

## Notes to the Financial Statements for the year ended December 31, 2013

### 1 COMPANY OVERVIEW

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

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### (i) Basis of preparation

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

#### (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".

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

### (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.

### (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) 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.

### (vii) 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.

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

### (viii) 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.

### (ix) Inventories

Inventories are valued after providing for obsolescence, as follows:

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

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

#### b) Work-in-progress, Finished goods and Stock-in-Trade

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

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

### (x) 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.

### (xi) 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.

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

### 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.

### (xii) 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.

### (xiii) 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.

### (xiv) 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.

### (xv) 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.

### (xvi) 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.

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

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.

### (xvii) 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.

#### 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.

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

### (xviii) 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.

### (xix) 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.

### (xx) 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.

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

### (xxi) 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.

### (xxii) 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.

### (xxiii) Segment Reporting

#### Identification of segments

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

#### Allocation of common costs

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

#### Unallocated items

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

#### Segment Policies

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

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

### 3. SHARE CAPITAL

	2013 ₹ Crore	2012 ₹ Crore
<b>Authorised Shares</b>		
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
<b>Issued</b>		
18,87,93,243 (Previous Year - 18,87,93,243) Equity Shares of ₹ 10 each	188.79	188.79
<b>Subscribed &amp; Paid-up</b>		
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
<b>TOTAL</b>	<b>187.95</b>	<b>187.95</b>

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

### 4. RESERVES AND SURPLUS

	2013		2012
	₹ Crore	₹ Crore	₹ Crore
<b>Capital Reserve</b>			
Balance as per last Financial statements	74.88		74.64
Add: Addition on Amalgamation of ACC Concrete Limited (ACCCL)	-		0.24
Add: Reversal of capital subsidy provision [Refer Note - 37 B (b)]	8.00		-
		82.88	74.88
<b>Securities Premium Account</b>		844.84	844.84
<b>Debenture Redemption Reserve</b>			
Balance as per last Financial statements	39.25		85.00
Less: Transferred to General Reserve	31.25		45.75
		8.00	39.25
<b>General Reserve</b>			
Balance as per last Financial statements	2,374.05		2,169.86
Add: Transferred from Amortisation Reserve	-		8.44
Add: Transferred from Debenture Redemption Reserve	31.25		45.75
Add: Transferred from Surplus in Statement of Profit and Loss	120.00		150.00
		2,525.30	2,374.05
<b>Amortisation Reserve</b>			
Balance as per last Financial statements	-		8.44
Less: Transferred to General Reserve	-		8.44
		-	-
<b>Surplus in Statement of Profit and Loss</b>			
Balance as per last Financial statements	3,861.83		3,821.54
Add: Profit for the year	1,095.76		1,061.19
Less: Adjustment pursuant to amalgamation of ACCCL - Balance in Statement of Profit and Loss as on January 01, 2012 (Refer Note - 34(B))	-		197.96
Less: Adjustment pursuant to amalgamation of Encore - Balance in Statement of Profit and Loss as on January 01, 2011 (Refer Note - 34(A))	-		13.42
Less: Adjustment for excess of the book value of the investment in the equity share capital of Encore over the face value of such share capital (Refer Note -34(A))	-		6.78
Add: Post merger Profit of Encore for the year 2011 (Refer Note -34(A))	-		1.87
	4,957.59		4,666.44
<b>Less - Appropriations</b>			
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
		4,175.87	3,861.83
<b>TOTAL</b>		<b>7,636.89</b>	<b>7,194.85</b>

## Notes to the 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
<b>Secured</b>				
<b>Privately placed Non-Convertible Debentures</b>				
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
<b>Sub-Total</b>	-	82.00	32.00	75.00
<b>Unsecured</b>				
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
<b>Sub-Total</b>	-	3.03	3.03	3.03
<b>TOTAL</b>	-	85.03	35.03	78.03

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

- 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).
- 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).
- 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.
- 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
<b>Deferred Tax Liabilities arising on account of :</b>		
Depreciation and amortisation differences	745.55	724.88
	745.55	724.88
<b>Deferred Tax Assets arising on account of :</b>		
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
<b>Net Deferred Tax Liabilities</b>	507.27	516.92

## Notes to the 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
<b>TOTAL</b>	<b>406.75</b>	<b>381.09</b>

### 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
<b>TOTAL</b>	<b>89.09</b>	<b>92.36</b>

#### 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	637.54	658.85
<b>TOTAL</b>	<b>639.20</b>	<b>660.49</b>

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 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
<b>Investor Education and Protection Fund :-</b> (Refer Note - (i) below)		
Unpaid dividend	38.04	35.00
Unpaid Matured Deposits	0.02	0.02
Statutory dues	314.33	286.00
Advance from customers	144.85	161.71
Deposits	107.60	107.03
Liability for capital expenditure	70.06	52.51
Other payables (including Rebates to customers, Employees dues, etc.)	835.12	793.37
<b>TOTAL</b>	<b>1,545.69</b>	<b>1,515.81</b>

- 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
<b>Provision for employee benefits</b> (Refer Note - 31)		
Provision for gratuity and staff benefit schemes	31.21	28.32
Provision for compensated absences	90.44	73.05
<b>Other Provisions</b>		
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
<b>TOTAL</b>	<b>1,080.75</b>	<b>1,291.73</b>

## Notes to the 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/ Deductions/ Adjustments	As at 31-12-2013	For the Year	As at 31-12-2013	As at 31-12-2012
<b>Tangible Assets :</b>						
Freehold Land	282.19	7.16	261.49	0.24	1.79	259.70
Leasehold Land	64.80	0.04	63.85	1.51	37.96	27.36
Buildings	1,209.35	36.28	1,240.94	44.61	368.62	884.78
Plant and Equipment	8,245.04	217.69	8,394.26	498.90	4,274.14	4,441.79
Railway Sidings	158.10	2.20	160.30	7.07	49.36	115.81
Furniture & Fixtures	38.83	2.79	41.27	4.37	18.47	24.47
Vehicles	47.01	10.71	56.19	4.75	26.71	23.76
Office equipment	113.64	10.40	121.26	12.07	59.38	64.24
<b>TOTAL</b>	<b>10,158.96</b>	<b>287.27</b>	<b>10,339.56</b>	<b>573.52</b>	<b>4,836.43</b>	<b>5,503.13</b>
<b>Intangible Assets:</b>						
Computer Software	59.82	0.24	59.99	0.43	59.16	1.02
<b>TOTAL</b>	<b>59.82</b>	<b>0.24</b>	<b>59.99</b>	<b>0.43</b>	<b>59.16</b>	<b>1.02</b>

#### 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.

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

### 12. FIXED ASSETS (contd.)

₹ Crore

Particulars	GROSS BLOCK AT COST				DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 01-01-2012	Additions on amalgamation	Additions/ Adjustments	Deductions/ Adjustments	As at 31-12-2012	As at 01-01-2012	Additions on amalgamation	For the Year*	Deductions/ Adjustments	As at 31-12-2012	As at 31-12-2011
<b>Tangible Assets :</b>											
Freehold Land	248.67	-	33.52	-	282.19	-	-	1.55	-	1.55	248.67
Leasehold Land	58.70	3.00	3.10	-	64.80	34.81	0.22	2.41	-	37.44	23.89
Buildings	1,108.83	56.72	50.47	6.67	1,209.35	228.28	26.68	76.12	6.51	324.57	880.55
Plant and Equipment	7,859.81	112.13	366.96	93.86	8,245.04	3,023.43	40.54	787.82	48.54	3,803.25	4,836.38
Railway Sidings	153.73	-	5.19	0.82	158.10	35.57	-	7.02	0.30	42.29	118.16
Furniture & Fixtures	35.35	1.65	2.36	0.53	38.83	11.99	0.35	2.40	0.38	14.36	23.36
Vehicles	33.37	10.75	4.01	1.12	47.01	14.19	5.65	4.32	0.91	23.25	19.18
Office equipment	90.87	10.95	14.05	2.23	113.64	34.80	5.33	10.97	1.70	49.40	56.07
<b>TOTAL</b>	<b>9,589.33</b>	<b>195.20</b>	<b>479.66</b>	<b>105.23</b>	<b>10,158.96</b>	<b>3,383.07</b>	<b>78.77</b>	<b>892.61</b>	<b>58.34</b>	<b>4,296.11</b>	<b>6,206.26</b>
<b>Intangible Assets:</b>											
Computer Software	56.04	2.89	0.89	-	59.82	54.77	2.38	1.65	-	58.80	1.27
<b>TOTAL</b>	<b>56.04</b>	<b>2.89</b>	<b>0.89</b>	<b>-</b>	<b>59.82</b>	<b>54.77</b>	<b>2.38</b>	<b>1.65</b>	<b>-</b>	<b>58.80</b>	<b>1.27</b>

\* 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 - 40).

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

### 13. NON-CURRENT INVESTMENTS

	2013			2012	
	Numbers	₹ Crore		Numbers	₹ Crore
<b>Trade Investments</b> (valued at cost unless stated otherwise)					
<b>(a) Unquoted equity instruments</b>					
<b>Investment in subsidiaries</b>					
<b>Face value ₹ 10 each</b>					
Bulk Cement Corporation (India) Limited	3,18,42,050	37.27		3,18,42,050	37.27
Singhania Minerals Private Limited	20,000	5.00		20,000	5.00
<b>Face value ₹ 100 each</b>					
Lucky Minmat Limited	3,25,000	38.10		3,25,000	38.10
ACC Mineral Resources Limited	4,95,000	4.95		4,95,000	4.95
National Limestone Company Private Limited	8,650	16.24		8,650	16.24
<b>Investment in Associates</b>					
<b>Face value ₹ 10 each</b>					
Alcon Cement Company Private Limited	4,08,001	22.25		4,08,001	22.25
Asian Concretes and Cements Private Limited	81,00,000	36.81		81,00,000	36.81
Aakaash Manufacturing Company Private Limited	4,401	6.01		4,401	6.01
{Acquired on amalgamation of ACCCL Refer Note 34 (B)}					
<b>Investment in Others</b>					
<b>Face value ₹ 10 each</b>					
Moirra Madhujore Coal Limited	82,019	0.69		82,109	0.69
<b>(b) Quoted equity instruments</b>					
<b>Face value ₹ 2 each</b>					
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)					
			173.11		190.97

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

### 13. NON-CURRENT INVESTMENTS (contd.)

	2013		2012	
	Numbers	₹ Crore	Numbers	₹ Crore
<b>Non trade investments (value at cost)</b>				
<b>Investment in equity instruments (unquoted)</b>				
<b>Face value ₹ 10 each</b>				
* 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	-
<b>Face value ₹ 5 each</b>				
* The Sone Valley Portland Cement Company Limited	100	-	100	-
<b>Investment in Bonds (Unquoted)</b>				
<b>Face value ₹ 10,00,000 each</b>				
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70	37	3.70
		3.70		3.70
<b>TOTAL</b>		<b>176.81</b>		<b>194.67</b>

#### 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	171.02	171.02
(II)	Aggregate provision for diminution in the value of investments	17.86	-
(III)	*Denotes amount less than ₹ 50,000		



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

### 14. LONG-TERM LOANS AND ADVANCES

	2013 ₹ Crore	2012 ₹ Crore
<b>Unsecured, Considered Good, unless otherwise stated</b>		
Capital advances	389.74	192.37
Security deposits	186.23	167.17
<b>Deposits with Government bodies and others</b>		
Considered good	160.79	128.96
Considered doubtful	4.57	4.33
	165.36	133.29
Less: Allowance for doubtful deposits	4.57	4.33
	160.79	128.96
Advances recoverable in cash or kind	16.87	16.26
Advance tax (Net of provision for tax)	113.20	59.44
<b>TOTAL</b>	<b>866.83</b>	<b>564.20</b>

### 15. OTHER NON-CURRENT ASSETS

Unsecured, Considered Good, unless otherwise stated

	2013 ₹ Crore	2012 ₹ Crore
<b>Incentives under Government schemes and other receivables</b>		
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
<b>TOTAL</b>	<b>308.24</b>	<b>165.84</b>

### 16. CURRENT INVESTMENTS

	2013		2012	
	Numbers	₹ Crore	Numbers	₹ Crore
<b>Current investments</b> (valued at lower of cost and fair value)				
<b>Investment in Certificate of Deposits</b> - Fully paid-up (unquoted)				
<b>Unit of Face value ₹ 1,00,000 each</b>				
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

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

### 16. CURRENT INVESTMENTS (contd.)

	2013		2012	
	Numbers	₹ Crore	Numbers	₹ Crore
Punjab National Bank	10,000	97.96	10,000	98.00
Oriental Bank	2,500	24.48	25,000	245.14
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
<b>Investment in Mutual Funds</b> - Fully paid-up (Unquoted)				
<b>Unit of Face value ₹ 10 each</b>				
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
HDFC Liquid Fund - GR	3,90,03,988.470	96.00	-	-
Sundaram Money Fund - GR	95,17,902.904	25.00	-	-
<b>Unit of Face value ₹ 100 each</b>				
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	-	-
<b>Unit of Face value ₹ 1,000 each</b>				
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
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	-	-
		1,062.00		1,034.00
<b>TOTAL</b>		2,017.21		2,358.88
Aggregate amount of unquoted Investments		2,017.21		2,358.88

\*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 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	129.82	160.54
Stock-in-trade	0.49	0.29
Stores & Spare Parts and Packing Material {Including in transit ₹ 9.73 Crore (Previous Year - ₹ 9.02 Crore)}	296.13	286.02
Fuels {Including in transit ₹ 7.86 Crore (Previous Year - ₹ 5.31 Crore)}	309.28	301.43
<b>TOTAL</b>	<b>1,121.47</b>	<b>1,133.55</b>

### 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	16.36	12.23
Unsecured, considered Doubtful	15.46	8.52
	31.82	20.75
Less: Provision for doubtful trade receivables	15.46	8.52
	16.36	12.23
<b>Other Trade receivables</b>		
Secured, considered good	66.34	63.64
Unsecured, considered good	314.52	227.58
Unsecured, considered Doubtful	4.39	-
	385.25	291.22
Less: Provision for doubtful trade receivables	4.39	-
	380.86	291.22
<b>TOTAL</b>	<b>397.22</b>	<b>303.45</b>

### 19. CASH AND BANK BALANCES

	2013 ₹ Crore	2012 ₹ Crore
<b>Cash and cash equivalents</b>		
Balances with banks:		
On current accounts	55.68	111.03
Deposits with original maturity of less than three months	288.02	530.00
On unpaid dividend account	38.04	35.00
Cash on hand	0.12	0.14
	381.86	676.17
<b>Other bank balances</b>		
*Deposits with original maturity for more than 3 months but less than 12 months	121.51	2.20
Post office saving accounts	0.01	0.01
	121.52	2.21
<b>TOTAL</b>	<b>503.38</b>	<b>678.38</b>

\*Given as security against bank guarantee and others

## Notes to the 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	9.37	7.88
Loans and advances to related parties	35.71	10.92
Advances recoverable in cash or kind	110.69	120.57
<b>Other loans and advances</b>		
Balances with statutory / government authorities	103.62	83.92
Deposit with HDFC Limited	100.00	100.00
<b>TOTAL</b>	<b>359.39</b>	<b>323.29</b>

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

To wholly owned Subsidiaries –

Particulars	2013	Maximum Balance during the Year	2012	Maximum Balance during the Year
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
<b>Inter Corporate Deposits:</b>				
ACC Mineral Resources Limited	34.48	34.48	10.49	10.49
Lucky Minmat Limited	1.00	1.00	0.30	0.30
National Limestone Company Private Limited	0.20	0.20	0.10	0.10
Singhania Minerals Private Limited	0.03	0.03	0.03	0.03

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

### 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	1.41	1.35
Fixed assets held for sale	11.90	12.62
<b>TOTAL</b>	<b>19.47</b>	<b>28.80</b>

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

### 22. REVENUE FROM OPERATIONS

	2013 ₹ Crore	2012 ₹ Crore
Sale of products		
Finished goods	11,963.39	12,231.97
Traded goods	250.87	168.69
Sale of services	16.28	11.27
Sale of products and services (gross)	12,230.54	12,411.93
Less: Excise duty	1,322.13	1,281.48
Sale of products and services (net)	10,908.41	11,130.45
Other operating revenue	260.53	227.51
<b>Revenue from operations (net)</b>	<b>11,168.94</b>	<b>11,357.96</b>
<b>i) Details of products sold</b>		
	<b>2013 ₹ Crore</b>	<b>2012 ₹ Crore</b>
Finished goods (net of excise duty)		
Cement	10,037.04	10,358.61
Ready Mix Concrete	544.58	539.45
Clinker	59.64	52.43
	10,641.26	10,950.49
Traded goods		
Cement	155.82	102.34
Ready Mix Concrete	95.05	66.35
	250.87	168.69
<b>ii) Details of sale of services</b>		
Pumping and conveying charges	16.28	11.27
	16.28	11.27
<b>iii) Detail of Other operating revenue</b>		
Provision no longer required written back	13.92	23.32
Sale of surplus generated power	4.36	1.27
Incentives and subsidies	140.73	93.97
Miscellaneous income	101.52	108.95
<b>TOTAL</b>	<b>260.53</b>	<b>227.51</b>

### 23. OTHER INCOME

	2013 ₹ Crore	2012 ₹ Crore
Interest on Bank deposits	148.77	162.13
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)	-	6.15
Gain on sale of current investments (Net)	59.47	84.68
Dividend from long term investments	6.59	3.09
<b>TOTAL</b>	<b>223.79</b>	<b>264.82</b>

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

### 24. COST OF MATERIALS CONSUMED

	2013 ₹ Crore	2012 ₹ Crore
Opening stock	156.41	156.33
Add: Acquired on amalgamation	-	9.41
Purchase and incidental expenses	1,597.97	1,542.14
	1,754.38	1,707.88
Less: Closing stock	132.90	156.41
<b>TOTAL</b>	<b>1,621.48</b>	<b>1,551.47</b>

#### 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
Cement for RMX	61.55	99.69
Aggregates	98.23	99.22
Others*	481.71	441.74
<b>TOTAL</b>	<b>1,621.48</b>	<b>1,551.47</b>

\*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
<b>TOTAL</b>	<b>232.86</b>	<b>158.75</b>

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

	2013 ₹ Crore	2012 ₹ Crore	(Increase) / decrease ₹ Crore
<b>Inventories at the end of the year</b>			
Stock-in-trade	0.49	0.29	(0.20)
Finished goods	129.82	160.54	30.72
Work -in-progress	252.85	228.86	(23.99)
	383.16	389.69	6.53
<b>Inventories at the beginning of the year</b>			
Stock-in-trade	0.29	0.20	(0.09)
Finished goods	160.54	124.76	(35.78)
Work -in-progress	228.86	283.05	54.19
Finished goods acquired on account of amalgamation	-	1.70	1.70
	389.69	409.71	20.02
<b>TOTAL</b>	<b>6.53</b>	<b>20.02</b>	

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

### 27. EMPLOYEE BENEFITS EXPENSE

	2013 ₹ Crore	2012 ₹ Crore
Salaries and Wages	572.00	517.57
Contributions to Provident and other Funds	53.30	67.16
Staff Welfare Expenses	36.38	31.92
<b>TOTAL</b>	<b>661.68</b>	<b>616.65</b>

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 spares parts	381.29	386.50
Consumption of packing materials	434.15	381.53
Excise duty (Refer Note - (ii) & (iii) below)	6.47	88.47
Rent	30.51	31.59
Rates and taxes	113.19	115.66
Repairs to Building	7.20	13.26
Repairs to Machinery	132.89	136.32
Repairs to other Items	19.91	12.69
Insurance	25.29	24.67
Royalties	118.28	130.85
Discount on sales	81.73	83.16
Advertisement	116.07	102.58
Technology and Know-how fees	107.66	-
Miscellaneous expenses (Refer Note - (i) & (iv) below)	744.51	704.78
<b>TOTAL</b>	<b>2,319.15</b>	<b>2,212.06</b>

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

	2013 ₹ Crore	2012 ₹ Crore
<b>As Auditors</b>		
Audit fees	2.72	2.57
Audit fees for tax financial statements	0.59	0.60
Out of pocket expenses	0.12	0.12
In other matters - Certification	0.11	0.03
<b>TOTAL</b>	<b>3.54</b>	<b>3.32</b>

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

iii) Includes excise duty on captive consumption of Clinker ₹ 6.58 Crore (Previous Year - ₹ 64.63 Crore)

iv) Miscellaneous expenses includes:

(a) Loss on sale / write off and impairment of Fixed Assets (Net) - ₹ 15.78 Crore (Previous Year - ₹ Nil)

(b) Provision for other than temporary diminution in long term investment of ₹ 17.86 Crore (Previous year - ₹ Nil)

### 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)}		
<b>TOTAL</b>	<b>51.67</b>	<b>114.65</b>

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

### 30. EARNINGS PER SHARE - [EPS]

	2013 ₹ Crore	2012 ₹ Crore
Net Profit as per Statement of Profit and Loss	1,095.76	1,061.19
<b>Weighted average number of equity shares for Earnings Per Share computation</b>		
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
<b>Earnings Per Share</b>		
Face value per Share	₹ 10.00	10.00
Basic	₹ 58.36	56.52
Diluted	₹ 58.23	56.38

### 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:
- 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.
  - Benefits under Post Employment medical Benefit plans are payable for actual domiciliary treatment / hospitalization for employees and their specified relatives.
  - 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.

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

	Gratuity		Post Employment Medical benefits (PEMB)
	Funded	Non Funded	
	₹ Crore	₹ Crore	₹ Crore
<b>I Expense recognised in the Statement of Profit &amp; Loss – for the year ended December 31, 2013</b>			
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



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

	Gratuity		Post Employment Medical benefits (PEMB)
	Funded	Non Funded	
	₹ Crore	₹ Crore	₹ Crore
<b>II Amount recognised in Balance Sheet</b>			
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)
<b>III Present Value of Defined Benefit Obligation</b>			
1. Present value of Defined Benefit Obligation at beginning of the year	160.11	65.54	3.50
	134.32	52.05	2.57
2. Liability transfer on account of merger of ACCCL	-	-	-
	1.47	0.12	-
3. Liability transfer on account of merger of ENCORE	-	-	-
	0.03	-	-
4. Current Service cost	9.20	4.09	0.05
	7.68	3.32	0.05
5. Interest Cost	12.21	5.12	0.26
	10.82	4.25	0.20
6. Employee Contributions	-	-	(0.31)
	-	-	(0.39)
7. Actuarial (Gains) / Losses	2.06	1.53	1.27
	20.48	9.05	1.70
8. Benefits Payments	(17.70)	(5.10)	(0.59)
	(14.69)	(3.25)	(0.63)
9. Present value of Defined Benefit Obligation at the end of the year	165.88	71.18	4.18
	160.11	65.54	3.50
<b>IV Fair Value of Plan Assets</b>			
1. Plan assets at the beginning of the year	137.12	-	-
	118.77	-	-
2. Assets transfer on account of merger of ACCCL	-	-	-
	1.05	-	-
3. Expected return on plan assets	11.66	-	-
	10.17	-	-
4. Contributions by Employer	-	-	-
	5.92	-	-
5. Actual benefits paid	(0.11)	-	-
	(0.12)	-	-
6. Actuarial Gains / (Losses)	1.13	-	-
	1.33	-	-
7. Plan assets at the end of the year	149.80	-	-
	137.12	-	-
8. Actual return on plan assets	12.79	-	-
	11.50	-	-

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

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

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

VI Effect of One percentage point change in the assumed Medical Inflation rate	One percentage increase - ₹ Crore	One percentage decrease - ₹ Crore
Increase / (Decrease) on aggregate service and interest cost of Post Employment Medical benefits	0.05	(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.)

#### 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)
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.

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

### 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)	(134.32)	(117.16)	(101.13)
Plan assets	149.80	137.12	118.77	103.72	95.39
Surplus / (deficit)	(16.08)	(22.99)	(15.55)	(13.44)	(5.74)
Experience adjustments on plan assets	(1.17)	(1.29)	(0.43)	(0.46)	(0.71)
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)	(52.05)	(41.83)	(31.60)
Plan assets	-	-	-	-	-
Surplus / (deficit)	(71.18)	(65.54)	(52.05)	(41.83)	(31.60)
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)

#### (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 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
<b>REVENUE</b>						
External sales	10,252.50	10,513.38	655.91	617.07	10,908.41	11,130.45
Other operating revenue	251.15	220.15	9.38	7.36	260.53	227.51
Inter-segment sales	115.01	90.82	6.19	-	121.20	90.82
	10,618.66	10,824.35	671.48	624.43	11,290.14	11,448.78
Less: Elimination	(115.01)	(90.82)	(6.19)	-	(121.20)	(90.82)
<b>Total revenue</b>	<b>10,503.65</b>	<b>10,733.53</b>	<b>665.29</b>	<b>624.43</b>	<b>11,168.94</b>	<b>11,357.96</b>
<b>RESULT</b>						
<b>Segment result</b>	<b>1,072.92</b>	<b>1,652.66</b>	<b>1.87</b>	<b>(16.12)</b>	<b>1,074.79</b>	<b>1,636.54</b>
Unallocated corporate Income					39.52	90.99
<b>Operating Profit</b>					<b>1,114.31</b>	<b>1,727.53</b>
Finance cost					(51.67)	(114.65)
Interest and Dividend income					164.32	173.99
Exceptional item (Refer note - 40)					-	(335.38)
Tax expenses					(131.20)	(390.30)
<b>Profit after tax</b>					<b>1,095.76</b>	<b>1,061.19</b>
<b>OTHER INFORMATION</b>						
Segment assets	8,896.86	8,299.59	230.95	195.56	9,127.81	8,495.15
Unallocated Corporate assets					2,965.78	3,431.08
<b>Total assets</b>					<b>12,093.59</b>	<b>11,926.23</b>
Segment liabilities	2,433.52	2,331.45	113.29	96.24	2,546.81	2,427.69
Unallocated corporate liabilities					1,721.94	2,115.74
<b>Total liabilities</b>					<b>4,268.75</b>	<b>4,543.43</b>
Capital expenditure	950.34	545.79	14.99	3.10	965.33	548.89
Depreciation and Amortization (Including exceptional item)	556.24	876.03	17.71	18.23	573.95	894.26
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 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. AMALGAMATION OF WHOLLY OWNED SUBSIDIARY COMPANIES

#### A) Encore Cement and Additives Private Limited (Encore)

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

The Encore was engaged in manufacture and sale of cement.

- b) The amalgamation was accounted for under the "Pooling of Interest" method as prescribed by the Accounting Standard 14 "Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, the accounting treatment had been given in the previous year as under:-
- The assets and liabilities as at January 01, 2011 were incorporated in the financial statement of the Company at its book value.
  - Debit balance in the statement of Profit and Loss of Encore as at January 01, 2011 amounting to ₹ 13.42 Crore was adjusted in "Surplus in Statement of Profit and Loss".
  - 5,000,000 Equity Shares of ₹ 10 each fully paid in Encore Cement and Additives Private Limited, held as investment by the Company stands cancelled and difference between the book value and face value of such shares amounting to ₹ 6.78 Crore was adjusted against the Statement of Profit and Loss of the Company.
  - The accounts of Encore for the year ended December 31, 2011 were finalised as a separate entity. The net profit after tax amounting to ₹ 1.87 Crore for the year ended December 31, 2011 was adjusted in "Surplus in Statement of Profit and Loss".

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

### B) ACC Concrete Limited (ACCCL)

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

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

- b) The amalgamation was accounted for under the "Pooling of Interest" method as prescribed by the Accounting Standard 14 "Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, the accounting treatment had been given in the previous year as under:-
- (i) The assets and liabilities as at January 01, 2012 were incorporated in the financial statement of the Company at the book value.
  - (ii) Debit balance in the Statement of Profit and Loss of ACC Concrete Limited amounting to ₹ 197.96 Crore was adjusted in "Surplus in Statement of Profit and Loss".
  - (iii) 15,00,000 Equity Shares of ₹ 10 each fully paid and 10,00,00,000 1% Cumulative Redeemable Preference Share of ₹ 10 each Fully paid in ACC Concrete Limited, held as investment by the Company were cancelled.

### 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) Bulk Cement Corporation (India) Limited	Subsidiary Company
(v) ACC Mineral Resources Limited	Subsidiary Company
(vi) Lucky Minmat Limited	Subsidiary Company
(vii) National Limestone Company Private Limited	Subsidiary Company
(viii) Singhania Minerals Private Limited	Subsidiary Company w.e.f. August 07, 2012

#### (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
(vii) Holcim (Singapore) Pte Limited	Fellow Subsidiary
(viii) Holcim Trading FZCO	Fellow Subsidiary
(ix) Holcim (Lanka) Limited	Fellow Subsidiary

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

(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 controled 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>(b) Key Management Personnel:</b>	
<b>Name of the Related Party</b>	<b>Nature of Relationship</b>
Mr. Kuldip K. Kaura	CEO & Managing Director

### (C) Transactions with Subsidiary Companies

	2013 ₹ Crore	2012 ₹ Crore
<b>(i) Purchase of Raw Materials</b>	-	<b>0.06</b>
Lucky Minmat Limited	-	0.06
<b>(ii) Sale of Finished Goods</b>	<b>0.24</b>	-
Bulk Cement Corporation (India) Limited	0.24	-
<b>(iii) Reimbursement of Expenses Paid/Payable</b>	<b>29.68</b>	<b>34.58</b>
Bulk Cement Corporation (India) Limited	29.02	34.31
Others	0.66	0.27
<b>(iv) Reimbursement of Expenses Received/Receivable</b>	<b>1.92</b>	<b>1.91</b>
Bulk Cement Corporation (India) Limited	1.85	1.87
Others	0.07	0.04
<b>(v) Rendering of Services</b>	<b>1.43</b>	<b>1.09</b>
Bulk Cement Corporation (India) Limited	1.43	1.09

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

	2013 ₹ Crore	2012 ₹ Crore
<b>(vi) Receiving of Services</b>	<b>18.65</b>	<b>16.41</b>
Bulk Cement Corporation (India) Limited	18.65	16.41
<b>(vii) Investment in Subsidiary in Equity Shares Capital</b>	<b>-</b>	<b>5.00</b>
Singhania Minerals Private Limited	-	5.00
<b>(viii) Inter Corporate Deposits Given</b>	<b>24.79</b>	<b>4.92</b>
ACC Mineral Resources Limited	23.99	4.49
Others	0.80	0.43
<b>(ix) Inter Corporate Deposits as at the end of the year</b>	<b>35.71</b>	<b>10.92</b>
ACC Mineral Resources Limited	34.48	10.49
Others	1.23	0.43
<b>(x) Outstanding balance included in Trade receivables</b>	<b>0.42</b>	<b>0.76</b>
Bulk Cement Corporation (India) Limited	0.38	0.76
Others	0.04	-
<b>(xi) Outstanding balance included in Short -term loans and advances</b>	<b>0.08</b>	<b>0.08</b>
National Limestone Company Private Limited	0.08	0.08
<b>(xii) Outstanding balance included in Long -term loans and advances</b>	<b>1.65</b>	<b>1.63</b>
National Limestone Company Private Limited	1.63	1.62
Others	0.02	0.01
<b>(xiii) Outstanding balance included in Other Long -term Liabilities</b>	<b>0.03</b>	<b>0.03</b>
National Limestone Company Private Limited	0.02	0.02
Lucky Minmat Limited	0.01	0.01
<b>(xiv) Outstanding balance included in Trade payables</b>	<b>1.96</b>	<b>4.38</b>
Bulk Cement Corporation (India) Limited	1.96	4.38

### (D) Transactions with Associate Companies

	2013 ₹ Crore	2012 ₹ Crore
<b>(i) Purchase of Finished Goods</b>	<b>163.35</b>	<b>137.50</b>
Alcon Cement Company Private Limited	74.53	69.57
Aakaash Manufacturing Company Private Limited	88.82	67.93
<b>(ii) Purchase of Raw Materials</b>	<b>22.20</b>	<b>26.86</b>
Asian Concretes & Cements Private Limited	22.20	26.86



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

### D) Transactions with Associate Companies (contd.)

	2013 ₹ Crore	2012 ₹ Crore
<b>(iii) Sale of Finished / Unfinished Goods</b>	<b>34.97</b>	<b>32.82</b>
Alcon Cement Company Private Limited	25.00	30.52
Aakaash Manufacturing Company Private Limited	9.97	2.30
<b>(iv) Dividend Received</b>	<b>6.59</b>	<b>3.09</b>
Alcon Cement Company Private Limited	4.53	2.65
Aakaash Manufacturing Company Private Limited	2.06	0.44
<b>(v) Reimbursement of Expenses Paid/Payable</b>	<b>0.02</b>	-
Aakaash Manufacturing Company Private Limited	0.02	-
<b>(vi) Reimbursement of Expenses Received/Receivable</b>	<b>6.25</b>	<b>3.95</b>
Alcon Cement Company Private Limited	5.64	3.95
Asian Concretes & Cements Private Limited	0.61	-
<b>(vii) Rendering of Services</b>	<b>1.24</b>	<b>1.19</b>
Alcon Cement Company Private Limited	1.24	1.19
<b>(viii) Receiving of Services</b>	<b>53.04</b>	<b>49.37</b>
Asian Concretes & Cements Private Limited	53.04	49.37
<b>(ix) Outstanding balance included in Trade receivables</b>	<b>6.22</b>	<b>9.37</b>
Alcon Cement Company Private Limited	4.59	8.79
Aakaash Manufacturing Company Private Limited	1.63	0.58
<b>(x) Outstanding balance included in Trade payables</b>	<b>17.52</b>	<b>21.06</b>
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

### (E) Details of Transactions relating to Holding Companies

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

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

### (F) Details of Transactions relating to Fellow Subsidiary Companies

	2013 ₹ Crore	2012 ₹ Crore
<b>(i) Purchase of Raw Materials</b>	<b>17.24</b>	<b>83.80</b>
Holcim Trading FZCO	4.45	83.80
Holcim Trading Pte Ltd	3.19	-
Ambuja Cements Limited	9.60	-
<b>(ii) Purchase of Finished / Unfinished Goods</b>	<b>13.59</b>	<b>23.16</b>
Ambuja Cements Limited	13.59	23.16
<b>(iii) Purchase of Stores &amp; Spares</b>	<b>0.12</b>	<b>1.70</b>
Ambuja Cements Limited	0.12	1.70
<b>(iv) Purchase of Fixed Assets</b>	<b>4.08</b>	-
Ambuja Cements Limited	4.08	-
<b>(v) Sale of Finished / Unfinished Goods</b>	<b>6.16</b>	-
Ambuja Cements Limited	6.16	-
<b>(vi) Sale of Raw Material &amp; Other Items</b>	<b>11.55</b>	<b>7.56</b>
Ambuja Cements Limited	11.55	7.56
<b>(vii) Rendering of Services</b>	<b>4.56</b>	<b>5.71</b>
Ambuja Cements Limited	4.12	2.63
Holcim (Lanka) Limited	-	2.89
Others	0.44	0.19
<b>(viii) Reimbursement of Expenses Paid / Payable</b>	<b>3.20</b>	<b>12.75</b>
Holcim Trading FZCO	2.74	12.70
Ambuja Cements Limited	0.45	0.02
Others	0.01	0.03
<b>(ix) Reimbursement of Expenses Received / Receivable</b>	<b>5.82</b>	<b>1.11</b>
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
<b>(x) Receiving of Services</b>	<b>49.86</b>	<b>99.76</b>
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

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

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

	2013 ₹ Crore	2012 ₹ Crore
<b>(xi) Interest Paid</b>	-	<b>0.09</b>
Ambuja Cements Limited	-	0.09
<b>(xii) Technology and Know-how fee</b>	<b>107.66</b>	-
Holcim Technology Ltd	107.66	-
<b>(xiii) Outstanding balance included in Trade receivables</b>	<b>1.94</b>	<b>5.02</b>
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
<b>(xiv) Outstanding balance included in Trade payables</b>	<b>42.83</b>	<b>36.02</b>
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	1.52

### (G) Details of Transactions relating to Associate Company of Fellow Subsidiary

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

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

### (H) Details of Transaction with Key Management Personnel

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

### 36. CAPITAL AND OTHER COMMITMENTS

	2013 ₹ Crore	2012 ₹ Crore
A) Estimated value of contracts in capital account remaining to be executed	1,532.60	1,375.27

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

### 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
Others	27.98	20.24
	<b>139.16</b>	<b>110.59</b>
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.

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

- 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.
- (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 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 Other Current Liabilities	CHF	0.23	69.50	15.99	0.31	59.84	18.46
	USD	0.03	61.78	1.72	0.29	54.69	15.81
	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. 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.
41. Tax adjustments for earlier years of ₹ 216.74 Crore represents write back of tax provision related to earlier assessment years.

### 42. 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

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

### 43. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS

Particulars	2013 ₹ Crore	2012 ₹ Crore
Raw Material	56.07	103.00
Stores and Spare Parts	53.65	107.50
Coal	209.44	402.52
Capital Goods	104.35	51.00
	423.51	664.02

### 44. EXPENDITURE IN FOREIGN CURRENCIES (ON ACCRUAL BASIS)

Particulars	2013 ₹ Crore	2012 ₹ Crore
Technology and Know-how fees	107.66	-
Fees for Technical support services	24.33	36.21
Consultants' Fees	1.28	4.86
Others	54.76	37.23
	188.03	78.30

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

	2013		2012	
	₹ Crore	%	₹ Crore	%
(a) Raw materials				
Imported	85.84	5.29	165.74	10.68
Indigenous	1,535.64	94.71	1,385.73	89.32
	1,621.48	100.00	1,551.47	100.00
(b) Stores and spare parts				
Imported	42.25	11.08	53.81	13.92
Indigenous	339.04	88.92	332.69	86.08
	381.29	100.00	386.50	100.00

### 46. EARNINGS IN FOREIGN EXCHANGE (ON ACCRUAL BASIS)

Particulars	2013 ₹ Crore	2012 ₹ Crore
Consultancy Services	0.78	-
	0.78	-

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

### 47. REMITTANCES IN FOREIGN CURRENCIES -

Particulars	2013	2012
On account of dividend to non-resident shareholders		
(a) Final Dividend		
No. of shareholders	1	1
No. of Equity Shares	5,41,000	5,41,000
Amount remitted (₹ Crore)	1.03	0.92
Year to which it pertains	2012	2011
(b) Interim Dividend		
No. of shareholders	1	1
No. of Equity Shares	5,41,000	5,41,000
Amount remitted (₹ Crore)	0.60	0.60
Year to which it pertains	2013	2012

### 48. PROPOSED DIVIDEND

The final dividend proposed for the year is as follows :

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

### 49. COMPARATIVE FIGURES

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

As per our report of even date

**For 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 HUGENTOBLER**  
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