

Independent Auditor's Report

To the Board of Directors of ACC Limited

We have audited the accompanying consolidated financial statements of ACC Limited ("the Company") and its subsidiaries and associates ("the Group"), which comprise the consolidated Balance Sheet as at December 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 Company as at December 31, 2013;
- (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.

Emphasis of Matter

We draw attention to Note 37 (A) (e) 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. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit total assets of ₹ 107.82 Crore as at December 31, 2013, total revenues of ₹ 2.40 Crore and net cash inflows amounting to ₹ 0.04 Crore for the year then ended, included in the accompanying consolidated financial statements in respect of five subsidiaries and the Group's share of profit of ₹ 13.09 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.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Ravi Bansal

Partner

Membership Number: 49365

Place: Mumbai

Date: 6 February, 2014

Consolidated Balance Sheet as at December 31, 2013

Particulars	Note No.	2013 ₹ Crore	2012 ₹ Crore
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	187.95	187.95
Reserves and surplus	4	7,625.43	7,184.48
		7,813.38	7,372.43
Minority Interest		2.70	2.55
Non-current liabilities			
Long-term borrowings	5	-	85.03
Deferred tax liabilities (Net)	6	512.84	522.59
Other Long-term liabilities	7	406.75	381.09
Long-term provisions	8	89.09	92.36
		1,008.68	1,081.07
Current liabilities			
Trade payables	9	641.64	660.71
Other current liabilities	10	1,553.91	1,519.69
Short-term provisions	11	1,080.75	1,291.73
		3,276.30	3,472.13
TOTAL		12,101.06	11,928.18
ASSETS			
Non-current assets			
Fixed Assets:			
Tangible assets	12	5,541.74	5,897.15
Intangible assets	12	28.24	34.23
Capital work-in-progress		823.54	311.58
Intangible assets under development		8.65	3.29
Non-current investments	13	86.66	101.44
Long-term loans and advances	14	879.96	568.80
Other non-current assets	15	308.24	165.84
		7,677.03	7,082.33
Current assets			
Current investments	16	2,038.91	2,377.23
Inventories	17	1,122.30	1,134.40
Trade receivables	18	397.18	302.76
Cash and bank balances	19	505.72	680.70
Short-term loans and advances	20	340.39	321.89
Other current assets	21	19.53	28.87
		4,424.03	4,845.85
TOTAL		12,101.06	11,928.18
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. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per **RAVI BANSAL**
Partner
Membership No. 49365

Mumbai, February 06, 2014

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 HUGENTOBLE
Deputy Chairman

SUNIL K. NAYAK
Chief Financial Officer

S. M. PALIA
BERNARD FONTANA
M. L. NARULA
SHAILESH V. HARIBHAKTI
AIDAN LYNAM
SUSHIL KUMAR ROONGTA
ASHWIN DANI
FARROKH K. KAVARANA
BERNARD TERVER

Directors

Consolidated Statement of Profit and Loss for the year ended December 31, 2013

Particulars	Note No.	2013		2012
		₹ Crore	₹ Crore	₹ Crore
Revenue from operations (gross)		12,491.55		12,639.67
Less - Excise duty		1,322.13		1,281.48
Revenue from operations (net)	22	11,169.42		11,358.19
Other Income	23	219.13		263.28
Total Revenue			11,388.55	11,621.47
EXPENSES				
Cost of material consumed	24	1,621.48		1,551.42
Purchase of stock-in-trade	25	232.86		158.75
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	6.53		20.12
Employee benefits expense	27	662.96		617.86
Power and fuel		2,384.47		2,384.34
Freight and Forwarding expense		2,299.15		2,206.31
Finance costs	29	51.67		114.65
Depreciation and amortization expense	12	583.79		568.90
Other expenses	28	2,332.00		2,222.75
Total Expenses			10,174.91	9,845.10
Profit before exceptional item and tax			1,213.64	1,776.37
Exceptional item	44		-	(335.38)
Profit before Tax			1,213.64	1,440.99
Tax expenses				
Current tax		(363.87)		(439.75)
Tax adjustments for earlier years		216.74		(25.23)
Deferred tax		15.22		73.90
			(131.91)	(391.08)
Profit after Tax			1,081.73	1,049.91
Share of Profit in Associates			13.09	9.47
Minority Interest			(0.15)	(0.10)
Profit for the year			1,094.67	1,059.28
Earnings per equity share	30			
{(Face value of ₹ 10 each (Previous year - ₹ 10 each))}				
Basic		₹	58.31	56.42
Diluted		₹	58.17	56.28
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. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

N.S.SEKHSARIA
Chairman

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CEO & Managing Director

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Deputy Chairman

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BERNARD TERVER

Directors

per RAVI BANSAL
Partner
Membership No. 49365

BURJOR D. NARIMAN
Company Secretary

Mumbai, February 06, 2014

Consolidated Cash Flow Statement for the year ended December 31, 2013

Particulars	2013 ₹ Crore	2012 ₹ Crore
A. Cash flow from operating activities		
Net Profit before Taxation	1,213.64	1,440.99
Adjustments for:		
Depreciation and Amortisation	583.79	568.90
Impairment Loss	11.93	-
Exceptional item (Refer Note - 44)	-	335.38
Loss / (Profit) on sale / write off of fixed assets (Net)	3.93	(6.11)
Provision for diminution in the value of Investment	17.86	-
Gain on sale of current investments (Net)	(61.27)	(86.11)
Interest Income	(157.86)	(171.05)
Finance Costs	51.67	114.65
Provision for doubtful debts and advances (Net)	7.53	(3.55)
Capital Spares Consumed	23.22	36.36
Miscellaneous expenditure written off	3.44	3.47
Operating profit before working capital changes	1,697.88	2,232.93
Changes in Working Capital:		
Adjustments for Decrease / (Increase) in operating assets:		
Decrease / (Increase) in Trade receivable	(102.77)	(38.82)
Decrease / (Increase) in Inventories	12.09	(21.63)
Decrease / (Increase) in Short term loans & advances	(18.24)	(44.31)
Decrease / (Increase) in Long term loans & advances	(59.57)	(41.91)
Decrease / (Increase) in Other current assets	(0.29)	(0.26)
Decrease / (Increase) in Other non current assets	(134.45)	(109.28)
Adjustments for Increase / (Decrease) in operating liabilities:		
Increase / (Decrease) in Trade payables	(17.89)	(152.76)
Increase / (Decrease) in Other current liabilities	79.26	(84.19)
Increase / (Decrease) in Other long term liabilities	25.65	5.56
Increase / (Decrease) in Short term provisions	20.29	17.92
Increase / (Decrease) in Long term provisions	(3.26)	20.03
Cash generated from operations	1,498.70	1,783.28
Income Tax Paid - (Net of refunds)	(430.10)	(206.42)
Net Cash flow from operating activities	1,068.60	1,576.86
B. Cash flow from investing activities		
Purchase of Fixed Assets (Including Capital work-in-progress and Capital Advances)	(962.72)	(572.17)
Proceeds from sale of Fixed Assets	7.30	16.40
Gain on sale of current investments (Net)	61.27	86.11
Purchase of non current Investments	-	(0.34)
Purchase of Investments in subsidiary company	-	(5.00)
Investment in bank deposits (having original maturity for more than 3 months)	(119.30)	(0.13)
Dividend Received from Associates	6.59	3.09
Interest Received	166.53	164.13
Net cash used in investing activities	(840.33)	(307.91)

Consolidated Cash Flow Statement for the year ended December 31, 2013 (contd.)

Particulars	2013 ₹ Crore	2012 ₹ Crore
C. Cash flow from financing activities		
Finance costs	(76.93)	(110.19)
Repayment of Short term borrowings	(78.03)	(1.62)
Repayment of Long term borrowings	(50.00)	(346.05)
Dividend paid	(560.20)	(522.88)
Dividend Distribution Tax paid	(95.72)	(85.28)
Net cash used in financing activities	(860.88)	(1,066.02)
Net increase / (decrease) in cash and cash equivalents	(632.61)	202.93
Cash and cash equivalents at the beginning of the year	3,155.50	2,952.57
Cash and cash equivalents at the end of the year	2,522.89	3,155.50
Components of cash and cash equivalents:		
Cash on hand	0.12	0.14
Balance with banks -		
On current accounts	56.15	111.61
On deposit account	289.66	531.52
Earmarked for specific purpose*	38.04	35.00
Cash and cash equivalents (Refer Note - 19)	383.97	678.27
Add : Investment in Mutual Funds	1,083.70	1,052.35
Add : Investment in Certificate of Deposits	955.22	1,324.88
Add : Deposit with HDFC Limited	100.00	100.00
Cash and Cash equivalents in cash flow statement	2,522.89	3,155.50

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. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

N.S.SEKHSARIA
Chairman

PAUL HUGENTOBLER
Deputy Chairman

S. M. PALIA
BERNARD FONTANA

per RAVI BANSAL
Partner
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BERNARD TERVER

Directors

BURJOR D. NARIMAN
Company Secretary

Mumbai, February 06, 2014

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

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), its subsidiaries and associates. The Company, its subsidiaries and associates 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 / associates, 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	
		2013	2012
a)	Subsidiaries		
1	Bulk Cement Corporation (India) Limited (BCCI)	94.65%	94.65%
2	ACC Mineral Resources Limited	100%	100%
3	Lucky Minmat Limited	100%	100%
4	National Limestone Co. Private Limited	100%	100%
5	Singhania Mineral Private Limited	100%	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 & financials statements are drawn up to the same reporting date as that of the parent Company i.e. December 31, 2013.
- 2) Encore Cements & Additives Private Limited was 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 was adjusted against General Reserves.
- 3) ACC Concrete Limited was amalgamated with the company with effect from January 01, 2012.

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (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 read with General Circular 15/ 2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.
- d) The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.
- e) 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.
- f) 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.
- g) 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.
- h) 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.
- i) 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.
- j) 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).
- k) 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.
- l) 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 the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

(ii) 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.

(iii) Tangible Fixed assets

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

(iv) 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 the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

(v) 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. Computer Software cost is amortised over a period of three years using straight-line method.

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.

(vi) Intangible assets under development

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.

(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.

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

- 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 / deposits 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.

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

(xv) Leases

Where the Company is the lessee

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

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

(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.

(xviii) Employee benefits

a) Short term employee benefits

Short term employee benefits are recognised as an expense on accrual basis.

b) 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.

c) 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.

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

d) 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.

- e) 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.
- f) 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. The Company presents the entire compensated absences as a short term provisions, since employee has an unconditional right to avail the leave at any time during the year.
- g) 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, if 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 Consolidated Financial Statements for the year ended December 31, 2013 (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 total estimate of restoration expenses is apportioned over the estimate of mineral reserves and a provision is made based on minerals extracted during the year.

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

The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

(xxiii) Classification of Current / Non Current Assets and Liabilities

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 Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

3. SHARE CAPITAL

	2013 ₹ Crore	2012 ₹ 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

	2013		2012	
	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

	2013 ₹ Crore	2012 ₹ 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 63,537 (Previous Year - 1,20,938) 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, wherein part consideration was received in form of employee services.

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

	2013		2012	
	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	1,53,92,891	8.20	1,34,97,566	7.19

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

4. RESERVES AND SURPLUS

	2013		2012
	₹ Crore	₹ Crore	₹ Crore
Capital Reserve			
Balance as per last Financial statements	7.07		7.07
Add: Reversal of capital subsidy provision [Refer Note - 37 B (b)]	8.00		-
		15.07	7.07
Securities Premium Account		844.84	844.84
Debenture Redemption Reserve			
Balance as per last Financial statements	39.25		85.00
Less: Transferred to General Reserve	31.25		45.75
		8.00	39.25
General Reserve			
Balance as per last Financial statements	2,447.53		2,254.63
Add: Transferred from Amortisation Reserve	-		8.44
Add: Transferred from surplus in Statement of Profit and Loss	120.00		150.00
Add: Transferred from Debenture Redemption Reserve	31.25		45.75
Less: Goodwill amount of Encore Cement and Additives Private Limited Adjusted on amalgamation [Refer Note - 2 (i) (b) (2)]	-		11.29
		2,598.78	2,447.53
Amortisation Reserve			
Balance as per last Financial statements	-		8.44
Less: Transferred to General Reserve	-		8.44
		-	-
Surplus in Statement of Profit and Loss			
Balance as per last Financial statements	3,845.79		3,591.12
Add: Profit for the year	1,094.67		1,059.28
	4,940.46		4,650.40
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 - ₹ 19))	356.72		356.72
Tax on equity dividends	95.72		91.37
Previous Year tax on equity dividends	2.76		-
Transfer to General Reserve	120.00		150.00
	781.72		804.61
		4,158.74	3,845.79
TOTAL		7,625.43	7,184.48

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

5. LONG-TERM BORROWINGS

	Long Term		Current Maturity of Long-Term Borrowings*	
	2013 ₹ Crore	2012 ₹ Crore	2013 ₹ Crore	2012 ₹ Crore
Secured				
Privately placed Non-Convertible Debentures				
320 (Previous Year - 820) 8.45% Non-Convertible Debentures of ₹ 10,00,000 each (Refer Note (i) below)	-	82.00	32.00	-
Nil (Previous Year - 750) 11.30% Non-Convertible Debentures of ₹ 10,00,000 each (Refer Note (ii) below)	-	-	-	75.00
Sub-Total	-	82.00	32.00	75.00
Unsecured				
Deferred payment liability (Refer Note (iii) below)	-	1.62	1.62	1.62
Deferred sales tax loans (Refer Note (iv) below)	-	1.41	1.41	1.41
Sub-Total	-	3.03	3.03	3.03
TOTAL	-	85.03	35.03	78.03

*Amount disclosed under the head "Other Current Liabilities" (Refer Note - 10)

- 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 500 debentures (Previous year - 2,180) of ₹ 50 Crore (Previous year - ₹ 218 Crore).
- ii) 11.30% Debentures were redeemable at par at the end of five years from the date of allotment, viz 09, December 2008. These debentures were secured by a charge on all movable and immovable assets under the Debenture Trust Deed. During the year, the Company has bought back 550 debentures (Previous year - 1,250) of ₹ 55 Crore (Previous year - ₹ 125 Crore) and redeemed 200 Debentures (Previous year - Nil) of ₹ 20 Crore (Previous year - ₹ Nil).
- 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.

6. DEFERRED TAX LIABILITIES (NET)

	2013 ₹ Crore	2012 ₹ Crore
Deferred Tax Liabilities arising on account of :		
Depreciation and amortisation differences	751.12	730.55
	751.12	730.55
Deferred Tax Assets arising on account of :		
Provision for employee benefits	61.85	54.75
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	74.34	59.44
Provision for obsolescence of spare parts	28.07	20.80
Others	74.02	72.97
	238.28	207.96
Net Deferred Tax Liabilities	512.84	522.59

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

7. OTHER LONG-TERM LIABILITIES

	2013 ₹ Crore	2012 ₹ Crore
Deposit from dealers and others	406.75	381.09
TOTAL	406.75	381.09

8. LONG-TERM PROVISIONS

	2013 ₹ Crore	2012 ₹ Crore
Provision for employee benefits (Refer Note - 31)		
Provision for gratuity and staff benefit schemes	69.94	75.36
Other Provisions		
Provision for Mines Restoration	19.15	17.00
TOTAL	89.09	92.36

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

Mines Restoration Expenditure

	2013 ₹ Crore	2012 ₹ Crore
Opening provision	17.00	14.26
Add: Provision during the year	2.61	4.14
Less: Utilisation during the year	(0.46)	(1.40)
Closing provision	19.15	17.00

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

	2013 ₹ Crore	2012 ₹ Crore
Due to Micro and Small Enterprises	1.66	1.64
Due to others	639.98	659.07
TOTAL	641.64	660.71

There is no principal amount and interest overdue to Micro and Small 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 Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

10. OTHER CURRENT LIABILITIES

	2013 ₹ Crore	2012 ₹ Crore
Current maturities of long-term borrowings (Refer Note - 5)	35.03	78.03
Interest accrued but not due on borrowings	0.64	2.14
Investor Education and Protection Fund :- (Refer Note - (i) below)		
Unpaid dividend	38.04	35.00
Unpaid Matured Deposits	0.02	0.02
Statutory dues	314.42	286.01
Advance from customers	144.95	161.81
Deposits	107.93	107.13
Liability for capital expenditure	75.11	54.80
Other payables (including Rebates to customers, Employees dues, etc.)	837.77	794.75
TOTAL	1,553.91	1,519.69

- i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at December 31, 2013

11. SHORT-TERM PROVISIONS

	2013 ₹ Crore	2012 ₹ Crore
Provision for employee benefits (Refer Note - 31)		
Provision for gratuity and staff benefit schemes	31.21	28.32
Provision for compensated absences	90.44	73.05
Other Provisions		
Provision for Income Tax (Net of advance tax)	541.76	775.77
Proposed Final Dividend	356.72	356.72
Tax on proposed dividend	60.62	57.87
TOTAL	1,080.75	1,291.73

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

12. FIXED ASSETS

₹ Crore

Particulars	GROSS BLOCK AT COST			DEPRECIATION / AMORTISATION / IMPAIRMENT			NET BLOCK		
	As at 01-01-2013	Additions/ Adjustments	Deductions/ Adjustments	As at 01-01-2013	For the Year	Impairment loss	Deductions/ Adjustments	As at 31-12-2013	As at 31-12-2012
Tangible Assets :									
Freehold Land	282.92	7.51	27.86	262.57	0.24	-	-	1.79	260.78
Leasehold Land	65.45	0.04	0.99	64.50	1.51	-	0.99	38.55	25.95
Buildings	1,215.83	36.28	4.69	1,247.42	44.72	2.15	2.71	371.72	875.70
Plant and Equipment	8,360.01	225.23	70.29	8,514.95	502.40	9.69	39.44	4,365.00	4,149.95
Railway Sidings	164.39	2.29	-	166.68	44.74	-	-	52.11	114.57
Furniture & Fixtures	39.94	3.14	0.42	42.66	15.03	-	0.33	19.08	23.58
Vehicles	38.25	10.71	1.53	47.43	14.40	-	1.29	17.87	29.56
Office equipment	113.34	10.40	2.78	120.96	49.32	0.09	2.18	59.31	61.65
TOTAL	10,280.13	295.60	108.56	10,467.17	577.46	11.93	46.94	4,925.43	5,541.74
Intangible Assets:									
Computer Software	59.82	0.34	0.07	60.09	58.82	-	0.07	59.19	0.90
Goodwill	59.42	-	-	59.42	26.19	-	-	32.08	27.34
TOTAL	119.24	0.34	0.07	119.51	85.01	-	0.07	91.27	28.24

Notes:-

- (i) Buildings include cost of Shares ₹ 4,960 (Previous Year - ₹ 5,460) in various Co-operative Housing Societies, in respect of 26 residential flats (Previous Year - 27).
- (ii) Buildings include Gross block of ₹ 23.86 Crore (Previous year - ₹ 23.86 Crore) and Net block of ₹ 19.99 Crore (Previous Year - ₹ 22.05 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), ₹ 25.87 Crore (Previous Year - ₹ 26.23 Crore), and Net Block ₹ Nil (Previous year - ₹ Nil), ₹ Nil (Previous Year - ₹ 0.12 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 the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

12. FIXED ASSETS (contd.)

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 31-12-2011
Tangible Assets :										
Freehold Land	249.34	-	33.58	-	282.92	-	1.55	-	281.37	249.34
Leasehold Land	62.33	0.02	3.10	-	65.45	35.62	2.41	-	27.42	26.71
Buildings	1,172.26	-	50.47	6.90	1,215.83	257.89	76.19	6.52	888.27	914.37
Plant and Equipment	8,087.62	-	368.24	95.85	8,360.01	3,149.93	791.87	49.45	4,467.66	4,937.69
Railway Sidings	157.29	-	7.92	0.82	164.39	37.75	7.29	0.30	119.65	119.54
Furniture & Fixtures	38.05	-	2.42	0.53	39.94	13.00	2.41	0.38	24.91	25.05
Vehicles	35.35	-	4.02	1.12	38.25	10.98	4.33	0.91	23.85	24.37
Office equipment	101.64	-	14.06	2.36	113.34	40.16	10.98	1.82	64.02	61.48
TOTAL	9,903.88	0.02	483.81	107.58	10,280.13	3,545.33	897.03	59.38	4,382.98	5,897.15
Intangible Assets:										
Computer Software	58.93	-	0.89	-	59.82	57.17	1.65	-	58.82	1.00
Goodwill	68.41	-	4.98	13.97	59.42	23.27	5.60	2.68	33.23	45.14
TOTAL	127.34	-	5.87	13.97	119.24	80.44	7.25	2.68	85.01	34.23

* Depreciation for the year includes an additional depreciation charge of ₹ 335.38 Crore relating to period upto December 31, 2011 due to change in Accounting policy which is disclosed as an exceptional item (Refer Note - 44).

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

13. NON-CURRENT INVESTMENTS

	2013			2012	
	Numbers	₹ Crore		Numbers	₹ Crore
Trade Investments					
(valued at cost unless stated otherwise)					
(a) Unquoted equity instruments					
Investment in Associates					
Face value ₹ 10 each					
Alcon Cement Company Private Limited					
{includes unamortised Goodwill of ₹ 6.85 Crore (Previous Year - ₹ 8.47 Crore)}	4,08,001	23.10		4,08,001	24.16
Add: Share of Profit		3.72			3.21
Less: Dividend Received		(4.53)			(2.65)
Less: Amortisation of Goodwill		(1.62)			(1.62)
			20.67		23.10
Asian Concretes and Cements Private Limited	81,00,000	41.86		81,00,000	38.90
{includes unamortised Goodwill of ₹ 9.71 Crore (Previous Year - ₹ 11.26 Crore)}					
Add: Share of Profit		6.68			4.52
Less: Amortisation of Goodwill		(1.55)			(1.56)
			46.99		41.86
Aakaash Manufacturing Company Private Limited	4,401	8.44		4,401	7.39
{includes unamortised Goodwill of ₹ 1.99 Crore (Previous Year - ₹ 2.24 Crore)}					
Add: Share of Profit		2.69			1.74
Less: Dividend Received		(2.06)			(0.44)
Less: Amortisation of Goodwill		(0.25)			(0.25)
			8.82		8.44
Investment in Others					
Face value ₹ 10 each					
Moira Madhujore Coal Limited	82,019		0.69	82,019	0.35
(b) Quoted equity instruments					
Face value ₹ 2 each					
Shiva Cement Limited	2,36,50,000		5.79	2,36,50,000	23.65
{Net of provision for diminution in the value of investment aggregating to ₹ 17.86 Crore (Previous year - ₹ Nil)} (Refer Note - 39)					
			82.96		97.74

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

13. NON-CURRENT INVESTMENTS (contd.)

	2013		2012	
	Numbers	₹ Crore	Numbers	₹ Crore
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 ₹ 10,00,000 each				
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70	37	3.70
				3.70
				3.70
TOTAL				101.44

Notes:

(I) Aggregate amount of quoted Investments	5.79	23.65
{Market value ₹ 5.79 Crore (Previous year - ₹ 9.53 Crore)}		
Aggregate amount of unquoted Investments	80.87	77.79
(II) Aggregate provision for diminution in value of investments	17.86	-
(III) *Denotes amount less than ₹ 50,000		

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

14. LONG-TERM LOANS AND ADVANCES

	2013 ₹ Crore	2012 ₹ Crore
Unsecured, Considered Good, unless otherwise stated		
Capital advances	391.42	193.43
Security deposits	186.57	167.49
Deposits with Government bodies and others		
Considered good	159.10	127.27
Considered doubtful	4.57	4.33
	163.67	131.60
Less: Allowance for doubtful deposits	4.57	4.33
	159.10	127.27
Loans and advances to related parties	11.34	3.11
Advances recoverable in cash or kind	16.95	17.44
Advance tax (Net of provision for tax)	114.58	60.06
TOTAL	879.96	568.80

15. OTHER NON-CURRENT ASSETS

Unsecured, Considered Good, unless otherwise stated

	2013 ₹ Crore	2012 ₹ Crore
Incentives under Government schemes and other receivables		
Considered good	308.24	165.84
Considered doubtful	0.44	8.44
	308.68	174.28
Less: Provision for doubtful receivables	0.44	8.44
TOTAL	308.24	165.84

16. CURRENT INVESTMENTS

	2013		2012	
	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 ₹ 1,00,000 each				
Allahabad Bank	2,500	24.49	-	-
Andhra Bank	15,000	146.94	-	-
IDBI Bank Limited	10,000	97.97	-	-
Central Bank of India	2,500	24.54	-	-
Corporation Bank	7,500	73.37	-	-
Syndicate Bank	5,000	49.02	-	-
State Bank of Hyderabad	7,500	73.49	-	-
Bank of Baroda	2,500	24.46	-	-
Bank of India	2,500	24.51	-	-
Kotak Mahindra Bank Limited	12,500	122.34	-	-
UCO Bank	5,000	49.18	5,000	49.02
Punjab National Bank	10,000	97.96	10,000	98.00
Oriental Bank	2,500	24.48	25,000	245.14

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

16. CURRENT INVESTMENTS (contd.)

	2013		2012	
	Numbers	₹ Crore	Numbers	₹ Crore
Canara Bank	7,500	73.48	10,000	98.13
State Bank of Patiala	5,000	48.98	25,000	245.24
Axis Bank Limited	-	-	15,000	146.98
ICICI Bank Limited	-	-	25,000	246.42
Indian Bank	-	-	20,000	195.95
		955.21		1,324.88
Investment in Mutual Funds - Fully paid-up (Unquoted)				
Unit of Face value ₹ 10 each				
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
HDFC Liquid Fund - GR	3,90,03,988.470	96.00	-	-
Sundaram Money Fund - GR	95,17,902.904	25.00	-	-
DWS Cash Oppurtunities Fund-Regular Plan- GR	71,97,524.052	12.00	-	-
Unit of Face value ₹ 100 each				
ICICI Prudential Liquid Fund - Super IP - GR	48,33,369.584	89.00	44,78,322.562	76.00
Birla Sunlife Cash Plus Fund - GR	39,92,814.649	80.00	-	-
DWS Insta Cash Plus Fund - Super IP - GR	20,33,230.449	33.00	-	-
ICICI Prudential Floating Rate Plan - GR	18,85,684.423	35.00	-	-
Unit of Face value ₹ 1,000 each				
Axis Liquid Fund - IP - GR	8,10,267.730	112.00	4,33,079.711	55.00
DSP Blackrock Liquidity Fund - IP - GR	-	-	1,14,767.993	15.00
SBI Premier Liquid Fund - Super IP - GR*	5,95,684.836	117.00	8,21,515.920	148.00
Templeton India TMA - Super - IP - GR	1,34,368.003	25.00	7,32,722.577	125.00
UTI Treasury Advantage Fund - IP -GR	-	-	66,828.439	10.35
Kotak Floater ST - Direct plan GR	5,23,688.990	107.00	-	-
Reliance Liquid Fund - GR	3,65,582.219	111.00	-	-
Baroda Pioneer - Liquid Fund - Plan A - GR	1,18,822.597	17.00	-	-
IDBI Liquid Fund -GR	2,40,768.694	32.00	-	-
IDFC Cash Fund Plan C - IP - GR	1,31,961.540	20.00	-	-
Canara Robeco Liquid Fund - GR	33,334.353	5.00	-	-
L & T Liquid Fund - GR	1,63,028.042	28.00	-	-
Pramerica Liquid Fund- Direct - GR	1,49,759.918	20.00	-	-
Principal Cash Management Fund - GR	82,859.810	10.00	-	-
Religare Liquid Fund - GR	4,37,001.946	75.00	-	-
UTI Liquid Fund - Cash Plan -GR	1,22,397.445	25.00	-	-
UTI Floating rate fund-STP-Regular plan- GR	23,233.120	4.70	-	-
DSP Black rock Money Manager Fund-Regular Plan-GR	29,432.586	5.00	-	-
		1,083.70		1,052.35
TOTAL		2,038.91		2,377.23
Aggregate amount of unquoted Investments		2,038.91		2,377.23

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

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

17. INVENTORIES

(At cost or net realisable value whichever is lower)

	2013 ₹ Crore	2012 ₹ Crore
Raw Materials (Including in transit ₹ 1.74 Crore (Previous Year - ₹ 11.03 Crore))	132.90	156.41
Work-in-Progress	252.85	228.86
Finished Goods	130.18	160.90
Stock-in-trade	0.49	0.29
Stores & Spare Parts and Packing Material {Including in transit ₹ 9.73 Crore (Previous Year - ₹ 9.02 Crore)}	296.60	286.51
Fuels {Including in transit ₹ 7.86 Crore (Previous Year - ₹ 5.31 Crore)}	309.28	301.43
TOTAL	1,122.30	1,134.40

18. TRADE RECEIVABLES

	2013 ₹ Crore	2012 ₹ Crore
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	16.43	12.30
Unsecured, considered Doubtful	15.46	8.52
	31.89	20.82
Less: Provision for doubtful trade receivables	15.46	8.52
	16.43	12.30
Other Trade receivables		
Secured, considered good	66.34	63.64
Unsecured, considered good	314.41	226.82
Unsecured, considered Doubtful	4.39	-
	385.14	290.46
Less: Provision for doubtful trade receivables	4.39	-
	380.75	290.46
TOTAL	397.18	302.76

19. CASH AND BANK BALANCES

	2013 ₹ Crore	2012 ₹ Crore
Cash and cash equivalents		
Balances with banks:		
On current accounts	56.15	111.61
Deposits with original maturity of less than three months	289.67	531.52
On unpaid dividend account	38.04	35.00
Cash on hand	0.12	0.14
	383.98	678.27
Other bank balances		
*Deposits with original maturity for more than 3 months but less than 12 months	121.73	2.42
Post office saving accounts	0.01	0.01
	121.74	2.43
TOTAL	505.72	680.70

*Given as security against bank guarantee and others

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

20. SHORT-TERM LOANS AND ADVANCES

Unsecured, Considered Good, unless otherwise stated

	2013 ₹ Crore	2012 ₹ Crore
Security deposits	10.41	8.92
Advances recoverable in cash or kind	126.30	128.96
Other loans and advances		
Balances with statutory / government authorities	103.68	84.01
Deposit with HDFC Limited	100.00	100.00
TOTAL	340.39	321.89

21. OTHER CURRENT ASSETS

Unsecured, Considered Good, unless otherwise stated

	2013 ₹ Crore	2012 ₹ Crore
Interest accrued on investments	6.16	14.83
Other Accrued Interest	1.45	1.38
Fixed assets held for sale	11.92	12.63
Others	-	0.03
TOTAL	19.53	28.87

22. REVENUE FROM OPERATIONS

	2013 ₹ Crore	2012 ₹ Crore
Sale of products		
Finished goods	11,963.39	12,232.08
Traded goods	250.87	168.69
Sale of services	16.28	11.27
Sale of products and services (gross)	12,230.54	12,412.04
Less: Excise duty	1,322.13	1,281.48
Sale of products and services (net)	10,908.41	11,130.56
Other operating revenue	261.01	227.63
Revenue from operations (net)	11,169.42	11,358.19
Detail of Other operating revenue		
	2013 ₹ Crore	2012 ₹ Crore
Provision no longer required written back	14.01	23.39
Sale of surplus generated power	4.36	1.27
Incentives and subsidies	140.73	93.97
Miscellaneous income	101.91	109.00
TOTAL	261.01	227.63

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

23. OTHER INCOME

	2013 ₹ Crore	2012 ₹ Crore
Interest on Bank deposits	148.90	162.28
Other interest income	3.33	8.77
Interest on Income Tax	5.63	-
{Net of interest expense on Income tax ₹ 21.98 Crore (Previous Year - ₹ Nil)}		
Profit on sale of fixed assets (Net)	-	6.11
Gain on sale of current investments (Net)	61.27	86.11
Share of Other Income in Joint Ventures	-	0.01
TOTAL	219.13	263.28

24. COST OF MATERIALS CONSUMED

	2013 ₹ Crore	2012 ₹ Crore
Opening stock	156.41	165.48
Purchase and incidental expenses	1,597.97	1,542.35
	1,754.38	1,707.83
Less: Closing stock	132.90	156.41
TOTAL	1,621.48	1,551.42

Details of cost of materials consumed

	2013 ₹ Crore	2012 ₹ Crore
Slag	331.54	280.59
Gypsum	337.73	348.65
Fly Ash	310.72	281.58
Aggregates	98.23	99.22
Cement for RMX	61.55	99.69
Others*	481.71	441.69
TOTAL	1,621.48	1,551.42

*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

	2013 ₹ Crore	2012 ₹ Crore
Cement	140.36	92.20
Ready Mix Concrete	92.50	66.55
TOTAL	232.86	158.75

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

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

	2013 ₹ Crore	2012 ₹ Crore	(Increase) / decrease ₹ Crore
Inventories at the end of the year			
Stock-in-trade	0.49	0.29	(0.20)
Finished goods	130.18	160.90	30.72
Work -in-progress	252.85	228.86	(23.99)
	383.52	390.05	6.53
Inventories at the beginning 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
TOTAL	6.53	20.12	

27. EMPLOYEE BENEFITS EXPENSE

	2013 ₹ Crore	2012 ₹ Crore
Salaries and Wages	573.28	518.78
Contributions to Provident and other Funds	53.30	67.16
Staff Welfare Expenses	36.38	31.92
TOTAL	662.96	617.86

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

	2013 ₹ Crore	2012 ₹ Crore
Consumption of stores and spare parts	382.54	387.70
Consumption of packing materials	434.15	381.53
Excise duty (Refer Note - (i) & (ii) below)	6.47	88.47
Rent	30.53	31.60
Rates and Taxes	114.53	116.22
Repairs to Building	7.58	13.44
Repairs to Machinery	135.62	138.55
Repairs to other Items	20.02	12.76
Insurance	25.50	24.86
Royalties	118.76	131.39
Discount on sales	81.73	83.16
Advertisement	116.07	102.58
Technology and Know-how fees	107.66	-
Miscellaneous expenses (Refer Note - (iii) below)	750.84	710.49
TOTAL	2,332.00	2,222.75

- i) Includes excise duty related to the difference between the closing stock and opening stock.
- ii) Includes excise duty on captive consumption of Clinker ₹ 6.58 Crore (Previous Year - ₹ 64.63 Crore)
- iii) Miscellaneous expenses includes:
 - (a) Loss on sale / write off and impairment of Fixed Assets (Net) - ₹ 15.86 Crore (Previous year - ₹ Nil)
 - (b) Provision for other than temporary diminution in long term investment of ₹ 17.86 Crore (Previous year - ₹ Nil)

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

29. FINANCE COSTS

	2013 ₹ Crore	2012 ₹ Crore
Interest expenses	51.67	79.02
Interest on Income Tax	-	35.63
{Net of interest on refund ₹ Nil (Previous Year - ₹ 74.61 Crore)}		
TOTAL	51.67	114.65

30. EARNINGS PER SHARE - [EPS]

	2013 ₹ Crore	2012 ₹ Crore
Net Profit as per Statement of Profit and Loss	1,094.67	1,059.28
<i>Weighted average number of equity shares for Earnings Per Share computation</i>		
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	4,45,714	4,82,972
Number of Shares for Diluted Earnings Per Share	18,81,91,070	18,82,28,328
Earnings Per Share		
Face value per Share	₹ 10.00	10.00
Basic	₹ 58.31	56.42
Diluted	₹ 58.17	56.28

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 ₹ 14.59 Crore (Previous Year ₹ 16.23 Crore).

b) Defined Benefit Plans – As per actuarial valuation on December 31, 2013

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 1st December 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 the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

Defined Benefit Plans as per Actuarial valuation on December 31, 2013

	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, 2013			
1. Current Service cost	9.20	4.09	0.05
	7.68	3.32	0.05
2. Interest Cost	12.21	5.12	0.26
	10.82	4.25	0.20
3. Employee Contributions	-	-	(0.31)
	-	-	(0.39)
4. Expected return on plan assets	(11.66)	-	-
	(10.17)	-	-
5. Net Actuarial (Gains) / Losses	0.93	1.53	1.27
	19.15	9.05	1.70
6. Total expense	10.68	10.74	1.27
	27.48	16.62	1.56
II Amount recognised in Balance Sheet			
1. Present value of Defined Benefit Obligation	(165.88)	(71.18)	(4.18)
	(160.11)	(65.54)	(3.50)
2. Fair value of plan assets	149.80	-	-
	137.12	-	-
3. Funded status {Surplus/ (Deficit)}	(16.08)	-	-
	(22.99)	-	-
4. Net asset/ (liability) as at December 31, 2013	(16.08)	(71.18)	(4.18)
	(22.99)	(65.54)	(3.50)
III Present Value of Defined Benefit Obligation			
1. Present value of Defined Benefit Obligation at beginning of the year	160.11	65.54	3.50
	135.82	52.17	2.57
2. Current Service cost	9.20	4.09	0.05
	7.68	3.32	0.05
3. Interest Cost	12.21	5.12	0.26
	10.82	4.25	0.20
4. Employee Contributions	-	-	(0.31)
	-	-	(0.39)
5. Actuarial (Gains) / Losses	2.06	1.53	1.27
	20.48	9.05	1.70
6. Benefits Payments	(17.70)	(5.10)	(0.59)
	(14.69)	(3.25)	(0.63)
7. Present value of Defined Benefit Obligation at the end of the year	165.88	71.18	4.18
	160.11	65.54	3.50

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

	Gratuity		Post Employment Medical benefits (PEMB)
	Funded	Non Funded	
	₹ Crore	₹ Crore	₹ Crore
IV Fair Value of Plan Assets			
1. Plan assets at the beginning of the year	137.12	-	-
	119.82	-	-
2. Expected return on plan assets	11.66	-	-
	10.17	-	-
3. Contributions by Employer	-	-	-
	5.92	-	-
4. Actual benefits paid	(0.11)	-	-
	(0.12)	-	-
5. Actuarial Gains / (Losses)	1.13	-	-
	1.33	-	-
6. Plan assets at the end of the year	149.80	-	-
	137.12	-	-
7. Actual return on plan assets	12.79	-	-
	11.50	-	-

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	0.05	(0.05)
	0.06	(0.06)
Increase/ (Decrease) on Present value of Defined Benefit Obligation as at December 31, 2013	0.56	(0.56)
	0.67	(0.65)

VII Actuarial Assumptions:

a) Financial Assumptions

1 Discount Rate	8.85 % p.a.(P.Y.- 8.15% 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.)

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

b) Demographic Assumptions

1 Mortality pre-retirement	Indian Assured Lives Mortality (2006-08) Modified Ultimate <i>Indian Assured Lives Mortality (1994-96) Modified Ultimate</i>
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 ₹ 7.50 Crore (Previous year - ₹ Nil) to Gratuity fund in the year 2014.

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

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

(i) Gratuity (Funded)

	₹ Crore				
	2013	2012	2011	2010	2009
Defined benefit obligation	(165.88)	(160.11)	(135.82)	(118.55)	(102.36)
Plan assets	149.80	137.12	119.82	104.90	96.50
Surplus / (deficit)	(16.08)	(22.99)	(16.00)	(13.65)	(5.86)
Experience adjustments on plan assets	(1.17)	(1.29)	(0.45)	(0.44)	(0.91)
Experience adjustments on plan liabilities	11.76	16.89	19.94	10.54	(5.74)

(ii) Gratuity (Non funded)

	2013	2012	2011	2010	2009
Defined benefit obligation	(71.18)	(65.54)	(52.17)	(41.90)	(31.75)
Plan assets	-	-	-	-	-
Surplus / (deficit)	(71.18)	(65.54)	(52.17)	(41.90)	(31.75)
Experience adjustments on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Experience adjustments on plan liabilities	5.05	7.33	9.49	(7.67)	(3.83)

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

(iii) Post Employment Medical Benefits

	2013	2012	2011	2010	2009
Defined benefit obligation	(4.18)	(3.50)	(2.58)	(2.28)	(3.61)
Plan assets	-	-	-	-	-
Surplus / (deficit)	(4.18)	(3.50)	(2.58)	(2.28)	(3.61)
Experience adjustments on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Experience adjustments on plan liabilities	1.33	1.38	1.02	(0.20)	(2.96)

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, 2013 and December 31, 2012.

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

	2013 ₹ Crore	2012 ₹ Crore
Plan assets at year end, at fair value	447.54	392.76
Present value of defined obligation at year end	447.54	392.76
Assets recognised in Balance Sheet	-	-

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

	2013	2012
Discounting rate	8.85%	8.15%
Expected guaranteed interest rate	8.50%	8.50%
Expected Rate of Return on Asset	8.94%	9.05%

- 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 ₹ 29.52 Crore (Previous Year - ₹ 24.95 Crore).

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (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 and Ready mix concrete. The export turnover is not significant in the context of total turnover. As such there is only one geographical segment.

Inter segment transfers:

Inter Segment Transfer Pricing Policy – Cement supplied to ready mix concrete activity and ready mix concrete supplied to Cement 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	
	2013	2012	2013	2012	2013	2012
REVENUE						
External sales	10,252.50	10,513.49	655.91	617.07	10,908.41	11,130.56
Other operating revenue	251.63	220.27	9.38	7.36	261.01	227.63
Inter-segment sales	115.01	90.82	6.19	-	121.20	90.82
	10,619.14	10,824.58	671.48	624.43	11,290.62	11,449.01
Less: Elimination	(115.01)	(90.82)	(6.19)	-	(121.20)	(90.82)
Total revenue	10,504.13	10,733.76	665.29	624.43	11,169.42	11,358.19
RESULT						
Segment result	1,064.27	1,643.66	1.87	(16.12)	1,066.14	1,627.54
Unallocated corporate Income					41.31	92.42
Operating Profit					1,107.45	1,719.96
Finance cost					(51.67)	(114.65)
Interest and Dividend income					157.86	171.06
Exceptional item {Refer note - 2(ii)}					-	(335.38)
Tax expenses					(131.91)	(391.08)
Profit after tax					1,081.73	1,049.91
OTHER INFORMATION						
Segment assets	9,004.71	8,384.32	230.95	195.56	9,235.66	8,579.88
Unallocated Corporate assets					2,865.40	3,348.30
Total assets					12,101.06	11,928.18
Segment liabilities	2,446.89	2,335.56	113.29	96.24	2,560.18	2,431.80
Unallocated corporate liabilities					1,727.50	2,123.95
Total liabilities					4,287.68	4,555.75
Capital expenditure	963.04	548.15	14.99	3.10	978.03	551.25
Depreciation and Amortization (Including exceptional item)	566.08	886.05	17.71	18.23	583.79	904.28
Impairment loss recognised	11.93	-	-	-	11.93	-
Other non-cash expenses	4.29	18.79	9.02	2.94	13.31	21.73

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

33. OPERATING LEASE

	2013 ₹ Crore	2012 ₹ Crore
a) Future Lease Rental payments		
(i) Not later than one year	30.70	33.61
(ii) Later than one year and not later than five years	93.06	96.69
(iii) Later than five years	40.69	61.50

b) Operating lease payment recognised in Statement of Profit & Loss amounting to ₹ 79.44 Crore (Previous Year - ₹ 87.66 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. The Semaria / Piparia coal block was de-allocated by Ministry of Coal, Govt. of India on 15th January 2013, however a par relief on the same has been granted by Jabalpur High Court and the Company expects a favourable outcome and continuation of its rights in the Coal Block.

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 Services Ltd.	Fellow Subsidiary
(vi) Holcim Group Support Ltd. (Merged with Holcim Technology Ltd w.e.f January 01, 2013)	Fellow Subsidiary

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

(vii) Holcim (Singapore) Pte Limited	Fellow Subsidiary
(viii) Holcim Trading FZCO	Fellow Subsidiary
(ix) Holcim (Lanka) Limited	Fellow Subsidiary
(x) P T Holcim Indonesia Tbk	Fellow Subsidiary
(xi) Holcim Services (South Asia) Limited	Fellow Subsidiary
(xii) Siam City Cement Public Company Limited	Associate Company of Fellow Subsidiary w.e.f. January 01, 2013
(xiii) Holcim (Bangladesh) Limited	Fellow Subsidiary
(xiv) Holcim (Vietnam) Limited	Fellow Subsidiary
(xv) Holcim (Malaysia) SDN BHD	Fellow Subsidiary
(xvi) Holcim (US) INC	Fellow Subsidiary
(xvii) Holcim Foundation	Entity controlled by Holcim Ltd.
(xviii) Holcim Services Asia Bangkok	Fellow Subsidiary
(xix) Holcim Services (Asia) Limited	Fellow Subsidiary
(xx) Holcim Technology Ltd	Fellow Subsidiary
(xxi) Holcim Trading Pte Ltd	Fellow Subsidiary
(xxii) AL Jabor Cement Industries Co.	Fellow Subsidiary
(xxiii) National Cement Factory	Associate Company of Fellow Subsidiary
(xxiv) Holcim Trading S. A.	Fellow Subsidiary
(xxv) Holcim (Australia) PTY Ltd.	Fellow Subsidiary
(b) Key Management Personnel:	
Name of the Related Party	Nature of Relationship
Mr. Kuldip K. Kaura	CEO & Managing Director

(C) Transactions with Subsidiary Companies

	2013 ₹ Crore	2012 ₹ Crore
(i) Purchase of Finished Goods	163.35	137.50
Alcon Cement Company Private Limited	74.53	69.57
Aakaash Manufacturing Company Private Limited	88.82	67.93
(ii) Purchase of Raw Materials	22.20	26.86
Asian Concretes & Cements Private Limited	22.20	26.86
(iii) Sale of Finished / Unfinished Goods	34.97	32.82
Alcon Cement Company Private Limited	25.00	30.52
Aakaash Manufacturing Company Private Limited	9.97	2.30
(iv) Dividend Received	6.59	3.09
Alcon Cement Company Private Limited	4.53	2.65
Aakaash Manufacturing Company Private Limited	2.06	0.44

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

(C) Transactions with Subsidiary Companies (contd.)

	2013 ₹ Crore	2012 ₹ Crore
(v) Reimbursement of Expenses Paid / Payable	0.02	-
Aakaash Manufacturing Company Private Limited	0.02	-
(vi) Reimbursement of Expenses Received / Receivable	6.25	3.95
Alcon Cement Company Private Limited	5.64	3.95
Asian Concretes & Cements Private Limited	0.61	-
(vii) Rendering of Services	1.24	1.19
Alcon Cement Company Private Limited	1.24	1.19
(viii) Receiving of Services	53.04	49.37
Asian Concretes & Cements Private Limited	53.04	49.37
(ix) Outstanding balance included in Trade receivables	6.22	9.37
Alcon Cement Company Private Limited	4.59	8.79
Aakaash Manufacturing Company Private Limited	1.63	0.58
(x) Outstanding balance included in Trade payables	17.52	21.06
Alcon Cement Company Private Limited	1.74	3.74
Aakaash Manufacturing Company Private Limited	8.03	9.03
Asian Concretes & Cements Private Limited	7.75	8.29

(D) Details of Transactions relating to Holding Companies

	2013 ₹ Crore	2012 ₹ Crore
(i) Dividend paid	283.28	264.40
Holcim (India) Private Limited	281.66	262.89
Holderind Investments Ltd.	1.62	1.51
(ii) Reimbursement of Expenses Received / Receivable	0.02	0.02
Holcim (India) Private Limited	0.02	0.02

(E) Details of Transactions relating to Fellow Subsidiary Companies

	2013 ₹ Crore	2012 ₹ Crore
(i) Purchase of Raw Materials	17.24	83.80
Holcim Trading FZCO	4.45	83.80
Holcim Trading Pte Ltd	3.19	-
Ambuja Cements Limited	9.60	-
(ii) Purchase of Finished / Unfinished Goods	13.59	23.16
Ambuja Cements Limited	13.59	23.16

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

(E) Details of Transactions relating to Fellow Subsidiary Companies (contd.)

	2013 ₹ Crore	2012 ₹ Crore
(iii) Purchase of Stores & Spares	0.12	1.70
Ambuja Cements Limited	0.12	1.70
(iv) Purchase of Fixed Assets	4.08	-
Ambuja Cements Limited	4.08	-
(v) Sale of Finished / Unfinished Goods	6.16	-
Ambuja Cements Limited	6.16	-
(vi) Sale of Raw Material & Other Items	11.55	7.56
Ambuja Cements Limited	11.55	7.56
(vii) Rendering of Services	4.56	5.71
Ambuja Cements Limited	4.12	2.63
Holcim (Lanka) Limited	-	2.89
Others	0.44	0.19
(viii) Reimbursement of Expenses Paid / Payable	3.20	12.75
Holcim Trading FZCO	2.74	12.70
Ambuja Cements Limited	0.45	0.02
Others	0.01	0.03
(ix) Reimbursement of Expenses Received / Receivable	5.82	1.11
Ambuja Cements Limited	4.00	0.46
Holcim Group Services Ltd.	0.90	-
Holcim Group Support Ltd. (Merged with Holcim Technology Ltd w.e.f January 01, 2013)	-	0.22
Others	0.92	0.43
(x) Receiving of Services	49.86	99.76
Ambuja Cements Limited	0.21	3.29
Holcim Group Services Ltd.	1.54	-
Holcim Group Support Ltd. (Merged with Holcim Technology Ltd w.e.f January 01, 2013)	-	39.57
Holcim Services (South Asia) Limited	36.91	30.93
Holcim Trading FZCO	5.02	23.39
Holcim Technology Ltd	5.55	-
Others	0.63	2.58
(xi) Interest Paid	-	0.09
Ambuja Cements Limited	-	0.09

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

(E) Details of Transactions relating to Fellow Subsidiary Companies (contd.)

	2013 ₹ Crore	2012 ₹ Crore
(xii) Technology and Know-how fee	107.66	-
Holcim Technology Ltd	107.66	-
(xiii) Outstanding balance included in Trade receivables	1.94	5.02
Ambuja Cements Limited	1.24	1.81
Holcim (Lanka) Limited	0.11	2.96
AL Jabor Cement Industries CO.	0.32	-
Others	0.27	0.25
(xiv) Outstanding balance included in Trade payables	42.83	34.50
Holcim Group Services Ltd.	1.28	-
Holcim Group Support Ltd. (Merged with Holcim Technology Ltd w.e.f January 01, 2013)	-	14.42
Ambuja Cements Limited	8.62	0.60
Holcim Trading FZCO	-	10.59
Holcim Technology Ltd	29.47	-
Holcim Services (South Asia) Limited	3.09	8.89
Others	0.37	-

(F) Details of Transactions relating to Associate Company of Fellow Subsidiary

	2013 ₹ Crore	2012 ₹ Crore
(i) Rendering of Services	0.34	0.76
Siam City Cement Public Company Limited	-	0.76
National Cement Factory	0.34	-
(ii) Reimbursement of Expenses Received / Receivable	0.06	0.09
Siam City Cement Public Company Limited	-	0.09
National Cement Factory	0.06	-
(iii) Receiving of Services	0.01	0.04
Siam City Cement Public Company Limited	0.01	0.04
(iv) Outstanding balance included in Trade receivables	0.39	0.76
Siam City Cement Public Company Limited	-	0.76
National Cement Factory	0.39	-
(v) Outstanding balance included in Trade payables	0.01	-
Siam City Cement Public Company Limited	0.01	-

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

(G) Details of Transaction with Key Management Personnel

	2013 ₹ Crore	2012 ₹ Crore
(i) Remuneration*	6.05	5.28
Mr. Kuldip K. Kaura	6.05	5.28
(ii) Outstanding balance included in other current liabilities	1.10	0.88
Mr. Kuldip K. Kaura	1.10	0.88

*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

(H) Details of Transactions with Joint Venture Companies

	2013 ₹ Crore	2012 ₹ Crore
(i) Advances given	16.14	3.87
MP AMRL(Semaria) Coal Company Limited	0.09	0.17
MP AMRL(Bicharpur) Coal Company Limited	12.49	1.35
MP AMRL(Marki Barka) Coal Company Limited	3.55	2.31
MP AMRL(Morga) Coal Company Limited	0.01	0.04
(ii) Advances Repaid	0.01	0.04
MP AMRL(Morga) Coal Company Limited	0.01	0.04
(iii) Outstanding balance in Short Term Loans and Advances	22.23	6.10
MP AMRL(Semaria) Coal Company Limited	1.83	1.74
MP AMRL(Bicharpur) Coal Company Limited	14.54	2.05
MP AMRL(Marki Barka) Coal Company Limited	5.86	2.31

36. CAPITAL AND OTHER COMMITMENTS

	2013 ₹ Crore	2012 ₹ Crore
A) Estimated value of contracts in capital account remaining to be executed	1,535.64	1,381.78
B) The Company from time to time provides need based support to subsidiaries towards capital and other requirements.		

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

37. (A) CONTINGENT LIABILITIES NOT PROVIDED FOR -

	2013 ₹ Crore	2012 ₹ Crore
a) Claims not acknowledged by the Company		
Sales tax	30.22	30.14
Customs demand	17.69	-
Claim by Suppliers	36.79	36.79
Labour related	26.48	23.42
Mines and Geology	19.87	19.87
Others	31.83	25.34
TOTAL	162.88	135.56
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	256.16	216.19
c) Bills discounted	9.51	13.25

- d) The Company had filed petitions against the orders / notices of various authorities demanding ₹ 211.73 Crore (*Previous Year – ₹ 193.60 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 20th June, 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 had filed an appeal against the said Order before the Competition Appellate Tribunal (COMPAT). Pending final disposal of the appeal, the COMPAT has stayed the penalty with a condition to deposit 10% of the penalty amount, which has been deposited in the form of short term bank fixed deposit with lien in favour of COMPAT. The fixed deposit has been renewed on maturity along with interest of ₹ 4.30 Crore. Based on the advice of external legal counsel, the Company believes that it has good grounds for a successful appeal. Accordingly, no provision is considered necessary.

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

- (B) a) The Company had availed Sales Tax Incentives in respect of its new 1 MTPA Plant at Gagal (Gagal II) under the HP State Industrial Policy, 1991. The Company had in 2011 accrued Sales Tax Incentives aggregating ₹ 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 I) 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 ₹ 8 Crore) and the same is accounted as an amount recoverable.

The HP High Court, had in 2012 dismissed the Company's appeal. The Company believes the Hon'ble High Court's judgment is based on an erroneous understanding of certain facts and legal positions and that it also failed to consider certain key facts in its order. The Company has been advised by legal experts that there is no change in the merits of the Company's case.

Based on the advise, the Company filed a review petition before HP High Court which has recently been rejected, subsequent to which the Company submitted a Special Leave Petition before the Hon'ble Supreme Court.

- 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 was 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 had 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 High Court (Single Bench) has recently decided the matter partially in favour of the Company. Pursuant to the decision of the High Court, the Company has accrued a further amount of ₹ 34.99 Crore and reversed the provision made earlier for capital subsidy of ₹ 8 Crore. The Cumulative amount accrued (including capital subsidy) for the entire period of claims, on this basis, stands at ₹ 86.85 Crore. Based on the court direction, the Company has submitted its revised claim in this regard.

The Company has also preferred an appeal before the Division Bench of the Jharkhand High Court for the balance claim which was turned down by the Hon'ble Single Bench.

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

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

Particulars	Currency	2013			2012		
		Foreign currency in Crore	Exchange rate	₹ Crore	Foreign currency in Crore	Exchange rate	₹ Crore
Trade Receivable	SAR	0.25	16.43	4.03	0.25	14.60	3.58
Trade Payable and	CHF	0.23	69.50	15.99	0.31	59.84	18.46
Other Current	USD	0.03	61.78	1.72	0.29	54.69	15.81
Liabilities	GBP	0.0001	102.08	0.01	0.0004	88.34	0.04
	EUR	0.04	85.18	3.20	0.04	72.47	2.62
	SGD	-	-	-	0.001	44.68	0.06

39. During the year, the Company has provided ₹ 17.86 Crore for diminution in the value of investment in Shiva Cement Limited considering the diminution in market value of these investments other than temporary nature.

40. Tax adjustments for earlier years of ₹ 216.74 Crore represents write back of tax provision related to earlier assessment years.

41. CAPITALISATION OF EXPENDITURE

Capital work-in-progress includes Pre-operative expenses pending allocation of ₹ 73.93 Crore (*Previous year - ₹ 32.80 Crore*).

During the year, the company has capitalized the following expenses of revenue nature to the cost of capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

Particulars	2013 ₹ Crore	2012 ₹ Crore
Employee benefits expense	16.11	2.75
Other expenses	4.57	3.87
	20.68	6.62

42. Advances recoverable in cash or kind under Short-term Loans and advances includes ₹ 7.15 Crores (*Previous year - ₹ 7.10 Crore*) 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.

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

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:

Particulars	2013 ₹ Crore	2012 ₹ Crore
Assets		
Fixed Assets	10.15	3.98
Long term Loans and Advances	1.75	0.14
Cash and Bank Balances	0.06	0.05
Other Current Assets	0.01	0.04
Liabilities		
Other Current Liabilities	0.03	-
Income	-	0.01
Expenses	0.17	0.04

44. During the previous year, effective from 1 January, 2012, the Company had 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. Accordingly, an additional depreciation charge of ₹ 335.38 Crore relating to period upto December 31, 2011 was disclosed as an exceptional item.

45. PROPOSED DIVIDEND

The final dividend proposed for the year is as follows :

Particulars	2013 ₹ Crore	2012 ₹ Crore
On Equity Shares of ₹ 10 each		
Amount of dividend proposed (₹ Crore)	356.72	356.72
Dividend per Equity Share (₹)	19	19

46. COMPARATIVE FIGURES

Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per **RAVI BANSAL**
Partner
Membership No. 49365

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

N.S. SEKHSARIA
Chairman

PAUL HUGENTOBLE
Deputy Chairman

KULDIP KAURA
CEO & Managing Director

SUNIL K. NAYAK
Chief Financial Officer

BURJOR D. NARIMAN
Company Secretary

S. M. PALIA
BERNARD FONTANA
M. L. NARULA
SHAILESH V. HARIBHAKTI
AIDAN LYNAM
SUSHIL KUMAR ROONGTA
ASHWIN DANI
FARROKH K. KAVARANA
BERNARD TERVER

Directors

Consolidated Group Operating Results and Net Worth - Explanatory Statement

CONSOLIDATED GROUP OPERATING RESULTS FOR THE YEAR ENDED DECEMBER 31, 2013

	2013		2012
	₹ Crore	₹ Crore	₹ Crore
ACC's Net Profit		1,095.76	1,061.19
Add: Pro-rata share of profits / (losses) of subsidiaries -			
Bulk Cement Corporation (India) Limited	2.71		1.81
ACC Mineral Resources Limited	(0.23)		(0.18)
Lucky Minmat Limited	(0.42)		(0.57)
National Limestone Co. Pvt. Limited	(0.17)		(0.20)
Singhania Mineral Private Limited	(0.03)		(0.03)
		1.86	0.83
Add: Pro-rata share of profit of Associates		13.09	9.47
Less: Minority Interest of Subsidiary (BCCI)		0.15	0.10
Less: Amortisation of Goodwill on acquisition of Subsidiary and Investment in Associates		9.30	9.02
Less: Dividend received from Associates		6.59	3.09
		1,094.67	1,059.28

CONSOLIDATED GROUP NET WORTH AS AT DECEMBER 31, 2013

	2013		2012
	₹ Crore	₹ Crore	₹ Crore
ACC's Net Worth		7,824.84	7,382.80
Add: Net worth as per Balance Sheet of Subsidiary Companies -			
Bulk Cement Corporation (India) Limited	49.15		46.45
ACC Mineral Resources Limited	3.95		4.17
Lucky Minmat Limited	1.43		1.85
National Limestone Co. Pvt. Limited	(0.41)		(0.23)
Singhania Mineral Private Limited	(0.04)		(0.01)
	54.08		52.23
Less: Pro-rata share of Minority shareholders interest in the Net Worth of Subsidiary Companies	2.70		2.55
Less: ACC's share in pre-acquisition Net Worth of Subsidiary Companies	42.62		42.62
		8.76	7.06
Less: Amortisation of Goodwill in Subsidiary Companies		34.75	28.86
Less: Unrealised profit on purchase of Fixed Assets		(0.53)	(0.53)
Add: Increase in Net Worth of Alcon Cement Company Pvt. Ltd.		(1.58)	0.85
Add: Increase in Net Worth of Asian Cements & Concretes Pvt. Ltd.		10.17	5.04
Add: Increase in Net Worth of Aakaash Manufacturing Co. Pvt. Ltd.		2.81	2.43
Add: Addition due to merger of ENCORE		2.68	2.68
Less: Other adjustments (Net)		0.08	0.10
		7,813.38	7,372.43