Directors' Report & Management Discussion and Analysis

TO THE MEMBERS OF
ACC LIMITED

The Directors take pleasure in presenting the Seventy Seventh Annual Report together with the audited accounts, for the year ended December 31, 2012. The Management Discussion and Analysis has also been incorporated into this report.

1. FOREWORD

The Indian economy experienced a slowdown in the year 2012, consequent to a deceleration in global economic growth. As a result, two important drivers of economic growth viz. infrastructure and industrial projects performed below expectations. Higher inflation and a depreciating rupee lead to a fall in domestic savings and consumption. Your Company faced these challenges with a new focus to achieve cost leadership and enhance value. This was enabled by planning for all-round improvements and innovativeness in productivity and profitability, leadership development and capability enhancement of its employees. In the process, many favourable trends were established.

Your Company closed the year by starting ground work on the next phase of the Company's expansion programme.

2. HIGHLIGHTS OF PERFORMANCE

- Operating EBITDA increased in 2012 by 14% to ₹ 2197 crore, from ₹ 1921 crore in 2011.
- Consolidated income for the year increased by 11% to ₹ 11621 crore, as compared to ₹ 10428 crore in 2011.
- Consolidated profit before tax in 2012 was ₹ 1441 crore, against ₹ 1505 crore in 2011. Similarly, consolidated profit after tax was ₹ 1059 crore against ₹ 1301 crore in 2011.

  Profit Before Tax and Profit After Tax would have been higher by ₹ 364.08 crore and ₹ 245.95 crore respectively, if there was no change in method of depreciation from Straight Line method to Written Down Value method in respect of Captive Power Plants.

3. FINANCIAL RESULTS

	Consolidated		Standalone	
	₹ Crore		₹ Crore	
	2012	2011	2012	2011
Revenue from Operations (Net) and Other Income	11621.47	10428.20	11622.78	9852.20
Profit Before Tax (PBT)	1440.99	1505.29	1451.49	1540.42
Provision for Tax	391.08	215.45	390.30	215.16
Profit After Tax (PAT)	1059.28	1300.80	1061.19	1325.26
Balance brought forward from previous year	3591.12	3175.45	3821.54	3381.41
Adjustment pursuant to Amalgamation	-	-	(216.29)	-
Profit available for Appropriations	4650.40	4476.25	4666.44	4706.67
Appropriations:				
Interim Dividend	206.52	206.52	206.52	206.52
Proposed Final Dividend	356.72	319.17	356.72	319.17
Dividend Distribution Tax	91.37	85.28	91.37	85.28
Previous Year Dividend Distribution Tax	-	(1.49)	-	(1.49)
General Reserve	150.00	250.00	150.00	250.00
Debenture Redemption Reserve	-	25.00	-	25.00
Amortization Reserves	-	0.65	-	0.65
Surplus carried to the next year's account	3845.79	3591.12	3861.83	3821.54

4. DIVIDEND

Your Directors are pleased to recommend a final dividend of ₹ 19 per equity share of ₹ 10 each. The Company had distributed an interim dividend of ₹ 11 per equity share of ₹ 10 each in August 2012. The total dividend for the year ended December 31, 2012 would accordingly be ₹ 30 per equity share of ₹ 10 each as against the total dividend of ₹ 28 per equity share of ₹ 10 each for the year ended December 31, 2011. The total outgo for the current year amounts to ₹ 654.61 crore, including dividend distribution tax of ₹ 91.37 crore, as against ₹ 610.97 crore including dividend distribution tax of ₹ 85.28 crore in the previous year.

5. ECONOMIC SCENARIO & OUTLOOK

The global economy experienced a slowdown especially noticed in developed economies, which had its impact on India as well. The Indian economy had to contend with high inflation in the year 2012 and increased lending rates. The tightening of the monetary policy further slowed the growth of the economy which affected all sectors including the cement industry.

There are signs that indicate the possibility of a revival in consumption and government spending in 2013. Coupled with expectations of a normal monsoon, this augurs well for the economy in the coming year.

6. CEMENT INDUSTRY OUTLOOK AND OPPORTUNITIES

In 2012, the cement industry added ~34 million tonnes of capacity taking its installed capacity to ~360 million tonnes. The first half of the calendar year witnessed high demand for cement at 10% YoY. This demand fell in the second half of the year following a slowdown in the construction sector.

Cement Industry is expected to gather momentum driven by a revival in the general investment climate and by reduction in interest rates which will positively impact demand from housing, infrastructure and industry segments. We, therefore expect a favourable rate of growth in cement consumption. At the same time, there is a likelihood of mounting pressure on costs mainly arising out of increases in the cost of coal, diesel, rail freight and exchange rate fluctuations.

Institutionalizing Excellence

In the beginning of 2012, the Company launched a new programme designed to deliver superior value to our customers while simultaneously seeking cost leadership through improvements in manufacturing, sales & marketing, logistics and procurement of major inputs. The programme called "Institutionalizing Excellence" is designed to further strengthen these processes so as to deliver and sustain enhanced performance levels. Built essentially around five pillars of core processes of the Organization, the overall objective of the programme is to achieve excellence in the functions comprising manufacturing, logistics, sales & marketing, people processes and certain strategic procurement projects.

The manufacturing excellence pillar includes efforts to reduce production cost through improvements in clinker factor, plant performance, thermal and electrical energy efficiencies. The sales and marketing teams aim to strengthen the Company's brand advantage, sustain market share and strive for top-line growth. In logistics, the plan is to achieve best-in-class performance in terms of cost-to-serve and time-to-serve. The Company has deployed emerging technologies like RFID (Radio Frequency Identification) and GPS (Global Positioning Systems) for the first time in the Indian Cement Industry, to enable easy tracking of road transport vehicles in our plants and in transit to the end-consumer. The Institutionalizing Excellence journey has already shown signs of improvement across the Company with traction in all areas covered by it.

7. CEMENT BUSINESS – PERFORMANCE AT A GLANCE

	2012	2011	Change %
Production - million tonnes	24.12	23.46	3%
Sales Volume - million tonnes	24.11	23.73	2%
Sale Value - ₹ crore	11130.45	9429.62	18%
Operating EBITDA ₹ crore	2195.57	1920.72	14%

8. EXPANSION CAPEX

Preliminary work on the new Jamul expansion project has commenced with ground-breaking at site and ordering out major plant equipment. Scheduled for completion in a phased manner in 2015, the project comprises a new clinkering line of 2.79 million tonnes capacity and grinding facility of 1.10 million tonnes at Jamul. In addition, it also includes the establishment of two other grinding plants in Eastern India, which will together enhance our capacity by 5 million tonnes of cement per annum. The total estimated cost of this expansion is ₹ 3300 crore and shall be funded through internal accruals.

9. READY MIXED CONCRETE (RMX)

During the year under review, the sales volume of RMX fell by 16%, mainly on account of a slowdown in the construction industry. Steps have been initiated to consolidate the Company's RMX business through increased volumes from its existing assets. Vigorous efforts are being made to extend the customer base and leveraging the Company's vast cement network.

The outlook for the construction sector in 2013 remains stable. Maximum demand for RMX is expected from Mumbai, Gurgaon and Bengaluru`, which are likely to attract larger investments in real estate and infra projects. We expect pricing to remain under pressure next year as a result of competition.

	2012	2011	Change %
Production - lakh cubic metres	16.54	19.79	(16%)
Sales Volume - lakh cubic metres	17.97	21.41	(16%)
Sale Value - ₹ crore	617.06	687.66	(10%)
Operating EBITDA - ₹ crore	2.12	(3.29)	164%

10. SUSTAINABLE DEVELOPMENT

10.1 Alternative Fuels and Raw Materials (AFR)

The Company continues to provide sustainable waste management solutions to various industries through co-processing. Our portfolio of clients has further increased with new waste streams. Efforts continued to be made to reduce dependence on fossil fuel and increase the use of biomass as a renewable source of energy.

Third party emission monitoring trial burns for hazardous waste, conducted in close co-ordination with regulatory authorities and industries, demonstrated that co-processing wastes in cement kilns did not have any adverse impact on the environment and on the quality of the end product.

10.2 Renewable Energy & Clean Development Mechanism (CDM)

Your Company generated 42.33 million units of wind power from its three wind power stations located in Rajasthan, Tamil Nadu and Maharashtra. During the year, 1,77,299 Certified Emission Reductions (CERs) were received from the United National Framework Convention on Climate Change (UNFCCC) for the CDM Projects of blended cements and wind power generation in Tamil Nadu. During the year, we registered our wind power generation in Rajasthan as a new CDM project.

10.3 Environment Performance

Your Company has installed Continuous Ambient Air Quality Monitoring Stations and Continuous Emission Monitoring Systems for kiln stacks at most of its plants. Online reporting of environment data to the

Central Pollution Control Board was started in respect of seven of its plants. During the year, your Company reduced CO_2 emission by ~2%. This was achieved through several initiatives like reduction of specific thermal energy, specific electrical energy, higher usage of blended materials like flyash and slag and the use of alternative fuels and raw materials.

Stack dust emissions were maintained well below statutory limits by installation of the state-of-the-art pollution control equipment in different plants of ACC and kiln stack emissions were lower by 15.49% as compared to the previous year.

Several initiatives have been undertaken across all plants to reduce specific water consumption for cement manufacturing and also enhance water harvesting efforts in different plants and mines.

The Company has under implementation a 7 MW Waste Heat Recovery Power generation unit at Gagal, Himachal Pradesh, which when completed, will be capable of generating ~45 million units of power per year of green energy, thereby further reducing the discharge of CO_2 into the environment.

As a member of the Cement Sustainability Initiative, your Company made key contribution in developing a Low Carbon Technology roadmap for the Indian Cement Industry.

11. COMMUNITY DEVELOPMENT

As part of its Corporate Social Responsibility, your Company undertakes a range of activities to improve the living conditions of the weaker sections living near its plants. These include education, healthcare, vocational guidance and rural development. Some of these like agriculture development were carried out in partnership with government agencies.

During the year under review, efforts to improve the quality of education in village schools benefitted about 28000 students. Bridge Education Support was given to about 4200 students, and 100 Scholarships were awarded to meritorious students to help them continue their education. Technology aided education initiatives like smart classes and interactive kiosks in rural schools aided about 6100 rural children to keep pace with modern methods of learning. About 800 women members of Self Help Groups (SHG) participated in Adult Literacy Programs run by your Company.

Skill development training programmes were imparted to unemployed youth in partnership with specialised NGOs which helped about 2376 youth get job placements in various manufacturing and service sector enterprises. Your Company also supported the formation of 604 SHGs and their strengthening through structured training activities. Members of these SHGs saved about ₹ 1.12 crore which helped them to secure matching grants from banks and other financial institutions to start micro-enterprises.

On the health and nutrition front, your Company's initiatives for better health benefitted 1.35 lakh people. Support to 144 anganwadi centres helped 11,150 mothers and children get access to better health and nutrition. Nearly 17,000 people were supported through counselling, testing and treatment, wherever applicable, for HIV/AIDS.

The Company released its Externally Assured A+ rating Sustainable Development Report 2011 in the GRI (Global Reporting Initiative) framework.

12. OCCUPATIONAL HEALTH & SAFETY (OH&S)

Your Company engages its employees in OH&S matters through a policy of communication, involvement and competency build-up applied consistently and continually throughout its operation. Different programmes targeting critical areas are being implemented across all sites to address risks associated with operations. Effectiveness of these programmes is being constantly assessed by the Top Management. External audits are being conducted to check the level of implementation of these safety programmes.

A behaviour based safety training programme "ACC Chetna" was launched in June 2012. The programme trains people to practice 5 simple behaviours that can prevent injuries at the workplace and at home.

Visible Safety Leadership programmes are being conducted across business units for senior line managers. The programme comprises practical exercises and interactive sessions and prepares line managers to act as a role model to their subordinates by visibly leading safety in the field.

The concept of Safety Champions has been successfully established and aims to involve and engage line managers in safety by way of execution of short term safety projects.

Risk assessment is an integral part of any job/ activity. Our line managers are provided with different types of risk assessment tools to help them identify risk and decide on appropriate control measures. Hazard Identification and Risk Assessment (HIRA) workshops are being continued at sites to refine anticipation capability amongst the employees by enhancing their hazard observation skills. Apart from our employees, contractors are also being involved in HIRA workshops, which show an appreciable change in the attitude of contractors towards safety.

A concept of "Safety Circle" has been rolled out across the plants to promote safety ownership amongst line management. The intent of this concept is to involve as well as to engage shop floor employees including contractor workforce to identify safety concerns and execute safety projects for focused improvements in their respective work areas.

Our pro-wellness programmes reached more than 7,500 employees, contractors and community members during the year.

12.1 Logistics Safety

Logistics safety was given close attention with carefully planned interventions in people development and driver trainings. Health and safety checks have been initiated in the plants in phases with the help of external consultants. This includes examination of aspects such as plant packing house layouts, truck parking yards, inward and outward flow of traffic, storage areas and infrastructure for road and rail transport.

13. HUMAN RESOURCES

With an intent to create a future ready talent pool for managing our business growth, your Company has embarked on a journey towards People Excellence during the year. The aim of this journey is to re-engineer HR processes and ensure that each HR process is fine-tuned with current and future business requirement and an appropriate number of employees are groomed for future middle and senior leadership roles. Greater focus is given to hiring and retaining talent from different disciplines and streams.

Under a concept of 'On boarding Centres', a complete functional orientation programme is in place which is expected to deliver competent cement engineers and functional specialists. The concept has been evaluated as one of the best practices across manufacturing companies in the industry.

As extension of faster learning for young talent, your Company has embarked on a plan to impart intensive learning through challenging functional/ cross-functional projects and coaching to improve analytical and decision making capability.

The new talent management process has adopted a bottom-up approach to conduct the talent review process, where immediate line managers are involved in identifying high-potential employees from their own teams. One-on-one Development Conversations have been conducted with the identified high potentials to create their individual development plan based on individual and Organization's aspiration.

The industrial relations scenario was peaceful. Your Company embarked on a major programme for Shop Floor Associates Development with an emphasis on involving and engaging them in a variety of small improvement projects at the shop floor level so that their engagement level is enhanced. The Sumant Moolgaonkar Training Institute (SMTI) and ACC Cement Technology Institute (ACTI) are giving their full contribution in training artisans and diploma holders.

14. FINANCE

Your Company's cash and cash equivalent as at December 31, 2012 was ₹ 3037 crore. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters are kept under strict check through continuous monitoring. The Company's debt programme continues to enjoy "AAA" rating from CRISIL.

During the year, the Company had given an option of premature redemption of Non-Convertible Debentures to the holders of its Privately Placed Debentures having coupon rates of 8.45% and 11.30%. Out of ₹ 500 crore of Non-Convertible Debentures, debentures totalling ₹ 343 crore, stand prematurely redeemed as on December 31, 2012.

15. FIXED DEPOSITS

Despite efforts to identify and repay unclaimed deposits, the total amount of fixed deposits matured and remaining unclaimed as on December 31, 2012 was ₹ 0.02 crore.

16. STATUS OF AMALGAMATION OF SUBSIDIARY COMPANIES

During the year, ACC Concrete Limited and Encore Cement and Additives Private Limited, both wholly owned subsidiaries of your Company, have amalgamated with your Company. The amalgamations would enable your Company to utilize the resources of the said subsidiaries to further augment its cement business and would bring down the cost of overheads and other common expenses.

The Scheme of Amalgamation of Lucky Minmat Limited and National Limestone Company Private Limited, both wholly owned subsidiary companies of your Company, was filed with the High Court of Judicature at Bombay and is pending due to certain regulatory approvals.

17. SUBSIDIARY COMPANIES

17.1 ACC Mineral Resources Limited (AMRL)

The wholly owned Company, AMRL, is a Special Purpose Vehicle which looks into the development of the four coal blocks allotted by the Madhya Pradesh State Mining Corporation Limited (MPSMC) through four companies incorporated jointly by MPSMC and AMRL pursuant to a joint venture agreement.

In January 2013, the Company received notice of de-allocation of one of the Coal Blocks from the Ministry of Coal, Government of India, on the grounds of non-receipt of forest and environmental clearances from the Ministry of Environment and Forests, in view of the block's proximity to the National Tiger Reserve at Bandhavgarh. MPSMC along with the concerned Joint Venture Company, have together filed a writ petition in the Jabalpur High Court for relief in the matter.

During the year under review, the preliminary and pre-development activities in the other three coal blocks are in progress. The Bicharpur Coal Block in Shahdol District is in an advanced stage of development. AMRL does not have any commercial activity or earnings from investments and therefore no income.

17.2 Bulk Cement Corporation (India) Limited (BCCI)

During the year under review, BCCI handled cement volumes of 9.20 lakh tonnes in 2012, as against 9.34 lakh tonnes in 2011. The Profit after tax for the year 2012 is ₹ 179.81 lakhs, as against ₹ 68.35 lakhs in the year 2011.

17.3 Singhania Minerals Private Limited

This Company was acquired in August 2012. Being wholly owned Company, the said acquisition will help the Company in augmenting its limestone reserves.

17.4 Audited statements of accounts of the Company's Subsidiaries

As required under Section 212 of the Companies Act, 1956, the audited statements of account, along with the report of the Board of Directors relating to the Company's subsidiaries; ACC Mineral Resources Limited, Bulk Cement Corporation (India) Limited, Lucky Minmat Limited, National Limestone Company Private Limited and Singhania Minerals Private Limited together with the respective Auditors' Reports thereon for the year ended December 31, 2012 are annexed.

18. DIRECTORS

As per the Succession Policy for Directors, Mr Naresh Chandra and Mr R A Shah will be stepping down from the Board of Directors of the Company at the forthcoming Annual General Meeting of the Company. The Board has placed on record its appreaciation for the outstanding contributions made by Mr Naresh Chandra and Mr R A Shah during their respective tenures as Directors of the Company since May 5, 2004 and January 24, 2006 respectively.

It is proposed not to fill up these vacancies and accordingly the requisite resolutions in this behalf have been included at Items 5 & 6 of the Notice convening the Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956, and in terms of the Memorandum and Articles of Association of the Company, Mr N S Sekhsaria and Mr Shailesh Haribhakti retire by rotation and are eligible for re-appointment.

19. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has documented a robust and comprehensive internal control framework for all the major processes to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources.

The Internal Control System of the Company is commensurate with the size, scale and complexity of its operations. It is being constantly assessed and strengthened with new / revised standard operating procedures and robust internal and Information Technology (IT) controls.

The formalized systems of control facilitate effective compliance as per Clause 49 of the Listing Agreement with the Stock Exchanges, and Article 728(a) of the Swiss Code of Obligations applicable to the Holcim Group since 2008.

The Company's Internal Audit Department objectively and independently tests the design and operating effectiveness of the internal control system to provide a credible assurance to the Board and the Audit Committee regarding the adequacy and effectiveness of the internal control system. The Internal Audit function monitors the effectiveness of controls, and also provides an independent and objective assessment of the overall governance processes in the Company, including the application of a systematic risk management framework.

The scope and authority of the Internal Audit activity are well defined in the Internal Audit Charter, approved by the Audit Committee. Internal Audit plays a key role by providing an assurance to the Board of Directors, and value adding consultancy service to the business operations.

20. BUSINESS RISK MANAGEMENT

Your Company has robust Business Risk Management (BRM) practices to identify, evaluate business risks and opportunities. This is monitored both at the Corporate and at the regional levels. The business risks and opportunities so identified are integrated into the business plan and a detailed action plan to mitigate the identified business risks is thereafter drawn up and its implementation monitored.

The key business risks identified by the Company and its mitigation plans are as under:

Fuels Risks:

Availability of fuel at reasonable rates is one of the main concerns of the Company, as it uses large quantities of coal annually to meet its kiln and captive power generation requirements. The year 2012 also witnessed an increase in the price of coal which adversely impacted the profitability of the Company. This, coupled with limited production of the fuel in the country, is expected to result in higher input costs for a fuel intensive industry like cement. Further, the availability of linkage coal is gradually reducing. The Company is trying to mitigate its fuel risk by increased usage of alternative fuels and optimization of coal mix. It has also initiated steps and is in the process of developing its own coal blocks which would partly go to meet its coal requirements.

Project Risks:

The Cement Industry is capital intensive in nature. In the execution of large projects, there could be exposure to time and cost overruns. To mitigate these risks, the Company has strengthened its project management team as well as its project accounting and governance framework. Whilst the Company continues to draw on Holcim's expertise, a separate Organization structure at project sites, with defined roles and accountability, is in place for large projects. A Capex Committee of the Board oversees the feasibility and progress of projects and makes suitable recommendations.

Competition Risks:

The Cement Industry is becoming intensely competitive with the foray of new entrants and some of the existing players adopting inorganic growth strategies. To mitigate this risk, the Company is working to enhance brand equity and visibility and enlarge its product portfolio and service offerings. Simultaneously, there are several initiatives being taken as part of Institutionalizing Excellence programme in the areas of cost competitiveness and cost leadership.

OH&S Risks:

The Cement Industry is labour intensive and hence safety of its employees and shop floor associates is of utmost importance to the Company. To reinforce the safety culture in the Company, it has identified OH&S as a major focus area. Your Company already has various activities and programmes under way in all its plants and sales units.

21. ENHANCING SHAREHOLDERS VALUE

The processes of the Secretarial & Compliance Division, Share Department and ISD Support, are ISO 9001:2008 certified by Det Norske Veritas AS for the robustness of quality management processes.

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. The Company is also committed in creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions for the society for sustainable growth and development.

22. 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, 2012, 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 2 of the Notes to the Financial Statements, 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, 2012, and of the profit of the Company for the year ended on that date;

- 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;
- the annual accounts have been prepared on a going concern basis.

23. AUDIT

The Company's Auditors Messrs S R Batliboi & Co., Chartered Accountants, Mumbai, who retire at the ensuing Annual General Meeting of the Company, are eligible for re-appointment. They have confirmed their eligibility under Section 224 of the Companies Act, 1956, for re-appointment as Auditors of the Company.

Members' attention is invited to the observation made by the Auditors at point (xxi) of their 'CARO Report', issued pursuant to the Companies (Auditor's Report) Order, 2003 (CARO Report), which is self explanatory.

As per the requirement of the Central Government, and in pursuance of Section 233B of the Companies Act, 1956, your Company carries out an audit of cost records relating to cement each year. Subject to the approval of the Central Government, your Directors have appointed Messrs N I Mehta & Co., to audit the cost accounts of the Company for the financial year 2012.

24. CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance, is set out in the Annexure forming part of this Report.

25. BUSINESS RESPONSIBILITY REPORTING

As per Clause 55 of the Listing Agreement with the Stock Exchanges, a separate section on Business Responsibility Reporting forms part of this Annual Report.

26. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company, prepared in accordance with relevant Accounting Standards viz. AS21, AS23 and AS27 issued by the Institute of Chartered Accountants of India forms part of this Annual Report.

27. ENERGY TECHNOLOGY AND FOREIGN EXCHANGE

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Sec 217(1)(e) of the Companies Act, 1956, are given in Annexure 'A' to the Directors' Report.

28. PARTICULARS OF EMPLOYEES

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

29. ACKNOWLEDGEMENTS

Your Directors are thankful to the various Central and State Government Departments and Agencies for their continued help and co-operation. The Directors are grateful to the various stakeholders – customers, shareholders, banks, dealers, vendors and other business partners for the excellent support received from them during the year under review. Your Directors wish to place on record their sincere appreciation to all employees for their commitment and continued contribution to the Company.

30. CAUTIONARY STATEMENT

Statements in the Directors' Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts, may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For and on behalf of the Board of Directors

N S Sekhsaria
Chairman

Mumbai
February 7, 2013