

Balance Sheet as at December 31, 2011

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

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

As per our report of even date

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

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

N. S. Sekhsaria
Chairman

Paul Hugentobler
Deputy Chairman

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

per Sudhir Soni
Partner

Kuldip Kaura
CEO & Managing Director

Sunil K. Nayak
Chief Financial Officer

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

Membership No. 41870

Burjor D. Nariman
Company Secretary

Directors

Mumbai, February 09, 2012

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

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

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

As per our report of even date

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

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

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Company Secretary

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Mumbai, February 09, 2012

Cash Flow Statement for the year ended December 31, 2011

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

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

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

As per our report of even date

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

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

N. S. Sekhsaria
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Directors

Mumbai, February 09, 2012

Burjor D. Nariman
Company Secretary

Schedules forming part of the Balance Sheet

SCHEDULE - 1, SHARE CAPITAL

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

Notes :

Out of the above

60,72,640 (Previous Year - 60,72,640) Equity Shares of ₹ 10 each, fully paid were issued for consideration other than cash pursuant to contracts.

9,19,52,080 (Previous Year - 9,19,52,080) Equity Shares of ₹ 10 each, fully paid were issued by way of Bonus Shares by utilisation of Securities Premium and Reserves.

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

SCHEDULE - 2, RESERVES AND SURPLUS

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

Schedules forming part of the Balance Sheet

SCHEDULE - 3, SECURED LOANS

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

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

SCHEDULE - 4, UNSECURED LOANS

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

SCHEDULE - 5, DEFERRED TAX LIABILITIES (Net)

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

Schedules forming part of the Balance Sheet

SCHEDULE - 6, FIXED ASSETS

₹ Crore

FIXED ASSETS	GROSS BLOCK AT COST				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01/01/2011	Additions/ Adjustments	Deductions/ Adjustments	As at 31/12/2011	As at 01/01/2011	For the Year	Deductions/ Adjustments	As at 31/12/2011	As at 31/12/2011	As at 31/12/2010
Tangible Assets:										
1. Freehold Land	192.44	56.30	0.07	248.67	-	-	-	-	248.67	192.44
2. Leasehold Land	57.61	1.09	-	58.70	30.62	4.19	-	34.81	23.89	26.99
3. Buildings	812.86	129.54	0.68	941.72	156.51	26.68	0.25	182.94	758.78	656.35
4. Plant and Machinery	6,462.00	1,328.56	51.61	7,738.95	2,586.12	417.41	28.13	2,975.40	4,763.55	3,875.88
5. Roads, Bridges and Fences	134.48	32.78	0.15	167.11	39.32	6.15	0.13	45.34	121.77	95.16
6. Railway Sidings	99.22	54.51	-	153.73	30.41	5.16	-	35.57	118.16	68.81
7. Rolling Stock	93.10	26.78	0.11	119.77	52.70	3.33	-	56.03	63.74	40.40
8. Furniture, Fixtures and Equipments	116.40	13.49	2.58	127.31	33.96	6.44	1.61	38.79	88.52	82.44
9. Vehicles	34.21	2.46	3.30	33.37	13.05	2.99	1.85	14.19	19.18	21.16
Sub Total	8,002.32	1,645.51	58.50	9,589.33	2,942.69	472.35	31.97	3,383.07	6,206.26	5,059.63
Intangible Assets:										
10. Computer Software	55.61	0.43	-	56.04	51.82	2.95	-	54.77	1.27	3.79
11. Mining Right (Refer Note - 21)	19.02	-	19.02	-	-	-	-	-	-	19.02
Sub Total	74.63	0.43	19.02	56.04	51.82	2.95	-	54.77	1.27	22.81
TOTAL	8,076.95	1,645.94	77.52	9,645.37	2,994.51	475.30	31.97	3,437.84	6,207.53	5,082.44
Previous Year	6,826.27	1,411.88	161.20	8,076.95	2,667.98	392.68	66.15	2,994.51	5,082.44	
12. Capital Work-in-Progress {Including Capital advances ₹ 69.69 Crore (Previous Year - ₹ 97.28 Crore)}									435.32	1,562.80

- Notes:-
- Buildings include cost of Shares ₹ 5,710 (Previous Year - ₹ 5,960) in various Co-operative Housing Societies, in respect of 16 residential flats (Previous Year - 17).
 - Rolling stock includes assets given on lease to Railways under "Own Your Wagons" Scheme, Gross Block ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore) and accumulated depreciation ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore).
 - Plant & Machinery and Roads, Bridges & Fences include Gross Block of ₹ 12.68 Crore (Previous Year - ₹ 12.68 Crore), ₹ 26.17 Crore (Previous Year - ₹ 26.17 Crore), and Net Block ₹ Nil (Previous Year - ₹ 0.30 Crore), ₹ 0.37 Crore (Previous Year - ₹ 4.35 Crore), respectively, in respect of expenditure incurred on capital assets, ownership of which does not vest with the Company.

Schedules forming part of the Balance Sheet

SCHEDULE - 7, INVESTMENTS

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

Schedules forming part of the Balance Sheet

SCHEDULE - 7, INVESTMENTS - (Contd.)

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

Schedules forming part of the Balance Sheet

SCHEDULE - 7, INVESTMENTS - (Contd.)

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

Schedules forming part of the Balance Sheet

SCHEDULE - 7, INVESTMENTS - (Contd.)

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

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

Schedules forming part of the Balance Sheet

SCHEDULE - 7, INVESTMENTS - (Contd.)

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

Schedules forming part of the Balance Sheet

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

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

SCHEDULE - 9, SUNDRY DEBTORS

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

Schedules forming part of the Balance Sheet

SCHEDULE - 10, CASH AND BANK BALANCES

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

SCHEDULE - 11, OTHER CURRENT ASSETS

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

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

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

Schedules forming part of the Balance Sheet

SCHEDULE - 13, CURRENT LIABILITIES

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

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

SCHEDULE - 14, PROVISIONS

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

Schedules forming part of the Profit and Loss Account

SCHEDULE - 15A, OTHER OPERATING INCOME

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

SCHEDULE - 15B, OTHER INCOME

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

SCHEDULE - 16, MANUFACTURING AND OTHER EXPENSES

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

Schedules forming part of the Profit and Loss Account

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

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

SCHEDULE - 17, INTEREST EXPENSES

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

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

SCHEDULE – 18, NOTES TO ACCOUNTS

1. Basis of preparation

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

2. Use of estimates

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

3. Significant accounting policies

(i) Fixed Assets

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

(ii) Depreciation and Amortisation

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

(iii) Impairment

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

(iv) Intangible Assets

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

(v) Borrowing Costs

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

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

(vi) Investments

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

(vii) Inventories

Inventories are valued after providing for obsolescence, as follows:

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

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

- b) Work-in-progress and Finished goods

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

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

(viii) Cash and Cash equivalents

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

(ix) Revenue recognition

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

Sale of Products and Services

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

Interest and Dividend Income

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

(x) Accounting of Claims

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

(xi) Government Grants and Subsidies

- a) Government Grants and subsidies from the government are recognized when there is reasonable certainty that the grant/ subsidy will be received and all attaching conditions will be complied with.
- b) Government grants and subsidies receivable against an expense are deducted from such expense and subsidy/grant receivable against a specific fixed asset is deducted from cost of the relevant fixed asset.

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

(xii) Operating Lease

Where the Company is the lessee

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

(xiii) Research and development

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

(xiv) Foreign currency transactions

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

Derivative Instruments

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

(xv) Retirement and Other employee benefits

- a) Defined Contribution Plan

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

- b) Defined Benefit Plan and Other Long Term Benefits

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

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

(xvi) Employees Stock Option Scheme

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

(xvii) Income taxes

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

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

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

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

(xviii) Contingencies / Provisions

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

(xix) Earnings per share

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

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

(xx) Mines Restoration Expenditure

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

4. Segment Reporting

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

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

5. Related Party Disclosure

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

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

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

(b) Key Management Personnel:

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

Note:

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

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

(C) Transactions with Subsidiary Companies

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

(C) Transactions with Subsidiary Companies (Contd.)

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

(D) Transactions with Associate Companies

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

(E) Details of Transactions relating to Holding Companies

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

(F) Details of Transactions relating to Fellow Subsidiary Companies

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

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

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

(G) Details of Transaction with Key Management Personnel

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

6. Earnings per Share - [EPS]

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

7. Directors' Remuneration

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

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

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

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

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

7. Directors' Remuneration (Contd.)

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

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

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

9. Proposed Amalgamation

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

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

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

10.

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

11. Employee Benefits:

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

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

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

i. Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of services. The scheme is funded with insurance companies in the form of a qualifying insurance policy.

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

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

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

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

Qualifying Insurance Policy	100% (P.Y. – 100%)
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VI Effect of One percentage point change in the assumed Medical Inflation rate

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

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

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

(Figures in italics pertain to previous year)

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

(i) Gratuity (Funded)

₹ Crore

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

(ii) Gratuity (Non funded)

₹ Crore

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

(iii) Post Employment Medical Benefits

₹ Crore

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

12. Operating Lease

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

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

Mines Restoration Expenditure

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

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

14. A) Contingent Liabilities Not Provided For –

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

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

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

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

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

- B) a) The Company had availed Sales-tax incentives in respect of its new 1 MTPA plant at Gagal (Gagal II) under the HP State Industrial Policy, 1991. The Company accrued Sales-tax incentives aggregating ₹ 56 Crore (*Previous year – ₹ 56 Crore*). However, the Sales tax authorities had introduced certain restrictive conditions after the commissioning of the unit, stipulating that the incentive is admissible only for the incremental amount over the base revenue and production. The Company contends that Gagal II being a new unit, such restrictive conditions cannot be imposed on it as per the Industrial Policy. The Company is in appeal before the Himachal Pradesh High Court against the decision of the HP Tax Tribunal on this matter. Consequent to the decision during the previous year of the Supreme Court in another case related to Transport Subsidy and acceptance by the Central Government in that case that Gagal II is a new unit, management believes there is a material shift in the merits in favour of the Company in the Sales-Tax incentives case. Therefore, during the previous year, the Company had written back ₹ 56 Crore which was provided as a measure of abundant caution in earlier years. The Company had provided an amount of ₹ 7 Crore towards interest, which is also written back during the previous year.
- b) Pursuant to incentives available under a State Industrial Policy in respect of one of its cement plants, the Company had preferred claims and till Dec 2008 accrued ₹ 15 Crore on account of Capital Investment Subsidy and ₹ 29.44 Crore as Sales Tax / VAT subsidy receivable from the State Government. However, since the payments / reimbursements were not forthcoming, management considered it prudent to create a provision against the amounts receivable, and in an earlier year, provided for an amount of ₹ 29.44 Crore by charge to Profit and Loss Account and adjusted the Capital Reserve Account to the extent of the Capital Investment Subsidy. No further accruals of the subsidy have been made for the subsequent period though the Company continued to lodge its claims with the authorities.

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

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

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

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

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

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

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

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

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

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

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

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

To Subsidiaries –

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

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

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

24. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3 & 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956 :-

(A) Sales by class of goods (Net) -

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

(B) Details of raw materials consumed

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

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

(C) Purchase of Cement

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

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

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

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

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

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

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

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

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

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

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

(a) Raw Materials

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

(b) Stores and Spare Parts

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

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

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

(I) Remittances in foreign currencies -

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

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

As per our report of even date

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

per Sudhir Soni
Partner

Membership No. 41870

Mumbai, February 09, 2012

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

N. S. Sekhsaria
Chairman

Kuldip Kaura
CEO & Managing Director

Burjor D. Nariman
Company Secretary

Paul Hugentobler
Deputy Chairman

Sunil K. Nayak
Chief Financial Officer

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

Directors

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

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

State Code No.

Balance Sheet Date

Date Month Year

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

Public Issue

Rights Issue

Bonus Issue

Private Placement

ESOS

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

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital

Secured Loans

Reserves & Surplus

Unsecured Loans

Deferred Tax Liabilities

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

IV. Performance of Company (Amount in ₹ Thousands)

Revenue

Expenditure

Profit/(Loss) before Tax

Profit/(Loss) after Tax

Earning per share (in ₹)

Dividend rate %

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

Item Code No. (ITC Code)

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

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

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

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

N. S. Sekhsaria
Chairman

Kuldip Kaura
CEO & Managing Director

Burjor D. Nariman
Company Secretary

Paul Hugentobler
Deputy Chairman

Sunil K. Nayak
Chief Financial Officer

S. M. Palia
Naresh Chandra
Markus Akermann
M. L. Narula
R. A. Shah
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Ashwin Dani

Directors

Mumbai, February 09, 2012