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

We have audited the attached consolidated balance sheet of ACC Group, comprising of ACC Limited ('the Company') and its subsidiaries and associates as at 31st December 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 group's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of ₹ 172.14 Crore as at 31st December 2011, the total revenue of ₹ 772.16 Crore and cash flows amounting to ₹ 1.83 Crore for the year then ended and of three associates which reflect the Group's share of profit of ₹ 11.00 Crore, for the period then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

We report that the consolidated financial statements have been prepared by the group's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated balance sheet, of the state of affairs of the ACC Group as at 31st December 2011;

(b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and

(c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: February 09, 2012

Consolidated 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	6,791.10		6,092.78
			6,979.05	6,280.73
Minority Interest			2.46	2.42
Loan Funds:				
Secured Loans	3	500.00		509.93
Unsecured Loans	4	10.73		14.03
			510.73	523.96
Deferred Tax Liabilities (Net)	5		523.84	366.81
TOTAL FUNDS			**8,016.08**	**7,173.92**
APPLICATION OF FUNDS:				
Fixed Assets:	6			
Gross Block		10,032.22		8,458.13
Less: Accumulated Depreciation and Amortisation		3,625.77		3,151.49
Net Block		6,406.45		5,306.64
Capital Work-in-Progress (including Capital Advances)		440.74		1,564.15
			6,847.19	6,870.79
Investments	7		1,293.10	1,406.86
Current Assets, Loans and Advances:				
Inventories	8	1,112.94		925.90
Sundry Debtors	9	339.22		249.40
Cash and Bank Balances	10	1,659.92		985.56
Other Current Assets	11	15.74		56.92
Loans and Advances	12	548.25		545.25
		3,676.07		2,763.03
Less : Current Liabilities and Provisions:				
Current Liabilities	13	2,745.22		2,370.55
Provisions	14	1,055.41		1,496.87
		3,800.63		3,867.42
Net Current Assets			(124.56)	(1,104.39)
Miscellaneous Expenditure	15		0.35	0.66
(To the extent not written off or adjusted)				
TOTAL ASSETS			**8,016.08**	**7,173.92**
Notes to Accounts	19			

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

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

per Sudhir Soni
Partner
Membership No. 41870

Mumbai, February 09, 2012

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

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

	Schedules	2011 ₹ Crore		2010 ₹ Crore
INCOME:				
Sale of Products and Services (Gross)		11,048.60		9,101.09
Less - Excise Duty		1,036.27		840.46
Sale of Products and Services (Net) (Refer Note -15)			10,012.33	8,260.63
Other Operating Income	16A		225.11	260.91
Other Income	16B		191.01	97.84
			10,428.45	8,619.38
EXPENDITURE:				
Purchase of Trading Cement and Other Product		168.19		148.98
Manufacturing and Other Expenses	17	8,148.02		6,569.34
Depreciation and Amortisation	6	510.04		427.72
Interest Expenses	18	96.91		57.93
			8,923.16	7,203.97
Profit before Tax			**1,505.29**	**1,415.41**
Provision for Tax				
Current Tax		(295.51)		(411.16)
Tax adjustment for earlier years		227.97		81.97
Deferred Tax Charge		(147.91)		(12.17)
			(215.45)	(341.36)
Profit after Tax			**1,289.84**	**1,074.05**
Add - Share of Profit in Associates			11.00	3.50
Less - Minority Interest			(0.04)	(0.02)
Profit after Tax			**1,300.80**	**1,077.53**
Balance brought forward from Previous Year			3,175.45	3,040.37
Profit available for appropriation			**4,476.25**	**4,117.90**
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			**3,591.12**	**3,175.45**
Consolidated Earnings per Share {Face value of ₹ 10 each (Refer Note - 6)}				
Basic		₹	69.29	57.39
Diluted		₹	69.12	57.27
Notes to Accounts	19			

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 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

Consolidated 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	1,505.29	1,415.41
	Adjustments for:		
	2 Depreciation and Amortisation	510.04	427.72
	3 Loss on sale / write off of Fixed Assets (Net)	11.06	39.59
	4 Profit on Sale of Current Investments, Other than trade	(36.62)	(0.11)
	5 Interest and Dividend Income	(154.38)	(97.72)
	6 Interest Expenses	96.91	57.93
	7 Miscellaneous expenditure written off	3.67	3.10
	8 Provision for Bad and Doubtful Debts and advances written back (Net)	(28.64)	(35.01)
	9 Capital Spares Consumed	14.76	16.51
	10 Wealth Tax provision	0.15	0.71
	11 Provision for obsolescence of spare parts	6.05	71.19
	Operating profit before working capital changes	1,928.29	1,899.32
	Movements in Working Capital:		
	12 Decrease / (Increase) in Sundry debtors and Loans & advances	(58.34)	81.46
	13 Decrease / (Increase) in Inventories	(193.08)	(206.81)
	14 Decrease / (Increase) in Other current assets	6.07	2.17
	15 Increase / (Decrease) in Current liabilities and Provisions	315.70	225.56
	Cash generated from operations	1,998.64	2,001.70
	16 Direct Taxes Paid - (Net of refunds)	(416.61)	(76.19)
	Net Cash flow from operating activities	**1,582.03**	**1,925.51**
B.	Cash flow from investing activities		
	17 Purchase of Fixed Assets (Including Capital work-in-progress)	(484.05)	(842.07)
	18 Proceeds from sale of Fixed Assets	30.68	21.90
	19 Profit on Sale of Current Investments, Other than trade	36.62	0.11
	20 Purchase of Investments in Associates (Net of Dividend)	(3.77)	(35.73)
	21 Investment in subsidiary Company	-	(11.78)
	22 Investment in Deposits	-	(10.00)
	23 Dividend Received	30.19	50.82
	24 Interest Received	125.96	41.98
	Net cash used in investing activities	**(264.37)**	**(784.77)**
C.	Cash flow from financing activities		
	25 Interest paid {includes capitalised ₹ 1.28 Crore (*Previous Year - ₹ 36.60 Crore*)}	(72.76)	(79.29)
	26 Proceeds from issue of Share Capital (Including Securities premium)	-	0.08
	27 Proceeds from Short term Borrowings	-	9.93
	28 Repayment of Short term Borrowings	(9.93)	(18.92)
	29 Proceeds from Long term Borrowings	-	0.14
	30 Repayment of Long term Borrowings	(3.30)	(53.03)
	31 Dividend paid (including Dividend Distribution Tax)	(682.47)	(500.23)
	Net cash used in financing activities	**(768.46)**	**(641.32)**
	Net increase / (decrease) in cash and cash equivalents	**549.20**	**499.42**
	Cash and cash equivalents at the beginning of the year	2,305.67	1,806.23
	Taken over on acquisition of Subsidiary	-	0.02
	Cash and cash equivalents at the end of the year	2,854.87	2,305.67
	Components of cash and cash equivalents :		
	Cash and Bank Balances as per Balance Sheet (Refer Schedule 10)	1,659.92	985.56
	Add : Investment in Mutual Funds	609.10	1,320.11
	Add : Investment in Certificate of Deposits	585.85	-
	Cash and Cash equivalents in cash flow statement	**2,854.87**	**2,305.67**

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 Consolidated Cash flow statement

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

Schedules forming part of the Consolidated 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	0.07		0.07
Add: Reversal of capital subsidy Provision {Refer Note - 12B(b)}	7.00		-
		7.07	0.07
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	2,004.63		1,754.63
Add: Amount transferred from Profit and Loss Account	250.00		250.00
		2,254.63	2,004.63
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		3,591.12	3,175.45
TOTAL		6,791.10	6,092.78

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 3, SECURED LOANS

	2011 ₹ Crore	2010 ₹ 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		
₹ 1,000,000 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		
₹ 1,000,000 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 ₹ Crore	2010 ₹ Crore
Long Term Loans		
Deferred payment Liability - IDCOL	6.50	8.12
(Refer Note -16)		
Deferred Sales Tax Loans	4.23	5.77
Other	-	0.14
TOTAL	10.73	14.03

SCHEDULE - 5, DEFERRED TAX LIABILITIES (Net)

	2011 ₹ Crore	2010 ₹ Crore
Deferred Tax Liabilities arising on account of:		
Depreciation and amortisation differences	699.09	540.74
	699.09	540.74
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	38.92	34.82
	175.25	173.93
Net Deferred Tax Liabilities	523.84	366.81

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 6, FIXED ASSETS

₹ Crore

FIXED ASSETS	GROSS BLOCK AT COST					DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 01/01/2011	Additions on Acquisition of Subsidiary	Additions/ Adjustments	Deductions/ Adjustments	As at 31/12/2011	As at 01/01/2011	Additions on Acquisition of Subsidiary	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	192.76	-	56.65	0.07	249.34	-	-	-	-	-	249.34	192.76
2. Leasehold Land	61.24	-	1.09	-	62.33	31.37	-	4.25	-	35.62	26.71	29.87
3. Buildings	873.67	-	131.62	2.93	1,002.36	177.33	-	33.93	1.17	210.09	792.27	696.34
4. Plant and Machinery	6,650.79	-	1,336.78	52.07	7,935.50	2,684.02	-	433.15	27.94	3,089.23	4,846.27	3,966.77
5. Roads, Bridges and Fences	137.27	-	32.78	0.15	169.90	41.76	-	6.18	0.14	47.80	122.10	95.51
6. Railway Sidings	102.78	-	54.51	-	157.29	32.42	-	5.33	-	37.75	119.54	70.36
7. Rolling Stock	133.50	-	26.84	0.11	160.23	68.35	-	5.25	-	73.60	86.63	65.15
8. Furniture, Fixtures and Equipments	119.98	-	14.20	2.60	131.58	35.15	-	6.73	1.62	40.26	91.32	84.83
9. Vehicles	39.32	-	2.85	6.82	35.35	11.38	-	4.49	4.89	10.98	24.37	27.94
Sub Total	8,311.31	-	1,657.32	64.75	9,903.88	3,081.78	-	499.31	35.76	3,545.33	6,358.55	5,229.53
Intangible Assets:												
10. Computer Software	58.39	-	0.54	-	58.93	53.23	-	3.94	-	57.17	1.76	5.16
11. Goodwill	68.41	-	-	-	68.41	16.48	-	6.79	-	23.27	45.14	51.93
12. Mining Rights (Refer Note - 17)	20.02	-	-	19.02	1.00	-	-	-	-	-	1.00	20.02
Sub Total	146.82	-	0.54	19.02	128.34	69.71	-	10.73	-	80.44	47.90	77.11
TOTAL	8,458.13	-	1,657.86	83.77	10,032.22	3,151.49	-	510.04	35.76	3,625.77	6,406.45	5,306.64
Previous Year	7,165.02	33.88	1,421.87	162.64	8,458.13	2,786.59	3.76	427.72	66.58	3,151.49	5,306.64	
13. Capital Work-in-Progress {Including Capital advances ₹ 75.46 Crore *(Previous Year - ₹ 97.28 Crore)*}											440.74	1,564.15

Notes:- (i) 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*).

(ii) 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).*

(iii) Plant and 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 Crore *(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.

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

Schedules forming part of the Consolidated 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					
Moira Madhujore Coal Limited	47,507	47,507		0.35	0.35
Associate Companies					
Equity Shares - Fully Paid (Unquoted):-					
Face value ₹ 10 each					
Alcon Cement Company Private Limited	408,001	408,001	23.25		22.94
{includes unamortised Goodwill of ₹ 10.09 Crore *(Previous Year - ₹ 11.71 Crore)*}					
Add : Share of Profit			4.77		3.36
Less: Dividend Received			(2.24)		(1.43)
Less: Amortisation of Goodwill			(1.62)		(1.62)
				24.16	23.25
Asian Concretes and Cements Private Limited	8,100,000	8,100,000	35.79		36.81
{includes unamortised Goodwill of ₹ 12.82 Crore (*Previous Year - ₹ 14.37 Crore*)}					
Add : Share of Profit			4.66		0.14
Less: Amortisation of Goodwill			(1.55)		(1.16)
				38.90	35.79
Aakaash Manufacturing Company Cements Private Limited	4,401	-	6.01		-
(Acquired during the year by ACC Concrete Limited)					
(includes unamortised Goodwill of ₹ 2.49 Crore)					
Add : Share of Profit			1.57		-
Less: Amortisation of Goodwill			(0.19)	7.39	-
				94.45	83.04
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 Consolidated 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		-
Cebrtal 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
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

Schedules forming part of the Consolidated 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)				
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
LIC -MF Income Plus - Daily Div Plan	-	8,199,043.94	-	9.00
Reliance Liquid Fund -Dividend Reinvestment Plan	-	262,499.89	-	0.40
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	54,675,349.92	-	90.00	-
SBI-SHF-Ultra Short Term Fund - Institutional Plan -Growth Option	7,313,844.38	-	10.00	-
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
UTI Liquid Cash Plan Daily Income RE- INV	-	30,909.88	-	3.15
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	-
UTI Treasury Advantage Fund - IP	36,115.813	-	5.10	-
			609.10	1,320.11
TOTAL			1,293.10	1,406.86
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			1269.45	1383.21
(II) * Denotes amount less than ₹ 50,000				

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 8, INVENTORIES

(At cost or net realisable value whichever is lower)

	2011	2010
	₹ Crore	₹ Crore
Raw Materials	167.41	146.74
Stores & Spare Parts, Packing Materials and Fuels (Refer Note 19)	537.29	464.67
Work-in-Progress	283.05	201.19
Finished Goods	125.19	113.30
TOTAL	1,112.94	925.90

SCHEDULE - 9, SUNDRY DEBTORS

	2011	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	11.17		6.11
Considered Doubtful	11.81		5.96
	22.98		12.07
(ii) Railway, Insurance and Other Claims*			
Considered Good	50.15		8.89
Considered Doubtful	8.57		50.95
	58.72		59.84
	81.70		71.91
Less: Provision made for Bad and Doubtful Debts	20.38		56.91
	61.32		15.00
(b) Others - (Considered Good)			
(i) Sale of Products and Services	204.38		171.64
(ii) Railway, Insurance and Other Claims*	5.99		1.27
	210.37		172.91
		271.69	187.91
TOTAL		339.22	249.40
Included in Sundry Debtors :			
*Dues from Central / State Governments		64.36	60.66

Schedules forming part of the Consolidated 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)*}		
Balances with Scheduled Banks		
In Current Accounts	83.16	61.78
In Fixed Deposits	1,544.32	887.53
In Unclaimed Dividend Accounts	32.19	27.33
Post Office Savings Accounts	0.01	0.01
Share of Cash and Bank balances in Joint Ventures	0.08	0.22
TOTAL	1,659.92	985.56

SCHEDULE - 11, OTHER CURRENT ASSETS

	2011	2010
	₹ Crore	₹ Crore
Accrued Interest on Investments	7.61	8.98
Other Accrued Interest	1.67	2.07
Fixed Assets held for sale	6.45	45.86
Share of Other Current Assets in Joint ventures	0.01	0.01
TOTAL	15.74	56.92

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

	2011		2010
		₹ Crore	₹ Crore
Sundry Advances and Deposits, etc.			
Advances Recoverable in cash or in kind or for value to be received		111.59	131.14
Deposits with Railways, Government Bodies and Others :			
Considered Good	270.81		250.20
Considered Doubtful	4.44		3.30
	275.25		253.50
Less - Provision made for Doubtful Advances	4.44		3.30
		270.81	250.20
Advance payments against taxes (Net of provision)		1.07	0.79
Deposit with HDFC Limited		100.00	100.00
Balances with Excise, Customs, Port Trust Authorities, etc.		64.78	63.12
TOTAL		548.25	545.25

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 13, CURRENT LIABILITIES

		2011	2010
		₹ Crore	₹ Crore
Sundry Creditors			
Dues to other than Micro and Small enterprises		2,063.04	1,737.19
Advance from customers		147.84	137.51
Deposits from Dealers and Others		494.75	461.06
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		2,745.22	2,370.55

* 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 - 7)	140.49	123.68
Provision for Mines Restoration (Refer Note - 11)	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	1,055.41	1,496.87

SCHEDULE - 15, MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)

	2011	2010
	₹ Crore	₹ Crore
Preliminary Expenses	0.35	0.66
TOTAL	0.35	0.66

Schedules forming part of the Consolidated Profit and Loss Account

SCHEDULE - 16A, Other Operating Income

	2011	2010
	₹ Crore	₹ Crore
Provision no longer required written back	103.04	105.12
Sale of Surplus generated Power	13.54	45.58
Miscellaneous Income	108.53	110.21
{Includes Gain on Exchange (Net) - ₹ Nil *(Previous Year - ₹ 2.58 Crore)}*		
TOTAL	225.11	260.91

SCHEDULE - 16B, Other Income

	2011	2010
	₹ Crore	₹ Crore
Profit on Sale of Current Investments, Other than trade	36.62	0.11
Interest on Bank deposits {TDS ₹ 12.04 Crore *(Previous Year - ₹ 3.79 Crore)}*	121.31	43.22
Other interest income {TDS ₹ 0.28 Crore (*Previous Year - ₹ 0.26 Crore*)}	2.88	3.84
Dividend from current Investments - Other than trade	30.19	50.66
Share of Other Income in Joint Ventures	0.01	0.01
TOTAL	191.01	97.84

SCHEDULE - 17, MANUFACTURING AND OTHER EXPENSES

	2011		2010
	₹ Crore		₹ Crore
MANUFACTURING EXPENSES			
Raw Materials Consumed	1,785.49		1,434.34
Stores and Spare parts Consumed	16.58		12.74
Packing Materials Consumed	346.59		269.67
Power and Fuel	2,198.95		1,610.21
Repairs to Buildings	14.33		12.47
Repairs to Machinery (Refer Note 19)	390.44		427.79
Repairs to Other Items	60.42		43.15
Royalties	138.94		117.14
Excise Duties (including Education Cess)	122.69		124.58
{Includes excise duty on captive consumption of Clinker ₹ 101.06 Crore			
(Previous Year - ₹ 108.12 Crore)}			
		5,074.43	4,052.09
PERSONNEL EXPENSES (Refer Note 18)			
Salaries, Wages, Dearness Allowance and Bonus	462.99		407.17
Contributions / Provisions to and for Provident and Other Funds	62.96		56.23
Workmen and Staff Welfare Expenses	39.62		34.79
		565.57	498.19

Schedules forming part of the Consolidated Profit and Loss Account

SCHEDULE - 17, MANUFACTURING AND OTHER EXPENSES (Contd.)

	2011		2010
	₹ Crore		₹ Crore
ADMINISTRATIVE, SELLING AND OTHER EXPENSES			
Rent	31.06		34.53
Rates and Taxes {includes Wealth Tax ₹ 0.15 Crore (*Previous Year - ₹ 0.71 Crore*)}	102.05		99.48
Insurance	18.85		18.61
Loading, Transportation and Other Charges	228.09		177.97
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) - ₹ 11.06 Crore *(Previous Year - ₹ 39.59 Crore)*}	540.49		426.02
Provision for Bad and Doubtful Debts and Advances	8.10		9.46
Advertisement	106.90		77.00
Outward Freight Charges on Cement etc	1,456.19		1,125.80
		2,602.20	2,072.59
(INCREASE) / DECREASE IN FINISHED GOODS AND WORK-IN-PROGRESS			
Closing Stock -			
Finished Goods	125.54		113.30
Work-in-Progress	283.16		201.19
	408.70		314.49
Opening Stock -			
Finished Goods	113.30		88.08
Work-in-Progress	201.19		168.96
	314.49		257.04
Acquired during the year {Refer Note 10(b)}			
Finished Goods	-		3.23
	-		3.23
		(94.21)	(54.22)
Share of Manufacturing and Other Expenses of Joint Ventures		0.03	0.69
TOTAL		8,148.02	6,569.34

SCHEDULE - 18, INTEREST EXPENSES

	2011	2010
	₹ Crore	₹ Crore
Debentures	47.95	47.95
Term Loans	-	1.85
Interest on Income Tax	17.24	15.49
{Net of interest on refund ₹ 24.18 Crore *(Previous Year - ₹ 44.67 Crore)*}		
Others	33.00	29.24
	98.19	94.53
Less - Adjustments for -		
Interest Capitalised	1.28	36.60
TOTAL	96.91	57.93

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

SCHEDULE – 19, NOTES TO ACCOUNTS

1. Basis of preparation

(i) The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended). The Consolidated Financial Statements comprise the financial statements of ACC Limited (the Company), and its subsidiaries. The Company, and its subsidiaries constitute the ACC Group. Reference in these notes to the 'Company' or 'ACC' shall mean to include ACC Limited and / or any of its subsidiaries, consolidated in these financial statements unless otherwise stated.

(ii) The list of Companies which are included in consolidation and the Parent Company's holdings therein are as under:

Name of the Company		Percentage Holding 2011	Percentage Holding 2010
a.	**Subsidiaries**		
1	ACC Concrete Limited (ACCCL)	100%	100%
2	Bulk Cement Corporation (India) Limited (BCCI)	94.65%	94.65%
3	ACC Mineral Resources Limited	100%	100%
4	Lucky Minmat Limited	100%	100%
5	National Limestone Co. Private Limited	100%	100%
6	Encore Cements & Additives Private Limited (w.e.f. January 28, 2010)	100%	100%
b.	**Associates**		
1	Alcon Cement Company Private Limited	40%	40%
2	Asian Concretes and Cements Private Limited (w.e.f. April 01, 2010)	45%	45%
c.	**Associates of ACC Concrete Limited**		
1	Aakaash Manufacturing Private Limited (w.e.f. March 25, 2011)	40%	-
d.	**Joint Venture of ACC Mineral Resources Limited**		
1	MP AMRL (Semaria) Coal Company Limited	49%	49%
2	MP AMRL (Bicharpur) Coal Company Limited	49%	49%
3	MP AMRL (Marki Barka) Coal Company Limited	49%	49%
4	MP AMRL (Morga) Coal Company Limited	49%	49%

Each of the above Companies is incorporated in India & financials statements are drawn up to the same reporting date as that of the parent Company i.e. December 31, 2011.

(iii) The Consolidated Financial Statements have been prepared to comply in all material respect with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

(iv) The Consolidated Financial Statements have been prepared under the historical cost convention on an accrual basis, except where impairment is made.

(v) The Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(vi) The Consolidated Financial Statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized Profits/ Losses.

(vii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

(viii) The difference between the cost of investment in the subsidiaries, and the Company's share of net assets at the time of acquisition of share in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be. Goodwill is amortised over a period of ten years from the date of acquisition/investment.

(ix) Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders.

Minority interest in the net assets of consolidated subsidiaries consists of:

(a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and

(b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.

(x) Minority interest's share of Net Profit / (Loss) for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.

(xi) Investment in associates where the Company directly or indirectly through subsidiaries holds more than 20% of equity, are accounted for using equity method as per Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated financial Statements" notified by Companies (Accounting Standards) Rules, 2006 (as amended).

(xii) The difference between the cost of investment in the associates and the Company's share of net assets at the time of acquisition of share in the associate is identified in the financial statements as Goodwill or Capital Reserve as the case may be. Goodwill is amortised over a period of ten years from the date of investment.

(xiii) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006 (as amended).

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 or based on the useful lives of the assets as estimated by Management, whichever is higher. The depreciation on following assets is provided at higher rates :

Assets	Useful Life
Transit Mixer	8 Years
Pumps	6 Years

Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed off.

b. Machinery spares which are capitalised are depreciated over the useful life of the related fixed asset. The written down value of such spares is charged 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) 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.

(iv) 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 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.

(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 Materials 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 investment 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 Grant 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 Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the 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 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 reflects 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.

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.

(xxi) Segment Reporting Policies

Identification of segments

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

Allocation of common costs

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

Unallocated items

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

Segment Policies

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

4. Segment Reporting

The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system. The Company's operations predominantly relate to manufacture of cement. Other business segment reported is Ready Mixed Concrete. The export turnover is not significant in the context of total turnover. As such there are no reportable Geographical Segments.

Inter segment transfers:

Inter Segment Transfer Pricing Policy – Cement supplied to ready mixed concrete activity is based on current market prices. All other inter segment transfers are at cost.

INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

₹ Crore

	Cement		Ready Mix Concrete		Total	
	2011	2010	2011	2010	2011	2010
REVENUE						
External sales	9,324.32	7,651.46	688.01	609.17	10,012.33	8,260.63
Inter-segment sales	86.93	61.89	-	-	86.93	61.89
Total revenue	**9,411.25**	**7,713.35**	**688.01**	**609.17**	**10,099.26**	**8,322.52**
RESULT						
Segment result	**1,417.32**	**1,391.79**	**(25.37)**	**(28.84)**	**1,391.95**	**1,362.95**
Unallocated corporate Income					55.87	12.67
Operating Profit					**1,447.82**	**1,375.62**
Interest expenses					(96.91)	(57.93)
Interest and Dividend income					154.38	97.72
Income Taxes					(215.45)	(341.36)
Profit after tax					**1,289.84**	**1,074.05**
OTHER INFORMATION						
Segment assets	8,523.79	8,268.17	222.74	222.38	8,746.53	8,490.55
Unallocated corporate assets					3,070.18	2,550.79
Total assets					**11,816.71**	**11,041.34**
Segment liabilities	2,543.26	2,204.82	119.11	110.65	2,662.37	2,315.47
Unallocated corporate liabilities					2,175.29	2,445.14
Total liabilities					**4,837.66**	**4,760.61**
Capital expenditures	489.39	824.45	10.35	4.10	499.74	828.55
Depreciation and Amortization	489.78	406.68	20.26	21.04	510.04	427.72
Other non-cash expenses	53.00	134.45	8.89	4.73	61.89	139.18

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)	MP AMRL(Semaria) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
(vi)	MP AMRL(Bicharpur) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
(vii)	MP AMRL(Marki Barka) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
(viii)	MP AMRL(Morga) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited

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

(a) Names of other Related parties		Nature of Relationship
(i)	Alcon Cement Company Private Limited	Associate Company
(ii)	Asian Concretes & Cements Private Limited	Associate Company w.e.f. April 01, 2010
(iii)	Aakaash Manufacturing Company Private Limited	Associate Company of ACC Concrete Limited w.e.f. March 25,2011
(iv)	Ambuja Cements Limited	Fellow Subsidiary
(v)	Holcim Group Support Limited	Fellow Subsidiary
(vi)	Holcim (Singapore) Pte Limited	Fellow Subsidiary
(vii)	Holcim Trading FZCO	Fellow Subsidiary
(viii)	Holcim (Lanka) Limited	Fellow Subsidiary
(ix)	P T Holcim Indonesia Tbk	Fellow Subsidiary
(x)	Holcim Services (South Asia) Limited	Fellow Subsidiary
(xi)	Siam City Cement Public Company Limited	Fellow Subsidiary
(xii)	Holcim (Bangladesh) Limited	Fellow Subsidiary
(xiii)	Holcim (Canada) INC	Fellow Subsidiary
(xiv)	Holcim (Vietnam) Limited	Fellow Subsidiary
(xv)	Holcim Environment Services SA	Fellow Subsidiary
(xvi)	Holcim (Malaysia) SDN BHD	Fellow Subsidiary
(xvii)	Holcim (US) INC	Fellow Subsidiary
(xviii)	Holcim Foundation	Entity Controlled by Holcim Ltd.
(xix)	Holcim Philippines	Fellow Subsidiary
(xx)	Holcim Service (Asia) Limited	Fellow Subsidiary
(xxi)	P T Holcim Beton	Fellow Subsidiary
(xxii)	Holcim Group Support (S) PTE Ltd.	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 of ACC Limited
(ii)	Mr. Sumit Banerjee (up to 13.08.10)	Managing Director of ACC Limited
(iii)	Mr. Hans J. Fuchs	Managing Director of ACCCL
(iv)	Mr. K.R.K. Prusty	Head BCCI untill September 25, 2011
	Mr. Ram Manohar Sowbhagya	Head BCCI from November 21, 2011
(v)	Mr. K.B.S. Swamy	Managing Director of Encore Cements & Additives Private Limited upto July 15, 2010
(vi)	Mr. C. M. Reddy	CEO & Executive Director of Encore Cements & Additives Private Limited
(vii)	Mr. P. Umeswar Rao	Non Executive Director of Encore Cements & Additives Private Limited upto December 24, 2010

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 been reported as Fellow Subsidiaries. Previous year's disclosure have been regrouped based on current year's relationship to facilitate comparision.

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

(C) Transactions with Associate Companies

		2011	2010
		₹ Crore	₹ Crore
(i)	**Purchase of Finished Goods**	**131.21**	**60.23**
	Alcon Cement Company Private Limited	76.55	60.23
	Aakaash Manufacturing Company Private Limited	54.66	-
(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)**	**6.01**	**36.81**
	Asian Concretes & Cements Private Limited	-	36.81
	Aakaash Manufacturing Company Private Limited	6.01	-
(v)	**Dividend Received**	**2.24**	**1.43**
	Alcon Cement Company Private Limited	2.24	1.43
(vi)	**Reimbursement of Expenses / Cost of Materials / Stores Paid / Payable**	**0.01**	**-**
	Aakaash Manufacturing Company Private Limited	0.01	-
(vii)	**Reimbursement of Expenses / Cost of Materials / Stores Received / Receivable**	**8.89**	**5.37**
	Alcon Cement Company Private Limited	8.89	5.37
(viii)	**Rendering of Services**	**1.36**	**1.23**
	Alcon Cement Company Private Limited	1.36	1.23
(ix)	**Receiving of Services**	**48.18**	**17.35**
	Asian Concretes & Cements Private Limited	47.56	16.68
	Others	0.62	0.67
(x)	**Outstanding balance included in Debtors**	**4.66**	**5.28**
	Alcon Cement Company Private Limited	4.66	5.28
(xi)	**Outstanding balance included in Current Liabilities**	**21.42**	**10.96**
	Alcon Cement Company Private Limited	2.31	3.58
	Asian Concretes & Cements Private Limited	11.33	7.38
	Aakaash Manufacturing Company Private Limited	7.78	-

(D) 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

(E) Details of Transactions relating to Fellow subsidiary Companies

		2011	2010
		₹ Crore	₹ Crore
(i)	**Purchase of Gypsum and Coal**	**130.18**	**75.74**
	Holcim Trading FZCO	113.91	75.74
	Ambuja Cements Limited	16.27	-
(ii)	**Purchase of Unfinished Goods**	**44.29**	**62.08**
	Ambuja Cements Limited	44.29	62.08
(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)	**Sale of Fixed Assets**	**0.01**	-
	Ambuja Cements Limited	0.01	-
(viii)	**Rendering of Services**	**2.63**	**3.07**
	Ambuja Cements Limited	2.63	3.07
(ix)	**Reimbursement of Expenses Paid / Payable**	**3.39**	**0.25**
	Ambuja Cements Limited	-	0.12
	Holcim Trading FZCO	3.13	0.09
	Others	0.26	0.04
(x)	**Reimbursement of Expenses Received / Receivable**	**4.59**	**2.96**
	Ambuja Cements Limited	3.99	2.74
	Others	0.60	0.22
(xi)	**Receiving of Services (Training / Technical Consultancy etc.)**	**60.64**	**48.25**
	Holcim Group Support Limited	31.18	24.55
	Holcim Services (South Asia) Limited	27.51	22.42
	Others	1.95	1.28
(xii)	**Rendering of Services**	**-**	**0.05**
	Holcim Group Support (S) PTE Ltd.	-	0.05
(xiii)	**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	-	0.11
	Holcim Group Support Limited	0.19	0.03
	Others	0.01	0.02
(xiv)	**Outstanding Balance Included in Current Liabilities**	**22.06**	**17.40**
	Holcim Group Support Limited	8.73	7.16
	Holcim Trading FZCO	3.83	6.03
	Holcim Services (South Asia) Limited	5.63	0.46
	Ambuja Cement Limited	2.05	2.88
	Others	1.82	0.87

(F) Details of Transaction with Key Management Personnel

	2011	2010
	₹ Crore	₹ Crore
Remuneration	**6.56**	**5.54**
(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
(iii) Mr. Hans J. Fuchs	1.77	1.64
(iv) Others	0.02	0.21
Deposit taken during the year	**-**	**0.13**
(i) Mr. C. M. Reddy	-	0.03
(ii) Mr. P. Umeswar Rao	-	0.10
Deposit repaid during the year	**0.03**	**0.61**
(i) Mr. K.B.S. Swamy	-	0.19
(ii) Mr. C. M. Reddy	0.03	0.13
(iii) Mr. P. Umeswar Rao	-	0.29
Interest paid during the year	**-**	**0.02**
(i) Mr. K.B.S. Swamy	-	0.01
(ii) Mr. P. Umeswar Rao	-	0.01
Closing balance of Deposit at the end of year	**-**	**0.03**
Mr. C. M. Reddy	-	0.03

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

	2011	2010
	₹ Crore	₹ Crore
Unsecured Loan paid during the year	-	0.58
Interest paid during the year	-	0.11

(H) Details of Transactions with Joint Venture Companies

	2011	2010
	₹ Crore	₹ Crore
Advances given	**0.89**	**1.45**
MP AMRL (Semaria) Coal Company Limited	0.16	1.41
MP AMRL (Bicharpur) Coal Company Limited	0.71	0.01
MP AMRL (Marki Barka) Coal Company Limited	0.02	0.01
MP AMRL (Morga) Coal Company Limited	-	0.02
Reimbursement of expenses	**0.03**	**0.04**
MP AMRL (Bicharpur) Coal Company Limited	0.01	0.01
MP AMRL (Marki Barka) Coal Company Limited	0.02	0.01
MP AMRL (Morga) Coal Company Limited	-	0.02
Outstanding balance in Current Liabilities	**2.26**	**1.41**
MP AMRL (Semaria) Coal Company Limited	1.57	1.41
MP AMRL (Bicharpur) Coal Company Limited	0.69	-

6. Consolidated Earnings per Share - [EPS]

		2011	2010
		₹ Crore	₹ Crore
(I)	Net Profit as per Consolidated Profit and Loss Account	1,300.80	1077.53
(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	₹ 69.29	57.39
	Diluted	₹ 69.12	57.27

7. Employee Benefits:

a) Defined Contribution Plans – Amount recognised and included in Schedule 17 "Contributions / Provisions to and for Provident and Other Funds" of Profit and Loss Account ₹ 7.63 Crore *(Previous Year - ₹ 7.40 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 service. 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	6.67 *5.50*	2.21 *1.60*	0.02 *0.04*
2	Interest Cost	8.85 *6.94*	3.21 *2.15*	0.16 *0.23*
3	Employee Contributions	- -	- -	(0.41) *(0.41)*
4	Expected return on plan assets	(8.90) *(7.96)*	- -	- -
5	Net Actuarial (Gains) / Losses	15.62 *17.11*	7.54 *10.47*	1.13 *(0.23)*
6	Past service cost	- -	- -	- -
7	Settlement / Curtailment (Gain)	- -	- -	- -
8	Total expense	22.24 *21.59*	12.96 *14.22*	0.90 *(0.37)*

		Gratuity		Post Employment Medical Benefits(PEMB)
		Funded	Non Funded	
		₹ Crore	₹ Crore	₹ Crore
II	**Net Asset/(Liability) recognised in the Balance Sheet as at December 31, 2011**			
1	Present value of Defined Benefit Obligation	(135.82) *(118.55)*	(52.17) *(41.90)*	(2.58) *(2.28)*
2	Fair value of plan assets	119.82 *104.90*	- -	- -
3	Funded status [Surplus / (Deficit)]	(16.00) *(13.65)*	- -	- -
4	Net asset / (liability)	(16.00) *(13.65)*	(52.17) *(41.90)*	(2.58) *(2.28)*
III	**Change in Obligation during the Year ended December 31, 2011**			
1	Present value of Defined Benefit Obligation at beginning of the year	118.55 *102.36*	41.90 *31.75*	2.28 *3.61*
2	Current Service cost	6.67 *5.50*	2.21 *1.60*	0.02 *0.04*
3	Interest Cost	8.85 *6.94*	3.21 *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	16.07 *17.55*	7.54 *10.47*	1.13 *(0.23)*
8	Benefit Payments	(14.32) *(13.80)*	(2.69) *(4.07)*	(0.60) *(0.96)*
9	Present value of Defined Benefit Obligation at the end of the year	135.82 *118.55*	52.17 *41.90*	2.58 *2.28*
IV	**Change in Assets during the Year ended December 31, 2011**			
1	Plan assets at the beginning of the year	104.90 *96.50*	- -	- -
2	Settlements	- -	- -	- -
3	Expected return on plan assets	8.90 *7.96*	- -	- -
4	Contributions by Employer	5.80 -	- -	- -
5	Actual benefits paid	(0.23) -	- -	- -
6	Actuarial Gains / (Losses)	0.45 *0.44*	- -	- -
7	Plan assets at the end of the year	119.82 *104.90*	- -	- -
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%*)	
VI	**Effect of One percentage point change in the assumed Medical Inflation rate**	**One percentage increase - ₹ Crore**	**One percentage decrease - ₹ Crore**
	Increase / (Decrease) on aggregate service and interest cost of Post Employment Medical benefits	0.06 *0.28*	(0.06) *(0.24)*
	Increase / (Decrease) on Present value of Defined Benefit Obligation as at December 31, 2011	0.67 *0.93*	(0.64) *(0.82)*
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 5 years and thereafter 8% p.a.	

(Figures in italics pertains 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 periods are as follows:

(i) Gratuity (Funded) ₹ Crore

	2011	2010	2009	2008	2007
Defined benefit obligation	(135.82)	(118.55)	(102.36)	(124.30)	(98.41)
Plan assets	119.82	104.90	96.50	84.90	74.12
Surplus / (deficit)	(16.00)	(13.65)	(5.86)	(39.40)	(24.29)
Experience adjustments on plan assets	(0.45)	(0.44)	(0.91)	(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	(52.17)	(41.90)	(31.75)	(39.16)	(26.74)
Plan assets	-	-	-	-	-
Surplus / (deficit)	(52.17)	(41.90)	(31.75)	(39.16)	(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

8. Operating Lease

	2011	2010
	₹ Crore	₹ Crore
a) Future Lease Rental payments		
(i) Not later than one year	90.08	66.10
(ii) Later than one year and not later than five years	320.31	191.49
(iii) Later than five years	154.49	179.37

b) Operating Lease payment recognised in the Profit & Loss Account amounting to ₹ 112.06 Crore *(Previous Year – ₹ 77.19 Crore)*

c) General description of the leasing arrangement:

(i) Leased Assets: Grinding facility, Dumpers, Cranes and Tippers, Cars, Locomotives, Godowns, Flats, Computers and other related equipments, Office and other premises , Pumps and Transit mixers etc.

(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.

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.

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. During the current year, ACC Concrete Limited a subsidiary company has acquired 40% stake in Aakaash Manufacturing Company Private Limited for a total consideration of ₹ 6.01 Crore (including stamp duty, registration fees).

C. 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. 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.

12. A) Contingent Liabilities Not Provided For –

a) Indemnity, Guarantee/s given to Banks / Financial Institutions, Government Bodies and others ₹ 187.76 Crore (*Previous Year - ₹ 156.74 Crore*).

b) Sales Tax, Excise Duties & Other Dues ₹ 107.55 Crore (*Previous Year - ₹ 67.01 Crore*).

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

c) 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 also 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 December 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 continues 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 it's 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.

13. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 292.57 Crore (*Previous year – ₹ 259.33 Crore*).

14. 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)}* ₹ 0.65 Crore (USD 0.01 Crore @ Closing rate of 1 USD = ₹ 54.29)*(Previous Year ₹ Nil)*
Import Creditors	₹ 6.62 Crore (USD 0.12 Crore @ Closing rate of 1 USD = ₹ 54.29) *{Previous Year ₹ 34.02 Crore (USD 0.75 Crore @ Closing rate of 1 USD = ₹ 45.55)}* ₹ 8.84 Crore (CHF 0.15 Crore @ Closing rate of 1 CHF = ₹ 57.76) *{Previous Year ₹ 7.10 Crore (CHF 0.15 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	

15. Sales of Products and Services include Sales Tax incentive of ₹ 9.04 Crore (*Previous Year - ₹ 7.67 Crore*).

16. 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.

17. 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.

18. 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.

19. 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 17 as a write down for the year (including ₹ 47.36 Crore pertaining to the period until December 31, 2009).

20. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

21. The Consolidated results for the year ended December 31, 2011 are not comparable with the previous year, due to following :

a. Investment in subsidiary Encore Cements & Additives Private Limited w.e.f. January 28, 2010

b. Investment in associate Asian Concretes & Cement Private Limited w.e.f. April 01, 2010

c. Investment in Aakaash Manufacturing Company Private Limited w.e.f. March 25, 2011

The effect of the operations of these entities on the results is not significant.

22. 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

Paul Hugentobler
Deputy Chairman

Kuldip Kaura
CEO & Managing Director

Sunil K. Nayak
Chief Financial Officer

Burjor D. Nariman
Company Secretary

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

Consolidated Group Operating Results and Net Worth - Explanatory Statement

CONSOLIDATED GROUP OPERATING RESULTS FOR THE YEAR ENDED DECEMBER 31, 2011

	2011		2010
	₹ Crore		₹ Crore
ACC's Net Profit		1,325.26	1,120.01
Add: Pro-rata share of profits / (losses) of subsidiaries -			
Bulk Cement Corporation (India) Limited	0.67		0.39
ACC Concrete Limited	(23.75)		(29.11)
ACC Mineral Resources Limited	(0.14)		(0.51)
Lucky Minmat Limited	(0.26)		(0.04)
National Limestone Co. Pvt. Limited	(0.02)		(0.08)
Encore Cements and Additives Pvt. Limited	1.87		(6.24)
		(21.63)	(35.59)
Add: Pro-rata share of profit of Associates		9.40	3.50
Less: Minority Interest of Subsidiary (BCCI)		0.04	0.02
Less: Amortisation of Goodwill on acquisition of Subsidiary and Investment in Associates		9.95	9.47
Less: Unrealised profit on purchase of Fixed Assets		-	(0.53)
Less: Dividend received from Associates		2.24	1.43
		1,300.80	1,077.53

CONSOLIDATED GROUP NET WORTH AS AT DECEMBER 31, 2011

	2011		2010
	₹ Crore		₹ Crore
ACC's Net Worth		7,192.27	6,469.49
Add: Net worth as per Balance Sheet of Subsidiary Companies -			
Bulk Cement Corporation (India) Limited	44.63		43.95
ACC Concrete Limited	53.38		26.85
ACC Mineral Resources Limited	4.29		4.40
Lucky Minmat Limited	2.42		2.68
National Limestone Co. Pvt. Limited	(0.03)		(0.01)
Encore Cements and Additives Pvt. Limited	(6.55)		(8.42)
	98.14		69.45
Less: Pro-rata share of Minority shareholders interest in the Net Worth of Subsidiary Companies	2.46		2.42
Less: ACC's share in pre-acquisiton Net Worth of Subsidiary Companies	290.40		240.40
		(194.72)	(173.37)
Less: Amortisation of Goodwill in Subsidiary Companies		23.27	16.48
Less: Unrealised profit on purchase of Fixed Assets		(0.53)	(0.53)
Add: Increase in Net Worth of Alcon Cement Company Pvt. Ltd.		1.91	1.00
Add: Increase in Net Worth of Asian Cements & Concretes Pvt. Ltd.		2.08	(1.03)
Less: Other adjustments (Net)		0.10	0.07
		6,978.70	6,280.07