

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014

1 COMPANY OVERVIEW

ACC Limited (the Company) is a public limited company domiciled and headquartered in India and incorporated under the provision of Companies Act, 1913. Its shares are listed on two stock exchanges in India. The Company is engaged in the manufacturing and selling of Cement and Ready mix concrete. The Company caters mainly to the domestic market.

2 SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

- a) The financial statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs.
- b) The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(ii) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes different from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

(iii) Tangible Fixed assets

- a) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment losses.
- b) 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.
- c) Fixed assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and are disclosed separately.
- d) Losses arising from the retirement of, and gains and losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.
- e) Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress".

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

(iv) Depreciation on tangible fixed assets

- a) Depreciation on fixed assets, other than Captive Power Plant related assets consisting of Buildings, Plant and Equipment (CPP assets), is provided using the straight-line method and on CPP assets using the written-down value 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 the following assets is provided at higher rates as compared to schedule XIV rates:

| Assets | Useful Life |
|----------------|-------------|
| Transit Mixers | 8 Years |
| Concrete 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 in the Statement of Profit and Loss, on issue for consumption.
- c) Leasehold land is amortized on a straight-line basis over the period of lease.
- d) Freehold land used for mining is depreciated on the basis of quantity of minerals actually extracted during the year with respect to the estimated total quantity of extractable mineral reserves.

(v) Intangible Assets and Amortisation

Intangible assets are stated at cost of acquisition or construction less accumulated amortisation and impairment losses if any. Intangible assets are amortised over their estimated useful economic life. Computer Software cost is amortised over a period of three years using straight-line method.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(vi) Impairment of assets

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

(vii) Borrowing Costs

Borrowing costs directly attributable to the acquisition and construction of an asset which takes a substantial period of time to get ready for its intended use, are capitalised as a part of the cost of such assets, until such time the asset is substantially ready for its intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period they occur.

Borrowing costs consist of interest and other costs incurred in connection with borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

(viii) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Current investments are carried at the lower of cost and fair value determined on an individual basis.

(ix) Inventories

Inventories are valued after providing for obsolescence, as follows:

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

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

b) Work-in-progress, Finished goods and Stock-in-Trade

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.

(x) Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, cash at bank, demand deposits with banks and other short-term highly liquid investments / deposits with an original maturity of three months or less.

(xi) Revenue recognition

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

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are disclosed net of sales tax / VAT, trade 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.

Income from services

Revenue from services is recognised pro-rata over the period of the contract as and when services are rendered.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

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 Company's right to receive dividend is established by the Balance Sheet date.

(xii) Government Grants and Subsidies

- a) Government Grants and subsidies are recognized when there is reasonable assurance that the conditions attached to them will be complied, and grant/subsidy will be received.
- 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.

(xiii) 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 Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

(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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

(xv) Employee benefits

a) Short term employee benefits

Short term employee benefits are recognised as an expense on accrual basis.

b) Defined contribution plans

The Company's Officer's Superannuation Fund scheme, state governed provident fund scheme, employee state insurance scheme and Labour Welfare Fund scheme are considered as defined contribution plans. The contribution under the schemes is recognised as an expense in the Statement of Profit and Loss, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective funds.

c) Defined benefit plans

The Company's Gratuity fund scheme, additional gratuity scheme, provident fund scheme managed by trust and post employment benefit scheme are considered as defined benefit plans. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at Balance Sheet date. Actuarial gains / losses are recognized immediately in the Statement of Profit and Loss in the year in which they arise.

d) Other long term benefits

Silver jubilee and long service awards and accumulated compensated absences which are expected to be availed or encashed beyond 12 months from the end of the year, are treated as other long term employee benefits for measurement purposes. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at Balance Sheet date. Actuarial gains / losses are recognized immediately in the Statement of Profit and Loss in the year in which they arise.

e) Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

f) For the purpose of presentation of Defined benefit plans and other long term benefits, the allocation between short term and long term provisions has been made as determined by an actuary. The Company presents the entire compensated absences as a short term provisions, since employee has an unconditional right to avail the leave at any time during the year.

g) Expenses incurred towards voluntary retirement scheme are charged to the Statement of Profit and Loss as and when incurred.

(xvi) Income taxes

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and / or deferred tax adjustments 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 Income-tax Act, 1961.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

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

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

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

(xvii) Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past events, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(xviii) 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.

(xix) Mines Restoration Expenditure

The Company provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the estimate of mineral reserves and a provision is made based on minerals extracted during the year.

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

The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

(xx) Classification of Current / Non Current Assets and Liabilities

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of Current / Non current classification of assets and liabilities.

(xxi) Segment Reporting

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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

3. SHARE CAPITAL

| | 2014 ₹ Crore | 2013 ₹ Crore |
|--|-----------------|-----------------|
| Authorised Shares | | |
| 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 |
| 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 |
| TOTAL | 187.95 | 187.95 |

i) Reconciliation of number of equity shares outstanding

| | 2014 | | 2013 | |
|--|---------------|---------|---------------|---------|
| | No. of shares | ₹ Crore | No. of shares | ₹ Crore |
| Equity Shares at the beginning of the year | 18,77,45,356 | 187.75 | 18,77,45,356 | 187.75 |
| Equity Shares at the end of the year | 18,77,45,356 | 187.75 | 18,77,45,356 | 187.75 |

ii) Terms / rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

iii) Equity shares held by holding company / ultimate holding and their subsidiaries

| | 2014 ₹ Crore | 2013 ₹ Crore |
|--|-----------------|-----------------|
| Holcim (India) Private Limited, the Holding Company | | |
| 9,38,88,120 (Previous Year - 9,38,88,120) Equity shares ₹ 10 each fully paid | 93.89 | 93.89 |
| Holderind Investments Ltd., Mauritius, Holding Company of Holcim (India) Private Limited | | |
| 5,41,000 (Previous Year - 5,41,000) Equity shares ₹ 10 each fully paid | 0.54 | 0.54 |

Both these Companies are subsidiaries of Holcim Ltd., Switzerland, the ultimate holding Company.

iv) The Company has issued total 5,064 (Previous Year - 63,537) Equity shares ₹ 10 each fully paid during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan, wherein part consideration was received in form of employee services.

v) Details of shareholders holding more than 5% shares in the Company

| | 2014 | | 2013 | |
|-------------------------------------|---------------|-----------|---------------|-----------|
| | No. of shares | % holding | No. of shares | % holding |
| Holcim (India) Private Limited | 9,38,88,120 | 50.01 | 9,38,88,120 | 50.01 |
| Life Insurance Corporation of India | 1,79,71,429 | 9.57 | 1,53,92,891 | 8.20 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)**4. RESERVES AND SURPLUS**

| | 2014 | | 2013 |
|---|----------|-----------------|-----------------|
| | ₹ Crore | ₹ Crore | ₹ Crore |
| Capital Reserve | | | |
| Balance as per last Financial Statements | 82.88 | | 74.88 |
| Add: Reversal of capital subsidy provision [Refer Note - 36 B (b)] | - | | 8.00 |
| | | 82.88 | 82.88 |
| Securities Premium Account | | 844.84 | 844.84 |
| Debenture Redemption Reserve | | | |
| Balance as per last Financial statements | 8.00 | | 39.25 |
| Less: Transferred to General Reserve | 8.00 | | 31.25 |
| | | - | 8.00 |
| General Reserve | | | |
| Balance as per last Financial statements | 2,525.30 | | 2,374.05 |
| Add: Transferred from surplus in Statement of Profit and Loss | 130.00 | | 120.00 |
| Add: Transferred from Debenture Redemption Reserve | 8.00 | | 31.25 |
| | | 2,663.30 | 2,525.30 |
| Surplus in Statement of Profit and Loss | | | |
| Balance as per last Financial statements | 4,175.87 | | 3,861.83 |
| Add: Profit for the year | 1,168.29 | | 1,095.76 |
| | 5,344.16 | | 4,957.59 |
| Less - Appropriations | | | |
| Interim equity dividend {amount per share ₹ 15 (Previous Year - ₹ 11)} | 281.62 | | 206.52 |
| Proposed final equity dividend {amount per share ₹ 19 (Previous Year - ₹ 19)} | 356.72 | | 356.72 |
| Tax on equity dividends | 119.18 | | 95.72 |
| Previous Year tax on equity dividends | - | | 2.76 |
| Transfer to General Reserve | 130.00 | | 120.00 |
| | 887.52 | | 781.72 |
| | | 4,456.64 | 4,175.87 |
| TOTAL | | 8,047.66 | 7,636.89 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

5. LONG-TERM BORROWINGS

| | Long Term | | Current Maturity of Long-Term Borrowings* | |
|---|-----------------|-----------------|---|-----------------|
| | 2014 ₹ Crore | 2013 ₹ Crore | 2014 ₹ Crore | 2013 ₹ Crore |
| Secured | | | | |
| Privately placed Non-Convertible Debentures | | | | |
| Nil (Previous Year - 320) 8.45% Non-Convertible Debentures of ₹ 10,00,000 each (Refer Note (i) below) | - | - | - | 32.00 |
| Sub-Total | - | - | - | 32.00 |
| Unsecured | | | | |
| Deferred payment liability (Refer Note (ii) below) | - | - | - | 1.62 |
| Deferred sales tax loans (Refer Note (iii) below) | - | - | - | 1.41 |
| Sub-Total | - | - | - | 3.03 |
| TOTAL | - | - | - | 35.03 |

*Amount disclosed under the head "Other Current Liabilities" (Refer Note - 9)

- i) 8.45% Debentures were redeemable at par at the end of five years from the date of allotment, viz 07 October 2009. These debentures were secured by a charge on all movable and immovable assets under the Debenture Trust Deed. During the year, the Company has redeemed 320 debentures (Previous year - Nil) of ₹ 32 Crore (Previous year - ₹ Nil).
- ii) Deferred Payment Liability was payable to the Industrial Development Corporation of Orissa Limited (IDCOL) in eight equal annual installments of ₹ 1.62 Crore beginning from 2007 without interest or penalty.
- iii) Deferred sales tax loan was interest-free and payable in 12 yearly installments of ₹ 1.41 Crore each beginning from 2003.

6. DEFERRED TAX LIABILITIES (NET)

| | 2014 ₹ Crore | 2013 ₹ Crore |
|---|-----------------|-----------------|
| Deferred Tax Liabilities arising on account of : | | |
| Depreciation and amortisation differences | 757.00 | 745.55 |
| | 757.00 | 745.55 |
| Deferred Tax Assets arising on account of : | | |
| Provision for Employee Benefits | 81.02 | 61.85 |
| Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years | 67.88 | 74.34 |
| Provision for obsolescence of Spare Parts | 31.46 | 28.07 |
| Others | 41.07 | 74.02 |
| | 221.43 | 238.28 |
| Net Deferred Tax Liabilities | 535.57 | 507.27 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)**7. LONG-TERM PROVISIONS**

| | 2014 ₹ Crore | 2013 ₹ Crore |
|---|-----------------|-----------------|
| Provision for employee benefits (Refer Note - 31) | | |
| Provision for gratuity and staff benefit schemes | 95.06 | 86.99 |
| Other Provisions | | |
| Provision for Mines Restoration | 20.88 | 19.15 |
| TOTAL | 115.94 | 106.14 |

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

Mines Restoration Expenditure

| | 2014 ₹ Crore | 2013 ₹ Crore |
|-----------------------------------|-----------------|-----------------|
| Opening provision | 19.15 | 17.00 |
| Add: Provision during the year | 2.08 | 2.61 |
| Less: Utilisation during the year | (0.35) | (0.46) |
| Closing provision | 20.88 | 19.15 |

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.

8. TRADE PAYABLES

| | 2014 ₹ Crore | 2013 ₹ Crore |
|------------------------------------|-----------------|-----------------|
| Due to Micro and Small Enterprises | 1.76 | 1.66 |
| Due to others | 748.47 | 637.54 |
| TOTAL | 750.23 | 639.20 |

There is no principal amount and interest overdue to Micro and Small Enterprises. During the year no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)**9. OTHER CURRENT LIABILITIES**

| | 2014 ₹ Crore | 2013 ₹ Crore |
|---|-----------------|-----------------|
| Current maturities of long-term borrowings (Refer Note - 5) | - | 35.03 |
| Interest accrued but not due on borrowings | - | 0.64 |
| Investor Education and Protection Fund :- (Refer Note - (i) below) | | |
| Unpaid dividend | 31.87 | 38.04 |
| Unpaid Matured Deposits | 0.02 | 0.02 |
| Statutory dues | 324.27 | 314.33 |
| Advance from customers | 131.94 | 144.85 |
| Security deposits and retention money | 624.48 | 514.35 |
| Liability for capital expenditure | 131.09 | 70.06 |
| Other payables (including Rebates to customers, Employees dues, etc.) | 853.04 | 835.12 |
| TOTAL | 2,096.71 | 1,952.44 |

- i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at December 31, 2014

10. SHORT-TERM PROVISIONS

| | 2014 ₹ Crore | 2013 ₹ Crore |
|---|-----------------|-----------------|
| Provision for employee benefits (Refer Note - 31) | | |
| Provision for gratuity and staff benefit schemes | 17.62 | 14.16 |
| Provision for compensated absences | 109.22 | 90.44 |
| Other Provisions | | |
| Provision for Income Tax (Net of advance tax) | 382.39 | 541.76 |
| Proposed Final Dividend | 356.72 | 356.72 |
| Tax on proposed dividend | 71.32 | 60.62 |
| TOTAL | 937.27 | 1,063.70 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

1.1. FIXED ASSETS

₹ Crore

| Particulars | GROSS BLOCK AT COST | | | DEPRECIATION / AMORTISATION | | | NET BLOCK | |
|----------------------------|---------------------|---------------------------|----------------------------|-----------------------------|-----------------|----------------------------|---------------------|---------------------|
| | As at 01-01-2014 | Additions/ Adjustments | Deductions/ Adjustments | As at 01-01-2014 | For the Year | Deductions/ Adjustments | As at 31-12-2014 | As at 31-12-2013 |
| Tangible Assets : | | | | | | | | |
| Freehold Non Mining Land | 104.43 | 14.46 | 0.01 | - | - | - | 118.88 | 104.43 |
| Freehold Mining Land | 151.33 | 14.33 | - | 1.79 | 0.20 | - | 163.67 | 149.54 |
| Leasehold Land | 69.58 | 7.13 | - | 37.96 | 2.74 | - | 36.01 | 31.62 |
| Buildings | 1,240.94 | 122.35 | 12.07 | 368.62 | 47.23 | 10.07 | 945.44 | 872.32 |
| Plant and Equipment | 8,394.26 | 479.29 | 99.16 | 4,274.14 | 480.55 | 79.33 | 4,099.03 | 4,120.12 |
| Railway Sidings | 160.30 | 13.24 | 2.16 | 49.36 | 8.09 | 1.65 | 115.58 | 110.94 |
| Furniture & Fixtures | 41.27 | 2.82 | 1.09 | 18.47 | 2.33 | 0.77 | 22.97 | 22.80 |
| Vehicles | 56.19 | 9.85 | 2.00 | 26.71 | 5.47 | 1.52 | 33.38 | 29.48 |
| Office equipment | 121.26 | 12.52 | 7.42 | 59.38 | 10.74 | 6.55 | 62.79 | 61.88 |
| TOTAL | 10,339.56 | 675.99 | 123.91 | 4,836.43 | 557.35 | 99.89 | 5,597.75 | 5,503.13 |
| Intangible Assets : | | | | | | | | |
| Computer Software | 59.99 | 0.17 | 1.08 | 59.16 | 0.35 | 1.07 | 0.64 | 0.83 |
| TOTAL | 59.99 | 0.17 | 1.08 | 59.16 | 0.35 | 1.07 | 0.64 | 0.83 |

Notes:

- (i) Buildings include cost of shares ₹ 4,960 (Previous Year - ₹ 4,960) in various Co-operative Housing Societies, in respect of 10 (Previous Year - 10) residential flats.
- (ii) Buildings include Gross block of ₹ 23.86 Crore (Previous year - ₹ 23.86 Crore) and Net block of ₹ 21.27 Crore (Previous Year - ₹ 21.66 Crore) in respect of which the transfer of title deeds to the name of the Company is under process.
- (iii) Plant and Equipment includes assets given on lease to Railways under "Own Your Wagons" Scheme of ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore) and accumulated depreciation ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore).
- (iv) Depreciation charge for the year include ₹ 0.12 Crore (Previous year - ₹ Nil) capitalised as pre-operative expenses.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

11. FIXED ASSETS (contd.)

| Particulars | GROSS BLOCK AT COST | | | | DEPRECIATION / AMORTISATION / IMPAIRMENT | | | | NET BLOCK | | |
|----------------------------|---------------------|------------------------|-------------------------|------------------|--|---------------|-----------------|-------------------------|------------------|------------------|-----------------|
| | As at 01-01-2013 | Additions/ Adjustments | Deductions/ Adjustments | As at 31-12-2013 | As at 01-01-2013 | For the Year | Impairment loss | Deductions/ Adjustments | As at 31-12-2013 | As at 31-12-2013 | |
| | 01-01-2013 | Adjustments | Adjustments | 31-12-2013 | 01-01-2013 | Year | loss | Adjustments | 31-12-2013 | 31-12-2013 | |
| Tangible Assets : | | | | | | | | | | | |
| Freehold Non Mining Land | 104.43 | - | - | 104.43 | - | - | - | - | - | 104.43 | 104.43 |
| Freehold Mining Land | 173.77 | 5.42 | 27.86 | 151.33 | 1.55 | 0.24 | - | - | 1.79 | 149.54 | 172.22 |
| Leasehold Land | 68.79 | 1.78 | 0.99 | 69.58 | 37.44 | 1.51 | - | 0.99 | 37.96 | 31.62 | 31.35 |
| Buildings | 1,209.35 | 36.28 | 4.69 | 1,240.94 | 324.57 | 44.61 | 2.15 | 2.71 | 368.62 | 872.32 | 884.78 |
| Plant and Equipment | 8,245.04 | 217.69 | 68.47 | 8,394.26 | 3,803.25 | 498.90 | 9.69 | 37.70 | 4,274.14 | 4,120.12 | 4,441.79 |
| Railway Sidings | 158.10 | 2.20 | - | 160.30 | 42.29 | 7.07 | - | - | 49.36 | 110.94 | 115.81 |
| Furniture & Fixtures | 38.83 | 2.79 | 0.35 | 41.27 | 14.36 | 4.37 | - | 0.26 | 18.47 | 22.80 | 24.47 |
| Vehicles | 47.01 | 10.71 | 1.53 | 56.19 | 23.25 | 4.75 | - | 1.29 | 26.71 | 29.48 | 23.76 |
| Office equipment | 113.64 | 10.40 | 2.78 | 121.26 | 49.40 | 12.07 | 0.09 | 2.18 | 59.38 | 61.88 | 64.24 |
| TOTAL | 10,158.96 | 287.27 | 106.67 | 10,339.56 | 4,296.11 | 573.52 | 11.93 | 45.13 | 4,836.43 | 5,503.13 | 5,862.85 |
| Intangible Assets : | | | | | | | | | | | |
| Computer Software | 59.82 | 0.24 | 0.07 | 59.99 | 58.80 | 0.43 | - | 0.07 | 59.16 | 0.83 | 1.02 |
| TOTAL | 59.82 | 0.24 | 0.07 | 59.99 | 58.80 | 0.43 | - | 0.07 | 59.16 | 0.83 | 1.02 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

12. NON-CURRENT INVESTMENTS

(VALUED AT COST UNLESS STATED OTHERWISE)

| | 2014 | | 2013 | |
|--|-------------|---------|-------------|---------|
| | Numbers | ₹ Crore | Numbers | ₹ Crore |
| Trade Investments | | | | |
| (a) Unquoted equity instruments | | | | |
| Investment in subsidiaries | | | | |
| Face value ₹ 10 each | | | | |
| Bulk Cement Corporation (India) Limited | 3,18,42,050 | 37.27 | 3,18,42,050 | 37.27 |
| Singhania Minerals Private Limited | 20,000 | 5.00 | 20,000 | 5.00 |
| Face value ₹ 100 each | | | | |
| Lucky Minmat Limited | 3,25,000 | 38.10 | 3,25,000 | 38.10 |
| ACC Mineral Resources Limited (1,17,00,000 Shares subscribed for ₹ 117.00 Crore during the year) | 1,21,95,000 | 121.95 | 4,95,000 | 4.95 |
| National Limestone Company Private Limited | 8,650 | 16.24 | 8,650 | 16.24 |
| Add: Investment made during the year | 1,91,350 | 1.91 | - | - |
| Less: Diminution in the value of investment (Refer Note - 39) | | 4.13 | | - |
| | 2,00,000 | 14.02 | | 16.24 |
| Investment in Associates | | | | |
| Face value ₹ 10 each | | | | |
| Alcon Cement Company Private Limited | 4,08,001 | 22.25 | 4,08,001 | 22.25 |
| Asian Concretes and Cements Private Limited | 81,00,000 | 36.81 | 81,00,000 | 36.81 |
| Aakaash Manufacturing Company Private Limited | 4,401 | 6.01 | 4,401 | 6.01 |
| Investment in Others | | | | |
| Face value ₹ 10 each | | | | |
| Moira Madhujore Coal Limited (Written off during the year) | - | - | 82,019 | 0.69 |
| | | 281.41 | | 167.32 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

12. NON-CURRENT INVESTMENTS (contd.)

(VALUED AT COST UNLESS STATED OTHERWISE)

| | 2014 | | 2013 | |
|---|-------------|---------|-------------|---------|
| | Numbers | ₹ Crore | Numbers | ₹ Crore |
| Non trade investments | | | | |
| (a) Quoted equity instruments | | | | |
| Shiva Cement Limited (Face value ₹ 2 each) | 2,36,50,000 | 23.65 | 2,36,50,000 | 23.65 |
| Less: Diminution in the value of investment (Refer Note - 39) | | 17.86 | | 17.86 |
| | | 5.79 | | 5.79 |
| (b) Investment in equity instruments (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 | - |
| | | 5.79 | | 5.79 |
| Investment in Bonds (Unquoted) | | | | |
| Face value ₹ 10,00,000 each | | | | |
| 5.13% Himachal Pradesh Infrastructure Development Board Bonds | 37 | 3.70 | 37 | 3.70 |
| TOTAL | | 290.90 | | 176.81 |

Notes

| | | |
|--|--------|--------|
| (I) Aggregate amount of quoted Investments {Market value ₹ 9.63 Crore (Previous year - ₹ 5.79 Crore)} | 5.79 | 5.79 |
| Aggregate amount of unquoted Investments | 285.11 | 171.02 |
| (II) Aggregate provision for diminution in value of investments | 21.99 | 17.86 |
| (III) * Denotes amount less than ₹ 50,000 | | |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)**13. LONG-TERM LOANS AND ADVANCES**

UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED

| | 2014 ₹ Crore | 2013 ₹ Crore |
|---|-----------------|-----------------|
| Capital Advances | 206.70 | 389.74 |
| Security deposits | 197.86 | 184.53 |
| Loans and advances to related parties (Refer Note - 34) | 1.84 | 1.70 |
| Deposits with Government Bodies and Others | | |
| Considered good | 199.94 | 160.79 |
| Considered Doubtful | 8.33 | 4.57 |
| | 208.27 | 165.36 |
| Less: Allowance for doubtful deposits | 8.33 | 4.57 |
| | 199.94 | 160.79 |
| Advances recoverable in cash or kind | 16.27 | 16.87 |
| Advance tax (Net of provision for tax) | 232.95 | 113.20 |
| TOTAL | 855.56 | 866.83 |

14. OTHER NON-CURRENT ASSETS

UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED

| | 2014 ₹ Crore | 2013 ₹ Crore |
|---|-----------------|-----------------|
| Incentives under Government schemes and other receivables | | |
| Considered Good | 360.71 | 308.24 |
| Considered Doubtful | 4.70 | 0.44 |
| | 365.41 | 308.68 |
| Less: Provision for doubtful receivables | 4.70 | 0.44 |
| TOTAL | 360.71 | 308.24 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

15. CURRENT INVESTMENTS

(VALUED AT LOWER OF COST AND FAIR VALUE)

| | 2014 | | 2013 | |
|--|-----------------|-----------------|-----------------|-----------------|
| | Numbers | ₹ Crore | Numbers | ₹ Crore |
| Investment in Certificate of Deposits - Fully paid-up (unquoted) | | | | |
| Unit of Face value ₹ 1,00,000 each | | | | |
| Allahabad Bank | 10,000 | 98.21 | 2,500 | 24.49 |
| Andhra Bank | 10,000 | 98.03 | 15,000 | 146.94 |
| Corporation Bank | 5,000 | 49.05 | 7,500 | 73.37 |
| Bank of India | 20,000 | 196.12 | 2,500 | 24.51 |
| Punjab National Bank | 10,000 | 98.18 | 10,000 | 97.96 |
| Oriental Bank | 17,500 | 171.95 | 2,500 | 24.48 |
| Canara Bank | 17,500 | 171.50 | 7,500 | 73.48 |
| Union Bank of India | 5,000 | 49.04 | - | - |
| IDBI Bank Limited | - | - | 10,000 | 97.97 |
| Central Bank of India | - | - | 2,500 | 24.54 |
| Syndicate Bank | - | - | 5,000 | 49.02 |
| State Bank of Hyderabad | - | - | 7,500 | 73.49 |
| Bank of Baroda | - | - | 2,500 | 24.46 |
| Kotak Mahindra Bank Limited | - | - | 12,500 | 122.34 |
| UCO Bank | - | - | 5,000 | 49.18 |
| State Bank of Patiala | - | - | 5,000 | 48.98 |
| | | 932.08 | | 955.21 |
| Investment in Mutual Funds - Fully paid-up (Unquoted) | | | | |
| Unit of Face value ₹ 10 each | | | | |
| HDFC Cash Management - GR | 1,93,28,505.655 | 55.00 | - | - |
| Sundaram Money Fund - GR | 52,02,823.399 | 15.00 | 95,17,902.904 | 25.00 |
| HDFC Liquid Fund - GR | - | - | 3,90,03,988.470 | 96.00 |
| Unit of Face value ₹ 100 each | | | | |
| ICICI Prudential Liquid Fund - Super IP - GR | 22,21,247.072 | 45.00 | 48,33,369.584 | 89.00 |
| Birla Sunlife Cash Plus Fund - GR | 22,78,285.007 | 50.00 | 39,92,814.649 | 80.00 |
| DWS Insta Cash Plus Fund - Super IP - GR | - | - | 20,33,230.449 | 33.00 |
| ICICI Prudential Floating Rate Plan - GR | - | - | 18,85,684.423 | 35.00 |
| Unit of Face value ₹ 1,000 each | | | | |
| SBI Premier Liquid Fund - Super IP - GR | 69,796.981 | 15.00 | 5,95,684.836 | 117.00 |
| Reliance Liquid Fund - GR | 1,35,134.443 | 45.00 | 3,65,582.219 | 111.00 |
| IDBI Liquid Fund -GR | 1,02,530.178 | 15.00 | 2,40,768.694 | 32.00 |
| L & T Liquid Fund - GR | 1,06,529.922 | 20.00 | 1,63,028.042 | 28.00 |
| Pramerica Liquid Fund- Direct - GR | 68,428.996 | 10.00 | 1,49,759.918 | 20.00 |
| Principal Cash Management Fund - GR | 3,00,947.745 | 40.00 | 82,859.810 | 10.00 |
| Religare Liquid Fund - GR | 2,12,611.831 | 40.00 | 4,37,001.946 | 75.00 |
| Axis Liquid Fund - IP - GR | - | - | 8,10,267.730 | 112.00 |
| Templeton India TMA - Super - IP - GR | - | - | 1,34,368.003 | 25.00 |
| Kotak Floater ST - Direct plan GR | - | - | 5,23,688.990 | 107.00 |
| Baroda Pioneer - Liquid Fund - Plan A - GR | - | - | 1,18,822.597 | 17.00 |
| IDFC Cash Fund Plan C - IP - GR | - | - | 1,31,961.540 | 20.00 |
| Canara Robeco Liquid Fund - GR | - | - | 33,334.353 | 5.00 |
| UTI Liquid Fund - Cash Plan -GR | - | - | 1,22,397.445 | 25.00 |
| | | 350.00 | | 1,062.00 |
| TOTAL | | 1,282.08 | | 2,017.21 |
| Aggregate amount of unquoted Investments | | 1,282.08 | | 2,017.21 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)**16. INVENTORIES**

(AT COST OR NET REALISABLE VALUE WHICHEVER IS LOWER)

| | 2014 ₹ Crore | 2013 ₹ Crore |
|---|-----------------|-----------------|
| Raw Materials {Including in transit ₹ 11.32 Crore (Previous Year - ₹ 1.74 Crore)} | 139.07 | 132.90 |
| Work-in-Progress | 240.32 | 252.85 |
| Finished Goods | 153.75 | 129.82 |
| Stock-in-trade | 0.37 | 0.49 |
| Stores & Spare Parts {Including in transit ₹ 15.68 Crore (Previous Year - ₹ 9.73 Crore)} | 262.53 | 274.64 |
| Packing Material | 20.02 | 21.49 |
| Fuels {Including in transit ₹ 16.17 Crore (Previous Year - ₹ 7.86 Crore)} | 439.53 | 309.28 |
| TOTAL | 1,255.59 | 1,121.47 |

17. TRADE RECEIVABLES

| | 2014 ₹ Crore | 2013 ₹ Crore |
|--|-----------------|-----------------|
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | | |
| Unsecured, considered good | 14.84 | 16.36 |
| Unsecured, considered Doubtful | 24.28 | 16.28 |
| | 39.12 | 32.64 |
| Less: Provision for doubtful trade receivables | 24.28 | 16.28 |
| | 14.84 | 16.36 |
| Other Trade receivables | | |
| Secured, considered good | 57.90 | 66.34 |
| Unsecured, considered good | 337.97 | 314.52 |
| Unsecured, considered Doubtful | 3.43 | 3.57 |
| | 399.30 | 384.43 |
| Less: Provision for doubtful trade receivables | 3.43 | 3.57 |
| | 395.87 | 380.86 |
| TOTAL | 410.71 | 397.22 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)**18. CASH AND BANK BALANCES**

| | 2014 ₹ Crore | 2013 ₹ Crore |
|---|-----------------|-----------------|
| Cash and cash equivalents | | |
| Balances with banks: | | |
| On current accounts | 37.64 | 55.68 |
| Deposits with original maturity of less than three months | 105.28 | 288.02 |
| On unpaid dividend account | 31.87 | 38.04 |
| Cash on hand | 0.12 | 0.12 |
| | 174.91 | 381.86 |
| Other bank balances | | |
| *Deposits with original maturity for more than 3 months but less than 12 months | 129.38 | 121.51 |
| Post office saving accounts | 0.01 | 0.01 |
| | 129.39 | 121.52 |
| TOTAL | 304.30 | 503.38 |

*Includes fixed deposit with lien in favour of Competition Appellate Tribunal (COMPAT) {Refer Note - 36 (A) (e)}

19. SHORT-TERM LOANS AND ADVANCES

UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED

| | 2014 ₹ Crore | 2013 ₹ Crore |
|---|-----------------|-----------------|
| Security deposits | 13.09 | 9.37 |
| Loans and advances to related parties (Refer Note - 34) | 1.60 | 35.71 |
| Advances recoverable in cash or kind | 140.21 | 110.69 |
| Other loans and advances | | |
| Balances with statutory / government authorities | 129.02 | 103.62 |
| Deposit with HDFC Limited | 100.00 | 100.00 |
| TOTAL | 383.92 | 359.39 |

20. OTHER CURRENT ASSETS

UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED

| | 2014 ₹ Crore | 2013 ₹ Crore |
|---------------------------------|-----------------|-----------------|
| Interest accrued on investments | 4.75 | 6.16 |
| Other Accrued Interest | 1.30 | 1.41 |
| Fixed assets held for sale | 8.49 | 11.90 |
| TOTAL | 14.54 | 19.47 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)**21. REVENUE FROM OPERATIONS**

| | 2014 ₹ Crore | 2013 ₹ Crore |
|---------------------------------------|------------------|------------------|
| Sale of products | | |
| Finished goods | 12,626.88 | 12,012.23 |
| Traded goods | 204.17 | 182.70 |
| Sale of services | 19.97 | 16.28 |
| Sale of products and services (gross) | 12,851.02 | 12,211.21 |
| Less: Excise duty | 1,369.97 | 1,322.13 |
| Sale of products and services (net) | 11,481.05 | 10,889.08 |
| Other operating revenue | 257.16 | 260.53 |
| Revenue from operations (net) | 11,738.21 | 11,149.61 |

i) Details of products sold

| | 2014 ₹ Crore | 2013 ₹ Crore |
|-------------------------------------|------------------|------------------|
| Finished goods (Net of Excise duty) | | |
| Cement | 10,574.80 | 10,111.76 |
| Ready Mix Concrete | 664.75 | 544.58 |
| Clinker | 17.36 | 33.76 |
| | 11,256.91 | 10,690.10 |
| Traded Goods | | |
| Cement | 128.12 | 87.65 |
| Ready Mix Concrete | 76.05 | 95.05 |
| | 204.17 | 182.70 |

ii) Details of sale of services

| | | |
|---------------------------------|--------------|--------------|
| Pumping and Conversion services | 19.97 | 16.28 |
| | 19.97 | 16.28 |

iii) Detail of other Operating revenue

| | | |
|---|---------------|---------------|
| Provision no longer required written back | 45.85 | 13.92 |
| Sale of Surplus generated Power | 0.90 | 4.36 |
| Incentives and Subsidies | 96.92 | 140.73 |
| Miscellaneous Income | 113.49 | 101.52 |
| TOTAL | 257.16 | 260.53 |

22. OTHER INCOME

| | 2014 ₹ Crore | 2013 ₹ Crore |
|--|-----------------|-----------------|
| Interest on Bank deposits | 117.41 | 148.77 |
| Other interest income | 10.41 | 3.33 |
| Interest on Income Tax | 89.15 | 67.51 |
| Gain on sale of current investments | 41.45 | 59.47 |
| {Net of loss on sale of current investment ₹ Nil (Previous year - ₹ 2.31 Crore)} | | |
| Dividend from long term investments | 9.86 | 6.59 |
| TOTAL | 268.28 | 285.67 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)**23. COST OF MATERIALS CONSUMED**

| | 2014 | 2013 |
|----------------------------------|-----------------|-----------------|
| | ₹ Crore | ₹ Crore |
| Opening Stock | 132.90 | 156.41 |
| Purchase and Incidental expenses | 1,794.48 | 1,585.29 |
| | 1,927.38 | 1,741.70 |
| Less: Closing Stock | 139.07 | 132.90 |
| TOTAL | 1,788.31 | 1,608.80 |

| Details of cost of materials consumed | 2014 | 2013 |
|---------------------------------------|-----------------|-----------------|
| | ₹ Crore | ₹ Crore |
| Slag | 284.19 | 331.54 |
| Gypsum | 362.59 | 337.73 |
| Fly Ash | 346.55 | 310.70 |
| Cement | 91.51 | 61.49 |
| Aggregates | 114.34 | 96.49 |
| Others* | 589.13 | 470.85 |
| TOTAL | 1,788.31 | 1,608.80 |

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

24. PURCHASE OF TRADED GOODS

| | 2014 | 2013 |
|----------------------|---------------|---------------|
| | ₹ Crore | ₹ Crore |
| Cement | 121.91 | 68.60 |
| Ready Mixed Concrete | 72.42 | 92.50 |
| TOTAL | 194.33 | 161.10 |

25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

| | 2014 | 2013 | (Increase) / decrease |
|---|----------------|-------------|-----------------------|
| | ₹ Crore | ₹ Crore | ₹ Crore |
| Inventories at the end of the year | | | |
| Stock-in-trade | 0.37 | 0.49 | 0.12 |
| Finished Goods | 153.75 | 129.82 | (23.93) |
| Work-in-progress | 240.32 | 252.85 | 12.53 |
| | 394.44 | 383.16 | (11.28) |
| Inventories at the beginning of the year | | | |
| Stock-in-trade | 0.49 | 0.29 | (0.20) |
| Finished Goods | 129.82 | 160.54 | 30.72 |
| Work-in-progress | 252.85 | 228.86 | (23.99) |
| | 383.16 | 389.69 | 6.53 |
| TOTAL | (11.28) | 6.53 | |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)**26. EMPLOYEE BENEFITS EXPENSE**

| | 2014 ₹ Crore | 2013 ₹ Crore |
|--|-----------------|-----------------|
| Salaries and Wages | 629.46 | 572.00 |
| Contributions to Provident and other Funds | 74.93 | 52.89 |
| Staff Welfare Expenses | 42.20 | 36.38 |
| TOTAL | 746.59 | 661.27 |

27. FREIGHT AND FORWARDING EXPENSE

| | 2014 ₹ Crore | 2013 ₹ Crore |
|----------------------|-----------------|-----------------|
| On clinker transfer | 393.81 | 277.52 |
| On finished products | 2,204.52 | 2,031.35 |
| TOTAL | 2,598.33 | 2,308.87 |

28. OTHER EXPENSES

| | 2014 ₹ Crore | 2013 ₹ Crore |
|--|-----------------|-----------------|
| Consumption of stores and spares parts | 361.99 | 375.49 |
| Consumption of packing materials | 483.67 | 434.15 |
| Excise duty {Refer Note - (ii) & (iii)} | 4.37 | 6.47 |
| Rent | 33.83 | 30.51 |
| Rates and taxes | 141.13 | 120.13 |
| Repairs to building | 4.61 | 7.20 |
| Repairs to machinery | 140.78 | 134.33 |
| Repairs to other Items | 26.15 | 19.91 |
| Insurance | 24.62 | 25.29 |
| Royalty on minerals | 129.82 | 118.28 |
| Discount on sales | 93.27 | 88.28 |
| Advertisement | 106.82 | 116.07 |
| Technology and Know-how fees | 112.91 | 107.66 |
| Miscellaneous expenses {Refer Note - (i) & (iv)} | 826.54 | 821.97 |
| TOTAL | 2,490.51 | 2,405.74 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)**28. OTHER EXPENSES (contd.)**

| | 2014 ₹ Crore | 2013 ₹ Crore |
|---|-----------------|-----------------|
| i) Payment to Statutory Auditors (excluding service tax) | | |
| As Auditors | | |
| Audit fees | 3.11 | 2.72 |
| Audit fees for tax financial statements | 0.53 | 0.59 |
| Out of pocket expenses | 0.12 | 0.12 |
| In other matters - Certification | 0.01 | 0.11 |
| TOTAL | 3.77 | 3.54 |

ii) Includes excise duty related to the difference between the closing stock and opening stock.

iii) Includes excise duty on captive consumption of Clinker ₹ Nil (Previous Year - ₹ 6.58 Crore)

iv) Miscellaneous expenses includes:

(a) Loss on sale / write off and impairment of Fixed Assets (Net) - ₹ 15.88 Crore (Previous Year - ₹ 15.78 Crore)

(b) Provision for other than temporary diminution in long term investment of ₹ 4.13 Crore (Previous year - ₹ 17.86 Crore)

(c) Investments written off of ₹ 0.69 Crore (Previous year - ₹ Nil)

29. FINANCE COSTS

| | 2014 ₹ Crore | 2013 ₹ Crore |
|------------------------|-----------------|-----------------|
| Interest expenses | 48.70 | 51.67 |
| Interest on Income Tax | 34.06 | 61.88 |
| TOTAL | 82.76 | 113.55 |

30. EARNINGS PER SHARE - [EPS]

| | 2014 ₹ Crore | 2013 ₹ Crore |
|--|-----------------|-----------------|
| Net Profit as per Statement of Profit and Loss | 1,168.29 | 1,095.76 |
| Weighted average number of equity shares for Earnings Per Share computation | | |
| Shares for Basic Earnings Per Share | 18,77,45,356 | 18,77,45,356 |
| Add: Potential diluted equity shares on account of shares in abeyance (Movement in Number of shares is on account of change in fair value of share) | 4,92,243 | 4,45,714 |
| Number of Shares for Diluted Earnings Per Share | 18,82,37,599 | 18,81,91,070 |
| Earnings Per Share | | |
| Face value per Share | ₹ 10.00 | 10.00 |
| Basic | ₹ 62.23 | 58.36 |
| Diluted | ₹ 62.06 | 58.23 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

31. EMPLOYEE BENEFITS:

a) Defined Contribution Plans – Amount recognised and included in Note 26 “Contributions to Provident and other Funds” of Statement of Profit and Loss ₹ 14.82 Crore (*Previous Year - ₹ 14.59 Crore*).

b) Defined Benefit Plans – As per actuarial valuation on December 31, 2014

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

- i. Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of services. The scheme is funded with insurance companies in the form of qualifying insurance policies.
- ii. Benefits under Post Employment medical Benefit plans are payable for actual domiciliary treatment / hospitalization for employees and their specified relatives. The scheme is Non Funded.
- iii. Every employee who has joined before December 01, 2005 and separates from service of the Company on Superannuation and on medical grounds is entitled to additional gratuity. The scheme is Non Funded.

Defined Benefit Plans as per Actuarial valuation on December 31, 2014

| | 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, 2014 | | | |
| 1 Current Service cost | 10.05 | 4.57 | 0.04 |
| | <i>9.20</i> | <i>4.09</i> | <i>0.05</i> |
| 2 Interest Cost | 13.71 | 6.03 | 0.36 |
| | <i>12.21</i> | <i>5.12</i> | <i>0.26</i> |
| 3 Employee Contributions | - | - | (0.32) |
| | - | - | <i>(0.31)</i> |
| 4 Expected return on plan assets | (12.36) | - | - |
| | <i>(11.66)</i> | - | - |
| 5 Net Actuarial (Gains) / Losses | 18.99 | 8.51 | 2.58 |
| | <i>0.93</i> | <i>1.53</i> | <i>1.27</i> |
| 6 Total expense | 30.39 | 19.11 | 2.66 |
| | <i>10.68</i> | <i>10.74</i> | <i>1.27</i> |
| II Amount recognised in Balance Sheet | | | |
| 1 Present value of Defined Benefit Obligation | (188.36) | (85.42) | (6.26) |
| | <i>(165.88)</i> | <i>(71.18)</i> | <i>(4.18)</i> |
| 2 Fair value of plan assets | 177.24 | - | - |
| | <i>149.80</i> | - | - |
| 3 Funded status {Surplus/(Deficit)} | (11.12) | (85.42) | (6.26) |
| | <i>(16.08)</i> | <i>(71.18)</i> | <i>(4.18)</i> |
| 4 Net asset/(liability) as at December 31, 2014 | (11.12) | (85.42) | (6.26) |
| | <i>(16.08)</i> | <i>(71.18)</i> | <i>(4.18)</i> |

(Figures in italics pertain to previous year)

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

| | Gratuity | | Post Employment Medical benefits (PEMB) |
|--|----------------|---------------|---|
| | Funded | Non Funded | |
| | ₹ Crore | ₹ Crore | ₹ Crore |
| III Present Value of Defined Benefit Obligation | | | |
| 1 Present value of Defined Benefit Obligation at beginning of the year | 165.88 | 71.18 | 4.18 |
| | <i>160.11</i> | <i>65.54</i> | <i>3.50</i> |
| 2 Current Service cost | 10.05 | 4.57 | 0.04 |
| | <i>9.20</i> | <i>4.09</i> | <i>0.05</i> |
| 3 Interest Cost | 13.71 | 6.03 | 0.36 |
| | <i>12.21</i> | <i>5.12</i> | <i>0.26</i> |
| 4 Employee Contributions | - | - | (0.32) |
| | - | - | <i>(0.31)</i> |
| 5 Actuarial (Gains) / Losses | 21.32 | 8.51 | 2.58 |
| | <i>2.06</i> | <i>1.53</i> | <i>1.27</i> |
| 6 Benefits Payments | (22.60) | (4.87) | (0.58) |
| | <i>(17.70)</i> | <i>(5.10)</i> | <i>(0.59)</i> |
| 7 Present value of Defined Benefit Obligation at the end of the year | 188.36 | 85.42 | 6.26 |
| | <i>165.88</i> | <i>71.18</i> | <i>4.18</i> |
| IV Fair Value of Plan Assets | | | |
| 1 Plan assets at the beginning of the year | 149.80 | - | - |
| | <i>137.12</i> | - | - |
| 2 Expected return on plan assets | 12.36 | - | - |
| | <i>11.66</i> | - | - |
| 3 Contributions by Employer | 12.75 | - | - |
| | - | - | - |
| 4 Actual benefits paid | - | - | - |
| | <i>(0.11)</i> | - | - |
| 5 Actuarial Gains / (Losses) | 2.33 | - | - |
| | <i>1.13</i> | - | - |
| 6 Plan assets at the end of the year | 177.24 | - | - |
| | <i>149.80</i> | - | - |
| 7 Actual return on plan assets | 14.69 | - | - |
| | <i>12.79</i> | - | - |

(Figures in italics pertain to previous year)

| V The major categories of plan assets as a percentage of total plan | 2014 | 2013 |
|---|------|------|
| | % | % |
| Government Securities | 51 | 46 |
| Debentures and Bonds | 30 | 35 |
| Equity Shares | 5 | 4 |
| Fixed Deposits | 14 | 15 |
| | 100 | 100 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

| 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 | 0.03 | (0.02) |
| | <i>0.05</i> | <i>(0.05)</i> |
| Increase/(Decrease) on Present value of Defined Benefit Obligation as at December 31, 2014 | 0.32 | (0.31) |
| | <i>0.56</i> | <i>(0.56)</i> |

(Figures in italics pertain to previous year)

VII Actuarial Assumptions:**a) Financial Assumptions**

| | |
|--|-------------------------------|
| 1 Discount Rate | 7.90 % p.a.(P.Y.- 8.85% p.a.) |
| 2 Expected rate of return on plan assets | 8.5 % p.a.(P.Y.- 8.5% p.a.) |
| 3 Salary increase rate | 7% p.a.(P.Y.- 7% p.a.) |

b) Demographic Assumptions

| | |
|-----------------------------|--|
| 1 Mortality pre-retirement | Indian Assured Lives Mortality (2006-08) Modified Ultimate |
| 2 Mortality post-retirement | Mortality for annuitants LIC (1996-98) Ultimate |
| 3 Turnover rate | 5% p.a. (P.Y. - 5% p.a.) |
| 4 Medical premium inflation | 12% p.a. for the first 5 years and thereafter 8% p.a. |

c) 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.

d) 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.**e) The Company expects to contribute ₹ 9.00 Crore (Previous year - ₹ 7.50 Crore) to Gratuity fund in the year 2015.****f) Post employment defined benefit plan expenses are included under employee benefit expenses in the statement of Profit and Loss.****g) Amounts for the current and previous four years are as follows:****(i) Gratuity (Funded)**

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|----------|----------|----------|----------|----------|
| Defined benefit obligation | (188.36) | (165.88) | (160.11) | (134.32) | (117.16) |
| Plan assets | 177.24 | 149.80 | 137.12 | 118.77 | 103.72 |
| Surplus / (deficit) | (11.12) | (16.08) | (22.99) | (15.55) | (13.44) |
| Experience adjustments on plan assets | (2.42) | (1.17) | (1.29) | (0.43) | (0.46) |
| Experience adjustments on plan liabilities | 8.62 | 11.76 | 16.89 | 19.94 | 10.54 |

₹ Crore

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

| (ii) Gratuity (Non funded) | | ₹ Crore | | | | |
|--|---------|---------|---------|---------|---------|--|
| | 2014 | 2013 | 2012 | 2011 | 2010 | |
| Defined benefit obligation | (85.42) | (71.18) | (65.54) | (52.05) | (41.83) | |
| Plan assets | - | - | - | - | - | |
| Surplus / (deficit) | (85.42) | (71.18) | (65.54) | (52.05) | (41.83) | |
| Experience adjustments on plan assets | N.A. | N.A. | N.A. | N.A. | N.A. | |
| Experience adjustments on plan liabilities | 3.17 | 5.05 | 7.33 | 9.49 | 7.67 | |

| (iii) Post Employment Medical Benefits | | ₹ Crore | | | | |
|--|--------|---------|--------|--------|--------|--|
| | 2014 | 2013 | 2012 | 2011 | 2010 | |
| Defined benefit obligation | (6.26) | (4.18) | (3.50) | (2.58) | (2.28) | |
| Plan assets | - | - | - | - | - | |
| Surplus / (deficit) | (6.26) | (4.18) | (3.50) | (2.58) | (2.28) | |
| Experience adjustments on plan assets | N.A. | N.A. | N.A. | N.A. | N.A. | |
| Experience adjustments on plan liabilities | 2.25 | 1.33 | 1.38 | 1.02 | (0.20) | |

h) Provident Fund

Provident fund for certain eligible employees is managed by the Company through trust "The Provident Fund of ACC Ltd.", in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below there is no shortfall as at December 31, 2014 and December 31, 2013.

The details of the fund and plan assets position are as follows:

| | 2014 | 2013 |
|---|---------|---------|
| | ₹ Crore | ₹ Crore |
| Plan assets at year end, at fair value | 520.19 | 447.54 |
| Present value of defined obligation at year end | 492.21 | 445.67 |
| Net Liability / (Assets) * | (27.98) | (1.87) |

The assumption used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

| | 2014 | 2013 |
|-----------------------------------|-------|-------|
| Discounting rate | 7.90% | 8.85% |
| Expected guaranteed interest rate | 8.75% | 8.50% |
| Expected Rate of Return on Asset | 9.27% | 8.94% |

* Only liability is recognised in the books

- i) Amount recognised as an expense under employee benefit expenses in the statement of Profit and Loss in respect of other benefits is ₹ 39.89 Crore (Previous Year - ₹ 29.52 Crore).
- j) Present value of other benefits obligation at year end is ₹ 119.10 Crore (Previous year ₹ 100.15 Crore). These schemes are Non Funded.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

32. 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 and Ready mix concrete. The export turnover is not significant in the context of total turnover of the company and further the risk and returns are not significantly different from that of India. As such there is only one geographical segment.

Inter segment transfers:

Inter Segment Transfer Pricing Policy – Cement supplied to ready mix concrete activity and ready mix concrete supplied to Cement 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 | |
|-----------------------------------|------------------|------------------|--------------------|---------------|------------------|------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| REVENUE | | | | | | |
| External sales | 10,720.28 | 10,233.17 | 760.77 | 655.91 | 11,481.05 | 10,889.08 |
| Other operating revenue | 248.38 | 251.15 | 8.78 | 9.38 | 257.16 | 260.53 |
| Inter-segment sales | 122.54 | 115.01 | 9.03 | 6.19 | 131.57 | 121.20 |
| | 11,091.20 | 10,599.33 | 778.58 | 671.48 | 11,869.78 | 11,270.81 |
| Less : Elimination | (122.54) | (115.01) | (9.03) | (6.19) | (131.57) | (121.20) |
| Total revenue | 10,968.66 | 10,484.32 | 769.55 | 665.29 | 11,738.21 | 11,149.61 |
| RESULT | | | | | | |
| Segment result | 941.37 | 1,072.92 | 16.17 | 1.87 | 957.54 | 1,074.79 |
| Unallocated corporate Income | | | | | 33.59 | 39.52 |
| Operating Profit | | | | | 991.13 | 1,114.31 |
| Finance Cost | | | | | (82.76) | (113.55) |
| Interest and Dividend income | | | | | 226.83 | 226.20 |
| Income Taxes | | | | | 33.09 | (131.20) |
| Profit after tax | | | | | 1,168.29 | 1,095.76 |
| OTHER INFORMATION | | | | | | |
| Segment assets | 10,172.02 | 8,896.86 | 271.10 | 230.95 | 10,443.12 | 9,127.81 |
| Unallocated Corporate assets | | | | | 2,228.21 | 2,965.78 |
| Total assets | | | | | 12,671.33 | 12,093.59 |
| Segment liabilities | 2,799.00 | 2,433.52 | 149.74 | 113.29 | 2,948.74 | 2,546.81 |
| Unallocated Corporate liabilities | | | | | 1,486.98 | 1,721.94 |
| Total liabilities | | | | | 4,435.72 | 4,268.75 |
| Capital expenditure | 1,571.11 | 950.34 | 17.03 | 14.99 | 1,588.14 | 965.33 |
| Depreciation and Amortization | 539.10 | 556.24 | 18.48 | 17.71 | 557.58 | 573.95 |
| Impairment loss recognised | - | 11.93 | - | - | - | 11.93 |
| Other non-cash expenses | 33.05 | 4.29 | 5.97 | 9.02 | 39.02 | 13.31 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

33. OPERATING LEASE

| | 2014 ₹ Crore | 2013 ₹ Crore |
|--|-----------------|-----------------|
| a) Future Lease Rental payments | | |
| (i) Not later than one year | 29.18 | 40.69 |
| (ii) Later than one year and not later than five years | 98.31 | 99.01 |
| (iii) Later than five years | 21.07 | 45.12 |

b) Operating lease payment recognised in Statement of Profit & Loss amounting to ₹ 133.82 Crore (Previous Year - ₹ 116.54 Crore)

c) General description of the leasing arrangement:

- (i) Leased Assets: Grinding facility, Concrete pumps, Godowns, Transit Mixer, Flats, Office premises and other premises.
- (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.

34. RELATED PARTY DISCLOSURE

| (A) Names of the Related parties where control exists: | Nature of Relationship |
|--|--|
| 1 Holcim Ltd. | Ultimate Holding Company |
| 2 Holderind Investments Ltd. | Holding Company of Holcim(India) Private Limited |
| 3 Holcim (India) Private Limited | Holding Company |
| 4 Bulk Cement Corporation (India) Limited | Subsidiary Company |
| 5 ACC Mineral Resources Limited | Subsidiary Company |
| 6 Lucky Minmat Limited | Subsidiary Company |
| 7 National Limestone Company Private Limited | Subsidiary Company |
| 8 Singhania Minerals Private Limited | Subsidiary Company |

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

| (a) Names of other Related parties | Nature of Relationship |
|---|--|
| 1 Alcon Cement Company Private Limited | Associate Company |
| 2 Asian Concretes and Cements Private Limited | Associate Company |
| 3 Aakaash Manufacturing Company Private Limited | Associate Company |
| 4 Ambuja Cements Limited | Fellow Subsidiary |
| 5 Holcim (Singapore) Pte Limited | Fellow Subsidiary |
| 6 Holcim Trading FZCO | Fellow Subsidiary |
| 7 Holcim (Lanka) Limited | Fellow Subsidiary |
| 8 P T Holcim Indonesia Tbk | Fellow Subsidiary |
| 9 Holcim Services (South Asia) Limited | Fellow Subsidiary |
| 10 Siam City Cement Public Company Limited | Associate Company of Fellow Subsidiary w.e.f. January 01, 2013 |
| 11 Holcim (Bangladesh) Limited | Fellow Subsidiary |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

| | Names of other Related parties | Nature of Relationship |
|----|---------------------------------------|--|
| 12 | Holcim (Vietnam) Limited | Fellow Subsidiary |
| 13 | Holcim (Malaysia) SDN Bhd | Fellow Subsidiary |
| 14 | Holcim Foundation | Entity controlled by Holcim Ltd. |
| 15 | Holcim Philippines | Fellow Subsidiary |
| 16 | Holcim Services (Asia) Limited | Fellow Subsidiary |
| 17 | Holcim Group Services Ltd | Fellow Subsidiary |
| 18 | Holcim Technology Ltd | Fellow Subsidiary |
| 19 | Holcim Trading Pte Ltd | Fellow Subsidiary |
| 20 | AL Jabor Cement Industries Co. | Fellow Subsidiary |
| 21 | National Cement Factory | Associate Company of Fellow Subsidiary |
| 22 | Holcim Trading SA | Fellow Subsidiary |
| 23 | Holcim (Canada) Inc. | Fellow Subsidiary |
| 24 | Holcim Azerbaijan | Fellow Subsidiary |
| 25 | Holcim (Romania) S.A. | Fellow Subsidiary |

(b) Key Management Personnel:

| | Name of the Related Party | Nature of Relationship |
|----|----------------------------------|--|
| 1. | Mr. Kuldip K. Kaura | CEO & Managing Director (Upto August 12, 2014) |
| 2. | Mr. Harish Badami | CEO & Managing Director (w.e.f. August 13, 2014) |

(C) Transactions with Subsidiary Companies

| | 2014 | 2013 |
|---|----------------|----------------|
| | ₹ Crore | ₹ Crore |
| (i) Sale of Finished Goods & Others | 0.74 | 0.24 |
| Bulk Cement Corporation (India) Limited | 0.74 | 0.24 |
| (ii) Reimbursement of Expenses Paid/Payable | 30.46 | 29.68 |
| Bulk Cement Corporation (India) Limited | 29.85 | 29.02 |
| Others | 0.61 | 0.66 |
| (iii) Reimbursement of Expenses Received/Receivable | 0.50 | 1.92 |
| Bulk Cement Corporation (India) Limited | 0.35 | 1.85 |
| Lucky Minmat Limited | 0.12 | 0.02 |
| Others | 0.03 | 0.05 |
| (iv) Rendering of Services | 1.63 | 1.43 |
| Bulk Cement Corporation (India) Limited | 1.63 | 1.43 |
| (v) Receiving of Services | 21.88 | 18.65 |
| Bulk Cement Corporation (India) Limited | 21.88 | 18.65 |
| (vi) Interest on Inter Corporate Deposit / Other advances received | 5.69 | - |
| ACC Mineral Resources Limited | 5.67 | - |
| Others | 0.02 | - |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)**(C) Transactions with Subsidiary Companies (contd.)**

| | 2014 ₹ Crore | 2013 ₹ Crore |
|--|-----------------|-----------------|
| (vii) Investment in Equity Shares | 118.91 | - |
| ACC Mineral Resources Limited | 117.00 | - |
| National Limestone Company Private Limited | 1.91 | - |
| (viii) Inter Corporate Deposits / Loans Given | 75.76 | 24.82 |
| ACC Mineral Resources Limited | 75.25 | 23.99 |
| National Limestone Company Private Limited | 0.22 | 0.11 |
| Lucky Minmat Limited | 0.29 | 0.72 |
| (ix) Inter Corporate Deposits Repayment Received | 109.73 | - |
| ACC Mineral Resources Limited | 109.73 | - |
| (x) Inter Corporate Deposits as at the end of the Year | 1.60 | 35.71 |
| ACC Mineral Resources Limited | - | 34.48 |
| Lucky Minmat Limited | 1.18 | 1.00 |
| National Limestone Company Private Limited | 0.39 | 0.20 |
| Singhania Minerals Private Limited | 0.03 | 0.03 |
| (xi) Outstanding balance included in Trade receivables | 0.32 | 0.42 |
| Bulk Cement Corporation (India) Limited | 0.27 | 0.38 |
| Singhania Minerals Private Limited | 0.05 | 0.03 |
| Others | - | 0.01 |
| (xii) Outstanding balance included in Long -term loans and advances | 1.84 | 1.70 |
| National Limestone Company Private Limited | 1.71 | 1.68 |
| Lucky Minmat Limited | 0.13 | 0.02 |
| (xiii) Outstanding balance included in Trade payables | 2.60 | 1.96 |
| Bulk Cement Corporation (India) Limited | 2.60 | 1.96 |

(D) Transactions with Associate Companies

| | 2014 ₹ Crore | 2013 ₹ Crore |
|---|-----------------|-----------------|
| (i) Purchase of Finished Goods | 138.24 | 163.35 |
| Alcon Cement Company Private Limited | 71.40 | 74.53 |
| Aakaash Manufacturing Company Private Limited | 66.84 | 88.82 |
| (ii) Purchase of Raw Materials | 31.40 | 22.20 |
| Asian Concretes and Cements Private Limited | 31.40 | 22.20 |
| (iii) Sale of Unfinished Goods | 23.64 | 25.00 |
| Alcon Cement Company Private Limited | 23.64 | 25.00 |
| (iv) Sale of Finished Goods | 10.80 | 9.97 |
| Aakaash Manufacturing Company Private Limited | 10.80 | 9.97 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)**(D) Transactions with Associate Companies (contd.)**

| | 2014 ₹ Crore | 2013 ₹ Crore |
|---|-----------------|-----------------|
| (v) Dividend Received | 9.86 | 6.59 |
| Alcon Cement Company Private Limited | 4.08 | 4.53 |
| Aakaash Manufacturing Company Private Limited | 0.38 | 2.06 |
| Asian Concretes and Cements Private Limited | 5.40 | - |
| (vi) Reimbursement of Expenses Received/Receivable | 6.87 | 6.25 |
| Alcon Cement Company Private Limited | 6.87 | 5.64 |
| Others | - | 0.61 |
| (vii) Reimbursement of Expenses Paid/Payable | - | 0.02 |
| Aakaash Manufacturing Company Private Limited | - | 0.02 |
| (viii) Rendering of Services | 1.16 | 1.24 |
| Alcon Cement Company Private Limited | 1.16 | 1.24 |
| (ix) Receiving of Services | 51.96 | 53.04 |
| Asian Concretes and Cements Private Limited | 51.96 | 53.04 |
| (x) Other recoveries (Net) | 1.17 | 0.84 |
| Aakaash Manufacturing Company Private Limited | 1.17 | 0.84 |
| (xi) Outstanding balance included in Trade receivables | 8.34 | 6.22 |
| Alcon Cement Company Private Limited | 6.41 | 4.59 |
| Aakaash Manufacturing Company Private Limited | 1.93 | 1.63 |
| (xii) Outstanding balance included in Trade payables | 24.38 | 17.52 |
| Alcon Cement Company Private Limited | 3.80 | 1.74 |
| Aakaash Manufacturing Company Private Limited | 10.31 | 8.03 |
| Asian Concretes and Cements Private Limited | 10.27 | 7.75 |

(E) Details of Transactions relating to Holding Companies

| | 2014 ₹ Crore | 2013 ₹ Crore |
|---|-----------------|-----------------|
| (i) Dividend Paid | 321.06 | 283.28 |
| Holcim (India) Private Limited | 319.22 | 281.66 |
| Holderind Investments Limited | 1.84 | 1.62 |
| (ii) Reimbursement of Expenses Received / Receivable | - | 0.02 |
| Holcim (India) Private Limited | - | 0.02 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)**(F) Details of Transactions relating to Fellow Subsidiary Companies**

| | 2014 ₹ Crore | 2013 ₹ Crore |
|--|-----------------|-----------------|
| (i) Purchase of Raw Materials | 126.72 | 17.24 |
| Holcim Trading FZCO | - | 4.45 |
| Holcim Trading Pte Ltd | 120.48 | 3.19 |
| Ambuja Cements Limited | 6.24 | 9.60 |
| (ii) Purchase of Finished / Unfinished Goods | 168.37 | 13.59 |
| Ambuja Cements Limited | 168.37 | 13.59 |
| (iii) Purchase of Stores & Spares | 1.14 | 0.12 |
| Ambuja Cements Limited | 1.14 | 0.12 |
| (iv) Purchase of Fixed Assets | - | 4.08 |
| Ambuja Cements Limited | - | 4.08 |
| (v) Sale of Finished / Unfinished Goods | 44.92 | 6.16 |
| Ambuja Cements Limited | 44.92 | 6.16 |
| (vi) Sale of Stores & Spares | 2.24 | - |
| Ambuja Cements Limited | 2.24 | - |
| (vii) Sale of Raw Material & Other Items | 0.81 | 11.55 |
| Ambuja Cements Limited | 0.81 | 11.55 |
| (viii) Rendering of Services | 15.26 | 4.56 |
| Ambuja Cements Limited | 14.92 | 4.12 |
| Others | 0.34 | 0.44 |
| (ix) Reimbursement of Expenses Paid / Payable | 4.84 | 3.20 |
| Holcim Trading FZCO | - | 2.74 |
| Ambuja Cements Limited | 4.82 | 0.45 |
| Others | 0.02 | 0.01 |
| (x) Reimbursement of Expenses Received / Receivable | 4.88 | 5.82 |
| Ambuja Cements Limited | 3.35 | 4.00 |
| Holcim Group Services Ltd. | - | 0.90 |
| Others | 1.53 | 0.92 |
| (xi) Receiving of Services | 68.76 | 49.86 |
| Ambuja Cements Limited | 10.28 | 0.21 |
| Holcim Group Services Ltd. | 2.19 | 1.54 |
| Holcim Services (South Asia) Limited | 52.19 | 36.91 |
| Holcim Trading FZCO | - | 5.02 |
| Holcim Technology Ltd | 3.88 | 5.55 |
| Others | 0.22 | 0.63 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)**(F) Details of Transactions relating to Fellow Subsidiary Companies (contd.)**

| | 2014 | 2013 |
|--|---------------|---------------|
| | ₹ Crore | ₹ Crore |
| (xii) Technology and Know-how fee | 112.91 | 107.66 |
| Holcim Technology Ltd | 112.91 | 107.66 |
| (xiii) Outstanding balance included in Trade receivables | 13.01 | 1.94 |
| Ambuja Cements Limited | 11.71 | 1.24 |
| AL Jabor Cements Industries CO. | - | 0.32 |
| Others | 1.30 | 0.38 |
| (xiv) Outstanding balance included in Short term loans and advances | 1.07 | - |
| Ambuja Cements Limited | 1.07 | - |
| (xv) Outstanding balance included in Trade payables | 52.89 | 42.83 |
| Ambuja Cements Limited | 17.08 | 8.62 |
| Holcim Technology Ltd | 25.09 | 29.47 |
| Holcim Services (South Asia) Limited | 9.45 | 3.09 |
| Others | 1.27 | 1.65 |

(G) Details of Transactions relating to Associate Companies of Fellow Subsidiary

| | 2014 | 2013 |
|---|-------------|-------------|
| | ₹ Crore | ₹ Crore |
| (i) Rendering of Services | 0.01 | 0.34 |
| National Cement Factory | 0.01 | 0.34 |
| (ii) Reimbursement of Expenses Received / Receivable | - | 0.06 |
| National Cement Factory | - | 0.06 |
| (iii) Receiving of Services | - | 0.01 |
| Siam City Cement Public Company Limited | - | 0.01 |
| (iv) Outstanding balance included in Trade receivables | - | 0.39 |
| National Cement Factory | - | 0.39 |
| (v) Outstanding balance included in Trade payables | - | 0.01 |
| Siam City Cement Public Company Limited | - | 0.01 |

(H) Details of Transaction with Key Management Personnel

| | 2014 | 2013 |
|---|-------------|-------------|
| | ₹ Crore | ₹ Crore |
| (i) Remuneration* | 7.44 | 6.05 |
| Mr. Kuldip K. Kaura (Upto August 12, 2014) | 4.33 | 6.05 |
| Mr. Harish Badami (w.e.f. August 13, 2014) | 3.11 | - |
| (ii) Outstanding balance included in other current liabilities | 0.99 | 1.10 |
| Mr. Kuldip K. Kaura | 0.45 | 1.10 |
| Mr. Harish Badami | 0.54 | - |

*Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)**35. CAPITAL AND OTHER COMMITMENTS**

| | 2014 ₹ Crore | 2013 ₹ Crore |
|---|-----------------|-----------------|
| A) Estimated value of contracts in capital account remaining to be executed | 566.97 | 1,532.60 |

B) The Company from time to time provides need based support to subsidiaries towards capital and other requirements.

36. (A) CONTINGENT LIABILITIES NOT PROVIDED FOR -

| | 2014 ₹ Crore | 2013 ₹ Crore |
|---|-----------------|-----------------|
| a) Claims not acknowledged by the Company | | |
| Sales tax | 31.43 | 30.22 |
| Customs demand | 30.97 | 17.69 |
| Claim by Suppliers | 36.79 | 36.79 |
| Labour related | 29.57 | 26.48 |
| Claims for mining Lease rent | 73.46 | - |
| Others | 23.14 | 27.98 |
| TOTAL | 225.36 | 139.16 |

In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums / authorities.

| | | |
|---|--------|--------|
| b) Indemnity, Guarantee/s given to Banks/Financial Institutions, Government Bodies and others {Including Guarantee given on behalf of Subsidiary Company of ₹ 0.12 Crore (Previous Year - ₹ Nil)} | 341.73 | 256.16 |
| c) Bills discounted | 22.38 | 9.51 |

d) The Company had filed petitions against the orders / notices of various authorities demanding ₹ 106.59 Crore (Previous Year – ₹ 211.73 Crore including MP) towards demand 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 Chattisgarh and on cement produced vis a vis consumption of limestone at its factory in Tamil Nadu. Recently, the Madhya Pradesh High Court has decided the matter in favour of the Company by directing the Authorities to only demand Royalty based on quantity of Limestone, actually mined and recorded through statutory documentation, and not based on any ratio.

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, and feels that similar relief can also be expected from the Judiciary and / or Authorities in the cases of Chattisgarh & Tamil Nadu Units. In view of the demand being legally unjustifiable, and due to the decision of the Madhya Pradesh High Court, the Company does not expect any liability in above matter.

e) The Competition Commission of India issued an Order dated June 20, 2012, imposing penalty on certain cement manufacturers, including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002, and imposed a penalty of ₹ 1,147.59 Crore on the Company. The Company had filed an appeal against the said Order before the Competition Appellate Tribunal (COMPAT). Pending final disposal of the appeal, the COMPAT has stayed the penalty with a condition to deposit 10% of the penalty amount, which has been deposited in the form of short term bank fixed deposit with lien in favour of COMPAT. The fixed deposit has been renewed periodically on maturity along with interest of ₹ 13.81 Crore. Based on the advice of external legal counsel, the Company believes that it has good grounds for a successful appeal. Accordingly, no provision is considered necessary.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

36. (B) MATERIAL DEMANDS AND DISPUTES CONSIDERED AS “REMOTE” BY THE COMPANY

- 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 had accrued Sales Tax Incentives aggregating ₹ 56 Crore. The Sales Tax Authorities had introduced certain restrictive conditions after commissioning of the unit stipulating that incentive is available only for incremental amount over the base revenue and production (of Gagal I) prior to the commissioning of Gagal II. The Company contends that such restrictions are not applicable to the unit as Gagal II is a new unit, as decided by the HP High Court and confirmed by the Supreme Court while determining the eligibility for Transport Subsidy. The Department had recovered ₹ 64 Crore (Tax of ₹ 56 Crore and interest of ₹ 8 Crore) and the same is accounted as an amount recoverable.

The HP High Court, had, in 2012, dismissed the Company's appeal. The Company believes the Hon'ble High Court's judgment is based on an erroneous understanding of certain facts and legal positions and that it also failed to consider certain key facts. The Company has been advised by legal experts that there is no change in the merits of the Company's case. Based on such advice, the Company filed a Special Leave Petition before the Hon'ble Supreme Court in , which is pending.

- b) The Company was eligible for certain incentives (in the nature of One Time Lumpsum Capital Subsidy and refund of incremental VAT paid) in respect of its investment towards modernization and expansion of the Chaibasa Cement Unit pursuant to confirmation received under the State Industrial Policy of Jharkhand. Accordingly, the company has made claims for refund of VAT paid each financial year. However, no disbursals were made (except an amount of ₹ 7 Crore representing part of the One Time Lumpsum capital Subsidy Claim of ₹ 15 Crore) as the authorities have raised various new conditions and restriction, that were extraneous to the approvals and confirmations expressly received by the Company. The Company had filed two writ appeals before the Jharkhand High Court against the restrictions and disputes on the extent of the eligible claims now being sought to be effected / raised by the Government.

In October 2013, the High Court (Single Bench) decided the matter partially in favour of the Company. Consequently, the Company has accrued, on account of VAT Refund, ₹ 95 Crore, and in respect of the unpaid One Time Lumpsum Capital Subsidy, reversed a provision of ₹ 8 Crore made in an earlier year. Based on the Court direction, the Company has submitted its revised claim in this regard.

The Company has also preferred an appeal before the Division Bench of the Jharkhand High Court for the balance claim. Similarly, the Jharkhand Government has preferred an appeal against the part of the order of the single Judge, which was in the Company's favour. The appeals have been heard on January 19, 2015, and the order reserved.

- c) The Company had set up a captive power plant ('Wadi TG 2') in the year 1995-96. This plant was sold to Tata Power Co Ltd., in the year 1998-99 and was subsequently repurchased from it in the year 2004-05. The Company had purchased another captive power plant ('Wadi TG 3', set up by Tata Power Co Ltd in the year 2002-03) in 2004-05. Both these power plants were eligible for tax holiday under the provisions of Section 80IA of the Income Tax Act, 1961. The Income tax department has disputed the Company's claim of deduction under Section 80IA of the Act, on the ground that the conditions prescribed under the section are not fulfilled. In case of Wadi TG 2, in respect of the demand of ₹ 56.66 Crore (net of provision), the Company is in appeal before the ITAT and in case of Wadi TG 3 in respect of the demand of ₹ 115.62 Crore, which was set aside by the ITAT, the Department is in appeal against the decision in favour of the Company. The Company believes that the merits of the claims are strong and will be allowed.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

- d) One of the Company's Cement manufacturing plants located in Himachal Pradesh was eligible, under the State Industrial Policy for deferral of its sales tax liability arising on sale of cement manufactured in the said plant. The Excise and Taxation department of the Government of Himachal Pradesh, disputed the eligibility of the company to such deferment on the ground that the company also manufactures an intermediate product, viz. Clinker, arising in the manufacture of cement, and such intermediate product was in the negative list. A demand of ₹ 82.37 Crore was raised. Company filed a writ petition before High Court of Himachal Pradesh against the demand. The case has been admitted and the hearing is in process. The Company believes its case is strong and the demand shall not sustain under law.
- e) The Company is eligible for incentives for one of its cement plants situated in Maharashtra, under a Package Scheme of Incentives of the Government of Maharashtra. The scheme inter alia, includes refund of royalty paid by the Company on extraction or procurement of various raw materials (Minerals). The Department of Industries has disputed the Company's claim for refund of royalty on an erroneous technical interpretation of the sanction letter issued to the Company, that only the higher of the amount of (i) VAT Refund and (ii) Royalty refund claim amounts, each year, shall be considered. The Company maintains that such annual restriction is not applicable as long as the cumulative limit of claim does not exceed the amount of eligible investment. The Company has accrued an amount of ₹ 73 Crore till December 2014 on this account. The Company has filed an appeal before the Bombay High Court challenging the stand of the Government, which is admitted & pending. The Company believes that the merits of the claim are strong.

37. ACC Mineral Resources Limited ('AMRL'), a wholly owned subsidiary of the Company, had participated in four Joint Ventures with the Madhya Pradesh State Mining Corporation Limited ('MPSMCL') for development and mining of four coal blocks allocated to MPSMCL. The Company had applied for the development and mining operations through a competitive bidding process, consequent to which the JVs were effected, in which AMRL and MPSMCL hold 49% and 51% shares respectively. As of December 31, 2014, the amount incurred, invested and advanced (including deposits to MPSMCL and other parties) by the Company in this regard is approximately ₹ 153.79 Crore.

The Hon'ble Supreme Court, vide its decision of September 24, 2014, held that allocation of various coal blocks, including those allocated to MPSMCL, is arbitrary and illegal, and hence liable to be cancelled. Subsequently, the Government promulgated The Coal Mines (Special Provisions) Ordinance, 2014, which intends to take appropriate action to deal with the situation arising pursuant to the Hon'ble Supreme Court's decision.

The management, based on its understanding of its contractual rights under its JV agreements, its interpretation of the Ordinance and on the basis of legal advice, believes that the financial loss or operational impact if any, will not be significant.

38. PARTICULARS OF UN HEDGED FOREIGN CURRENCY EXPOSURE AS AT BALANCE SHEET DATE

| Particulars | Currency | 2014 | | | 2013 | | |
|---|----------|---------------------------|---------------|---------|---------------------------|---------------|---------|
| | | Foreign currency in Crore | Exchange rate | ₹ Crore | Foreign currency in Crore | Exchange rate | ₹ Crore |
| Trade Receivable | SAR | - | - | - | 0.25 | 16.43 | 4.03 |
| Trade Payable and Other Current Liabilities | CHF | 0.01 | 64.05 | 0.95 | 0.23 | 69.50 | 15.99 |
| | USD | 0.20 | 63.43 | 12.47 | 0.03 | 61.78 | 1.72 |
| | GBP | 0.0001 | 98.79 | 0.01 | 0.0001 | 102.08 | 0.01 |
| | EUR | 0.27 | 77.02 | 20.75 | 0.04 | 85.18 | 3.20 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)

- 39.** During the year, the Company has provided ₹ 4.13 Crore in National Limestone Company Private Limited (*Previous year - ₹ 17.86 Crore in Shiva Cement Limited*) for diminution in the value of these investment considering the diminution in value of this investment other than temporary nature.
- 40.** During the year, the Company has written back ₹ 112.75 Crore of provision for income-tax upon completion of assessment. Outcome of certain matters in this assessment, read with judicial precedents, provides additional information relating to certain tax positions, which has a bearing on some subsequent unassessed years, resulting in provision for tax recognized of ₹ 196.48 Crore for those years being considered no longer necessary. Accordingly, total amount of ₹ 309.23 Crore (*Previous Year – ₹ 216.74 Crore*) have been written back during the year and disclosed separately as 'Tax adjustments for earlier years.
- 41.** The Company has arrangements with few third parties whereby it sells clinker to them and purchases Cement manufactured by them out of such clinker. While the transactions are considered as individual sale / purchase transactions for determination of taxable turnover and tax under VAT laws, considering the accounting treatment prescribed under various accounting guidance, revenue for sale of such clinker of ₹ 22.84 Crore (*Previous year - ₹ 25.88 Crore*) has not been recognized as a part of the Turnover but has been adjusted against cost of purchase of cement so converted.

42. LOANS AND ADVANCES, IN THE NATURE OF LOANS – AS REQUIRED UNDER CLAUSE 32 OF LISTING AGREEMENT :

| Particulars | 2014 | Maximum Balance during the Year | 2013 | Maximum Balance during the Year |
|--|---------|---------------------------------|---------|---------------------------------|
| | ₹ Crore | ₹ Crore | ₹ Crore | ₹ Crore |
| Inter Corporate Deposits / Loans: | | | | |
| ACC Mineral Resources Limited | - | 109.73 | 34.48 | 34.48 |
| Lucky Minmat Limited | 1.31 | 1.31 | 1.02 | 1.02 |
| National Limestone Company Private Limited | 2.10 | 2.10 | 1.88 | 1.88 |
| Singhania Minerals Private Limited | 0.03 | 0.03 | 0.03 | 0.03 |

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

43. CAPITAL WORK-IN-PROGRESS INCLUDES :

| | 2014 | 2013 |
|---|---------|---------|
| | ₹ Crore | ₹ Crore |
| Expenditure during construction for projects as under : | | |
| Opening balance | 74.06 | 16.82 |
| Addition during the year | 75.08 | 57.74 |
| | 149.14 | 74.56 |
| Less : Capitalised during the year | 15.47 | 0.50 |
| | | |
| Balance included in capital work-in-progress | 133.67 | 74.06 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)**44. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS :**

| | 2014 ₹ Crore | 2013 ₹ Crore |
|------------------------|-----------------|-----------------|
| Raw Material | 111.07 | 61.17 |
| Stores and Spare Parts | 52.92 | 53.65 |
| Coal | 512.02 | 244.41 |
| Capital Goods | 191.47 | 104.35 |
| TOTAL | 867.48 | 463.58 |

45. EXPENDITURE IN FOREIGN CURRENCIES (ON ACCRUAL BASIS) :

| | 2014 ₹ Crore | 2013 ₹ Crore |
|-------------------------------------|-----------------|-----------------|
| Technology and Know-how fees | 112.91 | 107.66 |
| Fees for Technical support services | 14.67 | 24.33 |
| Consultants' Fees | 1.58 | 1.28 |
| Others | 6.23 | 14.69 |
| TOTAL | 135.39 | 147.96 |

46. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES AND SPARE PARTS CONSUMED :

| | 2014 | | 2013 | |
|-----------------------------------|-----------------|---------------|-----------------|---------------|
| | ₹ Crore | % | ₹ Crore | % |
| (a) Raw Materials | | | | |
| Imported | 134.89 | 7.54 | 85.84 | 5.34 |
| Indigenous | 1,653.42 | 92.46 | 1,522.96 | 94.66 |
| | 1,788.31 | 100.00 | 1,608.80 | 100.00 |
| (b) Stores and Spare Parts | | | | |
| Imported | 44.40 | 12.27 | 42.25 | 11.25 |
| Indigenous | 317.59 | 87.73 | 333.24 | 88.75 |
| | 361.99 | 100.00 | 375.49 | 100.00 |

47. EARNINGS IN FOREIGN EXCHANGE (ON ACCRUAL BASIS) :

| | 2014 ₹ Crore | 2013 ₹ Crore |
|----------------------|-----------------|-----------------|
| Consultancy Services | 0.33 | 0.78 |
| Others | 1.52 | - |
| TOTAL | 1.85 | 0.78 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2014 (contd.)**48. REMITTANCES IN FOREIGN CURRENCIES :**

| | 2014 | 2013 |
|--|----------|----------|
| On account of dividend to non-resident shareholders | | |
| (a) Final Dividend | | |
| No. of shareholders | 1 | 1 |
| No. of Equity Shares | 5,41,000 | 5,41,000 |
| Amount remitted (₹ Crore) | 1.03 | 1.03 |
| Year to which it pertains | 2013 | 2012 |
| (b) Interim Dividend | | |
| No. of shareholders | 1 | 1 |
| No. of Equity Shares | 5,41,000 | 5,41,000 |
| Amount remitted (₹ Crore) | 0.81 | 0.59 |
| Year to which it pertains | 2014 | 2013 |

49. PROPOSED DIVIDEND :

The final dividend proposed for the year is as follows :

| | 2014 | 2013 |
|--|--------|--------|
| On Equity Shares of ₹ 10 each | | |
| Amount of dividend proposed (₹ Crore) | 356.72 | 356.72 |
| Dividend per Equity Share (₹) | 19 | 19 |

50. COMPARATIVE FIGURES :

Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E

per **RAVI BANSAL**
Partner
Membership No. 49365

Mumbai, February 03, 2015

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

N.S.SEKHSARIA
Chairman
DIN: 00276351

HARISH BADAMI
CEO & Managing Director
DIN: 02298385

SUNIL K. NAYAK
Chief Financial Officer

BURJOR D. NARIMAN
Company Secretary

ARUNKUMAR R GANDHI
Director
DIN: 00007597

AIDAN LYNAM
Director
DIN: 03058208

ASHWIN DANI
Director
DIN: 00009126

VIJAY KUMAR SHARMA
Director
DIN: 02449088

BERNARD FONTANA
Director
DIN: 05178749

SHAILESH V. HARIBHAKTI
Director
DIN: 00007347

FARROKH K. KAVARANA
Director
DIN: 00027689

FALGUNI NAYAR
Director
DIN: 00003633