

Directors' Report

TO THE MEMBERS OF ACC CONCRETE LIMITED

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

1. FINANCIAL RESULTS

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

2. OPERATIONS

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

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

pricing pressure especially in the last quarter of the year.

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

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

3. DIVIDEND

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

4. FUTURE OUTLOOK

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

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

5. BUSINESS COLLABORATION AGREEMENT

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

6. SHARE CAPITAL

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

7. DIRECTORS

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

8. AUDIT COMMITTEE

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

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

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

9. AUDITORS

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

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

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

Energy Conservation

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

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

Technology Absorption, Adaptation and Innovation

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

Foreign Exchange Earnings and Outgo

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

11. PARTICULARS OF EMPLOYEES

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

12. DIRECTORS RESPONSIBILITY STATEMENT

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

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

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

13. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Hans J Fuchs
Managing Director

Sunil K Nayak
Director

Mumbai
February 07, 2012

Annexure ‘A’ to Directors’ Report (Para 11)

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

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

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

For and on behalf of the Board of Directors
Hans Fuchs
Managing Director

Sunil Nayak
Director

Mumbai,
February 07, 2012

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

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

1. We have audited the attached Consolidated Balance Sheet of ACC Concrete Group, comprising of ACC Concrete Limited ('the Company') and its associates as at December 31, 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of an associate, whose financial statements reflect the Group's share of profit of ₹ 156.63 lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management of the Company, and our opinion is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, and Accounting Standard (AS) 23 Accounting for Investments in Associates in Consolidated Financial Statements, notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components and to the best of information and according the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in case of the consolidated balance sheet, of the state of affairs of ACC Concrete Group as at December 31, 2011;
 - (ii) in case of the Consolidated Profit and Loss Account, of the loss for the year then ended; and
 - (iii) in case of the Consolidated Cash Flow Statement, of the cash flows for the year then ended.

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

Raghuvir M. Aiyar
Partner
Membership No.: 38128

Place: Mumbai
Date: February 07, 2012

Consolidated Balance Sheet as at December 31, 2011

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

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

As per our report of even date

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

Raghuvir M. Aiyar
Partner
Membership No. 38128

Mumbai, February 07, 2012

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

Hans J. Fuchs
Managing Director

Allwyn D'costa
Chief Financial Officer

Sunil K. Nayak
Director

Vinayak Gupta
Company Secretary

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

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

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

As per our report of even date

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

Raghuvir M. Aiyar
Partner
Membership No. 38128

Mumbai, February 07, 2012

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

Hans J. Fuchs
Managing Director

Allwyn D'costa
Chief Financial Officer

Sunil K. Nayak
Director

Vinayak Gupta
Company Secretary

Consolidated Cash Flow Statement

for the year ended December 31, 2011

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

Notes : 1 All figures in brackets are outflow.

2 Previous Period's figures are regrouped / recasted wherever necessary.

3 Cash and Cash Equivalents is Cash and Bank Balance as per Balance Sheet.

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

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

Hans J. Fuchs
Managing Director

Sunil K. Nayak
Director

Raghuvir M. Aiyar
Partner
Membership No. 38128

Allwyn D'costa
Chief Financial Officer

Vinayak Gupta
Company Secretary

Mumbai, February 07, 2012

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 1, SHARE CAPITAL

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

SCHEDULE - 2, RESERVES AND SURPLUS

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

SCHEDULE - 3, UNSECURED LOANS

	2011	2010
	₹ Lacs	₹ Lacs
Short Term Loan	4,000.00	7,300.00
(Inter - Corporate Deposits from ACC Limited, the Holding Company)		
TOTAL	4,000.00	7,300.00

Schedules forming part of the Consolidated Balance Sheet

₹ Lacs

SCHEDULE - 4. FIXED ASSETS

FIXED ASSETS	GROSS BLOCK AT COST				TOTAL DEPRECIATION / AMORTISATION			NET BLOCK		
	As at 01-01-2011	Additions/ Adjustments	Deductions/ Adjustment	As at 31-12-2011	As at 01-01-2011	For the year	On Disposal	As at 31-12-2011	As at 31-12-2011	As at 31-12-2010
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1 Leasehold Land	300.06	-	-	300.06	16.51	5.50	-	22.01	278.05	283.55
2 Buildings	5,007.29	305.80	225.39	5,087.70	1,971.44	692.66	63.80	2,600.30	2,487.40	3,035.85
3 Machinery, Plant	8,936.57	526.12	2.16	9,460.53	2,649.91	989.37	0.95	3,638.33	5,822.20	6,286.66
4 Furniture, Fixtures and Equipments	247.26	31.92	-	279.18	39.88	22.22	-	62.10	217.08	207.38
5 Motor Cars, Trucks, etc. (Transit Mixers)	1,391.19	28.96	344.94	1,075.21	713.84	148.93	298.29	564.48	510.73	677.35
6 Electric Installations	762.71	59.27	43.54	778.44	156.18	68.12	7.16	217.14	561.30	606.53
Sub Total	16,645.08	952.07	616.03	16,981.12	5,547.76	1,926.80	370.20	7,104.36	9,876.76	11,097.32
7 Intangible Asset	278.25	11.12	-	289.37	139.42	99.20	-	238.62	50.75	138.83
Sub Total	278.25	11.12	-	289.37	139.42	99.20	-	238.62	50.75	138.83
Total	16,923.33	963.19	616.03	17,270.49	5,687.18	2,026.00	370.20	7,342.98	9,927.51	11,236.15
Previous Year	16,732.43	472.60	281.70	16,923.33	3,712.48	2,104.33	129.63	5,687.18	11,236.15	

Note:

- i) Capital work in Progress and Unallocated Capital Expenditure including Capital Advance on Fixed Assets:- 114.37 42.26
- ii) The Company is in process of getting the lease hold land transferred in its name

SCHEDULE - 5. INVESTMENT - Long Term (at Cost)

	2011	2010
	₹ Lacs	₹ Lacs
Trade Investments		
Equity Shares - Fully Paid (Unquoted):-	600.92	-
Aakaash Manufacturing Company Private Limited (4,401 Equity shares of ₹ 10 each acquired during the year)		
(Includes unamortised goodwill of ₹ 248.50 Lacs, Previous Year ₹ Nil)		
Add: Share of Profit	156.63	-
Less: Amortisation of goodwill	(18.64)	-
TOTAL	738.91	-

SCHEDULE - 6. INVENTORIES (At Cost or Net realisable value whichever is lower)

	2011	2010
	₹ Lacs	₹ Lacs
Raw Materials	940.88	644.93
Stores & Spare Parts and Fuels	51.99	48.54
TOTAL	992.87	693.47

SCHEDULE - 7. SUNDRY DEBTORS

	2011	2010
	₹ Lacs	₹ Lacs
SUNDRY DEBTORS (UNSECURED)		
(a) Over Six Months -		
Considered Good	561.09	97.43
Considered Doubtful	1,034.64	457.92
	1,595.73	555.35
Less: Provision made for Bad and Doubtful Debts	1,034.64	457.92
	561.09	97.43
(b) Others - (Considered Good)	8,759.89	8,476.55
TOTAL	9,320.98	8,573.98

Note: Unsecured Debtors considered good includes ₹ 1,647.00 Lacs (Previous Year - ₹ 1,352.82 Lacs) in respect of which the Company holds guarantees from the bank

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 8, CASH AND BANK BALANCES

	2011	2010
	₹ Lacs	₹ Lacs
Balances With Scheduled Banks		
In Current Account	409.87	183.72
In Fixed Deposit	0.05	0.05
TOTAL	409.92	183.77

SCHEDULE - 9, OTHER CURRENT ASSETS

	2011	2010
	₹ Lacs	₹ Lacs
Fixed Assets held for sale	68.78	71.55
TOTAL	68.78	71.55

SCHEDULE - 10, LOANS AND ADVANCES -

(Unsecured, Considered Good, unless otherwise stated)

	2011	2010
	₹ Lacs	₹ Lacs
1. Balances With Government		
Authorities on Current Accounts	592.22	383.46
2. Sundry Advances And Deposits, etc.		
(a) Advances Recoverable in cash or in Kind of for value to be received		
Considered Good	339.73	272.94
	339.73	272.94
(b) Advances and Deposits with Railways, Government Bodies and others		
Considered Good	986.04	1,036.90
	986.04	1,036.90
(a+b)	1,325.77	1,309.84
3 Advance Payment Against Taxes (Net of provision)	33.94	16.59
TOTAL	1,951.93	1,709.89

SCHEDULE - 11, CURRENT LIABILITIES

	2011	2010
	₹ Lacs	₹ Lacs
Sundry Creditors		
Payable to the Holding Company	1,453.96	1,460.73
Other Sundry Creditors	12,205.61	10,876.86
Sundry Deposits	395.40	93.64
TOTAL	14,054.97	12,431.23

SCHEDULE - 12, PROVISIONS

	2011	2010
	₹ Lacs	₹ Lacs
Provision for Employee Benefits	132.93	95.07
TOTAL	132.93	95.07

SCHEDULE - 13, MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

	2011	2010
	₹ Lacs	₹ Lacs
Preliminary Expenses	28.18	56.37
TOTAL	28.18	56.37

Schedules forming part of the Consolidated Profit and Loss Account

SCHEDULE - 14, OTHER INCOME

	2011	2010
	₹ Lacs	₹ Lacs
Other Operating Income		
Provision no longer required written back	208.69	209.26
Foreign Exchange Gains (Losses)	(26.43)	(6.50)
	182.26	202.76
Other Income		
Interest Income	5.92	9.53
	5.92	9.53
TOTAL	188.18	212.29

Schedules forming part of the Consolidated Profit and Loss Account

SCHEDULE - 15, MANUFACTURING AND OTHER EXPENSES

	2011	2010
	₹ Lacs	₹ Lacs
MANUFACTURING AND DISTRIBUTION EXPENSES		
Purchase of Ready Mixed Concrete	7,151.87	4,754.98
Raw Materials Consumed	43,451.51	39,421.76
Stores & Spare parts Consumed	94.64	84.02
Labour Expenses Sub contracted	1,068.53	759.10
Outbound Freight Charges	5,745.44	5,910.55
Conversion charges Paid	72.86	-
Pumping and Conveying Charges	1,443.11	1,412.64
Power and Fuel	958.10	807.86
Repairs to Building	3.98	9.41
Repairs to Machinery	377.60	325.87
Repairs to Other Items	251.52	233.14
	60,619.16	53,719.33
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Wages, Dearness Allowance and Bonus	3,288.29	2,972.89
Contributions / Provisions to and for Provident and Other Funds	186.18	171.98
Workmen and Staff Welfare Expenses	328.26	296.91
	3,802.73	3,441.78
ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Rent	1,194.70	1,467.51
Rates and Taxes	133.10	188.14
Insurance	12.55	13.62
Consultancy Services	753.92	841.64
Advertisement	0.36	0.08
Miscellaneous Expenses written off	46.82	28.18
Provision for Bad and Doubtful Debts	678.76	350.70
Net Value of Discarded or Dismantled or Scrapped Capital Assets	163.03	121.91
Other Expenses	2,089.51	1,744.17
	5,072.75	4,755.95
TOTAL	69,494.64	61,917.06

SCHEDULE - 16, INTEREST EXPENSES

	2011	2010
	₹ Lacs	₹ Lacs
Other Interest	1.04	18.87
TOTAL	1.04	18.87

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

Schedule –17, NOTES TO CONSOLIDATED ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON DECEMBER 31st, 2011

1. Basis of preparation

- (i) The Consolidated financial statements of the Company are prepared under the historical cost convention on accrual basis of accounting and in accordance with the accounting principles generally accepted in India and in compliance with the provision of the Companies Act, 1956 and comply with the mandatory accounting standards (AS) specified in Companies (Accounting Standard) Rules, 2006 (as amended) prescribed by the Central Government of India.
- (ii) The Consolidated Financial statements are based on historical cost and are prepared on accrual basis, except where impairment is made and revaluation is carried out.
- (iii) Accounting policies have been consistently applied by the Company.
- (iv) The following associate company is included in Consolidation:

Name of the Company	Percentage Holding	
	2011	2010
Aakaash Manufacturing Company Private Limited	40%	-

The above Company is incorporated in India. The audited financial statement of the Associate have been drawn up to 31st Dec 2011 using accounting policies for depreciation on fixed assets which are different than that of the company, the resultant adjustments which are not material have not been considered.

- (v) Investment in associates are accounted for using Equity method as per Accounting Standard – AS23- “Accounting for Investments in Associates in Consolidated financial Statements” notified by Companies (Accounting Standard) Rules, 2006 (as amended).
- (vi) The difference between the cost of investment in the Associate, and the company's share of net assets at the time of acquisition of share in the associate is recognized in the financial statement as Goodwill or Capital Reserve as the case may be. Goodwill is amortised over a period of ten years from the date of acquisition / investment.

2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Significant Accounting Policies

(i) Revenue recognition

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

Sale of goods

- a) Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.
- b) Income from jobs and other services rendered is accounted for as per the terms of contract.

Interest and Dividend Income

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

(ii) Accounting of claims

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

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

(iii) Fixed assets

- a) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation, impairment losses.
- b) Depreciation

The useful life of transit mixers and pumps is estimated at 8 years and 6 years respectively. Buildings, civil cost and installations are estimated to have useful life of 10 years. These assets are depreciated over the useful life on straight line method on a pro-rata basis.

The assets transferred from ACC Limited under the business purchase agreement are depreciated over the remaining useful life considering the period for which ACC Limited has already used such assets.

Useful life of certain assets is tailored based upon the commercial agreements and the carrying amount of such assets is allocated over their useful life.

In case of Plant & Machinery and Electrical installation at the Ready mixed concrete plants, depreciation has been provided on triple shift basis for the entire year even though the plants have worked only double and single shifts at various times, based on assessment of estimated useful life.

All other assets are depreciated on the straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956, on a pro-rata basis.

- c) Cost of leasehold land is amortised over the period of lease.

(iv) Intangibles

Software cost is amortised over a period of three years.

(v) Impairment

An impairment loss is charged to the Profit and Loss Account wherever the carrying amount of an asset exceeds its estimated recoverable amount. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

(vi) Expenditure during construction period

In case of new projects expenditure incurred, including trial production expenses net of revenue earned, prior to commencement of commercial production are capitalised.

(vii) Investments

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

(viii) Leases

Lease payments under operating lease are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

(ix) Inventories

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

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

(x) Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transactions. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising on

the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(xi) Employee benefits

a) Defined Contribution Plan

Defined contribution plan consists of Government Provident Fund Scheme and Employee State Insurance scheme. Company's contribution paid / payable during the year under these schemes are charged to Profit and Loss Account. There are no other obligations other than the contribution made by the company.

b) Defined Benefit Plan

Company's liabilities towards gratuity, additional gratuity and long term compensated absences are the defined benefit plans. Company's liabilities towards these are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on Government bonds.

c) Other employee benefit

Company's liability towards silver jubilee and long service awards and additional gratuity as applicable is determined on the basis of period of service as at Balance Sheet Date.

(xii) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Deferred Tax Assets are reviewed at each Balance Sheet date.

(xiii) Contingencies / Provisions

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

4. SEGMENT REPORTING

The Company is operating only in one significant business segment i.e. Ready Mixed Concrete; hence segment information as per Accounting Standard 17 is not required to be disclosed. The Company is catering only to the need of the domestic market; as such there is no reportable Geographical Segment.

5. MISCELLANEOUS EXPENDITURE

Share issue expenses are being amortized over a period of 60 months from the commencement of commercial operations.

6. RELATED PARTY DISCLOSURE

(A) Particulars of Related Parties, which control or are under common control with the company :

Name of the Related Parties	Nature of Relationship
(i) ACC Limited	Holding Company
(ii) ACC Mineral Resources Limited (Formerly The Cement Marketing Company of (India) Limited)	Fellow Subsidiary Company
(iii) Lucky Minmat Limited (formerly Lucky Minmat Private Limited)	Fellow Subsidiary Company
(iv) Bulk Cement Corporation (India) Limited	Fellow Subsidiary Company
(v) National Limestone Company Private Limited	Fellow Subsidiary Company.
(vi) Encore Cement and Additives Private Limited	Fellow Subsidiary Company w.e.f 28.01.2010
(vii) MP AMRL(Semaria) Coal Company Limited	Joint Venture of Fellow Subsidiary Company ACC Mineral Resources Limited
(viii) MP AMRL(Bicharpur) Coal Company Limited	Joint Venture of Fellow Subsidiary Company ACC Mineral Resources Limited
(ix) MP AMRL(Marki Barka) Coal Company Limited	Joint Venture of Fellow Subsidiary Company ACC Mineral Resources Limited
(x) MP AMRL(Morga) Coal Company Limited	Joint Venture of Fellow Subsidiary Company ACC Mineral Resources Limited
(xi) Alcon Cement Company Private Limited	Associate Company of the Holding Company
(xii) Asian Concretes & Cements Private Limited	Associate Company of the holding Company w.e.f April 01, 2010
(xiii) Aakaash Manufacturing Company Private Limited	Associate Company w.e.f. March 25, 2011
(xiv) Ambuja Cement India Private Limited*	Holding Company of Holding Company
(xv) Ambuja Cements Limited	Fellow Subsidiary of Holding Company
(xvi) Holderind Investments Limited	Holding Company of Holcim (India) Private Limited
(xvii) Holcim (India) Private Limited*	Holding Company of Holding Company
(xviii) Holcim Services (Asia) Limited	Fellow Subsidiary of Holding Company
(xix) Holcim Group Support Limited	Fellow Subsidiary of Holding Company
(xx) Holcim (Singapore) Limited	Fellow Subsidiary of Holding Company
(xxi) Holcim Trading FZCO	Fellow Subsidiary of Holding Company
(xxii) Holcim (Lanka) Limited	Fellow Subsidiary of Holding Company
(xxiii) P T Holcim Indonesia Tbk	Fellow Subsidiary of Holding Company
(xxiv) Holcim Services (South Asia) Limited	Fellow Subsidiary of Holding Company
(xxv) Holcim Limited	Ultimate Holding Company of Holding Company
(xxvi) Siam City Concrete Co. Limited	Fellow Subsidiary of Holding Company

Name of the Related Parties	Nature of Relationship
(xxvii) Siam City Cement Public Company Limited	Fellow Subsidiary of Holding Company
(xxviii) National Cement Factory	Fellow Subsidiary of Holding Company
(xix) Holcim Bangladesh Limited	Fellow Subsidiary of Holding Company
(xxx) Holcim (Canada) INC	Fellow Subsidiary of Holding Company
(xxxi) Holcim Vietnam Limited	Fellow Subsidiary of Holding Company
(xxxii) Holcim Environment Services SA, Belgium	Fellow Subsidiary of Holding Company
(xxxiii) Holcim Foundation	Fellow Entity of Holding Company
(xxxiv) Holcim (Malaysia) SDN BHD	Fellow Subsidiary of Holding Company
(xxxv) Holcim (US)	Fellow Subsidiary of Holding Company
(xxxvi) Holcim Group Suppot (S) PTE Limited	Fellow Subsidiary of Holding Company
(xxxvii) Holcim Philippines	Fellow Subsidiary of Holding Company

(B) Key Management Personnel:

Name of the Related Party	Nature of Relationship
(i) Mr. Hans Fuchs	Managing Director

Note:

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

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

(C) Transactions with Holding Company

	2011	2010
	₹ Lacs	₹ Lacs
(i) Purchase of Finished/ Unfinished goods	10,545.08	7,518.45
(ii) Reimbursement of Expenses/ Cost of Material/Stores Paid	52.53	55.00
(iii) Reimbursement of Expenses/ Cost of Material/Stores Received	32.14	41.54
(iv) Receiving of Services	-	0.01
(v) Interest paid during the year	-	1.11
(vi) Investment received in the Share Capital of the Company	5,000.00	-
(vii) Inter Corporate Deposits Received During the Year	2,600.00	2,800.00
(viii) Inter Corporate Deposits Liquidated During the Year	5,900.00	2,300.00
(ix) Inter Corporate Deposits as at the end of the Year	4,000.00	7,300.00
(x) Outstanding balance included in Current Liabilities (Net)	1,453.96	1,460.73

(D) Transactions with National Limestone Company Private Limited - Fellow Subsidiary Company

	2011	2010
	₹ Lacs	₹ Lacs
(i) Purchase of Finished/ Unfinished goods	35.06	-
(ii) Outstanding balance included in Current Liabilities (Net)	8.23	-

(E) Transactions with Aakaash Manufacturing Company Private Limited - Associate Company

	2011	2010
	₹ Lacs	₹ Lacs
(i) Purchase of Finished/ Unfinished goods	5,466.10	-
(ii) Reimbursement of Expenses/ Cost of Material/Stores Paid	0.50	-
(iii) Outstanding balance included in Current Liabilities (Net)	778.27	-

(F) Details of Transactions with Fellow Subsidiary of Holding Company

	2011	2010
	₹ Lacs	₹ Lacs
(i) Purchase of Finished/ Unfinished goods/Stores And Spares	3,925.30	5,228.77
Ambuja Cement Limited	3,925.30	5,228.77
(ii) Sale of Fixed Assets	1.04	-
Ambuja Cement Limited	1.04	-
(iii) Reimbursement of Expenses		
Paid / Payable	-	3.88
P T Holcim Beton	-	3.88
(iv) Training/Technical Know how/ Market survey/Management Fees etc.	332.31	303.11
Holcim Group Support Limited	30.13	54.11
Holcim Services (South Asia) Limited	147.91	158.34
Holcim Services (Asia) Limited	153.84	87.86
Siam City Cement Public Company Limited	0.43	2.80
(v) Training Fees Received	(0.32)	5.49
Holcim Group Support (S) PTE Ltd.	-	5.04
PT Holcim Indonesia TBK	(0.32)	0.45
(vi) Outstanding Balance Included in Current Liability	472.71	432.53
Ambuja Cement Ltd	204.62	172.15
Holcim Service South Asia Ltd	28.31	46.19
Holcim Group Support Ltd	76.45	144.74
Holcim Services Asia Ltd	153.48	68.33
PT Holcim Indonesia TBK	9.86	1.12

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

	2011	2010
	₹ Lacs	₹ Lacs
Remuneration		
Mr. Hans Fuchs	177.42	164.31

7. CONSOLIDATED EARNINGS PER SHARE - [EPS]

	2011	2010
	₹ Lacs	₹ Lacs
Profit/(Loss) after taxation as per Consolidated Profit and Loss account (₹ Lacs)	(2,375.59)	(2,911.22)
Less: Preference dividend on 1% Cumulative Redeemable Preference Share Capital (₹ Lacs)	100.00	100.00
Profit/(Loss) after dividend on preference share capital (₹ Lacs)	(2,475.59)	(3011.22)
Weighted average number of Equity shares outstanding	100,273,973	100,000,000
Basic earnings per Share (Weighted Average) in ₹ (face value - ₹ 10 per share)	(2.47)	(3.01)

(Basic and Diluted earning per share are the same)

8. EMPLOYEE BENEFIT :

Defined benefit plans / compensated absences – As per actuarial valuation on December 31, 2011.

Particulars	Gratuity		Leave Encashment
	Funded	Non Funded	Non Funded
	₹ Lacs	₹ Lacs	₹ Lacs

(I) Expenses recognized in the Statement of Profit & Loss for the year ended December 31, 2011

1 Current Service cost	28.61	0.19	15.33
	23.10	0.22	16.17
2 Interest Cost	9.31	0.52	3.54
	6.73	0.43	2.45
3 Expected return on plan assets	(7.84)	-	-
	(8.85)	-	-
4 Actuarial Losses (+)/ gains (-)	(5.58)	2.02	2.76
	(8.89)	(7.3)	9.17
5 Curtailment Losses (+)/ gains (-)	-	-	-
	-	-	-
6 Total Expense *	24.50	2.73	21.63
	12.09	(6.64)	27.79

(II) Net Asset / (Liability) recognized in the Balance Sheet as at December 31, 2011

1 Present value of Defined Benefit obligation	(147.58)	(9.62)	(63.55)
	(136.97)	(6.90)	(53.19)
2 Fair value of plan assets	103.48	-	-
	117.36	-	-
3 Funded status [Surplus / (Deficit)]	(44.10)	(9.62)	(63.55)
	(19.61)	(6.90)	(53.19)
4 Net asset / liability	(44.10)	(9.62)	(63.55)
	(19.61)	(6.90)	(53.19)

Particulars	Gratuity		Leave Encashment
	Funded	Non Funded	Non Funded
	₹ Lacs	₹ Lacs	₹ Lacs

(III) Change in Obligation during the year ended on December 31, 2011

1 Present value of Defined Benefit Obligation at the beginning of the year	136.97	6.90	53.19
	123.26	14.39	41.28
2 Current Service cost	28.61	0.19	15.33
	23.10	0.22	16.17
3 Interest cost	9.31	0.52	3.54
	6.73	0.43	2.45
4 Settlement cost	-	-	-
5 Past Service cost	-	-	-
6 Employee contributions	-	-	-
7 Actuarial Gains(-) / Losses(+)	(3.82)	2.02	2.76
	(11.07)	(7.30)	(9.17)
8 Premium paid	-	-	-
9 Curtailment Gains(-) / Losses(+)	-	-	-
10 Benefit Payments/Payable	(23.48)	-	(11.27)
	(5.06)	(0.84)	(15.88)
11 Present value of Defined Benefit Obligation at the end of the year	147.58	9.62	63.55
	136.97	6.90	53.19

(IV) Change in Assets during the year ended December 31, 2011

1 Plan Assets at the beginning of the year	117.36	-	-
	110.68	-	-
2 Settlements	-	-	-
3 Expected return on plan assets	7.84	-	-
	8.85	-	-
4 Contributions by employer	-	-	-
5 Actual benefits paid	(23.48)	-	-
	-	-	-
6 Actuarial Gains(+)/ Losses(-)	1.76	-	-
	(2.18)	-	-
7 Plan assets at the end of the year	103.48	-	-
	117.36	-	-

(V) The major categories of plan assets as a percentage of total plan Qualifying Insurance Policy

	100%	-	-
(VI) Actuarial Assumptions as at December 31, 2011			
1 Discount Rate	7.50% p.a.(P. Y. - 7.50% p.a.)		
2 Expected rate of return on plan assets	7.50% p.a.(P. Y. - 7.50% p.a.)		
3 Mortality	Indian Assured Lives Mortality (1994-96) Modified Ultimate		
4 Turnover Rate	25% p.a. (P. Y. - 25% p.a.)		
5 Disability	5% Allowance for disability is made in the mortality rates		

(Figures in italics pertain to previous year)

- (a) * (i) (6) of the above includes ₹ 0.01 Lacs (Previous Year - ₹ Nil) being Gratuity (Funded) and ₹ 0.03 Lacs. (Previous Year - ₹ Nil) being Leave Encashment capitalized to the cost of Fixed Assets.

Amounts recognised as an expense/(income) and included in the Schedule 15 Under "Salaries, Wages, Dearness Allowance and Bonus" of Profit and Loss Account are ₹ 2.73 Lacs (Previous Year Credit - ₹ 6.64 Lacs) for non funded Gratuity, ₹ 21.63 Lacs (Previous Year - ₹ 27.79 Lacs) for Leave Encashment, Under "Contributions / Provision to and for Provident and other Funds" of Profit and Loss Account is ₹ 24.50 Lacs (Previous Year - ₹ 12.09 Lacs) for Gratuity (Funded).

- (b) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (c) Basis used to determine Expected rate of return on assets

The Expected rate of return on plan assets is based on market expectation, at the beginning of the period, for return over the entire life of the related obligation.

9. (a) The Company has issued 1,000 Lacs 1% cumulative redeemable preference shares of ₹ 10 each to the Holding Company for cash at par on August 27, 2009.

The Company has not made provision for dividend payable amounting to ₹ 100.00 Lacs for the year (Previous Year - ₹ 100.00 Lacs) towards 1% cumulative redeemable preference shares in absence of profits for the year. The Cumulative Liability in respect of dividend payable on Cumulative Redeemable Preference Shares is ₹ 234.68 Lacs (Previous Year - ₹ 134.68 Lacs).

The Company has not created a Capital Redemption Reserve towards redemption of the 1% Cumulative Redeemable Preference Shares, in the absence of profits. The due date of redemption of the same is August 26, 2012.

- (b) During the year Company has issued 500 Lacs Equity Shares of ₹ 10 each to Holding company for cash at par.

10. OPERATING LEASE

- (a) Future Lease Rental payments

	2011	2010
	₹ Lacs	₹ Lacs
(i) Not Later than one year	1,224.44	1,060.92
(ii) Later than one year and not later than five years	221.38	93.10
(iii) Later than five years	-	-

Variable charges in case of Transit Mixers and Pumps are not considered

- (b) Outbound Freight Charge of ₹ 5,745.44 Lacs (Previous Year - ₹ 5,910.55 Lacs) include lease rent of ₹ 3,240.36 Lacs (Previous Year - ₹ 2,603.17 Lacs) and Pumping and Conveying Charges of ₹ 1,443.11 Lacs (Previous Year - ₹ 1,412.64 Lacs) include lease rent of ₹ 1,298.68 Lacs (Previous Year - ₹ 1,152.16 Lacs). (Refer Schedule - 15)

- (c) General description of leasing arrangement:

- (i) Leased Assets: Office and other premises, Pumps and Transit Mixers etc.
- (ii) Lease rentals are charged on the basis of agreed terms.

11. TAXATION

No provision for current tax is made in view of the losses for the year.

In view of carried forward losses, the Company has deferred tax assets; however, as a matter of prudence and in view of the absence of virtual certainty of future taxable income, the same has not been recognized in the financial statements.

12. The Company had entered into Business collaboration agreement with Aakaash Manufacturing Company Private Limited to capture market in Goa and nearby area. Aakaash Manufacturing Company Private Limited has four Ready Mix Concrete plants in Goa with an annual turnover of ₹ 6,800 Lacs. An "agreement to sell" was entered into between the Company and the selling shareholders of Aakaash Manufacturing Company Private Limited, under which during the year the Company has acquired 40% equity stake in Aakaash Manufacturing Company Private Limited at consideration of ₹ 550.13 Lacs. The stamp duty, registration fees on the same have been added to the cost of Investment. As per agreement the company has agreed to pay the Selling Shareholders additional consideration of 40% of sales tax refund if received by Aakaash Manufacturing Company Private Limited on or before March 31, 2013. Provision has been made in the accounts for an estimated amount of ₹ 42.30 Lacs towards the additional consideration payable.

13. CONTINGENT LIABILITIES NOT PROVIDED FOR

- (a) Indemnity, Guarantees given to Banks/Financial Institutions, Government Bodies and others ₹ 984.50 Lacs (Previous Year - ₹ 833.58 Lacs)
- (b) Letter of Credit opened with Banks/Financial Institutions ₹ 679.25 Lacs (Previous Year - ₹ Nil) for procurement of Raw Materials
- (c) Sales tax, entry tax & other dues ₹ 130.00 lacs (Previous Year - ₹ 352.43 Lacs), in respect of this Company has issued Bank guarantee of ₹ 33.00 Lacs (Previous Year - ₹ 255.81 Lacs) which is included in item (a) above.
- (d) Claims against the Company not admitted as debt - Royalty ₹ 13.00 Lacs (Previous Year - ₹ 12.98 Lacs), in respect of this Company has issued Bank guarantee of ₹ 5.00 Lacs (Previous Year - ₹ 4.90 Lacs) which is included in item (a) above.
14. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 66.23 lacs. (Previous Year - ₹ 11.11 lacs)

15. The pre-operative expenses incurred and transferred to Capital work in progress is as under:

	2011	2010
	₹ Lacs	₹ Lacs
Salary and Allowances	11.58	-
Contribution to Provident and other funds	0.07	-
Total	11.65	-

16. The Consolidated results for the year ended December 31, 2011 are not comparable with the previous year since this is the first year of consolidation.

17. Other Expenses includes payment to Statutory Auditors as given below:

Payment to Statutory Auditors (excluding service tax)

	2011	2010
	₹ Lacs	₹ Lacs
Audit Fees	22.00	22.00
Tax Accounts Audit and Tax Audit Fees	8.00	8.00
For other services (Limited Review etc.)	14.54	12.00
Expenses Reimbursed	3.67	3.31
TOTAL	48.21	45.31

18. Particulars of un-hedged foreign currency exposure as at Balance Sheet date.

Particulars	Amount
Creditors CHF	₹ 76.45 lacs (CHF 1.31 lacs @ closing rate of 1 CHF = ₹ 58.45) {Previous year - ₹ 139.05 lacs (CHF 2.87 lacs @ closing rate of 1 CHF = ₹ 48.43)}
USD	₹ 163.34 lacs (USD 2.98 lacs @ closing rate of 1 USD = ₹ 54.80) {Previous year - ₹ 75.60 lacs (USD 1.66 lacs @ closing rate of 1 USD = ₹ 45.55)}

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

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

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

Hans J. Fuchs
Managing Director

Sunil K. Nayak
Director

Raghuvir M. Aiyar
Partner
Membership No. 38128

Allwyn D'costa
Chief Financial Officer

Vinayak Gupta
Company Secretary

Mumbai, February 07, 2012

Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. **U51909MH2007PLC170646**State Code **11**Balance Sheet **31 12 2011**

Date Month Year

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

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

500000

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

Total Liabilities

4321161

Total Assets

4321161

Source of Funds

Paid-up Capital

2500000

Reserves & Surplus

2371

Secured Loans

NIL

Unsecured Loans

400000

Application of Funds

Net Fixed Assets

1004188

Investments

73891

Net Current Assets

(144342)

Misc. Expenditure

2818

Accumulated Losses

1965816

IV. Performance of Company (Amount in ₹ Thousands)

Revenue

6898946

Expenditure

7152168

Profit / (-) Loss Before Tax

- 253222

Profit / (-) Loss After Tax

- 253222

Earnings per Share (in ₹)

(2.47)

Dividend Rate %

NIL

V. Generic name of three principal Products / Services of the Company (As Per Monetary Terms)

Item Code No. (ITC Code) **3824.20**Product Description **READY MIXED CONCRETE**