Statement of Profit and Loss as on January 01, 2012 (Refer Note - 34(B))	197.96		-
Less: Adjustment pursuant to amalgamation of Encore - Balance in Statement of Profit and Loss as on January 01, 2011 (Refer Note - 34(A))	13.42		-
Less: Adjustment for excess of the book value of the investment in the equity share capital of Encore over the face value of such share capital (Refer Note - 34(A))	6.78		-
Add: Post merger Profit of Encore for the year 2011 (Refer Note - 34(A))	1.87		-
	4,666.44		4,706.67
Less - Appropriations			
Interim equity dividend (amount per share ₹ 11 (*Previous Year - ₹ 11*))	206.52		206.52
Proposed final equity dividend (amount per share ₹ 19 (*Previous Year - ₹ 17*))	356.72		319.17
Tax on equity dividends	91.37		85.28
Previous Year tax on equity dividends	-		(1.49)
Transfer to General Reserve	150.00		250.00
Transfer to Debenture Redemption Reserve	-		25.00
Transfer to Amortisation Reserve	-		0.65
	804.61		885.13
		3,861.83	3,821.54
TOTAL		7,194.85	7,004.32

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

5. LONG-TERM BORROWINGS

	2012	2011
	₹ Crore	₹ Crore
Secured		
Privately placed Non-Convertible Debentures		
820 (*Previous Year - 3,000*) 8.45% Non-Convertible Debentures of ₹ 10,00,000 each (Refer Note (i) below)	82.00	300.00
Nil (*Previous Year - 2,000*) 11.30% Non-Convertible Debentures of ₹ 10,00,000 each (Refer Note (ii) & (v) below)	-	200.00
Sub-Total	82.00	500.00
Unsecured		
Deferred payment liability (Refer Note (iii) & (v) below)	1.62	3.26
Deferred sales tax loans (Refer Note (iv) & (v) below)	1.41	2.82
Sub-Total	3.03	6.08
TOTAL	85.03	506.08

i) 8.45% Debentures are redeemable at par at the end of five years from the date of allotment, viz 07, October 2009. These debentures are secured by a charge on all movable and immovable assets under the Debenture Trust Deed. During the year, the Company has bought back 2,180 debentures of ₹ 218 Crore, which have been extinguished during the year / subsequent to the year end.

ii) 11.30% Debentures are redeemable at par at the end of five years from the date of allotment, viz 09, December 2008. These debentures are secured by a charge on all movable and immovable assets under the Debenture Trust Deed. During the year, the Company has bought back 1,250 debentures of ₹ 125 Crore, which have been extinguished during the year.

iii) Deferred payment liability is payable to the Industrial Development Corporation of Orissa Limited (IDCOL) in eight equal annual installments of ₹ 1.62 Crore beginning from 2007 without interest or penalty.

iv) Deferred sales tax loan is interest-free and payable in 12 yearly installments of ₹ 1.41 Crore each beginning from 2003.

v) For the current maturities of long-term borrowings, refer note (ii) in Note 10 Other current liabilities.

6. DEFERRED TAX LIABILITIES (NET)

	2012	2011
	₹ Crore	₹ Crore
Deferred Tax Liabilities arising on account of :		
Depreciation and amortisation differences	724.88	692.87
	724.88	692.87
Deferred Tax Assets arising on account of :		
Provision for employee benefits	54.75	48.73
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	59.44	62.54
Provision for obsolescence of spare parts	20.80	25.06
Others	72.97	38.18
	207.96	174.51
Net Deferred Tax Liabilities	516.92	518.36

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

7. OTHER LONG-TERM LIABILITIES

	2012	2011
	₹ Crore	₹ Crore
Deposit from dealers and others	381.09	372.26
TOTAL	381.09	372.26

8. LONG-TERM PROVISIONS

	2012	2011
	₹ Crore	₹ Crore
Provision for employee benefits (Refer Note - 31)	140.21	108.80
Other Provisions		
Provision for Mines Restoration	17.00	14.26
TOTAL	157.21	123.06

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

Mines Restoration Expenditure

	2012	2011
	₹ Crore	₹ Crore
Opening provision	14.26	12.62
Add: Provision during the year	4.14	2.43
Less: Utilisation during the year	1.40	0.79
Closing provision	17.00	14.26

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.

9. TRADE PAYABLES

	2012	2011
	₹ Crore	₹ Crore
Due to Micro, Small & Medium Enterprises	2.25	2.40
Due to others	658.24	707.86
TOTAL	660.49	710.26

There is no principal amount and interest overdue to Micro, Small & Medium Enterprises. During the year no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

10. OTHER CURRENT LIABILITIES

	2012	2011
	₹ Crore	₹ Crore
Current maturities of Long-term borrowings (Refer Note - (ii) below)	78.03	4.65
Interest accrued but not due on borrowings	2.14	7.33
Investor Education and Protection Fund :- (Refer Note - (i) below)		
Unpaid dividend	35.00	32.19
Unpaid matured deposits	0.02	0.07
Statutory dues	286.00	286.13
Advance from customers	161.71	147.84
Deposits	107.03	118.57
Liability for capital expenditure	52.51	73.27
Other payables	793.37	847.01
(Including Rebates to customers, Employees dues, etc)		
TOTAL	1,515.81	1,517.06

i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at December 31, 2012

ii) Current maturities of Long-term borrowings (Refer Notes (ii), (iii) and (iv) in Note 5)

	2012	2011
	₹ Crore	₹ Crore
Secured		
Privately placed Non-Convertible Debentures		
750 (*Previous Year - Nil*) 11.30% Non-Convertible Debentures of ₹ 10,00,000 each	75.00	-
Unsecured		
Deferred payment liability	1.62	3.24
Deferred sales tax loans	1.41	1.41
TOTAL	78.03	4.65

11. SHORT-TERM PROVISIONS

	2012	2011
	₹ Crore	₹ Crore
Provision for employee benefits (Refer Note - 31)	36.52	30.29
Other Provisions		
Provision for income tax (Net of advance tax)	775.77	648.70
Proposed final dividend	356.72	319.17
Tax on proposed dividend	57.87	51.78
TOTAL	1,226.88	1,049.94

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

12. FIXED ASSETS

₹ Crore

Particulars	GROSS BLOCK AT COST					DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 01-01-2012	Additions on amalgamation	Additions/ Adjustments	Deductions/ Adjustments	As at 31-12-2012	As at 01-01-2012	Additions on amalgamation	For the Year*	Deductions/ Adjustments	As at 31-12-2012	As at 31-12-2012	As at 31-12-2011
Tangible Assets :												
Freehold Land	248.67	-	29.53	-	278.20	-	-	1.55	-	1.55	276.65	248.67
Leasehold Land	58.70	3.00	3.10	-	64.80	34.81	0.22	2.41	-	37.44	27.36	23.89
Buildings	1,108.83	56.72	50.47	6.67	1,209.35	228.28	26.68	76.12	6.51	324.57	884.78	880.55
Plant and Equipment	7,859.81	112.13	366.96	93.86	8,245.04	3,023.43	40.54	787.82	48.54	3,803.25	4,441.79	4,836.38
Railway Sidings	153.73	-	5.19	0.82	158.10	35.57	-	7.02	0.30	42.29	115.81	118.16
Furniture & Fixtures	35.35	1.65	2.36	0.53	38.83	11.99	0.35	2.40	0.38	14.36	24.47	23.36
Vehicles	33.37	10.75	4.01	1.12	47.01	14.19	5.65	4.32	0.91	23.25	23.76	19.18
Office equipment	90.87	10.95	14.05	2.23	113.64	34.80	5.33	10.97	1.70	49.40	64.24	56.07
TOTAL	9,589.33	195.20	475.67	105.23	10,154.97	3,383.07	78.77	892.61	58.34	4,296.11	5,858.86	6,206.26
Intangible Assets:												
Computer Software	56.04	2.89	4.88	-	63.81	54.77	2.38	1.65	-	58.80	5.01	1.27
TOTAL	56.04	2.89	4.88	-	63.81	54.77	2.38	1.65	-	58.80	5.01	1.27

*Depreciation for the year includes an additional depreciation charge of ₹ 335.38 Crore (*Previous Year - ₹ Nil*) relating to period upto December 31, 2011 due to change in Accounting policy which is disclosed as an exceptional item (Refer Note - 2(ii)).

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

12. FIXED ASSETS (contd.)

₹ Crore

Particulars	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 :										
Freehold Land	192.44	56.30	0.07	248.67	-	-	-	-	248.67	192.44
Leasehold Land	57.61	1.09	-	58.70	30.62	4.19	-	34.81	23.89	26.99
Buildings	947.34	162.32	0.83	1,108.83	195.83	32.83	0.38	228.28	880.55	751.51
Plant and Equipment	6,564.87	1,344.91	49.97	7,859.81	2,631.00	418.59	26.16	3,023.43	4,836.38	3,933.87
Railway Sidings	99.22	54.51	-	153.73	30.41	5.16	-	35.57	118.16	68.81
Furniture & Fixtures	31.65	3.73	0.03	35.35	9.98	2.01	-	11.99	23.36	21.67
Vehicles	34.21	2.46	3.30	33.37	13.05	2.99	1.85	14.19	19.18	21.16
Office equipment	74.98	20.19	4.30	90.87	31.80	6.58	3.58	34.80	56.07	43.18
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:										
Computer Software	55.61	0.43	-	56.04	51.82	2.95	-	54.77	1.27	3.79
Mining Right (Refer Note - 35)	19.02	-	19.02	-	-	-	-	-	-	19.02
TOTAL	74.63	0.43	19.02	56.04	51.82	2.95	-	54.77	1.27	22.81

Notes:-

(i) Buildings include cost of Shares ₹ 5,460 (*Previous Year - ₹ 5,710*) in various Co-operative Housing Societies, in respect of 25 residential flats (*Previous Year - 27*).

(ii) Buildings include Gross block of ₹ 23.86 Crore (*Previous year - ₹ 23.86 Crore*) and Net block of ₹ 22.05 Crore (*Previous Year - ₹ 22.44 Crore*) in respect of which the transfer of title deeds to the name of the Company is under process.

(iii) Plant and Equipment includes assets given on lease to Railways under "Own Your Wagons" Scheme of ₹ 28.48 Crore (*Previous Year - ₹ 28.48 Crore*) and accumulated depreciation ₹ 28.48 Crore (*Previous Year - ₹ 28.48 Crore*).

(iv) Plant and Equipment and Buildings include Gross Block of ₹ 12.68 Crore (*Previous Year - ₹ 12.68 Crore*), ₹ 26.23 Crore (*Previous Year - ₹ 26.17 Crore*), and Net Block ₹ Nil *(Previous Year - ₹ Nil)*, ₹ 0.12 Crore (*Previous Year - ₹ 0.37 Crore*), respectively, in respect of expenditure incurred on capital assets, ownership of which does not vest in the Company.

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

13. NON-CURRENT INVESTMENTS

	2012		2011	
	Numbers	₹ Crore	Numbers	₹ Crore
Trade Investments (valued at cost)				
(a) Unquoted equity instruments				
Investment in subsidiaries				
Face value ₹ 10 each				
Bulk Cement Corporation (India) Limited	3,18,42,050	37.27	3,18,42,050	37.27
ACC Concrete Limited	-	-	15,00,00,000	150.00
(Amalgamated w.e.f January 1, 2012)				
Encore Cement and Additives Private Limited	-	-	50,00,000	11.78
(Amalgamated w.e.f January 1, 2011)				
Singhania Minerals Private Limited	20,000	5.00	-	-
(Acquired during the year) - (Refer Note - 43)				
Face value ₹ 100 each				
Lucky Minmat Limited	3,25,000	38.10	3,25,000	38.10
ACC Mineral Resources Limited	4,95,000	4.95	4,95,000	4.95
National Limestone Company Private Limited	8,650	16.24	8,650	16.24
Investment in Associates				
Face value ₹ 10 each				
Alcon Cement Company Private Limited	4,08,001	22.25	4,08,001	22.25
Asian Concretes and Cements Private Limited	81,00,000	36.81	81,00,000	36.81
Aakaash Manufacturing Company Private Limited	4,401	6.01	-	-
(Acquired on amalgamation of ACCCL)				
Investment in Others				
Face value ₹ 10 each				
Moira Madhujore Coal Limited	82,019	0.69	47,507	0.35
(34,512 shares acquired for ₹ 0.34 Crore during the year)				
(b) Quoted equity instruments				
Face value ₹ 2 each				
Shiva Cement Limited (Refer Note - 41)	2,36,50,000	23.65	2,36,50,000	23.65

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

13. NON-CURRENT INVESTMENTS (contd.)

	2012			2011	
	Numbers	₹ Crore		Numbers	₹ Crore
(c) Unquoted preference shares					
Investment in subsidiary					
1% Cumulative Redeemable Preference Share Fully paid					
Face value ₹ 10 each					
ACC Concrete Limited (Amalgamated w.e.f January 1, 2012)	-	-		10,00,00,000	100.00
			190.97		441.40
Non trade investments (value at cost)					
Investment in equity instruments (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	-
Investment in Bonds (Unquoted)					
Face value ₹ 1,000,000 each					
5.13% Himachal Pradesh Infrastructure					
Development Board Bonds	37	3.70		37	3.70
			3.70		3.70
TOTAL			194.67		445.10

Notes:

		2012	2011
(I)	Aggregate amount of quoted Investments	23.65	23.65
	{Market value ₹ 9.53 Crore (*Previous Year - ₹ 11.90 Crore*)}		
	Aggregate amount of unquoted Investments	171.02	421.45
(II)	* Denotes amount less than ₹ 50,000		

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

14. LONG-TERM LOANS AND ADVANCES

Unsecured, Considered Good, unless otherwise stated	2012	2011
	₹ Crore	₹ Crore
Capital advances	192.37	69.69
Security deposits	167.17	114.18
Deposits with Government bodies and others		
Considered good	128.96	128.67
Considered doubtful	4.33	4.44
	133.29	133.11
Less: Allowance for doubtful deposits	4.33	4.44
	128.96	128.67
Advances recoverable in cash or kind	16.26	16.35
Advance tax (Net of provision for tax)	59.44	118.99
TOTAL	564.20	447.88

15. OTHER NON-CURRENT ASSETS

	2012	2011
	₹ Crore	₹ Crore
Railway, Insurance and other receivables		
Considered good	165.84	56.14
Considered doubtful	8.44	8.57
	174.28	64.71
Less: Provision for doubtful receivables	8.44	8.57
TOTAL	165.84	56.14

16. CURRENT INVESTMENTS

	2012			2011	
	Numbers	₹ Crore		Numbers	₹ Crore
Current investments (valued at lower of cost and fair value)					
Investment in Certificate of Deposits - Fully paid-up (unquoted)					
Unit of Face value ₹ 100,000 each					
UCO Bank	5,000	49.02		10,000	97.61
Punjab National Bank	10,000	98.00		10,000	97.61
Bank of Maharashtra	-	-		10,000	97.62
Central Bank of India	-	-		10,000	97.61
Oriental Bank	25,000	245.14		10,000	97.70
Indian Overseas Bank	-	-		10,000	97.70
Canara Bank	10,000	98.13		-	-
Axis Bank Limited	15,000	146.98		-	-
ICICI Bank Limited	25,000	246.42		-	-
Indian Bank	20,000	195.95		-	-
State Bank of Patiala	25,000	245.24		-	-
			1,324.88		585.85

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

16. CURRENT INVESTMENTS (contd.)

	2012			2011	
	Numbers	₹ Crore		Numbers	₹ Crore
Investment in Mutual Funds - Fully paid-up (Unquoted)					
Unit of Face value ₹ 10 each					
Fidelity Cash Fund -Super IP - GR	-	-		1,19,53,816.080	17.00
JP Morgan India Liquid Fund - Super - GR	-	-		1,84,34,403.020	25.00
SBI Premier Liquid Fund - Super - GR	-	-		5,46,75,349.922	90.00
HDFC HIF Short Term Plan - GR	5,81,64,246.885	130.00		-	-
JP Morgan India Treasury Fund - Super IP - GR	6,71,21,752.146	100.00		-	-
Kotak Floater ST - GR	6,11,97,245.578	115.00		-	-
Reliance Medium Term Fund - GR	6,39,61,793.489	150.00		-	-
Religare Short Term Plan - Plan A - GR	7,81,15,845.799	120.00		-	-
Unit of Face value ₹ 100 each					
Birla Sunlife Cash plus - Inst. Prem. Plan - GR	-	-		14,91,883.557	25.00
DWS Insta Cash Plus Fund - Super IP - GR	-	-		37,10,297.038	50.00
ICICI Prudential Liquid Fund - Super IP - GR	44,78,322.562	76.00		25,39,546.932	39.00
Unit of Face value ₹ 1,000 each					
Axis Liquid Fund - IP - GR	4,33,079.711	55.00		5,43,904.288	63.00
DSP Blackrock Liquidity Fund - IP - GR	1,14,767.993	15.00		1,66,877.767	25.00
IDBI Liquid Fund - GR	-	-		5,37,523.564	60.00
Pramerica Liquid Fund - GR	-	-		2,23,953.272	25.00
Principal Cash Management Fund - GR	-	-		3,99,531.773	65.00
Religare Liquid Fund - Super IP - GR	-	-		3,58,490.218	60.00
UTI Liquid Fund - Cash Plan - IP - GR	-	-		2,93,681.367	50.00
SBI Premier Liquid Fund - Super IP - GR*	8,21,515.920	148.00		-	-
Templeton India TMA - Super - IP - GR	7,32,722.577	125.00		-	-
			1,034.00		594.00
TOTAL			2,358.88		1,179.85
Aggregate amount of unquoted Investments			2,358.88		1,179.85

*Includes 2,77,753 units (*Previous Year - Nil*) of ₹ 50 Crore (*Previous Year - ₹ Nil*) in the process of redemption, where redemption proceeds are received subsequent to the year end.

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

17. INVENTORIES

(At cost or net realisable value whichever is lower)

	2012 ₹ Crore	2011 ₹ Crore
Raw Materials	156.41	156.33
{Including in transit ₹ 11.03 Crore (*Previous Year - ₹ Nil*)}		
Work-in-progress	228.86	283.05
Finished goods	160.54	124.76
Stock-in-trade	0.29	0.20
Stores & Spare parts and packing material	286.02	236.37
{Including in transit ₹ 9.02 Crore (*Previous Year - ₹ 13.92 Crore*)}		
Fuels	301.43	298.83
{Including in transit ₹ 5.31 Crore (*Previous Year - ₹ 13.37 Crore*)}		
TOTAL	1,133.55	1,099.54

18. TRADE RECEIVABLES

	2012 ₹ Crore	2011 ₹ Crore
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	12.23	5.55
Considered doubtful	8.52	1.46
	20.75	7.01
Less: Provision for doubtful trade receivables	8.52	1.46
	12.23	5.55
Other Trade receivables		
Secured, considered good	63.64	67.53
Unsecured, considered good	227.58	114.66
	291.22	182.19
TOTAL	303.45	187.74

19. CASH AND BANK BALANCES

	2012 ₹ Crore	2011 ₹ Crore
Cash and cash equivalents		
Balances with banks:		
On current accounts	111.03	78.06
Deposits with original maturity of less than three months	530.00	1,540.06
On unpaid dividend account	35.00	32.19
Cash on hand	0.14	0.16
	676.17	1,650.47
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	2.20	2.00
Margin money deposit*	-	0.08
Post office saving accounts	0.01	0.01
	2.21	2.09
TOTAL	678.38	1,652.56

* Margin money deposit given as security against bank guarantee

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

20. SHORT-TERM LOANS AND ADVANCES

Unsecured, Considered Good, unless otherwise stated

	2012	2011
	₹ Crore	₹ Crore
Security deposits	7.88	12.58
Loans and advances to related parties	10.92	73.65
Advances recoverable in cash or kind	120.57	87.29
Other loans and advances		
Balances with Statutory / Government authorities	83.92	58.80
Deposit with HDFC Limited	100.00	100.00
TOTAL	323.29	332.32

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

To Subsidiaries –

Particulars	2012	Maximum Balance during the Year	2011	Maximum Balance during the Year
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Inter Corporate Deposits:				
ACC Concrete Limited*	-	-	40.00	90.00
ACC Mineral Resources Limited	10.49	10.49	6.00	6.00
Lucky Minmat Limited	0.30	0.30	-	-
National Limestone Company Private Limited	0.10	0.10	-	-
Singhania Minerals Private Limited	0.03	0.03	-	-
Encore Cement and Additives Private Limited*	-	-	27.65	27.65

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

* Refer Note - 34

21. OTHER CURRENT ASSETS

Unsecured, Considered Good, unless otherwise stated

	2012	2011
	₹ Crore	₹ Crore
Interest accrued on investments	14.83	7.58
Other Accrued Interest	1.35	1.67
Fixed assets held for sale	12.62	5.75
TOTAL	28.80	15.00

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

22. REVENUE FROM OPERATIONS

	2012	2011
	₹ Crore	₹ Crore
Sale of products		
Finished goods	12,231.97	10,270.44
Traded goods	168.69	186.51
Sale of services	11.27	12.40
Sale of products and services (gross)	12,411.93	10,469.35
Less: Excise duty	1,281.48	1,039.73
Sale of products and services (net)	11,130.45	9,429.62
Other operating revenue	227.51	230.67
Revenue from operations (net)	11,357.96	9,660.29

i) Details of products sold

	2012	2011
	₹ Crore	₹ Crore
Finished goods (net of excise duty)		
Cement	10,358.61	9,168.57
Ready Mix Concrete	539.45	-
Clinker	52.43	62.14
	10,950.49	9,230.71
Traded goods		
Cement	102.34	186.51
Ready Mix Concrete	66.35	-
	168.69	186.51
ii) Details of sale of services		
Consultancy services	-	12.40
Pumping and conveying charges	11.27	-
	11.27	12.40
iii) Detail of Other operating revenue		
Provision no longer required written back	23.32	100.84
Sale of surplus generated power	1.27	13.54
Incentives and subsidies	93.97	21.70
Miscellaneous income	108.95	94.59
TOTAL	227.51	230.67

23. OTHER INCOME

	2012	2011
	₹ Crore	₹ Crore
Interest on bank deposits	162.13	121.09
Other interest income	8.77	2.85
Profit on sale of fixed assets (net)	6.15	-
Gain on sale of current investments	84.68	36.15
Dividend from long-term investments	3.09	2.24
Dividend from current investments	-	29.58
TOTAL	264.82	191.91

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

24. COST OF MATERIALS CONSUMED

	2012	2011
	₹ Crore	₹ Crore
Opening stock	156.33	138.50
Add: Acquired on amalgamation	9.41	-
Purchase and incidental expenses	1,596.19	1,158.13
	1,761.93	1,296.63
Less: Closing stock	156.41	156.33
TOTAL	1,605.52	1,140.30

Details of cost of materials consumed

	2012	2011
	₹ Crore	₹ Crore
Slag	280.59	228.89
Gypsum	348.65	302.19
Fly Ash	281.58	214.18
Aggregates	99.22	-
Others*	595.48	395.04
TOTAL	1,605.52	1,140.30

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

25. PURCHASE OF TRADED GOODS

	2012	2011
	₹ Crore	₹ Crore
Cement	92.20	169.78
Ready Mix Concrete	66.55	-
TOTAL	158.75	169.78

26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	2012	2011	(Increase) / decrease
	₹ Crore	₹ Crore	₹ Crore
Inventories at the end of the year			
Stock-in-trade	0.29	0.20	(0.09)
Finished goods	160.54	124.76	(35.78)
Work -in-progress	228.86	283.05	54.19
	389.69	408.01	18.32
Inventories at the beginning of the year			
Stock-in-trade	0.20	0.51	0.31
Finished goods	124.76	111.92	(12.84)
Work -in-progress	283.05	201.19	(81.86)
Finished goods acquired on account of amalgamation	1.70	-	(1.70)
	409.71	313.62	(96.09)
TOTAL	20.02	(94.39)	

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

27. EMPLOYEE BENEFITS EXPENSE

	2012	2011
	₹ Crore	₹ Crore
Salaries and wages	517.57	445.91
Contributions to provident and other funds	67.16	61.06
Staff welfare expenses	31.92	26.04
TOTAL	616.65	533.01

Exclude cost relating to share based payments incurred and paid by Holcim Ltd., the ultimate holding Company, to the employees of the Company.

28. OTHER EXPENSES

	2012	2011
	₹ Crore	₹ Crore
Consumption of stores and spares parts	33.03	36.04
Consumption of packing materials	381.53	344.94
Excise duty (Refer Note - (ii) & (iii) below)	88.47	103.94
Rent	31.59	18.96
Rates and taxes	115.66	109.29
Repairs to building	26.81	13.89
Repairs to machinery	424.64	383.95
Repairs to other Items	64.29	57.61
Insurance	24.67	18.58
Royalties	130.85	138.19
Discount, rebates and allowances	83.16	84.00
Advertisement	102.58	106.90
Miscellaneous expenses (Refer Note - (iv) below)	638.54	496.84
TOTAL	2,145.82	1,913.13

i) **Payment to Statutory Auditors** (excluding service tax)

	2012	2011
	₹ Crore	₹ Crore
As Auditors		
Audit fees	2.57	2.49
Audit fees for tax financial statements	0.60	0.53
Out of pocket expenses	0.12	0.20
In other matters - Certification	0.03	0.02
TOTAL	3.32	3.24

ii) Includes excise duty related to the difference between the closing stock and opening stock.

iii) Includes excise duty on captive consumption of Clinker ₹ 64.63 Crore (*Previous Year - ₹ 101.06 Crore*)

iv) Miscellaneous expenses includes Loss on sale / write off of Fixed Assets (Net) - ₹ Nil (*Previous Year - ₹ 9.44 Crore*)

29. FINANCE COSTS

	2012	2011
	₹ Crore	₹ Crore
Interest expenses	79.02	80.94
Interest on Income Tax	35.63	17.25
{Net of interest on refund ₹ 74.61 Crore (*Previous Year - ₹ 24.17 Crore*)}		
	114.65	98.19
Less - Adjustments for -		
Interest capitalised	-	1.28
TOTAL	114.65	96.91

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

30. EARNINGS PER SHARE - [EPS]

		2012	2011
		₹ Crore	₹ Crore
Net Profit as per Statement of Profit and Loss		1,061.19	1,325.26
Weighted average number of equity shares for Earnings Per Share computation			
Shares for Basic Earnings Per Share		18,77,45,356	18,77,45,356
Add: Potential diluted equity shares on account of shares in abeyance		4,82,972	4,39,316
Number of Shares for Diluted Earnings Per Share		18,82,28,328	18,81,84,672
Earnings Per Share			
Face value per Share	₹	10.00	10.00
Basic	₹	56.52	70.59
Diluted	₹	56.38	70.42

31. EMPLOYEE BENEFITS

a) Defined Contribution Plans – Amount recognised and included in Note 27 "Contributions to Provident and other Funds" of Statement of Profit and Loss ₹ 10.03 Crore (*Previous Year - ₹ 8.88 Crore*).

b) Defined Benefit Plans – As per actuarial valuation on December 31, 2012

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.

iii. Every employee who has joined before December 01, 2005 and separates from service of the Company on Superannuation and on medical grounds is entitled to additional gratuity. The scheme is Non Funded.

Defined Benefit Plans as per Actuarial valuation on December 31, 2012

	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, 2012			
1. Current Service cost	7.68	3.32	0.05
	6.38	*2.20*	*0.02*
2. Interest Cost	10.82	4.25	0.20
	8.76	*3.20*	*0.16*
3. Employee Contributions	-	-	(0.39)
	-	-	*(0.41)*
4. Expected return on plan assets	(10.17)	-	-
	(8.82)	-	-
5. Net Actuarial (Gains) / Losses	19.15	9.05	1.70
	15.68	*7.51*	*1.13*
6. Total expense	27.48	16.62	1.56

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

	Gratuity		Post Employment Medical benefits (PEMB)
	Funded	Non Funded	
	₹ Crore	₹ Crore	₹ Crore
	22.00	*12.91*	*0.90*
II Amount recognised in Balance Sheet			
1. Present value of Defined Benefit Obligation	(160.11)	(65.54)	(3.50)
	(134.32)	*(52.05)*	*(2.58)*
2. Fair value of plan assets	137.12	-	-
	118.77	-	-
3. Funded status {Surplus/(Deficit)}	(22.99)	-	-
	(15.55)	-	-
4. Net asset/(liability) as at December 31, 2012	(22.99)	(65.54)	(3.50)
	(15.55)	*(52.05)*	*(2.58)*
III Present Value of Defined Benefit Obligation			
1. Present value of Defined Benefit Obligation at beginning of the year	134.32	52.05	2.57
	117.16	*41.83*	*2.28*
2. Liability transfer on account of merger of ACCCL	1.47	0.12	-
	-	-	-
3. Liability transfer on account of merger of ENCORE	0.03	-	-
	-	-	-
4. Current Service cost	7.68	3.32	0.05
	6.38	*2.20*	*0.02*
5. Interest Cost	10.82	4.25	0.20
	8.76	*3.20*	*0.16*
6. Employee Contributions	-	-	(0.39)
	-	-	*(0.41)*
7. Actuarial (Gains) / Losses	20.48	9.05	1.70
	16.11	*7.51*	*1.13*
8. Benefits Payments	(14.69)	(3.25)	(0.63)
	(14.09)	*(2.69)*	*(0.60)*
9. Present value of Defined Benefit Obligation at the end of the year	160.11	65.54	3.50
	134.32	*52.05*	*2.58*
IV Fair Value of Plan Assets			
1. Plan assets at the beginning of the year	118.77	-	-
	103.72	-	-
2. Assets transfer on account of merger of ACCCL	1.05	-	-
	-	-	-
3. Expected return on plan assets	10.17	-	-
	8.82	-	-
4. Contributions by Employer	5.92	-	-
	5.80	-	-
5. Actual benefits paid	(0.12)	-	-
	-	-	-
6. Actuarial Gains / (Losses)	1.33	-	-
	0.43	-	-
7. Plan assets at the end of the year	137.12	-	-
	118.77	-	-
8. Actual return on plan assets	11.50	-	-
	9.25	-	-

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

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	(0.06)
	0.06	*(0.06)*
Increase/(Decrease) on Present value of Defined Benefit Obligation as at December 31, 2012	0.67	(0.65)
	0.67	*(0.65)*

VII Actuarial Assumptions:

a) Financial Assumptions

1	Discount Rate	8.15% p.a. *(P.Y.- 8.5% p.a.)*
2	Expected rate of return on plan assets	8.5% p.a. *(P.Y.- 8.5% p.a.)*
3	Salary increase rate	7% p.a. *(P.Y.- 7% p.a.)*

b) Demographic Assumptions

1	Mortality pre-retirement	Indian Assured Lives Mortality (1994-96) Modified Ultimate
2	Mortality post-retirement	Mortality for annuitants LIC (1996-98) ultimate
3	Turnover rate	5% p.a. *(P.Y. - 5% p.a.)*
4	Medical premium inflation	12% p.a. for the first 5 years and thereafter 8% p.a.

(Figures in italics pertain to previous year)

c) 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.

d) 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.

e) The Company expects to contribute ₹ Nil to Gratuity fund in the year 2013.

f) Post employment defined benefit plan expenses are included under employee benefit expenses in the statement of Profit and Loss.

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

g) Amounts for the current and previous four years are as follows:

(i) Gratuity (Funded)

₹ Crore

	2012	2011	2010	2009	2008
Defined benefit obligation	(160.11)	(134.32)	(117.16)	(101.13)	(123.24)
Plan assets	137.12	118.77	103.72	95.39	84.14
Surplus / (deficit)	(22.99)	(15.55)	(13.44)	(5.74)	(39.10)
Experience adjustments on plan assets	(1.29)	(0.43)	(0.46)	(0.71)	(0.83)
Experience adjustments on plan liabilities	(16.89)	(19.94)	(10.54)	(5.74)	6.35

(ii) Gratuity (Non funded)

	2012	2011	2010	2009	2008
Defined benefit obligation	(65.54)	(52.05)	(41.83)	(31.60)	(39.00)
Plan assets	-	-	-	-	-
Surplus / (deficit)	(65.54)	(52.05)	(41.83)	(31.60)	(39.00)
Experience adjustments on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Experience adjustments on plan liabilities	7.33	9.49	7.67	(3.83)	(4.52)

(iii) Post Employment Medical Benefits

	2012	2011	2010	2009	2008
Defined benefit obligation	(3.50)	(2.58)	(2.28)	(3.61)	(10.18)
Plan assets	-	-	-	-	-
Surplus / (deficit)	(3.50)	(2.58)	(2.28)	(3.61)	(10.18)
Experience adjustments on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Experience adjustments on plan liabilities	1.38	1.02	(0.20)	(2.96)	(6.14)

h) Provident Fund

Provident fund for certain eligible employees is managed by the Company through trust "The Provident Fund of ACC Ltd.", in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below there is no shortfall as at December 31, 2012 and December 31, 2011.

The details of the fund and plan assets position are as follows:

	2012 ₹ Crore	2011 ₹ Crore
Plan assets at year end, at fair value	392.76	364.56
Present value of defined obligation at year end	392.76	364.56
Assets recognised in Balance Sheet	-	-

The assumption used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

	2012	2011
Discounting rate	8.15%	8.50%
Expected guaranteed interest rate	8.50%	8.50%
Expected Rate of Return on Asset	9.05%	9.12%

i) Amount recognised as an expense under employee benefit expenses in the statement of Profit and Loss in respect of other long term benefits is ₹ 24.95 Crore (*Previous Year - ₹ 17.83 Crore*).

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

32. 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. Pursuant to the amalgamation of ACC concrete limited during the year, Ready mix concrete business is disclosed as a separate segment. The export turnover is not significant in the context of total turnover.

Inter segment transfers:

Inter Segment Transfer Pricing Policy – Cement supplied to ready mix 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	
	2012	2011	2012	2011	2012	2011
REVENUE						
External sales	10,513.39	9,429.62	617.06	-	11,130.45	9,429.62
Other operating revenue	220.14	230.67	7.37	-	227.51	230.67
Inter-segment sales	90.82	-	-	-	90.82	-
	10,824.35	9,660.29	624.43	-	11,448.78	9,660.29
Less: Elimination	(90.82)	-	-	-	(90.82)	-
Total revenue	**10,733.53**	**9,660.29**	**624.43**	**-**	**11,357.96**	**9,660.29**
RESULT						
Segment result	**1,652.66**	**1,426.17**	**(16.12)**	**-**	**1,636.54**	**1,426.17**
Unallocated corporate Income					90.99	55.40
Operating Profit					**1,727.53**	**1,481.57**
Finance cost					(114.65)	(96.91)
Interest and Dividend income					173.99	155.76
Exceptional item {Refer note - 2(ii)}					(335.38)	-
Income Taxes					(390.30)	(215.16)
Profit after tax					**1,061.19**	**1,325.26**
OTHER INFORMATION						
Segment assets	8,299.59	8,404.15	195.56	-	8,495.15	8,404.15
Unallocated Corporate assets					3,431.08	3,585.14
Total assets					**11,926.23**	**11,989.29**
Segment liabilities	2,331.45	2,510.72	96.24	-	2,427.69	2,510.72
Unallocated corporate liabilities					2,115.74	2,286.30
Total liabilities					**4,543.43**	**4,797.02**
Capital expenditures	545.79	483.76	3.10	-	548.89	483.76
Depreciation and Amortization (Including exceptional item)	876.03	475.30	18.23	-	894.26	475.30
Other non-cash expenses	18.79	53.00	2.94	-	21.73	53.00

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

33. OPERATING LEASE

	2012 ₹ Crore	2011 ₹ Crore
a) Future Lease Rental payments		
(i) Not later than one year	60.78	77.84
(ii) Later than one year and not later than five years	185.21	318.10
(iii) Later than five years	118.72	154.49

b) Operating lease payment recognised in Statement of Profit & Loss amounting to ₹ 106.82 Crore (*Previous Year - ₹ 66.67 Crore*)

c) General description of the leasing arrangement:

(i) Leased Assets: Grinding facility, Dumpers, Cranes and Tippers, Car, Locomotives, Godowns, Flats, Computers, Concrete pumps and other related Office equipments and other premises.

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.

34. AMALGAMATION OF WHOLLY OWNED SUBSIDIARY COMPANIES

A) Encore Cement and Additives Private Limited (Encore)

a) Pursuant to the scheme of amalgamation ('the Scheme') of erstwhile Encore Cement and Additives Private Limited with the Company under Sections 391 to 394 of the Companies Act, 1956 sanctioned by Hon'ble Bombay High Court on October 05, 2012 entire business and all assets and liabilities of Encore Cement and Additives Private Limited were transferred and vested in the Company effective from January 01, 2011. Accordingly the Scheme has been given effect to in these financial statements.

The Encore was engaged in manufacture and sale of cement.

b) The amalgamation has been accounted for under the "Pooling of Interest" method as prescribed by the Accounting Standard 14 "Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, the accounting treatment has been given as under:-

(i) The assets and liabilities as at January 01, 2011 were incorporated in the financial statement of the Company at its book value.

(ii) Debit balance in the statement of Profit and Loss of Encore as at January 01, 2011 amounting to ₹ 13.42 Crore was adjusted in "Surplus in Statement of Profit and Loss".

(iii) 50,00,000 Equity Shares of ₹ 10 each fully paid in Encore Cement and Additives Private Limited, held as investment by the Company stands cancelled and difference between the book value and face value of such shares amounting to ₹ 6.78 Crore was adjusted against the statement of Profit and Loss of the Company.

(iv) The accounts of Encore for the year ended December 31, 2011 were finalised as a separate entity. The net profit after tax amounting to ₹ 1.87 Crore for the year ended December 31, 2011 has been adjusted in "Surplus in Statement of Profit and Loss".

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

B) ACC Concrete Limited (ACCCL)

a) Pursuant to the scheme of amalgamation ('the Scheme') of erstwhile ACC Concrete Limited with the Company under Sections 391 to 394 of the Companies Act, 1956 sanctioned by Hon'ble Bombay High Court on October 09 2012, entire business and all assets and liabilities of ACC Concrete Limited were transferred and vested in the Company effective from January 01, 2012. Accordingly the Scheme has been given effect to in these financial statements.

The erstwhile ACC Concrete Limited was engaged in manufacture and sale of Ready mix concrete.

b) The amalgamation has been accounted for under the "Pooling of Interest" method as prescribed by the Accounting Standard 14 "Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, the accounting treatment has been given as under:-

(i) The assets and liabilities as at January 01, 2012 were incorporated in the financial statement of the Company at the book value.

(ii) Debit balance in the statement of Profit and Loss of ACC Concrete Limited amounting to ₹ 197.96 Crore was adjusted in "Surplus in Statement of Profit and Loss".

(iii) 15,00,00,000 Equity Shares of ₹ 10 each fully paid and 10,00,00,000 1% Cumulative Redeemable Preference Share of ₹ 10 each Fully paid in ACC Concrete Limited, held as investment by the Company stands cancelled.

In view of above amalgamations the figures for the year ended December 31, 2012 are not strictly comparable to the previous year.

35. During the previous 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.

36. 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) Bulk Cement Corporation (India) Limited	Subsidiary Company
(v) ACC Mineral Resources Limited	Subsidiary Company
(vi) Lucky Minmat Limited	Subsidiary Company
(vii) ACC Concrete Limited	Subsidiary Company - Amalgamated with the Company w.e.f. January 01, 2012
(viii) National Limestone Company Private Limited	Subsidiary Company
(ix) Encore Cement and Additives Private Limited	Subsidiary Company - Amalgamated with the Company w.e.f. January 01, 2011
(x) Singhania Minerals Private Limited	Subsidiary Company w.e.f. August 07, 2012

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

(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
(iii) Aakaash Manufacturing Company Private Limited	Associate Company
(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 (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 controled by Holcim Ltd.
(xviii) Holcim Philippines	Fellow Subsidiary
(xix) Holcim Services Asia Bankgok	Fellow Subsidiary
(xx) Holcim Services (Asia) Limited	Fellow Subsidiary
(b) Key Management Personnel:	
Name of the Related Party	**Nature of Relationship**
Mr. Kuldip K. Kaura	CEO & Managing Director

*During the previous year Ambuja Cement India Private Limited was amalgamated with Holcim (India) Private Limited.

(C) Transactions with Subsidiary Companies

		2012 ₹ Crore	2011 ₹ Crore
(i)	**Purchase of Finished/ Unfinished Goods / Raw Materials**	**0.06**	**83.64**
	Encore Cement and Additives Private Limited	-	82.55
	Lucky Minmat Limited	0.06	1.01
	National Limestone Company Private Limited	-	0.08
(ii)	**Sale of Finished / Unfinished Goods**	**-**	**134.91**
	ACC Concrete Limited	-	105.45
	Encore Cement and Additives Private Limited	-	29.46
(iii)	**Reimbursement of Expenses / Cost of Materials/Stores Paid/Payable**	**35.94**	**22.12**
	Bulk Cement Corporation (India) Limited	35.67	20.81
	Others	0.27	1.31

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

		2012 ₹ Crore	2011 ₹ Crore
(iv)	**Reimbursement of Expenses/Cost of Materials/Stores Received/Receivable**	**1.91**	**1.90**
	Bulk Cement Corporation (India) Limited	1.87	0.10
	ACC Concrete Limited	-	0.53
	Encore Cement and Additives Private Limited	-	1.10
	Others	0.04	0.17
(v)	**Rendering of Services**	**1.09**	**1.11**
	Bulk Cement Corporation (India) Limited	1.09	1.11
(vi)	**Receiving of Services**	**15.05**	**13.46**
	Bulk Cement Corporation (India) Limited	15.05	13.46
(vii)	**Investment in Subsidiary in Equity Shares Capital**	**5.00**	**50.00**
	ACC Concrete Limited	-	50.00
	Singhania Minerals Private Limited	5.00	-
(viii)	**Inter Corporate Deposits / Other advances given**	**4.92**	**30.89**
	ACC Concrete Limited	-	26.00
	ACC Mineral Resources Limited	4.49	2.89
	Encore Cement and Additives Private Limited	-	2.00
	Others	0.43	-
(ix)	**Inter Corporate Deposits /Other advances recovered**	**-**	**61.00**
	ACC Concrete Limited	-	59.00
	Encore Cement and Additives Private Limited	-	2.00
(x)	**Inter Corporate Deposits/ Other advances as at the end of the year**	**10.92**	**73.65**
	ACC Concrete Limited	-	40.00
	Encore Cement and Additives Private Limited	-	27.65
	ACC Mineral Resources Limited	10.49	6.00
	Others	0.43	-
(xi)	**Outstanding balance included in Trade receivables**	**0.76**	**15.07**
	ACC Concrete Limited	-	14.54
	Bulk Cement Corporation (India) Limited	0.76	-
	Encore Cement and Additives Private Limited	-	0.53
(xii)	**Outstanding balance included in Short -term loans and advances**	**1.68**	**1.89**
	National Limestone Company Private Limited	1.68	1.03
	Encore Cement and Additives Private Limited	-	0.86
(xiii)	**Outstanding balance included in Trade payables**	**4.38**	**1.67**
	Bulk Cement Corporation (India) Limited	4.38	1.61
	Lucky Minmat Limited	-	0.06

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

(D) Transactions with Associate Companies

		2012 ₹ Crore	2011 ₹ Crore
(i)	**Purchase of Finished Goods**	**137.50**	**76.55**
	Alcon Cement Company Private Limited	69.57	76.55
	Aakaash Manufacturing Company Private Limited	67.93	-
(ii)	**Purchase of Raw Materials**	**26.86**	**16.64**
	Asian Concretes & Cements Private Limited	26.86	16.64
(iii)	**Sale of Finished / Unfinished Goods**	**32.82**	**27.16**
	Alcon Cement Company Private Limited	30.52	27.16
	Aakaash Manufacturing Company Private Limited	2.30	-
(iv)	**Dividend Received**	**3.09**	**2.24**
	Alcon Cement Company Private Limited	2.65	2.24
	Aakaash Manufacturing Company Private Limited	0.44	-
(v)	**Reimbursement of Expenses/Cost of Materials/Stores Received/Receivable**	**3.95**	**8.89**
	Alcon Cement Company Private Limited	3.95	8.89
(vi)	**Rendering of Services**	**1.19**	**1.36**
	Alcon Cement Company Private Limited	1.19	1.36
(vii)	**Receiving of Services**	**49.37**	**48.18**
	Asian Concretes & Cements Private Limited	49.37	47.56
	Alcon Cement Company Private Limited	-	0.62
(viii)	**Outstanding balance included in Trade receivables**	**9.37**	**4.66**
	Alcon Cement Company Private Limited	8.79	4.66
	Aakaash Manufacturing Company Private Limited	0.58	-
(ix)	**Outstanding balance included in Trade payables**	**21.06**	**13.64**
	Alcon Cement Company Private Limited	3.74	2.31
	Aakaash Manufacturing Company Private Limited	9.03	-
	Asian Concretes & Cements Private Limited	8.29	11.33

(E) Details of Transactions relating to Holding Companies

		2012 ₹ Crore	2011 ₹ Crore
(i)	**Dividend paid**	**264.40**	**293.61**
	Holcim (India) Private Limited	262.89	291.91
	Holderind Investments Limited	1.51	1.70

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

(F) Details of Transactions relating to Fellow Subsidiary Companies

		2012 ₹ Crore	2011 ₹ Crore
(i)	**Purchase of Gypsum and Coal**	**83.80**	**116.18**
	Holcim Trading FZCO	83.80	99.91
	Ambuja Cements Limited	-	16.27
(ii)	**Purchase of Unfinished Goods**	**23.16**	**5.04**
	Ambuja Cements Limited	23.16	5.04
(iii)	**Purchase of Stores & Spares**	**1.70**	**0.64**
	Ambuja Cements Limited	1.70	0.64
(iv)	**Purchase of Fixed Assets**	-	13.97
	Ambuja Cements Limited	-	13.97
(v)	**Sale of Finished / Unfinished Goods / Raw material**	**7.56**	**6.57**
	Ambuja Cements Limited	7.56	6.57
(vi)	**Sale of Raw Material & Other Items**	**-**	**0.36**
	Holcim (Bangladesh) Limited	-	0.36
(vii)	**Rendering of Services**	**6.47**	**2.63**
	Ambuja Cements Limited	2.63	2.63
	Siam City Cement Public Company Limited	0.76	-
	Holcim Lanka Ltd.	2.89	-
	P T Holcim Indonesia Tbk	0.16	-
	Others	0.03	-
(viii)	**Reimbursement of Expenses Paid / Payable**	**12.75**	**3.39**
	Holcim Trading FZCO	12.70	3.13
	Others	0.05	0.26
(ix)	**Reimbursement of Expenses Received / Receivable**	**1.22**	**4.59**
	Ambuja Cements Limited	0.46	3.99
	Holcim Group Support Limited	0.22	0.34
	Others	0.54	0.26
(x)	**Receiving of Services (Training / Technical Consultancy etc.)**	**99.80**	**71.32**
	Ambuja Cements Limited	3.29	-
	Holcim Group Support Limited	39.57	30.88
	Holcim Services (South Asia) Limited	30.93	26.03
	Holcim Services (Asia) Limited	1.94	-
	Holcim Trading FZCO	23.39	14.00
	Others	0.68	0.41
(xi)	**Interest Paid**	**0.09**	**-**
	Ambuja Cement Limited	0.09	-
(xii)	**Outstanding balance included in Trade receivables**	**5.78**	**1.55**
	Ambuja Cement Limited	1.81	1.35
	Siam City Cement Public Company Limited	0.76	-
	Holcim Lanka Limited	2.96	-
	Holcim Group Support Limited	-	0.19
	Others	0.25	0.01

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

	2012 ₹ Crore	2011 ₹ Crore
(xiii) Outstanding balance included in Trade payables	**36.02**	**17.34**
Holcim Group Support Limited	14.42	7.97
Holcim Trading FZCO	10.59	3.83
Holcim Services (South Asia) Limited	8.89	5.35
Others	2.12	0.19

(G) Details of Transaction with Key Management Personnel

	2012 ₹ Crore	2011 ₹ Crore
Remuneration*	**5.28**	**4.77**
Mr. Kuldip K. Kaura	5.28	4.77

*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 in remuneration to key management personnel

37. CAPITAL AND OTHER COMMITMENTS

	2012 ₹ Crore	2011 ₹ Crore
A) Estimated value of contracts in capital account remaining to be executed	1,375.27	286.45

B) The Company from time to time provides need base support to subsidiaries towards capital and other requirements.

38. (A) CONTINGENT LIABILITIES NOT PROVIDED FOR -

	2012 ₹ Crore	2011 ₹ Crore
a) Claims not acknowledged by the Company		
Sales tax	30.14	28.47
Claim by Suppliers	36.79	36.79
Labour related	23.42	20.06
Others	20.24	15.71
	110.59	101.03
In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums / authorities.		
b) Guarantee given on behalf of subsidiary company	-	0.08
c) Indemnity, Guarantee/s given to Banks/Financial Institutions, Government Bodies and others	216.19	177.91
d) Bills discounted	13.25	-

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

e) The Company had filed petitions against the orders / notices of various authorities demanding ₹ 193.60 Crore (*Previous Year – ₹ 169.75 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.

In view of above demand being legally unjustifiable, the Company does not expect any liability in above matter.

f) The Competition Commission of India issued an Order dated June 20, 2012 imposing penalty on certain cement manufacturers, including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002, and imposed a penalty of ₹ 1,147.59 Crore on the Company. The Company has filed an appeal against the Order before the Competition Appellate Tribunal, which is pending for disposal. Based on the advice of external legal counsel, the Company believes it has good grounds for a successful appeal. Accordingly, no provision is considered necessary.

(B) a) The Company had availed Sales Tax Incentives in respect of it's new 1 MTPA Plant at Gagal (Gagal II) under the HP State Industrial Policy, 1991. The Company had, as on December 31, 2011, claimed and accrued Sales Tax Incentives aggregating to ₹ 56 Crore even though the Sales Tax Authorities had introduced certain restrictive conditions after commissioning of the unit stipulating that incentive is available only for incremental amount over the base revenue and production (of Gagal 1) prior to the commissioning of Gagal II. The Company contends that Gagal II is a new unit, as decided by the HP High Court and confirmed by the Supreme Court while determining the eligibility for Transport Subsidy, and hence such restrictions are not applicable to the unit. The Department had recovered ₹ 64 Crore (Tax of ₹ 56 Crore plus interest of ₹ 7 Crore) and the same is accounted as an amount recoverable.

The HP High Court, in a recent order, has dismissed the Company's appeal. The Company feels that the Hon'ble High Court had decided against the Company based on erroneous understanding of certain facts and legal positions and has also failed to consider certain key facts in it's order. The Company has taken legal opinion / s on the matter and has been advised that there is no change in the merits of the Company's case and the company should file a review before the High Court for consideration of all the facts appropriately and also file a Special Leave Petetion (SLP) in appeal before the Hon'ble Supreme Court.

The company has already filed the Review Petition before the HP High Court and is in the process of filing an SLP before the Supreme Court. The Company has not made any provision for the amounts in dispute following the legal opinion /s obtained.

b) Pursuant to incentives available under a State Industrial Policy in respect of one of its cement plants, the Company has made claims in accordance with its eligibility. However, the disbursal of the amounts claimed were not forthcoming as the authorities have raised various new conditions and restrictions, totally extraneous to the approvals and confirmations expressly received by the Company. The Company has filed two writ appeals before the Jharkhand High Court against the restrictions and disputes on the extent of the eligible claims now being sought to be effected / raised by the Government. The appeals are expected to come up for hearing on merits in the first quarter of 2013 and the Company expects completely favourable outcome.

During the year, the Company has accrued a further amount of ₹ 10 Crore, following the estimated basis followed in the previous year, representing the quantum of benefits after taking into consideration all the restrictions and disputes now raised by the Jharkhand Government. The Cumulative amount accrued for the entire period of claims, on this basis, stands at ₹ 43 Crore.

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

39. The Company through its Fraud Risk Mechanism detected certain instances of fraud, involving a representative of the Company colluding with vendors to receive undue benefits, resulting in a loss to the Company of ₹ 0.57 Crore, and incidents of misappropriation by employees of sale proceeds estimated at ₹ 0.30 Crore. The Company has taken necessary steps to further strengthen controls and the services of the concerned employees have been terminated.

40. PARTICULARS OF UN HEDGED FOREIGN CURRENCY EXPOSURE AS AT BALANCE SHEET DATE

		2012			2011		
Particulars	Currency	Foreign currency in Crore	Exchange rate	₹ Crore	Foreign currency in Crore	Exchange rate	₹ Crore
Trade Receivable	SAR	0.25	14.60	3.58	0.25	14.34	3.52
Trade Payable and Other Current Liabilities	CHF	0.31	59.84	18.59	0.14	57.76	8.00
	USD	0.22	54.69	11.83	0.09	54.29	5.00
	EUR	-	-	-	0.02	70.29	1.23
	JPY	-	-	-	0.01	0.70	0.01
	GBP	0.000	88.34	0.04	-	-	-
	DEM	0.13	36.95	4.82	-	-	-
	SGD	0.001	44.68	0.06	0.002	41.76	0.07
	CNY	0.43	8.66	3.76	-	-	-
	NOK	0.06	9.79	0.55	-	-	-
	THB	0.09	1.77	0.17	-	-	-
	ATS	0.01	5.25	0.04	-	-	-
	KRW	16.53	0.05	0.85	-	-	-
	VND	29.26	0.0026	0.08	-	-	-
	LKR	0.21	0.43	0.09	-	-	-

41. The Company's investment in 2,36,50,000 equity shares of Shiva Cement Limited amounting to ₹ 23.65 Crore is a strategic investment and the Company considers the decline in the market value of the investment to be of a temporary nature resulting from the subdued capital market situation.

42. 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 and National Limestone Company 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.

43. During the year, the Company has acquired 100% stake in Singhania Minerals Private Limited, for a total consideration of ₹ 5 Crore, a Company engaged in mining of Limestone.

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

44. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS

	2012	2011
	₹ Crore	₹ Crore
Raw material	103.00	105.07
Stores and spare parts	107.50	76.45
Coal	402.52	200.13
Capital goods	51.00	21.38
	664.02	403.03

45. EXPENDITURE IN FOREIGN CURRENCIES (ON ACCRUAL BASIS)

	2012	2011
	₹ Crore	₹ Crore
Technical Know-how (gross)	36.21	18.18
Consultants' fees	4.86	2.28
Others	37.23	21.48
	78.30	41.94

46. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES AND SPARE PARTS CONSUMED

	2012		2011	
	₹ Crore	%	₹ Crore	%
(a) Raw materials				
Imported	165.74	10.32	111.32	9.76
Indigenous	1,439.78	89.68	1,028.98	90.24
	1,605.52	100.00	1,140.30	100.00
(b) Stores and spare parts				
Imported	53.81	15.16	43.76	14.54
Indigenous	301.06	84.84	257.29	85.46
	354.87	100.00	301.05	100.00

47. EARNINGS IN FOREIGN EXCHANGE (ON ACCRUAL BASIS)

	2012	2011
	₹ Crore	₹ Crore
Consultancy services and others	-	13.84
	-	13.84

48. REMITTANCES IN FOREIGN CURRENCIES -

	2012	2011
	₹ Crore	₹ Crore
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)	0.92	1.11
Year to which it pertains	2011	2010

Notes to the Financial Statements for the year ended December 31, 2012 (contd.)

48. REMITTANCES IN FOREIGN CURRENCIES - (contd.)

	2012 ₹ Crore	2011 ₹ Crore
(b) Interim Dividend		
No. of shareholders	1	1
No. of Equity Shares	5,41,000	5,41,000
Amount remitted (₹ Crore)	0.60	0.60
Year to which it pertains	2012	2011

49. PROPOSED DIVIDEND

The final dividend proposed for the year is as follows :

	2012	2011
On Equity Shares of ₹ 10 each		
Amount of dividend proposed (₹ Crore)	356.72	319.17
Dividend per Equity Share (₹)	19	17

50. COMPARATIVE FIGURES

Pursuant to the amalgamation of ACCCL and Encore (Refer note - 34), the figures of the current year are not strictly comparable to those of the previous year. Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

As per our report of even date

For S.R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

per RAVI BANSAL
Partner
Membership No. 49365

Mumbai, February 07, 2013

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

N.S.SEKHSARIA
Chairman

PAUL HUGENTOBLER
Deputy Chairman

KULDIP KAURA
CEO & Managing Director

SUNIL K. NAYAK
Chief Financial Officer

BURJOR D. NARIMAN
Company Secretary

S.M.PALIA
NARESH CHANDRA
M.L.NARULA
R.A.SHAH
SHAILESH V. HARIBHAKTI
AIDAN LYNAM
SUSHIL KUMAR ROONGTA
ASHWIN DANI
BERNARD FONTANA
Directors

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

	ACC Mineral Resources Limited	BulK Cement Corporation (India) Limited	Lucky Minmat Limited	National Limsestone Co. Pvt. Limited	Singhania Minerals Pvt. Limited*
(A) The "Financial Year" of the Subsidiary Companies	December 31, 2012	December 31, 2012	December 31, 2012	December 31, 2012	December 31, 2012
(B) Shares of the Subsidiary held by ACC Limited on the above dates :					
(a) Number and face value	4,95,000 Shares of ₹ 100 / - each fully paid up	3,18,42,050 Shares of ₹ 10 / - each fully paid up	3,25,000 Share of ₹ 100 / - each fully paid up	8,650 Shares of ₹ 100 / - each fully paid up	20,000 Shares of ₹ 10 / - each fully paid up
(b) Extent of holding	100%	94.65%	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, 2012 amounted to -					
(i) for the Subsidiaries financial year ended as in (A) above (₹ Lakhs)	(17.89)	179.81	(57.28)	(19.44)	(2.91)
(ii) for the previous financial years of the Subsidiaries since they became the Holding Company's subsidiaries (₹ Lakhs)	(59.52)	801.91	(67.10)	(16.93)	-
(b) Dealt with in the accounts of ACC Limited for the year ended December 31, 2012 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	-	-	-	-	-

* Singhania Minerals Pvt. Limited became a subsidiary of the Company on August 07, 2012

N.S.SEKHSARIA
Chairman

PAUL HUGENTOBLER
Deputy Chairman

KULDIP KAURA
CEO & Managing Director

SUNIL K. NAYAK
Chief Financial Officer

BURJOR D. NARIMAN
Company Secretary

S.M.PALIA
NARESH CHANDRA
M.L.NARULA
R.A.SHAH
SHAILESH V. HARIBHAKTI
AIDAN LYNAM
SUSHIL KUMAR ROONGTA
ASHWIN DANI
BERNARD FONTANA
Directors

Mumbai, February 07, 2013

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

We have audited the attached consolidated balance sheet of ACC Limited ('the Company') and its subsidiaries and associates ('the Group'), as at December 31, 2012, and also the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the ACC'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 total assets of ₹ 61.22 Crore, total revenue of ₹ 1.82 Crore and cash flows amounting to ₹ 0.67 Crore in respect of five subsidiaries and the Group's share of profit of ₹ 9.47 Crore in respect of three associates included in the accompanying consolidated financial statements, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiaries and associates is based solely on the report of other auditors.

Without qualifying our opinion, we draw attention to Note 37 (A) (e) of the consolidated financial statements, relating to the order of the Competition Commission of India (CCI), concerning alleged contravention of the provisions of the Competition Act, 2002 and imposing a penalty of ₹ 1,147.59 Crore on the Company. The Company is advised by external legal counsel that it has a good case for the Competition Appellate Tribunal setting aside the order passed by CCI, and accordingly no provision has been considered necessary by the Company in this regard.

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 Limited as at December 31,2012;

(b) in the case of the consolidated statement of profit and loss, 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 & CO.
Firm registration number: 301003E
Chartered Accountants

per Ravi Bansal
Partner
Membership No.: 49365

Place: Mumbai
Date: February 07, 2013

Consolidated Balance Sheet as at December 31, 2012

Particulars	Note No.	2012 ₹ Crore	2011 ₹ Crore
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	187.95	187.95
Reserves and surplus	4	7,184.48	6,791.10
		7,372.43	6,979.05
Minority Interest		2.55	2.46
Non-current liabilities			
Long-term borrowings	5	85.03	506.08
Deferred tax liabilities (Net)	6	522.59	523.84
Other Long-term liabilities	7	381.09	375.53
Long-term provisions	8	157.21	125.55
		1,145.92	1,531.00
Current liabilities			
Trade payables	9	660.71	815.50
Other current liabilities	10	1,519.69	1,542.23
Short-term provisions	11	1,226.88	1,050.74
		3,407.28	3,408.47
TOTAL		**11,928.18**	**11,920.98**
ASSETS			
Non-current assets			
Fixed Assets:			
Tangible assets	12	5,893.16	6,358.55
Intangible assets	12	39.22	47.90
Capital work-in-progress		311.58	369.35
Intangible assets under development		2.29	0.65
Non-current investments	13	101.44	98.15
Long-term loans and advances	14	565.69	461.43
Other non-current assets	15	165.84	56.14
		7,079.22	7,392.17
Current assets			
Current investments	16	2,377.23	1,194.95
Inventories	17	1,134.40	1,112.78
Trade receivables	18	302.76	265.69
Cash and bank balances	19	680.70	1,659.92
Short-term loans and advances	20	325.00	279.43
Other current assets	21	28.87	16.04
		4,848.96	4,528.81
TOTAL		**11,928.18**	**11,920.98**
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

per RAVI BANSAL
Partner
Membership No. 49365

Mumbai, February 07, 2013

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
M.L.NARULA
R.A.SHAH
SHAILESH V. HARIBHAKTI
AIDAN LYNAM
SUSHIL KUMAR ROONGTA
ASHWIN DANI
BERNARD FONTANA
Directors

Consolidated Statement of Profit and Loss for the year ended December 31, 2012

Particulars	Note No.	2012 ₹ Crore	2012 ₹ Crore	2011 ₹ Crore
Revenue from operations (gross)		12,639.67		11,273.46
Less - Excise duty		1,281.48		1,036.27
Revenue from operations (net)	22	11,358.19		10,237.19
Other Income	23	263.28		191.01
Total Revenue			**11,621.47**	**10,428.20**
EXPENSES				
Cost of material consumed	24	1,605.47		1,500.08
Purchase of stock-in-trade	25	158.75		167.38
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	20.12		(95.68)
Employee benefits expense	27	617.86		574.33
Power and fuel		2,384.34		2,199.06
Freight and Forwarding expense		2,218.50		1,939.98
Finance costs	29	114.65		96.91
Depreciation and amortization expense	12	568.90		510.04
Other expenses	28	2,156.51		2,030.81
Total Expenses			**9,845.10**	**8,922.91**
Profit before exceptional item and tax			**1,776.37**	**1,505.29**
Exceptional item	2(ii)		(335.38)	-
Profit before tax			**1,440.99**	**1,505.29**
Tax expenses				
Current tax		(439.75)		(295.51)
Tax adjustments for earlier years		(25.23)		227.97
Deferred tax		73.90		(147.91)
			(391.08)	(215.45)
Profit after tax			**1,049.91**	**1,289.84**
Share of Profit in Associates			9.47	11.00
Minority Interest			(0.10)	(0.04)
Profit for the year			**1,059.28**	**1,300.80**
Earnings per equity share	30			
{Face value of ₹ 10 each *(Previous Year - ₹ 10)*}				
Basic		₹	56.42	69.29
Diluted		₹	56.28	69.12
Significant accounting policies	2			

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For S.R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

per RAVI BANSAL
Partner
Membership No. 49365

Mumbai, February 07, 2013

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
M.L.NARULA
R.A.SHAH
SHAILESH V. HARIBHAKTI
AIDAN LYNAM
SUSHIL KUMAR ROONGTA
ASHWIN DANI
BERNARD FONTANA
Directors

Consolidated Cash Flow Statement for the year ended December 31, 2012

	2012 ₹ Crore	2011 ₹ Crore
A. Cash flow from operating activities		
Net Profit before Taxation	1,440.99	1,505.29
Adjustments for:		
Depreciation and Amortisation	568.90	510.04
Exceptional item (Refer Note - 2(ii))	335.38	-
Loss / (Profit) on sale / write off of fixed assets (Net)	(6.11)	11.06
Gain on current investments	(86.11)	(36.62)
Dividend income	-	(30.18)
Interest income	(171.05)	(124.21)
Finance costs	114.65	96.91
Provision for doubtful debts and advances (Net)	(3.55)	(28.64)
Capital Spares Consumed	36.36	14.76
Miscellaneous expenditure written off	3.47	3.67
Operating profit before working capital changes	2,232.93	1,922.08
Changes in Working Capital:		
Adjustments for Decrease / (Increase) in operating assets:		
Decrease / (Increase) in Trade receivable	(38.82)	(45.68)
Decrease / (Increase) in Inventories	(21.63)	(186.90)
Decrease / (Increase) in Short term loans & advances	(44.31)	28.33
Decrease / (Increase) in Long term loans & advances	(41.91)	(24.41)
Decrease / (Increase) in Other current assets	(0.26)	0.35
Decrease / (Increase) in Other non current assets	(109.28)	(2.30)
Adjustments for Increase / (Decrease) in operating liabilities:		
Increase / (Decrease) in Trade payables	(152.76)	132.96
Increase / (Decrease) in Other current liabilities	(84.19)	112.09
Increase / (Decrease) in Other long term liabilities	5.56	33.86
Increase / (Decrease) in Short term provisions	6.29	2.19
Increase / (Decrease) in Long term provisions	31.66	19.82
Cash generated from operations	1,783.28	1,992.39
Income tax paid - (Net of refunds)	(206.42)	(416.41)
Net Cash flow from operating activities	**1,576.86**	**1,575.98**
B. Cash flow from investing activities		
Purchase of Fixed Assets (Including Capital work-in-progress and Capital Advances)	(572.17)	(484.05)
Proceeds from sale of Fixed Assets	16.40	36.73
Gain on Current Investments	86.11	36.62
Purchase of non current Investments	(0.34)	(6.01)
Purchase of Investments in subsidiary Company	(5.00)	-
Investment in other Bank balances	(0.13)	(0.10)
Dividend Received	-	30.19
Dividend Received from Associates	3.09	2.24
Interest Received	164.13	125.96
Net cash used in investing activities	**(307.91)**	**(258.42)**

Consolidated Cash Flow Statement for the year ended December 31, 2012 (contd.)

	2012 ₹ Crore	2011 ₹ Crore
C. Cash flow from financing activities		
Finance costs {includes interest capitalised ₹ Nil (*Previous Year - ₹ 1.28 Crore*)}	(110.19)	(72.76)
Repayment of Short term Borrowings	(1.62)	(9.93)
Repayment of Long term Borrowings	(346.05)	(3.30)
Dividend paid	(522.88)	(585.05)
Dividend Distribution Tax paid	(85.28)	(97.42)
Net cash used in financing activities	**(1,066.02)**	**(768.46)**
Net increase / (decrease) in cash and cash equivalents	**202.93**	**549.10**
Cash and cash equivalents at the beginning of the year	2,852.57	2,303.47
Cash and cash equivalents at the end of the year	3,055.50	2,852.57
Components of cash and cash equivalents:		
Cash on hand	0.14	0.16
Balance with banks-		
On current accounts	111.61	83.23
On deposit account	531.52	1,542.04
Earmarked for specific purpose*	35.00	32.19
Cash and cash equivalents (Refer Note - 19)	678.27	1,657.62
Add : Investment in Mutual Funds	1,052.35	609.10
Add : Investment in Certificate of Deposits	1,324.88	585.85
Cash and Cash equivalents in cash flow statement	**3,055.50**	**2,852.57**

Significant accounting policies (Refer Note - 2)

*These balances are not available for use by the Company as they represent unpaid dividend liabilities

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For S.R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

per RAVI BANSAL
Partner
Membership No. 49365

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
M.L.NARULA
R.A.SHAH
SHAILESH V. HARIBHAKTI
AIDAN LYNAM
SUSHIL KUMAR ROONGTA
ASHWIN DANI
BERNARD FONTANA
Directors

Mumbai, February 07, 2013

Notes to Consolidated Financial Statement for the year ended December 31, 2012

1. COMPANY OVERVIEW

ACC Limited (the Company) is a public limited company domiciled and headquartered in India and incorporated under the provision of Companies Act, 1956. Its shares are listed on two stock exchanges in India. The Company is engaged in the manufacturing and selling of Cement and Ready mix concrete. The Company caters mainly to the domestic market.

2 SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

a) 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.

b) 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	
		2012	2011
a)	**Subsidiaries**		
1	ACC Concrete Limited (ACCCL)	-	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	-	100%
7	Singhania Mineral Private Limited	100%	-
b)	**Associates**		
1	Alcon Cement Company Private Limited	40%	40%
2	Asian Concretes and Cements Private Limited	45%	45%
3	Aakaash Manufacturing Private Limited	40%	40%
c)	**Joint Ventures 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%

Notes:

1) Each of the above Companies is incorporated in India & financial statements are drawn up to the same reporting date as that of the parent Company i.e. December 31, 2012.

2) Encore Cements & Additives Private Limited has been amalgamated with the company with effect from January 01, 2011. On amalgamation of Encore Cement & Additives Private Limited, the goodwill as on that date amounting to ₹ 11.29 Crore has been adjusted against General Reserves.

3) ACC Concrete Limited has been amalgamated with the company with effect from January 01, 2012.

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

c) The Consolidated Financial Statements have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.

d) During the year ended December 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

e) The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained in note 2(ii).

f) 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.

g) 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.

h) 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.

i) 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.

j) 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.

k) 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).

l) 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.

m) 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).

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

(ii) Change in accounting policy

Effective January 01, 2012, the Company has with retrospective effect changed its method of providing depreciation on fixed assets related to Captive Power Plants from the 'Straight Line' method to the 'Written Down Value' method, at the rates prescribed in Schedule XIV to the Companies Act, 1956. Management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of the time pattern in which the economic benefits will be derived from the use of these assets. Accordingly, the Company has recognized an additional depreciation charge of ₹ 364.08 Crore out of which the amount relating to the period upto December 31, 2011 of ₹ 335.38 Crore has been disclosed as an exceptional item.

Had the Company continued to use the earlier method of depreciation, the profit after tax for the current year would have been higher by ₹ 245.95 Crore.

(iii) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes different from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

(iv) Tangible Fixed assets

a) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment losses if any.

b) 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.

c) Fixed assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and are disclosed separately.

d) Losses arising from the retirement of, and gains and losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

e) Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress".

(v) Depreciation on tangible fixed assets

a) Depreciation on fixed assets other than Captive Power Plant related assets consisting of Buildings, Plant and Equipment (CPP assets), is provided using the straight-line method and on CPP assets using the written-down value 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 the following assets is provided at higher rates as compared to schedule XIV rates:

Assets	Useful Life
Transit Mixers	8 Years
Concrete 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 in the Statement of Profit and Loss, on issue for consumption.

c) Leasehold land is amortized on a straight line basis over the period of lease.

d) Freehold land used for mining is depreciated on the basis of quantity of minerals actually extracted during the year with respect to the estimated total quantity of extractable mineral reserves.

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

(vi) Intangible Assets and Amortisation

Intangible assets are stated at cost of acquisition or construction less accumulated amortisation and impairment losses if any. Intangible assets are amortised over their estimated useful economic life as follows:

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 freehold land used for mining, which is based on the estimated quantity of minerals to be extracted.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(vii) 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 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.

(viii) Borrowing Costs

Borrowing costs directly attributable to the acquisition and construction of an asset which takes a substantial period of time to get ready for its intended use, are capitalised as a part of the cost of such assets, until such time the asset is substantially ready for its intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period they occur.

Borrowing costs consist of interest and other costs incurred in connection with borrowing of funds.

(ix) Investments

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

Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Current investments are carried at the lower of cost and fair value.

(x) 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, Finished goods and Stock-in-Trade

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.

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

(xi) Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, demand deposits with banks and other short-term highly liquid investments with an original maturity of three months or less.

(xii) 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

Revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are disclosed net of sales tax / VAT, trade 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.

Income from services

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 Company's right to receive dividend is established by the Balance Sheet date.

(xiii) 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.

(xiv) Government Grants and Subsidies

a) Government Grants and subsidies are recognized when there is reasonable assurance that the conditions attached to them will be complied, and grant/subsidy will be received.

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.

(xv) Operating Lease

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 Statement of Profit and Loss on a straight-line basis over the lease term.

(xvi) 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.

(xvii) 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.

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

Derivative Instruments

The premium or the discount on forward exchange contracts not intended for trading or speculation purpose is amortized as expense or income over the life of the contract. Any profit and loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

As per the announcement of the Institute of Chartered Accountants of India, 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 in the Statement of Profit and Loss. Net gains are ignored.

(xviii) Employee benefits

a) Defined contribution plans

The Company's Officer's Superannuation Fund scheme, state governed provident fund scheme, employee state insurance scheme and Labour Welfare Fund scheme are considered as defined contribution plans. The contribution under the schemes is recognised as an expense in the Statement of Profit and Loss, as they are incurred. There are no other obligations other than the contribution payable to the respective funds.

b) Defined benefit plans

The Company's Gratuity fund scheme, additional gratuity scheme, provident fund scheme managed by trust and post employment benefit scheme are considered as defined benefit plans. The Company's liability is 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 Statement of Profit and Loss in the year in which they arise.

c) Other long term benefits

Silver jubilee and long service awards and accumulated compensated absences which are expected to be availed or encashed beyond 12 months from the end of the year, are treated as other long term employee benefits. The Company's liability is 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 Statement of Profit and Loss in the year in which they arise.

d) Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. These are provided based on past experience of leave availed.

e) For the purpose of presentation of Defined benefit plans and other long term benefits, the allocation between short term and long term provisions has been made as determined by an actuary.

f) Expenses incurred towards voluntary retirement scheme are charged to the Statement of Profit and Loss as and when incurred.

(xix) Income taxes

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and / or deferred tax adjustments 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 Income-tax Act, 1961.

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.

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

(xx) Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(xxi) 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.

(xxii) 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.

(xxiii) Current / Non Current

All assets and liabilities are presented as Current or Non-current as per the Company’s normal operating cycle and other criteria set out in Revised Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of Current / Non current classification of assets and liabilities.

(xxiv) Segment Reporting

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.

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

3. SHARE CAPITAL

	2012 ₹ Crore	2011 ₹ Crore
Authorised Shares		
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
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
TOTAL	187.95	187.95

i) Reconciliation of number of equity shares outstanding

	2012		2011	
	No. of shares	₹ Crore	No. of shares	₹ Crore
Equity Shares at the beginning of the year	18,77,45,356	187.75	18,77,45,356	187.75
Equity Shares at the end of the year	18,77,45,356	187.75	18,77,45,356	187.75

ii) Terms / rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

iii) Equity shares held by holding company / ultimate holding and their subsidiaries

	2012 ₹ Crore	2011 ₹ Crore
Holcim (India) Private Limited, the Holding Company		
9,38,88,120 (*Previous Year - 9,38,88,120*) Equity shares ₹ 10 each fully paid	93.89	93.89
Holderind Investments Ltd., Mauritius, Holding Company of Holcim (India) Private Limited		
5,41,000 (*Previous Year - 5,41,000*) Equity shares ₹ 10 each fully paid	0.54	0.54

Both these Companies are subsidiaries of Holcim Ltd., Switzerland, the ultimate holding Company.

iv) The company has issued total 1,20,938 (*Previous Year - 3,04,110*) Equity shares ₹ 10 each fully paid during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan, for which, only exercise price has been recovered in cash.

v) Details of shareholders holding more than 5% shares in the Company

	2012		2011	
	No. of shares	% holding	No. of shares	% holding
Holcim (India) Private Limited	9,38,88,120	50.01	9,38,88,120	50.01
Life Insurance Corporation of India	1,34,97,566	7.19	1,86,02,043	9.91

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

4. RESERVES AND SURPLUS

	2012		2011
	₹ Crore	₹ Crore	₹ Crore
Capital Reserve			
Balance as per last Financial statements	7.07		0.07
Add: Reversal of capital subsidy provision	-		7.00
		7.07	7.07
Securities Premium Account		844.84	844.84
Debenture Redemption Reserve			
Balance as per last Financial statements	85.00		60.00
Add: Transferred from Surplus in Statement of Profit and Loss	-		25.00
Less: Transferred to General Reserve	45.75		-
		39.25	85.00
General Reserve			
Balance as per last Financial statements	2,254.63		2,004.63
Add: Transferred from Amortisation Reserve	8.44		-
Add: Transferred from Surplus in Statement of Profit and Loss	150.00		250.00
Add: Transferred from Debenture Redemption Reserve	45.75		-
Less: Goodwill amount of Encore Cement and Additives Private Limited Adjusted on amalgamation [Refer Note - 2 (i) (b) (2)]	11.29		-
		2,447.53	2,254.63
Amortisation Reserve			
Balance as per last Financial statements	8.44		7.79
Add: Transferred from Surplus in Statement of Profit and loss	-		0.65
Less: Transferred to General Reserve	8.44		-
		-	8.44
Surplus in Statement of Profit and Loss			
Balance as per last Financial statements	3,591.12		3,175.45
Add: Profit for the year	1,059.28		1,300.80
	4,650.40		4,476.25
Less - Appropriations			
Interim equity dividend (amount per share ₹ 11 (*Previous Year - ₹ 11*))	206.52		206.52
Proposed final equity dividend (amount per share ₹ 19 (*Previous Year - ₹ 17*))	356.72		319.17
Tax on equity dividends	91.37		85.28
Previous Year tax on equity dividends	-		(1.49)
Transfer to General Reserve	150.00		250.00
Transfer to Debenture Redemption Reserve	-		25.00
Transfer to Amortisation Reserve	-		0.65
	804.61		885.13
		3,845.79	3,591.12
TOTAL		7,184.48	6,791.10

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

5. LONG-TERM BORROWINGS

	2012 ₹ Crore	2011 ₹ Crore
Secured		
Privately placed Non-Convertible Debentures		
820 *(Previous Year - 3,000)* 8.45% Non-Convertible Debentures of ₹ 10,00,000 each (Refer Note (i) below)	82.00	300.00
Nil *(Previous Year - 2,000)* 11.30% Non-Convertible Debentures of ₹ 10,00,000 each (Refer Note (ii) & (v) below)	-	200.00
Sub-Total	82.00	500.00
Unsecured		
Deferred payment liability (Refer Note (iii) & (v) below)	1.62	3.26
Deferred sales tax loans (Refer Note (iv) & (v) below)	1.41	2.82
Sub-Total	3.03	6.08
TOTAL	85.03	506.08

i) 8.45% Debentures are redeemable at par at the end of five years from the date of allotment, viz 07, October 2009. These debentures are secured by a charge on all movable and immovable assets under the Debenture Trust Deed. During the year, the Company has bought back 2,180 debentures of ₹ 218 Crore, which have been extinguished during the year / subsequent to the year end.

ii) 11.30% Debentures are redeemable at par at the end of five years from the date of allotment, viz 09, December 2008. These debentures are secured by a charge on all movable and immovable assets under the Debenture Trust Deed. During the year, the Company has bought back 1,250 debentures of ₹ 125 Crore, which have been extinguished during the year.

iii) Deferred payment liability is payable to the Industrial Development Corporation of Orissa Limited (IDCOL) in eight equal annual installments of ₹ 1.62 Crore beginning from 2007 without interest or penalty.

iv) Deferred sales tax loan is interest-free and payable in 12 yearly installments of ₹ 1.41 Crore each beginning from 2003.

v) For the current maturities of long-term borrowings, refer note (ii) in Note 10 Other current liabilities.

6. DEFERRED TAX LIABILITIES (NET)

	2012 ₹ Crore	2011 ₹ Crore
Deferred Tax Liabilities arising on account of :		
Depreciation and amortisation differences	730.55	699.09
	730.55	699.09
Deferred Tax Assets arising on account of :		
Provision for employee benefits	54.75	48.73
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	59.44	62.54
Provision for obsolescence of spare parts	20.80	25.06
Others	72.97	38.92
	207.96	175.25
Net Deferred Tax Liabilities	522.59	523.84

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

7. OTHER LONG-TERM LIABILITIES

	2012 ₹ Crore	2011 ₹ Crore
Deposit from dealers and others	381.09	375.53
TOTAL	381.09	375.53

8. LONG-TERM PROVISIONS

	2012 ₹ Crore	2011 ₹ Crore
Provision for employee benefits (Refer Note - 31)	140.21	111.29
Other Provisions		
Provision for Mines Restoration	17.00	14.26
TOTAL	157.21	125.55

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

Mines Restoration Expenditure

	2012 ₹ Crore	2011 ₹ Crore
Opening provision	14.26	12.62
Add: Provision during the year	4.14	2.43
Less: Utilisation during the year	1.40	0.79
Closing provision	17.00	14.26

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.

9. TRADE PAYABLES

	2012 ₹ Crore	2011 ₹ Crore
Due to Micro, Small & Medium Enterprises	2.25	2.40
Due to others	658.46	813.10
TOTAL	660.71	815.50

There is no principal amount and interest overdue to Micro, Small & Medium Enterprises. During the year no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

10. OTHER CURRENT LIABILITIES

	2012	2011
	₹ Crore	₹ Crore
Current maturities of Long-Term borrowings (Refer Note - (ii) below)	78.03	4.65
Interest accrued but not due on borrowings	2.14	7.33
Investor Education and Protection Fund :- (Refer Note - (i) below)		
Unpaid dividend	35.00	32.19
Unpaid matured deposits	0.02	0.07
Statutory dues	286.01	295.20
Advance from customers	161.81	153.03
Deposits	107.13	119.26
Liability for capital expenditure	54.80	75.56
Other payables	794.75	854.94
(Including rebates to customers, employees dues, etc.)		
TOTAL	1,519.69	1,542.23

i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at December 31, 2012

ii) Current maturities of Long-term borrowings {(Refer Notes (ii), (iii) and (iv) in Note 5)}

	2012	2011
	₹ Crore	₹ Crore
Secured		
Privately placed Non-Convertible Debentures		
750 (*Previous Year - Nil*) 11.30% Non-Convertible Debentures of ₹ 10,00,000 each	75.00	-
Unsecured		
Deferred payment liability	1.62	3.24
Deferred sales tax loans	1.41	1.41
TOTAL	78.03	4.65

11. SHORT-TERM PROVISIONS

	2012	2011
	₹ Crore	₹ Crore
Provision for employee benefits (Refer Note - 31)	36.52	30.29
Other Provisions		
Provision for Income tax (Net of advance tax)	775.77	649.50
Proposed final dividend	356.72	319.17
Tax on proposed dividend	57.87	51.78
TOTAL	1,226.88	1,050.74

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

12. FIXED ASSETS

₹ Crore

Particulars	GROSS BLOCK AT COST					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01-01-2012	Additions on Acquisition of Subsidiary	Additions/ Adjustments	Deductions/ Adjustments	As at 31-12-2012	As at 01-01-2012	For the Year*	Deductions/ Adjustments	As at 31-12-2012	As at 31-12-2012	As at 31-12-2011
Tangible Assets :											
Freehold Land	249.34	-	29.59	-	278.93	-	1.55	-	1.55	277.38	249.34
Leasehold Land	62.33	0.02	3.10	-	65.45	35.62	2.41	-	38.03	27.42	26.71
Buildings	1,172.26	-	50.47	6.90	1,215.83	257.89	76.19	6.52	327.56	888.27	914.37
Plant and Equipment	8,087.62	-	368.24	95.85	8,360.01	3,149.93	791.87	49.45	3,892.35	4,467.66	4,937.69
Railway Sidings	157.29	-	7.92	0.82	164.39	37.75	7.29	0.30	44.74	119.65	119.54
Furniture & Fixtures	38.05	-	2.42	0.53	39.94	13.00	2.41	0.38	15.03	24.91	25.05
Vehicles	35.35	-	4.02	1.12	38.25	10.98	4.33	0.91	14.40	23.85	24.37
Office equipment	101.64	-	14.06	2.36	113.34	40.16	10.98	1.82	49.32	64.02	61.48
Total	9,903.88	0.02	479.82	107.58	10,276.14	3,545.33	897.03	59.38	4,382.98	5,893.16	6,358.55
Intangible Assets:											
Computer Software	58.93	-	4.88	-	63.81	57.17	1.65	-	58.82	4.99	1.76
Goodwill	68.41	-	4.98	13.97	59.42	23.27	5.60	2.68	26.19	33.23	45.14
Mining Right	1.00	-	-	-	1.00	-	-	-	-	1.00	1.00
Total	128.34	-	9.86	13.97	124.23	80.44	7.25	2.68	85.01	39.22	47.90

*Depreciation for the year includes an additional depreciation charge of ₹ 335. 38 Crore (*Previous Year - ₹ Nil*) relating to period upto December 31, 2011 due to change in Accounting policy which is disclosed as an exceptional item {Refer Note - 2(ii)}.

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

12. FIXED ASSETS (contd.)

₹ Crore

Particulars	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 :										
Freehold Land	192.76	56.65	0.07	249.34	-	-	-	-	249.34	192.76
Leasehold Land	61.24	1.09	-	62.33	31.37	4.25	-	35.62	26.71	29.87
Buildings	1,010.94	164.40	3.08	1,172.26	219.09	40.11	1.31	257.89	914.37	791.85
Plant and Equipment	6,785.09	1,352.94	50.41	8,087.62	2,741.06	434.83	25.96	3,149.93	4,937.69	4,044.03
Railway Sidings	102.78	54.51	-	157.29	32.42	5.33	-	37.75	119.54	70.36
Furniture & Fixtures	33.94	4.16	0.05	38.05	10.86	2.15	0.01	13.00	25.05	23.08
Vehicles	39.32	2.85	6.82	35.35	11.38	4.49	4.89	10.98	24.37	27.94
Office equipment	85.24	20.72	4.32	101.64	35.60	8.15	3.59	40.16	61.48	49.64
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:										
Computer Software	58.39	0.54	-	58.93	53.23	3.94	-	57.17	1.76	5.16
Goodwill	68.41	-	-	68.41	16.48	6.79	-	23.27	45.14	51.93
Mining Right (Refer Note - 34)	20.02	-	19.02	1.00	-	-	-	-	1.00	20.02
TOTAL	146.82	0.54	19.02	128.34	69.71	10.73	-	80.44	47.90	77.11

Notes:-

(i) Buildings include cost of Shares ₹ 5,460 (*Previous Year - ₹ 5,710*) in various Co-operative Housing Societies, in respect of 25 residential flats (*Previous Year - 27*).

(ii) Buildings include Gross block of ₹ 23.86 Crore (*Previous year - ₹ 23.86 Crore*) and Net block of ₹ 22.05 Crore (*Previous Year - ₹ 22.44 Crore*) in respect of which the transfer of title deeds to the name of the Company is under process.

(iii) Plant and Equipment includes assets given on lease to Railways under "Own Your Wagons" Scheme of ₹ 28.48 Crore (*Previous Year - ₹ 28.48 Crore*) and accumulated depreciation ₹ 28.48 crore (*Previous Year - ₹ 28.48 crore*).

(iv) Plant and Equipment and Buildings include Gross Block of ₹ 12.68 Crore (*Previous Year - ₹ 12.68 Crore*), ₹ 26.23 Crore (*Previous Year - ₹ 26.17 Crore*), and Net Block ₹ Nil (*Previous Year - ₹ Nil*), ₹ 0.12 Crore (*Previous Year - ₹ 0.37 Crore*), respectively, in respect of expenditure incurred on capital assets, ownership of which does not vest in the Company.

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

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

13. NON-CURRENT INVESTMENTS

	2012			2011	
	Numbers	₹ Crore		Numbers	₹ Crore
Trade Investments (valued at cost)					
(a) Unquoted equity instruments					
Investment in Associates					
Face value ₹ 10 each					
Alcon Cement Company Private Limited	4,08,001	24.16		4,08,001	23.25
{includes unamortised Goodwill of ₹ 8.47 Crore					
(*Previous Year - ₹ 10.09 Crore*)}					
Add : Share of Profit		3.21			4.77
Less: Dividend Received		(2.65)			(2.24)
Less: Amortisation of Goodwill		(1.62)			(1.62)
			23.10		24.16
Asian Concretes and Cements Private Limited	81,00,000	38.90		81,00,000	35.79
{includes unamortised Goodwill of ₹ 11.26 Crore					
(*Previous Year - ₹ 12.82 Crore*)}					
Add : Share of Profit		4.52			4.66
Less: Amortisation of Goodwill		(1.56)			(1.55)
			41.86		38.90
Aakaash Manufacturing Company Private Limited	4,401	7.39		4,401	6.01
{includes unamortised Goodwill of ₹ 2.24 Crore					
(*Previous Year - ₹ 2.49 Crore*)}					
Add : Share of Profit		1.74			1.57
Less: Dividend Received		(0.44)			-
Less: Amortisation of Goodwill		(0.25)			(0.19)
			8.44		7.39
Investment in Others					
Face value ₹ 10 each					
Moira Madhujore Coal Limited	82,019		0.69	47,507	0.35
(34,512 shares acquired for ₹ 0.34 Crore during the year)					
(b) Quoted equity instruments					
Face value ₹ 2 each					
Shiva Cement Limited (Refer Note - 40)	2,36,50,000		23.65	2,36,50,000	23.65
			97.74		94.45
Non trade investments (value at cost)					
Investment in equity instruments (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	-
Investment in Bonds (Unquoted)					
Face value ₹ 1,000,000 each					
5.13% Himachal Pradesh Infrastructure					
Development Board Bonds	37	3.70		37	3.70
			3.70		3.70
			101.44		98.15

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

13. NON-CURRENT INVESTMENTS (contd.)

	2012			2011	
	Numbers	₹ Crore		Numbers	₹ Crore
Notes:					
(I) Aggregate amount of quoted Investments			23.65		23.65
{Market value ₹ 9.53 Crore *(Previous year - ₹ 11.90 Crore)*}					
Aggregate amount of unquoted Investments			77.79		74.50
(II) * Denotes amount less than ₹ 50,000					

14. LONG-TERM LOANS AND ADVANCES

Unsecured, Considered Good, unless otherwise stated	2012	2011
	₹ Crore	₹ Crore
Capital advances	193.43	70.75
Security deposits	167.49	123.19
Deposits with Government bodies and others		
Considered good	127.27	128.67
Considered doubtful	4.33	4.44
	131.60	133.11
Less: Allowance for doubtful deposits	4.33	4.44
	127.27	128.67
Advances recoverable in cash or kind	17.44	19.12
Advance tax (Net of provision for tax)	60.06	119.70
TOTAL	565.69	461.43

15. OTHER NON-CURRENT ASSETS

	2012	2011
	₹ Crore	₹ Crore
Railway, Insurance and other receivables		
Considered good	165.84	56.14
Considered doubtful	8.44	8.57
	174.28	64.71
Less: Provision for doubtful receivables	8.44	8.57
TOTAL	165.84	56.14

16. CURRENT INVESTMENTS

	2012			2011	
	Numbers	₹ Crore		Numbers	₹ Crore
Current investments (valued at lower of cost and fair value)					
Investment in Certificate of Deposits - Fully paid-up (unquoted)					
Unit of Face value ₹ 100,000 each					
UCO Bank	5,000	49.02		10,000	97.61
Punjab National Bank	10,000	98.00		10,000	97.61
Bank of Maharashtra	-	-		10,000	97.62
Central Bank of India	-	-		10,000	97.61

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

16. CURRENT INVESTMENTS (contd.)

	2012			2011	
	Numbers	₹ Crore		Numbers	₹ Crore
Oriental Bank	25,000	245.14		10,000	97.70
Indian Overseas Bank	-	-		10,000	97.70
Canara Bank	10,000	98.13		-	-
Axis Bank Limited	15,000	146.98		-	-
ICICI Bank Limited	25,000	246.42		-	-
Indian Bank	20,000	195.95		-	-
State Bank of Patiala	25,000	245.24		-	-
			1,324.88		585.85
Investment in Mutual Funds - Fully paid-up (Unquoted)					
Unit of Face value ₹ 10 each					
Fidelity Cash Fund -Super IP - GR	-	-		1,19,53,816.080	17.00
JP Morgan India Liquid Fund - Super - GR	-	-		1,84,34,403.020	25.00
SBI Premier Liquid Fund - Super IP - GR	-	-		5,46,75,349.922	90.00
SBI-SHF-Ultra Short Term Fund - Institutional Plan - GR	-	-		73,13,844.38	10.00
HDFC HIF Short Term Plan - GR	5,81,64,246.885	130.00		-	-
JP Morgan India Treasury Fund - Super IP - GR	6,71,21,752.146	100.00		-	-
Kotak Floater ST - GR	6,11,97,245.578	115.00		-	-
Reliance Medium Term Fund - GR	6,39,61,793.489	150.00		-	-
Religare Short Term Plan - Plan A - GR	7,81,15,845.799	120.00		-	-
SBI-SHF-Ultra Short Term Debt Fund -GR	54,298.896	8.00		-	-
Unit of Face value ₹ 100 each					
Birla Sunlife Cash plus - Inst. Prem. Plan - GR	-	-		14,91,883.557	25.00
DWS Insta Cash Plus Fund - Super IP - GR	-	-		37,10,297.038	50.00
ICICI Prudential Liquid Fund - Super IP - GR	44,78,322.562	76.00		25,39,546.932	39.00
Unit of Face value ₹ 1,000 each					
Axis Liquid Fund - IP - GR	4,33,079.711	55.00		543,904.288	63.00
DSP Blackrock Liquidity Fund - IP - GR	1,14,767.993	15.00		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
SBI Premier Liquid Fund - Super IP - GR*	8,21,515.920	148.00		-	-
Templeton India TMA - Super - IP - GR	7,32,722.577	125.00		-	-
UTI Treasury Advantage Fund - IP -GR	66,828.439	10.35		36,115.813	5.10
			1,052.35		609.10
TOTAL			2,377.23		1,194.95

Aggregate amount of unquoted Investments	2,377.23	1,194.95

*Includes 2,77,753 units (*Previous Year - Nil*) of ₹ 50 Crore (*Previous Year - ₹ Nil*) in the process of redemption, where redemption proceeds are received subsequent to the year end.

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

17. INVENTORIES

(At cost or net realisable value whichever is lower)

	2012	2011
	₹ Crore	₹ Crore
Raw materials	156.41	165.48
{Including in transit ₹ 11.03 Crore (*Previous Year - ₹ Nil*)}		
Work-in-Progress	228.86	283.05
Finished goods	160.90	126.92
Stock-in-trade	0.29	0.20
Stores & spare parts and packing material	286.51	238.29
{Including in transit ₹ 9.02 Crore (*Previous Year - ₹ 13.92 Crore*)}		
Fuels	301.43	298.84
{Including in transit ₹ 5.31 Crore (*Previous Year - ₹ 13.37 Crore*)}		
TOTAL	1,134.40	1,112.78

18. TRADE RECEIVABLES

	2012	2011
	₹ Crore	₹ Crore
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	12.30	11.26
Considered doubtful	8.52	11.81
	20.82	23.07
Less: Provision for doubtful trade receivables	8.52	11.81
	12.30	11.26
Other Trade receivables		
Secured, considered good	63.64	68.18
Unsecured, considered good	226.82	186.25
	290.46	254.43
TOTAL	302.76	265.69

19. CASH AND BANK BALANCES

	2012	2011
	₹ Crore	₹ Crore
Cash and cash equivalents		
Balances with banks:		
On current accounts	111.61	83.23
Deposits with original maturity of less than three months	531.52	1,542.04
On unpaid dividend account	35.00	32.19
Cash on hand	0.14	0.16
	678.27	1,657.62
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	2.42	2.21
Margin money deposit*	-	0.08
Post office saving accounts	0.01	0.01
	2.43	2.30
TOTAL	680.70	1,659.92

* Margin money deposit given as security against bank guarantee

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

20. SHORT-TERM LOANS AND ADVANCES

Unsecured, Considered Good, unless otherwise stated

	2012	2011
	₹ Crore	₹ Crore
Security deposits	8.92	13.66
Loans and advances to related parties	3.11	1.16
Advances recoverable in cash or kind	128.96	98.02
Other loans and advances		
Balances with Statutory / Government authorities	84.01	66.59
Deposit with HDFC Limited	100.00	100.00
TOTAL	325.00	279.43

21. OTHER CURRENT ASSETS

Unsecured, Considered Good, unless otherwise stated

	2012	2011
	₹ Crore	₹ Crore
Interest accrued on investments	14.83	7.58
Other Accrued Interest	1.38	1.71
Fixed assets held for sale	12.63	6.44
Others	0.03	0.31
TOTAL	28.87	16.04

22. REVENUE FROM OPERATIONS

	2012	2011
	₹ Crore	₹ Crore
Sale of products		
Finished goods	12,232.08	10,757.77
Traded goods	168.69	258.07
Sale of services	11.27	22.50
Sale of products and services (gross)	12,412.04	11,038.34
Less: Excise duty	1,281.48	1,036.27
Sale of products and services (net)	11,130.56	10,002.07
Other operating revenue	227.63	235.12
Revenue from operations (net)	11,358.19	10,237.19

Detail of other operating revenue

	2012	2011
	₹ Crore	₹ Crore
Provision no longer required written back	23.39	100.96
Sale of surplus generated power	1.27	13.54
Incentives and subsidies	93.97	21.70
Miscellaneous income	109.00	98.92
TOTAL	227.63	235.12

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

23. OTHER INCOME

	2012	2011
	₹ Crore	₹ Crore
Interest on bank deposits	162.28	121.24
Other interest income	8.77	2.96
Profit on sale of fixed assets (net)	6.11	-
Gain on sale of current investments	86.11	36.62
Dividend from current investments	-	30.18
Share of Other Income in Joint Ventures	0.01	0.01
TOTAL	263.28	191.01

24. COST OF MATERIALS CONSUMED

	2012	2011
	₹ Crore	₹ Crore
Opening stock	165.48	146.74
Purchase and incidental expenses	1,596.40	1,518.82
	1,761.88	1,665.56
Less: Closing stock	156.41	165.48
TOTAL	1,605.47	1,500.08

Details of cost of materials consumed

	2012	2011
	₹ Crore	₹ Crore
Slag	280.59	235.73
Gypsum	348.65	302.93
Fly Ash	281.58	214.18
Aggregates	99.22	118.54
Others*	595.43	628.70
TOTAL	1,605.47	1,500.08

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

25. PURCHASE OF TRADED GOODS

	2012	2011
	₹ Crore	₹ Crore
Cement	92.20	95.86
Ready Mix Concrete	66.55	71.52
TOTAL	158.75	167.38

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	2012	2011	(Increase) / decrease
	₹ Crore	₹ Crore	₹ Crore
Inventories at the end of the year			
Stock-in-trade	0.29	0.20	(0.09)
Finished goods	160.90	126.92	(33.98)
Work -in-progress	228.86	283.05	54.19
	390.05	410.17	20.12
Inventories at the beginning of the year			
Stock-in-trade	0.20	0.51	0.31
Finished goods	126.92	112.79	(14.13)
Work -in-progress	283.05	201.19	(81.86)
	410.17	314.49	(95.68)
TOTAL	20.12	(95.68)	

27. EMPLOYEE BENEFITS EXPENSE

	2012	2011
	₹ Crore	₹ Crore
Salaries and wages	518.78	483.73
Contributions to provident and other funds	67.16	62.96
Staff welfare expenses	31.92	27.64
TOTAL	617.86	574.33

Exclude cost relating to share based payments incurred and paid by Holcim Ltd., the ultimate holding Company, to the employees of the Company.

28. OTHER EXPENSES

	2012	2011
	₹ Crore	₹ Crore
Consumption of stores and spare parts	34.23	38.70
Consumption of packing materials	381.53	347.89
Excise duty (Refer Note - (i) & (ii) below)	88.47	122.69
Rent	31.60	31.23
Rates and taxes	116.22	111.12
Repairs to building	26.99	14.29
Repairs to machinery	426.87	385.95
Repairs to other Items	64.36	64.26
Insurance	24.86	18.86
Royalties	131.39	138.94
Discount, rebates and allowances	83.16	84.00
Advertisement	102.58	106.91
Miscellaneous expenses (Refer Note - (iii) below)	644.25	565.97
TOTAL	2,156.51	2,030.81

i) Includes excise duty related to the difference between the closing stock and opening stock.
ii) Includes excise duty on captive consumption of Clinker ₹ 64.63 Crore (*Previous Year - ₹ 101.06 Crore*)
iii) Miscellaneous expenses includes Loss on sale / write off of Fixed Assets (Net) - ₹ Nil (*Previous Year - ₹ 11.06 Crore*)

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

29. FINANCE COSTS

	2012	2011
	₹ Crore	₹ Crore
Interest expenses	79.02	80.95
Interest on Income Tax	35.63	17.24
{Net of interest on refund ₹ 74.61 Crore (*Previous Year - ₹ 24.17 Crore*)}		
	114.65	98.19
Less - Adjustments for -		
Interest capitalised	-	1.28
TOTAL	114.65	96.91

30. EARNINGS PER SHARE - [EPS]

		2012	2011
		₹ Crore	₹ Crore
Net Profit as per Statement of Profit and Loss		1,059.28	1,300.80
Weighted average number of equity shares for Earnings per share computation			
Shares for Basic Earnings per Share		18,77,45,356	18,77,45,356
Add: Potential diluted equity shares on account of shares in abeyance		4,82,972	4,39,316
Number of Shares for Diluted Earnings per Share		18,82,28,328	18,81,84,672
Earnings per Share			
Face value per Share	₹	10.00	10.00
Basic	₹	56.42	69.29
Diluted	₹	56.28	69.12

31. EMPLOYEE BENEFITS

a) Defined Contribution Plans – Amount recognised and included in Note 27 "Contributions to Provident and other Funds" of Statement of Profit and Loss ₹ 10.03 Crore (*Previous Year - ₹ 10.92 Crore*).

b) Defined Benefit Plans – As per actuarial valuation on December 31, 2012
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.

iii. Every employee who has joined before December 01, 2005 and separates from service of the Company on Superannuation and on medical grounds is entitled to additional gratuity. The scheme is Non Funded.

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

Defined Benefit Plans as per Actuarial valuation on December 31, 2012

	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, 2012			
1. Current Service cost	7.68	3.32	0.05
	6.67	*2.21*	*0.02*
2. Interest Cost	10.82	4.25	0.20
	8.85	*3.21*	*0.16*
3. Employee Contributions	-	-	(0.39)
	-	-	*(0.41)*
4. Expected return on plan assets	(10.17)	-	-
	(8.90)	-	-
5. Net Actuarial (Gains) / Losses	19.15	9.05	1.70
	15.62	*7.54*	*1.13*
6. Total expense	27.48	16.62	1.56
	22.24	*12.96*	*0.90*
II Amount recognised in Balance Sheet			
1. Present value of Defined Benefit Obligation	(160.11)	(65.54)	(3.50)
	(135.82)	*(52.17)*	*(2.58)*
2. Fair value of plan assets	137.12	-	-
	119.82	-	-
3. Funded status {Surplus/(Deficit)}	(22.99)	-	-
	(16.00)	-	-
4. Net asset/(liability) as at December 31, 2012	(22.99)	(65.54)	(3.50)
	(16.00)	*(52.17)*	*(2.58)*
III Present Value of Defined Benefit Obligation			
1. Present value of Defined Benefit Obligation at beginning of the year	135.82	52.17	2.57
	118.55	*41.90*	*2.28*
2. Current Service cost	7.68	3.32	0.05
	6.67	*2.21*	*0.02*
3. Interest Cost	10.82	4.25	0.20
	8.85	*3.21*	*0.16*
4. Employee Contributions	-	-	(0.39)
	-	-	*(0.41)*
5. Actuarial (Gains) / Losses	20.48	9.05	1.70
	16.07	*7.54*	*1.13*
6. Benefits Payments	(14.69)	(3.25)	(0.63)
	(14.32)	*(2.69)*	*(0.60)*
7. Present value of Defined Benefit Obligation at the end of the year	160.11	65.54	3.50
	135.82	*52.17*	*2.58*
IV Fair Value of Plan Assets			
1. Plan assets at the beginning of the year	119.82	-	-
	104.90	-	-
2. Expected return on plan assets	10.17	-	-
	8.90	-	-

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

	Gratuity		Post Employment Medical benefits (PEMB)
	Funded	Non Funded	
	₹ Crore	₹ Crore	₹ Crore
3. Contributions by Employer	5.92	-	-
	5.80	-	-
4. Actual benefits paid	(0.12)	-	-
	(0.23)	-	-
5. Actuarial Gains / (Losses)	1.33	-	-
	0.45	-	-
6. Plan assets at the end of the year	137.12	-	-
	119.82	-	-
7. Actual return on plan assets	11.50	-	-
	9.25	-	-

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	(0.06)
	0.06	*(0.06)*
Increase/(Decrease) on Present value of Defined Benefit Obligation as at December 31, 2012	0.67	(0.65)
	0.67	*(0.64)*

VII Actuarial Assumptions:

a) Financial Assumptions

1	Discount Rate	8.15% p.a. *(P.Y.- 8.5% p.a.)*
2	Expected rate of return on plan assets	8.5% p.a. *(P.Y.- 8.5% p.a.)*
3	Salary increase rate	7% p.a. *(P.Y.- 7% p.a.)*

b) Demographic Assumptions

1	Mortality pre-retirement	Indian Assured Lives Mortality (1994-96) Modified Ultimate
2	Mortality post–retirement	Mortality for annuitants LIC (1996-98) ultimate
3	Turnover rate	5% p.a. *(P.Y. - 5% p.a.)*
4	Medical premium inflation	12% p.a. for the first 5 years and thereafter 8% p.a.

(Figures in italics pertain to previous year)

c) 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.

d) 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.

e) The Company expects to contribute ₹ Nil to Gratuity fund in the year 2013.

f) Post employment defined benefit plan expenses are included under employee benefit expenses in the statement of Profit and Loss.

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

g) Amounts for the current and previous four years are as follows:

(i) Gratuity (Funded)

₹ Crore

	2012	2011	2010	2009	2008
Defined benefit obligation	(160.11)	(135.82)	(118.55)	(102.36)	(124.30)
Plan assets	137.12	119.82	104.90	96.50	84.90
Surplus / (deficit)	(22.99)	(16.00)	(13.65)	(5.86)	(39.40)
Experience adjustments on plan assets	(1.29)	(0.45)	(0.44)	(0.91)	(0.83)
Experience adjustments on plan liabilities	(16.89)	(19.94)	(10.54)	(5.74)	6.35

(ii) Gratuity (Non funded)

	2012	2011	2010	2009	2008
Defined benefit obligation	(65.54)	(52.17)	(41.90)	(31.75)	(39.16)
Plan assets	-	-	-	-	-
Surplus / (deficit)	(65.54)	(52.17)	(41.90)	(31.75)	(39.16)
Experience adjustments on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Experience adjustments on plan liabilities	7.33	9.49	(7.67)	(3.83)	4.52

(iii) Post Employment Medical Benefits

	2012	2011	2010	2009	2008
Defined benefit obligation	(3.50)	(2.58)	(2.28)	(3.61)	(10.18)
Plan assets	-	-	-	-	-
Surplus / (deficit)	(3.50)	(2.58)	(2.28)	(3.61)	(10.18)
Experience adjustments on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Experience adjustments on plan liabilities	1.38	1.02	(0.20)	(2.96)	(6.14)

h) Provident Fund

Provident fund for certain eligible employees is managed by the Company through trust “ The Provident Fund of ACC Ltd.”, in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below there is no shortfall as at December 31, 2012 and December 31, 2011.

The details of the fund and plan assets position are as follows:

	2012	2011
	₹ Crore	₹ Crore
Plan assets at year end, at fair value	392.76	364.56
Present value of defined obligation at year end	392.76	364.56
Assets recognised in Balance Sheet	-	-

The assumption used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

	2012	2011
Discounting rate	8.15%	8.50%
Expected guaranteed interest rate	8.50%	8.50%
Expected Rate of Return on Asset	9.05%	9.12%

i) Amount recognised as an expense under employee benefit expenses in the statement of Profit and Loss in respect of other long term benefits is ₹ 24.95 Crore (*Previous Year - ₹ 18.05 Crore*).

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

32. 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. The export turnover is not significant in the context of total turnover.

Inter segment transfers:

Inter Segment Transfer Pricing Policy – Cement supplied to ready mix 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	
	2012	2011	2012	2011	2012	2011
REVENUE						
External sales	10,513.50	9,315.28	617.06	686.79	11,130.56	10,002.07
Other operating revenue	220.26	232.07	7.37	3.05	227.63	235.12
Inter-segment sales	90.82	86.94	-	-	90.82	86.94
	10,824.58	9,634.29	624.43	689.84	11,449.01	10,324.13
Less: Elimination	(90.82)	(86.94)	-	-	(90.82)	(86.94)
Total revenue	**10,733.76**	**9,547.35**	**624.43**	**689.84**	**11,358.19**	**10,237.19**
RESULT						
Segment result	**1,643.66**	**1,417.32**	**(16.12)**	**(25.37)**	**1,627.54**	**1,391.95**
Unallocated corporate Income					92.42	55.87
Operating Profit					**1,719.96**	**1,447.82**
Finance cost					(114.65)	(96.91)
Interest and Dividend income					171.06	154.38
Exceptional item {Refer note - 2(ii)}					(335.38)	-
Income Taxes					(391.08)	(215.45)
Profit after tax					**1,049.91**	**1,289.84**
OTHER INFORMATION						
Segment assets	8,384.32	8,508.38	195.56	223.84	8,579.88	8,732.22
Unallocated Corporate assets					3,348.30	3,188.76
Total assets					**11,928.18**	**11,920.98**
Segment liabilities	2,335.56	2,519.66	96.24	127.20	2,431.80	2,646.86
Unallocated corporate liabilities					2,123.95	2,295.07
Total liabilities					**4,555.75**	**4,941.93**
Capital expenditures	548.15	489.39	3.10	10.35	551.25	499.74
Depreciation and Amortization (Including exceptional item)	886.05	489.78	18.23	20.26	904.28	510.04
Other non-cash expenses	18.79	53.00	2.94	8.89	21.73	61.89

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

33. OPERATING LEASE

	2012 ₹ Crore	2011 ₹ Crore
a) Future Lease Rental payments		
(i) Not later than one year	60.78	90.08
(ii) Later than one year and not later than five years	185.21	320.31
(iii) Later than five years	118.72	154.49

b) Operating lease payment recognised in Statement of Profit & Loss amounting to ₹ 106.82 Crore (*Previous Year - ₹ 112.06 Crore*)

c) General description of the leasing arrangement:

(i) Leased Assets: Grinding facility, Dumpers, Cranes and Tippers, Car, Locomotives, Godowns, Flats, Computers, Concrete pumps and other related Office equipments and other premises.

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.

34. During the previous 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.

35. 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) MP AMRL(Semaria) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
(v) MP AMRL(Bicharpur) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
(vi) MP AMRL(Marki Barka) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
(vii) 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
(iii) Aakaash Manufacturing Company Private Limited	Associate Company
(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

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

(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 (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 controled by Holcim Ltd.
(xviii)	Holcim Philippines	Fellow Subsidiary
(xix)	Holcim Services Asia Bankgok	Fellow Subsidiary
(xx)	Holcim Services (Asia) Limited	Fellow Subsidiary
(b)	**Key Management Personnel:**	
	Name of the Related Party	**Nature of Relationship**
(i)	Mr. Kuldip K. Kaura	CEO & Managing Director
(ii)	Mr. Hans Fuchs	Managing Director of ACCCL
(iii)	Mr. K.R.K. Prusty	Head BCCI untill Septmeber 25, 2011
(iv)	Mr. Ram Manohar Sowbhagya	Head BCCI from November 21, 2011
(v)	Mr. C. M. Reddy	CEO and Executive Director of Encore Cements and Additives Private Limited

*During the previous year Ambuja Cement India Private Limited was amalgamated with Holcim (India) Private Limited.

(C) Transactions with Associate Companies

		2012 ₹ Crore	2011 ₹ Crore
(i)	**Purchase of Finished Goods**	**137.50**	**131.21**
	Alcon Cement Company Private Limited	69.57	76.55
	Aakaash Manufacturing Company Private Limited	67.93	54.66
(ii)	**Purchase of Raw Materials**	**26.86**	**16.64**
	Asian Concretes & Cements Private Limited	26.86	16.64
(iii)	**Sale of Finished / Unfinished Goods**	**32.82**	**27.16**
	Alcon Cement Company Private Limited	30.52	27.16
	Aakaash Manufacturing Company Private Limited	2.30	-
(iv)	**Dividend Received**	**3.09**	**2.24**
	Alcon Cement Company Private Limited	2.65	2.24
	Aakaash Manufacturing Company Private Limited	0.44	-
(v)	**Investment in Associates (Acqusition of Equity Shares)**	-	**6.01**
	Aakaash Manufacturing Company Private Limited	-	6.01

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

		2012 ₹ Crore	2011 ₹ Crore
(vi)	**Reimbursement of Expenses / Cost of Materials / Stores Received / Receivable**	**3.95**	**8.89**
	Alcon Cement Company Private Limited	3.95	8.89
(vii)	**Reimbursement of Expenses / Cost of Materials / Stores Paid / Payable**	**-**	**0.01**
	Aakaash Manufacturing Company Private Limited	-	0.01
(viii)	**Rendering of Services**	**1.19**	**1.36**
	Alcon Cement Company Private Limited	1.19	1.36
(ix)	**Receiving of Services**	**49.37**	**48.18**
	Asian Concretes & Cements Private Limited	49.37	47.56
	Alcon Cement Company Private Limited	-	0.62
(x)	**Outstanding balance included in Trade receivables**	**9.37**	**4.66**
	Alcon Cement Company Private Limited	8.79	4.66
	Aakaash Manufacturing Company Private Limited	0.58	-
(xi)	**Outstanding balance included in Trade payables**	**21.06**	**21.42**
	Alcon Cement Company Private Limited	3.74	2.31
	Aakaash Manufacturing Company Private Limited	9.03	7.78
	Asian Concretes & Cements Private Limited	8.29	11.33

(D) Details of Transactions relating to Holding Companies

		2012 ₹ Crore	2011 ₹ Crore
(i)	**Dividend paid**	**264.40**	**293.61**
	Holcim (India) Private Limited	262.89	291.91
	Holderind Investments Limited	1.51	1.70

(E) Details of Transactions relating to Fellow Subsidiary Companies

		2012 ₹ Crore	2011 ₹ Crore
(i)	**Purchase of Gypsum and Coal**	**83.80**	**116.18**
	Holcim Trading FZCO	83.80	99.91
	Ambuja Cements Limited	-	16.27
(ii)	**Purchase of Unfinished Goods**	**23.16**	**44.29**
	Ambuja Cements Limited	23.16	44.29
(iii)	**Purchase of Stores & Spares**	**1.70**	**0.64**
	Ambuja Cements Limited	1.70	0.64
(iv)	**Purchase of Fixed Assets**	**-**	**13.97**
	Ambuja Cements Limited	-	13.97
(v)	**Sale of Finished / Unfinished Goods**	**7.56**	**6.57**
	Ambuja Cements Limited	7.56	6.57

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

		2012 ₹ Crore	2011 ₹ Crore
(vi)	**Sale of Raw Material & Other Items**	**-**	**0.36**
	Holcim (Bangladesh) Limited	-	0.36
(vii)	**Sale of Fixed Assets**	**-**	**0.01**
	Ambuja Cements Limited	-	0.01
(viii)	**Rendering of Services**	**6.47**	**2.63**
	Ambuja Cements Limited	2.63	2.63
	Siam City Cement Public Company Limited	0.76	-
	Holcim Lanka Ltd	2.89	-
	P T Holcim Indonesia Tbk	0.16	-
	Others	0.03	-
(ix)	**Reimbursement of Expenses Paid / Payable**	**12.75**	**3.39**
	Holcim Trading FZCO	12.70	3.13
	Others	0.05	0.26
(x)	**Reimbursement of Expenses Received / Receivable**	**1.22**	**4.59**
	Ambuja Cements Limited	0.46	3.99
	Holcim Group Support Limited	0.22	0.34
	Others	0.54	0.26
(xi)	**Receiving of Services (Training / Technical Consultancy etc.)**	**99.80**	**74.64**
	Ambuja Cements Limited	3.29	-
	Holcim Group Support Limited	39.57	31.18
	Holcim Services (South Asia) Limited	30.93	27.51
	Holcim Services (Asia) Limited	1.94	-
	Holcim Trading FZCO	23.39	14.00
	Others	0.68	1.95
(xii)	**Interest Paid**	**0.09**	**-**
	Ambuja Cement Limited	0.09	-
(xiii)	**Outstanding balance included in Trade Receivables**	**5.78**	**1.55**
	Ambuja Cement Limited	1.81	1.35
	Siam City Cement Public Company Limited	0.76	-
	Holcim Lanka Limited	2.96	-
	Holcim Group Support Limited	-	0.19
	Others	0.25	0.01
(xiv)	**Outstanding balance included in Trade Payables**	**36.02**	**22.06**
	Holcim Group Support Limited	14.42	8.73
	Holcim Trading FZCO	10.59	3.83
	Holcim Services (South Asia) Limited	8.89	5.63
	Ambuja Cement Limited	-	2.05
	Others	2.12	1.82

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

(F) Details of Transaction with Key Management Personnel

	2012	2011
	₹ Crore	₹ Crore
Remuneration*	**5.28**	**6.56**
Mr. Kuldip K. Kaura	5.28	4.77
Mr. Hans J. Fuchs	-	1.77
Others	-	0.02
Deposit repaid during the year	**-**	**0.03**
Mr. C. M. Reddy	-	0.03

*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 in remuneration to key management personnel

(G) Details of Transactions with Joint Venture Companies

		2012	2011
		₹ Crore	₹ Crore
(i)	**Advances given**	**3.87**	**0.89**
	MP AMRL(Semaria) Coal Company Ltd.	0.17	0.16
	MP AMRL(Bicharpur) Coal Company Ltd.	1.35	0.71
	MP AMRL(Marki Barka) Coal Company Ltd.	2.31	0.02
	MP AMRL(Morga) Coal Company Ltd.	0.04	-
(ii)	**Advances Repaid**	**0.04**	**-**
	MP AMRL(Morga) Coal Company Ltd.	0.04	-
(iii)	**Reimbursement of expenses**	**-**	**0.03**
	MP AMRL(Bicharpur) Coal Company Ltd.	-	0.01
	MP AMRL(Marki Barka) Coal Company Ltd.	-	0.02
(iv)	**Outstanding balance in Short Term Loans and Advances**	**6.09**	**2.26**
	MP AMRL(Semaria) Coal Company Ltd.	1.74	1.57
	MP AMRL(Bicharpur) Coal Company Ltd.	2.04	0.69
	MP AMRL(Marki Barka) Coal Company Ltd.	2.31	-

36. CAPITAL AND OTHER COMMITMENTS

	2012	2011
	₹ Crore	₹ Crore
A) Estimated value of contracts in capital account remaining to be executed	1,381.78	292.57

B) The Company from time to time provides need base support to subsidiaries towards capital and other requirements.

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

37. (A) Contingent liabilities not provided for -

	2012 ₹ Crore	2011 ₹ Crore
a) Claims not acknowledged by the Company		
Sales tax	30.14	29.77
Claim by Suppliers	36.79	36.79
Labour related	23.42	20.06
Mines and Geology	19.87	-
Others	25.34	20.93
	135.56	107.55
In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums / authorities.		
b) Indemnity, Guarantee/s given to Banks/Financial Institutions, Government Bodies and others	216.19	187.76
c) Bills discounted	13.25	-

d) The Company had filed petitions against the orders / notices of various authorities demanding ₹ 193.60 Crore (*Previous Year – ₹ 169.75 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.
In view of above demand being legally unjustifiable, the Company does not expect any liability in above matter.

e) The Competition Commission of India issued an Order dated June 20, 2012 imposing penalty on certain cement manufacturers, including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002, and imposed a penalty of ₹ 1,147.59 Crore on the Company. The Company has filed an appeal against the Order before the Competition Appellate Tribunal, which is pending for disposal. Based on the advice of external legal counsel, the Company believes it has good grounds for a successful appeal. Accordingly, no provision is considered necessary.

(B) a) The Company had availed Sales Tax Incentives in respect of it's new 1 MTPA Plant at Gagal (Gagal II) under the HP State Industrial Policy, 1991. The Company had, as on December 31, 2011, claimed and accrued Sales Tax Incentives aggregating to ₹ 56 Crore even though the Sales Tax Authorities had introduced certain restrictive conditions after commissioning of the unit stipulating that incentive is available only for incremental amount over the base revenue and production (of Gagal 1) prior to the commissioning of Gagal II. The Company contends that Gagal II is a new unit, as decided by the HP High Court and confirmed by the Supreme Court while determining the eligibility for Transport Subsidy, and hence such restrictions are not applicable to the unit. The Department had recovered ₹ 64 Crore (Tax of ₹ 56 Crore plus interest of ₹ 7 Crore) and the same is accounted as an amount recoverable.

The HP High Court, in a recent order, has dismissed the Company's appeal. The Company feels that the Hon'ble High Court had decided against the Company based on erroneous understanding of certain facts and legal positions and has also failed to consider certain key facts in it's order. The Company has taken legal opinion / s on the matter and has been advised that there is no change in the merits of the Company's case and the company should file a review before the High Court for consideration of all the facts appropriately and also file a Special Leave Petition (SLP) in appeal before the Hon'ble Supreme Court.

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

The company has already filed the Review Petition before the HP High Court and is in the process of filing an SLP before the Supreme Court. The Company has not made any provision for the amounts in dispute following the legal opinion /s obtained.

b) Pursuant to incentives available under a State Industrial Policy in respect of one of its cement plants, the Company has made claims in accordance with its eligibility. However, the disbursal of the amounts claimed were not forthcoming as the authorities have raised various new conditions and restrictions, totally extraneous to the approvals and confirmations expressly received by the Company. The Company has filed two writ appeals before the Jharkhand High Court against the restrictions and disputes on the extent of the eligible claims now being sought to be effected / raised by the Government. The appeals are expected to come up for hearing on merits in the first quarter of 2013 and the Company expects completely favourable outcome.

During the year, the Company has accrued a further amount of ₹ 10 Crore, following the estimated basis followed in the previous year, representing the quantum of benefits after taking into consideration all the restrictions and disputes now raised by the Jharkhand Government. The Cumulative amount accrued for the entire period of claims, on this basis, stands at ₹ 43 Crore.

38. The Company through its Fraud Risk Mechanism detected certain instances of fraud, involving a representative of the Company colluding with vendors to receive undue benefits, resulting in a loss to the Company of ₹ 0.57 Crore, and incidents of misappropriation by employees of sale proceeds estimated at ₹ 0.30 Crore. The Company has taken necessary steps to further strengthen controls and the services of the concerned employees have been terminated.

39. PARTICULARS OF UN HEDGED FOREIGN CURRENCY EXPOSURE AS AT BALANCE SHEET DATE

		2012			2011		
Particulars	Currency	Foreign currency in Crore	Exchange rate	₹ Crore	Foreign currency in Crore	Exchange rate	₹ Crore
Trade Receivable	SAR	0.25	14.60	3.58	0.25	14.34	3.52
	USD	-	-	-	0.01	54.29	0.65
Trade Payable and Other Current Liabilities	CHF	0.31	59.84	18.59	0.15	57.76	8.84
	USD	0.22	54.69	11.83	0.12	54.29	6.62
	EUR	-	-	-	0.02	70.29	1.23
	JPY	-	-	-	0.01	0.70	0.01
	GBP	0.0004	88.34	0.04	-	-	-
	DEM	0.13	36.95	4.82	-	-	-
	SGD	0.001	44.68	0.06	0.002	41.76	0.07
	CNY	0.43	8.66	3.76	-	-	-
	NOK	0.06	9.79	0.55	-	-	-
	THB	0.09	1.77	0.17	-	-	-
	ATS	0.01	5.25	0.04	-	-	-
	KRW	16.53	0.05	0.85	-	-	-
	VND	29.26	0.0026	0.08	-	-	-
	LKR	0.21	0.43	0.09	-	-	-

40. The Company's investment in 2,36,50,000 equity shares of Shiva Cement Limited amounting to ₹ 23.65 Crore is a strategic investment and the Company considers the decline in the market value of the investment to be of a temporary nature resulting from the subdued capital market situation.

Notes to Consolidated Financial Statement for the year ended December 31, 2012 (contd.)

41. 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 and National Limestone Company 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.

42. Advances recoverable in cash or kind under Short-term Loans and advances includes ₹ 7.10 Crores for carrying out the exploration activity of 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.

43. The aggregate amounts of assets, liabilities, income and expenses related to the Company's interest in the four joint ventures companies are as under:

	₹ Crore
Assets	4.21
Liabilties	4.21
Income	0.01
Expenses	0.04

44. During the year, the Company has acquired 100% stake in Singhania Minerals Private Limited, for a total consideration of ₹ 5 Crore, a Company engaged in mining of Limestone.

45. PROPOSED DIVIDEND

The final dividend proposed for the year is as follows :

	2012	2011
On Equity Shares of ₹ 10 each		
Amount of dividend proposed (₹ Crore)	356.72	319.17
Dividend per Equity Share (₹)	19	17

46. COMPARATIVE FIGURES

Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

As per our report of even date

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

For S.R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

per RAVI BANSAL
Partner
Membership No. 49365

Mumbai, February 07, 2013

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
M.L.NARULA
R.A.SHAH
SHAILESH V. HARIBHAKTI
AIDAN LYNAM
SUSHIL KUMAR ROONGTA
ASHWIN DANI
BERNARD FONTANA
Directors

Consolidated Group Operating Results and Net Worth - Explanatory Statement

CONSOLIDATED GROUP OPERATING RESULTS FOR THE YEAR ENDED DECEMBER 31, 2012

		2012		2011
		₹ Crore	₹ Crore	₹ Crore
ACC`s Net Profit			1,061.18	1,325.26
Add:	Pro-rata share of profits / losses of subsidiaries -			
	Bulk Cement Corporation (India) Limited	1.81		0.67
	ACC Concrete Limited	-		(23.75)
	ACC Mineral Resources Limited	(0.18)		(0.14)
	Lucky Minmat Limited	(0.57)		(0.26)
	National Limestone Co. Pvt. Limited	(0.20)		(0.02)
	Encore Cements and Additives Pvt. Limited	-		1.87
	Singhania Mineral Private Limited	(0.03)		-
			0.83	(21.63)
Add:	Pro-rata share of profit of Associates		9.47	9.40
Less:	Minority Interest of Subsidiary (BCCI)		0.10	0.04
Less:	Amortisation of Goodwill on acquisition of Subsidiary and Investment in Associates		9.01	9.95
Less:	Dividend received from Associates		3.09	2.24
			1,059.28	1,300.80

CONSOLIDATED GROUP NET WORTH AS AT DECEMBER 31, 2012

		2012		2011
		₹ Crore	₹ Crore	₹ Crore
ACC`s Net Worth			7,382.80	7,192.27
Add:	Net worth as per Balance Sheet of Subsidiary Companies -			
	Bulk Cement Corporation (India) Limited	46.45		44.63
	ACC Concrete Limited	-		53.67
	ACC Mineral Resources Limited	4.17		4.36
	Lucky Minmat Limited	1.85		2.42
	National Limestone Co. Pvt. Limited	(0.23)		(0.04)
	Encore Cements and Additives Pvt. Limited	-		(6.55)
	Singhania Mineral Private Limited	(0.01)		-
		52.23		98.49
Less:	Pro- rata share of Minority shareholders interest in the Net Worth of Subsidiary Companies	2.55		2.46
Less:	ACC`s share in pre-acquisiton Net Worth of Subsidiary Companies	42.62		290.40
			7.06	(194.37)
Less:	Amortisation of Goodwill in Subsidiary Companies		28.86	23.27
Less:	Unrealised profit on purchase of Fixed Assets		(0.53)	(0.53)
Add:	Increase in Net Worth of Alcon Cement Company Pvt. Ltd.		0.85	1.91
Add:	Increase in Net Worth of Asian Cements & Concretes Pvt. Ltd.		5.04	2.08
Add:	Increase in Net Worth of Aakaash Manufacturing Co. Pvt. Ltd.		2.43	-
Add:	Addition due to merger of ENCORE		2.68	-
Less:	Other adjustments (Net)		0.10	0.10
			7,372.43	6,979.05

Directors' Report

TO THE MEMBERS OF
ACC MINERAL RESOURCES LIMITED

The Directors have pleasure in presenting the Eighty Fourth Annual Report, together with the Audited Financial Statements of the Company for the year ended December 31, 2012.

1. FINANCIAL RESULTS (STANDALONE)

Particulars	2012	2011
	₹	₹
Revenue from Operations (Net) and Other Income	-	-
Profit / (Loss) Before Depreciation, Interest and Tax	(471,189.00)	(463,589.00)
Profit / (Loss) Before Tax	(508,855.00)	(464,761.00)
Provision for Taxation/Tax for earlier years	1,971.00	-
Profit / (Loss) After Tax	(510,826.00)	(464,761.00)
Balance brought forward from previous year	153,108.00	617,869.00
Balance Carried to Balance Sheet	(357,718.00)	153,108.00

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 the coal blocks. The Bicharpur Coal Block in Shahdol District is in an advanced stage of development. In a recent development, inspite of representation by the Chief Minister of Madhya Pradesh, the Semaria Piparia Coal Block has been de-allocated by the Ministry of Coal, Government of India, on January 15, 2013. The reasons cited include rejection of forest and environmental clearances by the Ministry of Environment and Forest, because of the proximity of the coal block to the National Tiger Reserve at Bandhavgarh. However, MPSMC has decided to file a writ petition in the Jabalpur High Court for relief in the matter, with the joint venture Company as co-petitioner.

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 has no trading activity or earnings from investments and therefore, there is no income, and the losses shown as above represent the administrative expenditure and amortization of expenses incurred for increasing the Authorised Capital of the Company.

3. DIVIDEND

Your Directors do not recommend any dividend for the financial year ended December 31, 2012.

4. INDUSTRIAL RELATIONS

During the year under review, industrial relations at the Company's unit continued to remain cordial and peaceful.

5. DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr Kuldip Kaura and Mr Sunil Nayak retire by rotation and are eligible for re-appointment.

6. DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) that in the preparation of the Accounts for the year ended December 31, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) that such accounting policies as mentioned in Note 8 of the Financial Statements have been selected and applied consistently and judgements 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 at December 31, 2012, and of the loss of the Company for the year ended on that date;

(iii) 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;

(iv) that the Accounts for the year ended December 31, 2012 have been prepared on a going concern basis.

7. AUDITORS

Messrs K S Aiyar & Co., Chartered Accountants, who are the Statutory Auditors of the Company, hold office upto the date of the ensuing Annual General Meeting and are eligible for re-appointment. As required under the provision of Section 224(1B) 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 for the year 2013 and to authorize the Board of Directors to determine their remuneration.

8. AUDIT COMMITTEE

The Paid-up Share Capital of the Company is less than Rupees Five Crores, and hence the Company is not required to constitute an Audit Committee under the provisions of Section 292A of the Companies Act, 1956.

9. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE 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

10. 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.

11. ACKNOWLEDGEMENT

Your Directors take this opportunity to 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 unstinting assistance and support received from ACC Limited, its holding Company, and all the employees for their valuable contribution during the year.

For and on behalf of the Board

Kuldip Kaura
Chairman

Mumbai
February 1, 2013

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

Auditors' 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, 2012, and also the consolidated Statement of Profit and Loss 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 31st December, 2012;

(b) The Consolidated Statement of Profit and Loss 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
Membership No. 38526

Mumbai
Date: February 01, 2013.

Consolidated Balance Sheet as at December 31, 2012

Particulars	Note No.	As at December 31, 2012	As at December 31, 2011
		₹	₹
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	4,95,00,000	4,95,00,000
(b) Reserves and Surplus	2	(77,41,032)	(59,51,888)
(2) Current Liabilities			
(a) Short term borrowings from holding Company		10,49,17,000	6,00,00,000
(b) Other Current Liabilities	3	1,60,890	32,49,918
(c) Provision for Income Tax (Net)		-	1,000
TOTAL		**14,68,36,858**	**10,67,99,030**
II ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	4		
(i) Tangible assets		75,27,472	63,36,512
(ii) Intangible Assets under development		3,28,77,483	1,64,64,709
(b) Deferred Tax Assets (Net)		-	9,54,672
(c) Miscellaneous Expenditure (to the extent not written off less to be written off in next 12 months)	11	99,250	3,97,054
(d) Long term Loans & Advances			
- Capital Advances		13,230	-
- Security Deposit With MPPKVV CO LTD		14,06,300	-
(2) Current Assets			
(a) Cash and Bank Balances	5	10,84,275	16,34,609
(b) Short term loans & advances	6	10,20,80,641	8,06,33,129
(c) Other Current Assets	7	17,48,207	3,78,345
TOTAL		**14,68,36,858**	**10,67,99,030**
Refer Significant Accounting Policies & Other Explanatory information	8		

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

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. 100186W

BURJOR D. NARIMAN
Director

SUNIL NAYAK
Director

RAJESH S. JOSHI
Partner
Membership No. 038526

DINESH KUMAR SONTHALIA
Company Secretary

Mumbai, February 01, 2013

Consolidated Statement of Profit & Loss for the year ended December 31, 2012

Particulars	Note No.	For the year ended December 31, 2012	For the year ended December 31, 2011
		₹	₹
I Revenue from Operations		-	-
II Other Income		51,643	69,747
III Total Revenue		**51,643**	**69,747**
IV Expenses			
Depreciation and Amortization Expenses	4	65,464	22,021
Other Expenses			
- Rent		91,140	98,490
- Rates & Taxes		4,900	4,900
- Audit Fees		2,13,796	2,05,994
- Bank Charges		6,805	1,369
- Consultancy Charges		83,440	62,318
- Printing & Stationary		-	1,395
- Travelling & Conveyance		10,832	43,687
- General Charges & CSR		1,09,963	61,869
- Miscellaneous Expenditure Written off	11	2,97,804	2,97,804
Total Expenses		**8,84,144**	**7,99,847**
V Loss before Tax		**(8,32,501)**	**(7,30,100)**
VI Tax Expenses	10		
- Tax for earlier years		1,971	-
- Deferred Tax		9,54,672	7,42,524
VII Loss for the year		**(17,89,144)**	**(14,72,624)**
VIII Earning per Share	14	(3.61)	(2.97)
Refer Significant Accounting Policies & Other Explanatory information	8		

The notes referred to above form an integral part of the Consolidated Statement of Profit & Loss

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. 100186W

BURJOR D. NARIMAN
Director

SUNIL NAYAK
Director

RAJESH S. JOSHI
Partner
Membership No. 038526

DINESH KUMAR SONTHALIA
Company Secretary

Mumbai, February 01, 2013

Consolidated Cash Flow Statement for the year ended December 31, 2012

			For the year ended December 31, 2012	For the year ended December 31, 2011
			₹	₹
A.	Cash flow from operating activities			
	1	Net Loss before tax	(8,32,501)	(7,30,100)
		Adjustments for :		
	2	Depreciation	65,464	22,021
	3	Interest and Dividend Income	(51,643)	(69,747)
	Operating profit before working capital changes		(8,18,680)	(7,77,826)
		Adjustments for :		
	4	Other receivables	(2,42,36,904)	(2,47,69,708)
	5	Trade payables	(30,90,028)	2,29,752
	6	Miscellaneous Expenditure	2,97,804	2,97,804
	Cash generated from operations		(2,78,47,808)	(2,50,19,978)
	7	Direct Taxes - (net)	(1,971)	-
	Net Cash flow from operating activities		**(2,78,49,779)**	**(2,50,19,978)**
B.	Cash flow from investing activities			
	8	Purchase of Fixed Assets	(1,76,69,198)	(53,53,325)
	9	Interest and Dividend received	51,643	69,747
	Net cash used in investing activities		**(1,76,17,555)**	**(52,83,578)**
C.	Cash flow from financing activities			
	10	Proceeds from Short term Borrowings	4,49,17,000	2,88,50,000
	Net cash used in financing activities		**4,49,17,000**	**2,88,50,000**
	Net increase/(decrease) in cash and cash equivalents		**(5,50,334)**	**(14,53,556)**
	Cash and cash equivalents			
		- Opening Balance	16,34,609	30,88,165
		- Closing Balance	10,84,275	16,34,609

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 Balance Sheet.

As per our report of even date

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

RAJESH S. JOSHI
Partner
Membership No. 038526

Mumbai, February 01, 2013

For and on behalf of the Board of ACC Mineral Resources Limited,

BURJOR D. NARIMAN
Director

SUNIL NAYAK
Director

DINESH KUMAR SONTHALIA
Company Secretary

Notes Forming Part of Consolidated Financial Statements

NOTE 1: SHARE CAPITAL:	As at 31-12-2012	As at 31-12-2011
	₹	₹
(a) **Shares authorized:**		
20,00,000 Equity Shares of ₹ 100/- each *(Prev. Year 20,00,000 Equity shares of ₹ 100/- each)*	20,00,00,000	20,00,00,000
(b) **Shares issued, subscribed and fully paid:**		
4,95,000 Equity Shares of ₹ 100/- each *(Prev. Year 4,95,000 Equity shares of ₹ 100/- each)* (All the Shares are held by ACC Limited, the Holding Company and its nominees)	4,95,00,000	4,95,00,000
	4,95,00,000	4,95,00,000

(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period ;

	Numbers	As at 31-12-2012	Numbers	As at 31-12-2011
		₹		₹
At the beginning of the period	4,95,000	4,95,00,000	4,95,000	4,95,00,000
At the end of the period	4,95,000	4,95,00,000	4,95,000	4,95,00,000

(d) The rights, preferences and restrictions including restrictions on the distribution of dividends and the repayment of Capital.

The Company is having only one class of shares i.e Equity carrying a nominal value of ₹ 100/- per share. Every holder of the equity share of the Company is entitled to one vote per share held

In case the company declares any dividend, the equity shareholders will be entitled to receive the dividend in proportion of the number of shares held by each equity shareholder, after all preferential payments.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after the distribution to all the preferential creditors The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder.

(e) Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held.

Particulars	31-12-2012		31-12-2011	
	Numbers	% held	Numbers	% held
ACC Limited	4,95,000	100%	4,95,000	100%
	4,95,000	100%	4,95,000	100%

NOTE 2: RESERVES & SURPLUS	AMRL As at 31-12-2012	Joint Venture Total As at 31-12-2012	Total As at 31-12-2012	As at 31-12-2011
	₹	₹	₹	₹
Surplus in the statement of Profit and Loss				
Balance as per last accounts	1,53,108	(61,04,996)	(59,51,888)	(44,79,264)
Profit / (Loss) for the year	(5,10,826)	(12,78,318)	(17,89,144)	(14,72,624)
TOTAL	(3,57,718)	(73,83,314)	(77,41,032)	(59,51,888)

NOTE 3: OTHER CURRENT LIABILITIES	AMRL As at 31-12-2012	Joint Venture Total As at 31-12-2012	Total As at 31-12-2012	As at 31-12-2011
	₹	₹	₹	₹
(a) Audit Fees Payable	1,18,842	-	1,18,842	66,583
(b) Payable to Others	1,000	41,048	42,048	31,83,335
TOTAL	1,19,842	41,048	1,60,890	32,49,918

Notes forming part of Consolidated Financial Statements (contd.)

₹

NOTE 4: FIXED ASSETS	Gross Block			Depreciation / Amortisation			Net Block	
Nature of fixed assets	As at 1-1-2012	Additions during the Year	As at 31-12-2012	As at 1-1-2012	Provided during the Year	As at 31-12-2012	As at 31-12-2012	As at 31-12-2011
TANGIBLE ASSETS								
Furniture, Fixtures & Equipments	49,540	5,05,196	5,54,736	1,172	29,581	30,753	5,23,983	48,368
Land	61,18,408	6,48,554	67,66,962	-	-	-	67,66,962	61,18,408
Digital Camera	6,272	-	6,272	776	443	1,219	5,053	5,497
Gps- Oregon	-	48,000	48,000	-	2,029	2,029	45,971	-
Printer	1,84,756	-	1,84,756	20,517	29,947	50,465	1,34,291	1,64,239
Vehicle	-	54,676	54,676	-	3,464	3,464	51,212	-
TOTAL	63,58,976	12,56,426	76,15,402	22,465	65,464	87,930	75,27,472	63,36,512
Previous Year	26,59,699	36,99,277	63,58,976	443	22,021	22,464	63,36,512	
Intangible assets under development								
Mineral rights							99,96,000	99,96,000
Mine development expenses							2,28,81,483	64,68,709
TOTAL							3,28,77,483	1,64,64,709
GRAND TOTAL							4,04,04,955	2,28,01,221

NOTE 5: CASH & BANK BALANCES	AMRL As at 31-12-2012	Joint Venture Total As at 31-12-2012	Total As at 31-12-2012	As at 31-12-2011
	₹	₹	₹	₹
Cash & Cash Equivalent				
Cash in hand	1,145	-	1,145	8,282
Bank Balance - Current Account & TDR	5,37,687	5,45,443	10,83,130	16,26,327
TOTAL	5,38,832	5,45,443	10,84,275	16,34,609

NOTE 6: SHORT TERM LOANS & ADVANCES	AMRL As at 31-12-2012	Joint Venture Total As at 31-12-2012	Total As at 31-12-2012	As at 31-12-2011
	₹	₹	₹	₹
Advances for Exploration	7,09,82,092	-	7,09,82,092	6,90,82,559
Advances to JV Companies	3,10,98,549	-	3,10,98,549	1,15,50,570
TOTAL	10,20,80,641	-	10,20,80,641	8,06,33,129

Note 7: Other Current Assets	AMRL As at 31-12-2012	Joint Venture Total As at 31-12-2012	Total As at 31-12-2012	As at 31-12-2011
	₹	₹	₹	₹
Advances to others	10,47,674	3,21,630	13,69,304	-
Accrued Interest	-	69,279	69,279	58,532
TDS Receivable	-	10,470	10,470	22,009
Security Deposit -BSNL	1,350	-	1,350	-
Miscellaneous exp. to be written off over next 12 months	2,97,804	-	2,97,804	2,97,804
TOTAL	13,46,828	4,01,379	17,48,207	3,78,345

Notes forming part of Consolidated Financial Statements (contd.)

NOTE 8: SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED DECEMBER 31, 2012

(I) Basis of preparation

(i) The Consolidated 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) The interest in Joint ventures have been accounted by using the proportionate consolidation method in accordance with Accounting Standard (AS) 27 "Financial Reporting of interests in Joint ventures" notified by Companies (Accounting Standards) Rules, 2006 (as amended).

(iii) Financial statements are based on historical cost except where impairment is made and or revaluation is carried out.

(iv) Accounting policies have been consistently applied by the Company except as stated otherwise.

(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) Fixed Assets

(i) Tangible fixed assets are stated at the cost of acquisition less depreciation.

(ii) Mine Development Expenses has been recognized as intangible assets under development and 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.

B) 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.

C) 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.

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. As the company has not yet started its commercial activities, there are no reportable geographical segments.

NOTE 9: CORPORATE INFORMATION

The company is a wholly owned Subsidiary of ACC Limited. The company has entered into four joint ventures in the year 2009 with M.P. State Mining Corporation Limited (MPSMC) for mining and development of four coal blocks allotted to MPSMC by Ministry of Coal.

NOTE 10: TAXATION

No provision for current tax is made as at December 31, 2012 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 financial year ending as on March 31, 2013. Upon reassessment of the future projections, the deferred tax asset created earlier in respect of preliminary expenditure has been totally reversed during the year amounting to ₹ 9,54,672/-.

Notes forming part of Consolidated Financial Statements. (contd.)

NOTE 11: MISCELLANEOUS EXPENDITURE

Expenses incurred in connection with increase in Authorised Share capital amounting to ₹ 14,89,000/- is being amortized over a period of 60 months commencing from May 2009.

NOTE 12: Short term borrowings from holding Company of ₹ 10,49,17,000/- (*Previous Year ₹ 6,00,00,000/-*) are unsecured and interest free. The terms of repayment thereof are not stipulated.

NOTE 13: RELATED PARTY DISCLOSURE

(A) Particulars of Holding/ Joint Venture Companies

Name of Related Party	Nature of Relationship
ACC Limited	Holding Company
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)

(B) Transactions with Holding Company

	Particulars	For the year ended December 31, 2012 ₹	For the year ended December 31, 2011 ₹
1	Inter Corporate Deposits Received During The Year	4,49,17,000	2,88,50,000
2	Inter Corporate Deposits as at the end of the year	10,49,17,000	6,00,00,000

(C) Transactions with Joint Venture Companies

	Particulars	For the year ended December 31, 2012 ₹	For the year ended December 31, 2011 ₹
1	**MP AMRL (Semaria) Coal Company Ltd.**		
	-Advance given during the year	17,19,540	16,48,426
	-Balance of Advance given at the end of the year	1,74,34,970	1,57,15,430
2	**MP AMRL (Bicharpur) Coal Company Ltd.**		
	-Advance given during the year	1,35,40,707	71,84,823
	-Advance Repaid during the year	-	12,947
	-Balance of Advance given at the end of the year	2,04,73,453	69,32,746
3	**MP AMRL (Marki Barka) Coal Company Ltd.**		
	-Advance given during the year	2,30,69,125	1,88,960
	-Advance Repaid during the year	-	1,88,960
	-Balance of Advance given at the end of the year	2,30,69,125	-
4	**MP AMRL (Morga) Coal Company Ltd.**		
	-Advance given during the year	4,63,644	16,006
	-Advance Repaid during the year	4,63,644	16,006

Notes forming part of Consolidated Financial Statements. (contd.)

NOTE 14: EARNINGS PER SHARE - [EPS]

Particulars	For the year ended December 31, 2012 ₹	For the year ended December 31, 2011 ₹
Loss after tax as per Statement of Profit and Loss	(17,89,144)	(14,72,624)
Weighted average number of Equity shares outstanding	4,95,000	4,95,000
Basic earnings per Share (Weighted Average) in ₹ (face value - ₹ 100 per share)	(3.61)	(2.97)

(There are no diluted equity shares and hence there is no working for diluted earnings per share)

NOTE 15: Advances for exploration include ₹ 7,09,82,092/- 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.

NOTE 16: The aggregate amounts of assets, liabilities, income and expenses related to the Company's interest in the four joint ventures companies are as under:

a. Assets : ₹ 4,21,36,734/-

b. Liabilities : ₹ 4,21,36,734/-

c. Income : ₹ 51,643/-

d. Expenses : ₹ 3,75,290/-

NOTE 17: The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 1,67,73,721/-.

NOTE 18: Till the year ended December 31, 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended December 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification. It significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

As per our report of even date

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

RAJESH S. JOSHI
Partner
Membership No. 038526

Mumbai, February 01, 2013

For and on behalf of the Board of ACC Mineral Resources Limited,

BURJOR D. NARIMAN
Director

SUNIL NAYAK
Director

DINESH KUMAR SONTHALIA
Company Secretary

Directors' Report

TO THE MEMBERS OF
BULK CEMENT CORPORATION (INDIA) LIMITED

The Directors hereby present their Twenty First Annual Report on the business and operations of the Company and the Audited Accounts for the year ended December 31, 2012.

1. FINANCIAL RESULTS

PARTICULARS	2012	2011
	₹ Lakh	₹ Lakh
Revenue from operations (net) and Other Income	1,665.84	1,459.71
Profit before Tax	248.06	89.87
Provision for Tax:		
Current Tax	59.16	8.01
Deferred Tax	9.09	13.51
	68.25	21.52
Profit after Tax	179.81	68.35
Balance brought forward from previous year	1,100.41	1,032.06
Balance carried forward to Balance Sheet	1,280.22	1,100.41

2. OPERATIONS

The total dispatches for the year ended December 31, 2012 were 9.20 Lakh MT compared to 9.34 Lakh MT in the previous year which is lower by 1.5%. During the year 2012, 251 rakes were received.

The specific power consumption for the year 2012 was 2.87 Units/MT as against 2.85 units/MT for the year 2011, which is about 0.70% higher.

The Company continued to operate at unity power factor throughout the year 2012.

3. DIVIDEND

Your Directors do not recommend payment of dividend for the financial year ended December 31, 2012.

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 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		2012	2011
1.	Electricity		
a.	Units Purchased KWH	2,643,780	2,663,160
	Total Amount (₹ Lakh)	207.60	169.99
	Rate/Unit (₹/KW)	7.85	6.38
b.	Own Generation	-	-
2.	Consumption / Unit of Production Electricity (Unit/MT)	2.87	2.85

Disclosure of particulars with respect to Foreign Exchange Earnings and Outgo

PARTICULARS	2012	2011
Foreign Exchange earned	Nil	Nil
Foreign Exchange used	Nil	Nil

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 Government of India, Ministry of Commerce & Industry, Department of Industrial Policy & Promotion has pursuant to its rights under Article 134(1) of the Company's Articles of Association, nominated Mr A K Singh, Deputy Secratary in the Department of Industrial Policy & Promotion, as a Director of the Company in place of Mr Rajat Kumar. Pursuant thereto, the Board of Directors of your Company has appointed Mr A K Singh as an Additional Director of the Company with effect from April 13, 2012. Mr A K Singh holds office upto the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment as a Director has been included in the Notice of the forthcoming Annual General Meeting of the Company.

The Government of India, Ministry of Railways has, pursuant to its right under Article 134(1) of the Articles of Association of the Company, nominated Mr M K Akhouri, SAG/IRTS, Executive Director / Traffic Transportation (F), Railway Board, as Director on the Board of Directors of the Company in place of Mr A S Upadhyay. Pursuant thereto, the Board of Directors of your Company has appointed Mr M K Akhouri as an Additional Director of the Company with effect from July 20, 2012. Mr M K Akhouri holds office upto the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment as a Director has been included in the Notice of the forthcoming Annual General Meeting of the Company.

The Board of Director has appointed Mr P N Iyer as an Additional Director of the Company with effect from October 12, 2012. As Additional Director, Mr P N Iyer holds office upto the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment as a Director has been included in the Notice of the forthcoming Annual General Meeting of the Company.

Mr Rajat Kumar who was appointed by the Government of India, Ministry of Commerce & Industry, Department of Industrial Policy & Promotion as a Director of the Company with effect from February 01, 2012, ceased to be a Director of the Company with effect from April 13, 2012. The Board has placed on record its appreciation of the valuable services rendered by Mr Rajat Kumar during his tenure as a Director of the Company.

Mr A S Upadhyay who was appointed by the Government of India, Ministry of Railways as a Director of the Company with effect from November 18, 2011, ceased to be a Director the Company with effect from July 20, 2012. The Board has placed on record its appreciation of the valuable services rendered by Mr A S Upadhyay during his tenure as a Director of the Company.

Mr Ramit Budhraja who was appointed as a Director of the Company with effect from January 29, 2010, ceased to be a Director of the Company with effect from October 12, 2012. The Board has placed on record its appreciation of the valuable services rendered by Mr Ramit Budhraja during his tenure as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956, Mr Talleen Kumar and Mr Kuldip Kaura 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 statements in terms of Section 217 (2AA) of the Companies Act, 1956:

i) that in the preparation of the Accounts for the year ended December 31, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

ii) that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company as at December 31, 2012, and of the profit of the Company for the year ended on that date;

iii) 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;

iv) that the accounts for the year ended December 31, 2012, have been prepared on a going concern basis.

9. AUDIT COMMITTEE

As on February 01, 2013 the Audit Committee comprises the following Members:

Mr A K Singh (w.e.f. April 13, 2012)
Chairman

Mr Sunil Nayak

Mr P N Iyer (w.e.f. October 12, 2012)

Mr Burjor D Nariman

Mr Sankarsan Dasgupta

Mr Rajat Kumar who was the Chairman of the Audit Committee upto April 13, 2012 demitted office consequent upon his ceasing to be a Director of the Company.

Mr Ramit Budhraja, who was a Member of the Audit Committee upto October 12, 2012 demitted office consequent upon his ceasing to be a Director of the Company.

During the year ended December 31, 2012 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 2013 and to authorize the Board of Directors to determine their remuneration.

As per The Companies (Cost Accounting Records) Rules, 2011, your Company requires to maintain cost accounting records and file Compliance Certificate with the Central Government. Your Directors have appointed Messrs N I Mehta & Co., Cost Auditors, to provide Compliance Certificate for the financial year 2012.

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 Promotion & Policy, Ministry of Commerce & Industry, Ministry of Railways, ACC Limited 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

JAYANTA DATTAGUPTA Director	SUNIL K. NAYAK Director

Mumbai
February 01, 2013

Registered Office:
Plot No. W7,
KWC Kalamboli,
Dist. Raigad 410 218

Auditors' 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, 2012, and also the Statement of Profit and Loss 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 o f 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards 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, 2012, 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, 2012 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, 2012;

      ii. in the case of the Statement of Profit and Loss, 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 number 100186W

RAJESH S. JOSHI
Partner
Membership number 38526

Place: Mumbai
February 01, 2013

Annexure to the Auditors' 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) 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.

(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, 2012 for a period of more that 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 2001-2002 to 2005-2006	₹ 27.71 Lac	CESTAT
Inadmissible Cenvat credit availed on railway wagons	June 2009	₹ 109.36 Lac	CESTAT
Cenvat availed on cement returned in bulkers.	Apr 2007 to Nov 2008	₹ 37.48 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 number 100186W

RAJESH S. JOSHI
Partner
Membership number 38526

Place: Mumbai
February 01, 2013

Balance Sheet as at December 31, 2012

Particulars	Note No.	2012	2011
		₹ Lac	₹ Lac
EQUITY AND LIABILITIES:			
Shareholders Funds:			
Share capital	3	3,364.21	3,364.21
Reserves and surplus	4	1,280.22	1,100.41
		4,644.43	4,464.62
Non Current Liabilities			
Deferred tax liability (Net)	5	567.16	558.07
		567.16	558.07
Current Liabilities:			
Trade payables	6	541.12	367.43
Other current liabilities	7	343.73	342.50
		884.85	709.93
TOTAL		**6,096.44**	**5,732.62**
ASSETS:			
Non Current Assets			
Fixed Assets:			
Tangible assets	8	3,345.47	3,512.07
Capital work in progress		27.81	240.20
Long term loans & advances	9	272.26	165.54
		3,645.54	3,917.81
Current Assets:			
Current investment	10	1,835.00	1,510.00
Inventories	11	48.56	52.52
Trade receivable	12	446.32	162.76
Cash and bank balances	13	16.79	23.48
Short term loans and advances	9	102.98	66.05
Assets held for disposal		1.25	-
		2,450.90	1,814.81
TOTAL		**6,096.44**	**5,732.62**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For K.S. AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

RAJESH S. JOSHI
Partner
Membership number 38526

Mumbai, February 01, 2013

For and on behalf of the Board of Directors of Bulk Cement Corporation (India) Limited,

JAYANTA DATTAGUPTA
Director

SUNIL K. NAYAK
Director

BINITA KHORY
Company Secretary

Statement of Profit and Loss for the year ended December 31, 2012

Particulars	Note No.	2012	2011
		₹ Lac	₹ Lac
INCOME:			
Sale of Services & Other Operating Income	14	1,518.05	1,348.22
Other Income	15	147.79	111.49
Total Revenue		**1,665.84**	**1,459.71**
EXPENSES:			
Employee benefits expense	16	120.09	112.67
Operating and Other Expenses	17	856.61	704.02
Depreciation		516.00	553.15
Depreciation of earlier years written Back		(74.92)	-
Total Expenses		**1,417.78**	**1,369.84**
Profit before tax		**248.06**	**89.87**
Tax Expenses :			
Current Tax		119.86	8.01
Less: MAT Set Off Availed		(60.70)	-
Net Current Tax		59.16	8.01
Deferred Tax		9.09	13.51
		68.25	21.52
Profit for the year		**179.81**	**68.35**
Earnings Per Equity Share (Face Value of ₹ 10 each)			
Basic and Diluted Earnings per Share (₹)	20	0.53	0.20
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For K.S. AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

RAJESH S. JOSHI
Partner
Membership number 38526

Mumbai, February 01, 2013

For and on behalf of the Board of Directors of Bulk Cement Corporation (India) Limited,

JAYANTA DATTAGUPTA
Director

SUNIL K. NAYAK
Director

BINITA KHORY
Company Secretary

Cash flow Statement for the year ended December 31, 2012

			2012	2011
			₹ Lac	₹ lac
A.	Cash Flow from Operating Activities			
	1	Net Profit before tax	248.06	89.87
		Adjustments For:		
		Provision written back	(7.48)	-
		Depreciation	516.00	553.15
		Depreciation Written Back	(74.92)	-
		Interest Received	(5.09)	(2.86)
		Loss/ (Profit) on sale of assets	3.91	(0.99)
		Dividend Earned	-	(60.83)
		Loss/ (Profit) on sale of Investment	(142.70)	(46.81)
	Operating profit before working capital changes		537.78	531.53
	2	Trade Receivables	(283.56)	7.72
	3	Inventories	3.96	(12.52)
	4	Other receivables	(155.90)	(29.55)
	5	Trade payables	312.54	12.03
		Cash generated from Operations	414.82	509.21
	6	Direct Taxes refund/ (paid)	(46.89)	(16.07)
	Net Cash from Operating Activities		**367.93**	**493.14**
B.	Cash Flow from Investing Activities			
	7	Interest received	5.09	2.86
	8	Purchase of Investments	(7,005.00)	(7,019.70)
	9	Sale of Investments	6,680.00	6811.90
	10	Purchase of Fixed Assets & Increase in Capital work in Progress	(197.91)	(351.32)
	11	Sales of Fixed Assets	0.50	1.37
	12	Dividend on Mutual Fund	142.70	60.83
	Net Cash from Investing Activities		**(374.62)**	**(494.06)**
	Net increase / (decrease) in cash & cash equivalents		**(6.69)**	**(0.92)**
		Opening Balance	23.48	24.40
		Closing Balance	16.79	23.48

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

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. 100186W

JAYANTA DATTAGUPTA
Director

SUNIL K. NAYAK
Director

RAJESH S. JOSHI
Partner
Membership number 38526

BINITA KHORY
Company Secretary

Mumbai, February 01, 2013

Notes to Financial Statement for the year ended December 31, 2012

1 CORPORATE INFORMATION

Bulk Cement Corporation (India) Limited is a limited Company domiciled in India and incorporated under the provision of Companies Act 1956. The Company is engaged in the handling of Bulk Cement. The Company caters only to the needs of the domestic market of the parent Company i.e. M/s ACC Limited.

2. SIGNIFICANT ACCOUNTING POLICIES:

A) Basis of accounting and use of estimates

Financial statements are prepared under the historical cost convention, on accrual basis of accounting in accordance with the accounting principles generally accepted in India and in compliance with the provisions of Companies Act, 1956 and comply with the accounting standards specified in Companies (Accounting Standard) Rules, 2006 prescribed by the Central Government.

Till the year ended December 31, 2011 the Company was using pre-revised Schedule VI to the Companies Act, 1956 for preparation and presentation of its financial statements. During the year ended December 31, 2012 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. The Company has reclassified previous year numbers to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of the financial statements. However, it significantly impacts the presentation and disclosure made in the financial statements, particularly presentation of Balance Sheet.

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 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. However, in respect of the Plant & Machinery- Elevator Belt, the depreciation is provided at higher rate (20.19%) in line with its estimated useful life.

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 lower of Cost -Weighted Average (Moving) and net realizable value.

F) Employees Benefit Expenses:

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 are reimbursed. This is disclosed as Deputation Charges in the Statement of Profit & Loss.

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 & accounting income for the year & 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.

Notes to Financial Statement for the year ended December 31, 2012 (contd.)

	2012 ₹ Lac	2011 ₹ Lac
NOTE 3 : SHARE CAPITAL		
AUTHORISED		
3,40,00,000 (*Previous Year - 3,40,00,000*) Equity Shares of ₹ 10 each	3,400.00	3,400.00
1,10,00,000 (*Previous Year -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
TOTAL	3,364.21	3,364.21

(a) Details of shareholders holding more than 5% of the shares of the Company and shares held by holding Company

	2012		2011	
	No of Shares	% of Holding	No of Shares	% of Holding
Shares held by the President of India, Development Commissioner of Cement Industries, Ministry of Industry , Government of India	18,00,020	5.35	18,00,020	5.35
Shares Held by M/s ACC Ltd -Holding Company	3,18,42,050	94.65	3,18,42,050	94.65

(b) Reconciliation of No of Equity shares

	2012		2011	
	No of Shares	₹ Lac	No of Shares	₹ Lac
Equity shares at the beginning of the year	3,36,42,070	3,364.21	3,36,42,070	3,364.21
Shares Issued during the year	-	-	-	-
Equity shares at the end of the year	3,36,42,070	3,364.21	3,18,42,070	3,364.21

(c) Rights and restrictions attached to equity shares:
The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

NOTE 4 : RESERVES AND SURPLUS

	2012 ₹ Lac	2011 ₹ Lac
Surplus in the statement of profit and loss :		
Balance as per last Financial statements	1,100.41	1,032.06
Add: Profit of the year	179.81	68.35
TOTAL	1,280.22	1,100.41

NOTE 5 : DEFERRED TAX LIABILITIES(NET) :

	2012 ₹ Lac	2011 ₹ Lac
Deferred Tax Liabilities arising on account of :		
Depreciation differences	567.16	621.92
Deferred Tax Assets arising on account of :		
Expenditure debited to Statement of Profit and loss but allowed for tax purposes in the following years	-	63.85
TOTAL	567.16	558.07

NOTE 6 : TRADE PAYABLES

	2012 ₹ Lac	2011 ₹ Lac
Trade Payable Due to The Holding Company: ACC Limited ₹ 84.58 Lac *(Previous year Nil)*	541.12	367.43
TOTAL	541.12	367.43

Note 6.1 - 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.

NOTE 7 : OTHER CURRENT LIABILITIES

	2012 ₹ Lac	2011 ₹ Lac
Statutory Dues	0.67	0.79
Retention Deposit from Contractors/Vendors	2.12	0.77
Liabilities for Capital Expenditure	229.15	229.15
Provision for Railway Claims	111.79	111.79
TOTAL	343.73	342.50

Notes to Financial Statement for the year ended December 31, 2012 (contd.)

NOTE 8: TANGIBLE ASSETS

₹ Lac

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 01-01-2012	Additions/ Adjustments	Deletions	As at 31-12-2012	As at 01-01-2012	For The Year	On Deletion/ Disposals	Adjustments	As at 31-12-2012	As at 31-12-2012	As at 31-12-2011
Building	250.01	-	(2.65)	247.36	107.82	8.28	(1.16)	-	114.94	132.42	142.19
Building & Installation	0.68	-	-	0.68	0.02	0.07	-	-	0.09	0.59	0.66
Plant & Machinery	3,239.13	128.05	(97.09)	3,270.09	2,701.47	258.52	(93.39)	(5.14)	2,861.46	408.63	537.66
Roads, Bridges	193.70	(20.14)	-	173.56	40.77	2.90	(0.01)	(4.31)	39.35	134.21	152.93
Rails & Sidings	355.56	273.03	-	628.59	218.07	28.17	-	(1.63)	244.61	383.98	137.49
Wagon & Loco	4,046.58	(102.29)	-	3,944.29	1,755.51	188.40	-	(63.84)	1,880.07	2,064.22	2,291.07
Furniture & Fixtures	13.81	0.14	(0.17)	13.78	12.61	0.10	(0.12)	-	12.59	1.19	1.20
Office Equipments	23.11	1.32	(12.53)	11.90	15.09	0.50	(12.12)	-	3.47	8.43	8.02
Vehicles	7.62	-	-	7.62	0.31	0.72	-	-	1.03	6.59	7.31
Electrical Installation	596.72	-	-	596.72	363.18	28.34	-	-	391.52	205.21	233.54
TOTAL	8,726.92	280.11	(112.44)	8,894.59	5,214.85	516.00	(106.80)	(74.92)	5,549.13	3,345.47	3,512.07
Previous Year	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

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.

NOTE 9: LOANS & ADVANCES

	2012		2011	
	Non Current	Current	Non Current	Current
	₹ Lac	₹ Lac	₹ Lac	₹ Lac
(Unsecured Considered Good)				
(a) Capital Advances	106.48	-	97.05	-
(b) Other Deposits	18.17	-	17.95	-
(c) Advances recoverable in cash or in kind or for value to be received	109.36	79.76	-	46.33
(d) Advance Tax Paid {Net of provision for Taxation, Amt ₹ 190.64 Lac (*Previous year ₹ 131.48 Lac*)}	34.78	-	47.05	-
(e) Advance Fringe Benefit Tax {Net of provision for Taxation, Amt ₹ 1.95 Lac (*Previous year ₹ 1.95 Lac*)}	0.01	-	0.01	-
(f) Balance with Excise, Customs and Port Trust Authorities on Current accounts	-	8.59	-	5.88
(g) Prepaid Expenses	3.46	14.63	3.48	13.84
TOTAL	272.26	102.98	165.54	66.05

NOTE 10: CURRENT INVESTMENTS (Valued at Lower of Cost and Fair Value)

	2012		2011	
	₹ Lac	No of Units	₹ Lac	No of Units
Investment in Mutual Funds - Fully paid-up (Unquoted)				
Unit of Face value ₹ 10 each SBI SHF-Ultra short term fund -Institutional Plan - (Growth Option)	-	-	1,000.00	73,13,844.38
Unit of Face value ₹ 1,000 each SBI SHF-Ultra short term Debt fund -Regular Plan - (Growth Option)	800.00	54,298.90	-	-
Unit of Face value ₹ 1,000 each UTI Treasury Advantage Fund - Institutional Plan (Growth Option)	1,035.00	66,828.44	510.00	36,115.81
TOTAL	1,835.00		1,510.00	
Aggregate amount of Unquoted Investments	1,835.00		1,510.00	

Notes to Financial Statement for the year ended December 31, 2012 (contd.)

NOTE 11: INVENTORIES (At Cost or Net Realisable value whichever is lower)

	2012	2011
	₹ Lac	₹ Lac
Stores & Spare Parts	48.56	52.52
TOTAL	48.56	52.52

NOTE 12: TRADE RECEIVABLE

	2012	2011
	₹ Lac	₹ Lac
Others		
Unsecured Considered Good	446.32	162.76
Due from The Holding Company: ACC Limited ₹ 446.32 Lac; (*Previous Year ₹ 162.76 Lac*), Maximum Outstanding Balance during the Period ₹ 504.94 Lacs : (*Previous Year ₹ 436.18 Lacs*)		
TOTAL	446.32	162.76

NOTE 13: CASH & BANK BALANCES

	2012	2011
	₹ Lac	₹ Lac
Cash and Cash Equivalent		
Cash on Hand	0.12	0.06
Balances with Scheduled Banks in Current Accounts	16.67	23.42
TOTAL	16.79	23.48

NOTE 14: REVENUE FROM OPERATIONS

	2012	2011
	₹ Lac	₹ Lac
SALE OF SERVICES		
Bulk Handling Charges	1,146.52	1,048.70
Freight Rebate	359.16	297.49
	1,505.68	1,346.19
OTHER OPERATING REVENUE		
Miscellaneous Income	4.89	2.03
Provision no longer required written back	7.48	-
TOTAL	1,518.05	1,348.22

NOTE 15 : OTHER INCOME

	2012	2011
	₹ Lac	₹ Lac
Income from Current Investment	-	60.83
Profit on sale of Current Investment	142.70	46.81
Interest on deposits	5.09	1.58
Interest on Income Tax Refund	-	1.28
Profit on Sale of Fixed Asset (Net)	-	0.99
TOTAL	147.79	111.49

NOTE 16: EMPLOYEE BENEFITS

	2012	2011
	₹ Lac	₹ Lac
Staff Welfare	-	0.38
Deputation Charges	120.09	112.29
	120.09	112.67

NOTE 17: OPERATING AND OTHER EXPENSES

	2012	2011
	₹ Lac	₹ Lac
Power & Fuel	207.60	170.64
Plant Operating Charges	103.38	91.57
Rates & Taxes	56.22	38.66
Insurance	19.46	13.97
Consumption of Stores and Spares	119.06	71.45
Repairs and Maintenance - Plant	223.06	188.69
Repairs and Maintenance - Buildings	17.77	39.56
Repairs and Maintenance - Others	7.34	3.56
Communication	2.46	2.56
Travelling and Conveyance	4.66	5.12
Security Charges	47.04	42.02
Legal Services	17.63	14.98
Remuneration to Auditors		
Statutory Audit	2.25	2.25
Tax Audit	1.20	1.20
Other Services	2.50	2.50
Out-of-pocket expenses	0.36	0.11
Other Expenses	20.71	15.18
Loss on Fixed Assets scrapped/retired (Net)	3.91	-
TOTAL	856.61	704.02

NOTE 18: RELATED PARTY DISCLOSURES

(I) Particulars of Related Parties:

Name of the Related Party	Nature of Relationship
ACC Ltd.	Holding Company

(II) Key Management Personnel:

Name of the Related Party	Nature of Relationship
Mr. Ram Manohar Sowbhagya	Head BCCI

(III Transactions with Related Parties during the year:

		Holding Company ACC Limited	
		2012	2011
		₹ Lac	₹ Lac
a)	Rendering of Services	1,146.52	1,048.70
b)	Deputation Charges Paid	110.53	111.15
c)	Purchase of Fixed Assets	-	5.09
d)	Reimbursement of Freight Rebate	359.16	297.49
e)	Outstanding balance included in Current assets	446.32	162.77
f)	Outstanding balance included in Current liabilities	84.58	-
g)	Reimbursement of expenses paid (Net of Reversal)		
	Power Expenses	182.28	-
	Others	4.95	5.23
h)	Reimbursement of expenses received	3,566.24	2,081.16

Notes to Financial Statement for the year ended December 31, 2012 (contd.)

NOTE 19: TAXATION

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 Statement of Profit & Loss provision of Deferred Tax Liability of ₹ 9.09 Lac (*Previous Year ₹ 13.51 Lac*).

NOTE 20: EARNINGS PER SHARE:

Particulars	2012	2011
Profit/(Loss) after taxation as per Statement of Profit and loss (₹ Lac)	179.81	68.35
Weighted average number of Equity shares outstanding (No)..	3,36,42,070	3,36,42,070
Basic earnings per Share (Weighted Average) in ₹ (Face value - ₹ 10 per share)	0.53	0.20
(There are no potential equity shares and hence there is no working for diluted earning per share).		

NOTE 21: During the year , the company has made provision for wagons maintenance charges, on an estimated basis (as Railways have not raised any Claims for the period from July, 2011 to December, 2012) of ₹ 138.32 Lacs (*Previous Year ₹ 74.19 Lacs*) for the 167 wagons (Both old & new) owned by the company.

NOTE 22: CONTINGENT LIABILITIES NOT PROVIDED FOR:

Sr. No.	Particulars	2012	2011
		₹ Lac	₹ Lac
1.	Claim by Railway for Maintenance Charges till 30th June 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	Show Cause cum Demand notice disallowing Cenvat Availed on Cement Returned in Bulkers for Period April-2007-Nov 2008	37.48	37.48
5.	Show Cause cum Demand notice disallowing Cenvat Availed on Cement Lost in Handling for Period April 2007-December 2011	-	50.65

NOTE 23: The benefit of credit against the payment made towards Minimum Alternate Tax for the earlier years in accordance with the provision of Section 115JAA has been accounted for the nine months period ended on 31st December 2012 on a pro-rata basis.

NOTE 24: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) ₹ 483.04 Lac (*Previous Year ₹ 545.96 Lac*).

NOTE 25: Other additional information pursuant to the provisions of paragraph 5 (viii)(c) of Schedule VI to the Companies Act, 1956 is either Nil or not applicable to the Company.

NOTE 26: In the opinion of the Board of directors, any of the assets other than fixed assets and non-current investments do not have a value on realization in the ordinary course of business lower than at least equal to the amount at which they are stated.

NOTE 27: Previous year's figures have been regrouped/ rearranged wherever necessary to make them comparable with the current year's figure.

The accompanying notes are an integral part of financial statements

As per our report of even date

For K.S. AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

RAJESH S. JOSHI
Partner
Membership No. 38526

Mumbai, February 01, 2013

For and on behalf of the Board of Directors of Bulk Cement Corporation (India) Limited,

JAYANTA DATTAGUPTA
Director

SUNIL K. NAYAK
Director

BINITA KHORY
Company Secretary

Directors' Report

TO THE MEMBERS OF
LUCKY MINMAT LIMITED

The Directors take pleasure in presenting the Thirty Seventh Annual Report on the business and operations of the Company and the Audited Accounts for the year ended December 31, 2012.

1. FINANCIAL RESULTS

Particulars	2012	2011
	₹	₹
Revenue from Operations (net) and Other Income	1,524,840	10,897,967
Profit / (Loss) before Tax	(5,728,250)	(2,600,938)
Provision for Taxation	-	-
Profit / (Loss) after Taxation	(5,728,250)	(2,600,938)
Balance brought forward from previous year	(9,109,155)	(6,508,217)
Balance carried forward to Balance Sheet	(14,837,405)	(9,109,155)

2. OPERATIONS

The total dispatches for the year ended December 31, 2012 were 2623.83 MT as compared to 51051 MT for the year ended December 31, 2011.

The Company has incurred a loss after tax of ₹ 5,728,250 for the year ended December 31, 2012 as compared to a loss after tax of ₹ 2,600,938 for the year ended December 31, 2011.

3. DIVIDEND

Your Directors do not recommend any dividend for the financial year ended December 31, 2012.

4. INDUSTRIAL RELATIONS

During the year under review, industrial relations at the Company's unit continued to remain cordial and peaceful.

5. PROPOSED AMALGAMATION OF THE COMPANY WITH ACC LIMITED

The Scheme of Amalgamation of your Company with ACC Limited, the holding Company, is pending for want of certain regulatory approvals.

6. DIRECTORS

The Board of Directors has appointed Mr Umesh Pratap as an Additional Director of the Company with effect from April 13, 2012. As an Additional Director, Mr Umesh Pratap holds office till the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment is included at Item 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 February 1, 2013. As an Additional Director, Mr Rajiv Prasad holds office till the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment as a Director of the Company is included at Item 6 of the Notice convening the Annual General Meeting.

The Board of Directors has appointed Mr Madhav G Damle as an Additional Director of the Company with effect from February 1, 2013. As an Additional Director, Mr Madhav G Damle holds office till the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment as a Director of the Company is included at Item 7 of the Notice convening the Annual General Meeting.

Dr Samar Bahadur Singh who was appointed as a Director of the Company with effect from October 18, 2010 resigned as Director with effect from April 13, 2012. The Board has placed on record its appreciation of the valuable services rendered by Dr Singh during his tenure as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956, Mr B D Nariman and Mr K M Gupta retire by rotation and are eligible for re-appointment.

7. 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 statements in terms of Section 217(2AA) of the Companies Act, 1956:

i) that in the preparation of the Accounts for the year ended December 31, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

ii) that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company as at December 31, 2012, and of the loss of the Company for the year ended on that date;

iii) 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;

iv) that the accounts for the year ended December 31, 2012, have been prepared on a going concern basis.

8. 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(1B) 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 for the year 2013, and to authorize the Board of Directors to determine their remuneration.

9. AUDIT COMMITTEE

The Company is not required to constitute an Audit Committee under the provisions of Section 292A of the Companies Act, 1956.

10. 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 Secretaries, 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.

11. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE 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 all its employees for their valuable contribution during the year.

For and on behalf of the Board

B D Nariman
Chairman

Jaipur
February 1, 2013

Registered Office:
G-9/C Kabir Marg,
Bani Park,
Jaipur – 302 016

Pramod S. Shah
B.A., B.Com., L.L.B., F.C.S., S.E.O.

Mani Bhuwan, 1st Floor, Office No. 5, 54, Hughes Road
(Opp : Dharam Palace), Mumbai - 400 007 (India)
Tel.: (O) +91 (022) 2368 0263/2368 0256/2367 8570/2368 2139
Mobile : 98211 06217 / 98211 06410
Fax : +91 (022) 2367 8571
E-mail : saurabhshah361@gmail.com

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,	**Nominal Capital: ₹ 3,25,00,000/-**
The Members,	**Registration No. : 11-001697**
Lucky Minmat Limited	**(31/12/2012)**

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 and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st December, 2012**. 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 as may be required within the time prescribed under the Act and the rules made thereunder.

3. The Company being a Public Limited Company, the provisions relating to Private Company are not applicable and therefore comments are not required.

4. The Board of Directors duly met **4** times on 01/02/2012, 13/04/2012, 23/07/2012, 15/10/2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolution passed in the Minutes book maintained for the purpose.

5. The Company has not closed its Register of Members / Debenture holders during the financial year.

6. The Annual General Meeting for the year ended on 31/12/2011 was held on 26/03/2012 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes book maintained for the purpose.

7. No Extra Ordinary 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 necessary entries in the register maintained under Section 301 of the Act.

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 received 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 and the appointment of directors, additional directors, alternate directors and directors to be filled by casual vacancies have been duly made.

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 of Companies 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, right 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, 2012.

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, employee's and employer's contribution to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

Signature:
Name of Company Secretary : Pramod S. Shah
C. P. No. : 3804

Place : Mumbai
Date : 31/01/2013

Annexure A

The Company has been maintaining the following statutory records such as:

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 Investments
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 ending on 31st December, 2012.

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	31/12/2011	11/05/2012	Yes	No
2	Form 23AC & 23ACA (Balance Sheet and Profit & Loss Account)	220	31/12/2011	25/04/2012	Yes	No
3	Form 66	383A	31/12/2011	29/03/2012	Yes	No
4	Form 32	260	31/12/2011	09/05/2012	Yes	No

Place : Mumbai
Date : 31/01/2013

Auditors' Report

TO THE MEMBERS OF LUCKY MINMAT LIMITED

1. We have audited the attached Balance Sheet of LUCKY MINMAT LIMITED, as at December 31, 2012, and also the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards 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, 2012, 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, 2012 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, 2012;

      ii) in the case of the Statement of Profit and Loss, 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, 2013

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, 2012 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, 2013

Balance Sheet as at December 31, 2012

	Note No.	As at December 31, 2012	As at December 31, 2011
		₹	₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	3,25,00,000	3,25,00,000
Reserves and surplus	4	(1,40,02,487)	(82,74,237)
		1,84,97,513	2,42,25,763
Current liabilities			
Short term borrowings	5	30,00,000	-
Other current liabilities	6	2,66,764	17,75,928
Short-term provisions	7	14,27,174	10,50,000
		46,93,938	28,25,928
TOTAL		**2,31,91,451**	**2,70,51,691**
ASSETS			
Non-current assets			
Fixed Assets:			
Tangible assets	8	41,675	45,970
Non-current investments	9	20,850	20,850
Long-term loans and advances	10	27,66,117	24,71,935
		28,28,642	25,38,755
Current assets			
Trade receivables	11.1	-	5,39,133
Cash and bank Balances	12	1,88,48,244	2,36,36,230
Short-Term loans and advances	10	12,69,635	33,000
Other current assets	11.2	2,44,930	3,04,573
		2,03,62,809	2,45,12,936
TOTAL		**2,31,91,451**	**2,70,51,691**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

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

BURJOR D. NARIMAN
Chairman

UMESH PRATAP
Director

SACHIN A. NEGANDHI
Partner
Membership No. 112888

K.M. GUPTA
Director

S DAS GUPTA
Director

Mumbai, February 01, 2013   Jaipur, February 01, 2013

Statement of Profit & Loss for the year ended on December 31, 2012

	Note No.	For the year ended December 31, 2012	For the year ended December 31, 2011
		₹	₹
Revenue from Operations	13	5,39,723	94,44,424
Other Income	14	9,85,117	14,53,543
Total Revenue		**15,24,840**	**1,08,97,967**
EXPENSES			
Depreciation and amortization expense	8	4,295	4,295
Other expenses	15	72,48,795	1,34,94,610
Total Expenses		**72,53,090**	**1,34,98,905**
Loss before Tax		**(57,28,250)**	**(26,00,938)**
Provision for Taxation		-	-
Loss for the Year		**(57,28,250)**	**(26,00,938)**
Earnings per equity share (Face value of ₹ 100 each) (Refer Note - 17)			
Basic & Diluted Earnings per Share (₹)		(17.63)	(8.00)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

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

BURJOR D. NARIMAN
Chairman

UMESH PRATAP
Director

SACHIN A. NEGANDHI
Partner
Membership No. 112888

K.M. GUPTA
Director

S DAS GUPTA
Director

Mumbai, February 01, 2013   Jaipur, February 01, 2013

Cash Flow Statement for the year ended December 31, 2012

	For the year ended December 31, 2012	For the year ended December 31, 2011
	₹	₹
A. Cash flow from operating activities		
1. Net Loss before taxation	(57,28,250)	(26,00,938)
Adjustments for:		
Depreciation	4,295	4,295
Interest Received	(9,85,117)	(14,53,543)
Operating profit before working capital changes	(67,09,072)	(40,50,186)
Movement in Working Capital		
2. Decrease/(Increase) in Sundry Debtors	5,39,133	74,076
3. Decrease/(Increase) in Other Current Assets	(12,54,011)	1,62,503
4. Increase/(Decrease) in Other Liabilities & Provisions	(11,31,990)	(14,14,660)
Cash generated from operations	(85,55,940)	(52,28,267)
5. Direct Taxes paid - (Net of Refunds)	(2,94,182)	(2,38,766)
Net Cash from operating activities	**(88,50,122)**	**(54,67,033)**
B. Cash flow from investing activities		
6. Interest Received	10,44,760	17,65,247
Net Cash from investing activities	**10,44,760**	**17,65,247**
C. Cash flow from financing activities		
7. Inter Corporate Deposits from Holding company	30,00,000	-
Net Cash used in financing activities	**30,00,000**	**-**
Net increase / (decrease) in cash & cash equivalents	**(48,05,362)**	**(37,01,786)**
Cash & Cash equivalents at the beginning of the year	2,20,88,605	2,57,90,391
Cash & Cash equivalents at the end of the year	1,72,83,243	2,20,88,605

Refer Note no 12 for details of Cash & Cash equivalents.

As per our report of even date

For K.S. Aiyar & Co.
Chartered Accountants
Firm Regn. No. 100186W

SACHIN A. NEGANDHI
Partner
Membership No. 112888

Mumbai, February 01, 2013

For and on behalf of the Board of Lucky Minmat Limited,

BURJOR D. NARIMAN
Chairman

UMESH PRATAP
Director

K.M. GUPTA
Director

S DAS GUPTA
Director

Jaipur, February 01, 2013

Notes to Financial Statement for the year ended December 31, 2012

1. CORPORATE INFORMATION

Lucky Minmat Limited is a wholly owned subsidiary of ACC Limited, Company domiciled in India and incorporated under the provision of Companies Act, 1956. The Company is engaged in the extraction of limestone.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of preparation

(i) 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.

(ii) 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) Till the year ended December 31, 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended December 31, 2012, the revised Schedule VI notified under the Companies Act,1956, has become applicable to the Company. The Company has reclassified previous year numbers to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of the financial statements. However, it significantly impacts the presentation and disclosure made in the financial statements, particularly presentation of balance sheet.

(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) Inventories

Inventories are valued after providing for obsolescence, as follows:

(i) 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.

(ii) 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.

(H) 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.

(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 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.

(J) Contingencies / Provision

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.

Notes to Financial Statement for the year ended December 31, 2012 (contd.)

(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.

(M) Current /Non Current

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company ascertained its operating cycle as 12 months for the purpose of Current / Non current classification of assets and liabilities.

3. SHARE CAPITAL

	As at December 31, 2012	As at December 31, 2011
	₹	₹
AUTHORISED SHARES		
3,25,000 (*Previous Year: 3,25,000*) equity shares of ₹ 100 each	3,25,00,000	3,25,00,000
	3,25,00,000	3,25,00,000
ISSUED		
3,25,000 (*Previous Year: 3,25,000*) equity shares of ₹ 100 each	3,25,00,000	3,25,00,000
	3,25,00,000	3,25,00,000
SUBSCRIBED & PAID-UP		
3,25,000 (*Previous Year: 3,25,000*) equity shares of ₹ 100 each	3,25,00,000	3,25,00,000
TOTAL	3,25,00,000	3,25,00,000

Notes :

(a) Reconciliation of number of equity shares

	2012		2011	
	Number of shares	Amount	Number of shares	Amount
		₹		₹
Equity Shares				
Number of shares outstanding at the beginning of the year	3,25,000	3,25,00,000	3,25,000	3,25,00,000
Movement during the reporting period	-	-	-	-
Closing balance at the end of the reporting period	3,25,000	3,25,00,000	3,25,000	3,25,00,000

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 100/- each. All equity shares carry similar voting rights of 1:1 and similar dividend rights.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be In proportion to the number of equity shares held by the shareholders.

(c) Equity shares held by holding company / ultimate holding and their subsidiaries

	2012		2011	
	Number of shares	Amount	Number of shares	Amount
		₹		₹
Holding company				
ACC Limited	3,25,000	3,25,00,000	3,25,000	3,25,00,000
	3,25,000	3,25,00,000	3,25,000	3,25,00,000

(d) Details of shareholders holding more than 5% shares

	2012		2011	
	Number of shares	Amount	Number of shares	Amount
Equity shares		₹		₹
ACC Limited	3,25,000	3,25,00,000	3,25,000	3,25,00,000

4. RESERVES AND SURPLUS

	As at December 31, 2012		As at December 31, 2011	
	₹	₹	₹	₹
General Reserves		8,34,918		8,34,918
Surplus in the statement of profit and loss				
Balance as per last Financial statements	(91,09,155)		(65,08,217)	
Add: Loss for the year	(57,28,250)		(26,00,938)	
		(1,48,37,405)		(91,09,155)
TOTAL		(1,40,02,487)		(82,74,237)

5 . SHORT TERM BORROWINGS

Unsecured	As at December 31, 2012	As at December 31, 2011
Loan & Advances from related parties	₹	₹
From Holding Company - ACC Limited	30,00,000	-
TOTAL	30,00,000	-

6 . OTHER CURRENT LIABILITIES

	As at December 31, 2012	As at December 31, 2011
	₹	₹
Payable to Holding Co.	81,622	-
Other Payables	1,85,142	17,75,928
TOTAL	2,66,764	17,75,928

Notes to Financial Statement for the year ended December 31, 2012 (contd.)

7. SHORT-TERM PROVISIONS

	As at December 31, 2012	As at December 31, 2011
	₹	₹
Provision for Environmental Cess on Limestone	10,63,120	10,50,000
Provision for Expenses	3,64,054	-
TOTAL	14,27,174	10,50,000

8. FIXED ASSETS

	GROSS BLOCK AT COST		DEPRECIATION / AMORTISATION			NET BLOCK	
	As at January 1, 2012	As at December 31, 2012	As at January 1, 2012	Additions/ Adjustments	As at December 31, 2012	As at December 31, 2012	As at December 31, 2011
	₹	₹	₹	₹	₹	₹	₹
Tangible Assets :							
1. Buildings	3,88,076	3,88,076	3,88,076	-	3,88,076	-	-
2. Plant and Machinery	43,680	43,680	5,513	2,075	7,588	36,092	38,167
3. Computer /Printer	13,700	13,700	5,897	2,220	8,117	5,583	7,803
TOTAL	4,45,456	4,45,456	3,99,486	4,295	4,03,781	41,675	45,970
Previous year	4,45,456	4,45,456	3,95,191	4,295	3,99,486	45,970	

9. NON-CURRENT INVESTMENTS

	As at December 31, 2012	As at December 31, 2011
	₹	₹
Trade Investments (valued at cost)		
National Saving Certificate	20,850	20,850
TOTAL	20,850	20,850

10. LOANS AND ADVANCES

	Non-current	Current	Non-current	Current
	As at December 31, 2012	As at December 31, 2012	As at December 31, 2011	As at December 31, 2011
	₹	₹	₹	₹
Security deposit				
Deposit with Holding Company	1,00,000	-	1,00,000	-
Advances recoverable in cash or kind				
Unsecured considered good	-	1,06,491	-	33,000
Other loans and advances				
Advances Payment against taxes	26,66,117	-	23,71,935	-
Advances recoverable or value to be received	-	11,63,144	-	-
TOTAL	27,66,117	12,69,635	24,71,935	33,000

11.1 TRADE RECEIVABLES AND OTHER ASSETS

Trade receivables

	As at December 31, 2012	As at December 31, 2011
	₹	₹
Unsecured, considered good unless stated otherwise		
Receivable from holding company:		
Over six months		-
Others	-	5,39,133
TOTAL	-	5,39,133

11.2 OTHER CURRENT ASSETS

Unsecured, considered good unless stated otherwise

	As at December 31, 2012	As at December 31, 2011
	₹	₹
Interest Accrued but not due	2,44,930	3,04,573
TOTAL	2,44,930	3,04,573

Notes to Financial Statement for the year ended December 31, 2012 (contd.)

12. CASH AND BANK BALANCES

	As at December 31, 2012	As at December 31, 2011
	₹	₹
Cash and Cash equivalents		
Balances with banks:		
On current accounts	20,78,163	22,63,416
Deposits with original maturity of less than three months	1,52,05,080	1,98,25,189
	1,72,83,243	2,20,88,605
Other Bank balances		
Fixed deposit (Receipts are in the custody of mining department as security towards mines)	15,65,001	15,47,625
TOTAL	1,88,48,244	2,36,36,230

13. REVENUE FROM OPERATIONS

	For the Year ended December 31, 2012	For the Year ended December 31, 2011
Sale of Products :	₹	₹
Finished goods- Sale of Limestone	5,39,723	94,44,424
TOTAL	5,39,723	94,44,424

14. OTHER INCOME

	For the Year ended December 31, 2012	For the Year ended December 31, 2011
	₹	₹
Interest on Bank deposits	9,85,117	14,53,543
TOTAL	9,85,117	14,53,543

15. 1 OTHER EXPENSES

	For the Year ended December 31, 2012	For the Year ended December 31, 2011
	₹	₹
Consumption of stores and spares	1,12,253	11,05,480
Travelling Expenses	2,64,094	3,42,474
Power and fuel	2,950	18,200
Repairs to other Items	12,800	6,480
Stationary Expenses	12,726	26,030
Royalties/dead Rent	46,36,757	52,11,128
Loading, Transportation and other mining expenses	14,69,362	59,79,140
Bank charges	895	947
Legal Expenses	-	46,386
Professional Expenses	3,01,046	2,74,077
Miscellaneous expenses	1,40,912	1,56,209
Corporate social Responsibility	-	33,059
TOTAL (A)	69,53,795	1,31,99,610

15.2 PAYMENT TO STATUTORY AUDITORS (EXCLUDING SERVICE TAX)

	For the Year ended December 31, 2012	For the Year ended December 31, 2011
	₹	₹
As Auditors		
Audit fees	100,000	1,00,000
Audit fees for tax financial statements	70,000	70,000
In other matters - Certification	1,25,000	1,25,000
TOTAL (B)	2,95,000	2,95,000
TOTAL (A +B)	72,48,795	1,34,94,610

16. RELATED PARTY DISCLOSURE

A. Particulars of Related Parties, which control or are under common control with the Company:

Name of Related Party	Nature of Relationship
ACC Limited	Holding Company

B. Related Party Transactions

Transaction with Holding Company	For the Year ended December 31, 2012	For the Year ended December 31, 2011
	₹	₹
(i) Sales of Finished / Unfinished goods to ACC Limited (Net)	5,39,723	94,44,424
(ii) Inter corporate deposit received	30,00,000	-
(iii) TDS / VAT/ Service Tax / Royalty Paid on behalf of Lucky Minmat Limited By ACC Limited	1,72,617	9,62,669

C. Closing Balances of Related Parties

Holding Co - ACC Limited	As at December 31, 2012	As at December 31, 2011
	₹	₹
ICD Taken	30,00,000	-
Security Deposit with ACC Limited - Given	1,00,000	1,00,000
Other Payables	81,621	-
Receivable	-	5,39,133

Notes to Financial Statement for the year ended December 31, 2012 (contd.)

17. EARNINGS PER SHARE (EPS)

	For the Year ended December 31, 2012	For the Year December 31, 2011
	₹	₹
Loss after taxation as per Statement of Profit & Loss	(57,28,250)	(26,00,938)
Weighted average number of Equity Shares Outstanding	3,25,000	3,25,000
Basic earnings per share (weighted average) (Face Value – ₹ 100 per share)	(17.63)	(8.00)

(Basic and Diluted EPS are same.)

18. 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.

19. 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 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.

20. The Company has no employees on its payroll during the period.

21. 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)

22. With Regard to the application for renewal of consent to operate minor lease for production capacity 1,20,643 Tonnes per annum filed with the Rajasthan state Pollution control board(RSPCB), a show cause notice was received from the RSPCB in December 2011 which was suitably replied. Thereafter, the company received notice for closure of the mines in February, 2012 pursuant to which the company has stopped all mining operations from March 2012 .

23. Additional information pursuant to the provisions of paragraph 5(viii)(c) of schedule VI of The Companies Act,1956 is either Nil or not applicable.

24. Previous year figures are regrouped / restated wherever necessary to make them comparable with current year figures.

As per our report of even date

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

SACHIN A. NEGANDHI
Partner
Membership No. 112888

Mumbai, February 01, 2013

For and on behalf of the Board of Lucky Minmat Limited,

BURJOR D. NARIMAN
Chairman

UMESH PRATAP
Director

K.M. GUPTA
Director

S DAS GUPTA
Director

Jaipur, February 01, 2013

Directors' Report

TO THE MEMBERS OF
NATIONAL LIMESTONE COMPANY PRIVATE LIMITED

The Directors take pleasure in presenting the Thirty Second Annual Report on the business and operations of the Company and the Audited Accounts for the year ended December 31, 2012.

1. FINANCIAL RESULTS

Particulars	2012	2011
	₹	₹
Revenue from Operations (net) and Other Income	1,130,534	13,167,961
Profit / (Loss) Before Tax	(1,944,433)	(275,244)
Provision for Taxation	-	-
Profit / (Loss) after Taxation	(1,944,433)	(275,244)
Balance brought forward from previous year	(1,692,884)	(1,417,640)
Balance carried forward to Balance Sheet	(3,637,317)	(1,692,884)

2. OPERATIONS

The total dispatches for the year ended December 31, 2012 were 2767.22 MT as compared to 34822 MT for the year ended December 31, 2011.

The Company has incurred a loss after tax of ₹ 1,944,433 for the year ended December 31, 2012 as compared to a loss after tax of ₹ 275,244 for the year ended December 31, 2011.

3. DIVIDEND

Your Directors do not recommend any dividend for the financial year ended December 31, 2012.

4. INDUSTRIAL RELATIONS

During the year under review, industrial relations at the Company's unit continued to remain cordial and peaceful.

5. PROPOSED AMALGAMATION OF THE COMPANY WITH ACC LIMITED

The Scheme of Amalgamation of your Company with ACC Limited, the holding Company, is pending for want of certain regulatory approvals.

6. DIRECTORS

The Board of Directors has appointed Mr Umesh Pratap as an Additional Director of the Company with effect from April 13, 2012. As an Additional Director, Mr Umesh Pratap holds office till the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment is included at Item 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 February 1, 2013. As an Additional Director, Mr Rajiv Prasad holds office till the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment as a Director of the Company is included at Item 6 of the Notice convening the Annual General Meeting.

The Board of Directors has appointed Mr Madhav G Damle as an Additional Director of the Company with effect from February 1, 2013. As an Additional Director, Mr Madhav G Damle holds office till the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment as a Director of the Company is included at Item 7 of the Notice convening the Annual General Meeting.

Dr Samar Bahadur Singh, who was appointed as a Director of the Company with effect from October 18, 2010, resigned as Director with effect from April 13, 2012. The Board has placed on record its appreciation of the valuable services rendered by Dr Singh during his tenure as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956, Mr Sankarsan Dasgupta and Mr Krishan Mohan Gupta retire by rotation and are eligible for re-appointment.

7. 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 statements in terms of Section 217(2AA) of the Companies Act, 1956:

i) that in the preparation of the Accounts for the year ended December 31, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

ii) that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company as at December 31, 2012, and of the loss of the Company for the period ended on that date;

iii) 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;

iv) that the accounts for the period ended December 31, 2012, have been prepared on a going concern basis.

8. 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(1B) 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 for the year 2013 and to authorize the Board of Directors to determine their remuneration.

9. AUDIT COMMITTEE

The Company is not required to constitute an Audit Committee under provisions of Section 292A of the Companies Act, 1956.

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

11. 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.

12. 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 all its employees for their valuable contribution during the year.

For and on behalf of the Board

B D Nariman
Chairman

Jaipur
February 1, 2013

Registered Office:
G-9/C Kabir Marg,
Bani Park,
Jaipur – 302 016

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, 2012, and also the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards 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, 2012, 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, 2012 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

   f) We draw attention to note 27 of the notes to financial statements regarding preparation of accounts on "Going concern" basis in spite of the net worth of the company being negative in view of the reasons detailed therein.

   g) 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, 2012;

      ii) in the case of Statement of Profit and Loss, 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, 2013

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, 2012 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) 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 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 ₹ 35,60,363 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, 2013

Balance Sheet as at December 31, 2012

	Note No.	As at December 31, 2012	As at December 31, 2011
		₹	₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	8,65,000	8,65,000
Reserves and Surplus	4	(32,15,192)	(12,70,759)
		(23,50,192)	(4,05,759)
Current liabilities			
Short Term Borrowings	5	1,78,54,039	1,56,78,850
Other Current Liabilities	6	26,10,774	43,82,420
Short-Term Provisions	7	2,46,296	2,28,873
		2,07,11,109	2,02,90,143
TOTAL		**1,83,60,917**	**1,98,84,384**
ASSETS			
Non-current assets			
Fixed Assets:			
Tangible Assets	8	6,24,141	6,51,025
Long-Term Loans and Advances	9	5,86,030	2,92,128
		12,10,171	9,43,153
Current assets			
Inventories	12	36,31,906	46,36,697
Trade Receivables	10	6,90,713	9,93,446
Cash and Bank balances	13	15,02,648	21,25,387
Short-Term Loans and Advances	9	1,13,22,616	1,11,82,838
Other Current Assets	11	2,863	2,863
		1,71,50,746	1,89,41,231
TOTAL		**1,83,60,917**	**1,98,84,384**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For and on behalf of the Board of National Lime Stone Company Private Limited,

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

BURJOR D. NARIMAN
Chairman

UMESH PRATAP
Director

SACHIN A. NEGANDHI
Partner
Membership No. 112888

K.M. GUPTA
Director

S DAS GUPTA
Director

Mumbai, February 01, 2013

Jaipur, February 01, 2013

Statement of Profit and Loss for the year ended December 31, 2012

	Note No.	For the year ended December 31, 2012	For the year ended December 31, 2011
		₹	₹
Revenue from Operations	14	11,30,534	1,31,65,098
Other Income	15	-	2,863
Total revenue		**11,30,534**	**1,31,67,961**
EXPENSES			
Cost of material Consumed	16	-	81,26,141
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	17	10,04,791	(46,31,491)
Depreciation and amortization expense	8	26,884	27,521
Other expenses	18	20,43,292	99,21,034
Total Expenses		**30,74,967**	**1,34,43,205**
Loss before Tax		**(19,44,433)**	**(2,75,244)**
Provision for Taxation		-	-
Loss for the year		**(19,44,433)**	**(2,75,244)**
Earnings per equity share (Face value of ₹ 100 each) (Refer Note - 20)			
Basic & Diluted Earnings per Share (₹)		(224.79)	(31.82)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For and on behalf of the Board of National Lime Stone Company Private Limited,

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

BURJOR D. NARIMAN
Chairman

UMESH PRATAP
Director

SACHIN A. NEGANDHI
Partner
Membership No. 112888

K.M. GUPTA
Director

S DAS GUPTA
Director

Mumbai, February 01, 2013

Jaipur, February 01, 2013

Cash flow Statement for the year ended December 31, 2012

			For the year ended December 31, 2012	For the year ended December 31, 2011
			₹	₹
A.	Cash flow from operating activities			
	1.	Net Loss before taxation	(19,44,433)	(2,75,244)
		Adjustments for:		
		Depreciation	26,884	27,521
		Interest Received	-	(2,863)
		Operating profit before working capital changes	(19,17,549)	(2,50,586)
		Movement in Working Capital		
	2.	Decrease/(Increase) in Sundry Debtors	3,02,733	(9,93,446)
	3.	Decrease/(Increase) in Inventories	10,04,791	(46,31,491)
	4.	Decrease/(Increase) in Other Current assets	-	(6,09,684)
	5.	Decrease/(Increase) in Loans & Advances	(4,33,680)	(2,81,623)
	6.	Increase/(Decrease) in Other Liabilities & Provisions	(5,79,034)	66,16,420
	Cash generated from operations		(16,22,739)	(1,50,410)
	7.	Direct Taxes paid - (Net of Refunds)	-	(5,847)
Net Cash from operating activities			**(16,22,739)**	**(1,56,257)**
B.	Cash flow from investing activities			
	8.	Interest Received	-	2,863
Net Cash from investing activities			**-**	**2,863**
c.	Cash flow from financing activities			
	9.	Inter Corporate Deposits from Holding Company	10,00,000	-
Net Cash from financing activities			**10,00,000**	**-**
Net increase / (decrease) in cash & cash equivalents			**(6,22,739)**	**(1,53,394)**
Cash & Cash equivalents at the beginning of the year			15,15,704	16,69,098
Cash & Cash equivalents at the end of the year			8,92,965	15,15,704

Refer Note no 13 for details of Cash & Cash equivalents.

As per our report of even date

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

SACHIN A. NEGANDHI
Partner
Membership No. 112888

Mumbai, February 01, 2013

For and on behalf of the Board of National Lime Stone Company Private Limited,

BURJOR D. NARIMAN
Chairman

UMESH PRATAP
Director

K.M. GUPTA
Director

S DAS GUPTA
Director

Jaipur, February 01, 2013

Notes to Financial Statement for the year ended December 31, 2012

1. CORPORATE INFORMATION

National Limestone Company Private Limited is wholly owned subsidiary of ACC Limited, Company domiciled in India and incorporated under the provision of Companies Act 1956. The Company is engaged in the extraction of limestone.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of preparation

(i) The financial statements have been prepared in accordance with the accounting principles 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 Government and the relevant provisions of the Companies Act, 1956.

(ii) 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) Till the year ended December 31, 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended December 31, 2012, the revised Schedule VI notified under the Companies Act,1956, has become applicable to the Company. The Company has reclassified previous year numbers to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of the financial statements. However, it significantly impacts the presentation and disclosure made in the financial statements, particularly presentation of balance sheet.

(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 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.

(I) Contingencies / Provisions

A provision is recognised when an enterprise has a present

Notes to Financial Statement for the year ended December 31, 2012 (contd.)

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

Inventories are valued after providing for obsolescence, as follows:

(i) 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.

(ii) 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.

(M) Current /Non Current

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company ascertained its operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

3. SHARE CAPITAL

Particular	As at December 31, 2012	As at December 31, 2011
	₹	₹
AUTHORISED SHARES		
50,000 (*Previous Year: 50,000*) equity shares of ₹ 100 each	50,00,000	50,00,000
ISSUED		
8,650 (*Previous Year: 8,650*) equity shares of ₹ 100 each	8,65,000	8,65,000
SUBSCRIBED & PAID-UP		
8,650 (*Previous Year: 8,650*) equity shares of ₹ 100 each	8,65,000	8,65,000
	8,65,000	8,65,000

Notes :

(a) Reconciliation of number of equity shares

	2012		2011	
	Number of shares	Amount	Number of shares	Amount
		₹		₹
Equity Shares:				
Number of shares outstanding at the beginning of the year	8,650	8,65,000	8,650	8,65,000
Movement during the reporting period	-	-	-	-
Closing balance at the end of the reporting period	8,650	8,65,000	8,650	8,65,000

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 100/- each. All equity shares carry similar voting rights of 1:1 and similar dividend rights.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts.The distribution will be In proportion to the number of equity shares held by the shareholders.

(c) Equity shares held by holding company / ultimate holding and their subsidiaries

	2012		2011	
	Number of shares	Amount ₹	Number of shares	Amount ₹
ACC Limited	8,650	8,65,000	8,650	8,65,000
	8,650	8,65,000	8,650	8,65,000

(d) Details of shareholders holding more than 5% shares

	2012		2011	
	Number of shares	Amount ₹	Number of shares	Amount ₹
ACC Limited	8,650	8,65,000	8,650	8,65,000
	8,650	8,65,000	8,650	8,65,000

Notes to Financial Statement for the year ended December 31, 2012 (contd.)

4. RESERVES AND SURPLUS

	As at December 31, 2012		As at December 31, 2011	
	₹	₹	₹	₹
General Reserves		4,22,125		4,22,125
Surplus in the statement of Profit and Loss				
Balance as per last Financial statements	(16,92,884)		(14,17,640)	
Add: Loss for the year	(19,44,433)		(2,75,244)	
		(36,37,317)		(16,92,884)
TOTAL		(32,15,192)		(12,70,759)

5. SHORT TERM BORROWINGS

	As at December 31, 2012	As at December 31, 2011
	₹	₹
Unsecured :		
From Holding Company (payable on demand & Interest free):		
Inter corporate deposits	10,00,000	-
Others Advances	1,68,54,039	1,56,78,850
TOTAL	1,78,54,039	1,56,78,850

6. OTHER CURRENT LIABILITIES

	As at December 31, 2012	As at December 31, 2011
	₹	₹
Security Deposits	8,62,689	-
Other Payables	7,65,763	43,82,420
Advance from Customers	9,82,322	-
TOTAL	26,10,774	43,82,420

7. SHORT-TERM PROVISIONS

	As at December 31, 2012	As at December 31, 2011
	₹	₹
Provision for Expenses	2,46,296	2,28,873
TOTAL	2,46,296	2,28,873

8. FIXED ASSETS

₹

	GROSS BLOCK AT COST		TOTAL DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01-01-2012	As at 31-12-2012	As at 01-01-2012	For the year	As at 31-12-2012	As at 31-12-2012	As at 31-12-2011
Tangible Assets :							
1. Freehold Land	3,80,154	3,80,154	-	-	-	3,80,154	3,80,154
2. Leasehold Land	47,977	47,977	-	-	-	47,977	47,977
3. Factory Building	7,19,591	7,19,591	5,60,194	24,032	5,84,226	1,35,365	1,59,397
4. Tubewell	35,283	35,283	14,237	576	14,813	20,470	21,046
5. Office building	43,459	43,459	11,516	708	12,224	31,235	31,943
6. Plant & machinery	40,000	40,000	38,736	1,264	40,000	-	1,264
7. Weight Machine	57,161	57,161	57,161	-	57,161	-	-
8. Magazine/ Explosive Warehouse	18,554	18,554	9,310	304	9,614	8,940	9,244
TOTAL	13,42,179	13,42,179	6,91,154	26,884	7,18,038	6,24,141	6,51,025
Previous Year	13,42,179	13,42,179	6,63,633	27,521	6,91,154	6,51,025	

9. LOANS AND ADVANCES

	Non-current	Current	Non-current	Current
	As at December 31, 2012	As at December 31, 2012	As at December 31, 2011	As at December 31, 2011
	₹	₹	₹	₹
Security deposit				
Deposit with Mining department	-	1,04,25,437	-	1,07,65,576
Deposit with Holding company- ACC Limited	50,000	-	50,000	-
Advances recoverable in cash or kind				
Unsecured considered good	-	8,97,179	-	4,17,262
Other loans and advances				
Advances Payment against taxes	5,36,030	-	2,42,128	-
TOTAL	5,86,030	1,13,22,616	2,92,128	1,11,82,838

10. TRADE RECEIVABLES

	As at December 31, 2012	As at December 31, 2011
	₹	₹
Unsecured, considered good		
More than 6 months	6,90,713	1,26,847
Others	-	8,66,599
TOTAL	6,90,713	9,93,446

11. OTHER CURRENT ASSETS

	As at December 31, 2012	As at December 31, 2011
	₹	₹
Interest Accrued but not due	2,863	2,863
TOTAL	2,863	2,863

Notes to Financial Statement for the year ended December 31, 2012 (contd.)

12. INVENTORIES (At cost or net realisable value whichever is lower)

	As at December 31, 2012	As at December 31, 2011
	₹	₹
Finished Goods :		
Limestone	11,377	11,377
Crushed Limestone	36,16,555	46,21,346
Explosives	3,974	3,974
TOTAL	36,31,906	46,36,697

13. CASH AND BANK BALANCES

	As at December 31, 2012	As at December 31, 2011
	₹	₹
Cash and Cash equivalents		
Balances with Banks:		
On Current Accounts	8,92,965	15,15,704
Other Bank balances:		
Fixed deposit (receipts are in the custody of mining department as security towards mines)	6,09,683	6,09,683
TOTAL	15,02,648	21,25,387

14. REVENUE FROM OPERATIONS

	For the Year ended December 31, 2012	For the Year ended December 31, 2011
	₹	₹
Sale of Products :		
Finished goods- Sale of Crushed Limestone	11,20,063	98,97,367
Finished goods- Sale of Limestone	10,471	32,67,731
TOTAL	11,30,534	1,31,65,098

15. OTHER INCOME

	For the Year ended December 31, 2012	For the Year ended December 31, 2011
	₹	₹
Interest on Bank deposits	-	2,863
TOTAL	-	2,863

16. COST OF MATERIALS CONSUMED

	For the Year ended December 31, 2012	For the Year ended December 31, 2011
	₹	₹
Purchase of Crushed limestone	-	81,26,141
TOTAL	-	81,26,141

17. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

	For the Year ended December 31, 2012	For the Year ended December 31, 2011
	₹	₹
Inventories at the end of the year		
Finished Goods	36,31,906	46,36,697
	36,31,906	46,36,697
Inventories at the beginning of the year		
Finished Goods	46,36,697	5,206
	46,36,697	5,206
(Increase)/Decrease	10,04,791	(46,31,491)

18. OTHER EXPENSE

	For the Year ended December 31, 2012	For the Year ended December 31, 2011
	₹	₹
Stores & spares consumed	4,490	1,50,195
Power & fuel	6,581	2,265
Crushing charges	-	29,66,082
Royalties	8,02,413	22,63,442
Loading, transportation, Mines expenses & other charges	5,20,951	24,51,045
Rates and taxes	-	16,904
Travelling Expenses	2,91,028	2,35,960
Outward Transportation	-	9,92,823
Bank charges	1,801	5,067
Professional Charges	1,82,644	3,00,884
Legal Expenses	15,000	2,86,780
Stationary Expenses	30,973	12,125
Miscellaneous expenses	56,411	1,06,462
TOTAL (A)	19,12,292	97,90,034

18.1 PAYMENT TO STATUTORY AUDITORS (EXCLUDING SERVICE TAX)

	For the Year ended December 31, 2012	For the Year ended December 31, 2011
	₹	₹
As auditors:		
Audit fees	50,000	50,000
Audit fees for tax financial statements	25,000	25,000
In other matters - Certification	56,000	56,000
TOTAL (B)	1,31,000	1,31,000
TOTAL (A + B)	20,43,292	99,21,034

Notes to Financial Statement for the year ended December 31, 2012 (contd.)

19. RELATED PARTY DISCLOSURE

Particulars of Related Parties, which control or are under common control with the Company:

(a) Details of Related parties after acquisition by ACC Limited are as follows.

Name of Related Party	Nature of Relationship
ACC Limited	Holding Company
ACC Concrete Limited	Fellow Subsidiary Company upto 27/10/2012

(b) Transaction with Related Party

Transaction with Holding company	For the Year ended December 31, 2012	For the Year ended December 31, 2011
	₹	₹
(i) Sale to ACC Limited	10,995	8,25,331
(ii) Dead Rent / Land tax Paid on behalf of National Limestone Company Private Limited By ACC Limited	1,75,238	6,92,167
(iii) Inter Corporate Deposits Received	10,00,000	-

(c) Transaction with Fellow Subsidiary

Transaction with Related Parties	For the Year ended December 31, 2012	For the Year ended December 31, 2011
	₹	₹
(i) Sale to ACC Concrete Limited	-	18,52,523
(ii) Freight Charges	-	16,53,276
(iii) Outstanding balance (Net) to ACC Concrete Limited	-	8,22,698

(d) Closing Balances of Related Parties

	As at December 31, 2012	As at December 31, 2011
	₹	₹
(i) Holding Co- ACC Limited		
Security Deposit with ACC Limited- Given	50,000	50,000
Other Payables	1,68,54,039	1,56,78,860
ICD taken	10,00,000	-
(ii) Fellow subsidiary- ACC Concrete	-	8,22,698

20. EARNINGS PER SHARE-[EPS]

	For the Year ended December 31, 2012	For the Year ended December 31, 2011
	₹	₹
Loss after taxation as per Statement of Profit & Loss	(19,44,433)	(2,75,244)
Weighted average number of Equity Shares Outstanding	8,650	8,650
Basic earnings per share (weighted average) (Face Value – ₹ 100 per share)	(224.79)	(31.82)

(Basic and diluted earning per share are the same)

21. 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.

22. 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.

23. The Company has no employees on its payroll during the year.

24. Contingent Liability not provided for :

Demand for land tax

Year	2012		2011	
	For the year	Cumulative	For the year	Cumulative
Amount (in ₹)	38,50,000	1,92,50,000	38,50,000	1,54,00,000

25. The Company has filed a petition against the Order / Notices of Mining Authorities towards a demand of ₹ 99, 25,437 /- (*Previous Year ₹ 99,25,437/-*) 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.

26. In February 2012, the Company has received a Demand Notice of ₹ 19,87,17,776/- from DMG Department, Kotputli, Rajasthan, for Limestone extracted in the period from 1962 to 1986 without payment of Royalty. In the opinion of the Management, this demand is not sustainable and the Company has filed an appeal with Additional Director of Mines, Department of Mines and Geology, Jaipur, Rajasthan, praying for cancellation of the same and hence no provision is made for the same.

27. The Company has accumulated losses at December 31, 2012, 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.

28. 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).

29. Additional information pursuant to the provisions of paragraph 5(viii)(c) of schedule VI of The Companies Act,1956 is either Nil or not applicable

30. Previous year figures are regrouped / restated wherever necessary to make them comparable with current year figures.

Signatures to Notes 1 to 30
per our report of even date

For and on behalf of the Board of National Lime Stone Company Private Limited,

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

BURJOR D. NARIMAN
Chairman

UMESH PRATAP
Director

SACHIN A. NEGANDHI
Partner
Membership No. 112888

K.M. GUPTA
Director

S DAS GUPTA
Director

Mumbai, February 01, 2013

Jaipur, February 01, 2013

Directors' Report

TO THE MEMBERS OF
SINGHANIA MINERALS PRIVATE LIMITED

The Directors hereby present the Eighteenth Annual Report on the business and operations of the Company and the Audited Accounts for the nine months ended December 31, 2012.

1. FINANCIAL RESULTS

Particulars	For the nine months period ended December 31, 2012	For the year ended March 31, 2012
	₹	₹
Revenue from Operations (Net) and Other Income	NIL	NIL
Profit / (Loss) Before Tax	(290,536)	NIL
Provision for Taxation	NIL	NIL
Profit / (Loss) for the year	(290,536)	NIL
Balance carried to Balance Sheet	(290,536)	NIL

2. OPERATIONS

The Company had no operations for the nine months period ended December 31, 2012. The loss for the period pertains to write-off of preliminary and pre-operative expenses and audit fees provisions. The Company has not charged any expenses to statement of profit and loss for the year ended March 31, 2012.

3. CHANGE IN OWNERSHIP

ACC Limited has acquired the subscribed and paid up capital in the Company, and accordingly your Company has become a wholly owned subsidiary of ACC Limited with effect from August 8, 2012. Pursuant thereto, there has been a change of Management.

4. CHANGE IN ACCOUNTING YEAR

The accounting year has been changed from April – March to January – December. Therefore, the accounts have been drawn up for the nine month period April to December 2012.

5. DIVIDEND

Your Directors do not recommend any dividend for the financial year ended December 31, 2012.

6. DIRECTORS

Mr Omprakash Singhania and Ms Savita Singhania who were appointed as Directors of the Company, resigned with effect from August 9, 2012. The Board has placed on record its appreciation of the valuable services rendered by Mr Omprakash Singhania and Ms Savita Singhania during their tenure as Directors of the Company.

In accordance with the provisions of the Companies Act, 1956, Mr Sunil Nayak retires by rotation and is eligible for re-appointment.

7. CHANGE IN REGISTERED OFFICE

During the year, the Company changed its Registered Office from Bihari Chowk, Satna, Madhya Pradesh to Paryavas Bhavan, 2nd Floor, Block No. 1, Jail Road, Arera Hills, Bhopal 462 011, Madhya Pradesh.

8. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE 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.

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 Sec 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

10. 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 statements in terms of Section 217(2AA) of the Companies Act, 1956:

i) that in the preparation of the Accounts for the nine months ended December 31, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

ii) that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgements and estimates that are reasonable and prudent, made so as to give a true and fair view of the state of the affairs of the Company as at December 31, 2012, and of the loss of the Company for the year ended on that date;

iii) 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;

iv) that the accounts for the nine months ended December 31, 2012, have been prepared on a going concern basis.

11. AUDIT COMMITTEE

The Paid-up Share Capital of the Company is less than Rupees Five Crores, and hence the Company is not required to constitute an Audit Committee under provisions of Section 292A of the Companies Act, 1956.

12. 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(1B) 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 for the year 2013 and to authorize the Board of Directors to determine their remuneration.

13. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their appreciation of the excellent co-operation received from the Company's Bankers. Your Directors also acknowledge the unstinting assistance and support received from ACC Limited, its holding Company.

For and on behalf of the Board

B D Nariman
Chairman

Bhopal
February 1, 2013

Registered Office:
Paryavas Bhavan, 2nd Floor,
Block No.1, Jail Road
Arera Hills,
Bhopal 462 011 (M.P.)

Auditors' Report

TO THE MEMBERS OF
SINGHANIA MINERALS PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Singhania Minerals Private Limited ('the Company'), which comprise the Balance Sheet as at December 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the period from April 01, 2012 to December 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2012;

(ii) in the case of the Statement of Profit and Loss, of the loss for the period from April 01, 2012 to December 31, 2012; and

(iii) in the case of the Cash Flow Statement, of the cash flows for the period from April 01, 2012 to December 31, 2012.

Emphasis of Matter

We draw attention to note 17 in the financial statements which indicates that the Company has incurred a loss of ₹ 2,90,536 for the period from April 01, 2012 to December 31, 2012 and, as of that date, the Company's current liabilities exceeded its total assets by ₹ 90,536. These indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Other Matters

The financial statements of the Company for the year ended March 31, 2012, were audited by another auditor whose report dated May 05, 2012 expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. As required by section 227(3) of the Act, 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 purpose of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (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, 2012, and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on December 31, 2012 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

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

Sachin A. Negandhi
Partner
Membership No: 112888

Place: Mumbai
Date: February 1, 2013

Annexure to the Auditors' Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the period of Nine Months ended on December 31, 2012, of Singhania Minerals 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 have been physically verified by the management in accordance with regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No discrepancies were noticed on such verification.

(c) No fixed assets were disposed off during the period.

(ii) Since the Company has not started any commercial operations and in absence of any inventories clause 4 (ii) is not applicable for the period.

(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.

(e) 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, the internal control system is being instituted so as to be commensurate with the size of the Company and the nature of its business for the purchases of fixed assets. During the course of our audit, no weakness was noticed in the internal control system in respect of this area.

(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 does not have paid-up capital and reserves exceeding ₹ 50 lakhs as at the commencement of the financial year, and also does not have an average annual turnover exceeding ₹ 5 crores for a period of three consecutive years immediately preceding the current financial period; the directions in respect of internal audit are not applicable to the Company.

(viii) We have been informed that the Company is not required to maintain cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, which has been relied upon.

(ix) (a) During the year there were no employees in the employment of the Company. Accordingly the directions relating to Provident Fund and Employee's State Insurance are not applicable to the Company. Further, based on our examination of the records maintained during the year, the Company is not liable to make any payments towards Investor Education Protection Fund, Wealth tax, Customs duty, Excise duty, and Cess and Sales Tax. The Company has been generally regular in depositing Income Tax and Service Tax dues along with Cess thereon with the appropriate authority and there are no undisputed amounts payable there of which are outstanding, as at December 31, 2012 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 which exceed fifty percent of its net worth as at the end of the financial year. The Company has incurred cash losses during the financial period covered by our audit but has not incurred cash losses in the immediately preceding financial year.

(xi) According to the 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.

(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 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 funds raised on short-term basis aggregating to ₹ 2,70,000 have been partially utilised for long-term investment in fixed assets.

(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 1, 2013

Balance Sheet as at December 31, 2012

Particulars	Note No.	As at December 31, 2012	As at March 31, 2012
		₹	₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	2,00,000	2,00,000
Reserves and Surplus	4	(2,90,536)	-
		(90,536)	2,00,000
Current liabilities			
Short-term Borrowings	5	2,70,000	-
Short-term provisions	6	92,135	-
		3,62,135	-
TOTAL		**2,71,599**	**2,00,000**
ASSETS			
Non-current assets			
Fixed Assets:			
Tangible assets	7	2,41,490	-
Long-term loans and advances	8	20,000	-
Other non-current assets	9	-	1,85,213
		2,61,490	1,85,213
Cash and bank balances	10	10,109	14,787
TOTAL		**2,71,599**	**2,00,000**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For and on behalf of the Board of Singhania Minerals Private Limited,

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

BURJOR D. NARIMAN
Chairman

SUNIL K. NAYAK
Director

SACHIN A. NEGANDHI
Partner
Membership No. 112888

Mumbai, February 01, 2013

Bhopal, February 01, 2013

Statement of Profit and Loss for the period April 1, 2012 to December 31, 2012

Particulars	Note No.	For the Period April 1, 2012 to December 31, 2012	For the Year April-1, 2011 to March 31, 2012
		₹	₹
Revenue from operations		-	-
Other Income		-	-
Total Revenue		-	-
EXPENSES			
Depreciation and amortization expense	7	-	-
Other expenses	11	2,90,536	-
Total Expenses		**2,90,536**	**-**
Loss before Tax		**(2,90,536)**	**-**
Provision for Taxation		-	-
Loss for the year		**(2,90,536)**	**-**
Earnings per equity share (Face value of ₹ 10 each) (Refer Note - 13)			
Basic & Diluted Earning per share (₹)		(14.53)	-
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For and on behalf of the Board of Singhania Minerals Private Limited,

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

BURJOR D. NARIMAN
Chairman

SUNIL K. NAYAK
Director

SACHIN A. NEGANDHI
Partner
Membership No. 112888

Mumbai, February 01, 2013

Bhopal, February 01, 2013

Cash flow Statement for the period ended December 31, 2012

		For the Period April 1, 2012 to December 31, 2012	For the Year April 1, 2011 to March 31, 2012
		₹	₹
A.	CASH FLOW FROM OPERATING ACTIVITIES		
1.	Net Loss before taxation	(2,90,536)	-
	Adjustments for:		
	Miscellaneous Expenditure written off	1,85,213	-
	Operating profit before working capital changes	(1,05,323)	-
	Movement in Working Capital		
2.	Increase/(Decrease) in Other Liabilities & Provisions	92,135	-
3.	(Increase) in loans and advances	(20,000)	-
NET CASH FROM OPERATING ACTIVITIES		**(33,188)**	**-**
B.	CASH FLOW FROM INVESTING ACTIVITIES		
4.	Increase in Non-current assets	-	(48,788)
5.	Purchase of Fixed Assets	(2,41,490)	-
NET CASH FROM INVESTING ACTIVITIES		**(2,41,490)**	**(48,788)**
C.	CASH FLOW FROM FINANCING ACTIVITIES		
6.	Increase in Short term loan	2,70,000	-
	NET CASH FROM FINANCING ACTIVITIES	**2,70,000**	**-**
Net increase / (decrease) in cash & cash equivalents		**(4,678)**	**(48,788)**
Cash & Cash equivalents at the beginning of the year		14,787	63,575
Cash & Cash equivalents at the end of the year		10,109	14,787

Refer Note no 10 for details of Cash & Cash equivalents.

As per our report of even date

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

SACHIN A. NEGANDHI
Partner
Membership No. 112888

Mumbai, February 01, 2013

For and on behalf of the Board of Singhania Minerals Private Limited,

BURJOR D. NARIMAN
Chairman

SUNIL K. NAYAK
Director

Bhopal, February 01, 2013

Notes to Financial Statement for the period ended December 31, 2012

1. CORPORATE INFORMATION

Singhania Minerals Private Limited (the Company) is a private limited Company domiciled in India and incorporated under the provision of Companies Act, 1956. The Company is engaged in the extraction of limestone. The Company has not yet started its operations.

2. SIGNIFICANT ACCOUNTING POLICIES

A. 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 as per the revised schedule VI of the Companies Act, 1956 and under the historical cost convention on an accrual basis, except where impairment is made.

(ii) The Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

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. 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.

Sale of Products and Services

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.

D. Fixed Assets

Tangible fixed Assets are stated at cost of acquisition less depreciation and amortisation. The Mining lease has been recognised as Tangible asset.

E. Depreciation and Amortisation

Depreciation on Tangible assets is charged at the prescribed rate under Schedule XIV of the Companies Act 1956 on straight line method on prorata basis. The cost of mining lease included in leasehold land is to be amortised on the basis of extraction of limestone in proportion to the available reserves of limestone.

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 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.

G. 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..

H. 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.

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 year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

K. Current / Non Current

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company ascertained its operating cycle as 12 months for the purpose of Current / Non current classification of assets and liabilities.

L. Segment Reporting

The Company has only one business segment 'limestone extraction' 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.

Notes to Financial Statement for the period ended December 31, 2012 (contd.)

3. SHARE CAPITAL

	As at December 31, 2012	As at March 31, 2012
	₹	₹
AUTHORISED SHARES		
20,000 *(Previous Year - 20,000)* Equity Shares of ₹ 10 each	2,00,000	2,00,000
ISSUED		
20,000 *(Previous Year - 20,000)* Equity Shares of ₹ 10 each	2,00,000	2,00,000
SUBSCRIBED & PAID-UP		
20,000 *(Previous Year - 20,000)* Equity Shares of ₹ 10 each	2,00,000	2,00,000
TOTAL	2,00,000	2,00,000

Notes :

(a) Reconciliation of number of equity shares

	As at December 31, 2012		As at March 31, 2012	
	Number of shares	Amount ₹	Number of shares	Amount ₹
Equity Shares				
Number of shares outstanding at the beginning of the reporting period	20,000	2,00,000	20,000	2,00,000
Movement during the reporting period	-	-	-	-
Closing balance at the end of the reporting period	20,000	2,00,000	20,000	2,00,000

(b) Rights, preferences and restrictions attached to equity shares

- The Company has only one class of equity shares having par value of ₹ 10/- each. All equity shares carry similar voting rights of 1:1 and similar dividend rights.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Equity shares held by holding company / ultimate holding and their subsidiaries

	As at December 31, 2012		As at March 31, 2012	
	Number of shares	Amount ₹	Number of shares	Amount ₹
Holding company				
ACC Limited	20,000	2,00,000	-	-
	20,000	2,00,000	-	-

(d) Details of shareholders holding more than 5% shares

	As at December 31, 2012		As at March 31, 2012	
Name of Shareholder	No. of shares	% holding	No. of shares	% holding
Om Prakash Singhania	-	-	8,000	40.00
Savita Singhania	-	-	5,900	29.50
Lalit Seksaria & Sons (HUF)	-	-	2,000	10.00
Seema Seksaria	-	-	2,000	10.00
Lalit Kumar Seksaria	-	-	2,000	10.00
ACC Limited	20,000	100	-	-

4. RESERVES AND SURPLUS

	As at December 31, 2012	As at March 31, 2012
	₹	₹
Surplus in the statement of Profit and Loss		
Balance as per last Financial statements	-	-
Add: Loss for the year	(2,90,536)	-
TOTAL	(2,90,536)	-

5. SHORT TERM BORROWINGS

	As at December 31, 2012	As at March 31, 2012
Unsecured	₹	₹
Loans & Advances from related parties		
From Holding Company (Interest free and payable on demand)	2,70,000	-
TOTAL	2,70,000	-

6. SHORT TERM PROVISIONS

	As at December 31, 2012	As at March 31, 2012
	₹	₹
Provision for Expenses	92,135	-
TOTAL	92,135	-

7. FIXED ASSETS

FIXED ASSETS	GROSS BLOCK AT COST			NET BLOCK	
	As at April 1, 2012	Additions	As at December 31, 2012	As at December 31, 2012	As at March 31, 2012
	₹	₹	₹	₹	₹
Tangible Assets:					
Lease hold Land	-	2,41,490	2,41,490	2,41,490	-
TOTAL	-	2,41,490	2,41,490	2,41,490	-

8. LONG-TERM LOANS AND ADVANCES

	As at December 31, 2012	As at March 31, 2012
	₹	₹
Security deposit		
Unsecured, considered good(Deposits with Mining Department)	20,000	-
TOTAL	20,000	-

9. OTHER NON-CURRENT ASSETS

Unsecured, considered good unless stated otherwise

	As at December 31, 2012	As at March 31, 2012
	₹	₹
Preliminary Expenses (To the extent not written off or adjusted)	-	3,050
Pre- operative Expenses	-	1,82,163
TOTAL	-	1,85,213

Notes to Financial Statement for the period ended December 31, 2012 (contd.)

10. CASH AND BANK BALANCES

	As at December 31, 2012	As at March 31, 2012
	₹	₹
Cash and cash equivalents		
Balances with banks:		
On current accounts	10,109	5,100
Cash on hand	-	9,687
TOTAL	10,109	14,787

11. OTHER EXPENSES

	For the Period April 1, 2012 to December 31, 2012	For the Year April 1, 2011 to March 31, 2012
	₹	₹
Preliminary Expenses	3,050	-
Pre-operative Expenses	1,93,621	-
Bank Charges	1,730	-
Other Expenses	10,135	-
Total (A)	2,08,536	-

11.1 PAYMENT TO STATUTORY AUDITORS (EXCLUDING SERVICE TAX)

	For the Period April 1, 2012 to December 31, 2012	For the Year April 1, 2011 to March 31, 2012
	₹	₹
As auditors		
Statutory audit fees	50,000	-
In other matters - Certification	32,000	-
Total (B)	82,000	-
Total other expenses (A+B)	2,90,536	-

12. RELATED PARTY DISCLOSURE

A. Particulars of Related Parties, which control or are under common control with the Company:

Name of Related Party	Nature of Relationship
ACC Limited	Holding Company

B. Related Party Transactions

Transaction with Holding Company	For the Period April 1, 2012 to December 31, 2012	For the Year April 1, 2011 to March 31, 2012
	₹	₹
Inter corporate deposits received from ACC Limited	2,70,000	-

C. Closing Balances of Related Party

	As at December 31, 2012	As at March 31, 2012
	₹	₹
Holding Co. - ACC Limited	2,70,000	-

13. EARNINGS PER SHARE - [EPS]

	For the Period April 1, 2012 to December 31, 2012	For the Year April 1, 2011 to March 31, 2012
	₹	₹
Loss after Taxation as per Statement of Profit and Loss	(2,90,536)	-
Weighted average number of equity shares outstanding	20,000	20,000
Basic earnings Per Share (weighted average) (Face value - ₹ 10 per share)	(14.53)	-

(Basic and Diluted EPS are same)

14. 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.

15. Additional information pursuant to provisions of paragraph 5 (viii) (c) of schedule VI of Companies Act 1956 is either nil or not applicable.

16. Pursuant to the share purchased agreement dated 1-Aug-2012 ACC Limited has purchased 20,000 shares (entire share capital) of the company from the original promoter. Therefore the company has become 100% subsidiary of ACC Limited w.e.f 7-Aug-2012.

17. The company has accumulated losses as at 31-Dec-2012 and net worth is negative. The company has obtained support from ACC Limited 'Holding Company' assuring continuos support to finance the operations of the company. Hence accounts have been prepared on going concern basis.

18. CHANGE IN ACCOUNTING PERIOD
As the company was taken-over by ACC Limited on 7-August-2012 therefore the accounting period of the company was changed from April to March to April to December for the current period and January to December from next accounting year making it in line with accounting period of ACC Limited.

19. FIGURES ARE NOT COMPARABLE
Since the previous year ended pertains to 12 months and current period pertains to 9 months hence the figures of last period balance sheet and this balance sheet are not comparable.

20. Previous period figures are regrouped/re-stated wherever necessary.

The accompanying notes are an integral part of financial statements

As per our report of even date

For and on behalf of the Board of Singhania Minerals Private Limited,

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

SACHIN A. NEGANDHI
Partner
Membership No. 112888

Mumbai, February 01, 2013

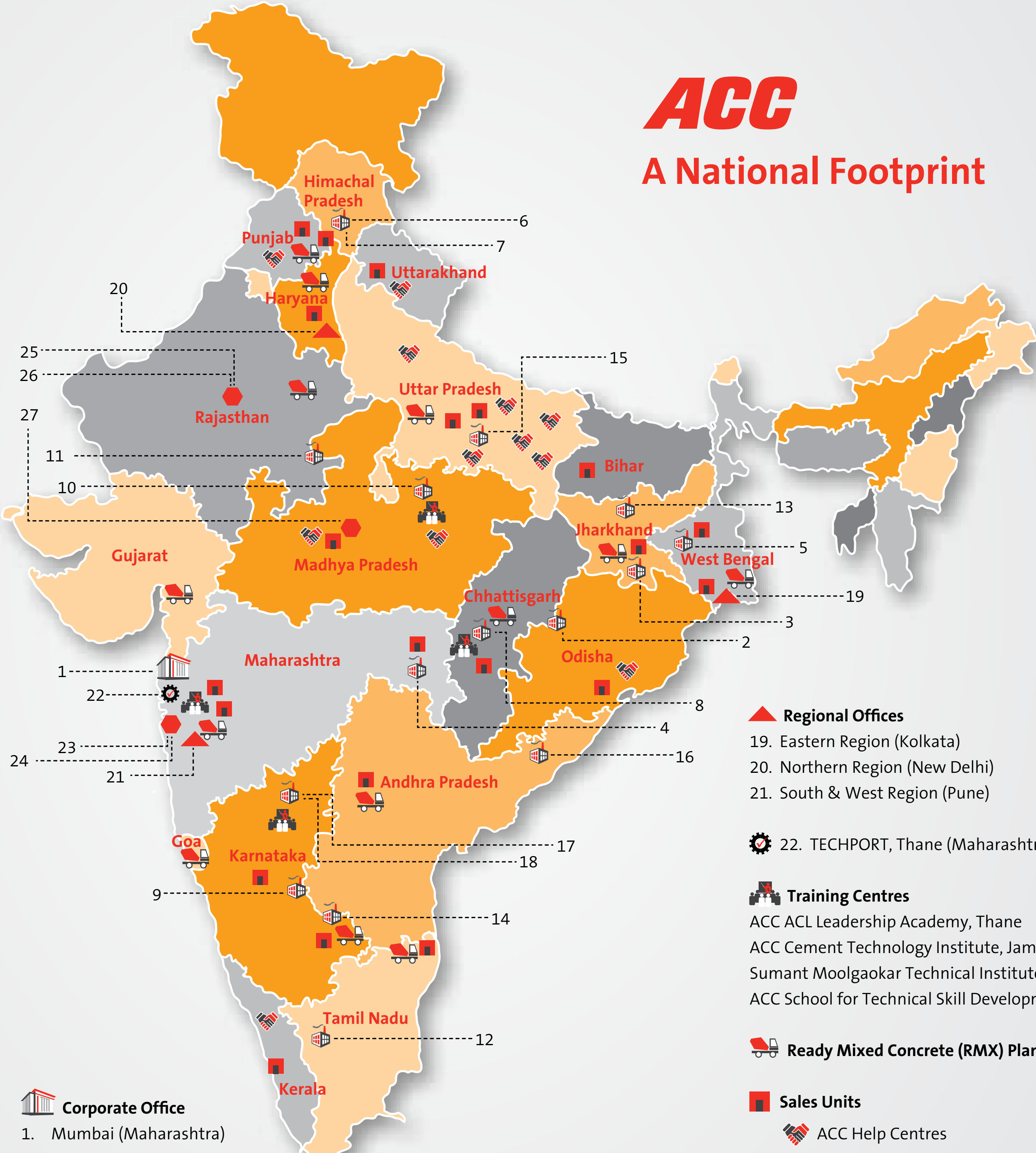
BURJOR D. NARIMAN
Chairman

SUNIL K. NAYAK
Director

Bhopal, February 01, 2013

ACC

A National 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. Vizag (AP)
17. Wadi I (Karnataka)
18. Wadi II (Karnataka)

Regional Offices

19. Eastern Region (Kolkata)
20. Northern Region (New Delhi)
21. South & West Region (Pune)

22. 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

Ready Mixed Concrete (RMX) Plants

Sales Units

ACC Help Centres

Subsidiary Companies

23. ACC Mineral Resources Limited (Maharashtra)
24. Bulk Cement Corporation (India) Limited (Maharashtra)
25. Lucky Minmat Limited (Rajasthan)
26. National Limestone Company Pvt. Ltd. (Rajasthan)
27. Singhania Minerals Pvt. Ltd. (Madhya Pradesh)

This map is as of February 2013. It is illustrative and not drawn to scale.
Andaman, Nicobar and Lakshadweep islands are not shown.

A WYATT SOLUTION (info@wyatt.co.in)
Printed at Parksons Graphics

ACC Limited
Registered Office
Cement House
121, Maharshi Karve Road
Mumbai 400 020, India.
www.acclimited.com

Secretarial Division

ACC

ACC Limited
Registered Office
Cement House
121, Maharshi Karve Road
Mumbai 400 020, India

Phone : +91 22 3302 4321
Fax : +91 22 6631 7458
www.acclimited.com

Auditors' Report – Clause 31(a) of Listing Agreement

Pursuant to Clause 31(a) of the Listing Agreement, we give below in Form A information on "Matter of Emphasis" in the Auditors' Report for the year ended December 31, 2012.

Form A

1.	Name of the Company	ACC Limited
2.	Annual Financial Statements for the year ended	December 31, 2012
3.	Type of Audit Observation	Un-qualified/Matter of Emphasis – (Refer pg 81 Sr. No. 4 of the Annual Report) – Without qualifying our opinion, we draw attention to Note 38(A)(f) of the financial Statements, relating to the order of the Competition Commission of India (CCI), concerning alleged contravention of the provisions of the Competition Act, 2002 and imposing a penalty of ₹1,147.59 Crore on the Company. The Company is advised by external legal Counsel that it has a good case for the Competition Appellate Tribunal setting aside the order passed by CCI, and accordingly no provision has been considered necessary by the Company in this regard.
4.	Frequency of Observation	Appeared in the Audit Report on the Financial Statements for the year ended December 31, 2012. Also appeared in the Limited Review Report on the statement of unaudited financial results for the quarters ended June 30, 2012 and repeated in the quarter ended September 30, 2012
5.	S. R. Batliboi & Co LLP For S. R. Batliboi & Co. LLP Firm Registration No. 301003E Chartered Accountants Per Ravi Bansal Partner Membership No. 49365 Statutory Auditor S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS	Shailesh Haribhakti Chairman-Audit Committee Kuldip Kaura Chief Executive Officer & Managing Director Sunil Nayak Chief Financial Officer