

Directors' Report

TO THE MEMBERS OF
NATIONAL LIMESTONE COMPANY PRIVATE LIMITED

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

2. FINANCIAL RESULTS

PARTICULARS	2011	2010
	₹	₹
Sale of Products, Services and Other Income	1,31,67,961	85,68,915
Loss Before Tax	(2,75,244)	(8,26,528)
Provision for Taxation		
- Deferred Tax	-	(7,940)
Loss after Taxation	(2,75,244)	(8,18,588)
Balance brought forward from previous year	(14,17,640)	(5,99,052)
Balance carried forward to Balance Sheet	(16,92,884)	(14,17,640)

3. OPERATIONS

The total dispatches for the year ended December 31, 2011 were 34,822 MT as compared to 39,592 MT for the year ended December 31, 2010.

The Company has incurred a loss before tax of ₹ 2,75,244 for the year ended December 31, 2011 as compared to a loss of ₹ 8,26,528 for the year ended December 31, 2010. The loss after tax for the year ended December 31, 2011 is ₹ 2,75,244 as compared to a loss of ₹ 8,18,588 for the year ended December 31, 2010.

4. DIVIDEND

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

5. INDUSTRIAL RELATIONS

During the year under review, industrial relations at the Company's unit continued to remain cordial and peaceful.

6. PROPOSED AMALGAMATION OF THE COMPANY WITH ACC LIMITED

The Board of Directors had at its Meeting held on January 27, 2011 approved a Scheme of Amalgamation of your Company with ACC Limited, the holding Company, subject to all requisite approvals being obtained.

7. DIRECTORS

Mr S K Das who was appointed as a Director of the Company with effect from June 16, 2009 resigned as Director with effect from March 1, 2011. The Board has placed on record its appreciation of the valuable services rendered by Mr S K Das during his tenure as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956, Mr Burjor D Nariman and Mr Krishan Mohan Gupta retire by rotation and are eligible for reappointment.

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

and fair view of the state of affairs of the Company as on December 31, 2011, and of the loss of the Company for the year ended on that date;

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

9. AUDITORS

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

10. AUDIT COMMITTEE

The Company is not required to constitute an Audit Committee under provisions of Section 292A of the Companies Act, 1956.

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

There was no technology absorption and no foreign exchange earnings or outgo during the year under review. Hence the information as required under Section 217(1)(e) of the Companies Act 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is NIL.

The Company has not entered into any technology transfer agreement.

12. PARTICULARS OF EMPLOYEES

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Sec 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

13. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their appreciation of the excellent co-operation received from the Government and Company's Bankers. Your Directors also acknowledge the unstinted assistance and support received from ACC Limited, the holding Company, and thank all the employees for their valuable contribution during the year.

For and on behalf of the Board,

Burjor D Nariman
Chairman

Mumbai
February 01, 2012

Auditors' Report to the members of the National Limestone Company Private Limited

1. We have audited the attached Balance Sheet of NATIONAL LIMESTONE COMPANY PRIVATE LIMITED, as at December 31, 2011, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with 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.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
 - c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) on the basis of the written representations received from the directors, as on December 31, 2011, and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on December 31, 2011 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2011;
 - ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: February 01, 2012

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our Report of even date on the Accounts for the year ended December 31, 2011 of NATIONAL LIMESTONE COMPANY PRIVATE LIMITED)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) No fixed assets are disposed off during the year.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) Based upon the audit procedures performed and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b) is not applicable.
- (vi) The Company has not accepted any deposits from the public to which the provisions of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 apply.
- (vii) The Company neither has a paid-up capital and reserves exceeding ₹ 50 Lac as at the commencement of the financial year, nor does it have an average annual turnover exceeding ₹ 5 crore for the period of three consecutive financial years immediately preceding the financial year and therefore, the directions in respect of internal audit are not applicable to the Company.
- (viii) The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to the records of the Company, Provident Fund, Investor Education and Protection Fund, Employees' State

Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, cess and other material statutory dues applicable to it have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and cess which have not been deposited on account of any dispute.
- (x) The accumulated losses of the Company exceed 50% of its net worth. The Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the Company has not taken any money from financial institution, bank or debenture holders and hence clause 4(xi) is not applicable.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not raised any term loans during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis aggregating to ₹ 10.57 Lac have been utilised for financing the cash losses.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures were issued during the year.
- (xx) The Company has not raised any money by way of public issue during the year. Therefore, the provision of clause (xx) of the order is not applicable to the Company.
- (xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.

For K. S. Aiyar & Co.

Chartered Accountants
Firm Registration No. 100186W

Sachin A. Negandhi
Partner

Membership No.: 112888

Place: Mumbai
Date: February 01, 2012

Balance Sheet as at December 31, 2011

Schedules	As at December 31, 2011	As at December 31, 2010
	₹	₹
SOURCES OF FUNDS:		
Shareholders' Funds:		
Share Capital	1	865,000
Reserves and Surplus	2	422,125
		1,287,125
TOTAL FUNDS		1,287,125
APPLICATION OF FUNDS:		
Fixed Assets:		
Gross Block	3	1,342,179
Less: Accumulated Depreciation		691,154
Net Block		651,025
Current Assets, Loans and Advances:		
Inventory	4	4,636,697
Sundry Debtors	5	993,446
Cash and Bank Balances	6	2,125,387
Other Current Assets	7	420,125
Loans and Advances	8	11,057,704
		19,233,359
Less : Current Liabilities and Provisions:		
Current Liabilities	9	20,290,143
		20,290,143
Net Current Assets		(1,056,784)
Profit & Loss Account		1,692,884
TOTAL ASSETS		1,287,125
Notes to Accounts	12	

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 National Lime Stone Co. Private Limited,

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

B.D. Nariman Chairman

Dr. S.B. Singh
S. Das Gupta
K.M. Gupta } Director

Sachin A. Negandhi
Partner
Membership No. 112888
Mumbai, February 01, 2012

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

Schedules	For the year ended December 31, 2011	For the year ended December 31, 2010
	₹	₹
INCOME:		
Sale of Products and Services		13,165,098
Other Income	10	2,863
		13,167,961
EXPENDITURE:		
Manufacturing and Other Expenses	11	13,415,684
Depreciation	3	27,521
		13,443,205
Loss before Tax		(275,244)
Provision for Taxation		
Deferred Tax (Income)		-
Loss after Tax		(275,244)
Balance brought forward from Previous year		(1,417,640)
Balance carried to Balance Sheet		(1,692,884)
Basic & Diluted Earnings per Share		(31.82)
Notes to Accounts	12	

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 National Lime Stone Co. Private Limited,

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

B.D. Nariman Chairman

Dr. S.B. Singh
S. Das Gupta
K.M. Gupta } Director

Sachin A. Negandhi
Partner
Membership No. 112888
Mumbai, February 01, 2012

Cash Flow Statement for the year ended December 31, 2011

	For the year ended December 31, 2011	For the year ended December 31, 2010
	₹	₹
A. Cash flow from operating activities		
1. Loss before tax	(275,244)	(826,528)
Adjustments for:		
Depreciation	27,521	27,520
Interest Received	(2,863)	(3,314)
Operating profit before working capital changes	(250,586)	(802,322)
Movement in Working Capital		
2. Decrease / (Increase) in Sundry Debtors	(993,446)	-
3. Decrease / (Increase) in Inventories	(4,631,491)	-
4. Decrease / (Increase) in Other Current Assets	(281,624)	(10,164,370)
5. Increase / (Decrease) in Other Liabilities & Provisions	6,616,421	12,156,838
Cash generated from operations	459,274	1,190,146
6. Direct Taxes refunds/(paid)	(5,847)	(214,474)
Net cash from operating activities	453,427	975,672
B Cash flow from investing activities		
7. Interest Received	2,863	3,314
Net cash from investing activities	2,863	3,314
Net increase / (decrease) in cash & cash equivalents	456,290	978,986
Cash & Cash equivalents :		
Opening Balance	1,669,097	690,111
Closing Balance	2,125,387	1,669,097

As per our report of even date For and on behalf of the Board of National Lime Stone Co. Private Limited,

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

B.D. Nariman *Chairman*

Dr. S.B. Singh
S. Das Gupta
K.M. Gupta } *Director*

Sachin A. Negandhi
Partner
Membership No. 112888
Mumbai, February 01, 2012

Schedules forming part of the Balance Sheet

SCHEDULE - 1. SHARE CAPITAL

	As at December 31, 2011	As at December 31, 2010
	₹	₹
AUTHORISED -		
50,000 Equity Shares of ₹ 100 each	5,000,000	5,000,000
<i>(Previous Year - 50,000 Equity Shares of ₹ 100 each)</i>		
	5,000,000	5,000,000
ISSUED -		
8,650 Equity Shares of ₹ 100 each	865,000	865,000
<i>(Previous Year - 8,650 Equity Shares of ₹ 100 each)</i>		
SUBSCRIBED -		
8,650 Equity Shares of ₹ 100 each	865,000	865,000
<i>(Previous Year - 8,650 Equity Shares of ₹ 100 each)</i>		
(All the Shares held by ACC Limited the Holding Company and its nominees)		
TOTAL	865,000	865,000

SCHEDULE - 2. RESERVES AND SURPLUS

	As at December 31, 2011	As at December 31, 2010
	₹	₹
General Reserve	422,125	422,125
TOTAL	422,125	422,125

Schedules forming part of the Balance Sheet

SCHEDULE - 3. FIXED ASSETS

₹

FIXED ASSETS	GROSS BLOCK AT COST		TOTAL DEPRECIATION			NET BLOCK	
	As at 01-01-2011	As at 31-12-2011	As at 01-01-2011	For the year	Upto 31-12-2011	As at 31-12-2011	As at 31-12-2010
Tangible Assets :							
Freehold Land	380,154	380,154	-	-	-	380,154	380,154
Leasehold Land	47,977	47,977	-	-	-	47,977	47,977
Factory Building	719,591	719,591	536,161	24,033	560,194	159,397	183,430
Tubewell	35,283	35,283	13,661	576	14,237	21,046	21,622
Office Building	43,459	43,459	10,808	708	11,516	31,943	32,651
Plant & Machinery	40,000	40,000	36,836	1,900	38,736	1,264	3,164
Weight Machine	57,161	57,161	57,161	-	57,161	-	-
Magazine / Explosive Warehouse	18,554	18,554	9,006	304	9,310	9,244	9,548
Total	1,342,179	1,342,179	663,633	27521	691,154	651,025	678,546
Previous Year	1,342,179	1,342,179	636,113	27,520	663,633	678,546	

SCHEDULE - 4. INVENTORY

	As at December 31, 2011	As at December 31, 2010
	₹	₹
Stock of Crushed Limestone	4,621,346	-
Stock of Explosive	3,974	3,974
Stock of Limestone	11,377	1,232
TOTAL	4,636,697	5,206

SCHEDULE - 5. SUNDRY DEBTORS

	As at December 31, 2011	As at December 31, 2010
	₹	₹
DEBTORS (Unsecured, Considered good)		
Over Six Month	126,847	-
Others	866,599	-
TOTAL	993,446	-

SCHEDULE - 6. CASH AND BANK BALANCES

	As at December 31, 2011	As at December 31, 2010
	₹	₹
Balance With Scheduled Banks		
In Current Account	1,668,387	1,100,097
In Fixed Deposits	457,000	569,000
TOTAL	2,125,387	1,669,097

SCHEDULE - 7. OTHER CURRENT ASSETS

	As at December 31, 2011	As at December 31, 2010
	₹	₹
Accrued Interest	2,863	40,683
Prepaid Expense	417,262	405,378
TOTAL	420,125	446,061

SCHEDULE - 8. LOANS AND ADVANCES

(Unsecured, Considered Good unless otherwise stated)

	As at December 31, 2011	As at December 31, 2010
	₹	₹
Sundry Advances And Deposits, etc.		
Advance to holding company	50,000	50,000
Advances Recoverable in cash or in kind or for value to be received	10,765,576	10,458,017
	10,815,576	10,508,017
Advance Payments against Taxes	242,128	236,281
TOTAL	11,057,704	10,744,298

SCHEDULE - 9. CURRENT LIABILITIES

	As at December 31, 2011	As at December 31, 2010
	₹	₹
Sundry Creditors		
Payable to holding company	15,678,851	12,797,015
Others	4,241,043	810,857
Other Current Liabilities	370,250	65,851
TOTAL	20,290,144	13,673,723

Schedules forming part of the Profit and Loss Account

SCHEDULE - 10. OTHER INCOME

	For the year ended December 31, 2011	For the year ended December 31, 2010
	₹	₹
Other Income		
Interest Income	2,863	3,314
TOTAL	2,863	3,314

SCHEDULE - 11. MANUFACTURING AND OTHER EXPENSES

	For the year ended December 31, 2011	For the year ended December 31, 2010
	₹	₹
MANUFACTURING EXPENSES		
Purchase of Crushed Limestone	6,719,025	-
Purchase of Masonary Stone	1,407,116	-
Stores and Spares parts Consumed	150,195	466,143
Power and Fuel (Diesel & Electricity)	2,265	19,688
Crushing Charges	2,966,082	-
Royalties	2,263,442	2,055,976
Loading, Transportation, Mines Expenses and Other Charges	2,451,045	6,312,946
	15,959,170	8,854,753
ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Rates and Taxes (Including Sale Tax Expense & Cess)	16,904	40,162
Travelling Expenses	235,960	210,885
Outward Transportation	992,823	-
Bank Charges	5,067	15,612
Professional Charges	300,884	25,369
Legal Expenses	286,780	6,279
Stationary Expense	12,125	23,930
Miscellaneous Expenses	106,462	59,933
Auditors Remuneration	131,000	131,000
	2,088,005	513,170
(INCREASE)/ DECREASE IN STOCKS		
Closing Stocks -		
Finished Goods	4,621,346	-
Raw Material	15,351	5,206
	4,636,697	5,206
Opening Stocks -		
Raw Material	5,206	5,206
	5,206	5,206
	(4,631,491)	-
TOTAL	13,415,684	9,367,923

SCHEDULE - 12. NOTES TO ACCOUNTS

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

(A) Basis of preparation

- The financial statements have been prepared in accordance with the accounting principle generally accepted in India and comply in all material aspects with the notified Accounting Standards specified in Companies (Accounting Standards) Rules, 2006 prescribed by the Central Govt and the relevant provisions of the Companies Act, 1956.
- Financial statements are based on historical cost and are prepared on accrual basis, except where impairment is made and revaluation is carried out.
- Accounting policies have been consistently applied by the Company.

(B) Use of estimates

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

(C) 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.

I. Sale of goods

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which is generally on dispatch of products and is stated net of returns.

II. Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(D) Fixed assets

Fixed assets are stated at cost of acquisition or construction including attributable interest and financial costs till such assets are ready for its intended use, less accumulated depreciation, impairment losses and specific grants received, if any.

(E) Depreciation

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

(F) 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 will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

(G) Investments

Current Investments are stated at lower of cost or fair value. Long term Investments are stated at cost. Provision for diminution in value is made only if decline is other than temporary.

(H) Income taxes

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

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

(I) 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.

(J) Earnings per share

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

(K) Segment Reporting

The Company is operating only in one significant business segment i.e. Extraction and sale of lime stone; hence segment information as per Accounting Standard 17 is not required to be disclosed. The company is catering mainly to the need of the domestic market; as such there is no reportable Geographical Segments.

(L) Inventories

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.

2. Related Party Disclosure

Particulars of Related Parties, which control or are under common control with the Company:

Name of Related Parties	Nature of Relationship
ACC Limited	Holding Company
Bulk Cement Corporation (India) Limited.	Fellow Subsidiary Company
ACC Mineral Resourcing Limited	Fellow Subsidiary Company
Lucky Minmat Limited	Fellow Subsidiary Company
ACC Concrete Limited	Fellow Subsidiary Company
Encore Cement and Additives Private Limited.	Fellow Subsidiary Company w.e.f. January 28, 2010.

Name of Related Parties	Nature of Relationship
MP AMRL (Semaria) Coal Company Limited	Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL)
MP AMRL (Bicharpur) Coal Company Limited	Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL)
MP AMRL (Marki Barka) Coal Company Limited	Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL)
MP AMRL (Morga) Coal Company Limited	Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL)
Alcon Cement Company Private Limited	Associate Company of the Holding Company
Asian Concretes & Cements Private Limited	Associate Company of the holding company w.e.f. April 01, 2010.
Aakaash Manufacturing Company Private Limited	Associate Company of Fellow subsidiary ACC Concrete Limited w.e.f. March 25, 2011
Holcim Limited	Ultimate holding Company
Ambuja Cement India Private Limited*	Holding Company of the Holding Company
Ambuja Cements Limited	Fellow subsidiary of the holding Company
Holderind Investments Limited	Fellow subsidiary of the holding Company
Holcim (India) Private Limited*	Holding Company of the Holding Company
Holcim Group Support Limited	Fellow subsidiary of the holding Company
Holcim (Singapore) Pte Limited	Fellow subsidiary of the holding Company
Holcim Trading FZCO	Fellow subsidiary of the holding Company
Holcim (Lanka) Limited	Fellow subsidiary of the holding Company
PT Holcim Indonesia Tbk	Fellow subsidiary of the holding Company
Holcim Services (South Asia) Limited	Fellow subsidiary of the holding Company
Siam City Cement Public Company Limited	Fellow subsidiary of the holding Company
Holcim (Bangladesh) Limited	Fellow subsidiary of the holding Company
Holcim (Canada) INC.	Fellow subsidiary of the holding Company
Holcim (Vietnam) Limited	Fellow subsidiary of the holding Company
Holcim Environment Services SA, Belgium	Fellow subsidiary of the holding Company
Holcim (Malaysia) SDN BHD	Fellow subsidiary of the holding Company
Holcim (US)	Fellow subsidiary of the holding Company
Holcim Foundation	Fellow entity of the holding Company
Holcim Philippines	Fellow subsidiary of the holding Company

Note:

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

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

(b) Transactions with Holding Company

	For the year ended December 31, 2011	For the year ended December 31, 2010
	₹	₹
(i) Sale to ACC Limited	825,331	8,565,601
(ii) Dead Rent / Land tax / F.B.T Paid on behalf of National Limestone Company Private Limited By ACC Limited	692,167	1,210,000
(iii) Transportation charge Recovery from ACC Limited	-	7,677,000
(iv) Outstanding balance (Net) to ACC Limited	15,628,860	12,797,014

(c) Transactions with Fellow Subsidiary Company

	For the year ended December 31, 2011	For the year ended December 31, 2010
	₹	₹
(i) Sale to ACC Concrete Limited	1,852,523	-
(ii) Freight Charges	1,653,276	-
(iii) Outstanding balance (Net) to ACC Concrete Limited	822,698	-

3. Earnings per Share-[EPS]

	For the year ended December 31, 2011	For the year ended December 31, 2010
	₹	₹
Profit / (Loss) after taxation as per Profit & Loss Account	(275,244)	(818,588)
Weighted average number of Equity Shares Outstanding	8,650	8,650
Basic earnings per share (weighted average) (Face Value – ₹ 100 per share) (Basic and Diluted earnings per share are same)	(31.82)	(94.63)

4. Taxation

No provision for current tax is made in view of the losses for the year. In view of carried forward losses, the company has deferred tax assets; however, as a matter of prudence and in view of the absence of virtual certainty of future taxable income, the same has not been recognized in the financial statements.

5. Contingent Liability Not Provided For

Demand for land tax.

Year	2011		2010	
	For the year	Cumulative	For the year	Cumulative
Amount (in ₹)	3,850,000	15,400,000	3,850,000	11,550,000

6. The Company has filed a petition against the Order / Notices of Mining Authorities towards a demand of ₹ 9,925,437/- as additional Royalty on Limestone extracted in earlier years which in view of Company is legally unsustainable and the Company does not expect any liability in this matter.

7. The Company has accumulated losses at December 31, 2011, and the net worth is negative. The company has obtained support from ACC Limited (Holding Company) assuring continuous support to finance the operation of the company which being turned after acquisition. Hence, the accounts are prepared on going concern basis.

8. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principle amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises 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.

9. Payment to Statutory Auditors

Particulars	For the year ended December 31, 2011	For the year ended December 31, 2010
	₹	₹
Audit Fees	75,000	75,000
Fees for other services	56,000	56,000
TOTAL	131,000	131,000

10. The Company has no employees on its payroll during the year

11. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3 & 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956 (wherever applicable)

(A) Sales by class of goods (Net)

	Unit	2011		2010	
		Quantity	₹	Quantity	₹
Lime Stone	MT	34,822	131,65,098	39,592	85,65,601

12. Particulars of Licensed, Installed Capacity & Production

As Certified by Management

	For the year ended December 31, 2011	For the year ended December 31, 2010
	₹	₹
Licensed Capacity Limestone (MT per day)	300 MT	300 MT
Installed Capacity*Limestone (MT per day)	300 MT	300 MT
Actual Productions-During the Year (Limestone)	34,822 MT	39,592 MT

*As certified by management and accepted by the Auditors

13. The Company has filed a scheme in the High Court of Bombay in June, 2011 and hearing has been held by the said Court for amalgamation of the company with ACC Limited (Holding company)

14. Previous period figures are regrouped / restated wherever necessary to make them comparable with current year figures.

Signatures to Schedules 1 to 12

As per our report of even date For and on behalf of the Board of National Lime Stone Co. Private Limited,

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

B.D. Nariman Chairman

Dr. S.B. Singh
S. Das Gupta
K.M. Gupta } Director

Sachin A. Negandhi
Partner
Membership No. 112888
Mumbai, February 01, 2012

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

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. State Code Balance Sheet

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

Public Issue

Rights Issue

Bonus Issue

Private Placement

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

Total Liabilities

Total Assets

Sources of Funds

Paid up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

IV. Performance of Company (Amount in ₹ Thousands)

Turnover

Total Expenditure

Profit / Loss Before Tax

Profit After Tax

Earning per share (in ₹) For Share of ₹ 100.00 each

Dividend Rate %

V. Generic name of three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

Product Description

E	X	T	R	A	C	T	I	O	N								
T	R	A	N	S	P	O	R	T	A	T	I	O	N	&			
S	A	L	E		O	F		L	I	M	E		S	T	O	N	E