

ACC

Build with confidence



Shared Values
Shared Ambition

ACC Limited
75th Annual Report 2010

75 years of
Strength
Performance
Passion



Board of Directors

(As on February 3, 2011)

Mr N S Sekhsaria
Chairman

Mr Paul Hugentobler
Deputy Chairman

Mr Kuldip Kaura
Chief Executive Officer &
Managing Director

Mr S M Palia

Mr Naresh Chandra

Mr Markus Akermann

Mr M L Narula

Mr D K Mehrotra

Mr R A Shah

Mr Shailesh Haribhakti

Mr Aidan Lynam

Mr Sushil Kumar Roongta

Audit Committee

Mr Shailesh Haribhakti, Chairman

Mr S M Palia

Mr Naresh Chandra

Mr Paul Hugentobler

Compliance Committee

Mr R A Shah, Chairman

Mr Naresh Chandra

Mr Shailesh Haribhakti

Mr Paul Hugentobler

Mr Kuldip Kaura

Compensation Committee

Mr N S Sekhsaria, Chairman

Mr Paul Hugentobler

Mr Shailesh Haribhakti

Shareholders'/Investors' Grievance Committee

Mr Paul Hugentobler, Chairman

Mr M L Narula

Mr Kuldip Kaura

Managing Committee

Mr Kuldip Kaura, Chairman

Mr T N Tiwari

Mr Sunil Nayak

Mr J DattaGupta

Mr Ramit Budhraj

Mr Rajiv Prasad

Mr Vivek Chawla

Dr Rajen Mehrotra

Mr Shakti Arora

Company Secretary & Head Compliance

Mr Burjor D Nariman

Auditor

S R Batliboi & Associates

Cost Auditor

N I Mehta & Company

Bankers

State Bank of India

Bank of Baroda

State Bank of Hyderabad

State Bank of Bikaner & Jaipur

Standard Chartered Bank

Citibank, N.A.

The Hongkong & Shanghai

Banking Corporation Limited

HDFC Bank Limited

ICICI Bank Limited

Registered Office

Cement House

121 Maharshi Karve Road

Mumbai 400 020

Website: www.acclimited.com

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Balance Sheet Abstract and Company's General Business Profile	125	Annual General Meeting	
		On Wednesday, April 13, 2011 at 3.00 p.m. at Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020	

Members are requested to kindly bring their copies of the Annual Report to the Meeting.

Getting To Platinum



Our history makes an interesting business case study. The essence of our story begins with the formation of an Indian company in 1936 when ten existing cement companies integrated as one in a momentous amalgamation - the country's first notable merger at a time when the term mergers and acquisitions was not yet coined.

Now the organisation enters its seventy-fifth year. A platinum jubilee is a proud occasion and a befitting analogy as platinum is one of the noble metals. Quite sober in appearance, platinum represents determination and true grit and is revered for its endurance.

Only a handful of companies in the country are known to have reached such a milestone while remaining in the same business in a position of eminence. We wear that distinction with humility and look forward to another glorious innings in the cement industry when we can be of service to the nation.

In these pages we bring you some highlights of our journey of getting to this platinum jubilee, capturing the memorable achievements of all our people.

Esplanade House, Mumbai – where ACC's registered office was first located.



Message from the Chairman

N. S. Sekhsaria **Chairman**



Dear Friends,

This is a special year as ACC completes 75 successful years. A Platinum Jubilee is a significant milestone that is reserved for special organizations who wear this mantle not by financial excellence or scale of operations alone, but by the blessings of enduring relationships with all the stakeholders they serve. ACC has built India for 75 years in a manner that its name is now familiar in every part of the country. We can all take pride in being a part of this great Company. A large part of the credit for this achievement must go to you the shareholders for your unwavering commitment to the values this organisation has steadfastly demonstrated.

From the beginning, Your Company has been a pioneer and trendsetter in cement and concrete, promoting innovative research and product development. This has made ACC an important benchmark for the Indian cement industry. The relationships and associations we formed with Ambuja Cements and with the Holcim Group have offered considerable opportunities for learning and adapting global best practices.

Today, we cannot imagine the variety and magnitude of the tests and trials that ACC encountered since its inception. In all these years, the challenges were many, the journey was difficult, but the spirit was unfailing. Even the last year we have just been through could have been daunting as it made the industry grapple with rising input costs and declining selling prices alongside heightened competition. But Your Company negotiated these uncertainties effectively to put itself in a position of strength.

ACC is proud to announce the commissioning of the expanded Wadi 2 kiln in September 2010. With a daily capacity of 12,500 tonnes, it is said to be the largest cement kiln worldwide. Another successful project is the new clinkering line at Chanda in Maharashtra that

commenced trial production in November 2010, which would ultimately result in additional capacity of about 3 million tonnes per annum. The completion of these two projects puts ACC on the threshold of achieving 30 million tonnes annually.

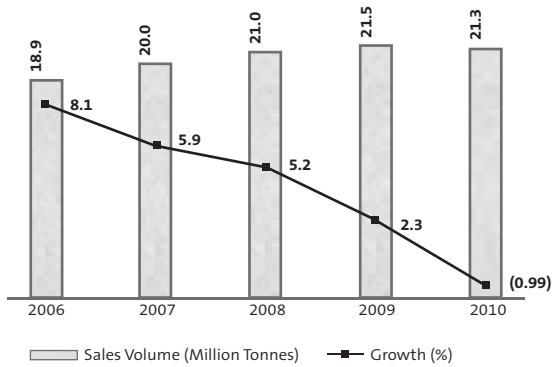
With Government retaining a determined focus on infrastructure development and an optimistic outlook for overall GDP growth, we have no doubt these will offer a considerable boost to the demand for cement. The future for Your Company looks bright even as it passes through competitive times. ACC is poised to grow much faster in coming decades based on its technical excellence, human resources, brand equity and market growth. As ACC gears up for another important phase in its growth, I have no doubt the company will continue to enjoy the same dedication and faith from all its stakeholders and associates that will inspire it to reach greater heights.

Thank you.

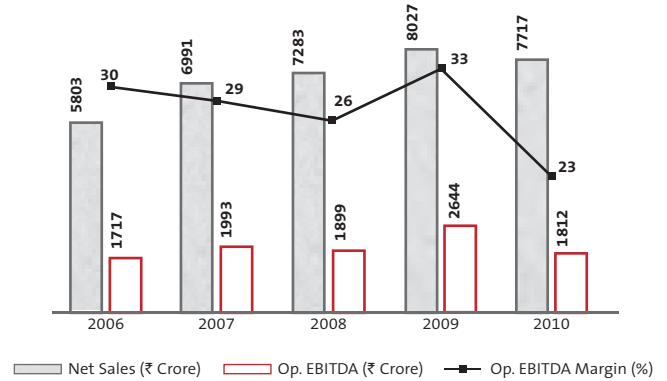
Narotam Sekhsaria

Performance Highlights

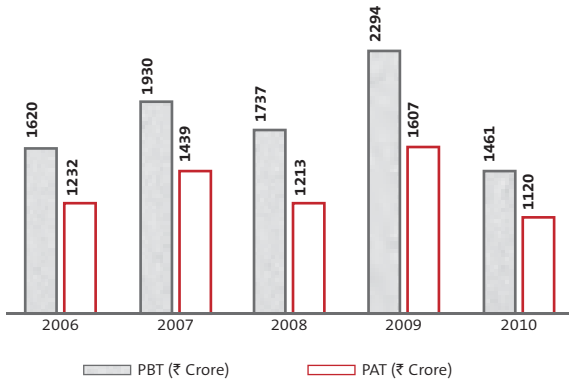
Sales Volume & Growth %



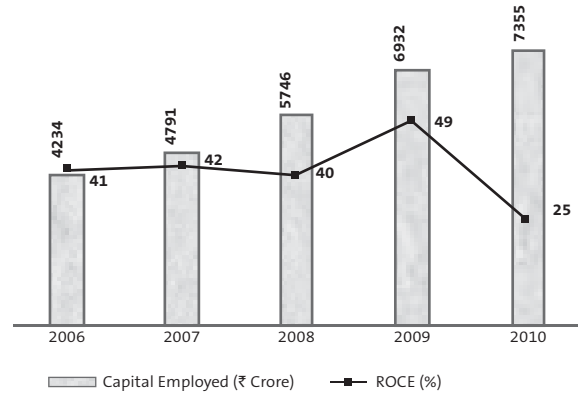
Net Sales, Operating EBITDA & Operating EBITDA Margin



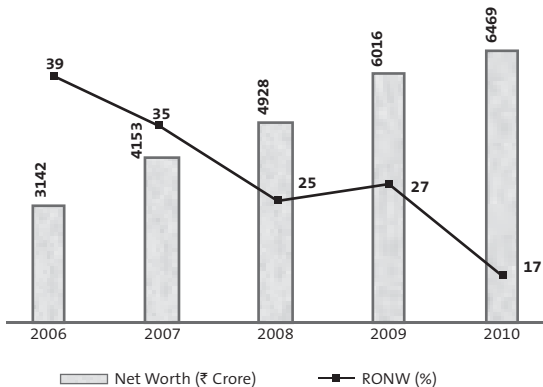
Profit Before Tax & Profit After Tax



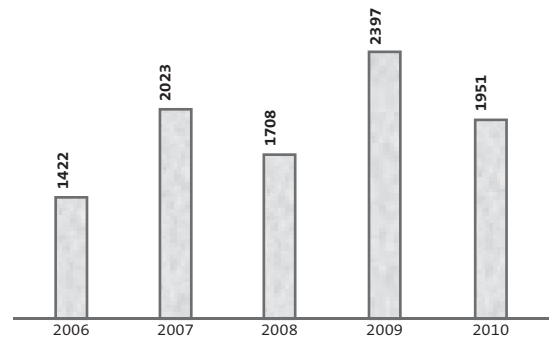
Capital Employed & Return on Capital Employed



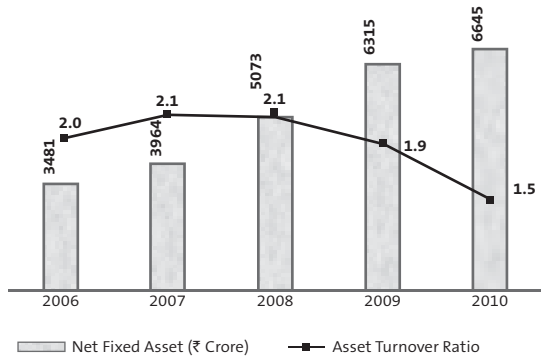
Net Worth & Return on Net Worth



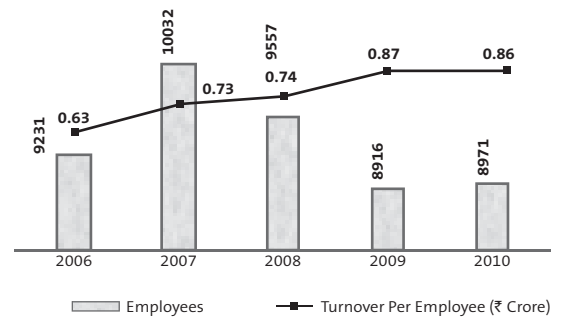
Net Cash Generated from Operations (₹ Crore)



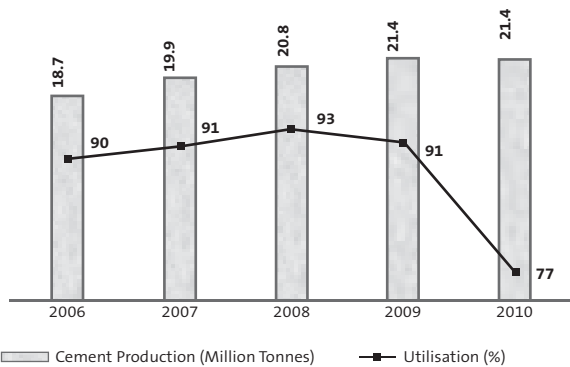
Net Fixed Assets & Asset Turnover Ratio



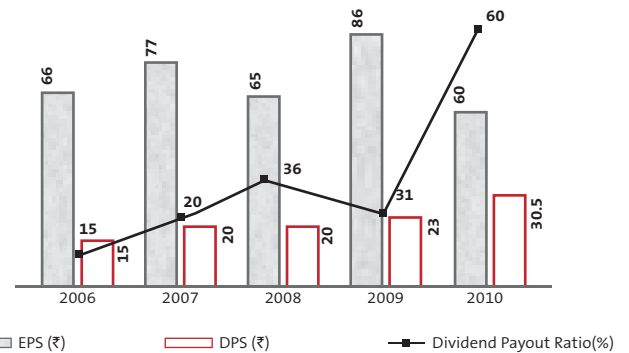
Employees at the year end & Turnover per Employee



Cement Production & Capacity Utilisation

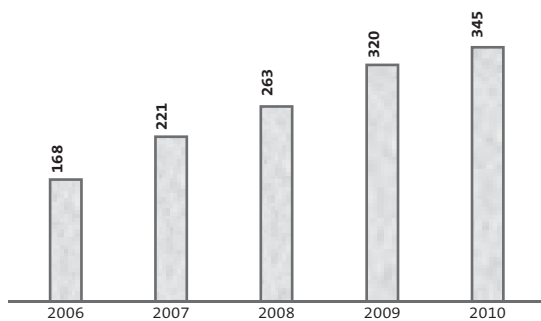


Dividend per Share, Earning per Share and Dividend Payout Ratio*

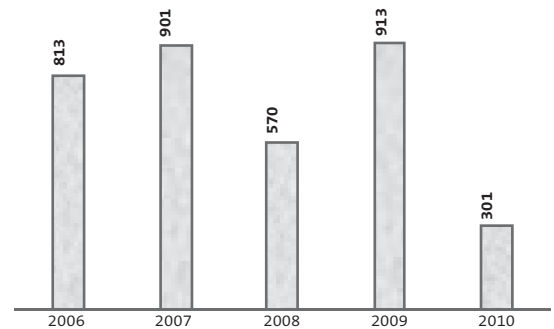


*Dividend payout ratio is calculated considering dividend distribution tax.

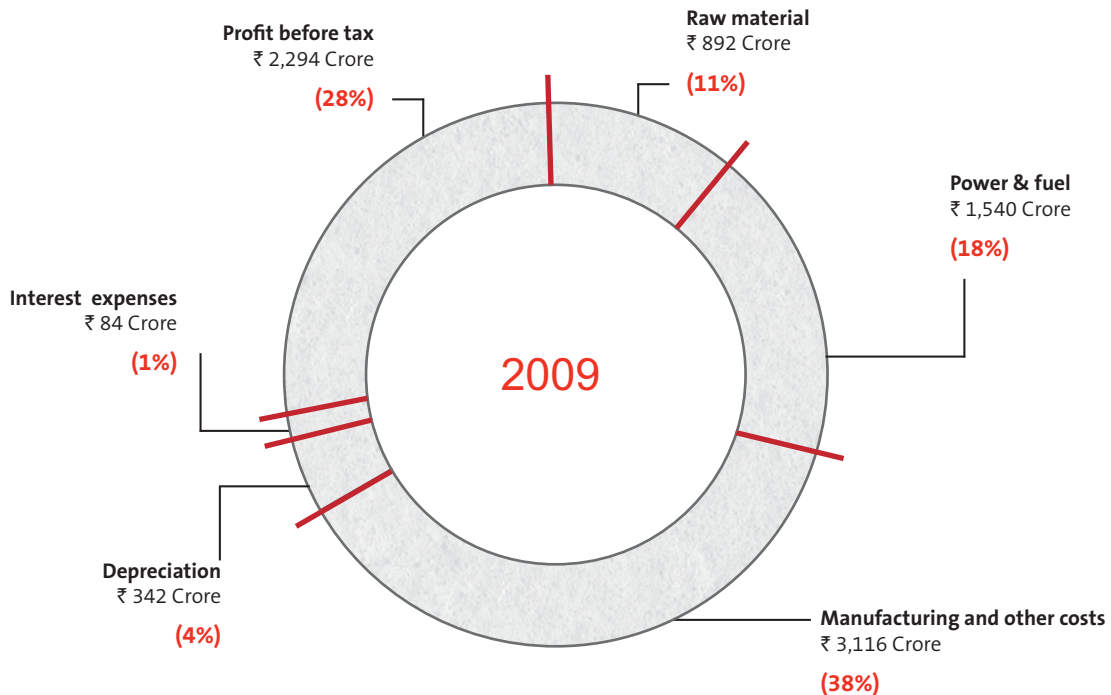
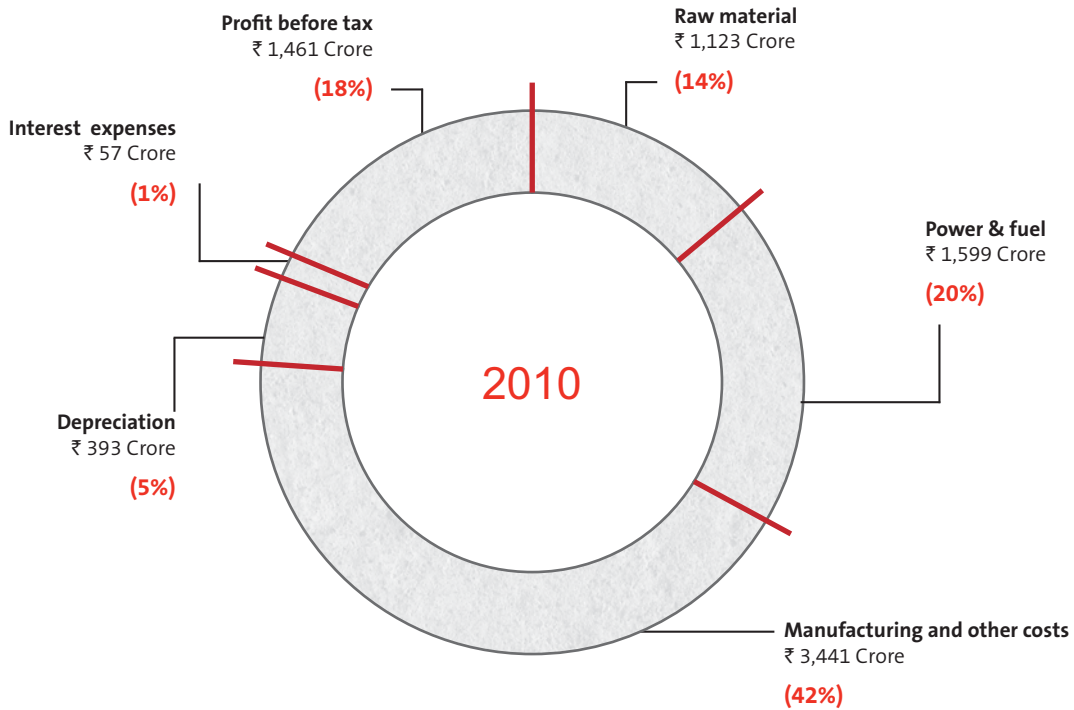
Book Value per Share (₹ Crore)



Economic Value Added (EVA) (₹ Crore)



Cost and Profit as a Percentage of Total Income



Financial Highlights

₹ Crore

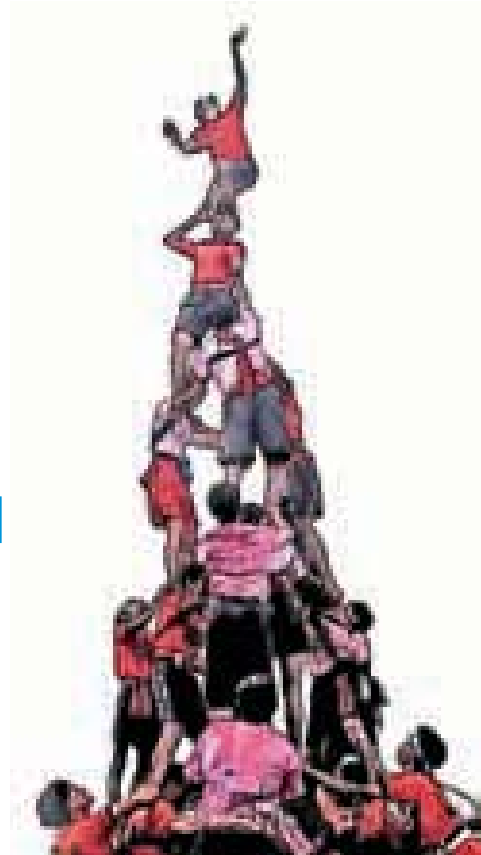
	2010	2009	2008	2007	2006	2005*	2004-05	2003-04	2002-03	2001-02
INCOME STATEMENT										
Net Sales	7,717	8,027	7,283	6,991	5,803	3,221	3,902	3,284	2,860	2,831
Operating EBIDTA	1,812	2,644	1,899	1,993	1,717	616	715	496	353	482
Profit before Tax	1,461	2,294	1,737	1,930	1,620	684	444	254	118	164
Profit after Tax	1,120	1,607	1,213	1,439	1,232	544	378	200	104	130
BALANCE SHEET										
Net Worth	6,469	6,016	4,928	4,153	3,142	2,130	1,585	1,319	1,024	946
Borrowings	524	567	482	306	771	1,071	1,408	1,353	1,405	1,508
Net Fixed Assets	6,645	6,315	5,073	3,964	3,481	3,122	2,872	2,472	2,456	2,317
Cash and cash equivalents#	2,388	1,876	1,438	1,489	1,080	348	57	114	35	27
Current Assets	2,753	2,256	2,760	2,203	1,921	1,421	1,214	1,040	891	896
Current Liabilities	3,746	3,114	2,766	2,221	1,672	1,335	1,076	941	807	700
Capital Employed	7,355	6,932	5,746	4,791	4,234	3,508	3,301	2,982	2,720	2,761
SIGNIFICANT RATIOS										
Operating EBIDTA / Net sales	23%	33%	26%	29%	30%	19%	18%	15%	12%	17%
Return on Capital Employed	25%	49%	40%	42%	41%	19%	18%	12%	9%	13%
Return on Net Worth	17%	27%	25%	35%	39%	34%	24%	15%	10%	14%
Current Ratio	0.73	0.72	1.00	0.99	1.15	1.06	1.13	1.11	1.10	1.28
Debts Equity Ratio	0.08	0.09	0.10	0.07	0.25	0.50	0.89	1.02	1.37	1.59
Price Earning Ratio	18.04	10.23	7.39	13.74	16.44	17.74	17.25	21.62	23.60	20.15
Dividend Yield Ratio	3%	3%	4%	2%	1%	2%	2%	2%	2%	2%
Net worth per Share (₹)	345	320	263	221	168	115	89	74	60	55
Dividend per Share (₹)	30.50	23.00	20.00	20.00	15.00	8.00	7.00	4.00	2.50	3.00
Basic Earnings per Share (₹)	59.66	85.60	64.63	76.75	66.02	30.02	21.23	11.68	6.08	7.64
CASH FLOWS										
Net cash provided by / (used in)										
Operating activities	1,951	2,397	1,708	2,023	1,422	644	598	478	442	484
Investing activities	(802)	(1,505)	(1,170)	(824)	(483)	(181)	(519)	(415)	(159)	(129)
Financial activities	(637)	(455)	(297)	(1,075)	(423)	(419)	(87)	(33)	(275)	(355)

* Pertains to nine months period

Cash and cash equivalents includes investment in mutual funds

Vision

To be one of the most respected companies in India, **recognised for challenging conventions and delivering on our promises.**



Values

Strength

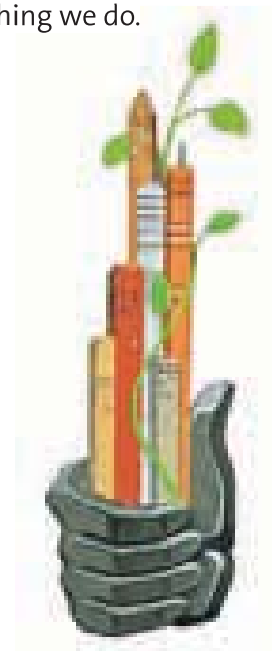
Building strong and lasting relationships. Conducting everyday operations internally in true team spirit. Acting responsibly with integrity and demonstrating strength of character, demonstrating excellence in everything we do.

Performance

Delivering on our promises to each other and to our stakeholders. Always ensuring excellence. Working together and striving to delight customers with best solutions.

Passion

Caring, being dedicated, committed and passionate about everything we do, demonstrating excellence in everything we do.



Awards and Accolades



ACC was the proud recipient of the country's first ever national award for promotion of rural development. There have been numerous other felicitations conferred on us by reputed organisations for notable achievements in varied fields such as environment conservation, safety and community development. Here is a sample of the awards we received in 2010 which by itself makes a long list.

The Vision Corporate Triple Impact: Business Performance, Social & Environmental Action & Globalisation from Federation of Indian Chambers of Commerce & Industry

Asia Pacific Entrepreneurship Award in the categories, Green Leadership and Community Engagement by Enterprise Asia

Institute of Cost and Works Accountants of India Good Performance Award

2010 IMA CFO Award for Excellence in Cost Management from International Market Assessment India Private Limited

IMC Ramakrishna Bajaj Quality Award 2010 to DAV ACC Gagal School for excellence in education

National Safety Award for 2008 from Government of India Ministry of Labour & Employment to ACC Gagal and Tikaria

Safety Innovation Award 2010 to ACC Kymore and Tikaria from The Institution of Engineers (India), New Delhi

9th Annual Greentech Safety Platinum Award to ACC Tikaria, Gold Award to ACC Jamul and Sindri ; Silver Award 2010 to ACC Lakheri, Madukkarai and Wadi Expansion Project

Leadership in Energy & Environmental Design India NC, New Construction Gold Rating to ACC headquarters building Cement House by World Green Building Council

National award for excellence in Energy Management from Confederation of Indian Industry to ACC Lakheri and Wadi

Rajasthan Energy Conservation Award 2010 to ACC Lakheri by Rajasthan Renewable Energy Corporation Limited

Pollution Control Excellence Award from State Pollution Control Board, Orissa to ACC Bargarh

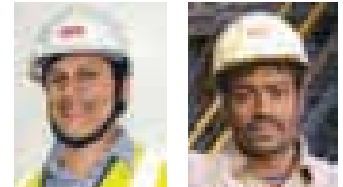
Financial Express-Emergent Ventures India Green Business Leadership award – Best Performer in cement sector

Kerala State Energy Conservation Commendation Certificate 2010 to ACC Madukkarai in the category Research & Innovation.

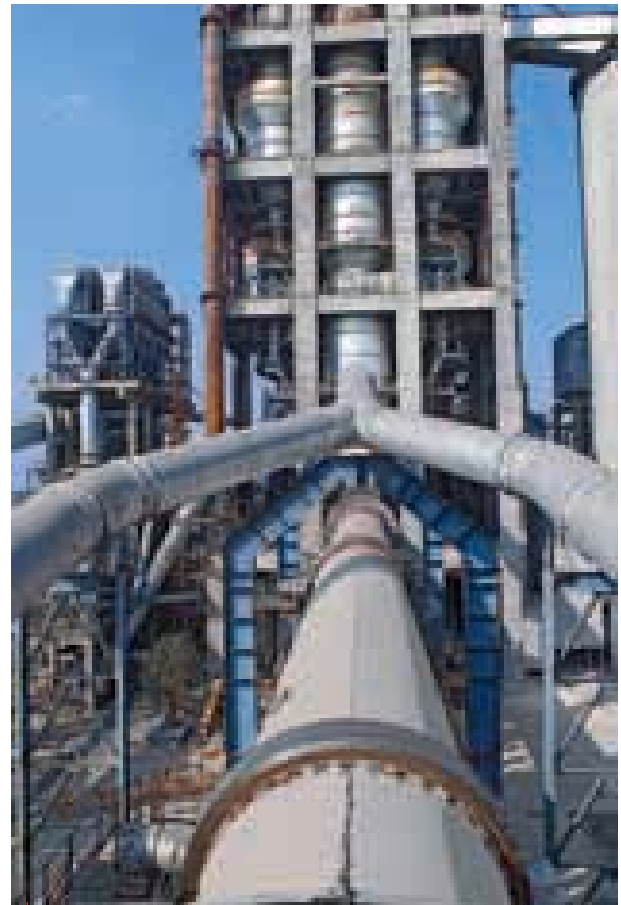
A Corporate Saga

True to the name of the book written about it, ACC's journey in time has indeed been a corporate saga. Most of our factories are located in the same familiar places. Only the plant and machinery in them are the most advanced you can find in the world of cement. Take Wadi in Karnataka for instance – set up in 1968, it was regularly upgraded. The country's first one million tonne plant was installed here followed years later by India's first two million tonne plant. Last year saw Wadi play host to the world's largest cement kiln.

But some things will never change. Beneath its contemporary, vibrant and youthful visage lies the same pioneering will, the same serene heritage and a family of employees fired with the same engaging spirit to serve customers and stakeholders alike. Our well-organized network continues to span India – offering a dependable people's brand.



ACC Chaibasa, Jharkhand



ACC Chanda, Maharashtra

ACC Wadi Grows ...

Creating New Milestones for Cement Industry

1982

3000

Tonnes per day

India's largest kiln

2001

5000

Tonnes per day

India's largest kiln

2010

12500

Tonnes per day

World's largest kiln



World's largest kiln at ACC Wadi, Karnataka

Born A Leader

When The Associated Cement Companies Limited was incorporated on August 1, 1936 from the merger of ten cement companies, its formation was hailed as “the beginning of a new era in the Indian cement industry” and it instantly became one of the largest Indian companies of the time. The name given to it was a mouthful so people simply referred to it as the merger; before long it came to be called by its acronym, ACC. (That abridgement was adopted as the company’s official name in 2006.)

The first board of directors comprised the country’s most respected luminaries in the corporate, legal and financial circles. The new company offered its customers a clutch of cement brands that were a treasure trove of magical names.

A nationwide contest was announced for architects to design the new company’s headquarters. Cement House is today a recognized landmark in Mumbai’s central business district.

1936: Incorporation of The Associated Cement Companies Limited on August 1, 1936

1936: First Board Meeting of The Associated Cement Companies Limited held at Esplanade House, Mumbai on November 10, 1936

1937 : With the transfer of the 10th company to ACC, viz. Dewarkhand Cement Company, the formation of ACC is complete on October 23, 1937

1944 : ACC’s first community development venture near Bombay.



Sir N B Saklatvala, first Chairman of ACC with Mr. J R D Tata



First Board Meeting of The Associated Cement Companies Limited held at Esplanade House, Mumbai



ACC - earliest brands

Built To Last



ACC Chaibasa Plant, 1947

The company soon became recognized as a progressive professionally managed organisation. Employees were treated as one large multi-cultural family. Its compassion was demonstrated in the manner it dealt with India's partition when two of its plants were separated by new borders. Employees were assisted to relocate to the country of their choice in specially chartered trains and aircraft.

Its approach to society was unfolded through the launch of the Village Welfare Scheme – a professional force of social scientists, doctors and other professionals who went about working for the economic upliftment of the community living around its plants.

ACC's technical expertise was revealed with the commissioning of a new plant at Chaibasa, the country's first indigenously built cement plant. In another first, the new plant at Sindri (then in Bihar) was designed to produce cement using calcium carbonate sludge a waste generated by the nearby Sindri fertilizer factory.

By this time government had assumed rigid control over distribution of cement.



ACC Sindri Plant



Village welfare scheme launched - 1952



Earliest ACC trademark - the first logo

1947: ACC helps relocate employees and associates during Partition of India – evacuating them to the new country of their choice

1947: India's first entirely indigenous cement plant established at Chaibasa in Bihar (now Jharkhand)

1952 : Village Welfare Scheme launched

1955: Sindri cement works used the waste product calcium carbonate sludge from fertilizer factory at Sindri.

Breaking New Grounds

This was a decade that established ACC as a pioneer and trendsetter. Bulk cement distribution began with the Okhla Silosite delivery depot that facilitated the construction of new structures in New Delhi. New product development efforts yielded oil-well cement, waterproof cement and refractory cement products. The refractory division would later grow to become the country's largest.

The most momentous initiatives were the introduction of Portland Slag Cement for the first time in India from toxic wastes of the blast furnaces of steel makers. This was followed by Portland Pozzolana Cement. Both these varieties today play a vital role in the mitigation of carbon emissions.

A technical training institute was set up in Madhya Pradesh. The crowning glory of the decade was the Central Research Station established at Thane, a new R&D hub and focal laboratory.

1957: Technical training institute established at Kymore, Madhya Pradesh

1957: Katni Refractories business is launched

1961 : Blast furnace slag from TISCO used at the Chaibasa Unit to manufacture Portland Slag Cement for the first time in India

1961 : Oilwell Cement produced at ACC Shahabad, Karnataka for oilwells upto a depth of 6,000 feet

1961 : Manufacture of Waterproof and Acid Resistant cement varieties

1962 : Manufacture of Accoproof, a waterproofing additive

1965 : ACC's Central Research Station (CRS) established at Thane

1965 : Manufacture of Portland Pozzolana Cement

1965 : Jamul Plant established.



ACC Jamul Plant



ACC's Central Research Station, Thane

Tested By Time



Computerisation came to ACC in 1968

The advent of computers revolutionised the way management dealt with information. ACC was one of a handful of companies in the country with a large in-house computer centre. Instead of hiring new professionals, a cross-functional team of employees was trained; a practice that was repeated decades later when the SAP based enterprise wide resource planning system was adopted.

The network grew with the addition of modern dry process plants at Chanda in Maharashtra and Wadi in Karnataka. The industry remained fettered with inflexible government controls on cement, when ACC's chairman Mr N A Palkhivala emerged as a powerful independent voice that spoke aloud with ambitious dreams for economic reforms to enable the making of a prosperous India.

This was the decade when ACC was visible in the world of cricket. Over several years the company had nurtured and supported this game by offering permanent employment to budding and professional cricketers. Many of the legendary names in India's Test cricket were employees of ACC led by Madhav Mantri who joined in 1946. Others included, Polly Umrigar, Rusi Modi, Dilip Sardesai and Sunil Gavaskar.



Mr N A Palkhivala



Mr Bapu Nadkarni



Mr Madhav Mantri

1968: Advent of computers in ACC for data processing and designing management information and control systems

1968: ACC supplied and commissioned one-million-tonne iron ore pelletising plant ordered by TISCO

1968 : Chanda Cement plant established in Maharashtra

1970 : New cement plant commissioned at Wadi in Karnataka.



Mr Subhash Gupte



Mr Ramakant Desai

At The Crossroads

ASSOCHAM felicitated ACC for outstanding performance in promoting rural development activities, the country's first ever award of its kind. Commissioning of the country's first one million tonne plant at Wadi set off a trend. The decade was momentous as cement was partially decontrolled in 1982. Competition in the industry started in full earnest. ACC made a new foray in international business with a contract to manage and operate the Yanbu Cement plant in Saudi Arabia, starting an enduring relationship that lent great prestige to the company as it tested its skills globally. In 1986 ACC celebrated its golden jubilee with gusto.

1977: ACC receives ASSOCHAM first national award for the year 1976 instituted for outstanding performance in promoting rural and agricultural development activities

1978: Introduction of the energy efficient precalinator technology for the first time in India. Full scale commercial production based on MFC technology at Wadi in 1979

1979 : ACC wins international contract for operation and management of a new one million tonne cement plant at Yanbu-Ras Biridi in Saudi Arabia

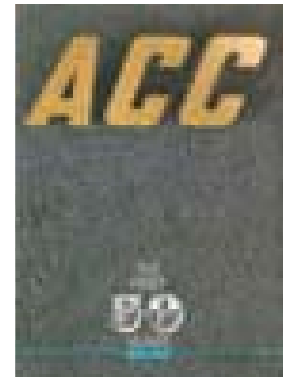
1982 : Commissioning of the first 1 MTPA plant in the country at Wadi, Karnataka

1984 : New plant in Gagal Himachal Pradesh

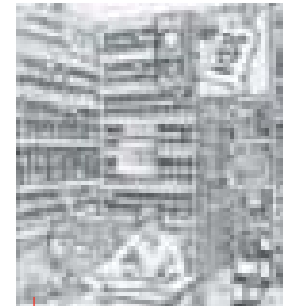
1984 : ACC achieves a breakthrough in import substitution by developing and supplying a special G type of oil well cement to ONGC.



ACC Wadi



Yanbu Plant, Saudi Arabia



A cement retail outlet

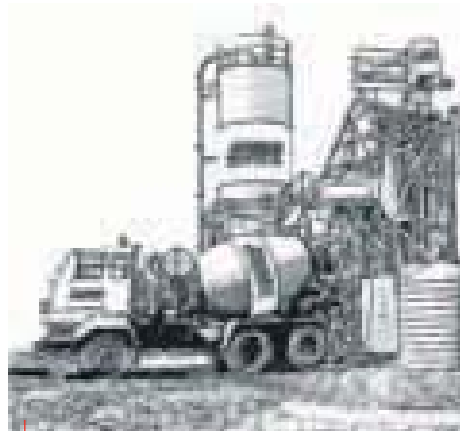


ACC Gagal Plant

Trusted By Generations



ACC Ready Mixed Concrete Plant today

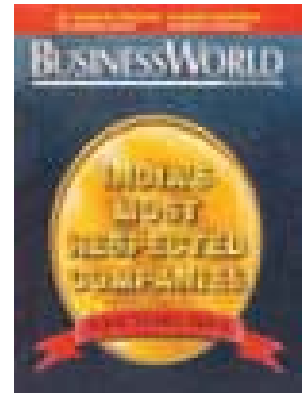


An early Ready Mixed Concrete Plant

ACC's foray into the country's first commercial manufacture of Ready Mixed Concrete (RMX) gave rise to a whole new industry in India. This coupled with bulk cement distribution greatly influenced the pace and quality of construction in the country, particularly of large commercial and infrastructure projects.

But these were testing times as ACC grappled with the need for greater cost-competitiveness, operational efficiency and manpower rationalization. Six old cement plants were divested while conversion of wet process capacity and modernization of old plants was undertaken apace.

A downturn in cement business led the company to make forays of diversification and joint ventures into non-cement areas introducing new names and products such as Bridgestone Tyres, Asahi Float glass, Rio Tinto Diamond mining, Nihon steel castings, Soft Ferrites and even fruit orchards. There were even short-lived experiments with marketing and franchising operations in cement.



1987: ACC develops a new binder for use at sub-zero temperatures, which is successfully used in the Indian expedition to Antarctica

1992: Incorporation of Bulk Cement Corporation of India, a joint venture with the Government of India

1993 : ACC starts the commercial manufacture of Ready Mixed Concrete at Mumbai

1995 : ACC selected as Most Respected Company in India by a Business magazine.



Bulk Cement distribution

Strength Through Associations

Another milestone was created with the country's first 2.6 million tonne plant at Wadi, and largest cement grinding unit at Tikaria in Uttar Pradesh. The Bargarh cement plant became a part of ACC.

ACC's social responsibility was amply demonstrated when it provided timely financial relief and invaluable training in the construction of earthquake proof structures for the benefit of the victims of the quake that hit Gujarat. Not so well known was the painstaking effort to restore and rehabilitate numerous heritage landmarks.

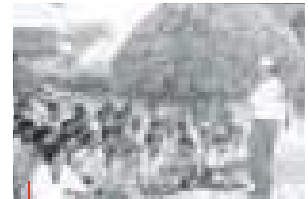
The exit of the Tatas led to two new associations which proved immensely beneficial to the organisation – a strategic alliance with the Ambuja Cement group and later an association with the Holcim group. Overall a significant decade, with the company recording improvements in costs and operating parameters.



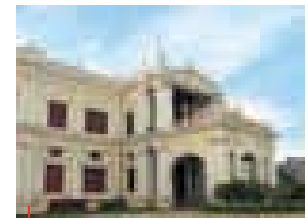
ACC Wadi Plant - 2.6 MTPA



ACC Tikaria Plant



Mason training -
Gujarat earthquake relief



Restoration work -
Jayalakshmi Vilas Mansion

1998: Commissioning of 0.6 MTPA cement grinding unit at Tikaria, Uttar Pradesh

1999: Tata group sells its stake in ACC to Ambuja Cement Holdings Ltd, a subsidiary of Gujarat Ambuja Cements Ltd. (GACL) in tranches that follow in 2000 making the Ambuja group the single largest shareholder of ACC

2001: New plant of 2.6 MTPA capacity at Wadi, Karnataka, the largest in the country

2002: ACC wins PHDCCI Good Corporate Citizen Award

2003: IDCOL Cement Ltd becomes a subsidiary of ACC

2004: ACC raises US \$ 100 million abroad through Foreign Currency Convertible Bonds and Global Depository Shares

2005: Holcim group of Switzerland is associated with ACC through a strategic alliance with Ambuja Group

2005: Modernisation and Expansion project at Chaibasa in Jharkhand, with a new 1.2 MTPA kiln.



Foundations For The Future

A new chapter is written in ACC's history as it is renamed ACC Limited and adopts a vibrant new identity. As a member of the worldwide Holcim group, the company evolves into a new *avatar* of itself with a vision to be one of the most respected companies in India; recognized for challenging conventions and delivering on our promises.

As the platinum jubilee year unfolds, the company is on the threshold of a new phase of growth, armed with ultra-modern production facilities, including the world's largest cement kiln at Wadi.



The new Kiln at ACC Wadi is the world's largest

2006 : Change of name to ACC Limited with effect from September 1, 2006

2006 : Good Corporate Citizen Award 2005-06 from Bombay Chamber of Commerce and Industry

2006 : New corporate brand identity and logo adopted from October 15, 2006

2006 : Waste management services launched

2006 : ACC announces new Workplace policy for HIV/AIDS and establishes Anti Retroviral Treatment Centre for HIV/AIDS patients at Wadi in Karnataka

2006 : ACC partners with Christian Medical College for treatment of HIV/AIDS in Tamil Nadu

2007 : ACC commissions Wind energy farms in Tamil Nadu and Rajasthan

2008 : ACC Cement Technology Institute formally inaugurated at Jamul on July 7

2008 : First Sustainable Development Report released on June 5

2008 : CNBC-TV18 India Business Leader Award in the category India Corporate Citizen of the year 2008

2008 : Project Orchid launched to transform our Corporate Office, Cement House into a green building

2009 : Jamanalal Bajaj "Uchit Vyavahar Puraskar" of Council for Fair Business Practices

2009 : ACC is allotted coal blocks in Madhya Pradesh and West Bengal

2009 : New Grinding plant of capacity 1.60 MTPA inaugurated at Thondebhavi in Karnataka

2010 : Kudithini Grinding Plant inaugurated in Karnataka with capacity of 1.1 MTPA of Portland Slag Cement

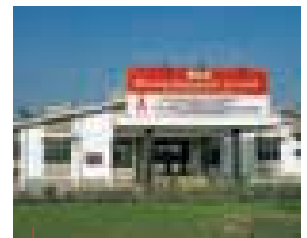
2010 : Encore Cement & Additives Pvt Limited, a slag grinding plant in Vishakhapatnam, becomes part of ACC



ACC Thondebhavi



ACC Kudithini



ART Centre, Wadi

In Harmony With Nature



ACC Greens Village, Bellary



La Residency, Thane - one of ACC's green buildings



The Central Control Room Building at ACC Chanda, one of our green buildings and the first such in an industrial environment



From the beginning, ACC's founders imbued in the organisation an urge to demonstrate good corporate citizenship by way of fair business practices and visible concern for the planet and its people, particularly the well-being of those who live around the company's operations. Long before corporate social responsibility came to be talked about as a good practice, we were imbued with a rich tradition of engaging with the community living around our operations by encouraging their active involvement in various development schemes. It is a belief that still endures.

Among the first companies in India to include commitment to environment protection as a corporate objective, ACC vigorously pursues its goal of sustainable development through exacting standards in environmental conservation, emission controls, maximizing energy efficiency, the promotion of renewable energy, the pursuit of alternative fuels and raw materials, waste management, clean mining techniques and of course safety.

We believe Knowledge advancement is essential for capacity building and enhancing employability among the socially weaker

sections of society. We operate three technical institutes and support several ITI's in the country to support the cause of vocational education.

A high point of our approach to community engagement is the creation and deployment of Community Advisory Panels comprising representative groups of local residents which has proved effective in ensuring the community's faith in our development schemes. Our community welfare measures have helped us reach out to nearly 100 villages across India and provide basic health care and education.

Our development schemes focus on creating sustainable livelihoods, including those linked to natural resource management, providing education for society's future, women empowerment, rural infrastructure development, and capacity building for better local governance. In addition to encouraging a high proportion of local participation, we have partnered with NGOs, local bodies and Government departments.

Board of Directors

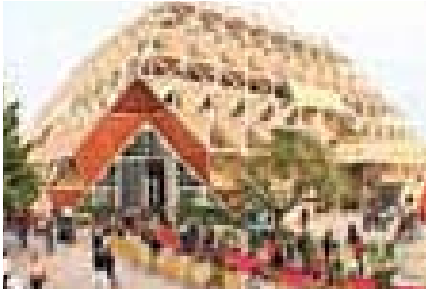




1. Mr N S Sekhsaria, **Chairman**
2. Mr Paul Hugentobler, **Deputy Chairman**
3. Mr Kuldip K Kaura, **Chief Executive Officer & Managing Director**
4. Mr S M Palia
5. Mr Naresh Chandra
6. Mr Markus Akermann
7. Mr M L Narula
8. Mr D K Mehrotra
9. Mr R A Shah
10. Mr Shailesh Haribhakti
11. Mr Aidan Lynam
12. Mr Sushil Kumar Roongta

Building The Nation

ACC has played a vital role in the development of a vibrant India. The tradition continues as we participate in building solid structures with our commitment, knowledge and technical expertise. We have put in over seven decades of dedicated effort in helping build infrastructure, ushering in modern distribution and construction practices. Be it mega structures that have become everlasting landmarks or just simple houses, ACC has become a name synonymous with trust and confidence.



Notice

NOTICE IS HEREBY GIVEN THAT THE SEVENTY-FIFTH ANNUAL GENERAL MEETING OF ACC LIMITED will be held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 on **Wednesday, April 13, 2011** at **3.00 p.m.** to transact the following business:-

ORDINARY BUSINESS

1. To receive and adopt the Audited Profit and Loss Account for the financial year ended December 31, 2010, the Balance Sheet as at that date and the Report of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. N. S. Sekhsaria who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. D. K. Mehrotra who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr. R. A. Shah who retires by rotation and is eligible for reappointment.
6. To appoint Messrs. S R Batliboi & Associates, Chartered Accountants, as Auditors of the Company on such remuneration as agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of service tax and all out of pocket expenses incurred in connection with the audit of the Accounts of the Company for the year ending December 31, 2010.

SPECIAL BUSINESS

7. To appoint a Director in place of Mr. Aidan Lynam who was appointed as a Director of the Company

with effect from April 22, 2010 in the casual vacancy on the Board caused by the resignation of Mr Onne van der Weijde and who holds office up to the date of the forthcoming Annual General Meeting of the Company under Section 262 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under the provisions of Section 257 of the Companies Act, 1956 from a Member proposing Mr. Lynam's candidature for the office of Director.

8. To appoint a Director in place of Mr. Sushil Kumar Roongta who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 3, 2011 and who holds office up to the date of the forthcoming Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a Member proposing Mr. Roongta's candidature for the office of Director.

Notes:

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- b. The Register of Members and Share Transfer Books of the Company shall remain closed from March 31, 2011 to April 13, 2011 both days inclusive.
- c. The Dividend, after declaration, will be paid to those Members of the Company whose names stand on the Register of Members on April 13, 2011. The

dividend in respect of shares held in dematerialized form in the Depository System will be paid to the beneficial owners of shares as on March 30, 2011 as per the list provided by the Depositories for this purpose. The dividend will be payable on and from April 19, 2011.

- d. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In cases where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records.
- e. During the current financial year 2011, the Company will be required to transfer to the Investor Education & Protection Fund, the unpaid / unclaimed Dividend for the year ended March 31, 2004. Those Members who have not encashed their warrants are requested to immediately return the outdated warrants to the Company or write to the Company

in the matter to enable the Company to issue Demand Drafts in lieu thereof.

- f. The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 7 & 8 as set out above is annexed hereto.
- g. As per the provisions of the Companies Act, 1956, facility for making nominations is available for Members in respect of the shares held by them. Nomination forms can be obtained from the Share Department of the Company.

By Order of the Board of Directors,
For ACC Limited

B. D. Nariman
Company Secretary &
Head – Compliance

Mumbai, February 3, 2011
Registered Office:
"Cement House",
121, Maharshi Karve Road,
Mumbai 400 020

Explanatory Statements

The following Explanatory Statements, as required by Section 173 of the Companies Act, 1956, set out all material facts relating to the business under Item Nos. 7 & 8 mentioned in the accompanying Notice dated February 3, 2011.

2. **Item No 7:** The Board of Directors has appointed Mr. Aidan Lynam as a Director of the Company with effect from April 22, 2010 in the casual vacancy caused by the resignation of Mr. Onne van der Weijde.
3. Mr. Lynam holds a degree in Engineering from the University College of Dublin and an MBA from IMD, Lausanne, Switzerland. In addition to the above, he is a Member of the Institute of Engineers of Ireland (M.I.E.I.), Chartered Member of the British Institute of Manufacturing Engineers (C.Eng. M.I.E.E.). Mr. Lynam is presently in the services of Holcim Limited and is Area Manager responsible for Vietnam, Sri Lanka, Bangladesh, Singapore, Malaysia and Cambodia.
4. Under Section 262 of the Companies Act, 1956, Mr. Lynam holds office as Director till the date up to which Mr. Onne van der Weijde in whose place he has been appointed would have otherwise held office viz., till the date of the forthcoming Annual General Meeting of the Company. In view of Mr. Lynam's qualifications, and valuable experience, his appointment on the Board is in the interests of the Company.
5. A Notice under Section 257 of the Companies Act, 1956, has been received from a Member signifying his intention to propose the appointment of Mr. Lynam as Director of the Company.

6. The Board commends the above appointment and the relevant Resolution at Item No. 7 of the accompanying Notice.
7. Mr. Lynam is interested in the Resolution set out at Item No 7 of the accompanying Notice since it relates to his appointment. None of the other Directors are concerned or are otherwise interested in the said Resolution.
8. **Item No. 8:** The Board of Directors has appointed Mr. Sushil Kumar Roongta as an Additional Director on the Board with effect from February 3, 2011.
9. Mr. Roongta holds a degree in Bachelor of Engineering from Birla Institute of Technology & Science (BITS), Pilani and a Post Graduate Diploma in Business Management – International Trade from the Indian Institute of Foreign Trade (IIFT), New Delhi. He is a Fellow of All India Management Association (AIMA).

Mr. Roongta was the former Executive Chairman of Steel Authority of India Limited (SAIL). Under his leadership, SAIL achieved new benchmarks in operational and financial performance and was ranked second among "World Class Steel Makers" by World Steel Dynamics, USA. SAIL was conferred the status of "Maharatna" by the Government of India in 2010 being one of the four PSUs to be awarded this status. Mr. Roongta was on the Governing Boards of reputable academic institutions and is on certain Committees constituted by the Government of India and Chambers of Commerce & Industry.

Mr. Roongta is a recipient of a number of awards including SCOPE Award for excellence and

outstanding contribution to the Public Sector Management – Individual Category 2008.

10. Under Section 260 of the Companies Act, 1956, Mr. Roongta holds office as Director only til the date of the forthcoming Annual General Meeting.

11. A Notice under Section 257 of the Companies Act, 1956, has been received from a Member signifying his intention to propose the appointment of Mr. Roongta as Director of the Company.

12. The Board commends the above appointment and the relevant Resolution at Item No. 8 of the accompanying Notice.

13. Mr. Roongta is interested in the Resolution set out at Item No 8 of the accompanying Notice since it relates to his appointment. None of the other Directors are concerned or are otherwise interested in the said Resolution.

By Order of the Board of Directors,
For ACC Limited

B. D. Nariman
Company Secretary &
Head-Compliance

Mumbai, February 3, 2011
Registered Office:
“Cement House”,
121, Maharshi Karve Road,
Mumbai 400 020

Annexure to Items 3, 4, 5, 7 & 8 of the Notice

**Details of Directors seeking appointment / reappointment at the forthcoming Annual General Meeting
(in pursuance of Clause 49 of the Listing Agreement)**

Name of the Director	Mr. N. S. Sekhsaria	Mr. D. K. Mehrotra	Mr. R. A. Shah	Mr. Aidan Lynam	Mr. Sushil Kumar Roongta
Date of Birth	21.09.1949	05.05.1953	07.07.1931	08.07.1960	09.05.1950
Nationality	Indian	Indian	Indian	Irish	Indian
Date of Appointment on Board	27.12.1999	14.10.2005	24.01.2006	22.04.2010	03.02.2011
Qualification	Bachelor of Chemical Engineering from Bombay University – Secured Second Rank	B.Sc (Honours)	Solicitor	Degree in Engineering & Member of the Institute of Engineers, Ireland	Bachelor of Engineering (Hons.) - Electrical from Birla Institute of Technology & Science (BITS) Pilani Post Graduate Diploma in Business Management – International Trade Fellow - All India Management Association (AIMA)
Shareholding in ACC	NIL	NIL	NIL	NIL	NIL
List of Directorships held in other Companies	Ambuja Cements Limited; Radha Madhav Investments Limited; Ambuja Cement Foundation (Section 25 Company); Ambuja Educational Institute (Section 25 Company); Narotam Sekhsaria Foundation (Section 25 Company); JM Financial Asset Reconstruction Company Pvt. Limited	ITC Limited; ICICI Venture Funds Management Co. Limited; Infrastructure Leasing & Financial Services Limited; Life Insurance Corporation of India (Managing Director); LIC HFL Care Homes Limited (Chairman); LIC Housing Finance Limited, LIC HFL Trustee Company Private Limited LIC (Lanka) Limited, Sri Lanka; Alternate Director: Kenindia Assurance Co. Limited, Nairobi, Kenya	Clariant Chemicals (India) Limited; Godfrey Phillips India Limited (Phillip Morris affiliate); Pfizer Limited; Procter & Gamble Hygiene & Healthcare Limited; Colgate Palmolive India Limited; Roche Scientific Co. (I) Pvt. Limited; Abbott India Limited; Asian Paints Limited; The Bombay Dyeing & Mfg. Co. Limited; BASF India Limited; Century Enka Limited; Deepak Fertilizers & Petrochemicals Corpn. Limited; Jumbo World Holdings Limited (Foreign Company); Lupin Limited; Piramal Healthcare Limited Wockhardt Limited; Alternate Director: Atul Limited; BASF Polyurethanes India Limited; Modicare Limited; RPG Life Sciences Limited; Schrader Duncan Ltd.; Uhde India Limited	Axis Bank Limited; Nevyeli Lignite Corporation Limited; The Shipping Corporation of India Limited; Jubilant Industries Limited; Hindustan Petroleum Corporation Limited; Jindal Power Limited	

DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

TO THE MEMBERS OF ACC LIMITED

The Directors take pleasure in presenting the Seventy Fifth Annual Report together with the audited accounts, for the year ended December 31, 2010. The Management Discussion and Analysis has also been incorporated into this report.

1. PREAMBLE - 2010

The Cement Industry went through challenging times in 2010 after a heady performance in 2009. While it benefited from vibrant growth of the national economy and the Government's continued thrust on infrastructure development, the Industry had to contend with a decline in selling prices across all regions simultaneously with a surge in costs of major inputs like coal, slag, fly ash and gypsum which led to an overall decline in profitability. The year witnessed large scale additions of ~36 million tonnes in cement capacity which reached ~260 million tonnes, while capacity utilization slipped to barely 80 per cent. Despite a mix of constraints such as prolonged monsoon, floods, shortages of sand and aggregates and transport bottlenecks at different times in different states, the Industry managed a growth of ~10 per cent in supply to touch ~212 million tonnes.

Your Company ended the year 2010 relatively flat in terms of growth in sales. However the successful

commissioning of expansion project at Wadi and with the commissioning of Chanda during 2011, the total installed capacity would rise to ~30 million tonnes per annum and place your Company on the threshold of achieving major growth.

2. HIGHLIGHTS OF PERFORMANCE

- Consolidated income for the year under review was ₹ 8,619 crore a decrease of 1.2% as compared to ₹ 8,722 crore in 2009.
- Consolidated profit before tax declined in 2010 to ₹ 1,415 crore against ₹ 2,247 crore in 2009.
- Consolidated profit after tax was also consequently lower in 2010 at ₹ 1,078 crore against ₹ 1,564 crore in 2009.
- The largest kiln in the world with a capacity of 12500 tpd was commissioned at Wadi.
- With a view on customer focus and innovation, two new cement products viz. Concrete+ and Coastal+ were launched in key markets, which were very well received by customers. Foundation to Roof Cement (F2R) was introduced in new markets this year and has found good acceptance.
- The Corporate Sustainable Development Report for 2009 was released with the contents assured by external auditors.

3. FINANCIAL RESULTS

	Consolidated		Standalone	
	₹ Crore		₹ Crore	
	2010	2009	2010	2009
Sale of product and services (net of excise duty) and other income	8,619.32	8,721.56	8,074.26	8,267.62
Profit before tax	1,415.41	2,247.48	1,461.45	2,294.39
Provision for Tax	341.36	686.79	341.44	687.66
Profit after Tax	1,077.53	1,563.91	1,120.01	1,606.73
Balance brought forward from previous year	3,040.37	2,357.25	3,203.85	2,477.91
Profit available for appropriations	4,117.90	3,921.16	4,323.86	4,084.64
Appropriations :				
Interim Dividend	187.75	187.70	187.75	187.70
Proposed Dividend	384.88	244.06	384.88	244.06
Dividend Distribution Tax	95.10	73.38	95.10	73.38
Previous year Dividend Distribution Tax	(0.93)	-	(0.93)	-
General Reserve	250.00	350.00	250.00	350.00
Debenture Redemption Reserve	25.00	25.00	25.00	25.00
Amortisation Reserves	0.65	0.65	0.65	0.65
Surplus carried to the next year's account	3,175.45	3,040.37	3,381.41	3,203.85

4. DIVIDEND

Your Directors take great pleasure in recommending a final dividend of ₹13 per equity share of ₹10 each. To commemorate the Company's Platinum Jubilee, the Board of Directors has recommended payment of a one time special dividend of ₹7.50 per equity share. The Company had distributed an interim dividend of ₹10 per equity share in August 2010.

The total dividend for the year ended December 31, 2010 would accordingly be ₹30.50 per equity share of ₹10 each as against ₹23 per equity share of ₹10 each for the year ended December 31, 2009. The total outgo for the current fiscal amounts to ₹667.73 crore, including a dividend distribution tax of ₹95.10 crore, as against ₹505.14 crore, including dividend distribution tax of ₹73.38 crore in the previous year.

5. ECONOMIC SCENARIO AND OUTLOOK

The world economy is gradually coming out of the downturn. The robust growth in India and China has provided an impetus to the ongoing recovery of the world economy. The state of the economies of many developed countries continue to be a cause of concern with the Euro zone being the most vulnerable as global rating agencies continue to downgrade the sovereign debt rating of many countries in this region. As regards the US economy, though it is showing incipient signs of recovery, the high unemployment levels continue to defy solution. Thus the developing economies are now emerging as the major drivers of global economic growth.

During 2010, the Indian economy saw acceleration in the pace of its growth due to a rebound in rural income with increase in agricultural production and a good industrial and service sector growth. With strong demand, robust consumption, savings and investment rates set to continue in 2011, the GDP growth projection for 2011-2012 is in excess of 8%. While the growth outlook remains strong, in the near term, there are a number of challenges facing our economy such as high levels of inflation particularly in food prices, a widening trade deficit, deceleration in corporate spending and hardening of global energy prices. Concerted and coordinated monetary, fiscal and policy measures are required to tackle these challenges head on. Despite these challenges, in the medium to long term, India has many positive factors in its favour to strengthen its emergence as a global economic powerhouse.

6. CEMENT INDUSTRY OUTLOOK AND OPPORTUNITIES

The demand for cement would continue to remain strong in 2011. A growth of ~10 per cent is expected in view of continued focus on infrastructure development and the benefits from a relatively good monsoon boosting demand from the rural segment. In the next fiscal, additional cement capacity of ~27 million tonnes is likely to go on stream. With the bulk of the capacities coming up in the South, the demand supply imbalance in 2011 would continue to be a cause of concern in the South, though it is expected to improve or remain in a status quo position in other regions.

The dwindling availability of linkage coal and the move to sell high grade indigenous coal at international prices are likely to impact power and fuel costs. The prices of other major inputs mainly slag, gypsum and fly ash are likely to further harden in 2011, whilst the increase in petroleum product prices would continue to impact freight costs. A shortage in railway wagon availability may adversely impact despatches in peak months.

The long term outlook for the industry continues to be bright given the high growth trajectory of the Indian economy and the growing demand from the infrastructure sector where the planned spend between 2012-2017 is over US \$ 1 trillion. Strong demand from the housing sector is also anticipated arising out of increasing urbanization, the burgeoning middle class with higher disposable incomes and Government stimulus for enhancing rural income and affordable housing.

Your Company is building on the momentum it has already achieved in the latter part of 2010 to ramp up production and logistics and other crucial enablers so as to attain its peak capabilities.

7. CEMENT BUSINESS – PERFORMANCE AT A GLANCE

	2010	2009	Change %
Production-million tonnes	21.21	21.37	(0.7)
Sales volume-million tonnes*	21.29	21.52	(1.1)
Sales value – ₹ crore	7717.33	8027.20	(3.9)
Operating EBITDA %	22.7%	32.3%	

* Includes sale to ACC Concrete Limited and trading sales

8. MODERNISATION / EXPANSION / NEW PROJECTS

a) Your Directors are pleased to announce the successful commissioning of the world's largest kiln with a capacity of 12500 tpd at Wadi in the State of Karnataka in November 2010. In addition, one 25 MW captive power plant (CPP) was commissioned in October 2010, whilst the second unit also of 25 MW is expected to be commissioned in the second quarter of 2011.

Trial commissioning of the clinkering unit at Chanda in Maharashtra having a kiln capacity of 7000 tpd was carried out in November 2010. The kiln is expected to stabilize by the second quarter of 2011, once the other balancing equipment are positioned to feed the kiln. One 25 MW CPP was commissioned in September 2010 to meet the entire power requirements of Chanda. A new vertical roller cement mill of 260 TPH capacity will be commissioned around the second quarter of 2011.

With the above commissioning of kilns at Wadi and Chanda and the related satellite grinding units at Kudithini and Thondebhavi, the overall capacity for the Company will be ~30 MTPA.

b) Encore Cement & Additives Private Limited (ECAPL) the wholly owned subsidiary of your Company has added certain balancing equipment as a result of which ECAPL now has a capacity to produce 4 lakh tonnes of slag cement (PSC) in addition to Ground Granulated Blast Furnace Slag (GGBS). The PSC from ECAPL is being sold in Visakhapatnam and in the neighbouring districts of Andhra Pradesh and Orissa.

9. ACQUISITIONS / JOINT VENTURES

Your Company completed the acquisition of a 45% equity stake in Asian Concrete and Cements Private Limited in April 2010. This Company has commenced production from its new grinding unit during the year.

Your Company has through its wholly owned subsidiary ACC Mineral Resources Limited entered into Joint Venture Agreements with Madhya Pradesh State Mining Corporation Limited for development of four coal blocks in mid 2009. Preliminary exploratory studies are being conducted and seeking of various Government clearances is in progress in respect of the said coal blocks.

10. OVERSEAS BUSINESS

After 31 years of successful operation, the contract with Yanbu Cement Company, Saudi Arabia for operation and maintenance of two of its cement plants of 1.2 MTPA and 2.7 MTPA respective capacities will end on completion of the current contract period on February 28, 2011. The contract with Mughler Cement Enterprise (a Government of Ethiopia Undertaking) for providing project engineering and consultancy services for setting up of a greenfield clinkering line along with a satellite grinding and packing plant is progressing well.

11. ALTERNATIVE FUELS AND RAW MATERIALS

The Company's Alternative Fuels and Raw Materials (AFR) business continued to record growth through the co-processing of industrial waste at all our plants. This year around 43 diverse types of industrial waste streams were successfully co-processed marking a substantial increase from 27 types of industrial waste that were co-processed in the preceding year. The portfolio of client industries thus widened further to include renowned companies from different sectors such as chemical, FMCG, automobile and allied food and beverages. Significant increase in the usage of these alternative fuels and raw materials enabled savings of the order of ₹ 47 crore during the year as against ₹ 41 crore in 2009, marking an increase of 15 per cent.

12. SUSTAINABLE DEVELOPMENT

12.1 Sustainable Development Report

Your Company continued to demonstrate its commitment to sustainable and social development making progress on several fronts. The Sustainable Development Report for the year 2009 was released on World Environment Day. It incorporated external assurance and transparency of a high order. Going beyond conventional practice, the report and the processes were subjected to the AA1000AS (2008) standard, which has been undertaken by very few other companies in India. The report was felicitated by the Association of Business Communicators of India with their Silver Award in the category of Environment Communication.

12.2 Community Development

Your Company's community development initiatives gained greater local acceptance as a result of the active involvement of local community advisory panels that were put in

place at each plant location in the previous year. Participation of local community leaders in the development programmes ensured they were supported by local governance in decision making and monitoring. The schemes focused mainly on securing sustainable livelihoods, through vocational guidance and encouragement of self help groups. Notable among these, was employability training provided to 100 young persons around the Jamul Plant and facilitating in their employment in service sectors in three nearby towns. ACC's team at Tikaria helped 106 farmers get loans and 17 persons received farmers' Kisan credit cards which facilitated purchase of agricultural inputs and assisted in crop planning. In another major ongoing initiative, 52 out of 100 homeless flood affected victims of Karnataka and Bihar were allotted new houses. The remaining houses expected to be completed this year.

12.3 Wind Energy

With commissioning of the 2.5 MW wind mill project in Maharashtra during the year, the total wind mill capacity in Tamil Nadu, Rajasthan and Maharashtra will be 19 MW. All these wind energy farms are performing well.

12.4 Captive Power Plants (CPPs)

With the commissioning of one CPP of 25 MW at Wadi, two 15 MW CPPs at Bargarh and one 25 MW CPP at Chanda during 2010, the total capacity of captive power plants of your Company is 336 MW. Another 25 MW capacity plant is expected to be commissioned by mid 2011.

13. OCCUPATIONAL HEALTH & SAFETY (OH&S)

Your Company firmly believes that it is accountable for the well being of every person who works at its

facilities, including contractor personnel and has enshrined the same in its OH&S vision of “No harm anywhere to anyone associated with ACC”, where “anyone” is defined to include “employees” and “contractors personnel” at the various Company sites. Significant initiatives were taken during the year to improve the safety of employees and contractors and to make the Organization a safe work place. To further reinforce the importance of taking personal responsibility for safety, the Company’s intranet employee portal “Accelerate” is being leveraged to establish a two way communication on safety, thereby paving a way for every employee to contribute towards making his workplace safer and to serve as a common learning platform.

The Contractor Safety Management (CSM) project called “Suraksha Bandhan” launched in November 2009 made rapid progress in 2010. New business processes and procedures for contractor safety management were set up during the year and training was imparted to the contractor’s supervisors. Several other initiatives like two day safety induction programmes for contract workmen, hazard identification and risk assessment workshops and “Visible Safety Programme” were conducted to enhance safety capabilities, awareness and preparedness.

14. HUMAN RESOURCES

Learning & Development

In order to groom future leaders, your Company has started a program called the ‘Transformational Leadership Program’. Employees from cross functional areas are sent to reputable business schools for undergoing training. The program focuses on the enhancement of knowledge and skills for effective strategic execution and change management. The Company also deputed middle

and senior management employees overseas for customized training programmes in leading international business schools.

Your Company has also embarked on a self development project for young professionals by offering them courses which equip them with relevant knowledge and help them in performing better in their respective careers.

Strategic Talent Management

The Strategic Talent Management initiative aims at creating a blueprint for building an adequate pipeline of personnel for meeting current and future requirements, through systematic investment in Talent Development and Succession Planning for critical positions. A talent pool has been assessed based on performance and potential towards this initiative in 2010.

Up-skilling initiative for Shop Floor Associates

Your Company’s nation wide presence, criticality of skilled shop floor associates and aging workforce necessitates efforts focussed on up-skilling. Keeping this in view, the Company has recently launched an Enterprise based Vocational Education (EVE) programme, which is a one year comprehensive programme that focuses on the development of technical knowledge / skills of existing workforce in one of its’ plants. The EVE program is visualised to be a self sustaining mechanism which integrates seamlessly with the plant operations whilst providing a continuous source of up-skilled employees to ensure smooth functioning at plants.

Industrial relations in all the Units continue to be cordial and peaceful.

15. FINANCE

The debt–equity ratio of the Company as on December 31, 2010, stands at a comfortable level of 0.08:1. Your Company repaid a term loan of ₹ 50

crore during the year under review. The Company continues to focus on the judicious management of its net working capital. The receivables, inventories and other working capital parameters are kept under strict check through continuous monitoring. Your Company's cash and cash equivalent as at December 31, 2010, was ₹ 2388 crore. The Company's debt programmes continue to enjoy a 'AAA' rating from CRISIL. During the year under review, the consortium arrangement for meeting working capital requirement was discontinued and the Company opted for multiple banking arrangements.

16. SHARE CAPITAL

During the year under review, the Company allotted 5,064 equity shares of the face value of ₹ 10 each consequent to the exercising of Stock Options by its employees.

Details of Employees' Stock Option Scheme, as required under the SEBI guidelines, are set out in Annexure 'C' to the Directors' Report.

17. FIXED DEPOSITS

Despite efforts to identify and repay unclaimed deposits, the total amount of fixed deposits matured and remaining unclaimed as on December 31, 2010 was ₹ 0.13 crore.

18. SUBSIDIARY COMPANIES

18.1 ACC Concrete Limited (ACCCL)

ACCCL, achieved a marked improvement in its working over the previous year with a growth of 19% in volumes. The recessionary effect of 2009 in the real estate market was reversed and the RMX market showed a growth of ~15% largely fuelled by an increase in demand from all sectors and in particular in the realty

sector. The growth was driven by consumption in most of the major markets.

The Company continued to focus on consolidating its position by increasing volumes from its existing assets and therefore expansion remained curtailed. The number of operational plants went up marginally from 44 to 48 by the end of the year. New locations adopted a low capital cost route through dedicated on-site and collaboration opportunities.

Operational EBITDA losses during the year were reduced to ₹ 7.88 crore in 2010 from ₹ 25.87 crore in 2009 through customer focus initiatives, systematic management of costs and productivity improvements.

The concrete market is expected to grow by ~15% in 2011 with overall penetration levels still being very low at ~6%. However, competition within the RMX market remains strong with cement players looking to forward integrate as well as on account of an increasing number of smaller players entering the market. Target market penetration and segment specific offerings would assist ACCCL in mitigating pressures of increased competition. This Company is well positioned to undertake large infrastructure contracts, leveraging in house and Holcim expertise in adding value to customers of this segment.

18.2 Bulk Cement Corporation (India) Limited (BCCI)

During the year under review, BCCI handled an all time high cement volume of 9.18 lacs tonnes against 8.15 lakh tonnes in 2009, representing an increase of 13%. The profit after tax for the year 2010 was ₹ 38.83 lacs against a loss of ₹ 107.58 lacs incurred in 2009.

18.3 Audited Statements of accounts of the Company's Subsidiaries

As required under Section 212 of the Companies Act, 1956, the audited statements of account, along with the report of the Board of Directors relating to the Company's subsidiaries, ACC Concrete Limited, ACC Mineral Resources Limited, Bulk Cement Corporation (India) Limited, Encore Cement and Additives Private Limited, Lucky Minmat Limited and National Limestone Company Private Limited, together with the respective Auditors' Reports thereon for the year ended December 31, 2010, are annexed.

18.4 The Board of Directors at its Meeting held on February 3, 2011 has approved a Scheme of Amalgamation for the amalgamation of the wholly owned subsidiaries viz. Encore Cement and Additives Private Limited, Lucky Minmat Limited and National Limestone Company Private Limited with the Company. Pursuant thereto various approvals are being sought in the matter.

19. DIRECTORS

The Board has appointed Mr Aidan Lynam as a Director with effect from April 22, 2010 in the casual vacancy caused by the resignation of Mr. Onne van der Weijde. Mr Lynam holds office up to the date of the ensuing Annual General Meeting (AGM) of the Company. Accordingly, his candidature for appointment as a Director has been included in the Notice convening the AGM.

The Board has also appointed Mr Sushil Kumar Roongta as an Additional Director of the Company with effect from February 3, 2011. Mr Roongta holds office upto the date of the AGM of the Company and his candidature for appointment as a Director has been included in the Notice convening the AGM.

The Board had appointed Mr Kuldip Kaura as the Chief Executive Officer & Managing Director (Designate) for the period August 5, 2010 till August 12, 2010 and thereafter as the Chief Executive Officer & Managing Director of the Company for the period August 13, 2010 till December 31, 2013. The Members of the Company had approved of the aforesaid appointment and terms of remuneration of Mr Kaura by a Postal Ballot, pursuant to which the Company has entered into an Agreement with Mr Kaura detailing therein his terms of appointment and remuneration.

Consequent upon the aforesaid appointment, Mr Kaura has ceased to be an Independent Director on the Board with effect from August 5, 2010.

Mr. Sumit Banerjee, who was appointed as Managing Director of the Company on April 1, 2007, resigned with effect from August 13, 2010. The Board has placed on record its appreciation of the valuable services rendered by Mr Sumit Banerjee during his tenure as Managing Director of the Company.

In accordance with the provisions of the Companies Act, 1956, and in terms of the Memorandum and Articles of Association of the Company, Mr. N. S. Sekhsaria, Mr. D. K. Mehrotra and Mr. R. A. Shah retire by rotation and being eligible, offer themselves for reappointment.

20. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Internal Control System of the Company is well structured and is commensurate with the size, scale and complexity of its operations. It is being constantly assessed and strengthened with new / revised standard operating procedures, tighter internal and information technology (IT) controls. The major initiative in 2010 was the commencement of the implementation of the

Governance, Risk and Compliance Module (GRC), which would go a long way in enhancing the IT Governance framework with tighter access controls. The Company is also implementing a tool for automating and e-monitoring legal compliance. The internal control system documentation was also automated in 2010.

The Internal Audit Department, based on risk assessment, continued to perform regular internal audits and checks to ensure that internal control systems are properly in place and that responsibilities are being discharged effectively. The Audit Committee of the Board also reviews the adequacy and efficacy of the internal control system and gives its suggestions for strengthening them wherever required.

21. BUSINESS RISK MANAGEMENT

Your Company continues to utilize a robust Business Risk Management (BRM) process to identify, evaluate business risks and opportunities both at the corporate and at the regional levels. The identified risks and opportunities are integrated into rolling and annual plans. The action plans to mitigate the identified risks are thereafter drawn up and its implementation monitored.

An analysis of the key business risks of the Company and the mitigation plans are given below:

Fuels Risk:

The Company requires more than 5 million tonnes of coal to meet its kiln and CPP fuel requirements. As already reported elsewhere in this report, the dwindling availability of linkage coal is an offshoot of the inability of the local coal producers to meet the current and growing energy requirements of the country. There are other additional risks like continuous increase in ash content in coal which impacts kiln productivity. Besides initiating steps to

develop its own coal blocks which would partly go to meet its coal requirements, the Company is also trying to mitigate this risk by increased usage of alternative fuels and pet coke. It is also considering the setting up of waste heat recovery plant at certain locations.

Projects Risks:

The Cement Industry's Compound Annual Growth Rate (CAGR) both for the past and for the next five years is ~10% and is capital intensive in nature. As one of the leading players, your Company is committed to execute large projects which are vulnerable to cost and time overruns.

The Company is strengthening its project management team as well as its project accounting and governance frame work to mitigate this risk.

Competition Risks:

The Cement Industry is becoming intensely competitive with the foray of new entrants and some of the existing players adopting inorganic growth strategies. To mitigate this risk, the Company is leveraging its newly created capacities to increase its market share, enhance its brand equity and visibility, enlarge its product portfolio and service offerings. It would also leverage on its Infrastructure, Commercial and Institutional Sales Units to offer value to large customers.

People Risk:

With the industry growing at a hectic pace and demand for experienced and trained manpower outstripping supply, the ability to retain existing talent and attract new professional talent assumes crucial importance. The transformational leadership programme and strategic talent management are steps initiated to retain talent. ACC Cement Technology Institute at Jamul, the Sumant Moolgaonkar Technical Institute at Kymore and the

tie up with certain Government run ITI centres will help your Company in inducting trained manpower to meet its increased skill requirement.

22. AWARDS

During the year under review, your Company has received many awards and felicitations conferred by reputable organizations for achievements in different areas.

23. ENHANCING SHAREHOLDER VALUE

Recognizing that shareholders are among its most important stakeholders, your Company views value creation and its enhancement as a primary objective with a view to optimizing value to shareholders. Accordingly, your Company's operations are committed to the pursuit of achieving the high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation.

24. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) that in the preparation of the annual accounts for the year ended December 31, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any,
- b) that such accounting policies as mentioned in Note 1 of the Notes to the Accounts have been selected and have been applied consistently, and

judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on December 31, 2010, and of the profit of the Company for the year ended on that date,

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

25. AUDIT

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

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

As per the requirement of the Central Government and in pursuance of Section 233B of the Companies Act, 1956, your Company carries out an audit of cost records relating to cement each year. Subject to the approval of the Central Government, your Directors have appointed Messrs. N. I. Mehta & Co. to audit the cost accounts of the Company for the financial year 2010.

26. CORPORATE GOVERNANCE

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

27. CONSOLIDATED FINANCIAL STATEMENTS

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

28. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

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

29. PARTICULARS OF EMPLOYEES

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

30. ACKNOWLEDGEMENTS

Your Directors would like to acknowledge and place on record their sincere appreciation of all stakeholders - customers, dealers, vendors, banks, shareholders and all other business partners for the excellent support received from them during the year. Your Directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

31. CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

N. S. Sekhsaria
Chairman

Mumbai
February 3, 2011

Annexure 'A' to Directors' Report (Para 28)

Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988.

A: CONSERVATION OF ENERGY

(a) The following energy conservation and efficiency improvement measures were undertaken during the year 2010:

- Detailed Energy Audit was conducted at Bargarh and Madukkarai Plants and detailed compressed air audit was conducted at Chanda, Tikaria and Damodhar Plants.
- Energy Monitoring System was installed at Chaibasa, Bargarh and Jamul Plants.
- Replacement of HT motor with DC motor for Induced Draft Fan of Electrostatic Precipitator at Kymore Plant.
- Improvement in Coal Mill Bag Filter fan performance by replacing the existing fan casing at Lakheri Plant and fan impeller at Chaibasa Plant.
- Replacement of preheater fan of Kiln-2 at Kymore Plant, installation of high efficiency fans in cement mills at Jamul Plant and installation of new cooler fan and new main drives for Raw Mills at Galgal Plant.
- Commissioning of Variable Voltage Variable Frequency Drives (VVVFD) in Primary Air Positive Displacement Blower and in Packer-4 dust collector fan at Lakheri Plant, in two PA fans of 15 MW CPP at Chaibasa Plant and in 4 cooler fans and mines belt at Galgal Plant.
- Installation of Rota scale in Kiln coal dosing system at Lakheri Plant and in Kiln 2 at Kymore and Galgal Plants for fine control of coal consumption.
- Installation of single compressor to stop the operation of two reciprocating compressors at Wadi and Jamul Plants and replacement of compressors at separate Line Calciner at Madukkarai Plant with Positive Displacement Blower.
- Modification of compressor pipe line and interconnection of compressors for various sections across ACC plants, resulted in optimization of compressed air system and stopping of high energy compressors at some locations.
- Installation of Microprocessor based multi-step capacity controllers at Lakheri, Bargarh, Wadi and Galgal Plants for various reciprocating compressors to optimise the operating pressure within narrow band.
- Capacitor banks have been added to the system at Madukkarai, Kymore, Wadi and Galgal Plants to improve plant power factor.
- As part of modernisation of Bargarh Plant, the 5 stage Pre Heater was converted to 6 stage along with replacement of TA duct. The close circuiting of Cement Mills 1, 2 and 4, hooking up of Cement Mill 3 with Distributed Control System (DCS) were completed during the year. The second Captive Power Plant (CPP) Boiler, was also commissioned during 2010.
- Installation of Programmable Logic Controller (PLC) system was completed at Damodhar Plant.
- Replacement of conventional lamps with Compact Fluorescent Lamps for plant and colony lighting was done across all ACC plants.
- An old building has been converted into a State-of-the-Art - Green Building. La Residency, as the building is known, is used as transit accomodation for employees coming to ACC Academy for training. La Residency is the recipient of pre - certified Platinum under Leadership in Energy and Environmental Design (LEED) by Indian

Green Building Council (IGBC). The Company is now in the process of submitting documents to IGBC, for double Platinum Certification under LEED.

Green Power –

- The Wind Farm installed in Rajasthan generated 13.69 million units of green energy during 2010, as compared to 14.04 million units generated during 2009.
- The Wind Farm installed in Tamil Nadu generated 21.96 million units of green energy during 2010, as compared to 25.3 million units generated during 2009.
- The Wind Farm commissioned in Maharashtra generated 3.05 million units of green energy, since commissioning in April 2010.

Alternative Fuels –

In 2010, the Company co-processed 43 different types of industrial wastes as Alternative Fuels and Raw Materials in its different plants totalling to 1,01,600 tonnes as compared to 77,800 tonnes in 2009.

(b) Additional Proposals being implemented for further conservation of energy

- At Gagal, installation of Waste Heat Recovery Boiler is under consideration to supplement the Grid Power.
- Installation of VVFD's are planned for additional drives identified during 2010 across ACC plants.

(c) Impact of the above measures for reduction of energy consumption and consequent impact on cost of production -

The measures stated in points (a) and (b) above, would further improve the thermal and electrical energy efficiency of the plants. The commissioning and stabilisation of expansion projects at Bargarh, Wadi II and Chanda has resulted in a slight increase in electrical energy. Accordingly, during the year 2010, there was a marginal increase of 2.02% in electrical energy over 2009.

Form A Power and Fuel Consumption

	Current Year			Previous Year		
	Lakh Units (Kwh)@	Total Cost (₹ Lakhs)	₹ Per Unit	Lakh Units (Kwh)	Total Cost (₹ Lakhs)	₹ Per Unit
1. Electricity						
a) Purchased	5865	25202	4.30	5840	21971	3.76
b) Own Generation						
i) Through DG	73	915	12.52	45	723	16.01
ii) Through Steam Turbine/Generator*	17399	49216	2.83	17721	43874	2.48

	Current Year			Previous Year		
	Quantity (Lakh Tonnes)	Total Cost (₹ Lakhs)	Average Rate (₹ / Tonne)	Quantity (Lakh Tonnes)	Total Cost (₹ Lakhs)	Average Rate (₹ / Tonne)
2. Coal (for Kiln)**	21.10	84635	4012	22.40	86459	3860

* Includes WTG generation

**Does not include other fuel/alternative fuels used in Kiln

Consumption Per Unit of Production

	@ Standard	Current Year	Previous Year
a) Electricity - Kwh/T of Cement * Semi-dry / Dry process	98-110	87	85
b) Furnace Oil KLtrs/T Cement	–	–	–
c) Coal for Kiln - K.cal/Kg of clinker Semi-dry / Dry process	720-990	750	746

@ Source: Publication of Confederation of Indian Industries

* Excludes non-process power consumption

(B) TECHNOLOGY ABSORPTION

Research & Development

1. Specific areas in which R & D is carried out by the Company

- Improving quality of blended cement through innovative processing / utilizing industrial by-products for improved quality performance of ACC Plants
- Conservation of resources through maximizing the use of low-grade limestone for cement manufacture
- Development of application oriented cements with decreased CO₂ emissions
- Enhanced absorption of blending materials
- Process / product design improvements
- Development of new products or discovering new methods of analysis
- Productivity research for increased efficiency in use of resources
- Recycling of wastes and research for efficient use of scarce materials
- Characterization of industrial wastes and looking into possibilities of environment friendly co-processing of wastes in cement manufacture leading to thermal substitution and conservation of natural resources
- Beneficiations of raw materials and fuels
- Quality Benchmarking exercise for different market clusters of ACC products

2. Benefits derived as a result of above R & D

- Effective use of marginal quality raw materials and fuels with improved clinker quality
- Increased absorption of blending materials in blended cements
- Effective replacement of the costlier natural gypsum by cheaper (by product) phospho gypsum without affecting the quality of cement
- Maintain a lead position in all the market clusters of the country
- Effective use of SPC at each stage of cement manufacture for improving consistency of operations and consistency in product quality
- Fuel efficiency

3. Future plan of action

- Exploratory research on the above specific areas
- Focus on development of products aimed at enhancing use of cement in various applications and development of application oriented cement based cementitious material
- Use of waste / byproducts in cement manufacture as alternative materials
- Improve product quality particularly with respect to long term durability and reduction in cost of manufacture

4. Expenditure on R & D

						₹ Lakhs
Capital	..	..	..	..	..	57
Recurring (Gross)	..	..	..	..	..	464
Total	..	..	..	..	..	521
Total R&D expenditure as percentage of total turnover	..	..	..	..	..	0.07%

5. Foreign Exchange Earnings & Outgo

						₹ Lakhs
Foreign Exchange earned	..	..	..	..	..	5183
Foreign Exchange used	..	..	..	..	..	5245

For and on behalf of the Board of Directors

N. S. Sekhsaria
Chairman

Mumbai
February 3, 2011

Annexure 'B' to Directors' Report (Para 29)

Employed for Full Year

Sr. No.	Name	Remuneration Gross (₹)	Designation & Nature Of Duties	Qualification	Date Of Commencement Of Employment	Total Experience (Years)	Age in Years	Last Employment
1	A G SINGEWAR	3389320	DIRECTOR - PLANT	BSc, BE	1-Jul-82	29	52	Nil
2	A K PANDEY	2637388	CHIEF MANAGER - PROCUREMENT	BE-Mech	30-Oct-78	32	54	Nil
3	A K PATIL	2414775	HEAD - PROJECTS (SALES & MARKETING) PROJECTS	BE-Civil	20-Nov-91	20	43	DECKES DEVICES PVT LTD
4	A. K. SAXENA	6785023	PRESIDENT - WADI CEMENT CLUSTER	Diploma, BE	18-Nov-85	25	48	Lohia Starlinger Pvt Ltd
5	ABHIJIT DUTTA	2927916	HEAD - PLANT OPERATIONS	BE-Mech	7-Jan-92	19	42	Nil
6	ACHINTYA PAL	4025907	HEAD - FIN PLAN, BUD, MFG. COST & REPORTING	BSc, CA	15-Jan-91	27	52	NUCLEAR POWER CORPORATION
7	ANANT KUMAR MAHOBE	4196887	DIRECTOR - PLANT	Diploma, AMIE, MS	1-Mar-84	27	46	Nil
8	ASHISH KUMAR SHRIVASTAVA	2707722	DIRECTOR - PLANT	B TECH-Elec	21-Feb-92	20	43	FENNER (INDIA) LTD
9	ATUL KHOSLA	6453740	PRESIDENT - PROJECTS	ME	18-Jul-07	28	52	LAFARGE INDIA PVT LTD
10	B SHERDIWALA	6023489	DIRECTOR - ORGANIZATION MANAGEMENT	BSc, M.A, M PHIL, LLB	19-Mar-84	27	53	Nil
11	B. VENUGOPAL RAO	3121511	HEAD - ORGANIZATION PLANNING	BE, M TECH	1-Jun-91	21	42	Nil
12	BHARAT PAREKH	6171440	HEAD - CAPEX (CPO)	BE	10-Jul-08	33	57	Aditya Birla Group
13	BIPRAJIT CHAKRAVARTY	4873912	HEAD - OH&S	B TECH (HONS) MINING	4-Apr-05	31	53	Enmiin Engrs
14	BK SHRIKHANDE	4950863	DIRECTOR - PLANT	B TECH	1-Jul-80	31	52	Nil
15	BURJOR DORAB NARIMAN	6502842	COMPANY SECRETARY & HEAD COMPLIANCE	BCom, FCS	14-Dec-09	36	56	BOMBAY DYEING & MFG COMPANY LTD
16	C. KRISHNAMOHAN	2782200	GENERAL MANAGER -	BSc (Engg), PG MECHANICAL	9-Sep-96	14	36	Nil
17	C. KURIAN	3060682	DIRECTOR - SALES	MSc (Tech), M TECH, MBA	4-Mar-92	19	44	Nil
18	C.R. BAINDOOR	2883799	SALES HEAD	BSc, Diploma	2-Mar-87	24	51	Nil
19	DEEPAK G DESHPANDE	3107335	HEAD - BUDGET & PLANNING	BCom, ICWA	30-Mar-85	28	53	RUSTON AND HORNSBY CO OF INDIA
20	DEEPAK GULATI	2832075	DIRECTOR - LOGISTICS	BE, Diploma	13-Nov-09	12	37	VALVOLINE CUMMINS LTD
21	DR. RAJEN MEHROTRA	4496050	CHIEF KNOWLEDGE OFFICER	BE, MMS, PG Diploma, Phd	1-Aug-07	40	66	UNITED NATIONS-INTERNATIONAL LABOUR ORG
22	DR. A. K. SAXENA	3052431	DIRECTOR - PLANT	BSc, MSc, Phd	8-Dec-80	31	51	Nil
23	G N PANDEY	3470284	EQUIPMENT POOLING HEAD	BE-Electronics	1-Nov-82	33	56	BHILAI STEEL PLANT
24	G P TIWARI	4736267	DIRECTOR - PLANT	BSc, MSc	9-Jul-09	26	48	ULTRATECH LIMITED
25	G R TALWALKAR	2884281	VICE PRESIDENT - CIVIL	BE-Civil	26-Mar-79	36	59	M/s Shrikhande
26	GOUTAM GOSWAMI	2441692	HEAD - REGIONAL FINANCE	BCom, M.Com, ICWA	1-Aug-95	16	43	HINDUSTAN LEVER LTD
27	GURURAJ KULKARNI	3219134	VICE PRESIDENT - E & I	BE-Elec	5-Nov-90	27	51	Rajashree Cement
28	H S RATHORE	2909343	HEAD - PLANT OPERATIONS	BE-Mining	8-Jul-91	20	45	Nil
29	HARDEEP SINGH	2417710	HEAD - ENGINEERING	BE-Civil	1-Sep-93	21	44	BHAGWATI DESIGNS PVT.LTD.
30	J N DHONDY	3227273	HEAD - SECRETARIAL SERVICES	BA, LLB, LLM	26-Mar-73	37	59	Nil
31	J V B SASTRY	6017060	DIRECTOR - LOGISTICS	BCom, M.Com	24-Jun-88	31	51	Coromandel Fertilisers Ltd
32	J. DATTA GUPTA	11583222	CHIEF COMMERCIAL OFFICER	B.TECH(IIT)	10-Aug-76	35	57	Nil
33	JAYANT MURAB	2852348	SALES HEAD	MSc	1-Aug-84	27	48	Nil
34	JOYDEEP MUKHERJEE	5008801	DIRECTOR - SALES	BA, PG Diploma, PG	21-Jun-07	23	44	Hindalco
35	K KASTURI	3809602	VICE PRESIDENT - PLANNING & DEVELOPMENT	BSc, MSc, M Tech-Civil	19-Oct-81	32	54	IIT ROORKEE
36	K N NARAYANAN	2910997	SUPPLIER RELATIONS MANAGER / VENDOR MASTER CONTROL	BE-Mech	20-Mar-78	35	60	INDIAN MILITARY ACADEMY
37	K R BALASUBRAMANIAM	3822180	HEAD - WADI PROJECT	BSc (Engg)	1-Dec-93	37	59	OCM Engineering
38	K S SHARMA	3385355	HEAD - POWERHOUSE	BE-Mech	12-Dec-81	35	56	SIRPUR PAPER MILLS, KAGAZNAGAR, AP
39	K. NARAYANA RAO	4245309	DIRECTOR - ENERGY & ENVIRONMENT	B TECH, M TECH	3-Dec-93	28	52	Volta Ltd
40	K. P. SAJITH	2851527	HEAD - COMPLIANCE AND ICS	BCom, CA	30-Jun-95	28	48	M/S MANIKGARH CEMENT
41	KALIDAS PRAMANIK	2865960	SALES HEAD	MBA, PGD-IR	29-Feb-96	17	43	M/S Union Carbide
42	M. BALAJI	2423568	HEAD - FINANCE AND COMPANY SECRETARY (ENCORE)	ICWA, CS, CA	3-May-93	23	48	ECE Ltd
43	M. SIVARAMAKRISHNA	2440675	HEAD - ENGINEERING	BE-Mech	24-Aug-92	18	44	Nil

Sr. No.	Name	Remuneration Gross (₹)	Designation & Nature Of Duties	Qualification	Date Of Commencement Of Employment	Experience	Age	Last Employment
44	M.K. MISHRA	5931242	DIRECTOR - PLANT	BE	10-Feb-85	26	50	Lakshmi Cement
45	MAHENDRA KUMAR SWAMI	3141864	COMMODITY HEAD - IMPORTED COAL, DIESEL, FUELS, LUBE	BE	16-Jan-06	18	41	ULTRA TECH CEMENT LTD
46	MANOJ JINDAL	2682744	HEAD - PLANT OPERATIONS(NWP)	B Tech	25-Jul-92	25	45	CCI CHARKHI DADRI
47	MEEMANSHI RANGACHARYA	2541617	GENERAL MANAGER - OPERATIONS	BE	12-Nov-07	25	48	GMR GROUP OF INDUSTRIES
48	MG DAMLE	4903475	DIRECTOR - GEOLOGICAL SUPPORT	BSc,MSc	13-Sep-76	34	55	Nil
49	MR RAJIV BHAGAT	2747918	HEAD - PLANT OPERATIONS	BE	1-Jun-82	30	50	GUJ. ELEC. BOARD
50	N KESHAV	4656231	DIRECTOR - PLANT	BE	27-Sep-84	26	49	Nil
51	N S NAIDU	2898304	LARGE PROJECTS PROCUREMENT HEAD	BE-Mech	29-Oct-84	27	50	AIR CONDITIONING CORPN LTD
52	NAUSHAD NOORANI	3559563	DIRECTOR - ORGANIZATION DEVELOPMENT	BCom,MMS	1-Jul-08	23	46	Voltas Ltd
53	NILESH LIKHITE	2889917	DEPUTY CHIEF INTERNAL AUDITOR	BCom,CA,ICWA	15-Oct-08	17	40	RELIANCE INDUSTRIES LIMITED
54	P HANDA	2846304	HEAD - OCCUPATIONAL HEALTH	MBBS,PG Diploma	28-Aug-85	25	49	Nil
55	P K GUPTA	2610667	CHIEF MANAGER - LOGISTICS	BE	12-Mar-85	26	49	M/S J.K. CEMENT WORKS NIMBAHERA (RAJSTHAN)
56	P N IYER	7753680	DIRECTOR - SALES	BCOM, PGDBA	2-Jan-09	29	55	NMDC
57	P R MAJUMDAR	3864370	HEAD - PRODUCT INNOVATION & DEVELOPMENT	BE	6-Apr-87	27	49	DEVELOPMENT CONSULTANT PVT. LTD.
58	PANDEY PRAVEEN	2413680	GENERAL MANAGER - E & I	BE	18-Jul-94	17	38	Nil
59	PARIKSHIT OBERAI	2909963	HEAD - REGIONAL AUDIT	Bcom, CA, ICWA	14-Jul-08	13	40	Bennet Coleman Co Ltd
60	PRASANTA PAUL	2962943	COMMODITY HEAD - BAGS	B Tech-Production	8-Sep-97	13	38	Nil
61	R J MODI	3071054	EXECUTIVE ASSISTANT - MD	BE-Mech,PG Diploma	31-Oct-84	26	48	NEW STANDARD ENGG
62	R NAND KUMAR	3571313	HEAD - CORPORATE COMMUNICATION	BA,MBA	8-Jun-09	32	55	ESSEL CORPORATE RESOURCES PRIVATE LIMITED
63	R S RATHORE	5783094	DIRECTOR - PLANT	BE	26-Jul-80	33	54	Rajasthan Ind. Minerals Dev. Corporation
64	R SUBRAMANIA SARMA	2580534	GENERAL MANAGER - OPERATIONS	BE-Mech, MBA	13-Feb-93	29	48	M/s. Diesel Care
65	R VASUDEVAN	7093623	SR. VICE PRESIDENT - PROCESS	B Tech,PG Diploma	7-Dec-77	34	58	Planning Commission Government Of India
66	R VENKATRAMANI	3851440	HEAD - PRICING AND MARKET INTELLIGENCE.	BA,MBA	18-Nov-82	31	58	SYNTHETIC FOAMS LTD
67	RAJ SRINIVASAN	3210978	HEAD - ACCOUNTING, CONSOL & SHARED SERV	B COM, ICWA, MBA	5-May-93	20	42	ANCL
68	RAJEEV GUPTA	2415467	CHIEF MANAGER - HR	BSc,MPM,LLB,MBA	9-Jul-85	27	49	KELVINATOR INDIA LTD
69	RAJEEV K.K.	3339044	DIRECTOR - PLANT	BE	18-Jul-94	17	38	Nil
70	RAJESH SETH	6951509	HEAD - CENTRAL LOGISTICS	BSC, PGDBM	1-Jun-78	32	54	Nil
71	RAJIV KUMAR	6560388	DIRECTOR - SALES	BCom,MBA	2-Jun-89	24	48	ABC India Ltd
72	RAJIV PRASAD	14400692	CHIEF EXECUTIVE - NORTH REGION	BE,PG Diploma	27-Nov-09	21	49	HALONIX LIMITED
73	RAJU J. MISRA	4405694	HEAD - LEGAL SERVICES	BSc,LLB	7-Mar-08	27	50	Essel Group
74	RAKESH SINHA	4258076	DIRECTOR - PLANT	BE	24-Dec-09	29	54	THE INDIA CEMENT LTD
75	RAMIT BUDHRAJA	10961292	CHIEF EXECUTIVE - SOUTH WEST REGION	B.TECH, MBA	1-May-06	24	50	Holcim Ltd
76	RANJAN SACHDEVA	7575246	CHIEF INTERNAL AUDITOR	BE,MBA	11-Apr-07	20	42	Nestle India
77	RAVINDER MOHAN	13247722	CHIEF PROJECT IMPLEMENTATION OFFICER	BTECH, DMS	2-Aug-71	41	60	Nil
78	S B SINGH	4498050	DIRECTOR - PLANT	MSc,Phd	3-Dec-84	30	52	CENTRAL POLLUTION CONTROL BRD
79	S RAM MANOHAR	2902936	HEAD - LOGISTICS	MSc	20-Jun-78	33	55	Nil
80	S VISWANATHAN	4397805	HEAD - CAPEX CONTROLLING	BCom,CA,CS,ICWA	6-Mar-85	30	53	LOVELOCK LEWIS
81	S.DASGUPTA	2833722	HEAD - REGIONAL FINANCE	Bcom, CA	1-Aug-86	25	51	Nil
82	S.S. SHANKAR	2471843	HEAD - FINANCE	BCom,CA,ICWA	14-Apr-92	30	50	SHAWWALCE & CO
83	S.V.DATAR	3263583	HEAD - CHANDA PROJECT	BE-Mech	11-Feb-85	26	52	Nil
84	SA KHADILKAR	5781435	DIRECTOR - QUALITY & PRODUCT DEVELOPMENT	B Sc, MSc Chemistry	1-Apr-81	33	55	Morarjee Mills(Piramal Organic Chemicals)

Sr. No.	Name	Remuneration Gross (₹)	Designation & Nature Of Duties	Qualification	Date Of Commencement Of Employment	Experience	Age	Last Employment
85	SARIPUTTA MISHRA	4026310	VICE PRESIDENT - COAL BUSINESS	BSc (Engg),PG Diploma	10-Sep-09	26	47	MOSER BAER PROJECTS PVT. LTD.
86	SHAKTI ARORA	12458064	CHIEF CENTRAL PROCUREMENT OFFICER	BE,MBA	13-Jul-09	28	50	MAHINDRA & MAHINDRA LIMITED
87	SHARAD KUMAR SHRIVASTAVA	3589979	HEAD - CMT & QUALITY MANAGEMENT	MSc	11-May-82	38	52	GRAVER & WEIL LTD.
88	SIRSENDU ADHIKARI	3111624	DIRECTOR - PLANT	B TECH,ME,Phd	16-Oct-08	20	42	WEST VIRGINIA UNIVERSITY, MORGANTOWN
89	SIVAKUMAR GOPALAN	3675100	HEAD - FINANCE & CONTROLLING	BCom,CA	11-Dec-98	28	52	ALPIC FINANCE LTD.
90	SONALI SARMA	2769058	HEAD - LEARNING & DEVELOPMENT	M.A	20-Feb-08	22	43	ESSAR GROUP
91	SUDHIR KUMAR DAS	4936857	HEAD - MINING SUPPORT	B TECH	12-May-80	31	55	Hindustan Cooper Ltd
92	SUNIL GUPTA	3482451	DIRECTOR - PLANT	BE	17-Feb-92	19	41	Nil
93	SUNIL NAYAK	11185619	CHIEF FINANCIAL OFFICER	B.Com,FCA,FCS, AICWA,LLB,GAMP (ISB/Kellogg)	14-Aug-08	28	51	CLARIANT CHEMICALS INDIA LIMITED
94	SURAJIT SEN	2739667	HEAD - HR	M.A	31-Mar-84	30	53	M/S HILTON RUBBERS LTD
95	T N TIWARI	9593634	CHIEF PUBLIC AFFAIRS OFFICER	BSc,B Tech	7-Aug-72	39	62	Nil
96	T VIJAY KUMAR	3086611	GENERAL MANAGER - E & I	BE-Elec	1-Feb-90	24	47	M/s Bhadrachalam Paper Board LTD
97	TAPENDU DATTA	2425024	HEAD - PERFORMANCE MANAGEMENT	Diploma,AMIE	11-Feb-81	30	51	Nil
98	U.A. KINI	3689183	LARGEPROJECTS PROCUREMENT HEAD	BE-Mech	16-Oct-84	27	49	BOMBAY OXYGEN LTD
99	U.V. PARLIKAR	5056330	DIRECTOR - AFR BUSINESS	B TECH,M TECH	1-Mar-95	28	52	National Peroxide Ltd
100	UTPALENDU MUKHERJEE	2714017	HEAD - PLANT OPERATIONS	BE-Mech	10-Nov-78	33	58	M/S TISCO Colliery
101	V CHANDRASHEKAR	3002288	HEAD - BARGARH PROJECT	B Tech	22-Sep-08	27	54	LAFARGE India PVT LTD
102	V K SARDA	2563736	GENERAL MANAGER - E & I	BSc (Engg)	5-May-80	33	56	ACME PROCESS HEAT FURNACES PVT. LTD.,
103	V SADASIVAM	2882612	VICE PRESIDENT - PROCESS	BE-Mech,PG Diploma	1-Jul-96	31	53	NATIONAL PRODUCTIVITY COUNCIL
104	V Y BEDEKAR	3551351	HEAD - TAXATION	BCom,CA	19-Nov-79	34	57	ZELL IATE LTD
105	VIKRAM GUPTA	3266095	DIRECTOR - LOGISTICS	BE-Computer	17-Feb-92	21	43	SUN SOFTWARE SYSTEMS
106	VIVEK CHAWLA	9460607	CHIEF EXECUTIVE - EAST REGION	BE MINING	3-Jan-94	17	50	Grasim Ind. Ltd
107	Y V KRISHNA KUMAR	2798179	HEAD - BUSINESS PLANNING	B Tech,MBA	29-Aug-07	17	38	ABHISHEK INDUSTRIES

Employed for part of the Financial Year

Sr. No.	Name	Remuneration Gross (₹)	Designation & Nature Of Duties	Qualification	Date Of Commencement Of Employment	Total Experience (Years)	Age in Years	Last Employment
1	A P GUNISHASTRI	1020500	HEAD - SUB. AND ASSOCIATE COS	BSc, AICWA	11-May-76	35	59	Nil
2	AJEET KUMAR MODI	3542862	HEAD - CORPORATE FINANCE & TREASURY	BCom,CA	6-Jan-10	11	34	RELIANCE INDUSTRIES LTD
3	ANAND MOHAN SHUKLA	2828550	CHIEF PEOPLE OFFICER	Master Degree in Social Work, PGDM, BIT	2-Jan-09	23	47	SABMILLER INDIA PVT LTD
4	ARUN MAHAJAN	2466192	HEAD - PUBLIC AFFAIRS	BE-Mech	1-Aug-71	39	60	Nil
5	CHACKO ANTONY	1655065	SR. VICE PRESIDENT - PROCESS	BSc	14-Jun-10	30	51	Rockwell automation
6	CHANDER SHEKHAR	3837857	DIRECTOR - PLANT	BE	13-Oct-81	29	53	NAVEEN CHEMICAL MANUFACTURING
7	GAUTAM PADUKONE	1858241	HEAD - PROJECTS	BSc,B TECH	4-May-10	34	55	FLS MIDTH PVT.LTD.
8	HEMKIRAN HIRAMAN JAGTAP	1252646	HEAD - TALENT MANAGEMENT	BE,M.A	16-Dec-09	14	40	RELIANCE RETAIL LIMITED
9	J L TIWARI	2129450	DIRECTOR - SPECIAL PROJECTS	BE	19-May-82	32	57	Sahyadri Dyestuff & Chemicals Ltd
10	K R KULKARNI	211003	D - PROCESS CONTROL - SW-SU-THN	BSC.BE(CHEM)	3-Jan-77	34	61	Nil
11	KANHAIYA GUPTA	1406636	HEAD - REGIONAL FINANCE	BCom,ICWA	26-May-10	15	35	ITC LTD
12	KULDIP K KAURA	14445747	CEO & MANAGING DIRECTOR	BE	5-Aug-10	40	63	VEDANTA RESOURCES PLC
13	LATCHOUMINARAYANAN G	555439	CHIEF MANAGER - PROCUREMENT	BE-Mech, PG Diploma,MBA	12-Nov-10	14	36	WHEELABRATOR ALLEVARD
14	N B SHEMBAVNEKAR	1113683	HEAD - EMPLOYEE RELATIONS	BSc,LLB,MHRM	4-Nov-78	32	57	Nil
15	NARINDER KUMAR CHIBBER	2432155	HEAD - PLANT OPERATIONS	BSc	1-Feb-71	39	60	Nil
16	NAVEEN CHADHA	659481	HEAD - OPERATIONS SUPPORT	BSc	3-Apr-72	39	62	Nil

Sr. No.	Name	Remuneration Gross (₹)	Designation & Nature Of Duties	Qualification	Date Of Commencement Of Employment	Total Experience (Years)	Age in Years	Last Employment
17	P M PHADNIS	1566158	SALES HEAD	BSc,Diploma Marketing	14-Jun-95	22	43	SPARTEK CERAMICS
18	P.K.SHRIVASTAVA.	2618027	HEAD - PLANT OPERATIONS	B Tech-Mining	16-Apr-85	29	54	NMDC
19	P.SRINIVASAN	1483136	DEPUTY GENERAL MANAGER-PRODUCTION	B Tech-Chem	7-Feb-74	37	60	Nil
20	R A BHATIA	2159771	HEAD-PROJECTS(OPC)	BE-Mech	1-Mar-93	29	51	ASIAN PAINTS LTD
21	R B S BIR	1112201	HEAD - BCCI	BTECH, PGDM,	3-Mar-97	30	57	Rajinder Steel Ltd
22	R PADMANABHAN	2292795	HEAD - PAYROLL	BCom,CA	1-Aug-86	27	50	A.F.FERGUSON AND COMPANY
23	R R IYER	390161	CHIEF MANAGER - PAYROLL	BCom,LLB	11-Aug-70	40	61	M/S JOHNSON & JOHNSON OF INDIA
24	RAJESH JAMWAL	2248528	HEAD - HR	BA,LLB,MHRM	1-Feb-10	11	43	KUDOS CHEMIE LTD
25	RAJESHKUMAR L. SARADA	1805742	HEAD - BUSINESS PLANNING	BE,MBA	2-Sep-02	19	43	BALTECH SYSTEM LTD
26	RAVI PURANIK	1769115	HEAD - CSR	BE, PGDM	4-Sep-08	27	48	HINDUSTAN UNILEVER LIMITED
27	S KRISHNAMURTHY	267774	HEAD TREASURY (INTERIM)-HO	BSc,CA	6-Jun-77	36	61	BHARAT GEARS LTD
28	SAMAR BANERJEE	1573230	HEAD - REGIONAL HR	BA,MBA	9-Jun-10	16	40	SAMSUNG ELECTRONICS INDIA PVT LTD
29	SHRIKANT DATTATRAYA KARMALKAR	1218421	HEAD - HR	MSW	2-Aug-86	26	49	Nil
30	SRIDHAR NEMANI S	832911	CHIEF MANAGER - SHIPPING & YARD	BSc,MBA	1-Sep-10	12	34	ULTRATECH
31	SUDIPTO BHATTACHARYA	3838851	HEAD - TAXATION & SPECIAL PROJECTS	BCom,CA	25-Jan-10	25	50	MTAR TECHNOLOGIES PRIVATE LIMITED
32	SUMIT BANERJEE	22399742	MANAGING DIRECTOR	B Tech	1-Jan-07	32	54	TUBE INVESTMENT INDIA LTD.
33	SUNIL TIWARY	985601	HEAD - AFR REGIONAL SUPPLY CHAIN	MSc	8-Mar-77	34	57	Nil
34	T. K. BIDYANTA	1637482	DEPUTY GENERAL MANAGER-ENVIORNMENT	BE-Mech	9-Oct-95	28	60	VOLTAS LIMITED
35	TIRATH SINGH SAPRA	850274	HEAD - ADMINISTRATION	B Tech	7-Nov-07	25	47	DATAMATICS LTD
36	V. K. AGNIHOTRI	4758331	DIRECTOR - SALES	BA, MBA	9-Feb-87	24	50	Nil
37	V. RAM BABU	1904073	CHIEF MANAGER - MECHANICAL	B Tech-Mech	5-Jan-95	28	49	M/S AP HEAVY MACHINERY & ENGG
38	Y V SATYAMURTHY	2529577	PROJECT PLANNING AND MONITORING HEAD	B Tech-Chem,ME	17-Aug-81	29	53	Nil

NOTES :-

- (I) Gross Remuneration shown above is subject to tax and comprises salary, allowances, incentive, monetary value of perquisites, encashment of leave consequent upon change of leave policy and Company's contribution to Provident Fund and Officer's Superannuation Fund.
- (II) In addition to the above remuneration, employees are entitled to Gratuity in accordance with the Company's rules.
- (III) All the employees have adequate experience to discharge the responsibility assigned to them.
- (IV) The nature of employment in all cases in is contractual.

For and on behalf of the Board of Directors

N. S. Sekhsaria
ChairmanMumbai
February 3, 2011

Annexure 'C' to Directors' Report (para 16)

Statement pursuant to Clause 12 'Disclosure in the Directors' Report' of SEBI (Employees' Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines, 1999.

Pursuant to the Resolutions passed by the shareholders at the Annual General Meeting held on July 12, 2001 the Compensation Committee of Directors had granted Stock Options to eligible employees and former Managing / Wholetime Directors for the financial year 2001-2002. The employees are entitled to get one equity share per option . The details of the Stock Options are given here below.

ESOS 2001	
Financial Year 2001 – 2002	
a. Options granted	7,30,000 (on 31.10.2001)
b. The pricing formula	@ ₹ 127 (Being the average of the daily closing price of the Equity shares of the Company on the Bombay Stock Exchange, (BSE) during the period of ninety days immediately preceding the date on which the options were granted). No discount on the above price was granted by the Compensation Committee. (The closing market price on BSE as on the date of grant was ₹ 133)
c. Options vested	6,47,336
d. Options exercised	6,31,797
e. The total number of shares arising as a result of exercise of options.	6,31,797
f. Options Lapsed	98,203
g. Variation of terms of options	Nil
h. Money realised by exercise of Options.	₹ 802.38 lacs
i. Total number of options in force.	Nil
j. Employee wise details of options granted to :	
(i) Senior Managerial Personnel	Nil
(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Nil
(iii) Identified Employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil

k.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 - Earnings Per Share.	7.62
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l.	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	N/A
<hr/>		
m.	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	N/A
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n.	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information : (i) risk free interest rate (ii) expected life (iii) expected volatility (iv) expected dividends and (v) the price of the underlying share in market at the time of option grant	N/A
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NOTE :The Employee Stock Option Scheme 2000 (ESOS 2000), the Employee Stock Option Scheme 2002(ESOS 2002), the Employee Stock Option Scheme 2003 (ESOS 2003) and the Employee Stock Option Scheme 2004(ESOS 2004) expired on 7.11.2005, 19.09.2007, 17.12.2008 and 16.12.2009 respectively. Hence the details of those schemes are not included in the above statement.

For and on behalf of the Board of Directors

N. S. Sekhsaria
Chairman

Mumbai
February 3, 2011

Corporate Governance

The Directors present the Company's report on Corporate Governance.

Company's philosophy on Corporate Governance

ACC's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices most of which were in place even before they were mandated. ACC's strong sense of values and robust business practices ensures responsible and transparent leadership both at the Board and at the Management level and is geared to fulfill the aspirations of its various stakeholders. This has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates. Your Company has complied with the requirements of Corporate Governance as laid down under Clause 49 of the Listing Agreement with the Stock Exchanges.

GOVERNANCE STRUCTURE

ACC's Corporate Governance structure is as under:

- i. **The Board of Directors** - The ACC Board plays a pivotal role in ensuring good governance and for the creation of shareholder value. Its style of functioning is democratic and its role, functions, responsibility and accountability are clearly defined. Its primary role is fiduciary in nature and is responsible to the Members of the Company for creating and enhancing shareholder value and fulfillment of societal aspirations. For this purpose, the Board reviews and approves corporate strategies, business plans and monitors corporate performance. It directs and guides the activities of the Management towards the set goals and seeks accountability with a view to create long term sustainable growth that translates itself into progress, prosperity and the fulfillment of stakeholders' aspirations. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations.
- ii. **The Committee of Directors** – With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following main Committees viz. Audit Committee, Compliance Committee, Compensation Committee and Shareholders' / Investors' Grievance Committee. Each of these Committees have been mandated to operate within a given framework.
- iii. **Management Structure** – Management Structure for running the business of the Company as a whole is put in place with appropriate delegation of powers and responsibilities which broadly is as under:
 - a. **Chief Executive Officer and Managing Director** – The Chief Executive Officer and Managing Director is responsible for the day to day management of the Company subject to the supervision, direction and control of the Board of Directors. He gives strategic directions, policy guidelines and also ensures implementation of the decisions of the Board of Directors and its various Committees.
 - b. **Managing Committee** – The Company has formed a Managing Committee which is composed of the Chief Executive Officer and Managing Director, Chief Executives of the Regions and Corporate Functional

Heads. The Chief Executive Officer and Managing Director chairs the Managing Committee Meeting. This Committee is a brain storming and consultative Committee where important business issues are discussed and decisions taken within the framework of the strategic policies laid down by the Board.

- c. **Chief Executives at the Regions** – The entire business operations of the Company has been divided into three Regions, viz. North, East and South West. Each Region is managed by a Chief Executive. The Chief Executives are responsible for the overall business and the day to day management of operations within their respective Regions. The Director Plants report to the Chief Executives of their respective Regions. The Chief Executives report to the Chief Executive Officer and Managing Director.
- d. **Director Plant** – The Director Plant is responsible for operation and maintenance of the Plant and all other functions relating to the day to day management of the Plant, including all local issues and compliances as applicable at the plant level.

BOARD OF DIRECTORS

Composition of the Board

The Board of Directors is composed of professionals drawn from diverse fields, who bring in a wide range of skills and experience to the Board. The majority of the Directors on the Board including the Chairman are Non-Executive Directors. As on December 31, 2010, there were five Independent Directors on Board. Consequent upon the appointment of Mr. Kuldip Kaura as Chief Executive Officer and Managing Director, one vacancy of an Independent Director was required to be filled in by January 31, 2011. At the Meeting of the ACC Board held on February 3, 2011, Mr. Sushil Kumar Roongta, former Chairman of Steel Authority of India Limited (SAIL) was appointed as an Independent Director.

The brief profile of the Company's Board of Directors as on February 3, 2011 is as under:

Mr. N. S. Sekhsaria (Chairman): Mr. N. S. Sekhsaria is a doyen of the Indian Cement Industry and one of the most respected business personalities in India. In a career spanning over 30 years, he has introduced new standards in management, marketing, efficiency and corporate social responsibility to an industry he has helped transform.

Mr. Sekhsaria is the Founder-Promoter and current Chairman of Ambuja Cements Limited. Mr. Sekhsaria was invited to join the ACC Board in 1999 and was appointed Deputy Chairman in January 2000. In 2006, Mr. Sekhsaria took over as Chairman of the Board.

Mr. Sekhsaria built Ambuja Cements Limited into a benchmark for Indian Industry. His acumen as an entrepreneur and technocrat turned that Company into the most efficient and profitable cement company in India and redefined industry practices by changing the perception of cement from a commodity to a branded product. Mr. Sekhsaria championed community development by establishing the Ambuja Cement Foundation and guiding it into a model of excellence in social responsibility.

With his considerable wealth of experience, Mr. Sekhsaria brings immense value to the Board of ACC. Under his leadership, ACC has achieved significant improvements in the areas of project management, logistics and overall cost-competitiveness. The impact of this guidance shows in the high growth trajectory ACC has experienced since 1999.

Mr. Paul Hugentobler (Deputy Chairman): Mr. Paul Hugentobler obtained a degree in Civil Engineering from the ETH, Zurich, and a degree in Economic Science from the University of St. Gallen. He joined Holcim Group Support Limited in 1980 as Project Manager and in 1994 was appointed as Area Manager for Holcim Limited. From 1999 until 2000, he also served as CEO of Siam City Cement, Bangkok, Thailand. He has been a Member of the Executive Committee since January 1, 2002 with the responsibility for South Asia and ASEAN excluding Philippines. He is the Vice Chairman of Ambuja Cements Limited.

Mr. Kuldip Kaura (CEO & MD): Mr. Kuldip Kaura holds a degree in Mechanical Engineering, BE (Hons.) from Birla Institute of Technology & Science (BITS), Pilani and has also attended various Executive Education Programmes at London Business School and Swedish Institute of Management, Stockholm. Mr. Kaura has rich experience in leading businesses and companies in diverse sectors such as power, natural resources, metals, mining etc. and has deep understanding of Corporate Governance, brand building and Sustainable Development in India, U.K. and U.S. Regulatory Environment. He has served in senior capacities with various reputable companies including as Managing Director of ABB India Limited and as Chief Executive Officer of Vedanta Resources Plc.

Mr. S. M. Palia: B. Com., LL. B, CAIIB, CIIB (London). Mr. Palia is a Development Banker by profession. He was with IDBI from 1964-1989 during which period he held various responsible positions including that of Executive Director. He has also acted as an Advisor to Industrial Bank of Yemen, Saana (North Yemen) and Industrial Bank of Sudan, Khartoum (Sudan) under World Bank assistance programmes. He was also the Managing Director of Kerala Industrial & Technical Consultancy Organisation Limited, set up to provide consultancy service to micro, small and medium enterprises. He is a Director on the Boards of leading companies viz. Tata Steel Limited, Tata Motors Limited, The Bombay Dyeing & Manufacturing Co. Limited. He is the Chairman-Emeritus of Rashtriya Gramin Vikas Nidhi and a Trustee of Bombay Community Public Trust.

Mr. Naresh Chandra: Mr. Naresh Chandra is a post graduate in mathematics from Allahabad University. He is a distinguished member of the Indian Administrative Service (IAS) and former Cabinet Secretary to the Government of India. He has held various important positions including that of Governor of the State of Gujarat and India's Ambassador to the United States of America. He has served on numerous important Committees including as Chairman of Corporate Governance Committee instituted by the Government of India. Mr. Naresh Chandra, was Chairman of Committee of Civil Aviation Policy, Ministry of Civil Aviation. He is a Director on the Boards of various companies. In the year 2007, he was honoured with Padma Vibhushan by the Government of India.

Mr. Markus Akermann: Mr. Markus Akermann obtained a degree in Business Economics from the University of St. Gallen in 1973 and studied Economics and Social Sciences at the University of Sheffield, U.K. He began his professional career in 1975 with the former Swiss Bank Corporation. In 1978, he moved to Holcim where he was active in a number of roles including Area Manager for Latin America and Holcim Trading. In 1993, he was appointed

to the Executive Committee with responsibility for Latin America and international trading activities. He was appointed Chief Executive Officer of Holcim Limited in 2002.

Mr. M. L. Narula: B.Sc. Engineering (Electrical). Graduate from Punjab University and Fellow, Institute of Engineers. Mr. Narula has been closely associated with the Company for over 45 years in various senior positions at plants and in the Corporate Office including that of Managing Director of the Company from December 1, 2002 till his retirement on March 31, 2007. Mr. Narula has vast experience and in depth knowledge of the Cement Industry. He is presently a Non-Executive Director on the Company's Board with effect from April 1, 2007. Mr. Narula is also a Director on the Boards of other Indian and Foreign Companies and is a Senior Advisor to Holcim Group Support Ltd., Zurich, Switzerland.

Mr. D. K. Mehrotra: B. Sc. (Honours). Mr. Mehrotra is the Managing Director of Life Insurance Corporation of India (LIC) and is also a Director on the Board of Directors of some of LIC's Subsidiary Companies within and outside India and other public limited companies. He represents LIC on the ACC Board.

Mr. R. A. Shah: Mr. R.A. Shah is a leading Solicitor and a Senior Partner of M/s. Crawford Bayley and Co., a firm of Advocates & Solicitors. He specializes in a broad spectrum of corporate laws in general, with special focus on Foreign Investments, Joint Ventures, Technology and Licence Agreements, Intellectual Property Rights, Mergers and Acquisitions, Industrial Licensing, Anti Trust Laws, Company Law and Taxation. He is a Director on the Board of various public limited companies and is Chairman of the Board in many of these companies. He is also on the Audit Committee of some of the companies on which he is a Director.

Mr. Shailesh Haribhakti: Fellow Chartered Accountant. Mr. Shailesh Haribhakti is the Managing Partner of Haribhakti & Co, Chartered Accountants and Chairman of BDO Consulting Pvt. Ltd. He served a three year term on the Standards Advisory Council of the International Accounting Standards Board. He is a Committee Member of Futures & Options segment of National Stock Exchange of India Limited and a Member of the SEBI Committee on Disclosures and Accounting Standards. He serves as Member on the Managing Committees of ASSOCHAM and IMC and on Corporate Governance Committees of ASSOCHAM and CII and is Chairman of the Global Warming Committee of IMC. He is on the Board of Directors of several listed and private companies.

Mr. Aidan Lynam: Mr. Aidan Lynam holds a degree in Engineering from the University College of Dublin and an MBA from IMD, Lausanne, Switzerland. In addition to the above, Mr. Lynam is a Member of the Institute of Engineers of Ireland (M.I.E.I), Chartered Member of the British Institute of Manufacturing Engineers (C.Eng M.I.E.E.).

Mr. Lynam is presently in the services of Holcim Limited and is Area Manager responsible for Vietnam, Sri Lanka, Bangladesh, Singapore, Malaysia and Cambodia. Mr. Lynam also represents South Asia / ASEAN Region for IT shared services (HSEA), Geocycle and OH&S Core Group.

Mr. Sushil Kumar Roongta (appointed on February 3, 2011): Mr. Roongta holds a degree in Bachelor of Engineering from Birla Institute of Technology & Science (BITS), Pilani and a Post Graduate Diploma in Business Management – International Trade from the Indian Institute of Foreign Trade (IIFT), New Delhi. He is a Fellow of All India Management Association (AIMA).

Mr. Roongta was the former Executive Chairman of Steel Authority of India Limited (SAIL). Under his leadership, SAIL achieved new benchmarks in operational and financial performance and was ranked second among "World

Class Steel Makers” by World Steel Dynamics, USA. SAIL was conferred the status of “Maharatna” by the Government of India in 2010 being one of the four PSUs to be awarded this status.

Mr. Roongta was on the Governing Boards of reputable academic institutions and is on certain Committees constituted by the Government of India and Chambers of Commerce & Industry.

Mr. Roongta is a recipient of a number of awards including SCOPE Award for excellence and outstanding contribution to the Public Sector Management – Individual Category 2008.

Directorships:

The details in regard to the number of Directorship(s) held in Indian public limited companies and the position of Membership / Chairmanship of Audit Committee and Shareholders’ / Investors’ Grievance Committee in such Indian public limited companies are given below:

Name of the Director	Date of Appointment	Category	Number of Directorship(s) held in Indian Public Limited Companies (including ACC)	Committee(s) position (including ACC)	
				Member	Chairman
Mr. N. S. Sekhsaria	27.12.1999	Non-Executive	3	-	-
Mr. Paul Hugentobler	06.05.2005	Non-Executive	3	2	1
Mr. Kuldip Kaura	28.10.2009 to 04.08.2010	Non-Executive / Independent	4	2	-
	05.08.2010	Executive Director	7	2	-
Mr. S. M. Palia	25.01.2002	Non-Executive / Independent	7	4	2
Mr. Naresh Chandra	05.05.2004	Non-Executive / Independent	12	8	1
Mr. Markus Akermann	06.05.2005	Non-Executive	2	-	-
Mr. M. L. Narula	01.04.2007	Non-Executive	2	2	-
Mr. D. K. Mehrotra	14.10.2005	Non-Executive / Independent	4	-	-
Mr. R. A. Shah	24.01.2006	Non-Executive / Independent	15	5	5
Mr. Shailesh Haribhakti	17.02.2006	Non-Executive / Independent	15	5	5
Mr. Aidan Lynam	22.04.2010	Non-Executive	1	-	-
Mr. Sushil Kumar Roongta	03.02.2011	Non-Executive / Independent	7	2	1

Details of Board Meetings held during the Financial Year and the number of Directors present is as under:

Serial No.	Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
1.	February 4, 2010	11	10
2.	April 22, 2010	12	12
3.	July 22, 2010	12	10
4.	August 5, 2010	12	08
5.	October 21, 2010	11	11
6.	December 8, 2010	11	07

Name of the Director	Attendance at the Board Meetings held on						Attendance at the AGM held on
	February 4, 2010	April 22, 2010	July 22, 2010	August 5, 2010	October 21, 2010	December 8, 2010	
Mr N S Sekhsaria	✓	✓	✓	✓	✓	✓	✓
Mr Paul Hugentobler	✓	✓	✓	Leave of Absence	✓	✓	✓
Mr Kuldip Kaura	✓ (As Non-Executive Director)	✓ (As Non-Executive Director)	✓ (As Non-Executive Director)	✓ (As Executive Director)	✓ (As Executive Director)	✓ (As Executive Director)	✓ (As Non-Executive Director)
Mr S M Palia	✓	✓	✓	✓	✓	✓	✓
Mr Naresh Chandra	✓	✓	Leave of Absence	✓	✓	Leave of Absence	No
Mr Markus Akermann	Leave of Absence	✓	✓	Leave of Absence	✓	Leave of Absence	No
Mr M L Narula	✓	✓	✓	✓	✓	✓	✓
Mr D K Mehrotra	✓	✓	Leave of Absence	Leave of Absence	✓	Leave of Absence	No
Mr R A Shah	✓	✓	✓	✓	✓	✓	✓
Mr Shailesh Haribhakti	✓	✓	✓	✓	✓	Leave of Absence	✓
Mr Aidan Lynam	Not Applicable	✓	✓	Leave of Absence	✓	✓	Not Applicable
Mr. Sushil Kumar Roongta (appointed on 03.02.2011)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Details of Directors who resigned during the year:

Mr. Sumit Banerjee who was appointed as the Managing Director of the Company with effect from April 1, 2007 resigned w.e.f. August 13, 2010. Mr. Sumit Banerjee holds a B.Tech. (Hons) degree in Mechanical Engineering from IIT Kharagpur and is Fellow of the Institute of Engineers (F.I.E.). Mr. Banerjee had a rich and varied experience and has served in senior positions with L&T, Indal / Hindalco and was also the Managing Director of Tube Investments of India Limited.

The details in regard to the attendance of Mr Banerjee at the Board Meetings / AGM, the number of Directorship(s) held in Indian public limited companies and the position of Membership / Chairmanship of Audit Committee / Shareholders' / Investors' Grievance Committee in such Indian public limited companies are given below:

Attendance at the Board Meetings held on						Attendance at the AGM held on
February 4, 2010	April 22, 2010	July 22, 2010	August 5, 2010	October 21, 2010	December 8, 2010	April 8, 2010
✓	✓	✓	✓	Not Applicable	Not Applicable	✓

Number of Directorship(s) held in Indian Public Limited Companies (including ACC)	5	
	Member	Chairman
Committee(s) position (including ACC)	2	-

The Company has complied in full with Clause 49 of the Listing Agreement with regard to information being placed before the Board of Directors.

COMMITTEES OF THE BOARD

Audit Committee – (Constituted in 1986)

The Audit Committee acts as the link between the Statutory and the Internal Auditors and the Board of Directors. The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges read with Section 292(A) of the Companies Act, 1956. These broadly include approval of the Annual Internal Audit Plan, review of the financial reporting system, internal control systems, discussions on quarterly, half yearly and annual financial results, interaction with Statutory, Internal & Cost Auditors, recommendation for appointment of Statutory and Cost Auditors and their remuneration, Risk Management framework concerning the critical operation of the Company, Management Discussion & Analysis of the Company's operations, Internal Audit Report, Appointment, Removal and terms of remuneration of Chief Internal Auditor, significant related party transactions.

The Company has framed the Audit Committee Charter and an Internal Audit Charter for the purpose of effective compliance of Clause 49 of the Listing Agreement.

The Audit Committee is composed of the following Members. All the Members have the requisite qualifications prescribed under Clause 49 of the Listing Agreement. Their attendance at the Meeting is as under:

Name of the Member	Category	Attendance at the Audit Committee Meetings held on						
		February 3, 2010	March 10, 2010	April 21, 2010	July 12, 2010	July 21, 2010	October 20, 2010	December 6, 2010
Mr. Shailesh Haribhakti (Chairman)	Non-Executive/Independent	✓	✓	✓	✓	✓	✓	✓
Mr. S. M. Palia	Non-Executive/Independent	✓	✓	✓	✓	✓	✓	✓
Mr. Naresh Chandra	Non-Executive/Independent	✓	Leave of Absence	✓	✓	Leave of Absence	✓	Leave of Absence
Mr. Paul Hugentobler	Non-Executive	✓	✓	✓	✓	✓	✓	✓
*Mr. Kuldip Kaura	Non-Executive	Not Applicable	Not Applicable	Not Applicable	✓	✓	Not Applicable	Not Applicable

*Mr. Kuldip Kaura was appointed on the Audit Committee w.e.f 22.04.2010. He ceased to be on the Committee w.e.f. 04.08.2010 consequent to his appointment as CEO & MD of the Company.

The Chief Executive Officer and Managing Director, the Chief Financial Officer, the Chief Internal Auditor, Chief Executives at the Regions and the representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. The Cost Auditor / his representative attends such of those meetings of the Audit Committee where matters relating to the Cost Audit Report are discussed. The Company Secretary is the Secretary to the Committee. The Internal Audit Department is headed by the Chief Internal Auditor who functions independently and reports to the Chairman of the Audit Committee.

The Committee also invites the representatives of Holcim group's Internal Audit team for obtaining valuable guidance from their expertise in international best practices in Internal Audit.

The Company has implemented well structured Internal Audit Control Systems to ensure reliability of financial and operational information and statutory / regulatory compliances.

Shareholders' / Investors' Grievance Committee - (Constituted in 1962)

The Shareholders' / Investors' Grievance Committee deals with various matters relating to:-

- transfer / transmission of shares / debentures,
- issue of duplicate share certificates,
- issue and allotment of rights / bonus shares / shares against Employee Stock Options,
- review of shares dematerialized and all other related matters,
- monitoring expeditious redressal of investors' grievances,
- non receipt of Annual Report and declared dividend,
- all other matters related to shares / debentures.

The Shareholders' / Investors' Grievance Committee is composed of the following Members. The dates on which the Committee Meetings were held and the attendance of the Members at the said Meetings are as under:

Name of the Member	Attendance at the Shareholders' / Investors' Grievance Committee Meetings held on				
	February 4, 2010	April 22, 2010	July 22, 2010	October 21, 2010	December 8, 2010
Mr Paul Hugentobler (Chairman)	✓	✓	✓	✓	✓
Mr M L Narula	✓	✓	✓	✓	✓
* Mr. Kuldip Kaura	Not Applicable	Not Applicable	Not Applicable	Not Applicable	✓
@ Mr. Sumit Banerjee	✓	✓	✓	Not Applicable	Not Applicable

*Appointed with effect from October 21, 2010

@Ceased to be a Member consequent upon his resignation from the Company w.e.f August 13, 2010

The Company Secretary is the Compliance Officer as per the Listing Agreement.

During the year, 51 complaints were received from shareholders, all of which have been attended / resolved as on date. No investor grievances remained unattended / pending for more than thirty days as on December 31, 2010. The Company had 16 share transfers pending as on December 31, 2010. These were transfers lodged after December 16, 2010.

Compensation Committee - (Constituted in 1993)

The terms of reference of the Compensation Committee, inter alia consists of reviewing the overall compensation policy, the remuneration structure, service agreement and other employment conditions of the Managing Director / Chief Executive Officer and Managing Director as the case may be, with a view to retaining and motivating the best managerial talents. In determining the remuneration, the Committee takes into

consideration the industry trend, remuneration paid by comparable concerns, responsibilities to be shouldered by the Managing Director and the Company's and individual performance. The Compensation Committee also monitors the implementation of existing Employees' Stock Option Scheme.

The Compensation Committee is composed of the following Members. The dates on which the Meetings were held and the attendance of the Members at the said Meetings are as under:

Name of the Member	Attendance at the Compensation Committee Meetings held on			
	February 3, 2010	April 22, 2010	July 22, 2010	August 5, 2010
Mr. N. S. Sekhsaria (Chairman)	✓	✓	✓	✓
Mr. Paul Hugentobler	✓	✓	✓	Participated through teleconference
Mr. Shailesh Haribhakti	✓	✓	✓	✓

Compliance Committee (Non Mandatory Committee) – Constituted on January 31, 2008

The Compliance Committee was constituted to regularly review the status of Company's Compliance with various laws and regulations as well as to understand the implications of major legislative and regulatory developments that may significantly affect the Company, and report the same to the Board. The Committee specifically reviews whether the requirements of the Competition Law are met and provides guidance in regard to the latest developments on competition laws in India and abroad. The Committee also gives guidance to the Management and monitors the developments in important legal cases filed by and against the Company.

As of December 31, 2010, the Compliance Committee of the Board is composed of the following Members. The dates on which the Compliance Committee Meetings were held and the attendance of the Members at the said Meetings are as under:

Name of the Member	Attendance at the Compliance Committee Meetings held on			
	February 3, 2010	April 21, 2010	July 21, 2010	October 21, 2010
Mr. R. A. Shah (Chairman)	✓	✓	✓	✓
Mr. Naresh Chandra	✓	✓	Leave of Absence	✓
Mr. Shailesh Haribhakti	✓	✓	✓	✓
Mr. Paul Hugentobler	✓	✓	✓	✓
*Mr. Kuldip Kaura	Not Applicable	Not Applicable	Not Applicable	Not Applicable
@ Mr. Sumit Banerjee	✓	✓	✓	Not Applicable

* Appointed with effect from October 21, 2010

@ Ceased to be a Member consequent upon his resignation from the Company with effect from August 13, 2010

REMUNERATION POLICY

Remuneration Policy for Executive Director/s

The remuneration structure of Mr Kuldip Kaura, Chief Executive Officer and Managing Director and that of Mr. Sumit Banerjee, former Managing Director is stated below. The terms of appointment and remuneration have been approved by the Members of the Company.

Terms of appointment and remuneration of Mr. Kuldip Kaura, Chief Executive Officer & Managing Director	
Period of Appointment:	From 05.08.2010 to 12.08.2010 as Chief Executive Officer & Managing Director Designate. From 13.08.2010 to 31.12.2013 as Chief Executive Officer & Managing Director.
Salary Grade:	₹ 11,00,000 - ₹ 25,00,000
Allowances:	<ul style="list-style-type: none"> i. Special Allowance: As may be decided by the Board on the recommendation of the Compensation Committee. ii. Housing : Free furnished residential accommodation or HRA at the rate of 40% of the basic salary. iii. LTA: An amount not exceeding 12.5% of the basic salary. The entitlement for any one year to the extent not availed of shall be allowed to be accumulated upto the next two Corporate financial years.
Perquisites:	<ul style="list-style-type: none"> i. Club Memberships. ii. Group Personal Accident Insurance Policy as per the rules of the Company. iii. Medical reimbursement: Such amount as may be decided by the Board on the recommendation of the Compensation Committee including Group Medclaim Policy as per the rules of the Company. iv. Other Perquisites: As may be decided by the Board on the recommendation of the Compensation Committee subject to the overall ceiling on managerial remuneration as prescribed under the Companies Act, 1956.
Retiral Benefits:	Contribution to Provident Fund and Superannuation Fund as per the rules of the Company.
Performance Incentive:	An amount equivalent to a maximum of 37.5% of the basic salary and allowances (which includes 7.5% as Holcim's Global Performance Incentive). Tax, if any, payable on Holcim's Global Performance Incentive would be borne by the Company.

Minimum Remuneration:	Where in the financial years during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified, subject to requisite approvals being obtained.
Notice Period & Severance Fees:	Six months notice or six months salary in lieu of notice.

Terms of appointment and remuneration of Mr. Sumit Banerjee, former Managing Director	
Period of Appointment:	Five years from the date of appointment viz. April 1, 2007 (Resigned w.e.f. 13.08.2010).
Salary Grade:	₹ 6,00,000 - ₹ 40,000 - ₹ 9,00,000
Perquisites & Allowances:	Upto 125% of the annual salary.
Other Benefits:	Contribution to Provident Fund, Superannuation Fund and Gratuity Fund.
Performance Incentive:	Upto an amount equivalent to a maximum of 30% of his gross annual salary. Shares of Holcim Limited granted as part of Holcim's global performance incentive policy for senior management personnel of Holcim's Group companies. The component of tax, if any, applicable on the share so granted by Holcim shall be borne by the Company.
Minimum Remuneration:	Where in the financial years during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified, subject to requisite approvals being obtained.
Notice Period & Severance Fees:	Three months notice or three months salary in lieu of notice.

Remuneration Policy for Non Executive Directors

The Non Executive Directors are paid Sitting Fees of ₹ 20,000 for each meeting of the Board / Committee of the Board attended by them. The total amount of sitting fees paid during the financial year ended December 31, 2010 was ₹ 24.40 lakhs.

In recognition of their contribution and the time spent on the Company's business and taking into consideration the size and complexity of the Company's operations and stringent accounting standards and governance

norms, the Members of the Company have at the 74th Annual General Meeting held on April 8, 2010 sanctioned the payment of commission to the Non-Executive Directors not exceeding one percent of the net profits of the Company as computed in the manner provided by Section 198(1) of the Companies Act, 1956.

Pursuant thereto, the Company has provided for the payment of commission of ₹ 9.00 lakhs to each of the Non-Executive Directors for the financial year 2010, which is payable pro rata to those Directors who were in office for part of the year. The Company has also provided for payment of additional commission of ₹ 7.00 lakhs for each of the Non-Executive Member Directors of the Audit Committee and Compliance Committee payable pro rata to those who occupied the office for part of the year. The maximum commission payable to each Non-Executive Director has been fixed at ₹ 16.00 Lakhs by the Board of Directors. The Commission is being paid on a uniform basis to reinforce the principle of collective responsibility.

Details of Remuneration paid / payable to Directors for the financial year ended December 31, 2010

₹ Lacs

Name	Salary	Perquisites	Performance Incentive	Contribution to PF/OSF	Commission	Sitting Fees	Total
Mr. N.S. Sekhsaria	-	-	-	-	9.00	2.00	11.00
Mr. Paul Hugentobler	-	-	-	-	16.00	5.20	21.20
*Mr. Kuldip Kaura (from 28.10.2009 to 04.08.2010 as Non-Executive Director)	-	-	-	-	7.34	1.20	8.54
(from 05.08.2010 as Executive Director)	56.02	73.32	38.77	15.12	-	-	183.23
Mr. S.M. Palia	-	-	-	-	16.00	3.00	19.00
Mr. Naresh Chandra	-	-	-	-	16.00	2.20	18.20
Mr. Markus Akermann	-	-	-	-	9.00	0.60	9.60
Mr. M.L. Narula	-	-	-	-	9.00	2.60	11.60
Mr. D.K. Mehrotra	-	-	-	-	9.00	0.60	9.60
Mr. R.A. Shah	-	-	-	-	16.00	2.00	18.00
Mr. S. Haribhakti	-	-	-	-	16.00	4.00	20.00
Mr. Aidan Lynam (from 22.04.2010)	-	-	-	-	6.26	1.00	7.26

Notes:

- *Mr. Kuldip Kaura has been paid Commission on a pro rata basis and Sitting Fees for the period he was a Non-Executive Director on the Board.
The remuneration paid to Mr. Kuldip Kaura, Chief Executive Officer & Managing Director excludes provision for leave encashment on retirement and other defined benefits payable to him since the same is provided on actuarial basis for the Company as a whole.
- The amounts indicated against the name of Mr D K Mehrotra have been paid to Life Insurance Corporation of India.
- Mr. Aidan Lynam Non-Executive Director has been paid commission on prorata basis.

Details of Remuneration paid to Mr. Sumit Banerjee, former Managing Director for the financial year ended December 31, 2010 is as under:-

₹ Lacs

Name	Salary	Perquisites	Performance Incentive	Contribution to PF/OSF	Payment for Notice Period	Sitting Fees	Total
Mr. Sumit Banerjee (from 01.01.2010 to 12.08.2010)	51.71	66.92	39.00	13.96	14.33	-	185.93

Note: Mr. Sumit Banerjee has been paid Performance Incentive on pro-rata basis upto the date of his resignation.

SUBSIDIARY COMPANIES

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

The Management Audit Report of the Subsidiary Companies are placed before and reviewed by the Audit Committee.

Copies of the Minutes of the Audit Committee / Board Meetings of Subsidiary Companies are individually given to all the Directors and are tabled at the subsequent Board Meetings.

DISCLOSURES

There are no materially significant transactions with related parties viz. Promoters, Directors, Management or their subsidiaries or relatives conflicting with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report.

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards), Rules, 2006 (as amended). The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts. The Company is gearing up to become compliant with International Financial Reporting Standards (IFRS) and will be ready to implement IFRS when it becomes applicable.

Business risk evaluation and management is an ongoing process within the Organization. The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The Company's business processes are on SAP-ERP and SAP-HR platforms and has a strong monitoring and reporting process resulting in financial discipline and accountability.

Adoption of non mandatory requirements under Clause 49 of the Listing Agreement are being reviewed from time to time. Among the non mandatory requirements adopted by the Company, are the setting up of the Compensation Committee and the introduction of the Fraud Risk Management Policy which contains features of the Whistle Blower Policy.

CODE OF CONDUCT

The Board of Directors had at its Meeting held on December 5, 2005 approved the Code of Business Conduct and Ethics which was made applicable to the Board of Directors and all employees in the management grades.

The Board of Directors has reviewed and revised the Code of Business Conduct and Ethics on October 28, 2009. The Code has been posted on the Company's website www.acclimited.com. The revised Code of Conduct is applicable to the Directors and all employees in management grades and the employees in senior management cadre are required to give an annual declaration that they have complied with the Code.

PREVENTION OF INSIDER TRADING

As per the SEBI (Prohibition of Insider Trading) Regulations 1992, the Company Secretary is the Compliance Officer and is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board. The Company has adopted a Code of Conduct for Prevention of Insider Trading as well as a Code of Corporate Disclosure Practices. All the Directors on the Board, employees at senior management level at all locations and other employees who could be privy to unpublished price sensitive information of the Company are governed by this Code.

MEANS OF COMMUNICATION

- The unaudited quarterly / half yearly and audited yearly results are announced within the time stipulated in the Listing Agreement with the Stock Exchanges. The aforesaid financial results are sent to the Stock Exchanges where the Company's securities are listed, immediately after these are approved by the Board and thereafter given by way of a Press Release to various news agencies / analysts and published within forty-eight hours in leading English and Marathi daily newspapers.

- The audited financial statements form a part of the Annual Report which is sent to the shareholders prior to the Annual General Meeting.
- The Company also informs by way of intimation to the Stock Exchanges all price sensitive matters or such other matters which in its opinion are material and of relevance to the shareholders and subsequently issues a Press Release on the said matters.
- The quarterly / half yearly and the annual results as well as the press releases of the Company are placed on the Company's website: www.acclimited.com.
- Individual reminders are sent each year to those members whose dividends have remained unclaimed, before transferring the monies to the Investors' Education & Protection Fund (IEPF).
- All data required to be filed electronically pursuant to Clause 52 of the Listing Agreement with the Stock Exchanges, such as Annual Report, Shareholding Pattern, Quarterly Report on Corporate Governance are being regularly filed on "Corp Filing". Shareholders / Investors can view the information by visiting the website of www.corpfiling.co.in.

General Information for Shareholders

Investor Services

The Company has an in-house Share Department located at its Registered Office which handles all matters relating to the shares of the Company including transfer / transmission of shares, dematerialisation of shares, payment of dividends, sub-division / consolidation of share certificates and investor grievances.

Address for Correspondence

ACC Limited
Share Department
"Cement House"
121, Maharshi Karve Road,
Mumbai 400020

Telephone Nos:	(022) 33024473; 33024469
Fax No:	(022) 66317458
Communication by e-mail:	
For transfer / transmission / subdivision / demat:	sujata.chitre@acclimited.com
For loss of shares / dividend / general inquiries:	krishnan.chidambaram@acclimited.com
For investor grievance remaining unattended:	jer.dhondy@acclimited.com

Members who hold shares in dematerialised form should correspond with the Depository Participant with whom they maintain Demat Account/s, for their queries relating to shareholding, change of address, ECS facility for dividend, etc. However for enquiries relating to non receipt of shares / dividend, annual reports, issue of duplicate shares, subdivision of shares, change of address, ECS facility, notices, the Members should communicate directly with the Company. Members are requested to indicate their Folio / Demat Account number in their correspondence with the Company.

Exclusive E-Mail ID for Redressal of Investor Complaints

The Company has designated an e-mail ID exclusively for the purpose of registering complaints by investors. The e-mail ID is **ACC-InvestorSupport@acclimited.com**. Shareholders / Investors can send their complaints / grievances to the above e-mail ID and the same will be attended to by our in-house Share Department.

Plant Location

The location of the Company's Plants are given on the inside cover page of the Annual Report.

Market Information

Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been paid to the Exchanges:

Name & Address of the Stock Exchanges	Stock Code / Scrip Code	ISIN Number for NSDL/CDSL (Dematerialised shares)
The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400001	500410	INE012A01025
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	ACC	

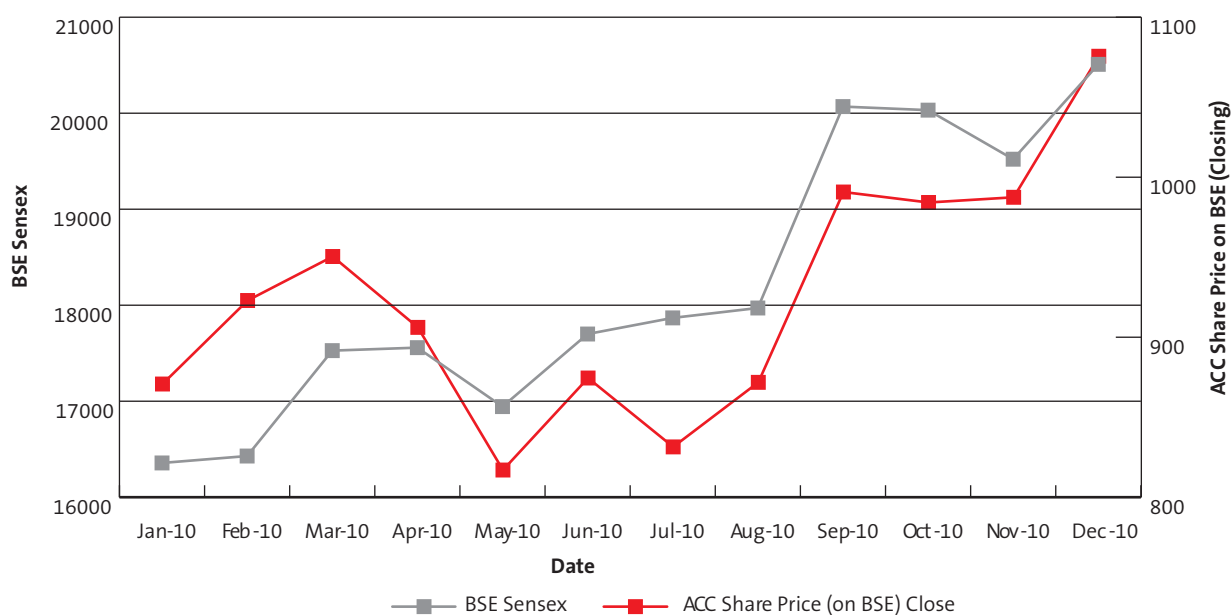
The Privately placed Non-Convertible Debentures are listed on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited.

ISIN Numbers for Privately Placed Debentures on NSDL & CDSL are INE012A07188 & INE012A07196 respectively.

ACC Share Price vis a vis BSE Sensex January – December 2010

Month	BSE Sensex Close	ACC Share Price			No of shares traded during the month	Turnover (₹ Crores)
		High ₹	Low ₹	Close ₹		
Jan-10	16357.96	989.90	860.00	870.75	22,09,707	204.53
Feb-10	16429.55	929.00	826.00	922.95	15,76,398	139.94
Mar-10	17527.77	1,017.00	910.05	950.45	20,15,084	196.14
Apr-10	17558.71	986.90	883.00	906.15	14,92,066	138.91
May-10	16944.63	914.00	801.00	817.00	13,12,810	113.47
Jun-10	17700.90	888.30	700.00	874.50	15,36,170	131.52
Jul-10	17868.29	871.95	801.60	831.45	17,31,221	143.31
Aug-10	17971.12	889.00	814.00	871.80	11,44,076	97.74
Sep-10	20069.12	1,036.95	823.70	990.75	30,99,308	303.41
Oct-10	20032.34	1,049.00	940.00	984.20	18,38,948	183.74
Nov-10	19521.25	1,133.45	968.55	987.45	13,47,637	143.11
Dec-10	20509.09	1,099.00	972.90	1,075.60	36,59,123	389.77

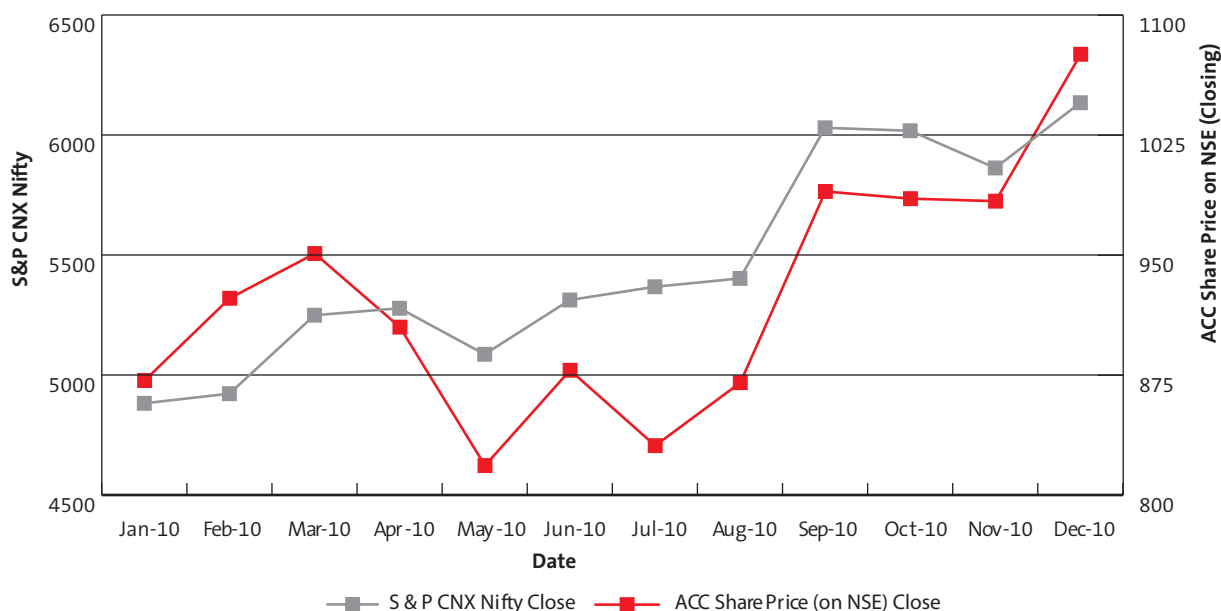
ACC Share Price on BSE & BSE Sensex



ACC Share Price on NSE vis a vis S&P CNX Nifty January – December 2010

Month	S&P CNX Nifty Close	ACC Share Price (on NSE)			No of shares traded during the month	Turnover (₹ Crores)
		High ₹	Low ₹	Close ₹		
Jan-10	4882.05	989.90	859.40	871.70	1,00,05,007	927.75
Feb-10	4922.30	946.00	824.70	923.10	75,26,313	666.79
Mar-10	5249.10	1,020.00	913.90	951.05	1,03,87,002	1,007.18
Apr-10	5278.00	986.95	882.25	905.05	96,83,291	902.79
May-10	5086.30	913.85	809.00	818.55	75,95,164	655.36
Jun-10	5312.50	898.70	810.00	878.10	69,52,957	596.80
Jul-10	5367.60	872.50	800.00	831.00	83,20,336	688.57
Aug-10	5402.40	888.40	812.00	870.35	63,50,566	543.92
Sep-10	6029.95	1,037.95	870.00	989.85	1,28,43,172	1,255.49
Oct-10	6017.70	1,050.00	940.15	985.35	86,10,986	860.10
Nov-10	5862.70	1,134.40	968.05	983.80	78,25,800	823.76
Dec-10	6134.50	1,098.85	970.35	1,075.60	87,23,518	915.14

ACC Share Price on NSE & S&P CNX NIFTY



SHARE TRANSFER SYSTEM / DIVIDEND AND OTHER RELATED MATTERS

i. Share transfers

Share transfers in physical form are presently processed and the share certificates are generally returned within a period of 15 days from the date of receipt provided all details are complete and there are no discrepancies.

ii. Nomination facility for shareholding

As per the provisions of the Companies Act, 1956, facility for making nomination is available for Members in respect of shares held by them. Those Members who hold shares in physical form may obtain nomination forms from the Share Department of the Company.

iii. Implementation of NECS by Reserve Bank of India (RBI)

RBI had vide its circular dated July 29, 2009 directed banks to move to the NECS platform for centralized processing of inward instructions and handling of bulk transactions with effect from October 1, 2009. To facilitate dividend payment through NECS, Members who hold shares in demat mode should inform their depository participant and such of the members holding shares in physical form should inform the Company of the new account number allotted to them by their bankers consequent upon the banks migration to the core banking system. In cases where the core banking account number is not intimated to the Company/ Depository Participant, the Company will issue dividend warrants to the Members.

iv. Unclaimed Dividends

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. The Company will, in September 2011 transfer, the dividends for the year ended March 31, 2004 which have remained unclaimed / unpaid.

v. Correspondence regarding change of address etc.

Members are requested to ensure that any correspondence for change of address, change in Bank Mandates etc., should be signed by the first named shareholder as per his specimen signature recorded with the Company. The Company also requests for supporting documents such as proof of residence and identity whenever a letter requesting for change of address is received. This is being done to safeguard the interest of both the shareholders and the Company. Members holding shares in dematerialised form should correspond with the Depository Participant with whom they maintain a Demat Account(s).

vi. Subdivision of shares

The Company had subdivided the face value of its Equity shares from ₹ 100 each to ₹ 10 each in 1999. The old shares having face value of ₹ 100 are no longer tradable on the Stock Exchanges. Shareholders holding share certificates of the face value of ₹ 100 each are requested to send the certificates to the Share Department of the Company for exchange.

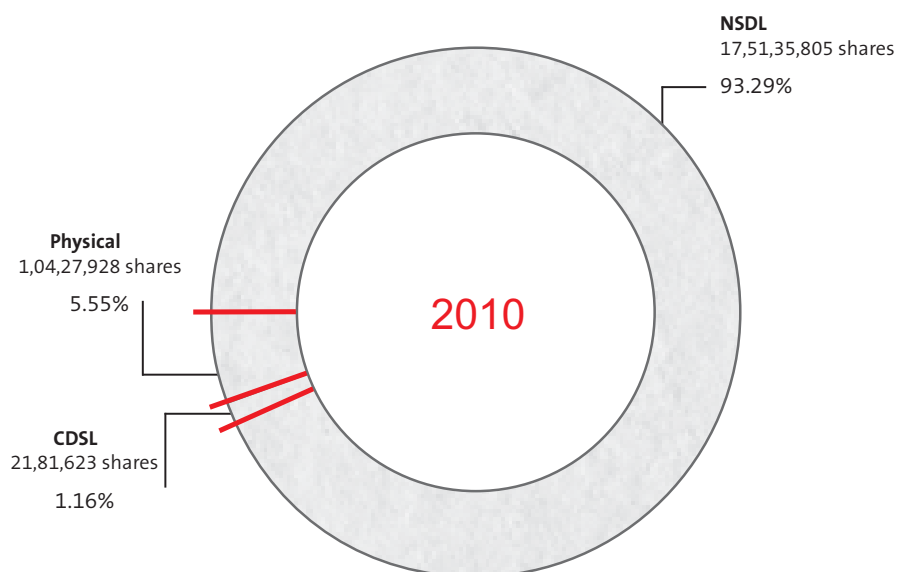
vii. Pending Investors' Grievances

Any Member / investor whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary and Head Compliance at the Registered Office with a copy of the earlier correspondence.

Distribution of shareholding as on December 31, 2010

No. of shares slab	No. of shareholders	%	No. of Shares							
			Physical	% of Share Capital	NSDL	% of Share Capital	CDSL	% of Share Capital	Total No. of Shares	% of Share Capital
1-50	66,817	57.97	2,86,159	0.15	7,58,444	0.40	2,12,606	0.11	12,57,209	0.67
51-100	15,114	13.11	3,27,305	0.17	7,62,545	0.41	1,53,917	0.08	12,43,767	0.66
101-200	11,925	10.35	5,48,703	0.29	10,60,514	0.56	1,72,126	0.09	17,81,343	0.95
201-500	10,781	9.35	10,95,816	0.58	21,67,059	1.15	2,97,688	0.16	35,60,563	1.90
501-1000	5,217	4.53	10,64,893	0.57	24,36,925	1.30	2,87,519	0.15	37,89,337	2.02
1001-5000	4,523	3.92	24,91,241	1.33	61,34,150	3.27	5,80,381	0.31	92,05,772	4.90
5001-10000	472	0.41	7,25,455	0.39	22,50,507	1.20	2,36,149	0.13	32,12,111	1.71
>10000	414	0.36	38,88,356	2.07	15,95,65,661	85.00	2,41,237	0.13	16,36,95,254	87.19
Total	1,15,263	100.00	1,04,27,928	5.55	17,51,35,805	93.29	21,81,623	1.16	18,77,45,356	100.00

Distribution of Shareholding

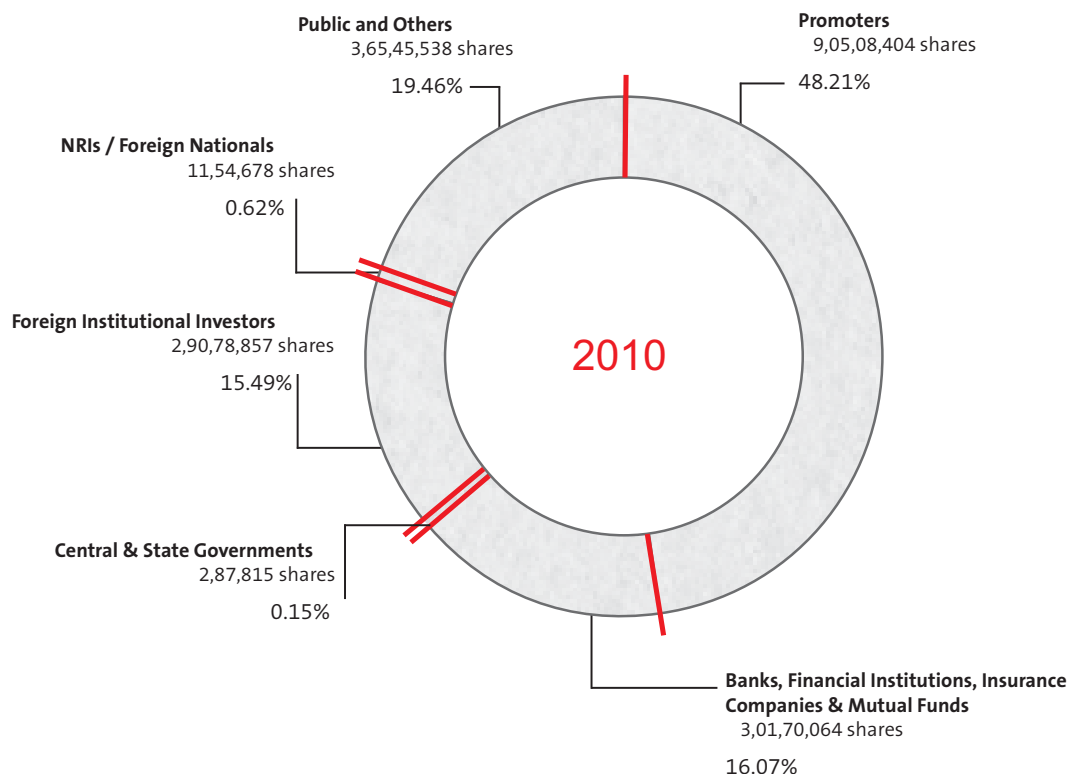


The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialize their shares with either of the depositories.

Shareholding Pattern as on December 31, 2010

Category	No. of Shares held	%	
Promoters			
i. Ambuja Cement India Private Limited	8,99,67,404	47.92	48.21
ii. Holderind Investments Limited	5,41,000	0.29	
Banks, Financial Institutions, Insurance Companies & Mutual Funds			
i. Banks	3,89,881	0.21	16.07
ii. Financial Institutions	2,83,75,669	15.11	
iii. Insurance Companies	-	-	
iv. Mutual Funds	14,04,514	0.75	
Central & State Governments	2,87,815	-	0.15
Foreign Institutional Investors	2,90,78,857	-	15.49
NRIs / Foreign Nationals	11,54,678	-	0.62
Public and Others	3,65,45,538	-	19.46
TOTAL	18,77,45,356		100.00

Shareholding Pattern



The promoters have subsequently acquired 2,11,533 shares on or before December 31, 2010. The same has been credited to their Demat Account. Their holding in the Company as on February 3, 2011 is 9,07,19,937 Equity Shares constituting 48.32% of the Equity Share Capital.

Foreign Promoters Group Disclosure

Foreign Promoters shareholding in the Company is held by Holderind Investments Limited, Mauritius and indirectly through its Indian subsidiary Ambuja Cements India Pvt. Limited.

Holderind Investments Limited (Holcim Mauritius) has informed the Company that, Holcim Limited, Holderfin B.V., Holcim (India) Private Limited, Ambuja Cements India Private Limited, Holcim Participations and Holcim Mauritius are companies belonging to the same group (hereinafter referred as “Holcim Group”) as defined under the Monopolies and Restrictive Trade Practices Act, 1969.

Statement showing Shareholding of more than 1% of the Capital as on December 31, 2010

Sr. No.	Names of the shareholders		Number of shares	Percentage of Capital
1	Ambuja Cement India Private Limited (Promoter)	8,99,67,404	9,05,08,404	48.21
	Holderind Investments Limited (Promoter)	5,41,000		
2	Life Insurance Corporation of India		2,55,79,192	13.62
3	ICICI Prudential Life Insurance Company Limited		56,79,441	3.03
4	JP Morgan Funds – Emerging Markets Equity Fund		36,62,458	1.95
5	The Growth Fund of America, Inc		26,05,000	1.39
	TOTAL		12,80,34,495	68.20

Global Depository Receipts (GDR's) or any Convertible Instrument, conversion dates and likely impact on Equity
NIL

Particulars of past three Annual General Meetings:

AGM	Financial Year	Venue	Date	Time	Special Resolutions passed
74th	01.01.2009 to 31.12.2009	Birla Matushri Sabhagar, 19, Sir Vithaldas Thakersey Marg, Mumbai 400 020	08.04.2010	3.00 p.m.	Payment of commission to Non-Executive Directors
73rd	01.01.2008 to 31.12.2008		08.04.2009	3.00 p.m.	Alteration of Article 157(ii) of the Articles of Association of the Company which deals with the manner in which the Seal of the Company is to be used
72nd	01.01.2007 to 31.12.2007		24.04.2008	3.00 p.m.	No Special Resolution was passed

No Extraordinary General Meeting was held during the period under reference.

Details of Resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern

Pursuant to Section 269(1), 309 of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 a Notice dated August 6, 2010 was sent to the shareholders seeking their approval through postal ballot on the Ordinary Resolution for the appointment and terms of remuneration of Mr. Kuldip Kaura, Chief Executive Officer and Managing Director. The Company had appointed Ms. Shirin K. Bharucha, Legal Advisor, as the Scrutinizer for conducting the postal ballot process. Accordingly, the Postal Ballot was conducted by the Scrutinizer and a Report submitted to the Chairman. The results of the voting conducted through Postal Ballot are as under:-

Particulars	Number of Ballots	Number of Votes	% of votes
Total Postal Ballot Forms received	3,337	13,48,40,408	100.00
Less: Invalid Forms received	(239)	(1,69,508)	(0.13)
Net valid Postal Ballot Forms received	3,098	13,46,70,900	99.87
Postal Ballot Forms with assent for the Resolution	2,928	13,37,34,238	99.18
Postal Ballot Forms with dissent for the Resolution	170	9,36,662	0.69

The Ordinary Resolution as per Notice dated August 6, 2010 for the appointment and terms of remuneration of Mr. Kuldip Kaura, Chief Executive Officer and Managing Director was accordingly passed with the requisite majority.

FINANCIAL CALENDAR:

Board Meeting for consideration of Accounts for the financial year ended December 31, 2010 and recommendation of dividend	February 3, 2011
Posting of Annual Reports	On or before March 16, 2011
Book Closure Dates	March 31, 2011 to April 13, 2011 (both days inclusive)
Last date for receipt of Proxy Forms	April 11, 2011 before 3.00 p.m.
Date, Time & Venue of the 75th Annual General Meeting	April 13, 2011 at 3.00 p.m. Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020
Dividend Payment date	April 19, 2011
Probable date of despatch of warrants	April 16, 2011
Board Meeting for consideration of unaudited quarterly results for the financial year ending December 31, 2011	Within forty-five days from the end of the quarter as stipulated under the Listing Agreement with the Stock Exchanges.
Audited results for the current financial year ending December 31, 2011	Within two months from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchanges.

For and on behalf of the Board of Directors

N S Sekhsaria
Chairman

Mumbai:
February 3, 2011

DECLARATIONS

Compliance with Code of Business Conduct and Ethics

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended December 31, 2010.

For ACC Limited

Kuldip Kaura
Chief Executive Officer & Managing Director

Mumbai
February 3, 2011

CEO / CFO Certification

As required by sub clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial year ended December 31, 2010, the Company has complied with the requirements of the said sub clause.

For ACC Limited

For ACC Limited

Kuldip Kaura
Chief Executive Officer & Managing Director

Sunil Nayak
Chief Financial Officer

Mumbai
February 3, 2011

S.R. Batliboi & Associates
Chartered Accountants

**2nd Floor, Urmi Estate,
Jalan Mills Compound,
95, Ganpatrao Kadam Marg,
Lower Parel,
Mumbai – 400 013.**

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF ACC LIMITED

We have examined the compliance of conditions of Corporate Governance by ACC Limited, for the year ended December 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Consequent to the resignation of an Independent Director, the Board of Directors was required to fill this vacancy by January 31, 2011. Accordingly, the Company has, at its first meeting after that date, appointed an Independent Director on February 3, 2011.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For S. R. Batliboi & Associates
Firm Registration number: 101049W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: February 3, 2011

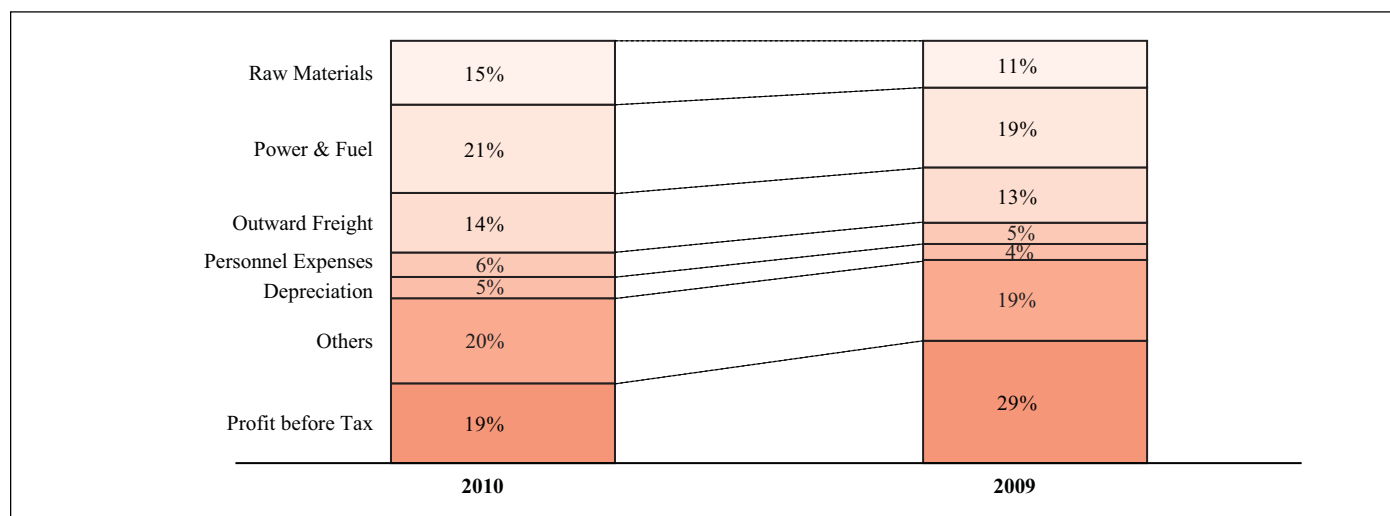
Financial Analysis of ACC Limited (Standalone)

THE FOLLOWING TABLE SET FORTH THE BREAKUP OF THE COMPANY'S EXPENSES AS PART OF THE NET SALES

Figures in ₹ Crore

	2010	% of Net sales	2009	% of Net sales
Net Sales	7,717.33	100%	8,027.20	100%
Other income	356.93	5%	240.42	3%
Increase in stock in trade and work in progress	(56.58)	-1%	(28.74)	0%
Consumption of Raw materials	1,123.20	15%	891.51	11%
Purchase of Traded Cement	117.63	1%	93.16	1%
Personnel Expenses	461.89	6%	367.72	5%
Power and Fuel	1,598.67	21%	1,539.65	19%
Outward Freight charges on Cement etc.	1,070.30	14%	1,054.41	13%
Depreciation and Amortisation	392.68	5%	342.09	4%
Other Expenditure	1,848.24	24%	1,629.13	20%
Interest Expenses	56.78	1%	84.30	1%
Profit before Tax	1,461.45	19%	2,294.39	29%

Components of Net Sales (%)



1. NET SALES:

Figures in ₹ Crore

	2010	2009	Change	Change%
Sale of Products and Services (Gross)	8,563.71	8,724.24	(160.53)	-1.84%
Less - Excise Duty	846.38	697.04	149.34	21.42%
Sale of Products and Services (Net)	7,717.33	8,027.20	(309.87)	-3.86%

Net sales decreased by 3.86% during current year over previous year due to reduction in cement sales volumes by 1.12% which can be seen from the below mentioned table. The price per ton of cement has increased marginally by ₹ 26.51 per ton as compared to previous year.

Figures in million tonnes

	2010	2009	Change	Change%
Cement (Mt)	21.28	21.52	(0.24)	-1.12%
Clinker	0.12	0.20	(0.08)	-40.00%

2. OTHER INCOME:

Figures in ₹ Crore

	2010	2009	Change	Change%
Other operating income	258.45	163.70	94.75	57.88%
Other income	98.48	76.72	21.76	28.36%

Other Operating income has increased by 57.88% as it includes ₹ 64.45 Crore arising due to a write back of provisions made in earlier years in relation to claims of Gagal Sales Tax Subsidy, such provision is considered to be no longer required pursuant to a decision of the Supreme Court in the matter of Transport Subsidy delivered during the year.

Other income is increased by 28.36% as compared to previous year, primarily on account of increase in dividend income from mutual funds.

3. PURCHASE OF TRADING CEMENT:

Figures in ₹ Crore

	2010	2009	Change	Change%
Purchase of Trading Cement	117.63	93.16	24.47	26.27%

Purchase of trading cement has increased by 26.27% due to increase in quantity by 25% from 0.24 to 0.30 million tons.

4. RAW MATERIALS CONSUMED:

Figures in ₹ Crore

	2010	2009	Change	Change%
Raw Materials Consumed	1,123.20	891.51	231.69	25.99%

Consumption of raw materials has increased by 25.99% over the previous year mainly due to following:-

- Average cost of slag has increased by ₹ 375.39 per ton.
- Purchased clinker has gone up by 0.38 million tons.

5. PACKING MATERIALS CONSUMED:

Figures in ₹ Crore				
	2010	2009	Change	Change%
Packing Materials Consumed	268.55	238.72	29.83	12.50%

Consumption of packing material has increased by 12.50% mainly due to increase in the price of bags consumed for dispatch of cement.

6. POWER AND FUEL:

Figures in ₹ Crore				
	2010	2009	Change	Change%
Power and Fuel	1,598.67	1,539.65	59.02	3.83%

Power and fuel cost has marginally increased by 3.83%. By prudent sourcing we were able to bring the fuel costs under control both imported and coal. The increase in purchased power tariff led to increase in costs.

7. REPAIRS:

Figures in ₹ Crore				
	2010	2009	Change	Change%
Repairs	474.03	371.06	102.97	27.75%

Expenditure on account of repairs has increased by 27.75% due to following:-

- Provision of ₹ 71.16 Crore (including ₹ 47.36 Crore pertaining to the period until December 31, 2009) is made during the year, consequent to change its basis of identifying obsolescence of spare parts based on the actual usage pattern.
- Increase in maintenance costs in various units of the company.

8. ROYALTY:

Figures in ₹ Crore				
	2010	2009	Change	Change%
Royalty	116.59	98.39	18.20	18.50

Royalty paid on limestone has increased by 18.50% since the rate of royalty on limestone had been increased from ₹ 45 to ₹ 63 per ton in the previous year w.e.f. August 13, 2009.

9. PERSONNEL EXPENSES:

Figures in ₹ Crore				
	2010	2009	Change	Change%
Personnel Expenses	461.89	367.71	94.18	25.61%

Personnel expenses have increased by 25.61% mainly on account of following:-

- Annual increase in salary and impact of revision in wage agreement with the trade unions.
- The company has recognized a debit of ₹ 53.50 Crore (Previous year credit of ₹ 22.00 Crore) due to change in discounting rate and salary escalation rate in valuation of present value of employee benefit liabilities.

10. LOADING, TRANSPORTATION AND OTHER CHARGES:

Figures in ₹ Crore				
	2010	2009	Change	Change%
Loading, Transportation and other charges	186.21	169.69	16.52	9.74%

Cost of Loading, Transportation and other charges has increased by 9.74% as compared to previous year due to increase in Clearing and forwarding charges.

11. DISCOUNT, REBATES AND ALLOWANCES:

Figures in ₹ Crore				
	2010	2009	Change	Change%
Discount, Rebates and Allowances	88.23	93.49	(5.26)	-5.63%

The cost of Discount, Rebates and allowances has been decreased by 5.63% on account of decrease in sales volumes.

12. RATES AND TAXES

Figures in ₹ Crore				
	2010	2009	Change	Change%
Rates and taxes	97.20	101.45	(4.25)	-4.19%

During the current year, there is marginal decrease in rates and taxes by 4.19% as compared to previous year.

13. ADVERTISEMENT:

Figures in ₹ Crore				
	2010	2009	Change	Change%
Advertisement	68.85	53.16	15.69	29.51%

Advertisement expenditure has increased by 29.51% as compared to previous year. During the current year, the Company stepped up its advertising spending to improve its brand visibility.

14. OUTWARD FREIGHT CHARGES ON CEMENT ETC:

Figures in ₹ Crore				
	2010	2009	Change	Change%
Outward Freight Charges on Cement etc	1,070.30	1,054.41	15.89	1.51%

Freight charge has marginally increased by 1.51%. During the current year, there is increase in average freight cost by 9.37% which is partially offset by decrease in sales volume.

15. OTHER EXPENSES:

Figures in ₹ Crore

	2010	2009	Change	Change%
Excise Duties (Net)	115.14	84.52	30.62	36.23%
Rent	19.75	19.14	0.61	3.19%
Insurance	18.32	17.60	0.72	4.09%
Stores and Spare parts Consumed	11.30	10.03	1.27	12.66%
Commission on Sales	23.64	23.12	0.52	2.25%
Miscellaneous Expenses	354.64	317.51	37.13	11.69%
Provision for Bad and Doubtful Debts	5.79	31.26	(25.47)	-81.48%
TOTAL	548.58	503.18	45.40	9.02%

- a) Excise Duties (Net):- There is increase in excise duty charges during the current year by 36.23%, due to increase in excise duty rate on captive consumption of clinker at exempted units from ₹ 300 per ton to ₹ 375 per ton.
- b) Miscellaneous Expenses: - Miscellaneous expenses has gone up by ₹ 37.13 crore as compared to previous year due to loss on sale / discarding of assets at various locations.
- c) Provision for Bad and Doubtful debts: - During the current year, there is decrease in provision for bad and doubtful debts by ₹ 25.47 crore as in the previous year provision was made of ₹ 29 crore in respect of sales tax incentive available under a state government policy in respect of one of its cement plants.

16. DEPRECIATION AND AMORTISATION:

Figures in ₹ Crore

	2010	2009	Change	Change%
Depreciation and Amortisation	392.68	342.09	50.59	14.79%

There is increase in depreciation on account of asset capitalization of ₹ 1,333.67 Crore as compared to ₹ 1,005.71 Crore in the previous year.

During the current year, there is commissioning of Bargarh capacity expansion, Wadi capacity expansion, installation of grinding units at Kudithini and Thondebhavi and other capitalization.

17. INTEREST EXPENSES:

Figures in ₹ Crore

	2010	2009	Change	Change%
Interest Expenses	56.78	84.30	(27.52)	-32.65%

Interest expenses has decreased by 32.65% due to following:-

- Repayment of Rupee Term loan of ₹ 50 crore (₹ 200 Crore was repaid in the month of Dec 2009).
- Interest claim on delayed payment of royalty on limestone provided in the previous year of ₹ 22.43 Crore.

18. FIXED ASSETS:

	Figures in ₹ Crore			
	2010	2009	Change	Change%
Net Fixed Assets	5,082.44	4,158.29	924.15	22.22%
Capital Work in progress	1,562.80	2,156.21	(593.41)	-27.52%

Net Fixed assets increased by 22.22% as compared to previous year mainly due to commissioning of Bargarh expansion / modernization project, Wadi capacity expansion, captive power plants at Chanda and Bargarh, grinding units at Kudithini and Thondebhavi and other capitalizations.

Capital work in progress decreased by 27.52% as compared to previous year mainly due to capitalization of projects.

19. INVESTMENTS:

	Figures in ₹ Crore			
	2010	2009	Change	Change%
Investments	1,702.67	1,475.64	227.03	15.39%

There is increase in investments by 15.38% due to following:-

- Increase in the investment of mutual funds as compared to previous year. As on December 31, 2010 the company invested ₹ 1,307.56 Crore (*Previous Year ₹ 1,129.47 Crore*) in mutual funds of its surplus cash.
- 100% Investment in Encore Cement and Additives Private Limited, a Company engaged in manufacturing and supply of ground Slag.
- 45% Investment in Asian Concretes and Cements Private Limited, a Company engaged in cement grinding.

20. INVENTORIES:

	Figures in ₹ Crore			
	2010	2009	Change	Change%
Stock-in-trade and Stores & Spares	914.98	778.98	136.00	17.46%

Inventories has increased by 17.46% due to following:-

- Stock-in-trade as on December 31, 2010 was higher than the level of December 31, 2009 by ₹ 56.57 Crore.
- Raw materials inventory was higher by 50.45% due to increase in inventories of gypsum and slag.
- Inventory of Coal increased by 44.28% as compared to previous year.
- Provision of ₹ 71.16 Crore is made during the year, consequent to change its basis of identifying obsolescence of spare parts based on the actual usage pattern

21. SUNDRY DEBTORS:

	Figures in ₹ Crore			
	2010	2009	Change	Change%
Sundry Debtors	178.28	203.70	(25.42)	-12.48%

Sundry Debtor has decreased by 12.48% as compared to previous year. During the current year, the Company has received ₹ 45.19 from state government on account of Transport subsidy claim from director of Industries Simla.

The average collection period outstanding for cement customer third party sales as on December 31, 2010 is 4.37 days as compared to 2.95 days as on December 31, 2009.

22. OTHER CURRENT ASSETS:

Figures in ₹ Crore				
	2010	2009	Change	Change%
Other Current assets	56.12	10.99	45.13	410.65%

During the current year, the other current assets have gone up as compared to previous year due to increase in accrued interest on investment. Further there is increase in asset held for disposal at various locations.

23. LOANS AND ADVANCES:

Figures in ₹ Crore				
	2010	2009	Change	Change%
Loans and Advances	523.94	516.11	7.83	1.52%

Loans and advances increased by 1.52 % as compared to previous year due to following:-

- Increase in advances and deposits on account of ₹ 57.45 Crore pertaining to sales tax incentive scheme at one of the location.
- Decrease in balance with excise, customs ports & other authorities by ₹ 77.10 crore on account of utilization of cenvat credit on capital items of capex projects, as the company has registered itself under the Large Tax Payer Unit (LTU) w.e.f October 1, 2009.

24. CURRENT LIABILITIES:

Figures in ₹ Crore				
	2010	2009	Change	Change%
Current Liabilities	2,093.96	1,963.91	130.05	6.62%

Current liabilities have increased marginally by 6.62 % as compared to previous year.

25. PROVISIONS:

Figures in ₹ Crore				
	2010	2009	Change	Change%
Provisions	1,652.46	1,150.00	502.46	43.69%

Provisions has increased by 43.69% due to following:-

- Employee benefits provision has increased by ₹ 22.99 crore on account of change in discount rate as well as change in assumption for salary escalation rate.
- Proposed a one-time special Platinum Jubilee final dividend of ₹ 7.50 per share.
- Higher Provision for income tax.

26. LOAN FUNDS:

Figures in ₹ Crore

	2010	2009	Change	Change%
Secured Loans	509.93	550.00	(40.07)	-7.29%
Unsecured Loans	13.89	16.92	(3.03)	-17.91%

There is decrease in secured loans primarily on account of repayment of rupee term loan of ₹ 50 crore during the current year.

There is marginal decrease in unsecured loan of ₹ 3.03 on account of repayment as compared to previous year.

27. CASH FLOW:

Figures in ₹ Crore

	2010	2009	Change	Change%
Net cash flow from operating activities	1,950.72	2,397.08	(446.36)	-18.62%

The net cash from operating activities is decreased by ₹ 446.36 Crore due to following:-

- Lower operating EBITDA during the current year.
- Marginal decrease in net working capital.
- Decrease in Direct taxes paid (net) during the current year.

Figures in ₹ Crore

	2010	2009	Change	Change%
Net cash flow from investing activities	802.25	1,504.94	(702.69)	-46.69%

During the current year, fund used in investing activities has decreased by ₹ 702.69 Crores due to following:

- Decreased in cash outflow for Capex purpose by ₹ 690 Crore.
- Decreased in purchase of investment by ₹ 72.20 Crore.
- Increased in loans to subsidiary companies by ₹ 81.51 Crore.

Figures in ₹ Crore

	2010	2009	Change	Change%
Net cash flow from financing activities	636.73	454.58	182.15	40.07%

The net cash from financing activities is increased by ₹ 182.15 Crore due to following:

- Higher payment of dividend and dividend distribution tax as compared to previous year.
- No fund raised during the current year while ₹ 300 Crores was raised in previous year through issue of debentures.

ECONOMIC VALUE ADDED [EVA] STATEMENT

₹ Crore

	2010	2009	2008	2007	2006
Capital employed	7,355	6,932	5,746	4,791	4,234
Avg Capital Employed	7,144	6,339	5,268	4,512	3,868
EVA					
Net operating profit after taxes	1,120	1,607	1,213	1,439	1,232
Cost of Capital	819	694	643	538	419
EVA	301	913	570	901	813
Return on Capital employed (%)	15.68	25.35	23.02	31.89	31.85
Weighted Average Cost of Capital (%)	11.47	10.95	12.20	11.92	10.83
EVA / Average Capital Employed (%)	4.21	14.40	10.82	19.96	21.02
Enterprise Value					
Market Capitalisation	20,194	16,362	9,012	19,228	20,349
Add: Debts	524	567	482	306	771
Less: Cash and Cash Equivalents	2,388	1,876	1,438	1,489	1,080
EV (Enterprise Value)	18,330	15,053	8,056	18,045	20,040
EV / Yr. End Capital Employed (Times)	2.49	2.17	1.40	3.77	4.73

Auditor's Report to the Members of ACC Limited

1. We have audited the attached Balance Sheet of ACC Limited ('the Company') as at December 31, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on December 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on December 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2010;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S. R. Batliboi & Associates

Firm Registration No. 101049W

Chartered Accountants

per Sudhir Soni

Partner

Membership No. 41870

Place: Mumbai

Date: February 03, 2011

Annexure to the Auditor's Report

(Referred to in paragraph 3 of our Report of even date)

Re: ACC Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
- (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- (v) (a) According to the information and explanations provided by the management, there were no transactions during the year pursuant to the contracts or arrangements referred to in Section 301 of the Act. Accordingly, sub-clause (b) is not applicable.
- (vi) The Company has not accepted any deposits from the public to which the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (ix) (a) According to the records of the Company, provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it have generally been regularly deposited during the year with appropriate authorities except ₹ 1.92 Crore at certain locations where we are informed that the Company has applied for exemption from the operation of the Employees' State Insurance Act, 1948.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

₹ Crore

Name of Statute (Nature of dues)	Period to which the amount relates	Forum where dispute is pending				Total Amount
		Commissionerate	Appellate authorities & Tribunal	High Court	Supreme Court	
Sales Tax (Tax/ Penalty/ Interest)	1982-83 to 2010-11	53.43	43.97	208.20	6.12	311.72
Central Excise Act (Duty/Penalty/ Interest)	1982-83 to 2010-11	0.63	18.95	1.16	2.04	22.78
Service Tax under Finance Act, 1994 (Tax/Penalty/ Interest)	2000-01 to 2010-11	-	2.14	-	-	2.14
Cess Matters	2001-02 to 2010-11	10.55	-	3.75	13.91	28.21

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, bank or debenture holders.
- (xii) According to the information and explanation given to us and based on the document and records provided to us, the company has not granted loans and advances on the basis of security by way of pledge of share, debentures and other securities.

- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has created securities or charge in respect of debentures issued and outstanding at the year end.
- (xx) The Company has not raised any money by the way of public issue during the year. Therefore the provisions of clause (xx) of the said Order are not applicable to the Company.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, *except for two instances of fraud on the Company by its employees involving misappropriation of funds by falsification of documents that resulted in a loss of ₹ 0.48 Crore, which the management is making efforts to recover*, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S. R. Batliboi & Associates

Firm Registration No. 101049W

Chartered Accountants

per Sudhir Soni

Partner

Membership No. 41870

Place: Mumbai

Date: February 03, 2011

Balance Sheet

as at December 31, 2010

		₹ Crore	
	Schedules	2010	2009
SOURCES OF FUNDS:			
Shareholders' Funds:			
Share Capital	1	187.95	187.94
Share Application Money, pending allotment		-	0.08
Reserves and Surplus	2	6,281.54	5,828.20
		6,469.49	6,016.22
Loan Funds:			
Secured Loans	3	509.93	550.00
Unsecured Loans	4	13.89	16.92
		523.82	566.92
Deferred Tax Liabilities (Net)	5	361.53	349.25
TOTAL FUNDS		7,354.84	6,932.39
APPLICATION OF FUNDS:			
Fixed Assets:			
Gross Block	6	8,076.95	6,826.27
Less: Accumulated Depreciation and Amortisation		2,994.51	2,667.98
Net Block		5,082.44	4,158.29
Capital Work-in-Progress (including Capital Advances)		1,562.80	2,156.21
		6,645.24	6,314.50
Investments	7	1,702.67	1,475.64
Current Assets, Loans and Advances:			
Inventories	8	914.98	778.98
Sundry Debtors	9	178.28	203.70
Cash and Bank Balances	10	1,080.03	746.38
Other Current Assets	11	56.12	10.99
Loans and Advances	12	523.94	516.11
		2,753.35	2,256.16
Less : Current Liabilities and Provisions:			
Current Liabilities	13	2,093.96	1,963.91
Provisions	14	1,652.46	1,150.00
		3,746.42	3,113.91
Net Current Assets		(993.07)	(857.75)
TOTAL ASSETS (Net)		7,354.84	6,932.39
Notes to Accounts	18		

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

As per our report of even date

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

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

per Sudhir Soni
Partner
Membership No. 41870

Mumbai, February 03, 2011

N. S. Sekhsaria
Chairman

Kuldip Kaura
CEO & Managing Director

Burjor D. Nariman
Company Secretary

Paul Hugentobler
Deputy Chairman

Sunil K. Nayak
Chief Financial Officer

S. M. Palia
Naresh Chandra
Markus Akermann
M. L. Narula
D. K. Mehrotra
R. A. Shah
Shailesh Haribhakti
Aidan Lynam

} Directors

Profit and Loss Account for the year ended December 31, 2010

		₹ Crore	
	Schedules	2010	2009
INCOME:			
Sale of Products and Services (Gross)		8,563.71	8,724.24
Less - Excise Duty		846.38	697.04
Sale of Products and Services (Net) {Refer Note - 18 & 21(A)}		7,717.33	8,027.20
Other Income	15	356.93	240.42
		8,074.26	8,267.62
EXPENDITURE:			
Manufacturing and other expenses	16	6,163.35	5,546.84
Depreciation and Amortisation	6	392.68	342.09
Interest expenses	17	56.78	84.30
		6,612.81	5,973.23
Profit before Tax		1,461.45	2,294.39
Provision for Tax			
Current Tax		(411.16)	(673.30)
Tax adjustment of an earlier year		82.00	-
Deferred Tax Charge		(12.28)	(13.46)
Fringe Benefit Tax		-	(0.90)
		(341.44)	(687.66)
Profit after Tax		1,120.01	1,606.73
Balance brought forward from Previous Year		3,203.85	2,477.91
Profit available for appropriation		4,323.86	4,084.64
Appropriations:			
Interim Dividend		187.75	187.70
Proposed Dividend {Refer Note - 20(b)}		384.88	244.06
Dividend Distribution Tax		95.10	73.38
Previous Year Dividend Distribution Tax		(0.93)	-
General Reserve		250.00	350.00
Debenture Redemption Reserve		25.00	25.00
Amortisation Reserve		0.65	0.65
		942.45	880.79
Surplus carried to Balance Sheet		3,381.41	3,203.85
Earnings per Share {Face value of ₹ 10 each (Refer Note - 6)}			
Basic		₹ 59.66	85.60
Diluted		₹ 59.52	85.42
Notes to Accounts	18		

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account
As per our report of even date For and on behalf of the Board of Directors of ACC Limited,

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

per Sudhir Soni
Partner
Membership No. 41870

Mumbai, February 03, 2011

N. S. Sekhsaria
Chairman

Kuldip Kaura
CEO & Managing Director

Burjor D. Nariman
Company Secretary

Paul Hugentobler
Deputy Chairman

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Chief Financial Officer

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Shailesh Haribhakti
Aidan Lynam

Directors

Cash Flow Statement

for the year ended December 31, 2010

	2010	2009
₹ Crore		
A. Cash flow from operating activities		
1 Net Profit before Tax	1,461.45	2,294.39
Adjustments for:		
2 Depreciation and Amortisation	392.68	342.09
3 Loss on sale / write off of Fixed Assets (Net)	38.37	2.55
4 Interest and Dividend Income	(98.48)	(76.60)
5 Interest Expense	56.78	84.30
6 Provision for Bad and Doubtful Debts and advances (Net of adjustment)	(31.50)	31.19
7 Consumption of Machinery spares	16.51	14.01
8 Wealth Tax provision	0.71	1.27
9 Provision for obsolescence of spare parts	71.19	-
Operating profit before working capital changes	1,907.71	2,693.20
Movements in Working Capital:		
10 Decrease / (Increase) in Sundry debtors and Loans & advances	84.73	44.27
11 Decrease / (Increase) in Inventories	(207.20)	14.29
12 Decrease / (Increase) in Other current assets	1.70	0.56
13 Increase / (Decrease) in Current liabilities and Provisions	239.73	138.81
Cash generated from operations	2,026.67	2,891.13
14 Direct Taxes Paid - (Net of refunds)	(75.95)	(494.05)
Net Cash flow from operating activities	1,950.72	2,397.08
B. Cash flow from investing activities		
15 Loans to Subsidiary Companies	(35.64)	45.87
16 Purchase of Fixed Assets (Including Capital work-in-progress)	(833.23)	(1,523.23)
17 Proceeds from sale of Fixed Assets	22.11	7.84
18 Purchase of Investments	(37.16)	-
19 Purchase of Investment in subsidiary Companies	(11.78)	(121.14)
20 Dividend Received	51.66	35.60
21 Interest Received	41.79	50.12
Net cash from investing activities	(802.25)	(1,504.94)
C. Cash flow from financing activities		
22 Interest paid {includes capitalised ₹ 36.60 Crore - (Previous Year - ₹ 26.38 Crore)}	(93.48)	(105.44)
23 Proceeds from issue of Share Capital (Including Securities premium)	0.08	1.90
24 Proceeds from Short term Borrowings	9.93	-
25 Proceeds from Long term Borrowings	-	300.00
26 Repayment of Long term Borrowings	(53.03)	(215.11)
27 Dividend paid (including Dividend Distribution Tax)	(500.23)	(435.93)
Net cash used in financing activities	(636.73)	(454.58)
Net increase / (decrease) in cash and cash equivalents	511.74	437.56
Cash and cash equivalents at the beginning of the year	1,875.85	1,438.29
Cash and cash equivalents at the end of the year	2,387.59	1,875.85
Components of cash and cash equivalents:		
Cash and Bank Balances as per Balance sheet	1,080.03	746.38
Add: Investment in Mutual Funds	1,307.56	1,129.47
Cash and Cash equivalents in cash flow statement	2,387.59	1,875.85

Note : Cash and Cash Equivalents includes ₹ 27.33 Crore (Previous Year - ₹ 24.02 Crore) in respect of Unclaimed Dividend, the balance of which is not available to the Company.

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

As per our report of even date

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

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

per Sudhir Soni
Partner
Membership No. 41870

Mumbai, February 03, 2011

N. S. Sekhsaria
Chairman

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Shailesh Haribhakti
Aidan Lynam

Directors

Schedules forming part of the Balance Sheet

SCHEDULE - 1, SHARE CAPITAL

₹ Crore

	2010	2009
AUTHORISED		
22,50,00,000 (Previous Year - 22,50,00,000) Equity Shares of ₹ 10 each	225.00	225.00
10,00,00,000 (Previous Year - 10,00,00,000) Preference Shares of ₹ 10 each	100.00	100.00
	325.00	325.00
ISSUED		
18,87,93,243 (Previous Year - 18,87,88,179) Equity Shares of ₹ 10 each	188.79	188.78
SUBSCRIBED		
18,77,45,356 (Previous Year - 18,77,40,292) Equity Shares of ₹ 10 each fully paid	187.75	187.74
Add : 3,84,060 (Previous Year - 3,84,060) Equity Shares of ₹ 10 each		
Forfeited - Amount Paid	0.20	0.20
	187.95	187.94
TOTAL ...	187.95	187.94

Notes :

Out of the above

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

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

Options in force as of December 31, 2010 under the Employees Stock Option Schemes - Nil - (Previous Year - 4,054 Shares)

ESOS 2001 - Vested Options exercisable @ ₹ 127/- per share till October 30, 2010 - Nil - (Previous Year - 4,054 Shares)

SCHEDULE - 2, RESERVES AND SURPLUS

₹ Crore

	2010	2009
Capital Reserve		
Balance as per last account	67.64	82.64
Less: Provision for capital subsidy receivable {Refer Note - 13B(c)}	-	15.00
	67.64	67.64
Securities Premium		
Balance as per last account	844.69	842.93
Add: Additions on exercise of Employees Stock Option	0.15	1.76
	844.84	844.69
General Reserve		
Balance as per last account	1,669.86	1,319.86
Add: Amount transferred from Profit and Loss Account	250.00	350.00
	1,919.86	1,669.86
Debenture Redemption Reserve		
Balance as per last account	35.00	10.00
Add: Amount transferred from Profit and Loss Account	25.00	25.00
	60.00	35.00
Amortisation Reserve		
Balance as per last account	7.14	6.49
Add: Amount transferred from Profit and Loss Account	0.65	0.65
	7.79	7.14
Employees Stock Option Outstanding	-	0.02
Profit and Loss Account	3,381.41	3,203.85
TOTAL ...	6,281.54	5,828.20

Schedules forming part of the Balance Sheet

SCHEDULE - 3, SECURED LOANS

	₹ Crore	
	2010	2009
PRIVATELY PLACED NON - CONVERTIBLE DEBENTURES		
*Secured by a charge on all movable and immovable assets under the Debenture Trust Deed		
(a) 2,000 (Previous Year 2,000) 11.30% Non-Convertible Debentures redeemable at par on December 09, 2013	200.00	200.00
(b) 3,000 (Previous Year 3,000) 8.45% Non-Convertible Debentures redeemable at par on October 07, 2014	300.00	300.00
Term Loans from Banks	-	50.00
*Secured by a Mortgage on certain immovable properties and hypothecation of all movable assets except book debts {Due within one year ₹ Nil (Previous Year - ₹ 50 Crore)}		
Cash credit facility from Bank	9.93	-
*Secured by Hypothecation of inventory and books debts		
TOTAL ...	509.93	550.00

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

SCHEDULE - 4, UNSECURED LOANS

	₹ Crore	
	2010	2009
Long Term Loans		
Deferred payment Liability - IDCOL	8.12	9.74
{Due within one year ₹ 3.24 Crore (Previous Year - ₹ 3.24 Crore)} (Refer Note - 19)		
Deferred Sales Tax Loans	5.77	7.18
{Due within one year ₹ 1.41 Crore (Previous Year - ₹ 1.41 Crore)}		
TOTAL ...	13.89	16.92

SCHEDULE - 5, DEFERRED TAX LIABILITIES (Net)

	₹ Crore	
	2010	2009
Deferred Tax Liabilities arising on account of :		
Depreciation and amortisation differences	533.88	498.39
	533.88	498.39
Deferred Tax Assets arising on account of :		
Provision for Employee Benefits	47.84	44.65
Expenditure debited to Profit and loss Account but allowed for tax purposes in the following years	57.54	71.16
Provision for obsolescence of Spare Parts	23.65	-
Others	43.32	33.33
	172.35	149.14
Net Deferred Tax Liabilities	361.53	349.25

Schedules forming part of the Balance Sheet

SCHEDULE - 6, FIXED ASSETS

₹ Crore

FIXED ASSETS	GROSS BLOCK AT COST				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01-01-2010	Additions/ Adjustments	Deductions/ Adjustments	As at 31-12-2010	As at 01-01-2010	For the Year	Deductions/ Adjustments	As at 31-12-2010	As at 31-12-2010	As at 31-12-2009
Tangible Assets :										
1. Freehold Land	148.72	78.22	34.50	192.44	-	-	-	-	192.44	148.72
2. Leasehold Land	54.69	2.92	-	57.61	23.65	6.97	-	30.62	26.99	31.04
3. Buildings	710.09	109.65	6.88	812.86	133.27	24.01	0.77	156.51	656.35	576.82
4. Machinery, Plant and Kilns	5,428.76	1,147.35	114.11	6,462.00	2,314.16	334.36	62.40	2,586.12	3,875.88	3,114.60
5. Roads, Bridges and Fences	120.27	15.30	1.09	134.48	33.04	6.32	0.04	39.32	95.16	87.23
6. Railway Sidings	66.32	32.96	0.06	99.22	27.28	3.18	0.05	30.41	68.81	39.04
7. Rolling Stock	93.59	-	0.49	93.10	49.84	2.87	0.01	52.70	40.40	43.75
8. Furniture, Fixtures and Equipments	107.82	11.89	3.31	116.40	30.44	5.78	2.26	33.96	82.44	77.38
9. Motor Cars, Trucks, etc.	21.83	13.14	0.76	34.21	11.31	2.36	0.62	13.05	21.16	10.52
Sub Total	6,752.09	1,411.43	161.20	8,002.32	2,622.99	385.85	66.15	2,942.69	5,059.63	4,129.10
Intangible Assets :										
10. Computer Software	55.16	0.45	-	55.61	44.99	6.83	-	51.82	3.79	10.17
11. Mining Right	19.02	-	-	19.02	-	-	-	-	19.02	19.02
Sub Total	74.18	0.45	-	74.63	44.99	6.83	-	51.82	22.81	29.19
TOTAL	6,826.27	1,411.88	161.20	8,076.95	2,667.98	392.68	66.15	2,994.51	5,082.44	4,158.29
Previous Year	5,835.67	1,053.91	63.31	6,826.27	2,365.97	342.09	40.08	2,667.98	4,158.29	
12. Capital Work-in-Progress {Including Capital advances ₹ 97.28 Crore (Previous Year - ₹ 201.74 Crore)}									1,562.80	2,156.21

- Notes:- (i) Buildings include cost of Shares ₹ 5,960 (Previous Year - ₹ 6,710) in various Co-operative Housing Societies, in respect of 17 residential flats (Previous Year - 20).
- (ii) Rolling stock includes assets given on lease to Railways under "Own Your Wagons" Scheme, Gross Block ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore) and accumulated depreciation ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore).
- (iii) Machinery, Plant & Kilns and Roads Bridges & Fences include Gross Block of ₹ 12.68 Crore (Previous Year - ₹ 12.68 Crore), ₹ 26.17 Crore (Previous Year - ₹ 26.17 Crore) and Net Block ₹ 0.30 Crore (Previous Year - ₹ 0.59 Crore), ₹ 4.35 Crore (Previous Year - ₹ 8.99 Crore) respectively, in respect of expenditure incurred on capital assets, ownership of which does not vest with the Company.

Schedules forming part of the Balance Sheet

SCHEDULE - 7, INVESTMENTS - (At Cost unless otherwise stated)

	Face Value ₹	Numbers	2010 ₹ Crore	2009 ₹ Crore
Long Term Investments				
Trade Investments				
(a) Equity Shares - Fully Paid (Quoted):-				
Shiva Cement Limited	2	23,650,000	23.65	23.65
(21,50,000 bonus shares received during the year)				
(b) Equity Shares - Fully Paid (Unquoted):-				
(i) Alcon Cement Company Pvt. Ltd.	10	408,001	22.25	22.25
(ii) Asian Concretes and Cements Pvt. Ltd (Acquired during the year) ...	10	8,100,000	36.81	-
(iii) Moira Madhujore Coal Ltd. (Allotted during the year)	10	47,507	0.35	-
			83.06	45.90
Subsidiary Companies				
(a) Equity Shares - Fully Paid (Unquoted):-				
(i) Bulk Cement Corporation (India) Limited	10	31,842,050	37.27	37.27
(ii) Lucky Minmat Limited	100	325,000	38.10	38.10
(iii) ACC Mineral Resources Limited	100	495,000	4.95	4.95
(iv) ACC Concrete Limited	10	100,000,000	100.00	100.00
(v) National Limestone Company Pvt. Ltd.	100	8,650	16.24	16.24
(vi) Encore Cement and Additives Pvt. Ltd. (Acquired during the year) ...	10	5,000,000	11.78	-
(b) 1% Cumulative Redeemable Preference Share Fully paid (Unquoted)				
ACC Concrete Limited	10	100,000,000	100.00	100.00
			308.34	296.56
Other than trade investments				
(a) Government Securities				
* (i) Quoted	-		-	-
(ii) Unquoted**				
5.13% Himachal Pradesh Infrastructure Development Board Bonds	1,000,000	37	3.71	3.71
{ ** includes ₹ 0.01 Crore - (Previous Year ₹ 0 .01 Crore) deposited with Government and others as security deposit}				
(b) Equity Shares - Fully Paid (Unquoted):-				
* Kanoria Sugar & General Mfg. Company Ltd.	10	4	-	-
* Gujarat Composites Ltd.	10	60	-	-
* Rohtas Industries Ltd.	10	220	-	-
* The Jaipur Udyog Ltd.	10	120	-	-
* The Sone Valley Portland Cement Company Ltd.	5	100	-	-
* The Travancore Cement Company Ltd.	10	100	-	-
* Ashoka Cement Ltd.	10	50	-	-
* Digvijay Finlease Ltd.	10	90	-	-
			3.71	3.71

Schedules forming part of the Balance Sheet

SCHEDULE - 7, INVESTMENTS - (Contd.)

	Face Value ₹	Numbers	2010 ₹ Crore	2009 ₹ Crore
Current Investments, other than trade (lower of cost or fair value)				
Investment in Mutual Funds - Fully paid-up (Unquoted):-				
Reliance Liquidity Fund	1,000	562,270.738	-	56.31
Reliance Liquidity Fund	10	10,618,395.460	-	18.16
Kotak Liquid Institutional Premium	10	70,463,707.811	-	75.37
Birla Sun Life Cash Plus Institutional Premium	10	73,426,328.568	-	73.47
Templeton India TMA Super Institutional Plan	10	46,179,212.866	-	46.23
DWS Insta Cash Institutional	10	75,281,225.113	-	75.45
DBS Chola Liquid Institutional	10	24,761,689.543	-	25.15
SBI Magnum Instacash Fund	10	46,770,488.752	-	49.22
UTI Liquid Fund Cash Plan IP	1,000	752,682.564	-	75.28
IDFC Cash Fund Plan C Institutional	10	44,213,496.169	-	44.22
Principal Cash Management Fund Institutional Premium	10	37,098,651.717	-	37.16
LIC Mutual Fund Liquid Plan	10	74,665,476.788	-	75.29
Canara Robeco Liquid Super Institutional	10	27,466,856.675	-	34.08
HDFC Liquid Fund Premium Plan	10	73,550,308.839	-	74.15
Tata Liquid Fund Ship	10	56,033,762.587	-	56.23
Fortis Overnight Fund Institutional Plus	10	40,109,222.677	-	40.12
Religare Liquid Fund Institutional Plan	10	30,095,986.326	-	30.14
Sundaram BNP Paribas Money Fund Super Inst DDR	10	17,019,213.569	-	17.08
Baroda Pioneer Liquid Fund Institutional	10	40,112,346.656	-	40.15
Fidelity Cash Fund Super IP	10	9,031,218.350	-	9.03
Prudential ICICI Super Institutional Plan	100	7,106,565.893	-	75.14
DSP Black Rock Cash Plus Fund Institutional	1,000	59,975.236	-	6.01
JP Morgan India Liquid Fund	10	13,002,258.496	-	13.01
JM High Liquidity Super IP	10	39,991,683.109	-	40.01
Sundaram BNP Paribas Money Fund Super Institutional	10	37,647,207.314	-	38.01
Axis Liquid Fund	1,000	50,003.992	-	5.00
Axis Liquid Fund	1,000	351,124.468	35.12	-
Baroda Pioneer Liquid Fund Institutional	10	20,022,161.126	20.03	-
Birla Sun Life Cash Manager Institutional Premium	10	16,108,279.614	16.11	-
Birla Sun Life Cash Plus Institutional Premium	10	39,970,577.980	40.05	-
DSP Black Rock Cash Plus Fund Institutional	1,000	50,525.227	5.06	-
DSP Black Rock Liquidity Fund Institutional	1,000	300,293.139	30.04	-
DSP Black Rock Money Manager Fund Institutional	1,000	190,669.903	19.07	-
DSP Blackrock - FMP 3m Series 21	10	10,000,000.000	10.17	-
DSP Blackrock - FMP 3m Series 22	10	20,000,000.000	20.31	-
DSP Blackrock - FMP 3m Series 23	10	25,000,000.000	25.31	-
DSP Blackrock - FMP 3m Series 24	10	13,003,672.000	13.11	-
DWS Treasury Fund - Cash - Institutional	10	12,058,165.703	12.12	-
Fidelity - Ultra Short Term Debt Fund - Super IP	10	37,066,808.016	37.09	-
HDFC - Qif - Plan B	10	18,936,435.177	19.26	-
HDFC - Qif - Plan C	10	10,001,468.213	10.11	-
HDFC Floating Rate Income Fund - STP	10	5,016,321.395	5.06	-
HDFC Liquid Fund - Premium Plan	10	32,638,005.426	40.01	-
ICICI Prudential Flexible Income Plan Premium	100	574,005.982	6.07	-

Schedules forming part of the Balance Sheet

SCHEDULE - 7, INVESTMENTS - (Contd.)

	Face Value ₹	Numbers	2010 ₹ Crore	2009 ₹ Crore
ICICI Prudential Liquid Super Institutional Plan	100	4,403,186.341	44.04	-
ICICI Prudential Interval Fund III Quarterly Interval Plan	10	8,001,121.304	8.12	-
ICICI Prudential Quarterly Interval II	10	24,002,811.678	24.20	-
ICICI Prudential Ultra Short Term Plan Super Premium	100	2,001,214.827	20.02	-
IDBI Liquid Fund	10	38,172,468.243	38.18	-
IDFC Cash Fund - Plan C - Institutional	10	20,005,370.997	20.01	-
IDFC Money Manager Fund - TP - Super Inst Plan C	10	8,098,770.811	8.10	-
JM High Liquidity - Super IP	10	41,006,468.989	41.08	-
JM Money Manager Fund Regular Plan	10	8,084,491.036	8.09	-
Kotak Flexi Debt Fund - IP	10	9,972,049.911	10.02	-
Kotak Liquid - Institutional Premium	10	36,064,337.314	44.10	-
Kotak QIP -Series 10 - Inst	10	9,999,999.909	10.14	-
Kotak QIP -Series 9	10	15,000,956.714	15.26	-
Kotak Quarterly Interval Plan - Series 5	10	13,000,000.000	13.19	-
L & T Liquid Fund - Super IP	10	8,908,528.415	9.01	-
Pramerica Liquid Fund	1,000	131,343.144	13.13	-
Principal Pnb Fmp 64 - 91d - Series XXV	10	15,000,000.000	15.14	-
Principal Pnb Fmp 65 - 91d - Series XXVI	10	10,001,537.177	10.14	-
Principal Pnb Fmp 91d - Series XXIV	10	30,000,000.000	30.47	-
Religare Active Income Fund Institutional	10	10,125,685.700	10.13	-
Religare Liquid Fund - Institutional Plan	10	18,037,826.480	18.05	-
Religare Liquid Fund - Super Institutional Plan	10	12,065,015.001	12.07	-
Religare Fmp Series IV Plan A - 3m	10	25,000,000.000	25.33	-
Religare Fmp Series IV Plan C - 3m	10	20,000,000.000	20.17	-
SBI - Debt Fund Series - 90d - 36	10	26,007,792.000	26.11	-
SBI - Debt Fund Series - 90d - 37	10	15,000,000.000	15.06	-
SBI - SHF - Ultra Short Term Fund - Institutional Plan	10	16,185,329.803	16.20	-
SBI Magnum Instacash Fund	10	84,285,756.222	141.18	-
SBI Premier Liquid Fund - Super IP	10	32,943,173.848	33.05	-
Sundaram - QIP - Interval Plan - D - Inst	10	15,000,000.000	15.25	-
Sundaram - QIP - Interval Plan - E - Inst	10	10,000,000.000	10.09	-
Sundaram - QIP - Interval Plan - C - Inst	10	15,002,258.477	15.18	-
Sundaram Flexible Fund St Institutional	10	19,853,963.460	20.04	-
Sundaram Money Fund - Super Inst	10	8,989,015.061	9.07	-
Sundaram Money Fund - Super Inst	10	19,897,841.822	20.08	-
Sundaram Ultra Short Term Fund - Super Inst	10	17,100,327.405	17.17	-
Tata Floater Fund	10	7,050,405.801	7.08	-
Tata Liquid Fund- Ship	10	19,960,848.457	20.03	-
Templeton India - TMA - Super Institutional Plan	1,000	199,903.275	20.00	-
Templeton India - Ultra Short Bond Fund - Super Institutional	10	10,004,321.517	10.02	-
UTI - FIIF - Quarterly Plan - Series III - Inst	10	14,002,112.074	14.11	-
UTI - FRF - STP - Institutional	1,000	201,288.501	20.14	-
UTI - FIIF - Series II - QIP - IV - IP	10	25,001,058.025	25.38	-
UTI Treasury Advantage Fund - IP	1,000	200,268.944	20.03	-
			1,307.56	1,129.47
TOTAL ...			1,702.67	1,475.64
Notes (i) Aggregate amount of quoted Investments			23.65	23.65
{Market value ₹ 17.44 Crore (Previous Year - ₹ 19.58 Crore)}				
Aggregate amount of unquoted Investments			1,679.02	1,451.99
(ii) * Denotes amount less than ₹ 50,000				

Schedules forming part of the Balance Sheet

SCHEDULE - 7, INVESTMENTS - (contd.)

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

PARTICULARS	Face Value ₹	No. of Units	Purchase Cost ₹ Crore
AXIS FIXED TERM PLAN - SERIES 4 - DIVIDEND	10	3,000,305.844	3.00
AXIS LIQUID FUND - DIVIDEND	1,000	599,994.260	60.00
BARODA PIONEER LIQUID FUND - INSTITUTIONAL - DIVIDEND	10	128,918,781.171	129.00
BIRLA SUN LIFE - FRF - LTP - DIVIDEND REINVESTMENT	10	19,961,075.902	20.00
BIRLA SUN LIFE CASH PLUS - INSTITUTIONAL PREMIUM - DIVIDEND	10	381,256,549.727	382.00
BNP PARIBAS OVERNIGHT FUND - INSTITUTIONAL PLUS - DIVIDEND	10	51,984,404.679	52.00
BSL INTREVAL INCOME FUND - QIP - SERIES 1 - I P - DIVIDEND	10	7,000,000.000	7.00
BSL QUARTERLY INTERVAL FUND - SERIES 4 - DIVIDEND	10	9,000,000.000	9.00
CANARA ROBECO FRF - DIVIDEND	10	9,746,588.694	10.00
CANARA ROBECO LIQUID - SUPER INSTITUTIONAL DIVIDEND	10	51,787,670.551	52.00
DSP BLACK ROCK CASH PLUS FUND - INSTITUTIONAL - DIVIDEND	1,000	199,948.404	20.00
DSP BLACK ROCK LIQUIDITY FUND - INSTITUTIONAL - DIVIDEND	1,000	1,399,704.971	140.00
DSP BLACKROCK FMP - 3 MONTHS - SERIES 18 - DIVIDEND	10	25,000,000.000	25.00
DWS INSTA CASH - INSTITUTIONAL - DIVIDEND	10	113,661,770.474	114.00
FIDELITY CASH FUND- SUPER IP- DIVIDEND	10	42,447,754.711	43.00
HDFC - FMP - 35D - SEP2010 (2) - SERIES XIV - DIVIDEND	10	10,000,000.000	10.00
HDFC - FMP - 35D AUG 2010 - (2) - DIVIDEND - SERIES XIV	10	10,000,000.000	10.00
HDFC - QIF - PLAN B - DIVIDEND	10	19,000,000.000	19.00
HDFC FMP 90D JUNE 2010 - SERIES XIII - DIVIDEND	10	11,000,000.000	11.00
HDFC LIQUID FUND - PREMIUM PLAN - DIVIDEND	10	182,710,974.077	224.00
HDFC QUARTERLY INTERVAL FUND - PLAN A - DIVIDEND	10	19,994,401.568	20.00
IDFC CASH FUND - PLAN C - INSTITUTIONAL - DIVIDEND	10	207,948,012.997	208.00
JM HIGH LIQUIDITY - SUPER IP - DIVIDEND	10	209,654,070.780	210.00
JP MORGAN INDIA LIQUID FUND - DIVIDEND	10	59,952,637.416	60.00
KOTAK FLOATER SHORT TERM - IP - DIVIDEND	10	8,177,885.362	10.00
KOTAK LIQUID - INSTITUTIONAL PREMIUM - DIVIDEND	10	181,549,055.045	222.00
KOTAK QUARTERLY INTERVAL PLAN SERIES 1 - DIVIDEND	10	15,000,000.000	15.00
KOTAK QUARTERLY INTERVAL PLAN - SERIES 5 - DIVIDEND	10	13,000,000.000	13.00
L & T FMP 1 (AUG 91DA) - DIVIDEND	10	10,000,000.000	10.00
L & T LIQUID INSTITUTIONAL DIVIDEND REINVESTMENT PLAN	10	114,666,429.427	116.00
L & T FMP 1 - JULY 91D - DIVIDEND	10	3,000,000.000	3.00
L & T FMP 1 - JUNE 91D - DIVIDEND	10	11,000,000.000	11.00
L & T FMP I - (SEPTEMBER 91 D A) DIVIDEND	10	23,003,134.000	23.00
LIC MUTUAL FUND - LIQUID - DIVIDEND PLAN	10	370,670,576.772	407.00
PEERLESS LIQUID FUND - SUPER INSTITUTIONAL PLAN - DIVIDEND	10	11,998,850.159	12.00
PRINCIPAL CASH MANAGEMENT FUND - INSTITUTIONAL PREMIUM	10	168,988,170.826	169.00
PRINCIPAL MONEY MANAGER FUND - IP - DIVIDEND	10	52,996,290.259	53.00

Schedules forming part of the Balance Sheet

SCHEDULE - 7, INVESTMENTS - (contd.)

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

PARTICULARS	Face Value ₹	No. of Units	Purchase Cost ₹ Crore
PRUDENTIAL ICICI SUPER INSTITUTIONAL PLAN - DIVIDEND	100	25,393,948.254	254.00
RELIANCE INTERVAL SERIES - 3 - INSTITUTIONAL - DIVIDEND	10	19,993,002.449	20.00
RELIANCE INTERVAL SERIES - 3 - INSTITUTIONAL - DIVIDEND REINVESTMENT	10	19,993,801.921	20.00
RELIANCE LIQUIDITY FUND - DIVIDEND	10	206,935,849.884	207.00
RELIANCE MONTHLY INTERVAL FUND SERIES 2 - INSTITUTIONAL PLAN DIVIDEND	10	32,992,872.209	33.00
RELIGARE LIQUID FUND - INSTITUTIONAL PLAN - DIVIDEND	10	92,931,710.581	93.00
RELIGARE OVERNIGHT FUND - DIVIDEND	10	37,984,412.159	38.00
SBI MAGNUM INSTACASH FUND - DIVIDEND	10	131,340,931.209	220.00
SBI PREMIER LIQUID FUND - SUPER IP - DIVIDEND	10	87,714,926.489	88.00
SUNDARAM MONEY FUND - SUPER INST- DIVIDEND	10	14,858,399.453	15.00
SUNDARAM BNP PARIBAS INTERVAL FUND QUARTERLY PLAN - D - INST - DIVIDEND ...	10	15,000,000.000	15.00
SUNDARAM BNP PARIBAS INTERVAL FUND - QUARTERLY PLAN B - INST - DIVIDEND ...	10	17,002,205.956	17.00
SUNDARAM BNP PARIBAS MONEY FUND - SUPER INST- DIVIDEND	10	87,169,276.791	88.00
TATA FIXED INCOME PORTFOLIO FUND SCHEME A2 - INST MONTHLY DIVIDEND	10	38,000,254.194	38.00
TATA FIXED INCOME PORTFOLIO FUND SCHEME B3 - QUARTERLY DIVIDEND	10	14,000,000.000	14.00
TATA FIXED INCOME PORTFOLIO A2 - INST - MONTHLY DIVIDEND	10	10,000,346.802	10.00
TATA FIXED INCOME PORTFOLIO FUND SCHEME B3 - QUARTERLY DIVIDEND	10	28,000,000.000	28.00
TATA FLOATER - DIVIDEND	10	13,951,616.023	14.00
TATA LIQUID FUND- SHIP - DIVIDEND	1,000	1,193,338.837	133.00
TAURUS LIQUID FUND - DIVIDEND	1,000	49,999.500	5.00
TEMPLETON INDIA - TMA - SUPER INSTL PLAN - DIVIDEND	1,000	929,374.532	93.00
UTI FIXED INCOME INTERVAL FUND - QUATERLY INTERVAL PLAN - I - DIVIDEND	10	26,000,000.000	26.00
UTI FIXED INCOME INTERVAL FUND - MONTHLY INTERVAL PLAN - I	10	38,724,776.280	46.00
UTI FIXED INCOME INTERVAL FUND - QIP - IP - DIVIDEND	10	24,993,001.959	25.00
UTI FIXED INCOME INTERVAL FUND - QUARTERLY INTERVAL PLAN - III - DIVIDEND	10	44,002,108.527	44.00
UTI FIXED INCOME INTERVAL FUND - SERIES - II - QUART INTERVAL PLAN VII DIVIDEND	10	14,000,000.000	14.00
UTI FIXED INCOME INTERVAL FUND - SERIES II - QUAR INTERVAL PLAN -VI - DIVIDEND	10	20,000,000.000	20.00
UTI LIQUIID FUND - CASH PLAN - IP- DIVIDEND	1,000	2,942,775.667	300.00
UTI TREASURY ADVANTAGE FUND - IP- DIVIDEND	1,000	459,901.534	46.00
TOTAL ...			4,866.00

Schedules forming part of the Balance Sheet

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

₹ Crore

	2010	2009
Raw Materials	138.50	92.05
Stores & Spare Parts, Packing Material and Fuels {Refer Note - 20(a)}	462.86	429.89
Work-in-Progress	201.19	168.96
Finished Goods	112.43	88.08
TOTAL ...	914.98	778.98

SCHEDULE - 9, SUNDRY DEBTORS

₹ Crore

	2010	2009
SUNDRY DEBTORS (SECURED AND CONSIDERED GOOD)		
(a) Over Six Months	-	0.01
(b) Others	61.49	35.40
	61.49	35.41
SUNDRY DEBTORS (UNSECURED)		
(a) Over Six Months -		
(i) Sale of Products and Services -		
Considered Good	5.14	3.76
Considered Doubtful	0.07	0.28
	5.21	4.04
(ii) Railway, Insurance and Other Claims*		
Considered Good	8.89	51.51
Considered Doubtful	52.26	47.97
	61.15	99.48
	66.36	103.52
Less: Provision made for Bad and Doubtful Debts {Refer Note - 13B(c)}	52.33	48.25
	14.03	55.27
(b) Others - (Considered Good)		
(i) Sale of Products and Services	101.49	77.70
(ii) Railway, Insurance and Other Claims*	1.27	35.32
	102.76	113.02
	116.79	168.29
TOTAL ...	178.28	203.70
Included in Sundry Debtors are :		
(i) Dues from Subsidiary Companies	14.66	3.08
(ii) Dues from Company under same mangement		
Ambuja Cements Limited	0.56	1.02
(iii) *Dues from Central / State Governments	60.66	131.73

Schedules forming part of the Balance Sheet

SCHEDULE - 10, CASH AND BANK BALANCES

	₹ Crore	
	2010	2009
Cash on Hand	8.69	2.23
{Including Cheques on hand ₹ 7.34 Crore (Previous Year - ₹ Nil)}		
Balance with Scheduled Banks		
In Current Account	58.93	69.38
In Fixed Deposits	985.07	650.74
In Unclaimed Dividend Accounts	27.33	24.02
Post Office Savings Accounts	0.01	0.01
{Maximum balance during the year ₹ 0.01 Crore (Previous Year - ₹ 0.01 Crore)}		
TOTAL ...	<u>1,080.03</u>	<u>746.38</u>

SCHEDULE - 11, OTHER CURRENT ASSETS

	₹ Crore	
	2010	2009
Accrued Interest on Investments	8.91	3.87
Other Accrued Interest	2.07	2.08
Fixed Assets held for sale	45.14	5.04
TOTAL ...	<u>56.12</u>	<u>10.99</u>

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

	₹ Crore	
	2010	2009
Balances with Excise, Sales Tax, Customs and Port Trust Authorities on Current Accounts	59.25	136.35
Sundry Advances and Deposits, etc.		
Advances Recoverable in cash or in kind or for value to be received*	124.01	139.21
Advances and Deposits with Railways, Government Bodies and Others		
Considered Good	234.78	170.68
Considered Doubtful	3.30	38.88
	<u>238.08</u>	<u>209.56</u>
Less - Provision made for Doubtful Advances	3.30	38.88
	<u>234.78</u>	<u>170.68</u>
Loans and advances to Subsidiary Companies	105.90	69.87
(Refer Note - 17)		
TOTAL ...	<u>523.94</u>	<u>516.11</u>
*Includes due from Officers	0.12	0.22
Maximum balance during the year	0.22	0.45

Schedules forming part of the Balance Sheet

SCHEDULE - 13, CURRENT LIABILITIES

	₹ Crore	
	2010	2009
Sundry Creditors		
Payable to Subsidiaries	1.75	1.63
Others	1,459.79	1,408.71
(Refer Note - 15)		
Advance from customers	137.51	128.25
Deposits from Dealers and Others	460.12	393.69
Investor Education and Protection Fund*		
Unclaimed Dividend	27.33	24.02
Unclaimed Matured Deposits	0.13	0.18
	27.46	24.20
Interest on Secured Loans accrued but not due	7.33	7.43
TOTAL ...	2,093.96	1,963.91

* No amounts due and outstanding to be credited to Investor Education and Protection Fund as at December 31, 2010

SCHEDULE - 14, PROVISIONS

	₹ Crore	
	2010	2009
Provision for Employee Benefits	122.68	99.69
(Refer note - 10)		
Provision for Mines Restoration	12.62	9.98
(Refer note - 12)		
Provision for Income Tax (net of payment)	1,068.36	754.79
Proposed Dividend	384.88	244.06
Dividend Distribution Tax	63.92	41.48
TOTAL ...	1,652.46	1,150.00

Schedules forming part of the Profit and Loss account

SCHEDULE - 15, OTHER INCOME

	2010	2009
Other Operating Income		
Provision no longer required written back	102.99	21.54
Sale of Surplus generated Power	45.58	58.89
Miscellaneous Income	109.88	83.27
{Includes Gain on Exchange (Net) - ₹ 2.64 Crore (Previous Year - ₹ 3.66 Crore)}		
	258.45	163.70
Other Income		
Profit on Sale of Investments	-	0.12
Interest on Bank deposits {TDS ₹ 3.77 Crore (Previous Year - ₹ 9.83 Crore)}	43.03	37.10
Other interest income {TDS ₹ 0.26 Crore (Previous Year - ₹ 0.28 Crore)}	3.79	3.90
Dividend from Long Term Investments - Trade	1.43	1.02
Dividend from current Investments - Other than trade	50.23	34.58
	98.48	76.72
TOTAL ...	356.93	240.42

SCHEDULE - 16, MANUFACTURING AND OTHER EXPENSES

	2010	2009
PURCHASE OF TRADING CEMENT	117.63	93.16
MANUFACTURING EXPENSES		
Raw Materials Consumed	1,123.20	891.51
Stores and Spare parts Consumed	11.30	10.03
Packing Materials Consumed	268.55	238.72
Power and Fuel	1,598.67	1,539.65
Repairs to Building	12.19	14.14
Repairs to Machinery {Refer Note - 20(a)}	421.65	323.30
Repairs to Other Items	40.19	33.62
Royalties	116.59	98.39
Excise Duties (including Education Cess)	115.14	84.52
{Includes excise duty on captive consumption of Clinker ₹ 108.12 Crore (Previous Year - ₹ 85.37 Crore)}		
	3,707.48	3,233.88
PERSONNEL EXPENSES		
Salaries, Wages, Dearness Allowance and Bonus	375.64	318.27
Contributions / Provisions to and for Provident and Other Funds	54.50	18.00
Workmen and Staff Welfare Expenses	31.75	31.44
	461.89	367.71
ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Rent	19.75	19.14
Rates and Taxes {includes Wealth Tax ₹ 0.71 Crore (Previous Year - ₹ 1.27 Crore)}	97.20	101.45
Insurance	18.32	17.60
Loading, Transportation and Other Charges	186.21	169.69
Discount, Rebates and Allowances	88.23	93.49
Commission on Sales	23.64	23.12
Miscellaneous expenses {Includes Loss on sale / write off of Fixed Assets (Net) - ₹ 38.37 Crore (Previous Year - ₹ 2.55 Crore)}	354.64	317.51
Total carried over ...	787.99	742.00

Schedules forming part of the Profit and Loss account

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

	₹ Crore	
	2010	2009
Total brought over ...	787.99	742.00
Provision for Bad and Doubtful Debts {Refer Note - 13B(c)}	5.79	31.26
Advertisement	68.85	53.16
Outward Freight Charges on Cement etc	1,070.30	1,054.41
	1,932.93	1,880.83
(INCREASE) / DECREASE IN FINISHED GOODS AND WORK-IN-PROGRESS		
Closing Stock -		
Finished Goods	112.43	88.08
Work-in-Progress	201.19	168.96
	313.62	257.04
Opening Stock -		
Finished Goods	88.08	78.86
Work-in-Progress	168.96	149.44
	257.04	228.30
	(56.58)	(28.74)
TOTAL ...	6,163.35	5,546.84

SCHEDULE - 17, INTEREST EXPENSES

	₹ Crore	
	2010	2009
Debentures	47.95	28.99
Term Loans	1.52	15.97
Interest on Income Tax	15.49	17.58
{Net of interest on refund ₹ 44.67 Crore (Previous Year - ₹ 20.33 Crore)}		
Others	28.42	48.14
	93.38	110.68
Less - Adjustments for -		
Interest Capitalised	36.60	26.38
TOTAL ...	56.78	84.30

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

SCHEDULE - 18, NOTES TO ACCOUNTS

1. Basis of preparation

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

2. Use of estimates

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

3. Significant accounting policies

(i) Fixed Assets

- a) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment losses if any.
- b) Advances paid towards the acquisition of fixed assets outstanding at each Balance Sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under Capital Work-in-Progress.
- c) Machinery spares which can be used only in connection with a particular item of Fixed Assets and the use of which is irregular, are capitalized at cost net of Cenvat and are depreciated over the remaining useful life of the related asset. The written down value of such spares is charged to the Profit and Loss Account, on issue for consumption.
- d) Fixed assets held for disposal are stated at the lower of net book value and net realisable value.

(ii) Depreciation and Amortisation

- a) Depreciation on fixed assets is provided using the straight-line method at the rates prescribed in schedule XIV to the Companies Act, 1956 or based on the useful lives of the assets as estimated by Management, whichever is higher. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed off.
- b) Cost of leasehold land is amortised over the period of the lease.
- c) In respect of quarry freehold land, amortisation reserve is created by amortising the cost over the number of years of the mining rights of the quarries.
- d) Capital assets whose ownership does not vest in the Company have been depreciated over the period of five years.

(iii) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

(iv) Intangible Assets

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

(v) Borrowing Costs

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and other cost that an entity incurs in connection with borrowing of funds.

(vi) Expenditure during construction period

In case of new projects and substantial expansion of existing factories, expenditure incurred including trial production expenses net of revenue earned, prior to commencement of commercial production are capitalised.

(vii) Investments

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

(viii) Inventories

Inventories are valued as follows:

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

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

b) Work-in-progress and Finished goods

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

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

Obsolete, defective and unserviceable inventories are duly provided for.

(ix) Cash and Cash equivalents

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

(x) Revenue recognition

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

Sale of Products and Services

a) Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise duties deducted from turnover (gross) are the amounts that are included in the amount of turnover (gross) and not the entire amount of liability that arose during the year. Excise duties in respect of finished goods are shown separately as an item of Manufacturing Expenses and included in the valuation of finished goods.

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

Interest and Dividend Income

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

(xi) Accounting of Claims

a) Claims receivable are accounted at the time when such income has been earned by the Company depending on the certainty of receipts. Claims payable are accounted at the time of acceptance.

b) Claims raised by Government Authorities regarding taxes and duties, which are disputed by the Company, are accounted based on the merits of each claim.

(xii) Government Grant and Subsidies

a) Subsidy receivable against an expense is deducted from such expense and subsidy / grant receivable against a specific fixed asset is deducted from cost of the relevant fixed asset.

b) Investment subsidy not specifically related to a fixed asset is credited to Capital Reserve and retained till the requisite conditions are fulfilled.

c) Sales include the amount of Sales Tax / VAT refunds received / due in accordance with incentive schemes.

(xiii) Debenture / Share issue expenses and premium payable on Debentures are adjusted in the year of incurrence against the Securities Premium Account as permitted by Section 78(2) of the Companies Act, 1956.

(xiv) Operating Lease

Where the Company is the lessee

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

(xv) Research and development

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

(xvi) 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 expenses in the year in which they arise.

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

Derivative Instruments

As per Accounting Standard (AS) 11 – 'The Effects of Changes in Foreign Exchange Rates' the premium or the discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is amortized as expense or income over the life of the contract.

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS – 11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored.

(xvii) Employee benefits

a) Defined Contribution Plan

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

b) Defined Benefit Plan and Other Long Term Benefits

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

c) Short term compensated absences are provided based on past experience of leave availed.

d) Payments made under the Voluntary Retirement Scheme are charged to the Profit and Loss Account immediately.

(xviii) Employees Stock Option Scheme

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

(xix) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India.

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

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

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

(xx) Contingencies / Provisions

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

(xxi) 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.

(xxii) Mines Restoration Expenditure

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

4. Segment Reporting

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

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

5. Related Parties Disclosures

(A) Names of the Related parties where control exists:	Nature of Relationship
(i) Bulk Cement Corporation (India) Limited	Subsidiary Company
(ii) ACC Mineral Resources Limited (Formerly The Cement Marketing Company of (India) Limited)	Subsidiary Company
(iii) Lucky Minmat Limited	Subsidiary Company
(iv) ACC Concrete Limited	Subsidiary Company
(v) National Limestone Company Private Limited	Subsidiary Company w.e.f. April 20, 2009
(vi) Encore Cement and Additives Private Limited	Subsidiary Company w.e.f. January 28, 2010
(vii) MP AMRL (Semaria) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
(viii) MP AMRL (Bicharpur) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
(ix) MP AMRL (Marki Barka) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
(x) MP AMRL (Morga) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited

(B) Others:

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

(b) Key Management Personnel:

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

(C) Transactions with Subsidiary Companies

		₹ Crore	
		2010	2009
(i) Purchase of Finished / Unfinished Goods / Raw Materials		29.32	1.94
	Lucky Minmat Limited	0.80	1.93
	Encore Cement and Additives Private Limited	27.56	-
	Others	0.96	0.01
(ii) Sale of Finished / Unfinished Goods		79.32	72.71
	ACC Concrete Limited	75.18	72.71
	Others	4.14	-
(iii) Reimbursement of Expenses / Cost of Materials / Stores Paid / Payable		17.48	14.83
	Bulk Cement Corporation (India) Limited	14.07	9.59
	Lucky Minmat Limited	1.05	4.58
	Others	2.36	0.66
(iv) Reimbursement of Expenses / Cost of Materials / Stores Received / Receivable		1.52	3.52
	ACC Concrete Limited	0.56	2.35
	ACC Mineral Resources Limited	0.07	1.05
	Lucky Minmat Limited	0.29	0.09
	Encore Cement and Additives Private Limited	0.44	-
	Others	0.16	0.03

(C) Transactions with Subsidiary Companies (Contd.)

		₹ Crore	
		2010	2009
(v)	Rendering of Services	0.75	0.67
	Bulk Cement Corporation (India) Limited	0.75	0.72
	ACC Concrete Limited*	-	(0.05)
(vi)	Receiving of Services	13.32	11.28
	Bulk Cement Corporation (India) Limited	13.02	11.28
	Others	0.30	-
(vii)	Guarantee given during the year on behalf of subsidiary company	0.36	-
	Encore Cement and Additives Private Limited	0.36	-
(viii)	Interest on Inter Corporate Deposits / Other Advances Received	0.03	-
	ACC Concrete Limited*	0.01	-
	Encore Cement and Additives Private Limited	0.02	-
(ix)	Investment in Subsidiary in Equity Shares Capital	11.78	21.14
	ACC Mineral Resources Limited	-	4.90
	National Limestone Company Private Limited	-	16.24
	Encore Cement and Additives Private Limited	11.78	-
(x)	Investment in Subsidiary in Preference Shares Capital	-	100.00
	ACC Concrete Limited	-	100.00
(xi)	Purchase of Fixed Assets	-	0.06
	ACC Concrete Limited	-	0.06
(xii)	Inter Corporate Deposits / Other Advances Given	58.77	78.13
	ACC Concrete Limited	28.00	78.00
	ACC Mineral Resources Limited	3.12	0.13
	Encore Cement and Additives Private Limited	27.65	-
(xiii)	Inter Corporate Deposits Liquidated	23.13	124.00
	ACC Concrete Limited	23.00	124.00
	ACC Mineral Resources Limited	0.13	-
(xiv)	Inter Corporate Deposits / other Advances as at the end of the year	103.77	68.13
	ACC Concrete Limited	73.00	68.00
	ACC Mineral Resources Limited	3.12	0.13
	Encore Cement and Additives Private Limited	27.65	-
(xv)	Outstanding balance included in Current Assets	16.79	4.82
	ACC Concrete Limited	14.66	3.06
	ACC Mineral Resources Limited	-	0.87
	Lucky Minmat Limited	0.26	0.77
	Others	1.87	0.12
(xvi)	Outstanding balance included in Current Liabilities	1.75	1.63
	Bulk Cement Corporation (India) Limited	1.70	1.63
	Others	0.05	-

(D) Transactions with Associate Companies

		₹ Crore	
		2010	2009
(i)	Purchase of Finished Goods	60.23	67.85
	Alcon Cement Company Private Limited	60.23	67.85
(ii)	Sale of Finished / Unfinished Goods	22.80	26.40
	Alcon Cement Company Private Limited	22.64	26.40
	Others	0.16	-
(iii)	Investment in Associates (Acquisition of Equity Shares)	36.81	-
	Asian Concretes and Cements Private Limited	36.81	-
(iv)	Dividend Received	1.43	1.02
	Alcon Cement Company Private Limited	1.43	1.02
(v)	Reimbursement of Expenses / Cost of Materials / Stores Paid / Payable	-	0.62
	Alcon Cement Company Private Limited	-	0.62
(vi)	Reimbursement of Expenses / Cost of Materials / Stores Received / Receivable	5.37	5.61
	Alcon Cement Company Private Limited	5.37	5.61
(vii)	Rendering of Services	1.23	1.35
	Alcon Cement Company Private Limited	1.23	1.35
(viii)	Receiving of Services	17.35	0.86
	Alcon Cement Company Private Limited	0.67	0.86
	Asian Concretes and Cements Private Limited	16.68	-
(ix)	Outstanding balance included in Current Assets	5.28	4.04
	Alcon Cement Company Private Limited	5.28	4.04
(x)	Outstanding balance included in Current Liabilities	10.96	3.34
	Alcon Cement Company Private Limited	3.58	3.34
	Asian Concretes and Cements Private Limited	7.38	-

(E) Details of Transactions relating to Promoters Group Companies

		₹ Crore	
		2010	2009
(i)	Dividend paid	199.48	173.46
	Ambuja Cement India Private Limited	198.24	172.38
	Holderind Investments Limited	1.24	1.08
(ii)	Purchase of Gypsum and Coal	75.30	83.55
	Holcim Trading FZCO	75.30	83.55
(iii)	Purchase of Unfinished Goods	9.79	-
	Ambuja Cements Limited	9.79	-
(iv)	Purchase of Stores & Spares	0.01	0.60
	Ambuja Cements Limited	0.01	0.60
(v)	Sale of Finished / Unfinished Goods	7.34	24.74
	Ambuja Cements Limited	7.34	23.74
	Others	-	1.00

(E) Details of Transactions relating to Promoters Group Companies (Contd.)

		₹ Crore	
		2010	2009
(vi)	Sale of Stores & Spares	-	0.28
	Ambuja Cements Limited	-	0.28
(vii)	Sale of Raw material & other items	3.16	-
	Holcim (Bangladesh) Limited	2.67	-
	Holcim Environment Services SA	0.49	-
(viii)	Rendering of Services	3.07	4.38
	Ambuja Cements Limited	3.07	4.38
(ix)	Reimbursement of Expenses Paid / Payable	0.21	0.90
	Ambuja Cements Limited	0.12	0.14
	Holcim Trading FZCO	0.09	0.46
	Holcim (Bangladesh) Limited	-	0.30
(x)	Reimbursement of Expenses Received / Receivable	2.96	3.32
	Ambuja Cements Limited	2.74	3.06
	Others	0.22	0.26
(xi)	Receiving of Services (Training / Technical Consultancy etc.)	45.22	33.34
	Holcim Group Support Limited	24.01	11.76
	Holcim Services (South Asia) Limited	20.84	21.25
	Others	0.37	0.33
(xii)	Outstanding Balance included in Current Assets	0.88	1.70
	Holcim Services (South Asia) Limited	0.16	0.63
	Ambuja Cements Limited	0.56	1.02
	Holcim (Bangladesh) Limited	0.11	-
	Others	0.05	0.05
(xiii)	Outstanding Balance included in Current Liabilities	13.08	6.67
	Holcim Group Support Limited	5.71	5.65
	Holcim Trading FZCO	6.03	0.69
	Others	1.34	0.33

(F) Details of Transactions with Key Management Personnel

		₹ Crore	
		2010	2009
	Remuneration	3.69	2.40
(i)	Mr. Sumit Banerjee (up to 13.08.10)	1.86	2.40
(ii)	Mr. Kuldip K. Kaura (w.e.f. 05.08.10)	1.83	-

* w.e.f January 01, 2009 the Company has decided to waive the rent charged to ACC Concrete Limited for occupation of office premises and also not to charge interest on Inter-Corporate Deposits given.

6. Earnings per Share - [EPS]

		₹ Crore	
		2010	2009
(I)	Net Profit as per Profit and Loss Account	1,120.01	1,606.73
(II)	Weighted average number of equity shares for Earnings per Share computation		
	Shares for Basic Earnings per Share	18,77,44,727	18,76,97,174
	Add: Potential equity shares on account of ESOS	4,16,549	4,11,011
	Number of Shares for Diluted Earnings per Share	18,81,61,276	18,81,08,185
(III)	Earnings per Share		
	Face value per Share	₹ 10.00	10.00
	Basic	₹ 59.66	85.60
	Diluted	₹ 59.52	85.42

7. Director's Remuneration

		₹ Crore	
		2010	2009
Managing Director			
	Salaries and Performance Bonus	2.00	1.27
	Perquisites	1.40	0.93
	Contributions to Provident and Superannuation Funds	0.29	0.20
		3.69	2.40
Non-Executive Directors –			
	Commission	1.30	1.34
	Sitting Fees	0.24	0.22
		5.23	3.96

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

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

		₹ Crore	
		2010	2009
	Profit before tax as per Profit and Loss Account	1,461.45	2,294.39
Add -	Depreciation and amortisation as per Profit and Loss Account	392.68	342.09
	Provision for Wealth Tax	0.71	1.27
	Tax on Yanbu operations	2.08	2.31
	Assets written off as per Profit and Loss Account	54.73	6.01
	Remuneration to Directors	5.23	3.96
	Provision for Doubtful Debts and Advances (net of adjustments)	(31.50)	31.26
	Compensation under Voluntary Retirement Scheme	1.88	12.50
		1,887.26	2,693.79

7. Director's Remuneration (Contd.)

	₹ Crore	
	2010	2009
Less-		
Depreciation under Section 350 of the Companies Act, 1956	392.68	342.09
Profit on Sale of Investments	-	0.12
Assets written off under Section 350 of the Companies Act, 1956	54.73	6.01
Profit on Sale of Assets (Net)	16.36	3.46
	463.77	351.68
Profit as per Section 349 of the Companies Act, 1956	1,423.49	2,342.11
Maximum remuneration to Managing Director as per Section 198 and 309 of the Companies Act, 1956 @ 5%	71.17	117.11
Remuneration actually approved for payment	3.30	2.40
Maximum commission to Non-Executive Directors under Section 198 of the Companies Act, 1956 @ 1%	14.23	23.42
Commission actually approved for payment	1.30	1.34

8. Payment to Statutory Auditors included in Miscellaneous expenses of schedule 16 (excluding service tax):

	₹ Crore	
	2010	2009
As auditors		
(i) Audit fees	2.33	2.10
(ii) Audit fees for tax financial statements	0.50	0.40
(iii) Out of pocket expenses	0.10	-
In other matters - Certification	0.01	0.02
	2.94	2.52

9. Acquisitions / Subscriptions

- During the year the Company has acquired 100% stake in Encore Cement and Additives Private Limited for a total consideration of ₹ 11.78 Crore, a Company engaged in manufacturing and supply of ground slag.
- During the year the Company has acquired 45% stake in Asian Concretes and Cements Private Limited for a total consideration of ₹ 36.81 Crore, a Company engaged in manufacturing of various grades of cement.
- During the previous year the Company subscribed to 100,000,000 1% Cumulative Redeemable Preference Share for a total consideration of ₹ 100 Crore in its wholly owned subsidiary ACC Concrete Limited.
- During the previous year the Company subscribed to 4,90,000 equity shares for a total consideration of ₹ 4.90 Crore in its wholly owned subsidiary ACC Mineral Resources Limited.
- During the previous year the Company has acquired 100% stake in National Limestone Company Pvt. Limited for a total consideration of ₹ 16.24 Crore, a Company engaged in mining of limestone.
- During the previous year the Ministry of Coal allocated a coal block in the state of West Bengal to a consortium in which the Company is a member. The Company plans to carry out mining activities through a joint venture Company. During the year the Company has been allotted 47,507 shares in Moira Madhujore Coal Ltd. for a total consideration of ₹ 0.35 Crore.
- During the previous year ACC Mineral Resources Ltd., a wholly owned subsidiary of ACC Limited has entered into four Joint Venture agreements with Madhya Pradesh State Mining Corporation Limited for mining of Coal in the state of Madhya Pradesh and Chattisgarh.

10. Employee Benefits:

a) Defined Contribution Plans – Amount recognised and included in Schedule 16 “Contributions / Provisions to and for Provident and Other Funds” of Profit and Loss Account ₹ 7.28 Crore (*Previous Year ₹ 7.94 Crore*).

b) Defined Benefit Plans – As per actuarial valuation on December 31, 2010

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

- i. Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of services. The scheme is funded with insurance companies in the form of a qualifying insurance policy.
- ii. Benefits under Post Employment medical Benefit plans are payable for actual domiciliary treatment / hospitalization for employees and their specified relatives.

		Gratuity		Post Employment Medical Benefits(PEMB)
		Funded	Non Funded	₹ Crore
I	Expense recognised in the Statement of Profit & Loss for the year ended December 31, 2010			
1	Current Service cost	5.25 6.61	1.60 1.83	0.04 1.12
2	Interest Cost	6.87 6.06	2.15 1.97	0.23 0.49
3	Employee Contributions	-	-	(0.41) (0.37)
4	Expected return on plan assets	(7.87) (6.97)	-	-
5	Net Actuarial (Gains) / Losses	17.20 (19.09)	10.54 (9.19)	(0.23) (4.25)
6	Past service cost	-	-	-
7	Settlement / Curtailment (Gain)	-	-	-
8	Total expense	21.45 (13.39)	14.29 (5.39)	(0.37) (5.19)
II	Net Asset / (Liability) recognised in the Balance Sheet as at December 31, 2010			
1	Present value of Defined Benefit Obligation	(117.16) (101.13)	(41.83) (31.60)	(2.28) (3.61)
2	Fair value of plan assets	103.72 95.39	-	-
3	Funded status {Surplus / (Deficit)}	(13.44) (5.74)	-	-
4	Net asset / (liability)	(13.44) (5.74)	(41.83) (31.60)	(2.28) (3.61)
III	Change in Obligation during the year ended December 31, 2010			
1	Present value of Defined Benefit Obligation at beginning of the year	101.13 123.24	31.60 39.00	3.61 10.18
2	Current Service cost	5.25 6.61	1.60 1.83	0.04 1.12
3	Interest Cost	6.87 6.06	2.15 1.97	0.23 0.49
4	Settlement / Curtailment (Gain)	-	-	-
		-	-	(2.18)

		₹ Crore		
		Gratuity		Post Employment Medical Benefits(PEMB)
		Funded	Non Funded	
5	Past service cost	-	-	-
6	Employee Contributions	-	-	(0.41) (0.37)
7	Actuarial (Gains) / Losses	17.66 <i>(18.38)</i>	10.54 <i>(9.19)</i>	(0.23) <i>(4.25)</i>
8	Benefits Payments	<i>(13.75)</i> <i>(16.40)</i>	<i>(4.06)</i> <i>(2.01)</i>	<i>(0.96)</i> <i>(1.38)</i>
9	Present value of Defined Benefit Obligation at the end of the year	117.16 <i>101.13</i>	41.83 <i>31.60</i>	2.28 <i>3.61</i>
IV	Change in Assets during the year ended December 31, 2010			
1	Plan assets at the beginning of the year	95.39 <i>84.14</i>	-	-
2	Settlements	-	-	-
3	Expected return on plan assets	7.87 <i>6.97</i>	-	-
4	Contributions by Employer	-	-	-
5	Actual benefits paid	-	-	-
6	Actuarial Gains / (Losses)	0.46 <i>0.71</i>	-	-
7	Plan assets at the end of the year	103.72 <i>95.39</i>	-	-
8	Actual return on plan assets	8.33 <i>7.68</i>	-	-
V	The major categories of plan assets as a percentage of total plan			
	Qualifying Insurance Policy	100%		
VI	Effect of One percentage point change in the assumed Medical Inflation rate	One percentage point increase in Medical Inflation rate - ₹ Crore	One percentage point decrease in Medical Inflation rate - ₹ Crore	
	Increase / (Decrease) on aggregate service and interest cost of Post Employment Medical Benefits	0.28 <i>0.32</i>	(0.24) <i>(0.28)</i>	
	Increase / (Decrease) on Present value of Defined Benefit Obligation as at December 31, 2010	0.93 <i>1.06</i>	(0.82) <i>(0.92)</i>	
VII	Actuarial Assumptions:	As at December 31, 2010		
1	Discount Rate	8% p.a. (<i>P.Y. – 7.25% p.a.</i>)		
2	Expected rate of return on plan assets	8% p.a. (<i>P.Y. – 8% p.a.</i>)		
3	Mortality pre-retirement	Indian assured lives Mortality (1994-96) (modified) ultimate.		
4	Mortality post-retirement	Mortality for annuitants LIC (1996-98) ultimate		
5	Employee turnover rate	5% p.a. (<i>P.Y. – 5% p.a.</i>)		
6	Medical premium inflation	12% p.a. for first 5 years and thereafter 8% p.a.		

(Figures in italics pertain to previous year)

- c) The Guidance issued by the Accounting Standard Board (ASB) on implementing AS-15, Employee Benefits (revised 2005) states that provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The Fund does not have any existing deficit or Interest shortfall. In regard to any future obligation arising due to interest shortfall (i.e. Government interest to be paid on provident fund scheme exceeds rate of interest earned on investment), pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the same.
- d) Basis used to determine expected rate of return on assets:
The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation. The Gratuity Scheme is invested in Life Insurance Corporation (LIC) of India's Group Gratuity-cum-Life Assurance cash accumulation policy and HDFC Standard Life's Group Unit Linked Plan - For Defined Benefit Scheme.
- e) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- f) The Company expects to contribute ₹ Nil to Gratuity fund in the year 2011.
- g) Post employment defined benefit plan expenses are included under personnel expenses in Profit and Loss Account.
- h) During the previous year, pursuant to amendments in Post Employment Medical Benefits scheme the Company had recognised curtailment gain of ₹ 2.18 Crore.
- i) Amounts for the current and previous four years are as follows:

(i) Gratuity (Funded)

	₹ Crore				
	2010	2009	2008	2007	2006
Defined benefit obligation	(117.16)	(101.13)	(123.24)	(98.41)	(86.31)
Plan assets	103.72	95.39	84.14	74.12	57.30
Surplus / (deficit)	(13.44)	(5.74)	(39.10)	(24.29)	(29.01)
Experience adjustments on plan assets	(0.46)	(0.71)	(0.83)	0.65	N.A.
Experience adjustments on plan liabilities	(10.54)	(5.74)	6.35	9.67	9.03

(ii) Gratuity (Non Funded)

	2010	2009	2008	2007	2006
Defined benefit obligation	(41.83)	(31.60)	(39.00)	(26.74)	(31.07)
Plan assets	-	-	-	-	-
Surplus / (deficit)	(41.83)	(31.60)	(39.00)	(26.74)	(31.07)
Experience adjustments on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Experience adjustments on plan liabilities	7.67	(3.83)	4.52	(6.96)	(0.31)

(iii) Post Employment Medical Benefits

	2010	2009	2008	2007	2006
Defined benefit obligation	(2.28)	(3.61)	(10.18)	(17.40)	(14.84)
Plan assets	-	-	-	-	-
Surplus / (deficit)	(2.28)	(3.61)	(10.18)	(17.40)	(14.84)
Experience adjustments on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Experience adjustments on plan liabilities	(0.20)	(2.96)	(6.14)	2.33	3.04

11. Operating Lease

a) Future Lease Rental payments

	₹ Crore	
	2010	2009
(i) Not later than one year	55.54	19.50
(ii) Later than one year and not later than five years	190.56	52.52
(iii) Later than five years	179.37	-

b) Operating lease payment recognised in Profit & Loss Account amounting to ₹ 39.64 Crore (*Previous Year ₹ 32.59 Crore*)

c) General description of the leasing arrangement:

- (i) Leased Assets: Grinding facility, Dumpers, Cranes and Tippers, Car, Locomotives, Godowns, Flats, Computers and other related equipments.
- (ii) Future lease rentals are determined on the basis of agreed terms.
- (iii) There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.
- (iv) At the expiry of the lease term, the Company has an option either to return the asset or extend the term by giving notice in writing.

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

Mines Restoration Expenditure

	₹ Crore	
	2010	2009
Opening provision	9.98	6.98
Add: Provision during the year	3.10	3.72
Less: Utilisation during the year	(0.46)	(0.72)
Closing provision	12.62	9.98

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.

13. A) Contingent Liabilities Not Provided For –

- a) Guarantee given on behalf of subsidiary companies to the extent of ₹ 0.51 Crore (*Previous Year – ₹ 0.15 Crore*).
- b) Indemnity, Guarantee/s given to Banks / Financial Institutions, Government Bodies and others ₹ 148.40 Crore (*Previous Year – ₹ 138.85 Crore*).
- c) Sales Tax, Excise Duties & Other Dues ₹ 59.41 Crore (*Previous Year – ₹ 46.96 Crore*).

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

- d) The Company had filed petitions against the orders / notices of various authorities demanding ₹ 155.21 Crore (*Previous Year – ₹ 132.96 Crore*) towards payment of additional Royalty on Limestone based on the ratio of 1.6 tonnes of Limestone to 1 tonne of Cement produced at its factories in Madhya Pradesh and Chattisgarh and on cement produced vis a vis consumption of limestone at its factory in Tamil Nadu. The Company holds the view that the payment of royalty on limestone is correctly made based on the actual quantity of limestone extracted from the mining area.

The Company has also received a demand resulting in a liability of ₹ 45.37 Crore (*Previous Year – ₹ 40.18 Crore*) towards payment of additional Royalty on Limestone based on the ratio of 1.4 tonnes of Limestone to 1 tonne of Clinker for one of its plant in the state of Karnataka. The Company has conducted studies to establish the quantity of Limestone consumed in the manufacture of Clinker at this plant and royalty payments towards Limestone are in accordance with such consumption ratios.

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

- B) a)** The Company was entitled to receive Transport Subsidy against actual expenditure on freight incurred for a period of five years in respect of its new 1 million MTPA plant at Galgal (Galgal II), which went into commercial production on September 15, 1994. Accordingly, the Company accrued the subsidy claim (including subsidy on clinker) aggregating ₹ 80.65 Crore (*Previous Year – ₹ 80.65 Crore*) up to September 1999.

In this respect, the Company had received part disbursement and the balance of ₹ 46.35 Crore was withheld on the ground that Galgal II is not a new unit but is an expansion of an existing unit, and thereby not eligible for subsidy under Transport Subsidy Scheme, 1971. Further, the Company had received a demand notice from the Government of Himachal Pradesh asking for refund of the subsidy already remitted.

During the year, the Supreme Court confirmed the eligibility of Galgal II to receive transport subsidy as claimed, by rejecting the appeal of the Union of India against the orders of the High Court of Himachal Pradesh (single bench in Aug 2003 and Division Bench in April 2008) which had confirmed that Galgal II was a new unit and consequently eligible for Transport Subsidy.

The Government has since accepted the verdict and has disbursed ₹ 45.19 Crore (leaving out an amount of ₹ 1.15 Crore relating to transport subsidy on Clinker, which the Company intends to pursue).

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

- 14.** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 259.05 Crore (*Previous Year – ₹ 660.45 Crore*).
- 15.** There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues.

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

16. a) Particulars of unhedged foreign currency exposure as at Balance Sheet date

Particulars	Amount
Export Debtors	₹ 10.04 Crore (SAR 0.83 Crore @ Closing rate of 1 SAR = ₹ 12.15) {Previous Year - ₹ 3.73 Crore (SAR 0.30 Crore @ Closing rate of 1 SAR = ₹ 12.50)}
Creditors	₹ 33.26 Crore (USD 0.73 Crore @ Closing rate of 1 USD = ₹ 45.55) {Previous Year - ₹ 0.84 Crore (USD 0.02 Crore @ Closing rate of 1 USD = ₹ 46.76)} ₹ 5.71 Crore (CHF 0.12 Crore @ Closing rate of 1 CHF = ₹ 48.43) {Previous Year - ₹ 6.55 Crore (CHF 0.15 Crore @ Closing rate of 1 CHF = ₹ 45.05)} ₹ 1.20 Crore (EUR 0.02 Crore @ Closing rate of 1 EUR = ₹ 60.37) {Previous Year - ₹ 2.83 Crore (EUR 0.04 Crore @ Closing rate of 1 EUR = ₹ 67.02)}

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

Currency	Number of Contracts	Buy Amount	Purpose
EURO			Import of Capital items
2010	1	3,11,990	
2009	1	88,42,500	
USD			Import of Capital items
2010	-	-	
2009	2	66,00,000	

17. Loans and Advances, in the nature of loans –

			₹ Crore
To Subsidiaries –			
Particulars	2010	2009	Maximum Balance during the Year
<u>Inter Corporate Deposits:</u>			
ACC Concrete Limited	73.00	68.00	74.00
ACC Mineral Resources Limited	3.12	0.13	3.12
Encore Cement and Additives Pvt. Ltd.	27.65	-	27.65

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

18. Sales include Sales Tax incentive of ₹ 7.67 Crore (Previous Year - ₹ 60.51 Crore)

19. Deferred Payment Liability included in “Unsecured Loans – Schedule 4” comprises of ₹ 8.12 Crore (Previous Year - ₹ 9.74 Crore) payable to the Industrial Development Corporation of Orissa Limited (IDCOL) in eight equal annual instalments without interest or penalty. The fourth instalment was due for payment on December 22, 2010.

20. a) During the year, the Company changed its basis of identifying obsolescence of spare parts. Obsolescence of spare parts is now determined with respect to the actual usage pattern. Accordingly, an amount of ₹ 71.16 Crore is recognized under repairs to machinery in schedule 16 as a write down for the year (including ₹ 47.36 Crore pertaining to the period until December 31, 2009). Had this change in basis not been made, the profit before tax for the year and the closing inventory of stores and spare parts as at the year end, would have been higher by ₹ 71.16 Crore.

b) The Board of Directors have recommended payment of final dividend of ₹ 20.50 per share which is inclusive of an one-time special Platinum Jubilee dividend of ₹ 7.50 per share. Total dividend together with the interim dividend paid earlier aggregates to ₹ 30.50 per equity share.

21 ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3 & 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956 :-**(A) Sales by class of goods (Net) -**

	Unit	2010		2009	
		Quantity	₹ Crore	Quantity	₹ Crore
(i) Cement	Lakh Tonnes	209.84	7,522.31	212.73	7,830.48
(ii) Clinker	"	1.20	31.99	2.02	51.47
(iii) Consultancy Services	-	-	44.02	-	46.49
(iv) Purchased Cement	Lakh Tonnes	3.03	119.01	2.43	98.76
			<u>7,717.33</u>		<u>8,027.20</u>

(B) Details of raw materials consumed

	Unit	2010		2009	
		Quantity	₹ Crore	Quantity	₹ Crore
(i) Slag	Lakh Tonnes	22.52	196.56	19.30	96.01
(ii) Gypsum	"	10.94	243.13	11.14	244.29
(iii) Fly Ash	"	42.99	146.66	44.56	135.68
(iv) Purchase of clinker	"	4.49	114.27	0.70	24.61
(v) Others		-	422.58	-	390.92
			<u>1,123.20</u>		<u>891.51</u>

(C) Purchase of Cement

	Unit	2010		2009	
		Quantity	₹ Crore	Quantity	₹ Crore
Cement	Lakh Tonnes	3.11	117.63	2.42	93.16

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

	Unit	Installed / Rated Capacity		Actual Production	
		As at December 31, 2010	As at December 31, 2009	2010	2009
Cement	Lakh Tonnes	270.83	261.69	213.75	213.69

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

	Unit	Opening stock as at January 1, 2010		Closing stock as at December 31, 2010	
		Quantity	₹ Crore	Quantity	₹ Crore
(i) Cement	Lakh Tonnes	3.48	88.04	3.92	111.92
(ii) Purchased Cement	"	0.001	0.04	0.01	0.51
			88.08		112.43

Closing stock quantity excludes self consumption, shortages and handling loss of 3.47 Lakh Tonnes (*Previous Year 1.60 Lakh Tonnes*)

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

	₹ Crore	
	2010	2009
(i) Raw Material	134.09	127.95
(ii) Stores and Spare Parts	54.50	85.47
(iii) Coal	290.60	151.83
(iv) Capital Goods	29.41	185.55
	508.60	550.80

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

	₹ Crore	
	2010	2009
Technical Know-how paid (Gross)	16.30	5.67
Consultants' Fees (net of recoveries)	3.34	2.77
Others	32.81	33.73
	52.45	42.17

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

(a) Raw Materials	2010		2009	
	₹ Crore	%	₹ Crore	%
Imported	154.41	13.75	140.23	15.73
Indigenous	968.79	86.25	751.28	84.27
	1,123.20	100.00	891.51	100.00

(b) Stores and Spare Parts	2010		2009	
	₹ Crore	%	₹ Crore	%
Imported	39.94	13.69	40.40	15.15
Indigenous	251.71	86.31	226.29	84.85
	291.65	100.00	266.69	100.00

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

	₹ Crore	
	2010	2009
Consultancy Services	51.83	55.36
	51.83	55.36

(I) Remittances in foreign currencies -

	2010		2009	
	On account of dividend to non-resident shareholders			
(a) Final Dividend				
No. of shareholders	1		2	
No. of Equity Shares	5,41,000		18,64,371	
Amount remitted (₹ Crore)	0.70		1.86	
Year to which it pertains	2009		2008	
(b) Interim Dividend	2010		2009	
No. of shareholders	1		1	
No. of Equity Shares	5,41,000		5,41,000	
Amount remitted (₹ Crore)	0.54		0.54	
Year to which it pertains	2010		2009	

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

As per our report of even date

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

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

per Sudhir Soni
Partner

Membership No. 41870

Mumbai, February 03, 2011

N. S. Sekhsaria
Chairman

Kuldip Kaura
CEO & Managing Director

Burjor D. Nariman
Company Secretary

Paul Hugentobler
Deputy Chairman

Sunil K. Nayak
Chief Financial Officer

S. M. Palia
Naresh Chandra
Markus Akermann
M. L. Narula
D. K. Mehrotra
R. A. Shah
Shailesh Haribhakti
Aidan Lynam

Directors

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

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

State Code No.

Balance Sheet Date

Date Month Year

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

Public Issue

Rights Issue

Bonus Issue

Private Placement

ESOS

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

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital

Secured Loans

Reserves & Surplus

Unsecured Loans

Deferred Tax Liabilities

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

IV. Performance of Company (Amount in ₹ Thousands)

Revenue

Expenditure

Profit/(Loss) before Tax

Profit/(Loss) after Tax

Earning per share (in ₹)

Dividend rate %

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

Item Code No. (ITC Code)

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

	ACC Mineral Resources Limited	Bulk Cement Corporation (India) Limited	Lucky Minmat Limited	ACC Concrete Limited	National Limestone Co. Pvt. Limited	Encore Cement and Additives Pvt. Limited*
(A) The "Financial Year" of the Subsidiary Companies	December 31, 2010	December 31, 2010	December 31, 2010	December 31, 2010	December 31, 2010	December 31, 2010
(B) Shares of the Subsidiary held by ACC Limited on the above dates :						
(a) Number and face value	495,000 Shares of ₹ 100/- each fully paid up	31,842,050 Shares of ₹ 10 / - each fully paid up	325,000 Share of ₹ 100 / - each fully paid up	100,000,000 Equity Share of ₹ 10 / - each fully paid up and 100,000,000 1% cumulative redeemable Preference Share of ₹ 10 / - each fully paid up	8,650 Shares of ₹ 100 / - each fully paid up	500,000 Shares of ₹ 10 / - each fully paid up
(b) Extent of holding	100%	94.65%	100%	100%	100%	100%
(C) The net aggregate of Profits / (Losses) of the Subsidiary Companies so far as it concerns the members of the ACC Limited -						
(a) Not dealt with in the accounts of ACC Limited for the year ended December 31, 2010 amounted to -						
(i) for the Subsidiaries financial year ended as in (A) above (₹ Lakhs)	(50.50)	38.83	(4.17)	(2,911.22)	(8.19)	(624.18)
(ii) for the previous financial years of the Subsidiaries since they became the Holding Company's subsidiaries (₹ Lakhs)	5.71	694.73	(36.92)	(14,371.35)	(5.99)	-
(b) Dealt with in the accounts of ACC Limited for the year ended December 31, 2010 amounted to -						
(i) for the Subsidiaries financial year ended as in (A) above	-	-	-	-	-	-
(ii) for the previous financial years of the Subsidiaries since they became the Holding Company's subsidiaries	-	-	-	-	-	-

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

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

N. S. Sekhsaria
Chairman

Kuldip Kaura
CEO & Managing Director

Burjor D. Nariman
Company Secretary

Paul Hugentobler
Deputy Chairman

Sunil K. Nayak
Chief Financial Officer

S. M. Palia
Naresh Chandra
Markus Akermann
M. L. Narula
D. K. Mehrotra
R. A. Shah
Shailesh Haribhakti
Aidan Lynam

Directors

Mumbai, February 03, 2011

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

We have audited the attached Consolidated Balance Sheet of ACC Group, comprising of ACC Limited ('the company') and its subsidiaries and associates as at December 31, 2010 and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets (net) of ₹ 174.03 Crore as at December 31, 2010 the total revenue of ₹ 648.27 Crore and cash flows (net) amounting to ₹ 2.53 Crore for the year then ended and of two associates which reflect the Group's share of profit of ₹ 3.50 Crore, for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

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

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

- (a) in the case of the consolidated balance sheet, of the state of affairs of the ACC Group as at December 31, 2010;
- (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Associates

Firm Registration No. 101049W
Chartered Accountants

per Sudhir Soni

Partner
Membership No. 41870

Place: Mumbai

Date: February 03, 2011

Consolidated Balance Sheet

as at December 31, 2010

	Schedules	2010	2009
₹ Crore			
SOURCES OF FUNDS:			
Shareholders' Funds:			
Share Capital	1	187.95	187.94
Share Application Money, pending allotment		-	0.08
Reserves and Surplus	2	6,092.78	5,681.92
		6,280.73	5,869.94
Minority Interest		2.42	2.40
Loan Funds:			
Secured Loans	3	509.93	550.00
Unsecured Loans	4	14.03	16.92
		523.96	566.92
Deferred Tax Liabilities (Net)	5	366.81	354.63
TOTAL FUNDS		7,173.92	6,793.89
APPLICATION OF FUNDS:			
Fixed Assets:			
Gross Block	6	8,458.13	7,165.02
Less: Accumulated Depreciation and Amortisation		3,151.49	2,786.59
Net Block		5,306.64	4,378.43
Capital Work-in-Progress (including Capital Advances)		1,564.15	2,157.47
		6,870.79	6,535.90
Investments	7	1,406.86	1,192.11
Current Assets, Loans and Advances:			
Inventories	8	925.90	786.09
Sundry Debtors	9	249.40	273.92
Cash and Bank Balances	10	1,085.56	754.42
Other Current Assets	11	56.92	12.30
Loans and Advances	12	445.25	465.05
		2,763.03	2,291.78
Less : Current Liabilities and Provisions:			
Current Liabilities	13	2,213.96	2,075.96
Provisions	14	1,653.46	1,150.91
		3,867.42	3,226.87
Net Current Assets		(1,104.39)	(935.09)
Miscellaneous Expenditure	15	0.66	0.97
(To the extent not written off or adjusted)			
TOTAL ASSETS (Net)		7,173.92	6,793.89
Notes to Accounts	19		

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

As per our report of even date

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

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

per Sudhir Soni
Partner
Membership No. 41870

Mumbai, February 03, 2011

N. S. Sekhsaria
Chairman

Kuldip Kaura
CEO & Managing Director

Burjor D. Nariman
Company Secretary

Paul Hugentobler
Deputy Chairman

Sunil K. Nayak
Chief Financial Officer

S. M. Palia
Naresh Chandra
Markus Akermann
M. L. Narula
D. K. Mehrotra
R. A. Shah
Shailesh Haribhakti
Aidan Lynam

} Directors

Consolidated Profit and Loss Account for the year ended December 31, 2010

		₹ Crore	
Schedules	2010	2009	
INCOME:			
Sale of Products and Services (Gross)	9,099.23	9,171.96	
Less - Excise Duty	840.46	692.41	
Sale of Products and Services (Net) (Refer Note - 13)	8,258.77	8,479.55	
Other Income	360.55	242.01	
	8,619.32	8,721.56	
EXPENDITURE:			
Manufacturing and Other Expenses	6,718.26	6,016.59	
Depreciation and Amortisation	427.72	373.13	
Interest Expenses	57.93	84.36	
	7,203.91	6,474.08	
Profit before Tax	1,415.41	2,247.48	
Provision for Tax			
Current Tax	(411.16)	(673.32)	
Tax adjustment for earlier year	81.97	-	
Deferred Tax	(12.17)	(12.55)	
Fringe Benefit Tax	-	(0.92)	
	(341.36)	(686.79)	
Profit after Tax	1,074.05	1,560.69	
Add - Share of Profit in Associates	3.50	3.16	
Add / (Less) - Minority Interest	(0.02)	0.06	
Profit after Tax	1,077.53	1,563.91	
Balance Brought forward from Previous Year	3,040.37	2,357.25	
Profit available for appropriation	4,117.90	3,921.16	
Appropriations:			
Interim Dividend	187.75	187.70	
Proposed Dividend {Refer Note -14(b)}	384.88	244.06	
Dividend Distribution Tax	95.10	73.38	
Previous Year Dividend Distribution Tax	(0.93)	-	
General Reserve	250.00	350.00	
Debenture Redemption Reserve	25.00	25.00	
Amortisation Reserve	0.65	0.65	
	942.45	880.79	
Surplus carried to Balance Sheet	3,175.45	3,040.37	
Consolidated Earnings per Share {Face value of ₹ 10 each (Refer Note - 6)}			
Basic	₹ 57.39	83.32	
Diluted	₹ 57.27	83.14	
Notes to Accounts	19		

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

As per our report of even date

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

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

per Sudhir Soni
Partner
Membership No. 41870

Mumbai, February 03, 2011

N. S. Sekhsaria
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Directors

Consolidated Cash Flow Statement

 for the year ended December 31, 2010

	₹ Crore	
	2010	2009
A. Cash flow from operating activities		
1 Net Profit before Tax	1,415.41	2,247.48
Adjustments for:		
2 Depreciation and Amortisation	427.72	373.13
3 Loss on sale / write off of Fixed Assets (Net)	39.59	3.61
4 Interest and Dividend Income	(97.72)	(75.90)
5 Interest Expense	57.93	84.36
6 Miscellaneous expenditure written off	3.10	1.92
7 Provision for Bad and Doubtful Debts and Advances (Net of adjustment)	(35.01)	34.64
8 Consumption of Machinery spares	16.51	14.01
9 Wealth Tax provision	0.71	1.27
10 Provision for obsolescence of spare parts	71.19	-
Operating profit before working capital changes	1,899.43	2,684.52
Movements in Working Capital:		
11 Decrease / (Increase) in Sundry debtors and Loans and advances	81.31	20.74
12 Decrease / (Increase) in Inventories	(206.81)	13.25
13 Decrease / (Increase) in Other current assets	2.17	0.53
14 Increase / (Decrease) in Current liabilities and Provisions	241.05	150.75
Cash generated from operations	2,017.15	2,869.79
15 Direct Taxes Paid (Net of refunds)	(76.19)	(494.16)
Net Cash flow from operating activities	1,940.96	2,375.63
B. Cash flow from investing activities		
16 Purchase of Fixed Assets (Including Capital work-in-progress)	(842.07)	(1,560.74)
17 Proceeds from sale of Fixed Assets	21.90	7.83
18 Purchase of Investments	(35.73)	-
19 Purchase of Investment in subsidiary Companies	(11.78)	(15.22)
20 Proceeds from Sale of Investments	-	(0.13)
21 Dividend Received	50.82	34.70
22 Interest Received	41.98	50.12
Net cash from investing activities	(774.88)	(1,483.44)
C. Cash flow from financing activities		
23 Interest paid {includes capitalised ₹ 36.60 Crore (Previous Year - ₹ 26.38 Crore)}	(94.63)	(105.49)
24 Proceeds from issue of Share Capital (Including Securities premium)	0.08	1.90
25 Proceeds / (Repayment) from Short term Borrowings	(8.85)	-
26 Proceeds from Long term Borrowings	-	300.00
27 Repayment of Long term Borrowings	(53.03)	(215.11)
28 Dividend paid (including Dividend distribution tax)	(500.23)	(435.93)
Net cash used in financing activities	(656.66)	(454.63)
Net Increase/(Decrease) in cash and cash equivalents	509.42	437.56
Cash and cash equivalents at the beginning of the year	1,896.23	1,458.62
Taken over on acquisition of Subsidiary	0.02	0.05
Cash and cash equivalents at the end of the year	2,405.67	1,896.23
Components of cash and cash equivalents:		
Cash and Bank Balances as per Balance sheet	1,085.56	754.42
Add : Investment in Mutual Funds	1,320.11	1,141.81
Cash and Cash equivalents in cash flow statement	2,405.67	1,896.23

Note : Cash and Cash Equivalents includes ₹ 27.33 Crore (Previous Year - ₹ 24.02 Crore) in respect of Unclaimed Dividend, the balance of which is not available to the Company.

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

As per our report of even date

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

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

per Sudhir Soni
Partner
Membership No. 41870

Mumbai, February 03, 2011

N. S. Sekhsaria
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Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 1, SHARE CAPITAL

₹ Crore

	2010	2009
AUTHORISED		
22,50,00,000 (Previous Year - 22,50,00,000) Equity Shares of ₹ 10 each	225.00	225.00
10,00,00,000 (Previous Year - 10,00,00,000) Preference Shares of ₹ 10 each	100.00	100.00
	<u>325.00</u>	<u>325.00</u>
ISSUED		
18,87,93,243 (Previous Year - 18,87,88,179) Equity Shares of ₹ 10 each	188.79	188.78
SUBSCRIBED		
18,77,45,356 (Previous Year - 18,77,40,292) Equity Shares of ₹ 10 each fully paid	187.75	187.74
Add : 3,84,060 (Previous Year - 3,84,060) Equity Shares of ₹ 10 each		
Forfeited - Amount Paid	0.20	0.20
	<u>187.95</u>	<u>187.94</u>
TOTAL ...	<u>187.95</u>	<u>187.94</u>

Notes :

Out of the above

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

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

Options in force as of December 31, 2010 under the Employees Stock Option Schemes - Nil (Previous Year - 4,054 Shares)

ESOS 2001 - Vested Options exercisable @ ₹ 127/- per share till October 30, 2010 - Nil (Previous Year - 4,054 Shares)

SCHEDULE - 2, RESERVES AND SURPLUS

₹ Crore

	2010	2009
Capital Reserve		
Balance as per last account	0.07	15.07
Less: Provision for capital subsidy receivable {Refer Note - 11B(c)}	-	15.00
	<u>0.07</u>	<u>0.07</u>
Securities Premium		
Balance as per last account	844.69	842.93
Add: Additions on exercise of Employees Stock Option	0.15	1.76
	<u>844.84</u>	<u>844.69</u>
General Reserve		
Balance as per last account	1,754.63	1,404.61
Add: Amount transferred from Profit and Loss Account	250.00	350.00
Add: Additions / Adjustment during the year	-	0.02
	<u>2,004.63</u>	<u>1,754.63</u>
Debenture Redemption Reserve		
Balance as per last account	35.00	10.00
Add: Amount transferred from Profit and Loss Account	25.00	25.00
	<u>60.00</u>	<u>35.00</u>
Amortisation Reserve		
Balance as per last account	7.14	6.49
Add: Amount transferred from Profit and Loss Account	0.65	0.65
	<u>7.79</u>	<u>7.14</u>
Employees Stock Option Outstanding	-	0.02
Profit and Loss Account	3,175.45	3,040.37
TOTAL ...	<u>6,092.78</u>	<u>5,681.92</u>

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 3, SECURED LOANS

	₹ Crore	
	2010	2009
PRIVATELY PLACED NON - CONVERTIBLE DEBENTURES		
*Secured by a charge on all movable and immovable assets under the Debenture Trust Deed		
(a) 2,000 (Previous Year - 2,000) 11.30% Non-Convertible Debentures redeemable at par on December 09, 2013	200.00	200.00
(b) 3,000 (Previous Year - 3,000) 8.45% Non-Convertible Debentures redeemable at par on October 07, 2014	300.00	300.00
Term Loans from Banks	-	50.00
*Secured by a Mortgage on certain immovable Properties and hypothecation of all movable assets except book debts.		
Cash credit facility from Bank	9.93	-
*Secured by Hypothecation of inventory and books debts		
TOTAL ...	<u>509.93</u>	<u>550.00</u>

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

SCHEDULE - 4, UNSECURED LOANS

	₹ Crore	
	2010	2009
Long Term Loans		
Deferred payment Liability - IDCOL	8.12	9.74
{Refer Note -14(a)}		
Deferred Sales Tax Loans	5.77	7.18
Other	0.14	-
TOTAL ...	<u>14.03</u>	<u>16.92</u>

SCHEDULE - 5, DEFERRED TAX LIABILITIES (Net)

	₹ Crore	
	2010	2009
Deferred Tax Liabilities arising on account of :		
Depreciation and amortisation differences	540.74	505.82
	<u>540.74</u>	<u>505.82</u>
Deferred Tax Assets arising on account of :		
Provision for Employee Benefits	47.84	44.65
Expenditure debited to Profit and Loss Account but allowed for tax purposes in the following years	57.54	71.16
Provision for obsolescence of Spare Parts	23.65	-
Others	44.90	35.38
	<u>173.93</u>	<u>151.19</u>
Net Deferred Tax Liabilities	<u>366.81</u>	<u>354.63</u>

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 6, FIXED ASSETS

₹ Crore

FIXED ASSETS	GROSS BLOCK AT COST				DEPRECIATION / AMORTISATION					NET BLOCK		
	As at 01-01-2010	Additions on Acquisition of Subsidiary	Additions/ Adjustments	Deductions/ Adjustments	As at 31-12-2010	As at 01-01-2010	Additions on Acquisition of Subsidiary	For the year	Deductions/ Adjustments	As at 31-12-2010	As at 31-12-2010	As at 31-12-2009
Tangible Assets :												
1. Freehold Land	148.77	-	78.49	34.50	192.76	-	-	-	-	-	192.76	148.77
2. Leasehold Land	58.32	-	2.92	-	61.24	24.34	-	7.03	-	31.37	29.87	33.98
3. Buildings	763.82	4.68	113.08	7.91	873.67	146.34	0.34	31.66	1.01	177.33	696.34	617.48
4. Machinery, Plant and Kilns	5,597.47	15.05	1,152.18	113.91	6,650.79	2,393.31	3.38	349.55	62.22	2,684.02	3,966.77	3,204.16
5. Roads, Bridges and Fences	123.06	-	15.30	1.09	137.27	35.45	-	6.35	0.04	41.76	95.51	87.61
6. Railway Sidings	69.88	-	32.96	0.06	102.78	29.12	-	3.35	0.05	32.42	70.36	40.76
7. Rolling Stock	133.84	-	0.15	0.49	133.50	63.56	-	4.79	-	68.35	65.15	70.28
8. Furniture, Fixtures and Equipments	111.00	0.17	12.15	3.34	119.98	31.42	0.04	5.96	2.27	35.15	84.83	79.58
9. Motor Cars, Trucks, etc.	27.52	-	13.14	1.34	39.32	7.78	-	4.59	0.99	11.38	27.94	19.74
Sub Total	7,033.68	19.90	1,420.37	162.64	8,311.31	2,731.32	3.76	413.28	66.58	3,081.78	5,229.53	4,302.36
Intangible Assets												
10. Computer Software	57.89	-	0.50	-	58.39	45.46	-	7.77	-	53.23	5.16	12.43
11. Goodwill	54.43	13.98	-	-	68.41	9.81	-	6.67	-	16.48	51.93	44.62
12. Mining Rights	19.02	-	1.00	-	20.02	-	-	-	-	-	20.02	19.02
Sub Total	131.34	13.98	1.50	-	146.82	55.27	-	14.44	-	69.71	77.11	76.07
TOTAL	7,165.02	33.88	1,421.87	162.64	8,458.13	2,786.59	3.76	427.72	66.58	3,151.49	5,306.64	4,378.43
Previous Year	6,113.99	16.27	1,099.73	64.97	7,165.02	2,453.60	-	373.13	40.14	2,786.59	4,378.43	
13. Capital Work-in-Progress {Including Capital advances ₹ 97.28 Crore (Previous Year ₹ 202.14 Crore)}											1,564.15	2,157.47

- Notes:-
- (i) Buildings includes cost of Shares ₹ 5,960 (Previous Year ₹ 6,710) in various Co-operative Housing Societies, in respect of 17 residential flats (Previous Year 20).
 - (ii) Rolling stock includes assets given on lease to Railways under "Own Your Wagons" Scheme, Gross Block ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore) and accumulated depreciation ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore).
 - (iii) Machinery, Plant & Kilns and Roads Bridges & Fences include Gross Block of ₹ 12.68 Crore (Previous Year - ₹ 12.68 Crore), ₹ 26.17 Crore (Previous Year - ₹ 26.17 Crore) and Net Block ₹ 0.30 Crore (Previous Year - ₹ 0.59 Crore), ₹ 4.35 Crore (Previous Year - ₹ 8.99 Crore) respectively, in respect of expenditure incurred on capital assets, ownership of which does not vest with the Company.
 - (iv) Goodwill is on account of Investment in subsidiaries.

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 7, INVESTMENTS - (At Cost unless otherwise stated)

	Face Value ₹	Numbers	2010 ₹ Crore	2009 ₹ Crore
Long Term Investments				
Trade Investments				
(a) Equity Shares - Fully Paid (Quoted):-				
Shiva Cement Limited	2	23,650,000	23.65	23.65
(21,50,000 bonus shares received during the year)				
(b) Equity Shares - Fully Paid (Unquoted):-				
Moirra Madhujore Coal Ltd.	10	47,507	0.35	-
(allotted during the year)				
Associate Companies				
Equity Shares - Fully Paid (Unquoted):-				
(i) Alcon Cement Company Pvt. Ltd.				
{includes unamortised Goodwill of ₹ 11.71 Crore (Previous Year - ₹ 13.33 Crore)}				
Add : Share of Profit			3.36	3.16
Less: Dividend Received			(1.43)	(1.01)
Less: Amortisation of Goodwill			(1.62)	(1.62)
			23.25	22.94
(ii) Asian Concretes and Cements Pvt. Ltd				
(Acquired during the year)				
{includes unamortised Goodwill of ₹ 14.37 Crore (Previous Year - ₹ Nil)}				
Add : Share of Profit			0.14	-
Less: Amortisation of Goodwill			(1.16)	-
			35.79	-
			83.04	46.59
Other than Trade Investments				
(a) Government Securities				
* (i) Quoted				
- - - - -				
(ii) Unquoted**				
5.13% Himachal Pradesh Infrastructure Development Board Bonds	1,000,000	37	3.71	3.71
{**includes Securities of ₹ 0.01 Crore - (Previous Year ₹ 0.01 Crore) deposited with Government and others as security deposit}				
(b) Equity Shares - Fully Paid (Unquoted):-				
* Kanoria Sugar & General Mfg. Company Ltd.	10	4	-	-
* Gujarat Composites Ltd.	10	60	-	-
* Rohtas Industries Ltd.	10	220	-	-
* The Jaipur Udyog Ltd.	10	120	-	-
* The Sone Valley Portland Cement Company Ltd.	5	100	-	-
* The Travancore Cement Company Ltd.	10	100	-	-
* Ashoka Cement Ltd.	10	50	-	-
* Digvijay Finlease Ltd.	10	90	-	-
			3.71	3.71
Current Investments, Other than trade (lower of cost or fair value)				
Investment in Mutual Funds - Fully paid-up (Unquoted):-				
Reliance Liquidity Fund	1,000	562,270.738	-	56.31
Reliance Liquidity Fund	10	10,618,395.460	-	18.16
Kotak Liquid Institutional Premium	10	70,463,707.811	-	75.37
Birla Sun Life Cash Plus Institutional Premium	10	73,426,328.568	-	73.47
Templeton India TMA Super Institutional Plan	10	46,179,212.866	-	46.23

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 7, INVESTMENTS - (Contd.)

	Face Value ₹	Numbers	2010 ₹ Crore	2009 ₹ Crore
DWS Insta Cash Institutional	10	75,281,225.113	-	75.45
DBS Chola Liquid Institutional	10	24,761,689.543	-	25.15
SBI Magnum Instacash Fund	10	46,770,488.752	-	49.22
UTI Liquid Fund Cash Plan IP	1,000	752,682.564	-	75.28
IDFC Cash Fund Plan C Institutional	10	44,213,496.169	-	44.22
Principal Cash Management Fund Institutional Premium	10	37,098,651.717	-	37.16
LIC Mutual Fund Liquid Plan	10	74,665,476.788	-	75.29
Canara Robeco Liquid Super Institutional	10	27,466,856.675	-	34.08
HDFC Liquid Fund Premium Plan	10	73,550,308.839	-	74.15
Tata Liquid Fund Ship	10	56,033,762.587	-	56.23
Fortis Overnight Fund Institutional Plus	10	40,109,222.677	-	40.12
Religare Liquid Fund Institutional Plan	10	30,095,986.326	-	30.14
Sundaram BNP Paribas Money Fund Super Inst DDR	10	17,019,213.569	-	17.08
Baroda Pioneer Liquid Fund Institutional	10	40,112,346.656	-	40.15
Fidelity Cash Fund Super IP	10	9,031,218.350	-	9.03
Prudential ICICI Super Institutional Plan	100	7,106,565.893	-	75.14
DSP Black Rock Cash Plus Fund Institutional	1,000	59,975.236	-	6.01
JP Morgan India Liquid Fund	10	13,002,258.496	-	13.01
JM High Liquidity Super IP	10	39,991,683.109	-	40.01
Sundaram BNP Paribas Money Fund Super Institutional	10	37,647,207.314	-	38.01
Axis Liquid Fund	1,000	50,003.992	-	5.00
Baroda Pioneer Liquid Fund	10	4,322,465.685	-	4.34
UTI Money Market Fund - Growth Plan	1,000	29,387.707	-	3.00
LICMF Saving Plus Fund - Growth Plan	10	3,458,580.045	-	5.00
Axis Liquid Fund	1,000	351,124.468	35.12	-
Baroda Pioneer Liquid Fund Institutional	10	20,022,161.126	20.03	-
Birla Sun Life Cash Manager Institutional Premium	10	16,108,279.614	16.11	-
Birla Sun Life Cash Plus Institutional Premium	10	39,970,577.980	40.05	-
DSP Black Rock Cash Plus Fund Institutional	1,000	50,525.227	5.06	-
DSP Black Rock Liquidity Fund Institutional	1,000	300,293.139	30.04	-
DSP Black Rock Money Manager Fund Institutional	1,000	190,669.903	19.07	-
DSP Blackrock - FMP 3m Series 21	10	10,000,000.000	10.17	-
DSP Blackrock - FMP 3m Series 22	10	20,000,000.000	20.31	-
DSP Blackrock - FMP 3m Series 23	10	25,000,000.000	25.31	-
DSP Blackrock - FMP 3m Series 24	10	13,003,672.000	13.11	-
DWS Treasury Fund - Cash - Institutional	10	12,058,165.703	12.12	-
Fidelity - Ultra Short Term Debt Fund - Super IP	10	37,066,808.016	37.09	-
HDFC - Qif - Plan B	10	18,936,435.177	19.26	-
HDFC - Qif - Plan C	10	10,001,468.213	10.11	-
HDFC Floating Rate Income Fund - STP	10	5,016,321.395	5.06	-
HDFC Liquid Fund - Premium Plan	10	32,638,005.426	40.01	-
ICICI Prudential Flexible Income Plan Premium	100	574,005.982	6.07	-
ICICI Prudential Liquid Super Institutional Plan	100	4,403,186.341	44.04	-
ICICI Prudential Interval Fund III Quarterly Interval Plan	10	8,001,121.304	8.12	-
ICICI Prudential Quarterly Interval II	10	24,002,811.678	24.20	-
ICICI Prudential Ultra Short Term Plan Super Premium	100	2,001,214.827	20.02	-
IDBI Liquid Fund	10	38,169,237.048	38.18	-
IDFC Cash Fund - Plan C - Institutional	10	20,005,370.997	20.01	-
IDFC Money Manager Fund - TP - Super Inst Plan C	10	8,084,491.036	8.10	-

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 7, INVESTMENTS - (Contd.)

	Face Value ₹	Numbers	2010 ₹ Crore	2009 ₹ Crore
JM High Liquidity - Super IP	10	41,006,468.989	41.08	-
JM Money Manager Fund Regular Plan	10	8,084,491.036	8.09	-
Kotak Flexi Debt Fund - IP	10	9,972,049.911	10.02	-
Kotak Liquid - Institutional Premium	10	36,064,337.314	44.10	-
Kotak QIP -Series 10 - Inst	10	9,999,999.909	10.14	-
Kotak QIP -Series 9	10	15,000,956.714	15.26	-
Kotak Quarterly Interval Plan - Series 5	10	13,000,000.000	13.19	-
L & T Liquid Fund - Super IP	10	8,908,528.415	9.01	-
Pramerica Liquid Fund	1,000	131,343.144	13.13	-
Principal Pnb Fmp 64 - 91d - Series XXV	10	15,000,000.000	15.14	-
Principal Pnb Fmp 65 - 91d - Series XXVI	10	10,001,537.177	10.14	-
Principal Pnb Fmp 91d - Series XXIV	10	30,000,000.000	30.47	-
Religare Active Income Fund Institutional	10	10,125,685.700	10.13	-
Religare Liquid Fund - Institutional Plan	10	18,037,826.480	18.05	-
Religare Liquid Fund - Super Institutional Plan	10	12,065,015.001	12.07	-
Religare Fmp Series IV Plan A - 3m	10	25,000,000.000	25.33	-
Religare Fmp Series IV Plan C - 3m	10	20,000,000.000	20.17	-
SBI - Debt Fund Series - 90d - 36	10	26,007,792.000	26.11	-
SBI - Debt Fund Series - 90d - 37	10	15,000,000.000	15.06	-
SBI - SHF - Ultra Short Term Fund - Institutional Plan	10	16,185,329.803	16.20	-
SBI Magnum Instacash Fund	10	84,285,756.222	141.18	-
SBI Premier Liquid Fund - Super IP	10	32,943,173.848	33.05	-
Sundaram - QIP - Interval Plan - D - Inst	10	15,000,000.000	15.25	-
Sundaram - QIP - Interval Plan - E - Inst	10	10,000,000.000	10.09	-
Sundaram - QIP - Interval Plan - C - Inst	10	15,002,258.477	15.18	-
Sundaram Flexible Fund St Institutional	10	19,853,963.460	20.04	-
Sundaram Money Fund - Super Inst	10	8,989,015.061	9.07	-
Sundaram Money Fund - Super Inst	10	19,889,394.349	20.08	-
Sundaram Ultra Short Term Fund - Super Inst	10	17,100,327.405	17.17	-
Tata Floater Fund	10	7,050,405.801	7.08	-
Tata Liquid Fund- Ship	10	19,960,848.457	20.03	-
Templeton India - TMA - Super Institutional Plan	1,000	199,903.275	20.00	-
Templeton India - Ultra Short Bond Fund - Super Institutional	10	10,004,321.517	10.02	-
UTI - FIIF - Quarterly Plan - Series III - Inst	10	14,002,112.074	14.11	-
UTI - FRF - STP - Institutional	1,000	201,288.501	20.14	-
UTI - FIIF - Series II - QIP - IV - IP	10	25,001,058.025	25.38	-
UTI Treasury Advantage Fund - IP	1000	200,268.944	20.03	-
Reliance Liquid Fund -Dividend Reinvestment Plan	15.24	262,499.890	0.40	-
UTI Liquid Cash Plan Daily Income RE- INV	1,019.45	30,909.880	3.15	-
LIC -MF Income Plus - Daily Div Plan	10.98	8,199,043.940	9.00	-
			1,320.11	1,141.81
TOTAL ...			1,406.86	1,192.11
Notes (I) Aggregate amount of quoted Investments			23.65	23.65
{Market value ₹ 17.44 Crore (Previous Year - ₹ 19.58 Crore)}				
Aggregate amount of unquoted Investments			1,383.21	1,168.46
(II) * Denotes amount less than ₹ 50,000				

Schedules forming part of the Consolidated Balance Sheet

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

₹ Crore

	2010	2009
Raw Materials	146.74	98.55
Stores & Spare Parts, Packing Materials and Fuels (Refer Note - 15)	464.67	430.50
Work-in-Progress	201.19	168.96
Finished Goods	113.30	88.08
TOTAL ...	925.90	786.09

SCHEDULE - 9, SUNDRY DEBTORS

₹ Crore

	2010	2009
SUNDRY DEBTORS (SECURED AND CONSIDERED GOOD)		
(a) Over Six Months	-	0.01
(b) Others	61.49	35.40
	61.49	35.41
SUNDRY DEBTORS (UNSECURED)		
(a) Over Six Months -		
(i) Considered Good	6.11	4.40
Considered Doubtful	4.65	8.15
	10.76	12.55
(ii) Railway, Insurance and Other Claims *		
Considered Good	8.89	51.51
Considered Doubtful	52.26	47.97
	61.15	99.48
	71.91	112.03
Less: Provision made for Bad and Doubtful Debts {Refer Note - 11B(c)}	56.91	56.12
	15.00	55.91
(b) Others - (Considered Good)		
(i) Sale of Products and Services	171.64	147.28
(ii) Railway, Insurance and Other Claims *	1.27	35.32
	172.91	182.60
	187.91	238.51
TOTAL ...	249.40	273.92
Included in Sundry Debtors :		
*Dues from Central / State Governments	60.66	131.73

SCHEDULE - 10, CASH AND BANK BALANCES

₹ Crore

	2010	2009
Cash on Hand	8.69	2.24
{Including Cheques on hand ₹ 7.34 Crore (Previous Year - ₹ Nil)}		
Balances with Scheduled Banks		
In Current Accounts	61.78	72.52
In Fixed Deposits	987.53	655.63
In Unclaimed Dividend Accounts	27.33	24.02
Post Office Savings Accounts	0.01	0.01
Share of Cash and Bank balances in Joint Ventures	0.22	-
TOTAL ...	1,085.56	754.42

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 11, OTHER CURRENT ASSETS

	₹ Crore	
	2010	2009
Accrued Interest on Investments	8.98	3.99
Other Accrued Interest	2.07	2.08
Fixed Assets held for sale	45.86	6.23
Share of Joint ventures in other Current Assets	0.01	-
TOTAL ...	56.92	12.30

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

	₹ Crore	
	2010	2009
Balances with Excise, Sales Tax, Customs and Port Trust Authorities on Current Accounts	58.66	139.83
Sundry Advances and Deposits, etc.		
Advances Recoverable in cash or in kind or for value to be received	131.14	146.42
Advances and Deposits with Railways, Government Bodies and Others		
Considered Good	254.66	178.13
Considered Doubtful	3.30	38.88
	257.96	217.01
Less - Provision made for Doubtful Advances	3.30	38.88
	254.66	178.13
Advance payments against taxes (Net of provision)	0.79	0.67
TOTAL ...	445.25	465.05

SCHEDULE - 13, CURRENT LIABILITIES

	₹ Crore	
	2010	2009
Sundry Creditors	1,580.60	1,518.59
Advance from customers	137.51	128.25
Deposits from Dealers and Others	461.06	397.49
Investor Education and Protection Fund*		
Unclaimed Dividend	27.33	24.02
Unclaimed Matured Deposits	0.13	0.18
	27.46	24.20
Interest on Secured Loans accrued but not due	7.33	7.43
TOTAL ...	2,213.96	2,075.96

* No amounts due and outstanding to be credited to Investor Education and Protection Fund as at December 31, 2010

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 14, PROVISIONS

	₹ Crore	
	2010	2009
Provision for Employee Benefits (Refer Note - 7)	123.68	100.60
Provision for Mines Restoration (Refer Note - 10)	12.62	9.98
Provision for Income Tax(Net of payment)	1,068.36	754.79
Proposed Dividend	384.88	244.06
Dividend Distribution Tax	63.92	41.48
TOTAL ...	<u>1,653.46</u>	<u>1,150.91</u>

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

	₹ Crore	
	2010	2009
Preliminary Expenses	0.66	0.97
TOTAL ...	<u>0.66</u>	<u>0.97</u>

Schedules forming part of the Consolidated Profit and Loss Account

SCHEDULE - 16, OTHER INCOME

	₹ Crore	
	2010	2009
Other Operating Income		
Provision no longer required written back	105.12	21.66
Sale of Surplus generated Power	45.58	58.89
Miscellaneous Income	112.01	84.85
{Includes Gain on Exchange (Net) - ₹ 2.58 Crore (Previous Year - ₹ 3.66 Crore)}		
	262.71	165.40
Other Income		
Profit on Sale of Investments	0.11	0.71
Interest on Bank deposits {TDS ₹ 3.77 Crore (Previous Year - ₹ 9.83 Crore)}	43.25	37.31
Other interest income {TDS ₹ 0.26 Crore (Previous Year - ₹ 0.28 Crore)}	3.81	3.96
Dividend from current Investments - Other than trade	50.66	34.63
	97.83	76.61
Share of Other Income in Joint Ventures	0.01	-
TOTAL ...	360.55	242.01

SCHEDULE - 17, MANUFACTURING AND OTHER EXPENSES

	₹ Crore	
	2010	2009
PURCHASE OF TRADING CEMENT AND OTHER PRODUCT	148.98	129.16
MANUFACTURING EXPENSES		
Raw Materials Consumed	1,450.96	1,167.69
Stores and Spare parts Consumed	12.74	11.27
Packing Materials Consumed	269.67	238.72
Power and Fuel	1,610.21	1,550.87
Repairs to Buildings	12.47	14.41
Repairs to Machinery (Refer Note - 15)	427.79	329.47
Repairs to Other Items	43.15	37.18
Royalties	117.14	99.04
Excise Duties (including Education Cess)	115.14	89.15
{Includes excise duty on captive consumption of Clinker ₹ 108.12 Crore (Previous Year - ₹ 85.37 Crore)}		
	4,059.27	3,537.80
PERSONNEL EXPENSES		
Salaries, Wages, Dearness Allowance and Bonus	407.17	346.94
Contributions / Provisions to and for Provident and Other Funds	56.23	19.77
Workmen and Staff Welfare Expenses	34.79	34.49
	498.19	401.20

Schedules forming part of the Consolidated Profit and Loss Account

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

₹ Crore

	2010	2009
ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Rent	34.53	34.90
Rates and Taxes {includes Wealth Tax ₹ 0.71 Crore (Previous Year - ₹ 1.27 Crore)}	99.48	103.93
Insurance	18.61	17.92
Loading, Transportation and Other Charges	177.97	163.40
Discount, Rebates and Allowances	88.23	93.49
Commission on Sales	23.64	23.12
Miscellaneous expenses {Includes Loss on sale / write off of Fixed Assets (Net) - ₹ 39.59 Crore (Previous Year - ₹ 3.61 Crore)}	418.78	359.78
Provision for Bad and Doubtful Debts {Refer Note - 11B(c)}	9.46	34.73
Advertisement	68.85	53.17
Outward Freight Charges on Cement etc.	1,125.80	1,092.73
	2,065.35	1,977.17
(INCREASE) / DECREASE IN FINISHED GOODS AND WORK-IN-PROGRESS		
Closing Stock -		
Finished Goods	113.30	88.08
Work-in-Progress	201.19	168.96
	314.49	257.04
Opening Stock -		
Finished Goods	88.08	78.86
Work-in-Progress	168.96	149.44
	257.04	228.30
Acquired during the year {Refer Note 9(a)}		
Finished Goods	3.23	-
	3.23	-
	(54.22)	(28.74)
Share of Manufacturing and Other Expenses of Joint Ventures	0.69	-
TOTAL ...	6,718.26	6,016.59

SCHEDULE - 18, INTEREST EXPENSES

₹ Crore

	2010	2009
Debentures	47.95	28.99
Term Loans	1.85	15.97
Interest on Income Tax {Net of interest on refund ₹ 44.67 Crore (Previous Year - ₹ 20.33 Crore)}	15.49	17.58
Others	29.24	48.20
	94.53	110.74
Less - Adjustments for -		
Interest Capitalised	36.60	26.38
TOTAL ...	57.93	84.36

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

SCHEDULE – 19, NOTES TO ACCOUNTS

1. Basis of Preparation

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

Name of the Company	Percentage Holding	
	2010	2009
a. Subsidiaries		
1 ACC Concrete Limited. (ACCCL)	100%	100%
2 Bulk Cement Corporation (India) Limited. (BCCI)	94.65%	94.65%
3 ACC Mineral Resources Limited.	100%	100%
4 Lucky Minmat Limited.	100%	100%
5 National Limestone Co. Private Limited. (w.e.f. April 20, 2009)	100%	100%
6 Encore Cements & Additives Private Limited. (w.e.f. January 28, 2010)	100%	-
b. Associates		
1 Alcon Cement Company Private Limited.	40%	40%
2 Asian Concretes and Cements Private Limited.(w.e.f. April 01, 2010)	45%	-
c. Joint Venture of ACC Mineral Resources Limited :		
1 MP AMRL (Semaria) Coal Company Limited.	49%	-
2 MP AMRL (Bicharpur) Coal Company Limited.	49%	-
3 MP AMRL (Marki Barka) Coal Company Limited.	49%	-
4 MP AMRL (Morga) Coal Company Limited.	49%	-

Each of the above Companies is incorporated in India and financials statements are drawn up to the same reporting date as that of the parent Company i.e. December 31, 2010.

- (iii) The Consolidated Financial Statements have been prepared to comply in all material respect with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.
- (iv) The Consolidated Financial Statements have been prepared under the historical cost convention on an accrual basis, except where impairment is made.
- (v) The Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
- (vi) The Consolidated Financial Statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized Profits/ Losses.
- (vii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- (viii) The difference between the cost of investment in the subsidiaries, and the Company's share of net assets at the time of acquisition of share in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be. Goodwill is amortised over a period of ten years from the date of acquisition/investment.
- (ix) Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders.
Minority interest in the net assets of consolidated subsidiaries consists of:
- (a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
- (b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.
- (x) Minority interest's share of Net Profit / (Loss) for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.

- (xi) Investment in associates where the Company directly or indirectly through subsidiaries holds more than 20% of equity, are accounted for using equity method as per Accounting Standard 23 – “Accounting for Investments in Associates in Consolidated financial Statements” notified by Companies (Accounting Standards) Rules, 2006 (as amended).
- (xii) The difference between the cost of investment in the associates and the Company’s share of net assets at the time of acquisition of share in the associate is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- (xiii) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – “Financial Reporting of interests in Joint Ventures” notified by Companies (Accounting Standards) Rules, 2006 (as amended).

2. Use of Estimates

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

3. Significant Accounting Policies

(i) Fixed Assets

- a) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment losses if any.
- b) Advances paid towards the acquisition of fixed assets outstanding at each Balance Sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under Capital Work-in-Progress.
- c) Machinery spares which can be used only in connection with a particular item of Fixed Assets and the use of which is irregular, are capitalized at cost net of Cenvat and are depreciated over the remaining useful life of the related asset. The written down value of such spares is charged to the Profit and Loss Account, on issue for consumption.
- d) Fixed assets held for disposal are stated at the lower of net book value and net realisable value.

(ii) Depreciation and Amortisation

- a) Depreciation on fixed assets is provided using the straight-line method at the rates prescribed in schedule XIV to the Companies Act, 1956 or based on the useful lives of the assets as estimated by Management, whichever is higher. The depreciation on following assets is provided at higher rates :

Assets	Useful Life
Transit Mixer	8 Years
Pumps	6 Years

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

- b) Cost of leasehold land is amortised over the period of the lease.
- c) In respect of quarry freehold land, amortisation reserve is created by amortising the cost over the number of years of the mining rights of the quarries.
- d) Capital assets whose ownership does not vest in the Company have been depreciated over the period of five years.

(iii) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is 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 the present value at the weighted average cost of capital. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

(iv) Intangible Assets

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

(v) Borrowing Costs

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and other cost that an entity incurs in connection with borrowing of funds.

(vi) Expenditure during construction period

In case of new projects and substantial expansion of existing factories, expenditure incurred including trial production expenses net of revenue earned, prior to commencement of commercial production are capitalised.

(vii) Investments

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

(viii) Inventories

Inventories are valued as follows:

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

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

- b. Work-in-progress and Finished goods

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

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

Obsolete, defective and unserviceable inventories are duly provided for.

(ix) Cash and Cash equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at bank and in hand (including cheques in hand) and short term investment with an original maturity of three months or less.

(x) Revenue recognition

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

Sale of Products and Services

- a) Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise duties deducted from turnover (gross) are the amounts that are included in the amount of turnover (gross) and not the entire amount of liability that arose during the year. Excise duties in respect of finished goods are shown separately as an item of Manufacturing Expenses and included in the valuation of finished goods.

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

Interest and Dividend Income

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

(xi) Accounting of claims

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

(xii) Government Grant and Subsidies

- a) Subsidy receivable against an expense is deducted from such expense and subsidy / grant receivable against a specific fixed asset is deducted from cost of the relevant fixed asset.
- b) Investment subsidy not specifically related to a fixed asset is credited to Capital Reserve and retained till the requisite conditions are fulfilled.
- c) Sales include the amount of Sales Tax / VAT refunds received / due in accordance with incentive schemes.

- (xiii)** Debenture / Share issue expenses and premium payable on Debentures are adjusted in the same year of incurrence against the Securities Premium Account as permitted by Section 78(2) of the Companies Act, 1956.

(xiv) Operating Leases

Where the Company is the lessee

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

(xv) Research and development

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

(xvi) 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 expenses in the year in which they arise.

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

Derivative Instruments

As per Accounting Standard (AS) 11 – 'The Effects of Changes in Foreign Exchange Rates' the premium or the discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is amortized as expense or income over the life of the contract.

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS – 11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored.

(xvii) Employee benefits

a) Defined Contribution Plan

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

b) Defined Benefit Plan and Other Long Term Benefits

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

c) Short term compensated absences are provided based on past experience of leave availed.

d) Payments made under the Voluntary Retirement Scheme are charged to the Profit and Loss Account immediately.

(xviii) Employees Stock Option Scheme

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

(xix) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India.

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

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

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

(xx) Contingencies / Provisions

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

(xxi) 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.

(xxii) Mines Restoration Expenditure

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

(xxiii) Segment Reporting Policies**Identification of segments**

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

Allocation of common costs

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

Unallocated items

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

Segment Policies

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

4. Segment Reporting

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

Inter segment transfers:

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

INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

₹ Crore

	Cement		Ready Mixed Concrete		Total	
	2010	2009	2010	2009	2010	2009
REVENUE						
External sales	7,651.47	7,966.80	607.30	512.75	8,258.77	8,479.55
Inter-segment sales	61.89	60.40	-	-	61.89	60.40
Total revenue	7,713.36	8,027.20	607.30	512.75	8,320.66	8,539.95
RESULT						
Segment result	1,391.79	2,297.81	(28.84)	(47.68)	1,362.95	2,250.13
Unallocated corporate Income					12.67	5.81
Operating Profit					1,375.62	2,255.94
Interest expenses					(57.93)	(84.36)
Interest and Dividend income					97.72	75.90
Income Taxes					(341.36)	(686.79)
Profit after tax					1,074.05	1,560.69
OTHER INFORMATION						
Segment assets	8,268.15	7,833.79	222.38	226.50	8,490.53	8,060.29
Unallocated Corporate assets					2,550.81	1,960.47
Total assets					11,041.34	10,020.76
Segment liabilities	2,204.81	2,049.28	110.65	105.62	2,315.46	2,154.90
Unallocated corporate liabilities					2,442.73	1,993.52
Total liabilities					4,758.19	4,148.42
Capital expenditures	824.45	1,627.81	4.10	17.98	828.55	1,645.79
Depreciation and Amortization	406.68	352.16	21.04	20.97	427.72	373.13
Other non-cash expenses	134.45	59.07	4.73	5.63	139.18	64.70

5 Related Party Disclosures

(A) Names of the Related parties where control exists: Nature of Relationship	
(i) MP AMRL (Semaria) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
(ii) MP AMRL (Bicharpur) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
(iii) MP AMRL (Marki Barka) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
(iv) MP AMRL (Morga) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
(B) Others:	
(a) Names of Related parties Nature of Relationship	
(i) Alcon Cement Company Pvt. Ltd.	Associate Company
(ii) Asian Concretes and Cements Pvt. Ltd.	Associate Company w.e.f. April 01, 2010
(iii) Ambuja Cement India Pvt.Ltd.	Promoter Group Company
(iv) Ambuja Cements Ltd.	Promoter Group Company
(v) Holderind Investments Ltd.	Promoter Group Company
(vi) Holcim (India) Private Ltd.	Promoter Group Company
(vii) Holcim Services (Asia) Ltd.	Promoter Group Company
(viii) Holcim Group Support Ltd.	Promoter Group Company
(ix) Holcim (Singapore) Pte Ltd.	Promoter Group Company
(x) Holcim Trading FZCO	Promoter Group Company
(xi) Holcim (Lanka) Ltd.	Promoter Group Company
(xii) P T Holcim Indonesia Tbk	Promoter Group Company
(xiii) Holcim Services (South Asia) Ltd.	Promoter Group Company
(xiv) Siam City Cement Public Company Ltd.	Promoter Group Company
(xv) Holcim (Bangladesh) Ltd.	Promoter Group Company
(xvi) Holcim (Canada) INC	Promoter Group Company
(xvii) Holcim (Vietnam) Ltd.	Promoter Group Company
(xviii) Holcim Environment Services SA, Belgium	Promoter Group Company
(xix) P T Holcim Beton	Promoter Group Company
(xx) Holcim Group Support (S) PTE Ltd.	Promoter Group Company
(xxi) Holcim Foundation	Promoter Group Entity
(b) Key Management Personnel:	
Name of the Related Party Nature of Relationship	
(i) Mr. Kuldip K. Kaura (w.e.f. 05.08.10)	CEO & Managing Director
(ii) Mr. Sumit Banerjee (up to 13.08.10)	Managing Director
(iii) Mr. Hans J. Fuchs	Managing Director of ACC Concrete Limited
(iv) Mr. K.R.K. Prusty	Head BCCI
(v) Mr. K.B.S. Swamy	Managing Director of Encore Cements & Additives Private Limited upto July 15, 2010
(vi) Mr. C. M. Reddy	CEO & Executive Director of Encore Cements & Additives Private Limited
(vii) Mr. P. Umeswar Rao	Non Executive Director of Encore Cements & Additives Private Limited upto December 24, 2010
(c) Relatives of Key Management Personnel	
Name of the Related Party Nature of Relationship	
(i) Ch. Shahikala Reddy	Wife of Mr. C M Reddy
(ii) Dr. Sudha Madhuri	Wife of Mr. P. Umeswar Rao
(iii) K. Krishna Kalyan	Son of Mr. K B S Swamy
(iv) K. Prabhakar Rao	Brother of Mr. K B S Swamy
(v) K. Ramani Kumar	Wife of Mr. K B S Swamy
(vi) K. Sheshavadutha	Father of Mr. K B S Swamy
(vii) K. Somaraju Abbai	Brother of Mr. K B S Swamy

(D) Transactions with Associate Companies

₹ Crore

	2010	2009
(i) Purchase of Finished Goods	60.23	67.85
Alcon Cement Company Pvt. Ltd.	60.23	67.85
(ii) Sale of Finished / Unfinished Goods	22.80	26.40
Alcon Cement Company Pvt. Ltd.	22.64	26.40
Others	0.16	-
(iii) Investment in Associates (Acquisition of Equity Shares)	36.81	-
Asian Concretes and Cements Pvt. Ltd.	36.81	-
(iv) Dividend Received	1.43	1.02
Alcon Cement Company Pvt. Ltd.	1.43	1.02
(v) Reimbursement of Expenses / Cost of Materials / Stores Paid / Payable	-	0.62
Alcon Cement Company Pvt. Ltd.	-	0.62
(vi) Reimbursement of Expenses / Cost of Materials / Stores Received / Receivable	5.37	5.61
Alcon Cement Company Pvt. Ltd.	5.37	5.61
(vii) Rendering of Services	1.23	1.35
Alcon Cement Company Pvt. Ltd.	1.23	1.35
(viii) Receiving of Services	17.35	0.86
Alcon Cement Company Pvt. Ltd.	0.67	0.86
Asian Concretes and Cements Pvt. Ltd.	16.68	-
(ix) Outstanding balance included in Current Assets	5.28	4.04
Alcon Cement Company Pvt. Ltd.	5.28	4.04
(x) Outstanding balance included in Current Liabilities	10.96	3.34
Alcon Cement Company Pvt. Ltd.	3.58	3.34
Asian Concretes and Cements Pvt. Ltd.	7.38	-

(E) Details of Transactions relating to Promoter Group Companies

₹ Crore

	2010	2009
(i) Dividend paid	199.48	173.46
Ambuja Cement India Pvt.Ltd.	198.24	172.38
Holderind Investments Ltd.	1.24	1.08
(ii) Purchase of Gypsum and Coal	75.74	83.55
Holcim Trading FZCO	75.74	83.55
(iii) Purchase of Finished / Unfinished Goods	62.08	48.72
Ambuja Cements Ltd.	62.08	48.72
(iv) Purchase of Stores & Spares	0.01	0.60
Ambuja Cements Ltd.	0.01	0.60
(v) Sale of Finished / Unfinished Goods	7.34	24.74
Ambuja Cements Ltd.	7.34	23.74
Others	-	1.00

(E) Details of Transactions relating to Promoter Group Companies (Contd.)

₹ Crore

	2010	2009
(vi) Sale of Stores & Spares	-	0.28
Ambuja Cements Ltd.	-	0.28
(vii) Sale of Raw material & other items	3.16	-
Holcim (Bangladesh) Ltd.	2.67	-
Holcim Environment Services SA Belgium	0.49	-
(viii) Rendering of Services	3.07	4.38
Ambuja Cements Ltd.	3.07	4.38
(ix) Reimbursement of Expenses Paid / Payable	0.25	0.90
Ambuja Cements Ltd.	0.12	0.14
Holcim Trading FZCO	0.09	0.46
Holcim (Bangladesh) Ltd.	-	0.30
P T Holcim Beton	0.04	-
(x) Reimbursement of Expenses Received / Receivable	2.96	3.32
Ambuja Cements Ltd.	2.74	3.06
Others	0.22	0.26
(xi) Receiving of Services (Training / Technical Consultancy etc.)	48.25	36.46
Holcim Group Support Ltd.	24.55	12.01
Holcim Services (South Asia) Ltd.	22.42	23.00
Others	1.28	1.45
(xii) Rendering of Services	0.05	-
Holcim Group Support (S) PTE Ltd.	0.05	-
(xiii) Outstanding Balance Included in Current Assets	0.88	1.70
Holcim Services(South Asia) Ltd.	0.16	0.63
Ambuja Cements Ltd.	0.56	1.02
Holcim (Bangladesh) Ltd.	0.11	-
Others	0.05	0.05
(xiv) Outstanding Balance Included in Current Liabilities	17.40	13.55
Holcim Group Support Ltd.	7.16	6.98
Holcim Trading FZCO	6.03	0.69
Ambuja Cements Ltd.	2.88	2.43
Holcim Services (South Asia) Ltd.	0.46	2.00
Others	0.87	1.45

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

₹ Crore

	2010	2009
Remuneration	5.54	4.40
(i) Mr. Sumit Banerjee (up to 13.08.10)	1.86	2.40
(ii) Mr. Kuldip K. Kaura (w.e.f. 05.08.10)	1.83	-
(iii) Mr. Hans J. Fuchs	1.64	2.00
(iv) Others	0.21	-
Deposit taken during the year	0.13	-
(i) Mr. C. M. Reddy	0.03	-
(ii) Mr. P. Umeswar Rao	0.10	-
Deposit repaid during the year	0.61	-
(i) Mr. K.B.S. Swamy	0.19	-
(ii) Mr. C. M. Reddy	0.13	-
(iii) Mr. P. Umeswar Rao	0.29	-
Interest paid during the year	0.02	-
(i) Mr. K.B.S. Swamy	0.01	-
(ii) Mr. P. Umeswar Rao	0.01	-
Closing balance of Deposit at the end of year	0.03	-
Mr. C. M. Reddy	0.03	-

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

₹ Crore

	2010	2009
Unsecured Loan repaid during the year	0.58	-
Interest paid during the year	0.11	-
Unsecured Loan balances as at end of the year	-	-

(H) Details of Transactions with Joint Venture Companies

₹ Crore

	2010	2009
Advances given	1.45	-
MP AMRL(Semaria) Coal Company Limited	1.41	-
MP AMRL(Bicharpur) Coal Company Limited	0.01	-
MP AMRL(Marki Barka) Coal Company Limited	0.01	-
MP AMRL(Morga) Coal Company Limited	0.02	-
Reimbursement of expenses	0.04	-
MP AMRL(Bicharpur) Coal Company Limited	0.01	-
MP AMRL(Marki Barka) Coal Company Limited	0.01	-
MP AMRL(Morga) Coal Company Limited	0.02	-
Outstanding balance	1.41	-
MP AMRL(Semaria) Coal Company Limited	1.41	-

6. Consolidated Earnings per Share - [EPS]

₹ Crore

	2010	2009
(I) Net Profit as per Consolidated Profit and Loss Account	1,077.53	1,563.91
(II) Weighted average number of equity shares for Earnings per Share computation		
Shares for Basic Earnings per Share	18,77,44,727	18,76,97,174
Add: Potential equity shares on account of ESOS	4,16,549	4,11,011
Number of Shares for Diluted Earnings per Share	18,81,61,276	18,81,08,185
(III) Earnings per Share		
Face value per Share	₹ 10.00	10.00
Basic	₹ 57.39	83.32
Diluted	₹ 57.27	83.14

7. Employee Benefits:

a) Defined Contribution Plans – Amount recognised and included in Schedule 17 “Contributions / Provisions to and for Provident and Other Funds” of Profit and Loss Account ₹ 7.40 Crore (Previous Year - ₹ 8.10 Crore).

b) Defined Benefit Plans – As per actuarial valuation on December 31, 2010

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

- Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of service. The scheme is funded with insurance companies in the form of a qualifying insurance policy.
- Benefits under Post Employment medical Benefit plans are payable for actual domiciliary treatment / hospitalization for employees and their specified relatives.

₹ Crore

	Gratuity		Post Employment Medical Benefits (PEMB)
	Funded	Non Funded	
I Expense recognised in the Statement of Profit & Loss for the year ended December 31, 2010			
1 Current Service cost	5.50 6.96	1.60 1.84	0.04 1.12
2 Interest Cost	6.94 6.13	2.15 1.98	0.23 0.49
3 Employee Contributions	- -	- -	(0.41) (0.37)
4 Expected return on plan assets	(7.96) (7.03)	- -	- -
5 Net Actuarial (Gains) / Losses	17.11 (19.29)	10.47 (9.19)	(0.23) (4.25)
6 Past service cost	- -	- -	- -
7 Settlement / Curtailment (Gain)	- -	- -	- (2.18)
8 Total expense	21.59 (13.23)	14.22 (5.37)	(0.37) (5.19)

₹ Crore

	Gratuity		Post Employment Medical Benefits(PEMB)
	Funded	Non Funded	
II Net Asset / (Liability) recognised in the Balance Sheet as at December 31, 2010			
1 Present value of Defined Benefit Obligation	(118.55) <u>(102.36)</u>	(41.90) <u>(31.75)</u>	(2.28) <u>(3.61)</u>
2 Fair value of plan assets	104.90 <u>96.50</u>	- <u>-</u>	- <u>-</u>
3 Funded status {Surplus / (Deficit)}	(13.65) <u>(5.86)</u>	- <u>-</u>	- <u>-</u>
4 Net asset / (liability)	(13.65) <u>(5.86)</u>	(41.90) <u>(31.75)</u>	(2.28) <u>(3.61)</u>
III Change in Obligation during the year ended December 31, 2010			
1 Present value of Defined Benefit Obligation at beginning of the year	102.36 <u>124.30</u>	31.75 <u>39.16</u>	3.61 <u>10.18</u>
2 Current Service cost	5.50 <u>6.96</u>	1.60 <u>1.84</u>	0.04 <u>1.12</u>
3 Interest Cost	6.94 <u>6.13</u>	2.15 <u>1.98</u>	0.23 <u>0.49</u>
4 Settlement / Curtailment (Gain)	- <u>-</u>	- <u>-</u>	- <u>(2.18)</u>
5 Past service cost	- <u>-</u>	- <u>-</u>	- <u>-</u>
6 Employee Contributions	- <u>-</u>	- <u>-</u>	(0.41) <u>(0.37)</u>
7 Actuarial (Gains) / Losses	17.55 <u>(18.38)</u>	10.47 <u>(9.19)</u>	(0.23) <u>(4.25)</u>
8 Benefit Payments	(13.80) <u>(16.65)</u>	(4.07) <u>(2.04)</u>	(0.96) <u>(1.38)</u>
9 Present value of Defined Benefit Obligation at the end of the year	118.55 <u>102.36</u>	41.90 <u>31.75</u>	2.28 <u>3.61</u>
IV Change in Assets during the year ended December 31, 2010			
1 Plan assets at the beginning of the year	96.50 <u>84.90</u>	- <u>-</u>	- <u>-</u>
2 Settlements	- <u>-</u>	- <u>-</u>	- <u>-</u>
3 Expected return on plan assets	7.96 <u>7.03</u>	- <u>-</u>	- <u>-</u>
4 Contributions by Employer	- <u>3.87</u>	- <u>-</u>	- <u>-</u>
5 Actual benefits paid	- <u>(0.21)</u>	- <u>-</u>	- <u>-</u>
6 Actuarial Gains / (Losses)	0.44 <u>0.91</u>	- <u>-</u>	- <u>-</u>

₹ Crore

	Gratuity		Post Employment Medical Benefits(PEMB)
	Funded	Non Funded	
7 Plan assets at the end of the year	104.90 <i>96.50</i>	- -	- -
8 Actual return on plan assets	8.33 <i>7.94</i>	- -	- -

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

Qualifying Insurance Policy 100%

VI Effect of One percentage point change in the assumed Medical Inflation rate

One percentage point increase in Medical Inflation rate - ₹ Crore	One percentage point decrease in Medical Inflation rate - ₹ Crore
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Increase / (Decrease) on aggregate service and interest cost of Post Employment Medical benefits	0.28 <i>0.32</i>	(0.24) <i>(0.28)</i>
Increase / (Decrease) on Present value of Defined Benefit Obligation as at December 31, 2010	0.93 <i>1.06</i>	(0.82) <i>(0.92)</i>

VII Actuarial Assumptions:

As at December 31, 2010

1 Discount Rate	8% p.a. (<i>P.Y. – 7.25% p.a.</i>)
2 Expected rate of return on plan assets	8% p.a. (<i>P.Y. – 8% p.a.</i>)
3 Mortality pre-retirement	Indian assured lives Mortality (1994-96) (modified) ultimate.
4 Mortality post-retirement	Mortality for annuitants LIC (1996-98) ultimate
5 Employee turnover rate	5% p.a. (<i>P.Y. – 5% p.a.</i>)
6 Medical premium inflation	12% p.a. for 5 years and thereafter 8% p.a.

(Figures in italics pertains to previous year)

- The Guidance issued by the Accounting Standard Board (ASB) on implementing AS-15, Employee Benefits (revised 2005) states that provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The Fund does not have any existing deficit or interest shortfall. In regard to any future obligation arising due to interest shortfall (i.e. Government interest to be paid on provident fund scheme exceeds rate of interest earned on investment), pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the same.
- 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.
- 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.
- The Company expects to contribute ₹ Nil to Gratuity fund in the year 2011.
- Post employment defined benefit plan expenses are included under personnel expenses in Profit and Loss Account.
- During the previous year, pursuant to amendments in Post Employment Medical Benefits scheme the Company had recognised curtailment gain of ₹ 2.18 Crore.

i) Amounts for the current and previous four years are as follows:

					₹ Crore
(i) Gratuity (Funded)					
	2010	2009	2008	2007	2006
Defined benefit obligation	(118.55)	(102.36)	(124.30)	(98.41)	(86.31)
Plan assets	104.90	96.50	84.90	74.12	57.30
Surplus / (deficit)	(13.65)	(5.86)	(39.40)	(24.29)	(29.01)
Experience adjustments on plan assets	(0.44)	(0.91)	(0.83)	0.65	N.A.
Experience adjustments on plan liabilities	(10.54)	(5.74)	6.35	9.67	9.03
(ii) Gratuity (Non funded)					
	2010	2009	2008	2007	2006
Defined benefit obligation	(41.90)	(31.75)	(39.16)	(26.74)	(31.07)
Plan assets	-	-	-	-	-
Surplus / (deficit)	(41.90)	(31.75)	(39.16)	(26.74)	(31.07)
Experience adjustments on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Experience adjustments on plan liabilities	(7.67)	(3.83)	4.52	(6.96)	(0.31)
(iii) Post Employment Medical Benefits					
	2010	2009	2008	2007	2006
Defined benefit obligation	(2.28)	(3.61)	(10.18)	(17.40)	(14.84)
Plan assets	-	-	-	-	-
Surplus / (deficit)	(2.28)	(3.61)	(10.18)	(17.40)	(14.84)
Experience adjustments on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Experience adjustments on plan liabilities	(0.20)	(2.96)	(6.14)	2.33	3.04

8. Operating Lease

a) Future Lease Rental payments

			₹ Crore	
			2010	2009
(i)	Not later than one year		66.15	28.94
(ii)	Later than one year and not later than five years		191.49	53.72
(iii)	Later than five years		179.37	-

b) Operating Lease payment recognised in the Profit & Loss Account amounting to ₹ 77.19 Crore (Previous Year - ₹ 64.50 Crore)

c) General description of the leasing arrangement:

- (i) Leased Assets: Grinding facility, Dumpers, Cranes and Tippers, Cars, Locomotives, Godowns, Flats, Computers and other related equipments.
- (ii) Future lease rentals are determined on the basis of agreed terms.
- (iii) There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.
- (iv) At the expiry of the lease term, the Company has an option either to return the asset or extend the term by giving notice in writing.

9. Acquisitions / Subscriptions

- During the year the Company has acquired 100% stake in Encore Cement and Additives Private Limited for a total consideration of ₹ 11.78 Crore, a Company engaged in manufacturing and supply of ground slag.
- During the year the Company has acquired 45% stake in Asian Concretes and Cements Private Limited for a total consideration of 36.81 Crore, a Company engaged in manufacturing of various grades of cement.
- During the previous year the Company subscribed to 10,00,00,000 1% Cumulative Redeemable Preference Share for a total consideration of ₹ 100 Crore in its wholly owned subsidiary ACC Concrete Limited.
- During the previous year the Company subscribed to 4,90,000 equity shares for a total consideration of ₹ 4.90 Crore in its wholly owned subsidiary ACC Mineral Resources Limited.
- During the previous year the Company has acquired 100% stake in National Limestone Company Pvt. Limited for a total consideration of ₹ 16.24 Crore, a Company engaged in mining of limestone.
- During the previous year the Ministry of Coal allocated a coal block in the state of West Bengal to a consortium in which the Company is a member. The Company plans to carry out mining activities through a joint venture Company. During the year the Company has been allotted 47,507 shares in Moira Madhujore Coal Ltd. for a total consideration of ₹ 0.35 Crore.
- During the previous year ACC Mineral Resources Ltd., a wholly owned subsidiary of ACC Limited has entered into four Joint Venture agreements with Madhya Pradesh State Mining Corporation Limited for mining of Coal in the state of Madhya Pradesh and Chattisgarh.

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

Mines Restoration Expenditure

	₹ Crore	
	2010	2009
Opening provision	9.98	6.98
Add: Provision during the year	3.10	3.72
Less: Utilisation during the year	(0.46)	(0.72)
Closing provision	12.62	9.98

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.

11. A) Contingent Liabilities Not Provided For –

- Indemnity, Guarantee/s given to Banks/Financial Institutions, Government Bodies and others ₹ 157.17 Crore (*Previous Year – ₹ 147.24 Crore*).
- Sales Tax, Excise Duties & Other Dues ₹ 66.58 Crore (*Previous Year - ₹ 50.67 Crore*).

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

- The Company had filed petitions against the orders / notices of various authorities demanding ₹ 155.21 Crore (*Previous Year – ₹ 132.96 Crore*) towards payment of additional Royalty on Limestone based on the ratio of 1.6 tonnes of Limestone to 1 tonne of Cement produced at its factories in Madhya Pradesh and Chattisgarh and on cement produced vis a vis consumption of limestone at its factory in Tamil Nadu. The Company holds the view that the payment of royalty on limestone is correctly made based on the actual quantity of limestone extracted from the mining area.

The Company has also received a demand resulting in a liability of ₹ 45.37 Crore (*Previous Year– ₹ 40.18 Crore*) towards payment of additional Royalty on Limestone based on the ratio of 1.4 tonnes of Limestone to 1 tonne of Clinker for one of its plant in the state of Karnataka. The Company has conducted studies to establish the quantity of Limestone consumed in the manufacture of Clinker at this plant and royalty payments towards Limestone are in accordance with such consumption ratios.

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

- d) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 259.33 Crore (*Previous year – ₹ 662.05 Crore*).
- B) a) The Company was entitled to receive Transport Subsidy against actual expenditure on freight incurred for a period of five years in respect of its new 1 MTPA plant at Gagal (Gagal II), which went into commercial production on September 15, 1994. Accordingly, the Company accrued the subsidy claim (including subsidy on clinker) aggregating ₹ 80.65 Crore (*Previous year – ₹ 80.65 Crore*) up to September 1999.

In this respect, the Company had received part disbursement and the balance of ₹ 46.35 Crore was withheld on the ground that Gagal II is not a new unit but is an expansion of an existing unit, and thereby not eligible for subsidy under Transport Subsidy Scheme, 1971. Further, the Company had received a demand notice from the Government of Himachal Pradesh asking for refund of the subsidy already remitted.

During the year, the Supreme Court confirmed the eligibility of Gagal II to receive transport subsidy as claimed, by rejecting the appeal of the Union of India against the orders of the High Court of Himachal Pradesh (single bench in Aug 2003 and Division Bench in April 2008) which had confirmed that Gagal II was a new unit and consequently eligible for Transport Subsidy.

The Government has since accepted the verdict and has disbursed ₹ 45.19 Crore (leaving out an amount of ₹ 1.15 Crore relating to transport subsidy on Clinker, which the Company intends to pursue).

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

12. a) Particulars of unhedged foreign currency exposure as at Balance Sheet date

Particulars	Amount
Export Debtors	₹ 10.04 Crore (SAR 0.83 Crore @ Closing rate of 1 SAR = ₹ 12.15) { <i>Previous Year - ₹ 3.73 Crore (SAR 0.30 Crore @ Closing rate of 1 SAR = ₹ 12.50)</i> }
Creditors	₹ 34.02 Crore (USD 0.75 Crore @ Closing rate of 1 USD = ₹ 45.55) { <i>Previous Year - ₹ 1.96 Crore (USD 0.04 Crore @ Closing rate of 1 USD = ₹ 46.76)</i> }
	₹ 7.10 Crore (CHF 0.15 Crore @ Closing rate of 1 CHF = ₹ 48.43) { <i>Previous Year - ₹ 7.88 Crore (CHF 0.18 Crore @ Closing rate of 1 CHF = ₹ 45.05)</i> }
	₹ 1.20 Crore (EUR 0.02 Crore @ Closing rate of 1 EUR = ₹ 60.37) { <i>Previous Year - ₹ 2.83 Crore (EUR 0.04 Crore @ Closing rate of 1 EUR = ₹ 67.02)</i> }

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

Currency	Number of Contracts	Buy Amount	Purpose
EURO			Import of Capital items
2010	1	3,11,990	
2009	1	88,42,500	
USD			Import of Capital items
2010	-	-	
2009	2	66,00,000	

13. Sales of Products and Services include Sales Tax incentive of ₹ 7.67 Crore (*Previous Year - ₹ 60.51 Crore*).

14. (a) Deferred Payment Liability included in “Unsecured Loans – Schedule 4” comprises of ₹ 8.12 Crore (*Previous Year - ₹ 9.74 Crore*) payable to the Industrial Development Corporation of Orissa Limited (IDCOL) in eight equal annual instalments without interest or penalty. The fourth instalment was due for payment on December 22, 2010.

(b) The Board of Directors have recommended payment of final dividend of ₹ 20.50 per share which is inclusive of an one-time special Platinum Jubilee dividend of ₹ 7.50 per share. Total dividend together with the interim dividend paid earlier aggregates to ₹ 30.50 per equity share.

15. During the year, the Company changed its basis of identifying obsolescence of spare parts. Obsolescence of spare parts is now determined with respect to the actual usage pattern. Accordingly, an amount of ₹ 71.16 Crore is recognized under repairs to machinery in schedule 17 as a write down for the year (including ₹ 47.36 Crore pertaining to the period until December 31, 2009). Had this change in basis not been made, the profit before tax for the year and the closing inventory of spare parts as at the year end, would have been higher by ₹ 71.16 Crore.

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

17. The Consolidated results for the year ended December 31, 2010 are not comparable with the previous year, due to following :

- Investment in subsidiary Encore Cements and Additives Private Limited w.e.f. January 28, 2010
- Investment in subsidiary National Limestone Co. Pvt. Limited w.e.f. April 20, 2009
- Investment in associate Asian Concretes and Cement Private Limited w.e.f. April 01, 2010

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

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

As per our report of even date

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

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

per Sudhir Soni
Partner
Membership No. 41870

Mumbai, February 03, 2011

N. S. Sekhsaria
Chairman

Kuldip Kaura
CEO & Managing Director

Burjor D. Nariman
Company Secretary

Paul Hugentobler
Deputy Chairman

Sunil K. Nayak
Chief Financial Officer

S. M. Palia
Naresh Chandra
Markus Akermann
M. L. Narula
D. K. Mehrotra
R. A. Shah
Shailesh Haribhakti
Aidan Lynam

Directors

Consolidated Group Operating Results and Net Worth - Explanatory Statement

CONSOLIDATED GROUP OPERATING RESULTS FOR THE YEAR ENDED DECEMBER 31, 2010

	₹ Crore	
	2010	2009
ACC's Net Profit	1,120.01	1,606.73
Add: Pro-rata share of profits / (losses) of Subsidiaries -		
Bulk Cement Corporation (India) Limited	0.39	(1.08)
ACC Concrete Limited	(29.11)	(46.90)
ACC Mineral Resources Limited	(0.51)	0.02
Lucky Minmat Limited	(0.04)	(0.16)
National Limestone Co. Pvt. Limited	(0.08)	(0.06)
Encore Cements and Additives Pvt. Limited	(6.24)	-
	(35.59)	(48.17)
Add: Pro-rata share of profit of Associates	3.50	3.16
Less: Minority Interest of Subsidiary (BCCI)	0.02	(0.06)
Less: Amortisation of Goodwill on acquisition of Subsidiary and		
Investment in Associates	9.46	6.53
Less: Unrealised profit on purchase of Fixed Assets	(0.53)	(9.68)
Less: Dividend received from Associates	1.43	1.02
ACC Group's Net Profit	1,077.54	1,563.91

CONSOLIDATED GROUP NET WORTH AS AT DECEMBER 31, 2010

	₹ Crore	
	2010	2009
ACC's Net Worth	6,469.49	6,016.22
Add: Net worth as per Balance Sheet of Subsidiary Companies -		
Bulk Cement Corporation (India) Limited	43.95	43.57
ACC Concrete Limited	26.85	55.68
ACC Mineral Resources Limited	4.40	4.88
Lucky Minmat Limited	2.68	2.72
National Limestone Co. Pvt. Limited	(0.01)	0.07
Encore Cements and Additives Pvt. Limited	(8.42)	-
	69.45	106.92
Less: Pro- rata share of Minority shareholders interest in		
the Net Worth of Subsidiary Companies	2.42	2.40
Less: ACC's share in pre-acquisition Net Worth of Subsidiary Companies	240.40	242.60
	(173.37)	(138.08)
Less: Amortisation of Goodwill in Subsidiary Companies	16.48	9.81
Less: Unrealised profit on purchase of Fixed Assets	(0.53)	-
Add: Increase in Net Worth of Alcon Cement Company Pvt. Ltd.	1.00	0.68
Add: Increase in Net Worth of Asian Concretes & Cements Pvt. Ltd.	(1.03)	-
Less: Other adjustments (Net)	0.07	0.03
ACC Group's Net Worth	6,280.07	5,868.97

Directors' Report

TO THE MEMBERS OF
ACC CONCRETE LIMITED

The Directors have pleasure in presenting the Fourth Annual Report of the Company along with the audited Accounts for the year ended December 31, 2010.

1. FINANCIAL RESULTS

PARTICULARS	₹ Lacs)	
	For the year ended December 31, 2010	For the year ended December 31, 2009
Sale of products and services & Other income	61,111	51,502
Loss before Depreciation, Interest and Tax	(788)	(2,587)
Depreciation	2,104	2,097
Interest	19	5
Loss before Tax	(2,911)	(4,689)
Fringe Benefit Tax	-	1
Loss after Tax	(2,911)	(4,690)
Balance brought forward from Previous Year	(14,371)	(9,681)
Balance carried to Balance Sheet	(17,282)	(14,371)

2. OPERATIONS

During the year, the Company showed a marked improvement in its working over the previous year with a growth of 19% in volumes. The recessionary effect of 2009 in the real estate market was reversed and the RMX market showed a growth of ~15% largely fuelled by an increase in demand from all sectors and in particular in the realty sector. The growth was driven by consumption in most of the major markets.

The Company continued to focus on consolidating its position, by increasing volumes from its existing assets and therefore expansion remained curtailed. The number of operational plants increased marginally from 44 to 48 by the end of the financial year. New locations adopted low capital cost routes through dedicated on-site and collaboration opportunities.

Operational EBTIDA losses were reduced from ₹ 25.87 crores in 2009 to ₹ 7.88 crores in 2010 through customer focus initiatives, systematic management of costs and productivity improvements. The Company continued to focus on organisational capability development and is well placed to add value and expand in the future as the market continues momentum through the government infrastructure spending programme and increase in demand from the commercial and real estate sectors.

3. DIVIDEND

Your Directors do not recommend any dividend for the financial year ended December 31, 2010.

4. FUTURE OUTLOOK

The concrete market is expected to grow by ~15% in 2011 with overall penetration levels still being very low at ~6%. However, competition within the RMX market remains strong with cement players looking to forward integrate as well as on account of an increasing number of smaller players entering the market. Target market penetration and segment specific offerings will assist the Company in mitigating pressures of increased competition. The Company is well positioned to undertake large infrastructure contracts, leveraging in-house and Holcim expertise in adding value to customers of this segment and has been supplying RMX to major infrastructure projects.

5. DIRECTORS

The Board of Directors has appointed Mr. Kuldeep Kaura as an Additional Director with effect from October 19, 2010. As an Additional Director, Mr. Kuldeep Kaura holds office up to the date of the ensuing Annual General Meeting. Accordingly, his candidature for appointment as a Director is included at Item 4 of the Notice.

Mr. Sumit Banerjee resigned from the Board of Directors with effect from August 13, 2010. The Board has placed on record its appreciation of the valuable services rendered by Mr. Banerjee as Director of the Company.

Pursuant to the approval received from the Government of India, Ministry of Commerce & Industry, for the appointment and terms of remuneration of Mr. Hans Fuchs, Managing Director, the Company has entered into an agreement with Mr. Fuchs detailing therein his terms of appointment and remuneration.

In accordance with the provisions of the Companies Act, 1956 Mr. Sunil Nayak, retires by rotation and is eligible for re-appointment.

6. AUDITORS

M/s. K.S. Aiyar & Co., Chartered Accountants who are the Statutory Auditors of the Company, hold office up to the date of the ensuing Annual General Meeting and are eligible for re-appointment. As required under the provision of Section 224(IB) of the Companies Act, 1956, the Company has obtained written confirmation from M/s. K. S. Aiyar & Co. that their appointment, if made, would be in conformity with the Companies Act, 1956. The Members are requested to appoint M/s. K.S. Aiyar & Co., Chartered Accountants as Auditors of the Company for the year 2011.

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

Energy Conservation

The Company is not required to disclose particulars relating to conservation of energy, as it is not a scheduled industry under Section 217 read with Rule 2 of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

The Company has set up various processes and procedures to ensure optimum energy utilization.

Technology Absorption, Adaptation and Innovation

The Company has not acquired any technology for its manufacturing process. However, the technology adopted and applied is the latest technology available in the Industry.

Foreign Exchange Earnings and Outgo

	₹ Lac
Foreign exchange earned	-
Foreign exchanged outgo	460

8. PARTICULARS OF EMPLOYEES

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

9. DIRECTORS RESPONSIBILITY STATEMENT

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

- a) that in the preparation of the annual accounts for the year ended December 31, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any,
- b) that such accounting policies as mentioned in Note 1 of the Notes to Accounts have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at December 31, 2010 and of the loss of the Company for the year ended on that date,
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting

records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,

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

10. AUDIT COMMITTEE

In compliance with the provisions of Section 292A of the Companies Act, 1956, an Audit Committee of the Board has been constituted which is composed of:

Mr. Sunil Nayak (Chairman)
Mr. J. DattaGupta
Mr. Ramit Budhraj

During the year under review four Audit Committee Meetings were held.

11. ACKNOWLEDGEMENT

The Directors wish to convey their appreciation to their bankers, customers and other business associates for the excellent assistance and co-operation received and to ACC Limited, the holding Company, for its continued trust and support. The Directors also thank all the employees of the Company for their valuable service and support during the year.

For and on behalf of the Board of Directors

Hans Fuchs
Managing Director

Sunil Nayak
Director

Mumbai:
February 1, 2011

Registered Office:
Cement House,
121, Maharshi Karve Road,
Mumbai 400 020.

Auditor's Report to the Members of ACC Concrete Limited

1. We have audited the attached Balance Sheet of ACC CONCRETE LIMITED, as at December 31, 2010, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
 - c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) on the basis of the written representations received from the directors, as on December 31, 2010, and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on December 31, 2010 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2010;
 - ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Raghuvir M. Aiyar

Partner

Membership No. 38128

Place: Mumbai

Date: February 01, 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) A substantial portion of the fixed assets has been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) Fixed assets disposed off during the year were not substantial. According to the information and explanations given to us, we are of the opinion that the disposal of fixed assets has not affected the going concern status of the Company.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
 - (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and

services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

- (v) Based on the Audit procedures performed and according to the information and explanations given to us there are no transactions that need to be entered into the register maintained in pursuance of section 301 of the companies Act, 1956. Accordingly sub clause (b) is not applicable
- (vi) The Company has not accepted any deposits from the public to which the provisions of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have been informed that the Company is not required to maintain cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, which has been relied upon.
- (ix) (a) According to the records of the Company, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, cess and other material statutory dues applicable to it have been generally regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute, are as follows:

₹ Lac

Name of the Statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
U.P VAT Act	VAT	204.03	2008	Joint Commissioner Appeals
Entry Tax	Entry Tax	34.14	2008	Allahabad High Court
Entry Tax	Entry Tax	15.06	2009	Allahabad High Court
Entry Tax	Entry Tax	3.33	2010	Allahabad High Court

- (x) The Company has been registered for a period of less than five years hence clause (4) (x) of Companies (Auditor's Report) Order, 2003 (as amended) is not applicable.

- (xi) According to information and explanations given to us the company has not taken any money from any financial institution, bank or debenture holder, and hence clause (4) (xi) is not applicable to the company.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us, the Company has not raised any loans during the period.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis aggregating to ₹ 8,593.64 lac have been partially utilised for financing the cash losses and partially for long-term investment in fixed assets.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year. Therefore the provisions of clause (xix) of the order are not applicable to the company.
- (xx) The Company has not raised any money by way of public issue during the year. Therefore, the provision of clause (xx) of the order is not applicable to the Company.
- (xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.

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

Raghuvir M. Aiyar
Partner

Place: Mumbai
Date: February 01, 2011

Membership No. 38128

Balance Sheet as at December 31, 2010

		₹ Lac	
	Schedules	2010	2009
SOURCES OF FUNDS:			
Shareholders' Funds:			
Share Capital	1	20,000.00	20,000.00
Reserves and Surplus	2	23.71	23.71
		20,023.71	20,023.71
Loan Funds:			
Unsecured Loans	3	7,300.00	6,800.00
TOTAL FUNDS		27,323.71	26,823.71
APPLICATION OF FUNDS:			
Fixed Assets:			
Gross Block	4	16,923.33	16,732.42
Less: Accumulated Depreciation		5,687.18	3,712.47
Net Block		11,236.15	13,019.95
Capital Work-in-Progress (including Capital Advance)		42.26	104.43
		11,278.41	13,124.38
Current Assets, Loans and Advances:			
Inventories	5	693.47	678.67
Sundry Debtors	6	8,573.98	7,328.12
Cash and Bank Balances	7	183.77	435.90
Other Current Assets	8	71.55	124.25
Loans and Advances	9	1,709.89	1,544.79
		11,232.66	10,111.73
Less : Current Liabilities and Provisions:			
Current Liabilities	10	12,431.23	10,777.36
Provisions	11	95.07	90.93
		12,526.30	10,868.29
Net Current Assets		(1,293.64)	(756.56)
Miscellaneous Expenditure	12	56.37	84.54
(To the extent not written off or adjusted)			
Profit and Loss Account		17,282.57	14,371.35
TOTAL ASSETS (NET)		27,323.71	26,823.71
Notes to Accounts	16		

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

As per our report of even date
For K. S. Aiyar & Co.
 Firm Registration No. 100186W
 Chartered Accountants

Raghuvir M. Aiyar
 Partner
 Membership No. 38128
 Mumbai, February 01, 2011

For and on behalf of the Board of ACC Concrete Limited,
Hans J. Fuchs
 Managing Director

Allwyn D'costa
 Chief Financial Officer

Sunil K. Nayak
 Director

Shekhar Modi
 Company Secretary

Profit and Loss Account for the year ended December 31, 2010

		₹ Lac	
	Schedules	2010	2009
INCOME:			
Sale of Products and Services (Net)		60,730.11	51,274.85
Other Income	13	380.77	227.45
		61,110.88	51,502.30
EXPENDITURE:			
Manufacturing and Other Expenses	14	61,898.90	54,089.43
Depreciation & Amortisation		2,104.33	2,096.91
Interest	15	18.87	4.80
		64,022.10	56,191.14
Loss before Tax		(2,911.22)	(4,688.84)
Provision for Taxation			
Fringe Benefit Tax		-	1.28
		-	1.28
Loss after Tax		(2,911.22)	(4,690.12)
Balance brought forward from Previous Year		(14,371.35)	(9,681.23)
Balance carried to Balance Sheet		(17,282.57)	(14,371.35)
Basic and Diluted Earnings per Share		₹ (3.01)	(4.72)
Face Value per Share		₹ 10.00	10.00
Notes to Accounts	16		

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

As per our report of even date

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

Raghuvir M. Aiyar
Partner
Membership No. 38128
Mumbai, February 01, 2011

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

Hans J. Fuchs
Managing Director

Allwyn D'costa
Chief Financial Officer

Sunil K. Nayak
Director

Shekhar Modi
Company Secretary

Cash Flow Statement for the year ended December 31, 2010

Schedules forming part of the Balance Sheet

	₹ Lac	
	2010	2009
A. Cash flow from operating activities		
1 Net Loss before Tax	(2,911.22)	(4,688.84)
Adjustments for :		
2 Depreciation	2,104.33	2,096.91
3 Interest and Dividend Income	(9.53)	(11.47)
4 Interest Expense	18.87	4.80
5 Stores / Inventory Write off	(9.18)	15.63
6 Loss on Sale/ Discarded Fixed Assets - Net	121.08	48.52
7 Miscellaneous Expenditure written off	28.17	28.18
8 Profit on Sale of Investment	-	(1.17)
9 Provision for Retirement Benefits	4.14	(56.92)
10 Provision for Bad and Doubtful Debts .	350.70	347.78
11 Balances Written back	(209.26)	-
Operating profit before working capital changes	(511.90)	(2,216.58)
Adjustments for :		
12 Trade receivables	(1,596.56)	(1,586.99)
13 Inventories	(5.62)	(111.30)
14 Assets Held for Disposal/ other current assets	47.40	2.17
15 Other receivables	(165.10)	240.78
16 Trade payables	1,863.13	15.19
Cash generated from operations	(368.65)	(3,656.73)
17 Direct Taxes - (net)	-	(1.28)
Net Cash flow from operating activities	(368.65)	(3,658.01)
B. Cash flow from investing activities		
18 Purchase of Fixed Assets	(410.43)	(1,695.77)
19 Purchase of Investments	-	(675.07)
20 Sale/Redemption of Investments	-	676.24
21 Sale/Retirement of Assets	30.99	-
22 Interest and Dividend received	14.83	6.17
Net cash used in investing activities	(364.61)	(1,688.43)
C. Cash flow from financing activities		
23 Interest paid	(18.87)	(4.80)
24 Proceeds from issue of Share Capital ..	-	10,000.00
25 Repayment of Short term Borrowings (Net)	-	(4,600.00)
26 Proceeds from Short term Borrowings (Net)	500.00	-
Net cash from financing activities	481.13	5,395.20
Net increase/(decrease) in cash and cash equivalents	(252.13)	48.76
Cash and cash equivalents - Opening Balance	435.90	387.14
- Closing Balance	183.77	435.90

Notes : 1 All figures in brackets are outflow.
2 Previous Year's figures are regrouped / recasted wherever necessary.
3 Cash and Cash Equivalents is Cash and Bank Balance as per Balance Sheet.

As per our report of even date For and on behalf of the Board of ACC Concrete Limited,

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

Hans J. Fuchs
Managing Director

Sunil K. Nayak
Director

Raghuvir M. Aiyar
Partner
Membership No. 38128

Allwyn D'costa
Chief Financial Officer

Shekhar Modi
Company Secretary

Mumbai, February 01, 2011

	₹ Lac	
	2010	2009
AUTHORISED		
10,00,00,000 (Previous year 100,000,000)		
Equity Shares of ₹ 10 each	10,000.00	10,000.00
10,00,00,000 (Previous year 100,000,000)		
Preference Shares of ₹ 10 each	10,000.00	10,000.00
	20,000.00	20,000.00
ISSUED, SUBSCRIBED & PAID UP		
10,00,00,000 (Previous year 100,000,000)		
Equity Shares of ₹ 10 each, fully paid	10,000.00	10,000.00
10,00,00,000 (Previous year 100,000,000)		
1% Cumulative Redeemable Preference Shares of ₹ 10 each, fully paid)		
(Refer Note - 8)	10,000.00	10,000.00
(All the Shares are held by ACC Limited, the Holding Company and its nominees)	20,000.00	20,000.00
TOTAL ...	20,000.00	20,000.00

	₹ Lac	
	2010	2009
Capital Reserve	23.71	23.71
TOTAL ...	23.71	23.71

	₹ Lac	
	2010	2009
Short Term Loan	7,300.00	6,800.00
(Inter - Corporate Deposits from ACC Limited, the Holding Company)		
TOTAL ...	7,300.00	6,800.00

Schedules forming part of the Balance Sheet

SCHEDULE - 4, FIXED ASSETS

₹ Lac

FIXED ASSETS	GROSS BLOCK AT COST				DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 01-01-2010	Additions/ Adjustments	Deductions/ Adjustment	As at 31-12-2010	As at 01-01-2010	For the year	Deductions/ Adjustment	As at 31-12-2010	As at 31-12-2010	As at 31-12-2009	
1 Leasehold Land	300.06	-	-	300.06	11.01	5.50	-	16.51	283.55	289.05	
2 Buildings	4,838.18	268.54	99.43	5,007.29	1,258.37	736.54	23.47	1,971.44	3,035.85	3,579.81	
3 Machinery, Plant	8,802.14	150.03	20.31	8,931.86	1,704.55	957.69	12.33	2,649.91	6,281.95	7,097.60	
4 Furniture, Fixtures and Equipments	241.29	13.63	2.95	251.97	25.15	15.17	0.44	39.88	212.09	216.14	
5 Motor Cars, Trucks, etc. (Transit Mixers)	1,506.45	-	115.26	1,391.19	574.00	222.48	82.64	713.84	677.35	932.44	
6 Electric Installations	771.00	34.99	43.28	762.71	93.47	73.15	10.44	156.18	606.53	677.53	
Sub Total	16,459.12	467.19	281.23	16,645.08	3,666.55	2,010.53	129.32	5,547.76	11,097.32	12,792.57	
7 Intangible Asset	273.31	5.41	0.47	278.25	45.93	93.80	0.31	139.42	138.83	227.38	
Sub Total	273.31	5.41	0.47	278.25	45.93	93.80	0.31	139.42	138.83	227.38	
Total	16,732.43	472.60	281.70	16,923.33	3,712.48	2,104.33	129.63	5,687.18	11,236.15	13,019.95	
Previous Year	13,780.61	3,118.46	166.64	16,732.42	1,630.35	2,096.91	14.79	3,712.47	13,019.95	-	
8 Capital work-in-Progress and Unallocated Capital Expenditure including Capital Advance on Fixed Assets									42.26	104.43	

SCHEDULE - 5, INVENTORIES - As Certified by the Management

₹ Lac

	2010	2009
Raw Materials	644.93	648.94
Stores & Spare Parts and Fuels	48.54	29.73
TOTAL ...	693.47	678.67

SCHEDULE - 6, SUNDRY DEBTORS

₹ Lac

	2010	2009
SUNDRY DEBTORS (UNSECURED)		
(a) Over Six Months -		
Considered Good	97.43	63.51
Considered Doubtful	457.92	786.54
	555.35	850.05
Less: Provision made for Bad and Doubtful Debts	457.92	786.54
	97.43	63.51
(b) Others - (Considered Good)	8,476.55	7,264.61
TOTAL ...	8,573.98	7,328.12

Note: Unsecured Debtors considered good includes ₹ 1,352.82 Lac (Previous year ₹ 1,299.36 Lac) in respect which the Company holds guarantees from the bank

SCHEDULE - 7, CASH AND BANK BALANCES

₹ Lac

	2010	2009
1. Cash on Hand	-	0.99
2. Balances With Scheduled Banks		
In Current Account	183.72	259.86
In Fixed Deposit (Against margin money)	-	175.00
In Fixed Deposit	0.05	0.05
TOTAL ...	183.77	435.90

SCHEDULE - 8, OTHER CURRENT ASSETS

₹ Lac

	2010	2009
1. Accrued Interest	-	5.30
2. Assets held for Disposal	71.55	118.95
TOTAL ...	71.55	124.25

SCHEDULE - 9, LOANS AND ADVANCES

(Unsecured, Considered Good, unless otherwise stated)

₹ Lac

	2010	2009
1. Balances With Government Authorities on Current Accounts	383.46	289.75
2. Sundry Advances and Deposits, etc.		
(a) Advances Recoverable in cash or in Kind of for value to be received Considered Good	272.94	526.66
	272.94	526.66
(b) Advances and Deposits with Railways, Government Bodies and others		
Considered Good	1,036.90	702.72
	1,036.90	702.72
	1,309.84	1,229.38
3. Advance Payment Against Taxes	16.59	25.66
TOTAL ...	1,709.89	1,544.79

Schedules forming part of the Balance Sheet

SCHEDULE - 10, CURRENT LIABILITIES ₹ Lac

	2010	2009
Sundry Creditors		
Payable to the Holding Company	1,460.73	305.96
Other Sundry Creditors	10,876.86	10,091.20
Sundry Deposits	93.64	380.20
TOTAL ...	12,431.23	10,777.36

SCHEDULE - 11, PROVISIONS ₹ Lac

	2010	2009
Provision for Retirement Benefits	95.07	90.93
TOTAL ...	95.07	90.93

SCHEDULE - 12, MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted) ₹ Lac

	2010	2009
Preliminary Expenses	56.37	84.54
TOTAL ...	56.37	84.54

Schedules forming part of the Profit and Loss Account

SCHEDULE - 13, OTHER INCOME ₹ Lac

	2010	2009
Other Operating Income	180.14	144.10
Other Income		
Unclaimed Balances Written Back	209.26	-
Profit on Sale of Investments	-	1.17
Interest Income	9.53	11.47
Profit/(Loss) on Sale of Fixed Assets (Net)	(18.16)	70.71
	200.63	83.35
TOTAL ...	380.77	227.45

SCHEDULE - 14, MANUFACTURING AND OTHER EXPENSES ₹ Lac

	2010	2009
MANUFACTURING AND DISTRIBUTION EXPENSES		
Purchase of Ready Mixed Concrete	4,754.98	3,599.18
Raw Materials Consumed	39,421.76	34,306.99
Stores & Spare parts Consumed	84.02	111.91
Labour Expenses Sub contracted	759.10	741.42
Outbound Freight Charges	5,910.55	4,209.62
Pumping and Conveying Charges	1,412.64	1,254.17
Power and Fuel	807.86	982.05
Repairs to Building	9.41	10.75
Repairs to Machinery	325.87	234.24
Repairs to Other Items	233.14	336.56
	53,719.33	45,786.89

PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

Salaries, Wages, Dearness Allowance and Bonus	2,972.89	2,796.82
Contributions / Provisions to and for Provident and Other Funds	171.98	176.62
Workmen and Staff Welfare Expenses	296.91	303.78
	3,441.78	3,277.22

ADMINISTRATIVE, SELLING AND OTHER EXPENSES

Rent	1,467.51	1,571.54
Rates and Taxes	188.14	215.24
Insurance	13.62	17.68
Consultancy Services	841.64	911.48
Advertisement	0.08	0.85
Miscellaneous Expenses written off	28.18	23.18
Provision for Bad and Doubtful Debts	350.70	347.78
Net value of Discarded or Dismantling or Scrapped Capital Assets	103.75	176.71
Other Expenses	1,744.17	1,760.86
	4,737.79	5,025.32
TOTAL ...	61,898.90	54,089.43

SCHEDULE - 15, INTEREST ₹ Lac

	2010	2009
Others	18.87	4.80
TOTAL ...	18.87	4.80

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

Schedule - 16, NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON DECEMBER 31, 2010

1. (I) Basis of preparation

- (i) The financial statements of the Company are prepared under the historical cost convention on accrual basis of accounting and in accordance with the accounting principles generally accepted in India and in compliance with the provision of the Companies Act, 1956 and comply with the mandatory accounting standards (AS) specified in Companies (Accounting Standard) Rules, 2006 prescribed by the Central Government of India.
- (ii) Financial statements are based on historical cost and are prepared on accrual basis, except where impairment is made and revaluation is carried out.
- (iii) Accounting policies have been consistently applied by the Company.

(II) Use of estimates

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

(III) Significant Accounting Policies

A) 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

- (i) Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.
- (ii) Income from jobs and other services rendered is accounted for as per the terms of contract.

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 recognized when the shareholders' right to receive dividend is established by the Balance Sheet Date.

B) Accounting of claims

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

C) Fixed assets

- (i) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation, impairment losses.
- (ii) Depreciation

The useful life of transit mixers and pumps is estimated at 8 years and 6 years respectively. Buildings, civil cost and installations are estimated to have useful life of 10 years. These assets are depreciated over the useful life on straight line method on a pro-rata basis.

The above assets, if transferred from ACC Limited, under the business purchase agreement, are depreciated over the remaining useful life considering the period for which ACC Limited has already used such assets.

Useful life of certain assets is tailored based upon the commercial agreements and the carrying amount of such assets is allocated over their useful life.

In case of Plant & Machinery and Electrical installation at the Ready mixed concrete plants, depreciation has been provided on triple shift basis for the entire year even though the plants have worked only double and single shifts at various times, based on assessment of estimated useful life.

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

- (iii) Cost of leasehold land is amortised over the period of lease.

D) Intangibles

Software cost is amortised over a period of three years.

E) Impairment

An impairment loss is charged to the Profit and Loss Account wherever the carrying amount of an asset exceeds its estimated recoverable amount. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

F) Expenditure during construction period

In case of new projects expenditure incurred, including trial production expenses net of revenue earned, prior to commencement of commercial production are capitalised.

G) Investments

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

H) Leases

Lease payments under operating lease are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

I) Inventories

Raw materials, fuel, stores and spares are valued at 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.

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.

J) Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transactions. Foreign currency monetary items are 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.

K) Employee benefits

(i) Defined Contribution Plan

Defined contribution plan consists of Government Provident Fund Scheme and Employee State Insurance scheme. Company's contribution paid / payable during the year under these schemes are charged to Profit and Loss Account. There are no other obligations other than the contribution made by the company.

(ii) Defined Benefit Plan

Company's liabilities towards gratuity, additional gratuity and long term compensated absences are the defined benefit plans. Company's liabilities towards these are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by the reference to market yields at the Balance Sheet date on Government bonds.

(iii) Other employee benefit

Company's liability towards silver jubilee and long service awards is determined on the basis of period of service as at Balance Sheet Date.

L) Income Taxes

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

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

M) Contingencies / Provisions

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

2. Segment Reporting

The Company is operating only in one significant business segment i.e. Ready Mixed Concrete; hence segment information as per Accounting Standard 17 is not required to be disclosed. The Company is catering only to the need of the domestic market; as such there is no reportable Geographical Segments.

3. Miscellaneous Expenditure

Share issue expenses are being amortized over a period of 60 months from the commencement of commercial operations.

4. Related Party Disclosure

(A) Particulars of Holding / Fellow Subsidiary / Associate / Promoter Group Companies

Name of the Related Parties	Nature of Relationship
1. ACC Limited	Holding Company
2. Bulk Cement Corporation (India) Limited	Fellow Subsidiary Company
3. ACC Mineral Resources Limited (Formerly known as The Cement Marketing Company of India Limited)	Fellow Subsidiary Company
4. Lucky Minmat Limited (Formerly known as Lucky Minmat Private Limited)	Fellow Subsidiary Company
5. National Limestone Company Pvt. Ltd.	Fellow Subsidiary Company w.e.f. April 20,2009
6. Encore Cement and Additives Pvt. Ltd.	Fellow Subsidiary Company w.e.f. January 28, 2010
7. MP AMRL(Semaria) Coal Company Ltd.	Joint Venture of Fellow Subsidiary Company ACC Mineral Resources Limited
8. MP AMRL(Bicharpur) Coal Company Ltd.	Joint Venture of Fellow Subsidiary Company ACC Mineral Resources Limited
9. MP AMRL(Marki Barka) Coal Company Ltd.	Joint Venture of Fellow Subsidiary Company ACC Mineral Resources Limited
10. MP AMRL(Morga) Coal Company Ltd.	Joint Venture of Fellow Subsidiary Company ACC Mineral Resources Limited
11. Alcon Cement Company Pvt. Ltd.	Associate Company of the holding company
12. Asian Concretes & Cements Pvt. Ltd.	Associate Company of the holding company w.e.f April 01, 2010
13. Ambuja Cement India Private Limited	Promoter Group Company of Holding Company

Name of the Related Parties	Nature of Relationship
14. Ambuja Cements Limited	Promoter Group Company of Holding Company
15. Holderind Investments Limited	Promoter Group Company of Holding Company
16. Holcim (India) Private Limited	Promoter Group Company of Holding Company
17. Holcim Services (Asia) Limited	Promoter Group Company of Holding Company
18. Holcim Group Support Limited	Promoter Group Company of Holding Company
19. Holcim Group Support (S) PTE Limited	Promoter Group Company of Holding Company
20. Holcim Singapore Limited	Promoter Group Company of Holding Company
21. Holcim Trading FZCO	Promoter Group Company of Holding Company
22. Holcim (Lanka) Ltd.	Promoter Group Company of Holding Company
23. P T Holcim Indonesia Tbk	Promoter Group Company of Holding Company
24. Holcim Services (South Asia) Limited	Promoter Group Company of Holding Company
25. Holcim Foundation	Promoter Group Entity of Holding Company
26. Holcim Ltd.	Promoter Group Company of Holding Company
27. Siam City Concrete Co. Limited	Promoter Group Company of Holding Company
28. Siam City Cement Public Company Limited	Promoter Group Company of Holding Company
29. National Cement Factory	Promoter Group Company of Holding Company
30. Holcim Bangladesh Limited	Promoter Group Company of Holding Company
31. Holcim (Canada) Inc.	Promoter Group Company of Holding Company
32. Holcim Environment Services Sa, Belgium	Promoter Group Company of Holding Company
33. Holcim (Vietnam) Ltd.	Promoter Group Company of Holding Company
34. P T Holcim Beton	Promoter Group Company of Holding Company

(B) Key Management Personnel:

Name of Related Party	Nature of Relationship
Mr. Hans J. Fuchs	Managing Director

(C) Transactions with Holding Company

	₹ Lac	
	2010	2009
1 Purchase of Finished/ Unfinished goods	7,518.45	7,271.42
2 Sale of Fixed Assets	-	5.53
3 Reimbursement of Expenses/ Cost of Material/Stores Paid	55.00	235.30
4 Reimbursement of Expenses/ Cost of Material/Stores Received	41.54	84.71
5 Receiving of Services	0.01	-
6 Interest paid during the year	1.11	-
7 Investment received in the Share Capital of the Company	-	10,000.00
8 Inter Corporate Deposits Received During The Year	2,800.00	7,800.00
9 Inter Corporate Deposits Liquidated During the Year	2,300.00	12,400.00
10 Inter Corporate Deposits as at the end of the Year	7300.00	6,800.00
11 Outstanding balance included in Current Liabilities (Net)	1,460.73	305.96

(D) Details of Transactions relating to Promoters Group Companies

₹ Lac

	2010	2009
(i) Purchase of Finished/ Unfinished goods/Stores And Spares	5,228.77	4,872.30
Ambuja Cement Limited	5,228.77	4,872.30
(ii) Reimbursement of Expenses Paid/ Payable	3.88	-
P T Holcim Beton	3.88	-
(iii) Training/Technical Know how/ Market survey/Management Fees etc.	303.11	311.96
Holcim Group Support Limited	54.11	24.78
Holcim Services (South Asia) Limited .	158.34	174.63
Holcim Services (Asia) Limited	87.86	112.55
Siam City Cement Public Company Limited	2.80	-
(iv) Training Fees Received	5.49	-
Holcim Group Support (S) PTE Ltd.	5.04	-
Siam City Cement Public Company Limited	0.45	-
(v) Outstanding Balance Included in Current Liability	432.53	687.88

(E) Details of Transactions relating to persons referred to in item (B) of above

₹ Lac

Particulars	2010	2009
Remuneration		
Mr. Hans Fuchs	164.31	199.95

5. Earnings per Share - [EPS]

₹ Lac

Particulars	2010	2009
Profit/(Loss) after taxation as per Profit and Loss account	(2,911.22)	(4,690.12)
Less: Preference dividend on 1% Cumulative Redeemable Preference Share Capital	100.00	34.68
Profit/(Loss) after dividend on preference share capital	(3,011.22)	(4,724.80)
Weighted average number of Equity shares outstanding	10,00,00,000	10,00,00,000
Basic earnings per Share (Weighted Average) in ₹ (face value - ₹ 10 per share)	(3.01)	(4.72)
(Basic and Diluted earning per share are the same)		

6. Managerial Remuneration

Managerial remuneration (excluding contribution to gratuity fund, provision for leave encashment on retirement and other defined benefits since the same is provided on actuarial basis for the Company as a whole) paid/payable to Managing Director.

₹ Lac

	2010	2009
Salaries	110.04	114.00
Perquisites	*45.36	*19.39
Contributions to Provident and Superannuation Funds	8.91	16.56
Performance Linked Variable Incentive	-	50.00
TOTAL ...	**164.31	**199.95

* The perquisites are valued as per provisions of Income Tax Act, 1961

** Being in excess of the minimum remuneration payable in case of inadequacy of profits as per Schedule XIII of the Companies Act, 1956, for which the Company has obtained the approval of Central Government on 28th October, 2010.

7. Employee Benefits :

(a) Defined benefit plans/ compensated absences – As per actuarial on December 31, 2010.

₹ Lac

	Gratuity		Leave Encashment
	Funded	Non Funded	
(I) Expenses recognized in the Statement of Profit & Loss for the year ended December 31, 2010			
1 Current Service cost	23.10	0.22	16.17
	(35.13)	(0.84)	(25.84)
2 Interest Cost	6.73	0.43	2.45
	(7.19)	(1.10)	(5.40)
3 Expected return on plan assets	-8.85	-	-
	(-5.79)	-	-
4 Actuarial Losses (+)/ gains (-)	-8.89	-7.30	9.17
	(-19.54)	-	(39.39)
5 Curtailment Losses (+)/ gains (-)	-	-	-
	-	-	(6.70)
6 Total Expense *	12.09	-6.64	27.79
	(16.99)	(1.94)	(63.93)
(II) Net Asset (+) / Liability (-) recognized in the Balance Sheet as at December 31, 2010			
1 Present value of Defined Benefit obligation	-136.97	-6.90	-53.19
	(-123.26)	(-14.39)	(-41.28)
2 Fair value of plan assets	117.36	-	-
	(110.68)	-	-
3 Funded status [Surplus / Deficit(-)]	-19.61	-6.90	-53.19
	(-12.58)	(-14.39)	(-41.28)
4 Net asset / liability (-)	-19.61	-6.90	-53.19
	(-12.58)	(-14.39)	(-41.28)
(III) Change in Obligation during the year ended on December 31, 2010			
1 Present value of Defined Benefit Obligation at the beginning of the year	123.26	14.39	41.28
	(106.05)	(15.72)	(79.90)
2 Current Service cost	23.10	0.22	16.17
	(35.13)	(0.84)	(25.84)
3 Interest cost	6.73	0.43	2.45
	(7.19)	(1.10)	(5.40)
4 Settlement cost	-	-	-
5 Past Service cost	-	-	-

₹ Lac

	Particulars	Gratuity		Leave
		Funded	Non Funded	Encashment
6	Employee contributions	-	-	-
7	Actuarial Gains(-) / Losses(+)	-11.07	-7.30	-9.17
		-	-	(39.39)
8	Curtailment Gains(-) / Losses(+)	-	-	-
		-	-	(-6.70)
9	Benefit Payments/Payable	-5.06	-0.84	-15.88
		(-25.11)	(-3.27)	(-102.55)
10	Present value of Defined Benefit	136.97	6.90	53.19
	Obligation at the end of the year	(123.26)	(14.39)	(41.28)
(IV) Change in Assets during the year ended December 31, 2010				
1	Plan Assets at the beginning of the year	110.68	-	-
		(75.69)	-	-
2	Settlements	-	-	-
		-	-	-
3	Expected return on plan assets	8.85	-	-
		(5.79)	-	-
4	Contributions by employer	-	-	-
		(30.36)	-	-
5	Actual benefits paid	-	-	-
		(20.70)	-	-
6	Actuarial Gains(+) / Losses(-)	-2.18	-	-
		(19.54)	-	-
7	Plan assets at the end of the year ...	117.36	-	-
		(110.68)	-	-
(V) The major categories of plan assets as a percentage of total plan Qualifying Insurance Policy ..				
		100%	-	-
(VI) Actuarial Assumptions as at December 31, 2010				
1	Discount Rate	7.5%		
		(7.4%)		
2	Expected rate of return on plan assets	7.5%		
		(8%)		
3	Mortality	Indian Assured Lives Mortality (1994-96) Modified Ultimate		
4	Turnover Rate	25%		
		(19%)		
5	Disability	5% Allowance for disability is made in the mortality rates		

(Figures in bracket pertain to previous year)

(a) * (i) (6) of the above includes ₹ Nil (previous year ₹ 0.29 Lac) being Gratuity (Funded), ₹ Nil (previous year ₹ 0.02 Lac) being Gratuity (Non-Funded) and ₹ Nil Lac. (previous year ₹ 0.51 Lac) being Leave Encashment capitalized to the cost of Fixed Assets.

Amounts recognised as an expense/(income) and included in the Schedule 14

- Under "Salaries, Wages, Dearness Allowance and Bonus" of Profit and Loss Account are ₹ (6.64) Lac (previous year ₹ 1.92 Lac) for non funded Gratuity, ₹ 27.79 Lac (Previous year ₹ 63.42 Lac) for Leave Encashment,

- Under "Contributions / Provision to and for Provident and other Funds" of Profit and Loss Account is ₹ 12.09 Lac (Previous year ₹ 16.70 Lac) for Gratuity (Funded).

(b) 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.

(c) Basis used to determine Expected rate of return on assets

The Expected rate of return on plan assets is based on market expectation, at the beginning of the period, for return over the entire life of the related obligation.

8. The Company has issued 10,00,00,000 1% cumulative redeemable preference shares of ₹ 10 each to the Holding Company for cash at par on August 27, 2009. The Company has not made provision for dividend payable amounting to ₹ 134.68 Lac during the year (previous year ₹ 34.68 Lac) towards 1% cumulative redeemable preference shares in absence of profits for the year.

The Company has not created a Capital Redemption Reserve towards redemption of the 1% Cumulative Redeemable Preference Shares, in the absence of profits. The due date of redemption of the same is August 26, 2012.

9. Operating Lease

(a) Future Lease Rental payments

		₹ Lac	
		2010	2009
(i)	Not Later than one year	1,060.92	943.73
(ii)	Later than one year and not later than five years	93.10	119.80
(iii)	Later than five years	-	-

Variable charges in case of Transit Mixers and Pumps are not considered

(b) Outbound Freight Charge of ₹ 5,910.55 Lac (Previous year ₹ 4,209.62 Lac) include lease rent of ₹ 2,603.17 Lac (Previous year ₹ 2,151.91 Lac) and Pumping and Conveying Charges of ₹ 1,412.64 Lac (Previous year ₹ 1,254.17 Lac) include lease rent of ₹ 1,152.16 Lac (Previous year ₹ 1,017.43 Lac - (Refer Schedule - 14)

(c) General description of leasing arrangement:

- (i) Leased Assets: Office and other premises, Pumps and Transit Mixers etc.
(ii) Lease rentals are charged on the basis of agreed terms.

10. Taxation

No provision for current tax is made in view of the losses for the year. Ultimately the tax liability of the Company would be determined on the basis of its results for the financial year ending March 31, 2011.

In view of carried forward losses, the Company has deferred tax assets; however, as a matter of prudence and in view of the absence of virtual certainty of future taxable income, the same has not been recognized in the financial statements.

11. Other expenses include ₹ Nil (Previous year ₹ 43.75 Lac) towards settlement and estimated retrenchment compensation for the contractor's workers the actual outcome of which is contingent in cases where there are ongoing negotiations.

12. The Company has entered into Business collaboration agreement with Aakash Manufacturing Company Private Limited to market in Goa and nearby area. Aakash Manufacturing Company Private Limited has two Ready Mix Concrete plant in Goa with an annual turnover of ₹ 4,500 Lac. An "agreement to sell" has been entered into between the Company and the selling shareholders of Aakash Manufacturing Company Private Limited, under which the Company has an option to purchase 40% Equity stake in Aakash Manufacturing Company Private Limited, at a consideration of ₹ 720 Lac, on a mutually agreed dates which shall not be later than January 31, 2012. The consideration amount will be increased by the interest charge at 11% per annum and reduced by the dividend /profit related to the selling shareholders declared/ earned by Aakash Manufacturing Company Private Limited during the period of signing of this agreement and exercise of this option.

13. Contingent Liabilities Not Provided For

(a) Indemnity, Guarantees given to Banks/Financial Institutions, Government Bodies and others ₹ 833.58 Lac (Previous year ₹ 795.47 Lac).

(b) Letter of Credit opened with Banks/Financial Institutions ₹ Nil (Previous year ₹ 134.32 Lac) for procurement of Raw Materials.

(c) Sales tax, entry tax & other dues ₹ 352.43 Lac (Previous year ₹ 343.58 Lac), in respect of this Company has issued Bank guarantee of ₹ 255.81 Lac (Previous year ₹ 250.82 Lac) which is included in item 1 above.

(d) Claims against the Company not admitted as debt - Royalty ₹ 12.98 Lac (Previous year ₹ 12.98 Lac), in respect of this Company has issued Bank guarantee of ₹ 4.90 Lac (Previous year ₹ 4.90 Lac) which is included in item 1 above.

14. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 11.11 Lac. (Previous year ₹ 160.11 Lac)

15. The pre-operative expenses incurred and transferred to Capital work in progress is as under:

		₹ Lac	
		2010	2009
	Salary and Allowances	-	19.89
	Contribution to Provident and other funds	-	1.38
	Workmen and Staff Welfare Expenses	-	2.52
	Rent	-	8.30
	Insurance	-	0.99
	Other Expenses	-	9.60
	TOTAL ...	-	42.68

16. Payment to Statutory Auditors (excluding service tax)

Other Expenses includes payment to Statutory Auditors as given below:

	₹ Lac	
	2010	2009
Audit Fees	19.00	16.00
Tax Accounts Audit and Tax Audit Fees ...	8.00	8.00
For other services (Limited Review etc.) ..	15.00	15.00
Expenses Reimbursed	3.31	4.98
TOTAL ...	45.31	43.98

- 17.** In the absence of responses to confirmations, the dues on account of Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to which the Company owes on account of principal amount together with interest are not known and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

- 18.** Particulars of un-hedged foreign currency exposure as at Balance Sheet date.

Particulars	Amount
Creditors	CHF
	₹ 139.05 Lac (CHF 2.87 Lac @ closing rate of 1 CHF = ₹ 48.43)
	{Previous year ₹ 133.47 Lac (CHF 2.95 Lac @ closing rate of 1 CHF = ₹ 45.18)}
	USD
	₹ 75.60 Lac (USD 1.66 Lac @ closing rate of 1 USD = ₹ 45.55)
	{Previous year ₹ 112.06 Lac (USD 2.39 Lac @ closing rate of 1 USD = ₹ 46.89)}

19. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3 & 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

(A) Sales by class of goods (Net)

	Unit	2010		2009	
		Quantity	₹ Lac	Quantity	₹ Lac
(i) Ready Mixed Concrete	Lac Cubic Meters	17.30	54,886.30	15.06	46,594.05
(ii) Job and Service rendered ..	Lac Cubic Meters	2.76	783.00	1.95	684.32
(iii) Pumping Services rendered	-	-	216.02	-	334.79
(iv) Purchased Ready Mixed Concrete	Lac Cubic Meters	1.33	4,844.79	1.05	3,661.69
TOTAL ...		21.39	60,730.11	18.06	51,274.85

(B) Details of raw materials consumed

	Unit	2010		2009	
		Quantity	₹ Lac	Quantity	₹ Lac
(i) Cement	Lac Tons	5.27	20,156.29	4.74	18,849.64
(ii) Sand	Lac Tons	13.02	6,269.52	11.16	4,678.24
(iii) Aggregate	Lac Tons	18.93	10,053.13	16.36	8,279.08
(iv) Others	-	-	2,942.82	-	2,500.03
TOTAL ...			39,421.76		34,306.99

(C) Licensed and installed capacity, actual production and closing Stocks

	Unit	*Installed / Rated Capacity per annum		Actual Production	
		2010	2009	2010	2009
Ready Mixed Concrete	Lac Cubic Meters	50.47	42.09	20.06	17.01

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

The Company is in the business of manufacturing Ready Mixed Concrete and therefore there is no opening and closing stock of finished goods.

(D) Purchase of Ready Mixed Concrete

	Unit	2010		2009	
		Quantity	₹ Lac	Quantity	₹ Lac
Ready Mixed Concrete	Lac Cubic Meters	1.33	4,754.98	1.05	3,599.18

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

	₹ Lac	
	2010	2009
(i) Raw Material	294.07	667.69
(ii) Capital Goods	-	4.16
TOTAL ...	294.07	671.85

(F) Expenses incurred in foreign currency (on accrual basis)

	₹ Lac	
	2010	2009
(i) Travelling expenses	3.10	6.02
(ii) Technical Know-how paid (net of taxes)	3.88	-
(iii) (Gain) / Loss on Exchange	6.50	(7.13)
(iv) Consultants' charges	87.86	112.55
(v) Training and Seminar expenses .	56.92	29.21
(vi) Software Maintenance expenses	7.45	-
TOTAL ...	165.71	140.65

(G) Value of Imported and indigenous Raw materials, Components and Spare parts consumed: -

Materials	Raw Materials		Component & Spare parts		Raw Materials		Component & Spare parts	
	2010	2009	2010	2009	2010	2009	2010	2009
	₹ Lac	%	₹ Lac	%	₹ Lac	%	₹ Lac	%
(i) Imported	296.23	0.76	-	-	665.53	1.94	-	-
(ii) Indigenous	39,125.52	99.24	84.02	100.00	33,641.46	98.06	111.91	100.00
TOTAL ...	39,421.75	100.00	84.02	100.00	34,306.99	100.00	111.91	100.00

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

As per our report of even date For and on behalf of the Board of ACC Concrete Limited,

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

Hans J. Fuchs
Managing Director

Sunil K. Nayak
Director

Raghuvir M. Aiyar
Partner
Membership No. 38128

Allwyn D'costa
Chief Financial Officer

Shekhar Modi
Company Secretary

Mumbai, February 01, 2011

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

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. State Code
 Balance Sheet
 Date Month Year

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

Public Issue Rights Issue
 Bonus Issue Private Placement

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

Total Liabilities Total Assets
Source of Funds
 Paid-up Capital Reserves & Surplus
 Secured Loans Unsecured Loans
Application of Funds
 Net Fixed Assets Investments
 Net Current Assets Misc. Expenditure
 Accumulated Losses

IV. Performance of Company (Amount in ₹ Thousands)

Revenue Expenditure
Profit / (-) Loss Before Tax **Profit / (-) Loss After Tax**
 Earnings per Share (in ₹) Dividend Rate %

V. Generic name of three principal Products / Services of the Company (As Per Monetary Terms)

Item Code No. (ITC Code)
 Product Description

Directors' Report

TO THE MEMBERS OF ACC MINERAL RESOURCES LIMITED

The Directors have pleasure in presenting the Eighty Second Annual Report, together with the Audited Financial Statements of the Company for the year ended December 31, 2010.

1. FINANCIAL RESULTS

PARTICULARS	For the year ended December 31, 2010 ₹	For the year ended December 31, 2009 ₹
Sale of products and services & Other income	5,00,441	4,65,669
Profit Before Depreciation, Interest and Tax	46,637	1,61,135
Profit Before Tax	46,637	1,61,135
Profit After Tax	46,637	1,61,135
Balance brought forward from previous year	5,71,232	4,10,097
Balance Carried to Balance Sheet	6,17,869	5,71,232

2. OPERATIONS

In the year 2009, the Company had entered into four Joint Venture Agreements with Madhya Pradesh State Mining Corporation Limited (MPSMC) for development and mining of four coal blocks allotted to MPSMC by the Government of India. Out of these four coal blocks, one coal block viz. "Semaria / Piparia" in Umaria District of Madhya Pradesh is an explored coal block and the remaining three coal blocks are in the process of exploration. The exploration activity of the two coal blocks viz. Bicharpur and Marki Barka situated in Shajdol and Singrauli Districts of Madhya Pradesh respectively have been completed and the Geological Report is under preparation. Currently various regulatory clearances are in process for all the above three coal blocks. The fourth Coal Block viz. Morga IV

in the State of Chattisgarh is in the "No-go Area" of Ministry of Environment & Forest and the Government of India is presently reviewing its policy vis-a-vis coal blocks situated in the "No-go" forest area.

The operators of the Company have not started and in the absence of any trading activity, the other income of ₹5,00,441 represents the dividend received on investment in mutual funds and other income which is further reduced by administrative expenditure and amortization of miscellaneous expenditure incurred for increasing the Authorised Share Capital of the Company.

3. DIRECTORS

The Board of Director has appointed Mr. Kuldeep Kaura, as an Additional Director of the Company with effect from October 14, 2010. As an Additional Director Mr. Kuldeep Kaura holds office till the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment as a Director is included at Item 4 of the Notice.

Mr. Vivek Chawla, who was appointed in the casual vacancy caused by the resignation of Mr. K. Ravindran with effect from July 16, 2009 holds office till the date, Mr. K. Ravindran in whose vacancy he has been appointed would have otherwise held office i.e. till the date of this Annual General Meeting. The Resolution pertaining to his appointment as a Director is included at Item 5 of the Notice.

Mr. Sumit Banerjee who was appointed, as a Director of the Company with effect from January 22, 2007, resigned from the Board of Directors of the Company with effect from August 13, 2010. The Board has placed on record its appreciation of the valuable services rendered by Mr. Sumit Banerjee as Chairman of the Company.

In accordance with the provisions of the Companies Act, 1956, Mr. Sunil Nayak retires by rotation and is eligible for reappointment.

4. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the Accounts for the year ended December 31, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any,
- (ii) that such accounting policies as mentioned in Note 1 of the Notes to Accounts have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at December 31, 2010 and of the profit of the Company for the year ended on that date,
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- (iv) that the Accounts for the year ended December 31, 2010 have been prepared on a 'going concern' basis.

5. AUDITORS

M/s. K S Aiyar & Co., Chartered Accountants, the existing Auditors have under Section 224(1B) of the Companies Act, 1956, furnished a certificate of their eligibility for re-appointment. The Members are requested to re-appoint them as Auditors of the Company for the year 2011.

6. AUDIT COMMITTEE

The paid up Share Capital of the Company is less than Rupees Five Crores and hence the Company is not required to constitute an Audit Committee under the provisions of Section 292A of the Companies Act, 1956.

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

(i) Energy Conservation & Technology Absorption

In the absence of any manufacturing activity, the information under section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is Nil.

(ii) Foreign exchange and outgo

The Company has paid an advance of ₹ 51,61,500 in foreign currency towards preparation of detailed project report for Semaria Piparia Coal Block.

8. Particulars of Employees

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

9. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Mr. B. D. Nariman
Director

Mr. Sunil Nayak
Director

Mumbai
January 31, 2011
Registered Office:
Cement House,
121, Maharshi Karve Road,
Mumbai 400 020

Auditor's Report on the Consolidated Accounts of ACC Mineral Resources Limited

TO THE BOARD OF DIRECTORS,

1. We have audited the attached Consolidated Balance Sheet of ACC MINERAL RESOURCES LIMITED wherein is included its proportionate share in four joint venture companies, as at December 31, 2010, and also the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 27 Financial Reporting of interests in Joint Venture Companies issued by the Central Government under Companies (Accounting Standards) Rules, 2006.
4. On the basis of the information and explanation given to us and on the consideration of the separate audit report on standalone financial statements of the Company and our audit of its four joint venture companies for the limited purpose of consolidation, we are of the opinion that:
 - a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of the Company as at 31st December, 2010;
 - b) The Consolidated Profit and Loss account gives a true and fair view of the consolidated Loss of the Company for the year then ended; and
 - c) The Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of the Company for the year then ended.

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

Rajesh S. Joshi
Partner
Membership No.38526

Mumbai
DATE: January 31, 2011

Consolidated Balance Sheet as at December 31, 2010

		₹	
		As at December 31, 2010	As at December 31, 2009
Schedules			
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share Capital	1	49,500,000.00	49,500,000.00
Reserves and Surplus	2	-	571,232.00
		<u>49,500,000.00</u>	<u>50,071,232.00</u>
Loan Funds :			
Unsecured Loans		31,150,000.00	1,300,000.00
TOTAL FUNDS		80,650,000.00	51,371,232.00
APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block	3	12,655,699.00	
Less: Depreciation / Amortization		443.00	-
Net Block		<u>12,655,256.00</u>	
Capital Work-in-progress		4,814,661.00	-
		<u>17,469,917.00</u>	-
Investments	4	-	43,251,888.00
Deferred Tax Asset		1,697,196.00	-
Current Assets, Loans and Advances :			
Cash and Bank Balances	5	3,088,164.86	201,281.00
Loans and Advances	6	55,953,462.20	15,717,080.00
		<u>59,041,627.06</u>	<u>15,918,361.00</u>
Less : Current Liabilities and Provisions :			
Current Liabilities	7	3,021,166.20	9,079,983.00
Provisions	8	9,500.00	9,500.00
		<u>3,030,666.20</u>	<u>9,089,483.00</u>
Net Current Assets		<u>56,010,960.86</u>	<u>6,828,878.00</u>
Miscellaneous Expenditure	9	992,662.00	1,290,466.00
(to the extent not written off or adjusted)			
Profit & Loss Account		4,479,264.14	-
TOTAL ASSETS (NET)		80,650,000.00	51,371,232.00
Notes to Accounts	10		

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

As per our report of even date

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

Rajesh S. Joshi
Partner
Membership No. 38526

Mumbai, January 31, 2011

For and on behalf of the Board of
ACC Mineral Resources Limited,

T.N. Tiwari
Sunil Nayak } Director

Dinesh Kumar Sonthalia
Company Secretary

Consolidated Profit and Loss Account for the year ended December 31, 2010

		₹	
		For the year ended December 31, 2010	For the year ended December 31, 2009
Schedules			
INCOME:			
Dividend Received		496,165.86	465,669.00
Interest Received		62,684.00	-
Other Income		4,275.00	-
		<u>563,124.86</u>	<u>465,669.00</u>
EXPENDITURE:			
Auditor's Fee		170,700.00	106,000.00
Bank Charges		1,708.00	-
Consultancy charges		52,041.00	-
General Charges		38,818.00	-
Printing & Stationery		4,384.00	-
Rent		48,143.00	-
Travelling Expenses		310,096.00	-
Preliminary Expenses		6,386,680.00	-
Depreciation on Digital Camera		443.00	-
Miscellaneous Expenditure written off ...		297,804.00	198,534.00
Profit / (Loss) before Taxation		(6,747,692.14)	161,135.00
Provision for Taxation			
Deferred Tax		(1,697,196.00)	-
		<u>(1,697,196.00)</u>	-
Profit / (Loss) After Tax		(5,050,496.14)	161,135.00
Balance brought forward from previous year		571,232.00	410,097.00
Balance Carried to Balance Sheet		(4,479,264.14)	571,232.00
Basic and Diluted Earnings per Share ...		(10.20)	0.90
Face Value per Share		100	100
Notes to Accounts	10		

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

As per our report of even date

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

Rajesh S. Joshi
Partner
Membership No. 38526

Mumbai, January 31, 2011

For and on behalf of the Board of
ACC Mineral Resources Limited,

T.N. Tiwari
Sunil Nayak } Director

Dinesh Kumar Sonthalia
Company Secretary

Consolidated Cash Flow Statement

for the year ended December 31, 2010

	For the year ended December 31, 2010	For the year ended December 31, 2009
A. Cash flow from operating activities		
1 Net Profit / (Loss) before Tax	(6,747,692.14)	161,135.00
Adjustments for :		
2 Interest and Dividend Income	(563,124.86)	(465,669.00)
Operating profit before working capital changes	(7,310,817.00)	(304,534.00)
Adjustments for :		
3 Other receivables	(40,236,382.20)	(15,707,786.00)
4 Trade payables	(6,058,816.80)	9,067,708.00
5 Miscellaneous Expenditure	297,804.00	-
Net Cash flow from operating activities	(53,308,212.00)	(6,944,612.00)
B. Cash flow from investing activities		
6 Purchase of Fixed Assets	(17,469,917.00)	-
7 Purchase of Investments	-	(43,251,888.00)
8 Sale / Redemption of Investments	43,251,888.00	-
9 Interest and Dividend received	563,124.86	465,669.00
10 Miscellaneous Expenditure	-	(1,290,466.00)
Net cash used in investing activities	26,345,095.86	(44,076,685.00)
C. Cash flow from financing activities		
10 Proceeds from issue of Share Capital	-	49,000,000.00
11 Proceeds from Short term Borrowings	29,850,000.00	1,300,000.00
Net cash used in financing activities	29,850,000.00	50,300,000.00
Net increase / (decrease) in cash and cash equivalents	2,886,883.86	(721,297.00)
Cash and cash equivalents - Opening Balance	201,281.00	922,578.00
- Closing Balance	3,088,164.86	201,281.00

Notes : 1 All figures in brackets are outflow
 2 Previous Period's figures are regrouped / rearranged wherever necessary.
 3 Cash and Cash Equivalents is Cash and Bank Balance as per Balance Sheet.

As per our report of even date

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

Rajesh S. Joshi
 Partner
 Membership No. 38526

Mumbai, January 31, 2011

For and on behalf of the Board of
 ACC Mineral Resources Limited,

T.N. Tiwari } Director
Sunil Nayak }

Dinesh Kumar Sonthalia
 Company Secretary

Schedules forming part of the consolidated Balance Sheet

SCHEDULE - 1, SHARE CAPITAL

	AMRL As at December 31, 2010	Joint Venture Total As at December 31, 2010	As at December 31, 2010	As at December 31, 2009
1. AUTHORISED				
2,000,000 Equity Shares of ₹ 100 each	200,000,000.00	-	200,000,000.00	200,000,000.00
2. ISSUED, SUBSCRIBED & PAID UP				
495,000 Equity Shares of ₹ 100 each, fully paid	49,500,000.00	-	49,500,000.00	49,500,000.00
(All the Shares are held by ACC Limited, the Holding Company and its nominees)				
TOTAL ...	49,500,000.00	-	49,500,000.00	49,500,000.00

SCHEDULE - 2, RESERVES AND SURPLUS

	AMRL As at December 31, 2010	Joint Venture Total As at December 31, 2010	As at December 31, 2010	As at December 31, 2009
Profit & Loss A/C	-	-	-	571,232.00
TOTAL ...	-	-	-	571,232.00

SCHEDULE 3 : FIXED ASSETS (Consolidated)

Nature of fixed assets	Gross Block			Depreciation/Amortisation			Net Block			
	As at 1/1/2010	Additions during the year	Deductions/ Adjustments	As at 31/12/2010	As at 1/1/2010	Provided during the year	Deductions/ Adjustments	As at 31/12/2010	As at 31/12/2010	As at 31/12/2009
Land	-	2,653,427	-	2,653,427	-	-	-	-	2,653,427	-
Digital Camera	-	6,272	-	6,272	-	443	-	443	5,829	-
Intangible Assets	-	9,996,000	-	9,996,000	-	-	-	-	9,996,000	-
TOTAL ...	-	12,655,699	-	12,655,699	-	443	-	443	12,655,256	-
Capital work-in-progress	-	-	-	-	-	-	-	-	4,814,661	-
Previous Year	-	-	-	-	-	-	-	-	-	-

Notes: Land includes ₹ 12,24,258 paid as advance towards purchase of Land, Pending Registration

SCHEDULE - 4, INVESTMENTS

	AMRL As at December 31, 2010	Joint Venture Total As at December 31, 2010	As at December 31, 2010	As at December 31, 2009
Current Investments				
Others- Quoted:				
Baroda Pioneer Liquid Fund	-	-	-	43,251,888.00
TOTAL ...	-	-	-	43,251,888.00

SCHEDULE - 5, CASH AND BANK BALANCES

	AMRL As at December 31, 2010	Joint Venture Total As at December 31, 2010	As at December 31, 2010	As at December 31, 2009
1. Cash on Hand	5,375.00	-	5,375.00	580.00
2. Balances With Scheduled Banks				
In Current Account	866,789.86	305,000.00	1,171,789.86	200,701.00
In Fixed Deposit Accounts	-	1,911,000.00	1,911,000.00	-
TOTAL ...	872,164.86	2,216,000.00	3,088,164.86	201,281.00

Schedules forming part of the consolidated Balance Sheet

SCHEDULE - 6, LOANS AND ADVANCES - (Unsecured, Considered Good, unless otherwise stated)

	AMRL As at December 31, 2010	Joint Venture Total As at December 31, 2010	As at December 31, 2010	As at December 31, 2009
Advances Recoverable in cash or in Kind of for value to be received Considered Good				
Advances to Joint Venture Companies	7,174,916.00	-	7,174,916.00	13,230,798.00
Advance to others	48,717,546.20	-	48,717,546.20	2,477,782.00
Accrued Interest	-	52,500.00	52,500.00	-
Advance Payment Against Taxes	8,500.00	-	8,500.00	8,500.00
TOTAL ...	55,900,962.20	52,500.00	55,953,462.20	15,717,080.00

SCHEDULE - 7, CURRENT LIABILITIES

	AMRL As at December 31, 2010	Joint Venture Total As at December 31, 2010	As at December 31, 2010	As at December 31, 2009
Sundry Creditors				
Payable to the Holding / Strategic Partner	-	-	-	8,735,261.00
Other Sundry Creditors	2,824,066.20	-	2,824,066.20	13,775.00
Other Liabilities	157,900.00	39,200.00	197,100.00	330,947.00
TOTAL ...	2,981,966.20	39,200.00	3,021,166.20	9,079,983.00

SCHEDULE - 8, PROVISIONS

	AMRL As at December 31, 2010	Joint Venture Total As at December 31, 2010	As at December 31, 2010	As at December 31, 2009
Provision for Taxation	9,500.00	-	9,500.00	9,500.00
TOTAL ...	9,500.00	-	9,500.00	9,500.00

SCHEDULE - 9, MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)

	AMRL As at December 31, 2010	Joint Venture Total As at December 31, 2010	As at December 31, 2010	As at December 31, 2009
Expenses incurred for increase in Authorised Share Capital	-	-	-	-
(Net off amortisation)	992,662.00	-	992,662.00	1,290,466.00
TOTAL ...	992,662.00	-	992,662.00	1,290,466.00

Notes to Accounts

Schedule –10, NOTES TO CONSOLIDATED ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON DECEMBER 31, 2010

1. (I) Basis of preparation

- (i) The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting in accordance with the accounting principles generally accepted in India and in compliance with provisions of the Companies Act, 1956 and comply with the mandatory Accounting Standards (AS) specified in the Companies (Accounting Standard) Rules, 2006, prescribed by the Central Government.
- (ii) Financial statements are based on historical cost except where impairment is made and or revaluation is carried out.
- (iii) Accounting policies have been consistently applied by the Company except as stated otherwise.
- (iv) The Consolidated financial statements are prepared in accordance with the Accounting Standard 27, 'Financial Reporting of Interests in Joint Ventures' issued by the Central Government under the Companies (Accounting Standard) Rules, 2006. The consolidated financial statements comprises of the financial statements of ACC Mineral resources Limited (the company) and its 49% share in the four joint venture companies namely MP AMRL (Semaria) Coal Company Limited, MP AMRL (Bicharpur) Coal Company Limited, MP AMRL (Marki Barka) Coal Company Limited and MP AMRL (Morga) Coal Company Limited. Accordingly all the assets, liabilities, incomes and expenses of the joint venture companies have been included to the extent of 49% representing the company's share in these consolidated financial statement of the company.

(II) Use of estimates

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

(III) Significant Accounting Policies

A) Revenue recognition

Dividend and Interest income

Dividend income is recognised when the right to receive such dividend is established.

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

B) Fixed Assets

- (i) Tangible fixed assets are stated at the cost of acquisition less depreciation. Mineral rights of coal has been recognized as intangible assets and valued equivalent to the Equity share capital allotted to The M.P. State Mining Corporation Limited (MPSMC) in lieu thereof in terms of the provisions of Joint Venture Agreement. The value of mineral rights of coal may increase to the extent of further allotment of equity share capital to MPSMC.
- (ii) Capital work-in-progress includes expenses on account of prospecting, expenses for regulatory clearances, exploration and evaluation of coal

mines etc. These expenses are carried forward and will be capitalized once the mine starts the commercial production.

C) Depreciation / Amortization

Depreciation on tangible fixed assets is provided on straight line method at the rates prescribed in schedule XIV of the Companies Act, 1956 on a pro-rata basis. The intangible fixed assets i.e. mineral rights of coal, exploration and evaluation asset etc. is to be amortized on the basis of extraction of coal in proportion to the available mineable reserves of coal.

D) Investments

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

E) 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.

F) Income taxes

Tax expense comprises of current and deferred tax. The deferred tax charge or credit is recognized using current tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of assets.

Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets/liabilities are reviewed as at each balance sheet date.

G) Contingencies / Provisions

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

H) Segment Reporting

The company operates in one business segment i.e. Development and operation of coal mines. This business segment is regarded as the primary segment. As the company has not yet started its commercial activities, there are no reportable geographical segments.

2. Contingent Liabilities not provided for ₹ Nil

3. Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ Nil

4. Miscellaneous Expenditure

Expenses incurred in connection with increase in Authorised Share capital amounting to ₹ 14,89,000/- is being amortized over a period of 60 months commencing from May 2009.

5. Taxation

No provision for current tax is made as at 31st December 2010 in absence of any taxable income. However the income tax liability, if any, of the company would be determined on the basis of its results for the fiscal year ending on 31st March 2011. However the Deferred Tax Asset (DTA) has been created in Joint Venture Companies as below:

Description	Value As per Books	Value as per Income Tax	Difference	DTA @ 33.2175%
Preliminary Expenses	-	51,09,344	51,09,344	16,97,196

6. Related Party Disclosure
(A) Particulars of Holding / Associate Companies

Name of Related Party	Nature of Relationship
ACC Limited	Holding Company
Bulk Cement Corporation (India) Ltd.	Fellow Subsidiary Company
ACC Concrete Limited	Fellow Subsidiary Company
Lucky Minmat Private Limited	Fellow Subsidiary Company
National Limestone Company Pvt. Limited	Fellow Subsidiary Company
Alcon Cement Company Pvt. Ltd.	Associate Company of the Holding Company
Encore Cement and Additives Pvt. Ltd.	Fellow Subsidiary Company
MP AMRL (Semaria) Coal Company Limited	Joint Venture Company (49% interest in Equity is held by AMRL)
MP AMRL (Bicharpur) Coal Company Limited	Joint Venture Company (49% interest in Equity is held by AMRL)
MP AMRL (Marki Barka) Coal Company Limited	Joint Venture Company (49% interest in Equity is held by AMRL)
MP AMRL (Morga) Coal Company Limited	Joint Venture Company (49% interest in Equity is held by AMRL)
Asian Concretes & Cements Pvt. Ltd.	Associate Company of Holding Company
Ambuja Cement India Private Limited	Promoter Group Company of the Holding Company
Ambuja Cements Limited	Promoter Group Company of the Holding Company
Holderind Investments Limited	Promoter Group Company of the Holding Company
Holcim (India) Private Limited	Promoter Group Company of the Holding Company
Holcim Service (Asia) Limited	Promoter Group Company of the Holding Company
Holcim (Bangladesh) Limited	Promoter Group Company of the Holding Company
Holcim Group Support Limited	Promoter Group Company of the Holding Company

Name of Related Party	Nature of Relationship
Holcim Singapore Limited	Promoter Group Company of the Holding Company
Holcim Trading FZCO	Promoter Group Company of the Holding Company
Holcim (Lanka) Ltd.	Promoter Group Company of the Holding Company
P T Holcim Indonesia Tbk	Promoter Group Company of the Holding Company
Holcim Services (South Asia) Limited	Promoter Group Company of the Holding Company
Holcim Foundation	Promoter Group Entity Company of the Holding Company
Holcim Ltd.	Promoter Group Company of the Holding Company
Holcim (Canada) Inc.	Promoter Group Company of the Holding Company
Siam City Concrete Co. Limited	Promoter Group Company of the Holding Company
Siam City Cement Company Limited	Promoter Group Company of the Holding Company
National Cement Factory	Promoter Group Company of the Holding Company
Holcim Environment Services Sa, Belgium	Promoter Group Company of the Holding Company
Holcim Vietnam	Promoter Group Company of the Holding Company

(B) Transactions with Holding Company

Particulars	For the year ended December 31, 2010	For the year ended December 31, 2009
1 Inter Corporate Deposits Received During The Year	311,50,000	13,00,000
2 Inter Corporate Deposits paid during the year	13,00,000	-
3 Inter Corporate Deposits as at the end of the year	311,50,000	13,00,000
4 Outstanding balance included in Current Liabilities (Net)	-	87,35,261

7. Earnings per Share - [EPS]

Particulars	For the year ended December 31, 2010	For the year ended December 31, 2009
Profit/(Loss) after taxation as per Profit and Loss account	(50,50,496)	1,61,135
Weighted average number of Equity shares outstanding	4,95,000	1,78,178
Basic earnings per Share (Weighted Average) in ₹ (face value - ₹ 100 per share)	(10.20)	0.90

(There are no diluted equity shares and hence there is no working for diluted earning per share)

8. During the year the Company acquired and sold the following units of its investment in Baroda Pioneer Liquid Fund and LIC Mutual Fund.

Baroda Pioneer Fund

Description	Face Value	No. of Units	₹
Redemption of Investment	10.0063	43,25,162	4,32,51,888

LIC Mutual Fund

Description	Face Value	No. of Units	₹
Acquisition & Redemption	10.00	43,26,800	4,32,68,000

9. **Payment to Statutory Auditors:**

Particulars	For the year ended December 31, 2010	For the year ended December 31, 2010 (AMRL)	For the year ended December 31, 2010 (JVC)	For the year ended December 31, 2009
Audit Fees	64,700	50,000	14,700	50,000
<u>For other services</u>				
(i) Limited Review	36,000	36,000	-	36,000
(ii) Audit for Tax Purpose A/c	25,000	25,000	-	-
(iii) Fees for financial Reporting package	20,000	20,000	-	20,000
(iv) Consolidation of Accounts	25,000	25,000	-	-
Expenses Reimbursed	-	-	-	-
TOTAL ...	1,70,700	1,56,000	14,700	1,06,000

10. **Transactions with Joint Venture Companies**

	For the year ended December 31, 2010	For the year ended December 31, 2009
1 Advances given to Joint Venture Companies (JVC)	1,44,68,172	-
2 Reimbursement of expenses from JVC	3,99,710	-
3 Outstanding balance included in Current Assets	1,40,68,462	3,000

11. Advances to others include ₹ 4,86,97,046/- for carrying out the exploration activity of its Coal Blocks. The same shall be allocated to respective Coal Block's Joint Venture Company once the activity is complete and Geological Report and Detailed Project Report is prepared.

12. **Payment made in foreign currency**

Technical Fees: ₹ 57,77,569/- including ₹ 6,16,069/- of Joint Venture Companies.

13. Other Additional information pursuant to the provisions of paragraph 3 & 4 of the part II of schedule VI to the Companies Act, 1956 is not applicable in absence of any commercial activity.

14. The figures of the consolidated financial statements for the year ended 31st December 2010 are not strictly comparable with the previous year's figures due to the fact that investments in all four joint venture companies have been made in the current financial year.

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

As per our report of even date

For and on behalf of the Board of
ACC Mineral Resources Limited,

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

T.N. Tiwari
Sunil Nayak } Director

Rajesh S. Joshi
Partner
Membership No. 38526

Dinesh Kumar Sonthalia
Company Secretary

Mumbai, January 31, 2011

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

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. State Code Balance Sheet Date

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

Public Issue

Rights Issue

Bonus Issue

Private Placement

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

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

IV. Performance of Company (Amount in ₹ Thousands)

Turnover

Total Expenditure

Profit / Loss Before Tax

Profit / Loss After Tax

Earning per share before Extraordinary Item in ₹

Dividend Rate %

Earning per share after Extraordinary Item in ₹

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

Item Code No. (ITC Code)

Directors' Report

TO THE MEMBERS OF
BULK CEMENT CORPORATION (INDIA) LIMITED

The Directors hereby present the Nineteenth Annual Report on the business and operations of the Company and the Audited Accounts for the year ended December 31, 2010.

1. FINANCIAL RESULTS

PARTICULARS	(₹ Lacs)	
	For the year ended December 31, 2010	For the year ended December 31, 2009
Sale of Products, Services and Other Income	1,355.62	1,202.89
Profit/(Loss) Before Tax	47.93	(195.69)
Provision for Taxation		
- Current Tax	-	-
- Short Provisioning in Income Tax in respect of earlier years	2.60	3.00
- Deferred Tax	6.50	(91.32)
- Fringe Benefits Tax	-	0.21
	9.10	(88.11)
Profit/(Loss) after Taxation	38.83	(107.58)
Balance brought forward	993.23	1,100.81
Balance carried forward to Balance Sheet	1,032.06	993.23

The profit before tax for the financial year under review was ₹47.93 lacs as compared to a loss of ₹195.69 lacs in the previous year. Net profit after tax for the year 2010 is ₹38.83 lacs as compared to a net loss of ₹107.58 lacs, in the previous year.

2. OPERATIONS

The total despatches for the year ended December 31, 2010 were 9.18 lacs MT compared to 8.15 lacs MT in the corresponding period of the previous year which is higher by 12.8%. The despatches for the year 2010 were so far the highest achieved by your Company.

In all 336 rakes were received during the year 2010 as compared to 315 rakes received during the year 2009.

The specific power consumption for the year 2010 at 2.89 Units/T was lower by 7% as against 3.11 Units/T for the year 2009.

The Company continued to operate at unity power factor throughout the year. The incentive received for maintaining unity power factor was ₹ 11.15 lacs for the year 2010.

3. DIVIDEND

Your Directors do not recommend any dividend for the financial year ended December 31, 2010.

4. INDUSTRIAL RELATIONS

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

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

As required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are mentioned herein below:

FORM "A"

Form for Disclosure of Particulars with respect to Conservation of Energy, Power and Fuel Consumption:

PARTICULARS	(₹)	
	For the year ended December 31, 2010	For the year ended December 31, 2009
1. Electricity		
a. Units Purchased KWH	26,75,730	2524440
Total Amount	152.85	141.19
Rate/Unit in ₹/KW	5.71	5.59
b. Own Generation	-	-
2. Consumption / Unit of Production Electricity (Unit/MT)	2.89	3.10

Disclosure of particulars with respect to Foreign Exchange Earning and Outgo

PARTICULARS	For the year ended December 31, 2010	For the year ended December 31, 2009
Foreign Exchange Earned	-	-
Foreign Exchange used	-	-

The Company has not entered into any technology transfer agreement.

6. PARTICULARS OF EMPLOYEES

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

7. DIRECTORS

The Government of India, Ministry of Commerce and Industry, has pursuant to its rights under the Company's Articles of Association, nominated Mr. Talleen Kumar (IAS), Joint Secretary, Ministry of Commerce & Industry as a Director of the Company with effect from July 19, 2010 in place of Ms. Renu Sharma (IAS).

The Government of India, Ministry of Commerce & Industry, has pursuant to its rights under the Company's Articles of Association, nominated Mr. Shyamal Misra (IAS), Deputy Secretary, Department of Industrial Policy & Promotion as a Director of the Company with effect from July 19, 2010 in place of Mr. Shashi Ranjan Kumar (IAS).

The Board has appointed Mr. Kuldip Kaura as an Additional Director of the Company with effect from October 18, 2010.

As Additional Directors, Mr. Talleen Kumar, Mr. Shyamal Misra and Mr. Kuldip Kaura hold office till the date of the ensuing Annual General Meeting of the Company. Accordingly, the Resolutions pertaining to their appointments as Directors are included at Items 5 to 7 of the Notice.

Ms. Renu Sharma (IAS) who was appointed as a Director of the Company with effect from July 17, 2009, resigned from the Board of Director of the Company with effect from July 19, 2010. The Board has placed on record its appreciation of the valuable services rendered by Ms. Renu Sharma as a Director of the Company.

Mr. Shashi Ranjan Kumar (IAS), who was appointed as a Director of the Company with effect from October 29, 2007, resigned from the Board of Directors of the Company with effect from July 19, 2010. The Board has placed on record its appreciation of the valuable services rendered by Mr. Shashi Ranjan Kumar as a Director of the Company.

Mr. Sumit Banerjee who was appointed as a Director of the Company with effect from February 12, 2007 resigned from the Board of Directors of the Company with effect from August 13, 2010. The Board has placed on record its appreciation of the valuable services rendered by Mr. Banerjee as a Director of the Company.

Mr. Ravinder Mohan who was appointed as a Director of the Company with effect from June 9, 2008, resigned from the Board of Directors of the Company with effect from January 3, 2011. The Board has placed on record its appreciation of the valuable services rendered by Mr. Ravinder Mohan as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956 Mr. Sunil Nayak and Mr. J DattaGupta retire by rotation and are eligible for re-appointment.

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the Accounts for the year ended December 31, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) that such accounting policies as mentioned in Note 1 of the Notes to the Accounts have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company as at December 31, 2010 and of the Profit of the Company for the year ended on that date;
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the accounts for the year ended December 31, 2010 have been prepared on a going concern basis.

9. AUDIT COMMITTEE

The Audit Committee comprises the following Members:

Mr. Shyamal Misra (Chairman)
Mr. Ramit Budhraj
Mr. Sunil Nayak
Mr. Burjor D. Nariman
Mr. Sankarsan Dasgupta

Mr. Shashi Ranjan Kumar (IAS), who was the Chairman of the Audit Committee ceased to be on the Committee consequent upon his resignation from the Board of Directors with effect from July 19, 2010.

During the year ended December 31, 2010 four Audit Committee Meetings were held.

10. AUDITORS

M/s. K S Aiyar & Co., Chartered Accountants, the Auditors of the Company have under Section 224(1B) of the Companies Act, 1956, furnished a certificate of their eligibility for re-appointment. The Members are requested to re-appoint them as Auditors of the Company for the year 2011.

11. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their grateful appreciation of the excellent assistance and co-operation received from the Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Ministry of Railways, ACC Limited and Company's Bankers. Your Directors also thank all the employees of the Company for their valuable service and support during the year.

For and on behalf of the Board,

Ramit Budhraj
Director

Sunil Nayak
Director

Mumbai
Date: January 31, 2011

Auditor's Report to the members of Bulk Cement Corporation (India) Limited

1. We have audited the attached Balance Sheet of BULK CEMENT CORPORATION (INDIA) LIMITED, as at December 31, 2010, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
 - c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) on the basis of the written representations received from the directors, as on December 31, 2010, and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on December 31, 2010 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2010;
 - ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Rajesh S. Joshi
Partner
Membership No.: 38526

Place: Mumbai
Date: 28th January , 2011

Annexure to the Auditor's Report

(Referred to in paragraph 3 of our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Most of the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) No Fixed assets have been disposed off during the year.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. No discrepancies were noticed on verification between the physical stocks and the book stocks.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) According to the information and explanations given to us, there are no transactions that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956. Accordingly, sub-clause (b) is not applicable.
- (vi) The Company has not accepted any deposits from the public to which the provisions of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956.
- (ix) (a) According to the records of the Company, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom duty, Excise duty, Cess and other material statutory dues with the appropriate authorities. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at December 31, 2010 for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess which have not been deposited on account of any dispute, are as follows:

Nature of dues	Period to which the amount relates	Amounts involved (dues to the extent not deposited)	Forum where the dispute is pending
Service Tax	Financial years 2001-02 to 2005-06	₹ 27.71 Lakhs	Assistant Commissioner of Service Tax
Inadmissible Cenvat credit availed on railway wagons	June, 2009	₹ 109.36 Lakhs	Commissioner of Excise, Belapur
Sales Tax	2004-05	₹ 12.38 Lakhs	Joint Commissioner of Sales Tax (Appeals), Raigad

- (x) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) There are no dues to banks or financial institutions or debenture holders.
- (xii) Based on our examination of documents and records, we are of the opinion that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund, nidhi/mutual benefit fund and therefore the requirements pertaining to such class of companies are not applicable.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the Company has not raised any loans during the period.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year under audit. Therefore the provisions of clause (xix) of the order is not applicable to the company.
- (xx) The Company has not raised any money by way of public issue during the year. Therefore, the provision of clause (xx) of the order is not applicable to the Company.
- (xxi) Based upon the audit procedures performed and according to the information and explanations given and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Rajesh S. Joshi
Partner

Place: Mumbai
Date: 28th January, 2011

Membership No.: 38526

Balance Sheet as at December 31, 2010

		₹ Lac	
Schedules	As at December 31, 2010	As at December 31, 2009	
SOURCES OF FUNDS:			
Shareholders' Funds:			
Share Capital	1	3,364.21	3,364.21
Reserves and Surplus	2	1,032.06	993.23
Deferred Tax Liability (Net)		544.56	538.06
TOTAL LIABILITIES		4,940.83	4,895.50
APPLICATION OF FUNDS:			
Fixed Assets			
Gross block	3	8,713.15	8,693.19
Less: Depreciation		4,668.11	4,116.63
Net Block		4,045.04	4,576.56
Capital Work-in-Progress (including Capital advances and Assets in transit)		6.50	21.56
		4,051.54	4,598.12
Investment	4	1,255.38	800.00
Current Assets, Loans and Advances:			
Inventory-Stores and Spares (as certified by management) ...		40.00	31.44
Sundry Debtors	5	170.48	175.73
Cash and Bank balances	6	24.40	33.34
Loans and Advances	7	96.63	153.45
		331.51	393.96
Less: Current Liabilities			
Sundry Liabilities	8	697.60	896.58
Net Current Assets		(366.09)	(502.62)
TOTAL ASSETS		4,940.83	4,895.50
Notes to Accounts	11		

As per our Report of even date attached

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

Rajesh S. Joshi
Partner
Membership No. 38526

Mumbai, January 28, 2011

For and on behalf of the Board

Ramit Budhraj
Sunil K. Nayak } Director

Profit and Loss Account for the year ended December 31, 2010

		₹ Lac	
Schedules	For the year ended December 31, 2010	For the year ended December 31, 2009	
INCOME:			
Sale of Products / Services and Other Income	9	1,355.62	1,202.89
EXPENDITURE:			
Operating and Other Expenses ..	10	755.85	829.45
Depreciation		551.84	515.82
Short Provision for Expenses in Earlier Years		-	53.31
		1,307.69	1,398.58
Profit / (Loss) Before Tax		47.93	(195.69)
Provision for Taxation			
Current Tax		-	3.00
Short Provisioning in Income Tax in respect of Earlier Years		2.60	-
Deferred Tax		6.50	(91.32)
Fringe Benefits Tax		-	0.21
		9.10	(88.11)
Profit / (Loss) After Tax		38.83	(107.58)
Profit / (Loss) Brought Forward ..		993.23	1,100.81
Balance Carried to Balance Sheet		1,032.06	993.23
Notes to Accounts	11		
Earnings Per Share (See Note 4) Basic and Diluted Earnings per Share		₹ 0.12	(0.32)

As per our Report of even date attached

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

Rajesh S. Joshi
Partner
Membership No. 38526

Mumbai, January 28, 2011

For and on behalf of the Board

Ramit Budhraj
Sunil K. Nayak } Director

Cash Flow Statement

for the year ended December 31, 2010

	₹ Lac	
	For the year ended December 31, 2010	For the year ended December 31, 2009
A. Cash Flow from Operating Activities		
1 Net Profit / (loss) before taxation	47.93	(195.69)
Adjustments for:		
Depreciation	551.84	515.82
Interest Received	-	(0.03)
Provisions written back	-	(7.52)
Loss / (Profit) on sale of assets	0.19	-
Dividend Earned	(38.04)	-
Loss / (Profit) on sale of Investment	(11.19)	(58.32)
Operating profit before working capital changes	550.73	254.26
2 Trade Receivables	5.25	(76.68)
3 Inventories	(8.56)	(7.54)
4 Other receivables	71.99	(17.81)
5 Trade payables	(198.98)	394.44
Cash generated from Operations	420.43	546.67
6 Direct Taxes refund / (paid)	(17.77)	7.81
Net Cash from Operating Activities	402.66	554.48
B. Cash Flow from Investing Activities		
7 Interest received	-	0.03
8 Purchase of Investments	(2,152.52)	(3,165.37)
9 Sale Of Investments	1,708.32	3,728.69
10 Purchase of Fixed Assets	(5.46)	(1,086.16)
11 Sales of Fixed Assets	0.02	-
12 Dividend on Mutual Fund	38.04	-
Net Cash from Investing Activities	(411.60)	(522.81)
Net increase / (decrease) in cash & cash equivalents	(8.94)	31.67
Opening Balance	33.34	1.67
Closing Balance	24.40	33.34

Notes:

- All figures in brackets are outflow.
- Figures for the previous year have been regrouped / restated wherever necessary to make them comparable.
- Direct Taxes paid are treated as arising from Operating Activities and are not bifurcated between Investing and Financing Activities.
- Cash and Cash Equivalent is Cash and Bank Balances as per Balance Sheet.

As per our Report of even date attached

For and on behalf of the Board

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

Ramit Budhreja
Sunil K. Nayak } Director

Rajesh S. Joshi
Partner
Membership No. 38526

Mumbai, January 28, 2011

Schedules forming part of the Balance Sheet

	₹ Lac	
	As at December 31, 2010	As at December, 31, 2009
SCHEDULE - 1: SHARE CAPITAL		
AUTHORISED		
3,40,00,000 Equity Shares of ₹ 10 each	3,400.00	3,400.00
1,10,00,000 Preference Shares of ₹ 10 each	1,100.00	1,100.00
	4,500.00	4,500.00
ISSUED SUBSCRIBED AND FULLY PAID UP		
3,36,42,070 Equity Shares of ₹ 10 each fully paid	3,364.21	3,364.21
(ACC Limited the Holding Company, holds 3,18,42,050 (previous year 3,18,42,050) Equity shares))		
TOTAL ...	3,364.21	3,364.21

	₹ Lac	
	As at December 31, 2010	As at December, 31, 2009
SCHEDULE - 2 : RESERVES AND SURPLUS		
Profit and Loss Account	1,032.06	993.23
TOTAL ...	1,032.06	993.23

Schedules forming part of the Balance Sheet

SCHEDULE - 3 : FIXED ASSETS

₹ Lac

FIXED ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 31-12-2009	Additions/ Adjust- ments	Deletions/ Adjust- ments	As at 31-12-2010	As at 31-12-2009	For the year	On Disposals	As at 31-12-2010	As at 31-12-2010	As at 31-12-2009
Building.....	390.63	-	-	390.63	109.67	13.05	-	122.72	267.91	280.96
Plant & Machinery	3,053.67	-	0.57	3,053.10	2,058.04	295.41	0.38	2,353.07	700.03	995.63
Roads, Bridges	193.70	-	-	193.70	34.45	3.16	-	37.61	156.09	159.25
Rails & Sidings	355.56	-	-	355.56	184.29	16.89	-	201.18	154.38	171.27
Wagon & Loco	4,025.02	15.40	-	4,040.42	1,371.81	191.56	-	1,563.37	2,477.05	2,653.21
Furniture & Fixtures	13.81	-	-	13.81	11.81	0.56	-	12.37	1.44	2.01
Office Equipments	17.27	5.13	-	22.40	14.18	0.35	-	14.53	7.86	3.08
Vehicles	6.80	-	-	6.80	5.15	0.65	-	5.80	1.00	1.64
Electrical Installation	636.73	-	-	636.73	327.23	30.24	-	357.47	279.27	309.51
TOTAL	8,693.19	20.53	0.57	8,713.15	4,116.63	551.84	0.38	4,668.11	4,045.04	4,576.56
Previous Year	7,230.02	1,463.17	-	8,693.19	3,600.81	515.82	-	4,116.63	4,576.56	

Capital Work-in-Progress (including Capital advances & Assets in transit)

6.50 21.56

Note: The terminal is on leasehold land of the Central Government in possession of the Company. It was sanctioned for the project by the Ministry of Industry, Government of India, vide letter No.DCCI/1-26/91-92 Dt.27.09.93 Sublease granted by Central government to the company for 60 years on 12.12.2008 effective from 12.12.1991.

SCHEDULE - 4 : INVESTMENT

₹ Lac

	As at December 31, 2010	As at December, 31, 2009
Short Term Liquid Fund	1,255.38	800.00
TOTAL ...	1,255.38	800.00
During the year the Company acquired and sold the following Investments in Mutual Funds		
Particulars	Face Value ₹	No. of Units Purchase Price ₹
RELIANCE Money Manager Fund-Retail Plan-Growth Option	1,239.02	4,035.45 5,000,001
LIC MF Savings Plus-Growth Option .	14.63	3,456,192.86 50,580,000
UTI Treasury Advantage Fund-Institutional Plan (Growth Option) ...	1,228.83	24,521.34 30,132,556
LIC MF Savings Plus-Growth Option .	14.68	272,557.54 4,000,000
TOTAL ...		89,712,557

SCHEDULE - 5 : SUNDRY DEBTORS

₹ Lac

	As at December 31, 2010	As at December, 31, 2009
SUNDRY DEBTORS (UNSECURED)		
Over Six Months		
Considered Good	-	0.25
Others Considered Good	170.48	175.48
Due from the Holding Company: ACC Limited ₹ 170.48 Lac; (Previous year ₹ 175.48 Lac), Maximum Outstanding Balance during the year ₹ 380.96 Lac; (Previous year ₹ 318.02 Lac)		
	170.48	175.73

SCHEDULE - 6 : CASH AND BANK BALANCES

₹ Lac

	As at December 31, 2010	As at December, 31, 2009
Cash on Hand	0.14	0.03
Current Accounts / Balance with		
Scheduled Banks	24.26	33.31
	24.40	33.34

SCHEDULE - 7 : LOANS AND ADVANCES (Unsecured Considered Good)

₹ Lac

	As at December 31, 2010	As at December, 31, 2009
Balance with Excise, Customs and Port Trust Authorities on Current accounts	3.29	58.21
Advances recoverable in cash or in kind or for value to be received	36.38	53.45
Other Deposits	17.95	17.95
Advance Tax Paid (Net of provision for Taxation, Amt ₹ 123.15 Lac : Previous year ₹ 123.21 Lac)	38.75	23.58
Advance Fringe Benefit Tax (Net of provision for Taxation, Amt ₹ 1.95 Lac : Previous year ₹ 1.95 Lac)	0.26	0.26
	96.63	153.45

Schedules forming part of the Balance Sheet

SCHEDULE - 8 : CURRENT LIABILITIES

₹ Lac

	As at December 31, 2010	As at December, 31, 2009
Sundry Creditors		
For Capital Expenditure	367.37	367.37
For Other Liabilities	330.23	529.21
(Due to The Holding Company: ACC Limited Nil (Previous year ₹ 13.17 Lac))		
	<u>697.60</u>	<u>896.59</u>

SCHEDULE - 10 : OPERATING AND OTHER EXPENSES

₹ Lac

	For the year ended December 31, 2010	For the year ended December, 31, 2009
Payments to and Provision for Employees		
Staff Welfare	0.76	0.46
Deputation Charges	77.58	70.12
	<u>78.34</u>	<u>70.58</u>
Operation and Other Expenses		
Purchase of Power	152.85	139.60
Plant Operating Charges	88.14	84.43
Rates and Taxes	37.46	28.97
Insurance	14.66	14.46
Repairs and Maintenance - Plant	272.92	383.15
Repairs and Maintenance - Buildings	19.06	15.91
Repairs and Maintenance - Others	13.43	9.24
Communication	1.96	3.05
Travelling and Conveyance	5.46	8.80
Security Charges	36.14	27.92
Legal Services	9.26	27.07
Auditors Remuneration (Ref Note 10)	6.47	5.00
Other Expenses	19.51	11.27
Loss on Sale of Fixed Assets	0.19	-
	<u>677.51</u>	<u>758.87</u>
	<u>755.85</u>	<u>829.45</u>

Schedules forming part of the Profit and Loss Account

SCHEDULE - 9 : SALE OF PRODUCTS, SERVICES AND OTHER INCOME

₹ Lac

	For the year ended December 31, 2010	For the year ended December, 31, 2009
Bulk Handling Charges	940.96	750.60
Freight Rebate	360.58	377.26
	<u>1,301.54</u>	<u>1,127.86</u>
Other Income		
Income on Mutual Fund	38.04	-
Profit on sale of Investment	11.19	58.32
Interest	-	0.03
Excess provisions made in previous years written back	-	7.52
Others	4.85	9.17
	<u>54.08</u>	<u>75.03</u>
	<u>1,355.62</u>	<u>1,202.89</u>

Schedules forming part of the Balance Sheet and Profit and Loss Account

Schedule –11, NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2010

1. Significant Accounting Policies:

A) Accounting Convention:

These financial statements are prepared on the historical cost convention, on an accrual basis.

B) Revenue Recognition:

Revenue arising from charges for bulk handling of cement is recognized based on tonnage handled and rebate on freight granted by the Railways is recognized based on tonnage of bulk cement despatched from the supplier to the Company's terminal at Kalamboli.

Interest and Dividend Income

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

C) Fixed Assets and Depreciation:

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

(ii) Depreciation is provided in the accounts on the Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956, on a pro-rata basis.

D) 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 investments. Current investments are stated at cost or fair value whichever is lower.

E) Inventory

The Company does not carry any inventory of raw materials and there are no Stock of Traded Finished Goods at the end of the year. The stock of stores and spares is valued at cost-Weighted Average (Moving) and net realizable value whichever is less.

F) Employees Benefit

The Company operates through the employees on deputation from the parent company.

All the emoluments payable to these employees along with the related benefits are claimed by the parent company and is reimbursed. This is disclosed as Deputation Charges in the profit & loss account.

G) Taxation

Tax expense comprises of Current, Deferred tax & Fringe benefit tax. Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred Income Taxes reflect the impact of current timing differences between taxable income & accounting income for the year & reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets are reviewed at each balance sheet date.

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

I) Contingencies / Provisions

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

J) During the year the company is engaged in only one business segment i.e. bulk handling of cement.

Hence other segmental information as per Accounting Standard 17 is not required to be disclosed.

2. Related Party Disclosures

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

	Name of the Related Party	Nature of Relationship
(i)	ACC Ltd	Holding Company
(ii)	ACC Mineral Resources Limited (Formerly The Cement Marketing Company of India Limited)	Fellow Subsidiary Company
(iii)	Lucky Minmat Limited	Fellow Subsidiary Company
(iv)	ACC concrete Limited	Fellow Subsidiary Company
(v)	National Limestone Company Pvt. Ltd.	Fellow Subsidiary Company w.e.f. April 20, 2009
(vi)	Encore Cement and Additives Pvt. Ltd.	Fellow Subsidiary Company w.e.f. 28.01.2010
(vii)	MP AMRL (Semaria) Coal Company Ltd.	Joint Venture of ACC Mineral Resources Ltd. (AMRL), a Fellow Subsidiary Company
(viii)	MP AMRL (Bicharpur) Coal Company Ltd.	Joint Venture of ACC Mineral Resources Ltd. (AMRL), a Fellow Subsidiary Company
(ix)	MP AMRL (Marki Barka) Coal Company Ltd.	Joint Venture of ACC Mineral Resources Ltd. (AMRL), a Fellow Subsidiary Company
(x)	MP AMRL (Morga) Coal Company Ltd.	Joint Venture of ACC Mineral Resources Ltd. (AMRL), a Fellow Subsidiary Company
(xi)	Alcon Cement Company Pvt. Ltd.	Associate Company of Holding Company from April 01, 2008
(xii)	Asian Concretes & Cements Pvt. Ltd.	Associate Company of Holding Company from April 01, 2010
(xiii)	Ambuja Cement India Private Limited	Promoter Group Company of Holding Company
(xiv)	Ambuja Cements Limited	Promoter Group Company of Holding Company
(xv)	Holderind Investments Limited	Promoter Group Company of Holding Company
(xvi)	Holcim (India) Private Limited	Promoter Group Company of Holding Company
(xvii)	Holcim Group Support Limited	Promoter Group Company of Holding Company
(xviii)	Holcim Singapore Limited	Promoter Group Company of Holding Company
(xix)	Holcim Trading FZCO	Promoter Group Company of Holding Company
(xx)	Holcim (Lanka) Ltd.	Promoter Group Company of Holding Company
(xxi)	P T Holcim Indonesia Tbk	Promoter Group Company of Holding Company
(xxii)	Holcim Services (South Asia) Limited	Promoter Group Company of Holding Company
(xxiii)	Holcim Foundation	Promoter Group Entity of Holding Company
(xxiv)	Holcim Ltd.	Promoter Group Company of Holding Company
(xxv)	Siam City Concrete Co. Limited	Promoter Group Company of Holding Company
(xxvi)	Siam City Cement Public Company Limited	Promoter Group Company of Holding Company
(xxvii)	National Cement Factory	Promoter Group Company of Holding Company
(xxviii)	Holcim Bangladesh Limited	Promoter Group Company of Holding Company
(xxix)	Holcim (Canada) Inc.	Promoter Group Company of Holding Company
(xxx)	Holcim Environment Services Sa, Belgium	Promoter Group Company of Holding Company
(xxxi)	Holcim Vietnam	Promoter Group Company of Holding Company

Schedules forming part of the Balance Sheet and Profit and Loss Account

(ii) Key Management Personnel:

Name of the Related Party	Nature of Relationship
Mr K.R.K.Prusty	Head BCEI

(iii) Transactions with Related Parties during the year:

Description of Transactions	Holding Company	
	December 31, 2010	December 31, 2009
	ACC Limited	
a) Rendering of Services	940.96	750.59
b) Deputation Charges	74.76	70.12
c) Purchase of Fixed Assets	0.33	-
d) Reimbursement of Freight Rebate	360.58	377.26
e) Outstanding balance included in		
Current assets	176.74	175.48
f) Outstanding balance included in		
Current liabilities	6.26	13.17
g) Reimbursement of expenses paid (Net of Reversal)	3.77	0.96
h) Reimbursement of expenses received	1,408.11	958.94

3. Taxation

- a) The Company has been recognizing in the financial statements the deferred tax assets/liabilities, in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Central Government under the Companies (Accounting Standard 2006). During the year, the company has debited to the Profit & Loss Account, Provision of Deferred Tax Liability of ₹ 6.50 Lac (Previous Year ₹ (91.32) Lac).

	₹ Lac	
	As at December 31, 2010	As at December 31, 2009
The year-end position is as follows:		
Deferred Tax Liabilities:		
Depreciation Differences	685.91	743.31
Deferred Tax Assets:		
Unabsorbed Losses / Others	141.35	205.25
Net Deferred Tax Liabilities	544.56	538.06

4. Earnings per Share:

Particulars	For the year ended December 31, 2010	For the year ended December 31, 2009
Profit/(Loss) after taxation as per Profit and loss account	38.83	(107.59)
Weighted average number of Equity shares outstanding	3,36,42,070	3,36,42,070
Basic earnings per Share (Weighted Average) in ₹ (face value - ₹ 10 per share)	0.12	(0.32)

(There are no potential equity shares and hence there is no working for diluted earning per share).

5. Additional claims were made by Central railways in respect of wagon maintenance charges of 125 Wagons amounting to ₹ 773.46 Lac for the period w.e.f. Oct 97-June 2009. This was calculated by railways based on the applicable inflation rate as per RBI norms at yearly rests which hitherto was calculated at 3 yearly rests. The Company disputed claim on such revised basis of calculation from 3 yearly rest to yearly rest. The matter is being followed up with the railways. As against these claims, the company has already made a provision as per its own computations of ₹ 730.11 Lac and has also paid that amount to the railways.

The railways have raised a claim for ₹ 9.53 Lac, in respect of wagon maintenance charges for the above referred 125 wagons, for period July 2009-June 2010. The same has been calculated by railways after making inflation adjustment to the Capital cost of ₹ 1,990.58 Lac which was due. Therefore, the Company has no dispute against the same and accordingly made provision of the same amount and has already paid the said amount to the railways

Therefore, the Company has made a total provision of ₹ 49.76 Lac, on an estimated basis for all 125 wagons for the period from July, 2010 to December, 2010).

The railways have so far not raised any demand for wagon maintenance charges in respect of the 42 wagons of the 4th rake purchased last year by the Company. However, an amount of ₹ 46.67 Lac has been provided as per the estimates made by the Company.

6. Contingent Liabilities Not Provided For:

Particulars	₹ Lac	
	As at December 31, 2010	As at December 31, 2009
1. Claim by Railway for Maintenance Charges till 30th June 2009 for privately owned wagons by the Company	43.35	43.35
2. Service Tax and Penalty	27.71	27.71
3. Inadmissible Cenvat Credit availed on Railway Wagons	109.36	-
4. Sales Tax Demand of Financial Year 2004-05 not accepted by the Company	12.38	-

7. The benefit of credit against the payment made towards Minimum Alternate Tax for the earlier years is available in accordance with the provision of Section 115JAA over a period of subsequent ten assessment years and the same will be accounted for when actually availed.

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

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

9. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3 & 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

Sr.No.	Particulars	₹ Lac	
		For the year ended December 31, 2010 %	For the year ended December 31, 2009 %
1.	Spares Parts Consumed:		
	Indigenous	100	106.81
		100	69.31

10. Auditors Remuneration :

Sr. No	Particulars	₹ Lac	
		For the year ended December 31, 2010	For the year ended December 31, 2009
(a)	Audit Fees	2.25	2.00
(b)	Fees for Tax Audit	1.20	1.20
(c)	Fees for Other Services	2.50	1.80
(d)	Reimbursement of Expenses	0.52	-
	Total ...	6.47	5.00

11. Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with the current year's figures.

Signatures to Schedules 1 to 11
As Per our report of even date

For and on behalf of the Board

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

Ramit Budhreja
Sunil K. Nayak } Director

Rajesh S. Joshi
Partner
Membership No. 38526

Mumbai, January 28, 2011

Additional

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

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. U99999MH1992PTC066679

State Code 11

Balance Sheet 31 12 2010

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

Public Issue
N I L

Rights Issue
N I L

Bonus Issue
N I L

Private Placement
N I L

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

Total Liabilities
563843

Total Assets
563843

Sources of Funds

Paid up Capital
336421

Reserves & Surplus
103206

Deferred Tax Liability (Net)
54456

Application of Funds

Net Fixed Assets
405154

Investments
125538

Net Current Assets
(36609)

Misc. Expenditure
N I L

Accumulated Losses
N I L

IV. Performance of the Company (Amount in ₹ Thousands)

Turnover
135562

Total Expenditure
130769

Profit / Loss Before Tax
- 4793

Profit After Tax
- 3883

Earning per share (in ₹) For Share of ₹ 10.00 each
0.12

Dividend Rate %
N I L

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

Item Code No. (ITC Code) 252300

Product Description

T	R	A	D	I	N	G	I	N	C	E	M	E	N	T
T	R	A	N	S	P	O	R	T	A	T	I	O	N	&
D	I	S	T	R	I	B	U	T	I	O	N	O	F	
B	U	L	K	C	E	M	E	N	T					

Directors' Report

TO THE MEMBERS OF
LUCKY MINMAT LIMITED

The Directors hereby present the Thirty Fifth Annual Report on the business and operations of the Company and the Audited Accounts for the year ended December 31, 2010.

1. FINANCIAL RESULTS

PARTICULARS	For the year ended	For the year ended
	December 31, 2010	December 31, 2009
	₹	₹
Sale of Products, Services and Other Income	90,46,446	2,00,13,100
Loss Before Tax	(4,17,415)	(1,542,750)
Provision for Taxation		
- Fringe Benefits Tax	-	22,260
Loss after Taxation	(4,17,415)	(1,565,010)
Balance brought forward from previous year	(6,090,802)	(4,525,792)
Balance carried forward to Balance Sheet	(6,508,217)	(6,090,802)

2. OPERATIONS

The Company resumed full operations during the year 2010. The total despatches for the year ended December 31, 2010 were 41,433 MT as compared to 1,10,716 MT for the year ended December 31, 2009.

The Company has incurred a loss before tax of ₹ 4,17,415 for the year ended December 31, 2010 as compared to a loss of ₹ 15,42,750 for the year ended December 31, 2009. The loss after tax for the year ended December 31, 2010 is ₹ 4,17,415 as compared to a loss of ₹ 15,65,010 for the year ended December 31, 2009.

3. DIVIDEND

Your Directors do not recommend any dividend for the financial year ended December 31, 2010.

4. INDUSTRIAL RELATIONS

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

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

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

The Company has not entered into any technology transfer agreement.

6. PARTICULARS OF EMPLOYEES

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

7. DIRECTORS

The Board of Directors has appointed Dr. Samar Bahadur Singh as an Additional Director of the Company with effect from October 18, 2010. As an Additional Director, Dr. S. B. Singh holds office till the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment as a Director is included at Item 5 of the Notice.

Mr M. K. Mishra who was appointed as a Director of the Company with effect from November 17, 2007, resigned from the Board of Directors of the

Company with effect from October 14, 2010. The Board has placed on record its appreciation of the valuable services rendered by Mr. M. K. Mishra as a Director of the Company.

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

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the Accounts for the year ended December 31, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any,
- ii) that such accounting policies as mentioned in Note 1 of the Notes to the Accounts have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company as at December 31, 2010, and of the profit of the Company for the year ended on that date,
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- iv) that the accounts for the year ended December 31, 2010, have been prepared on a going concern basis.

9. AUDIT COMMITTEE

The paid up Share Capital of the Company is less than Rupees Five Crore and hence the Company is

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

10. SECRETARIAL AUDIT

Pursuant to the provisions of Section 383A of the Companies Act, 1956, the Company has obtained a certificate from Messrs. Pramod S. Shah & Associates, Practising Company Secretaries, that the Company has complied with the provisions of the Companies Act, 1956. As required by the said Section the certificate is attached to this report.

11. AUDITORS

M/s. K S Aiyar & Co., Chartered Accountants, the existing Auditors have under Section 224(1B) of the Companies Act, 1956, furnished a certificate of their eligibility for re-appointment. The Members are requested to re-appoint them as Auditors of the Company for the year 2011.

12. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

B. D. Nariman
Chairman

January 27, 2011

Registered Office:
G-9/C Kabir Marg,
Bani Park,
Jaipur 302 016

Pramod S. Shah

B.A., B.Com., L.L.B., F.C.S., S.E.O.

Mobile : 98211 06217

Mobile : 98211 06410

Mani Bhuvan, 1st Floor, Office No. 5, 54, Hughes Road

(Opp : Dharam Palace), Mumbai - 400 007 (India)

Tel.: (O) +91 (022) 2368 2139 / 2367 1870

Fax : +91 (022) 2367 8571

E-mail : saurabhshah361@gmail.com

pramodsshah@rediffmail.com

PRAMOD S. SHAH & ASSOCIATES
Practising Company Secretaries

Compliance Certificate*U/S 383A of the Companies Act, 1956 & Rule 3 of the Companies (Compliance Certificate) Rules, 2001***To,**
The Members,
Lucky Minmat Limited**Nominal Capital : 3,25,00,000/-**
Registration No. : 11 - 001697
(31/12/2010)

I / We have examined the registers, records, books and papers of **M/s. Lucky Minmat Limited** (the Company) as required to be maintained under the Companies Act 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st December, 2010**. In my/our opinion and to the best of my/our information and according to the examinations carried out by me/us and explanations furnished to me/us by the Company, its officers and agents, I/we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company, comments are not required
4. The Board of Directors duly met **4** times on **27.01.2010, 15.04.2010, 15.07.2010 and 18.10.2010** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolution passed in the minutes books maintained for the purpose.
5. The Company has not closed its Register of Members or Debenture holders during the financial year.
6. The Annual General Meeting for the year ended on **31.12.2009** was held on **22.03.2010** after giving due notice to the Members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred under Section 295 of the Act.
9. The Company has not entered into contracts falling within the purview of Section 297 of the Act in respect of contracts specified in that Section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.

12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company:
 - i. has not allotted / transmitted securities during the financial year and has delivered the Certificates for transfer in accordance with the provisions of the Act.
 - ii. has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - iii. has not posted warrants to any members of the Company as no dividend was declared during the financial year.
 - iv. was not required to transfer any amount to Investor Education & Protection Fund.
 - v. has duly-complied with the requirements of Section 217 of the Act regarding Boards' Report.
14. The Board of Directors of the Company is duly constituted. There was no appointment of Alternate Directors and Directors to fill casual vacancies. One Additional Director was appointed during the financial year.
15. The Company has not appointed any Managing Director / Whole time Director / Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year .
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions, which required the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within purview of Section 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31st December, 2010.
25. The Company has not made loans and investments or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's Registered Office from one state to another during the financial year.
27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. There were no prosecutions initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.

33. The Company has deposited both employee's and employer's contribution to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

Place : Mumbai
Date : 25.01.2011

Signature : Sd/-
Name of Company Secretary : Pramod S. Shah
C.P. No. : 3804

Annexure A

The Company has been maintaining the following statutory records:

- 1) Minutes Book (Board Meeting)
- 2) Minutes Book (AGM & EGM)
- 3) Register of Members
- 4) Register of Directors
- 5) Register of Director's Shareholding
- 6) Register of Assets
- 7) Register of Investments
- 8) Register of Charges
- 9) Register of Contracts
- 10) Register of Common Seal
- 11) Register of Application and Allotment

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on **31st December, 2010**.

Sr. No.	Form No.	Filed u/s	For	Filed on	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1	Form 20B & Annual Return	159	22/03/2010	04/05/2010	Yes	No
2	Form 23AC & 23 ACA (Balance Sheet and Profit and Loss Account)	220	31/12/2009	12/04/2010	Yes	No
3	Form 66	383 A	31/12/2009	12/04/2010	Yes	No
4	Form 32	303(2)	Appointment of Mr. S. B. Singh	24/11/2010	No	Yes
5	Form 32	303(2)	Cessation of Mr. M. K. Mishra	24/11/2010	No	Yes
6	Form 32	303(2)	Appointment of Mr. Burjor D. Nariman	23/02/2010	Yes	No
7	Form 32	303(2)	Change in designation of Mr. Burjor D. Nariman	08/04/2010	Yes	No

Auditor's Report to the members of the Lucky Minmat Limited

1. We have audited the attached Balance Sheet of LUCKY MINMAT LIMITED, as at December 31, 2010, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
 - c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) on the basis of the written representations received from the directors, as on December 31, 2010, and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on December 31, 2010 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2010;
 - ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For K. S. Aiyar & Co.
Chartered Accountants
 Firm Registration No. 100186W
Sachin A. Negandhi
Partner
 Membership No.: 112888

Place: Mumbai
Date: January 27, 2011

Annexure to the Auditor's Report

(Referred to in paragraph 3 of our Report of even date on the Accounts for the year ended December 31, 2010 of LUCKY MINMAT LIMITED)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) No fixed assets are disposed off during the year.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) Based upon the audit procedures performed and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b) is not applicable.
- (vi) The Company has not accepted any deposits from the public to which the provisions of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 apply.
- (vii) In our opinion the company has an Internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to the records of the Company, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, cess and other material statutory

dues applicable to it have been regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable.

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

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

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: January 27, 2011

Balance Sheet as at December 31, 2010

		₹	
Schedules	As at December 31, 2010	As at December 31, 2009	
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share Capital	1	32,500,000	32,500,000
Reserves and Surplus	2	834,918	834,918
		<u>33,334,918</u>	<u>33,334,918</u>
TOTAL FUNDS		33,334,918	33,334,918
APPLICATION OF FUNDS :			
Fixed Assets :			
Gross Block	3	445,456	445,456
Less: Accumulated Depreciation		395,191	390,895
Net Block		50,265	54,561
Investments	4	20,850	20,850
Current Assets, Loans And Advances :			
Inventory	5	-	59,416
Sundry Debtors	6	613,209	-
Cash and Bank Balances	7	27,144,514	32,687,253
Other Current Assets	8	1,005,282	764,803
Loans and Advances	9	3,097,669	2,668,211
		<u>31,860,674</u>	<u>36,179,683</u>
Less : Current Liabilities And Provisions :			
Current Liabilities	10	4,240,588	8,146,478
Provisions	11	864,500	864,500
		<u>5,105,088</u>	<u>9,010,978</u>
Net Current Assets		26,755,586	27,168,705
Profit & Loss Account		6,508,217	6,090,802
TOTAL ASSETS (NET)		33,334,918	33,334,918
Notes to Accounts	15		

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

As per our report of even date For and on behalf of the Board of Lucky Minmat Limited,

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

B.D. Nariman Chairman

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

Sachin A. Negandhi
Partner
Membership No. 112888

Mumbai, January 27, 2011

Profit and Loss Account for the year ended December 31, 2010

		₹	
Schedules	For the year ended December 31 2010	For the year ended December 31, 2009	
INCOME			
Sale of Products and Services		7,193,973	18,488,149
Other Income	12	1,852,473	1,524,951
		<u>9,046,446</u>	<u>20,013,100</u>
EXPENDITURE			
Manufacturing and Other Expenses	13	9,459,565	21,866,633
Depreciation and Amortisation .		4,296	2,819
Interest	14	-	117,964
		<u>9,463,861</u>	<u>21,987,416</u>
Profit / (Loss) before Taxation ...		(417,415)	(1,974,316)
Previous Year adjustment		-	431,566
Profit / (Loss) before Taxation ...		(417,415)	(1,542,750)
Provision For Taxation			
Fringe Benefit Tax		-	22,260
Profit / (Loss) after Taxation ...		(417,415)	(1,565,010)
Balance brought forward from Previous Year		(6,090,802)	(4,525,792)
Balance carried to Balance Sheet		(6,508,217)	(6,090,802)
Basic & Diluted Earnings per Share		₹ (1.28)	(4.82)
Notes to Accounts	15		

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

As per our report of even date

For and on behalf of the Board of Lucky Minmat Limited,

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

B.D. Nariman Chairman

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

Sachin A. Negandhi
Partner
Membership No. 112888

Mumbai, January 27, 2011

Cash Flow Statement for the year ended december 31, 2010

	For the year ended 31, December 2010	For the year ended 31, December 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
1. Net Profit/(Loss) before taxation	(417,415)	(1,542,750)
Adjustments for:		
Depreciation	4,296	2,819
Interest Received	(1,852,473)	-
Provision for doubtful debts	-	(295,057)
Operating profit before working capital changes	(2,265,592)	(1,834,988)
2. Trade Receivables	(613,209)	295,057
3. Inventories	59,416	(59,416)
4. Other Receivables	(240,479)	369,651
5. Trade Payables	(3,905,890)	3,630,968
Cash generated from operations	(6,965,754)	2,401,272
6. Direct Taxes refund/(paid)	(429,458)	(1,775,027)
NET CASH FROM OPERATING ACTIVITIES	(7,395,212)	626,245
B. CASH FLOW FROM INVESTING ACTIVITIES		
7. Interest Received	1,852,473	(404,490)
8. Purchase of Fixed Assets	-	(57,380)
NET CASH FROM INVESTING ACTIVITIES	1,852,473	(461,870)
Net increase/(decrease) in cash & cash equivalents	(5,542,739)	164,375
Cash & cash equivalents :		
Opening Balance	32,687,253	32,522,878
Closing Balance	27,144,514	32,687,253

As per our report of even date For and on behalf of the Board of Lucky Minmat Limited,

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

B.D. Nariman Chairman

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

Sachin A. Negandhi
Partner
Membership No. 112888

Mumbai, January 27, 2011

Schedules forming part of the Balance Sheet

SCHEDULE - 1, SHARE CAPITAL

	As at December 31, 2010	As at December 31, 2009
AUTHORISED -		
325,000 (Previous Year - 325,000)		
Equity Shares of ₹ 100 each	32,500,000	32,500,000
	32,500,000	32,500,000
ISSUED -		
325,000 (Previous Year - 325,000)		
Equity Shares of ₹ 100 each	32,500,000	32,500,000
SUBSCRIBED -		
325,000 (Previous Year - 325,000)		
Equity Shares of ₹ 100 each	32,500,000	32,500,000
(All the Shares held by ACC Limited the Holding Company and its nominees)		
TOTAL ...	32,500,000	32,500,000

SCHEDULE - 2, RESERVES AND SURPLUS

	As at December 31, 2010	As at December 31, 2009
General Reserve	834,918	834,918
TOTAL ...	834,918	834,918

Schedules forming part of the Balance Sheet

SCHEDULE - 3, FIXED ASSETS

FIXED ASSETS	GROSS BLOCK AT COST			TOTAL DEPRECIATION			NETBLOCK	
	As at 01-01-2010	Additions/ Adjustments	As at 31-12-2010	As at 01-01-2010	For the Period	Upto 31-12-2010	As at 31-12-2010	As at 31-12-2009
Tangible Assets :								
Buildings	388,076	-	388,076	388,076	-	388,076	-	-
Plant & Machinery	43,680	-	43,680	1,362	2,076	3,438	40,242	42,318
Computer Printer	13,700	-	13,700	1,457	2,220	3,677	10,023	12,243
TOTAL	445,456	-	445,456	390,895	4,296	395,191	50,265	54,561
Previous Year Figures	388,076	57,380	445,456	388,076	2,819	390,895	54,561	

Schedule - 4, INVESTMENTS

	As at December 31, 2010	As at December 31, 2009
Other Investments		
Government and Trustee Securities		
National Saving Certificates	20,850	20,850
TOTAL ...	20,850	20,850

SCHEDULE - 5, INVENTORY

	As at December 31, 2010	As at December 31, 2009
Stock of Explosive	-	59,416
TOTAL ...	-	59,416

SCHEDULE - 6, SUNDRY DEBTORS

	As at December 31, 2010	As at December 31, 2009
SUNDRY DEBTORS (UNSECURED, Considerd Good)		
Other Debts	613,209	-
TOTAL ...	613,209	-

SCHEDULE - 7, CASH AND BANK BALANCES

	As at December 31, 2010	As at December 31, 2009
Balance With Scheduled Banks		
In Current Account	3,085,703	1,725,703
In Fixed Deposits	24,005,527	30,908,166
Balance With Non Scheduled Banks-		
Kendri Sahkari Sikar Bank		
In Current Account	36,494	36,594
(Maximum Balance outstanding during the year ₹ 36494, Previous year ₹ 36,594)		
In Fixed Deposits	16,790	16,790
(Maximum Balance outstanding during the year ₹ 16,790, Previous year ₹ 16,790)		
TOTAL ...	27,144,514	32,687,253

SCHEDULE - 8, OTHER CURRENT ASSETS

	As at December 31, 2010	As at December 31, 2009
Accrued Interest	616,277	539,254
Prepaid Expense	389,005	225,549
TOTAL ...	1,005,282	764,803

SCHEDULE - 9, LOANS AND ADVANCES (Unsecured, Considered Good, unless otherwise stated)

	As at December 31, 2010	As at December 31, 2009
Sundry Advances And Deposits, etc.		
Security Deposit with Holding Company	100,000	100,000
Advance Payments Against Taxes	2,997,669	2,568,211
TOTAL ...	3,097,669	2,668,211

SCHEDULE - 10, CURRENT LIABILITIES

	As at December 31, 2010	As at December 31, 2009
CURRENT LIABILITIES :		
Payable to Holding Company	3,317,745	7,760,567
Sundry Creditors	810,875	-
Other Current Liabilities	111,968	385,911
TOTAL ...	4,240,588	8,146,478

SCHEDULE - 11, PROVISIONS

	As at December 31, 2010	As at December 31, 2009
Provision For Income Tax	850,000	850,000
Provision For Fringe Benefit Tax	14,500	14,500
TOTAL ...	864,500	864,500

Schedules forming part of the Profit and Loss Account

SCHEDULE - 12, OTHER INCOME

	As at December 31, 2010	As at December 31, 2009
Other Income		
Interest Income on Fixed Deposit	1,852,473	1,524,951
TOTAL ...	1,852,473	1,524,951

SCHEDULE - 13, MANUFACTURING AND OTHER EXPENSES

	For the year ended December 31, 2010	For the year ended December 31, 2009
MANUFACTURING EXPENSES		
Stores and Spares parts Consumed	436,961	1,119,101
Power and Fuel (Diesel & Electricity)	21,839	73,032
Repairs to Other Items	29,900	1,037,509
Royalties	3,425,911	6,025,972
Loading, Transportation,		
Mines Expenses and Other Charges	4,356,207	12,015,649
	8,270,818	20,271,263
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Wages, Dearness Allowance and Bonus	-	22,500
Workmen and Staff Welfare Expenses	-	16,936
	-	39,436
ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Rates and Taxes (Including Sale Tax Expense & Cess)	152,388	388,606
Insurance	-	13,090
Travelling Expenses	297,626	432,379
Bank Charges	6,821	26,258
Advertisement	23,040	15,000
Legal Expenses	4,380	91,168
Stationary Expense	23,801	50,030
Professional fees	146,495	-
Misc. Expenses	119,479	439,403
Auditors Remuneration	295,000	100,000
Corporate social Responsibility ..	60,301	-
	1,129,331	1,555,934
Explosive Written Off	59,416	-
TOTAL ...	9,459,565	21,866,633

SCHEDULE - 14, INTEREST PAID

	For the year ended December 31, 2010	For the year ended December 31, 2009
Interest	-	117,964
TOTAL ...	-	117,964

Schedule -15, NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2010

(A) Basis of preparation

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

(B) Use of estimates

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

(C) Revenue recognition

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

I. Sale of goods

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

II. Interest

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

(D) Fixed assets

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

(E) Depreciation

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

(F) Impairment

The carrying amounts of assets are reviewed at each Balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

(G) Inventories

Inventories of Raw material & finished goods are valued at lower of cost or Net realization value, cost is determined on First in First out (FIFO) Basis.

(H) Investments

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

(I) Income taxes

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

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

(J) Contingencies / Provisions

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

(K) Earnings per share

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

(L) Segment Reporting

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

2. RELATED PARTY DISCLOSURE
(A) Particulars of Related Parties, which control or are under common control with the Company:

Name of Related Party	Nature of Relationship
ACC Limited	Holding Company
Bulk Cement Corporation (India) Limited.	Fellow Subsidiary Company
ACC Mineral Resources Limited (Formerly The Cement Marketing Company of India Limited)	Fellow Subsidiary Company
MP AMRL (Semaria) Coal Company Limited	Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL)
MP AMRL (Bicharpur) Coal Company Limited	ACC Joint Venture of Fellow Subsidiary Mineral Resources Limited (AMRL)
MP AMRL (Marki Barka) Coal Company Limited	Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL)

Name of Related Party	Nature of Relationship
MP AMRL (Morga) Coal Company Limited	Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL)
National Limestone Co Pvt Limited	Fellow Subsidiary Company w.e.f. April 20, 2009
Holderind Investments Limited	Promoter Group Company of the Holding Company
Holcim India (P) Limited	Promoter Group Company of the Holding Company
Holcim Service (Asia) Limited	Promoter Group Company of the Holding Company
Holcim (Bangladesh) Limited	Promoter Group Company of the Holding Company
Holcim Foundation	Promoter Group Entity of the Holding Company
Holcim (Lanka) Limited	Promoter Group Company of the Holding Company
PT Holcim Indonesia Tbk	Promoter Group Company of the Holding Company
Siam City Concrete Co Limited	Promoter Group Company of the Holding Company
Siam City Cement Public Company Limited	Promoter Group Company of the Holding company
National Cement Factory	Promoter Group Company of the Holding Company
Holcim Group Support Limited	Promoter Group Company of the Holding Company
Holcim Limited	Promoter Group Company of the Holding Company
Holcim Singapore Limited	Promoter Group Company of the Holding Company
Holcim Trading FZCO	Promoter Group Company of the Holding Company
Holcim Services (South Asia) Limited	Promoter Group Company of the Holding Company
Holcim (Canada) Inc.	Promoter Group Company of the Holding Company
Holcim Environment Services Sa, Belgium	Promoter Group Company of the Holding Company
Holcim Vietnam	Promoter Group Company of the Holding Company
ACC Concrete Limited	Fellow Subsidiary Company
Encore Cement and Additives Pvt Limited.	Fellow Subsidiary Company w.e.f. 28/01/2010.
Asian Concretes & Cements Pvt Limited	Associate Company of the Holding Company w.e.f. 01/04/2010.
Alcon Cement Company Pvt Ltd	Associate Company of the Holding Company
Ambuja Cement India Private Limited	Promoter Group Company of the Holding Company
Ambuja Cements Limited	Promoter Group Company of the Holding Company

(B) Transaction with Holding Company

	₹ Lac	
	For the Year ended December 31, 2010	For the Year December 31, 2009
(i) Sales of Finished/Unfinished goods to ACC Limited(Net)	71.94	184.88
(ii) Transportation Services to ACC Limited	107.27	458.38
(iii) TDS/VAT/Service Tax/Royalty Paid on behalf of Lucky Minmat Limited By ACC Limited	33.18	31.70
(iv) Outstanding Credit balance to ACC Limited	33.17	77.60
(v) Security Deposit with ACC Limited	1.00	1.00

3. EARNINGS PER SHARE-[EPS]

	₹ Lac	
	For the Year ended December 31, 2010	For the Period ended December 31, 2009
Particulars		
Profit/(Loss) after taxation as per Profit & Loss Account in ₹ Lac	(4.17)	(15.65)
Weighted average number of Equity Shares Outstanding	325,000	325,000
Basic earnings per share (weighted average) in ₹ (Face Value – ₹ 100 per share)	(1.28)	(4.82)
(Basic and Diluted EPS are same)		

4. TAXATION

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

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

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

6. Payment to Statutory Auditors:

	₹	
Particulars	For the year ended December 31, 2010	For the year ended December 31, 2009
Audit Fees	100,000	100,000
Fees for the Tax Audit	70,000	-
Fees for Other Services (Limited Review etc.)	125,000	125,000
TOTAL ...	295,000	225,000

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

8. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3 & 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

(A) Sales by class of goods (Net)

		For the year ended December 31, 2010		For the year ended December 31, 2009	
	Unit	Quantity	₹ Lac	Quantity	₹ Lac
Lime Stone	MT	41,433	71.94	110,716	184.88

(B) Particulars of Licensed, installed capacity and production of Lime stone

	Current Year	Previous Year
Licensed Capacity (MT per day)	600	600
Installed Capacity* (MT per day)	600	600
Actual Productions-During the Year	41,433 MT	110,716 MT

*As certified by management and accepted by the Auditors

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

As per our report of even date For and on behalf of the Board of Lucky Minmat Limited,

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

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

Sachin A. Negandhi
Partner
Membership No. 112888

Mumbai, January 27, 2011

Additional

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

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. U14219RJ1976PLC001697State Code 17Balance Sheet Date 31 12 2010

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

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

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

Total Liabilities

38440

Total Assets

38440

Sources of Funds

Paid up Capital

32500

Reserves & Surplus

834.92

Secured Loans

NIL

Unsecured Loans

NIL

Application of Funds

Net Fixed Assets

50.27

Investments

20.85

Net Current Assets

26755.59

Misc. Expenditure

NIL

Accumulated Losses

6508.22

IV. Performance of the Company (Amount in ₹ Thousands)

Turnover

9046.45

Total Expenditure

9463.86

Profit / Loss Before Tax

- 417.41

Profit After Tax

- 417.41

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

(1.28)

Dividend Rate %

NIL

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

Item Code No. (ITC Code) 25210090

Product Description

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

Directors' Report

TO THE MEMBERS OF
NATIONAL LIMESTONE COMPANY PRIVATE LIMITED

The Directors hereby present the Thirtieth Annual Report on the business and operations of the Company and the Audited Accounts for the year ended December 31, 2010.

1. FINANCIAL RESULTS

PARTICULARS	For the year ended	For the period
	December 31, 2010	April 1, 2009 to December 31, 2009
	(₹)	(₹)
Sale of Products, Services and Other Income	85,68,915	1,22,345
Loss before Tax	(8,26,528)	(5,99,052)
Provision for Taxation		
- Deferred Tax	(7,940)	-
Loss after Taxation	(8,18,588)	(5,99,052)
Balance brought forward from previous year	(5,99,052)	-
Balance carried forward to Balance Sheet	(14,17,640)	(5,99,052)

2. OPERATIONS

The total despatches for the year ended December 31, 2010 were 39,592 MT.

The Company has incurred a loss before tax of ₹ 8,26,528 for the year ended December 31, 2010 as compared to a loss of ₹ 5,99,052 for the nine months period ended December 31, 2009. The loss after tax for the year ended December 31, 2010 is ₹ 8,18,588 as compared to a loss of ₹ 5,99,052 for the nine months period ended December 31, 2009.

3. DIVIDEND

Your Directors do not recommend any dividend for the financial year ended December 31, 2010.

4. INDUSTRIAL RELATIONS

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

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

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

The Company has not entered into any technology transfer agreement.

6. PARTICULARS OF EMPLOYEES

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

7. DIRECTORS

The Board of Directors has appointed Dr. Samar Bahadur Singh as an Additional Director of the Company with effect from October 18, 2010. As an Additional Director, Dr. S. B. Singh holds office till the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment as a Director is included at Item 5 of the Notice.

Mr M. K. Mishra who was appointed as a Director of the Company with effect from November 17, 2007, resigned from the Board of Directors of the Company with effect from October 14, 2010. The Board has placed on record its appreciation of the valuable services rendered by Mr. M. K. Mishra as a Director of the Company.

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

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the Accounts for the year ended December 31, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any,
- ii) that such accounting policies as mentioned in Note 1 of the Notes to the Accounts have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company as at December 31, 2010 and of the Profit of the Company for the period ended on that date,
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,

- iv) that the accounts for the period ended December 31, 2010, have been prepared on a going concern basis.

9. AUDIT COMMITTEE

The paid up Share Capital of the Company is less than Rupees Five Crore and hence the Company is not required to constitute an Audit Committee under provisions of Section 292A of the Companies Act, 1956.

10. AUDITORS

M/s. K S Aiyar & Co., Chartered Accountants the existing Auditors have under Section 224(1B) of the Companies Act, 1956, furnished a certificate of their eligibility for re-appointment. The Members are requested to re-appoint them as Auditors of the Company for the year 2011.

11. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

B. D. Nariman
Chairman

January 27, 2011

Registered Office:
G-9/C Kabir Marg,
Bani Park,
Jaipur – 302 016

Auditor's Report to the members of the National Limestone Company Private Limited

1. We have audited the attached Balance Sheet of NATIONAL LIMESTONE COMPANY PRIVATE LIMITED, as at December 31, 2010, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
 - c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) on the basis of the written representations received from the directors, as on December 31, 2010, and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on December 31, 2010 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2010;
 - ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: January 27, 2011

Annexure to the Auditor's Report

(Referred to in paragraph 3 of our Report of even date on the Accounts for the year ended December 31, 2010 of NATIONAL LIMESTONE COMPANY PRIVATE LIMITED)

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

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

- (b) According to the records of the Company, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has accumulated losses at the end of the financial year and has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the Company has not taken any money from financial institution, bank or debenture holders and hence clause 4(xi) is not applicable.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not raised any term loans during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis aggregating to ₹ 8.09 Lac have been utilised for financing the cash losses.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures were issued during the year.
- (xx) The Company has not raised any money by way of public issue during the year. Therefore, the provision of clause (xx) of the order is not applicable to the Company.
- (xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.

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

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: January 27, 2011

Balance Sheet as at December 31, 2010

Profit and Loss Account for the year ended December 31, 2010

Schedules	As at December 31, 2010	As at December 31, 2009
SOURCES OF FUNDS:		
Shareholders' Funds:		
Share Capital	1 8,65,000	8,65,000
Reserves and Surplus	2 4,22,125	4,22,125
	12,87,125	12,87,125
Deferred Tax Liabilities (Net)	-	7,940
TOTAL FUNDS	12,87,125	12,95,065
APPLICATION OF FUNDS:		
Fixed Assets:		
Gross Block	3 13,42,179	13,42,179
Less: Accumulated Depreciation	6,63,633	6,36,113
Net Block	6,78,546	7,06,066
Current Assets, Loans and Advances:		
Inventory	4 5,206	5,206
Cash and Bank Balances	5 16,69,097	6,90,111
Other Current Assets	6 4,46,061	2,07,128
Loans and Advances	7 1,07,44,298	6,04,387
	1,28,64,663	15,06,832
Less : Current Liabilities and Provisions:		
Current Liabilities	8 1,36,73,723	15,16,884
	1,36,73,723	15,16,884
Net Current Assets	(8,09,061)	(10,052)
Profit & Loss Account	14,17,640	5,99,052
TOTAL ASSETS (NET)	12,87,125	12,95,065
Notes to Accounts	11	

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

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

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

B.D.Nariman Chairman
Dr.S.B.Singh
S Das Gupta } Director
S.K.Das
K.M.Gupta

Sachin A. Negandhi
Partner
Membership No. 112888
Mumbai, January 27, 2011

Schedules	For the Year Ended on December 31, 2010	For the Period from 1st April to December 31, 2009
INCOME:		
Sale of Products and Services	85,65,601	1,16,427
Other Income	9 3,314	5,918
	85,68,915	1,22,345
EXPENDITURE:		
Manufacturing and		
Other Expenses	10 93,67,923	7,00,756
Depreciation and Amortisation ..	27,520	20,640
	93,95,443	7,21,396
Profit / (Loss) before Taxation .	(8,26,528)	(5,99,052)
Provision for Taxation		
Deferred Tax (Income)	(7,940)	-
	(7,940)	-
Profit / (Loss) after Taxation ...	(8,18,588)	(5,99,052)
Balance brought forward From		
Previous Period	(5,99,052)	-
Balance carried to Balance Sheet	(14,17,640)	(5,99,052)
Basic & Diluted Earnings per Share	₹ (94.63)	(69.25)
Notes to Accounts	11	

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

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

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

B.D.Nariman Chairman
Dr.S.B.Singh
S Das Gupta } Director
S.K.Das
K.M.Gupta

Sachin A. Negandhi
Partner
Membership No. 112888
Mumbai, January 27, 2011

Cash Flow Statement for the year ended December 31, 2010

	For year ended from 1st January 2010 to 31st December, 2010	For the period from 1st April 2009 to 31st December, 2009
A. Cash Flow from Operating Activities		
1. Net Profit / (Loss) before taxation	(8,26,528)	(5,99,052)
Adjustments for:		
Depreciation	27,520	20,640
Interest Received	(3,314)	-
Operating profit before working capital changes	(8,02,322)	(5,78,412)
2. Trade Receivables	-	18,257
3. Other Receivables	(1,01,64,370)	(5,32,165)
4. Trade Payables	1,21,56,838	13,06,999
Cash generated from operations	11,90,146	2,14,679
5. Direct Taxes refund / (paid)	(2,14,474)	439
Net Cash from Operating Activities	9,75,672	2,15,118
B. Cash Flow from Investing Activities		
6. Interest Received	3,314	(5,918)
Net Cash from Investing Activities	3,314	(5,918)
Net increase / (decrease) in cash and cash equivalents	9,78,986	2,09,200
Cash and cash equivalents :		
Opening Balance	6,90,111	4,80,911
Closing Balance	16,69,097	6,90,111

As per our report of even date

For and on behalf of the Board of National Lime Stone Co. Private Limited,

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

B.D.Nariman Chairman
Dr.S.B.Singh
S Das Gupta } Director
S.K.Das
K.M.Gupta

Sachin A. Negandhi
Partner
Membership No. 112888
Mumbai, January 27, 2011

Schedules forming part of the Balance Sheet

SCHEDULE - 1. SHARE CAPITAL

	As at December 31, 2010	As at December 31, 2009
AUTHORISED		
50,000 (Previous Year - 50,000) Equity Shares of ₹ 100 each	50,00,000	50,00,000
	50,00,000	50,00,000
ISSUED		
8,650 (Previous Year - 8,650) Equity Shares of ₹ 100 each	8,65,000	8,65,000
SUBSCRIBED		
8,650 (Previous Year - 8,650) Equity Shares of ₹ 100 each (All the Shares held by ACC Limited the Holding Company and its nominees)	8,65,000	8,65,000
TOTAL ...	8,65,000	8,65,000

SCHEDULE - 2. RESERVES AND SURPLUS

	As at December 31, 2010	As at December 31, 2009
General Reserve	4,22,125	2,30,057
Add:		
Adjustment of Depreciation pertaining to earlier year on account of change in method of Depreciation	-	1,92,068
TOTAL ...	4,22,125	4,22,125

Schedules forming part of the Balance Sheet

SCHEDULE - 3. FIXED ASSETS

₹

FIXED ASSETS	GROSS BLOCK AT COST			TOTAL DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01-01-2010	As at 31-12-2010	As at 01-01-2010	For the period	Adjustment due to method change	Upto 31-12-2010	As at 31-12-2010	As at 31-12-2009
Tangible Assets :								
Freehold Land	3,80,154	3,80,154	-	-	-	-	3,80,154	3,80,154
Lease Hold Land	47,977	47,977	-	-	-	-	47,977	47,977
Factory Building	7,19,591	7,19,591	5,12,129	24,032	-	5,36,161	1,83,430	2,07,462
Tubewell	35,283	35,283	13,085	576	-	13,661	21,622	22,198
Office Building	43,459	43,459	10,100	708	-	10,808	32,651	33,359
Plant & Machinery	40,000	40,000	34,936	1,900	-	36,836	3,164	5,064
Weight Machine	57,161	57,161	57,161	-	-	57,161	-	-
Magazine/Explosive Warehouse ..	18,554	18,554	8,702	304	-	9,006	9,548	9,852
Total	13,42,179	13,42,179	6,36,113	27,520	-	6,63,633	6,78,546	7,06,066
Previous Period	13,42,179	13,42,179	8,07,540	20,640	1,92,067	6,36,113	7,06,066	-

SCHEDULE - 4. INVENTORY

₹

	As at December 31, 2010	As at December 31, 2009
INVENTORY		
Stock of Explosive	3,974	3,974
Stock of Limestone	1,232	1,232
TOTAL ...	5,206	5,206

SCHEDULE - 5. CASH AND BANK BALANCES

₹

	As at December 31, 2010	As at December 31, 2009
Balance with Scheduled Banks		
In Current Account	11,00,097	1,21,111
In Fixed Deposits	5,69,000	5,69,000
TOTAL ...	16,69,097	6,90,111

SCHEDULE - 6. OTHER CURRENT ASSETS

₹

	As at December 31, 2010	As at December 31, 2009
Accrued Interest	40,683	37,369
Prepaid Expense	4,05,378	1,69,759
TOTAL ...	4,46,061	2,07,128

SCHEDULE - 7. LOANS AND ADVANCES

₹

(Unsecured, Considered Good, unless otherwise stated)

	As at December 31, 2010	As at December 31, 2009
Sundry Advances and Deposits, etc.		
Advance to holding company	50,000	50,000
Advances Recoverable in cash or in		
Kind or for value to be received	1,04,58,017	5,32,580
	1,05,08,017	5,82,580
Advance Payments Against Taxes	2,36,281	21,807
TOTAL ...	1,07,44,298	6,04,387

SCHEDULE - 8. CURRENT LIABILITIES

₹

	As at December 31, 2010	As at December 31, 2009
CURRENT LIABILITIES :		
Payable to holding company	1,27,97,015	10,49,082
Sundry Creditors	8,10,857	4,61,478
Other Current Liabilities	65,851	6,324
TOTAL ...	1,36,73,723	15,16,884

Schedules forming part of the Profit and Loss Account

SCHEDULE - 9. OTHER INCOME

₹

	For the year ended December 31, 2010	For the period from 1st April to December 31, 2009
Other Income		
Interest Income	3,314	5,918
TOTAL ...	3,314	5,918

SCHEDULE - 10. MANUFACTURING AND OTHER EXPENSES

₹

	For the year ended December 31, 2010	For the period from 1st April to December 31, 2009
MANUFACTURING EXPENSES		
Stores and Spares parts Consumed	4,66,143	25,432
Power and Fuel (Diesel & Electricity)	19,688	1,068
Royalties	20,55,976	4,67,103
Loading, Transportation, Mines Expenses and Other Charges	63,12,946	55,201
	88,54,753	5,48,804
ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Rates and Taxes (Including Sale Tax Expense & Cess)	40,162	-
Travelling Expenses	2,10,885	-
Bank Charges	15,612	570
Professional Charges	25,369	12,573
Legal Expenses	6,279	-
Stationary Expense	23,930	-
Misc. Expenses	59,933	32,809
Auditors Remuneration	1,31,000	1,06,000
	5,13,170	1,51,952
Increase / (Decrease) in Stocks		
Closing Stocks -		
Finished Goods	-	1,232
	-	1,232
Opening Stocks -		
Finished Goods	-	1,232
	-	1,232
	-	-
TOTAL ...	93,67,923	7,00,756

SCHEDULE - 11. NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2010

(A) Basis of preparation

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

(B) Use of estimates

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

(C) Revenue recognition

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

I. Sale of goods

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

II. Interest

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

(D) Fixed assets

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

(E) Depreciation

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

(F) Impairment

The carrying amounts of assets are reviewed at each Balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

(G) Investments

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

(H) Income taxes

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

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

(I) Contingencies / Provisions

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

(J) Earnings per share

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

(K) Segment Reporting

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

2. RELATED PARTY DISCLOSURE

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

Details of Related parties after acquisition by ACC Limited are as follows.

Name of Related Party	Nature of Relationship
ACC Limited	Holding Company
Bulk Cement Corporation (India) Limited	Fellow Subsidiary Company
ACC Mineral Resourcing Limited (Formerly The Cement Marketing Company of India Limited)	Fellow Subsidiary Company
MP AMRL (Semaria) Coal Company Limited	Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL)
MP AMRL (Bicharpur) Coal Company Limited	Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL)
MP AMRL (Marki Barka) Coal Company Limited	Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL)
MP AMRL (Morga) Coal Company Limited	Joint Venture of Fellow Subsidiary ACC Mineral Resources Limited (AMRL)

Name of Related Party	Nature of Relationship
Ambuja Cement India Private Limited	Promoter Group Company.
Ambuja Cements Limited	Promoter Group Company
ACC Concrete Limited	Fellow Subsidiary Company
Alcon Cement Company Private Limited	Associate Company of the Holding Company
Lucky Minmat Limited	Fellow Subsidiary Company
Holderind Investments Limited	Promoter Group Company of the Holding Company
Holcim India (P) Limited	Promoter Group Company of the Holding Company
Holcim Service (Asia) Limited	Promoter Group Company of the Holding Company
Holcim (Bangladesh) Limited	Promoter Group Company of the Holding Company
Holcim Foundation	Promoter Group Entity of the Holding Company
Holcim (Lanka) Limited	Promoter Group Company of the Holding Company
PT Holcim Indonesia Tbk	Promoter Group Company of the Holding Company
Siam City Concrete Co Limited	Promoter Group Company of the Holding Company
Siam City Cement Public Company Limited	Promoter Group Company of the Holding Company
National Cement Factory	Promoter Group Company of the Holding Company
Holcim Group Support Limited	Promoter Group Company of the Holding Company
Holcim Limited	Promoter Group Company of the Holding Company
Holcim Singapore Limited	Promoter Group Company of the Holding Company
Holcim Trading FZCO	Promoter Group Company of the Holding Company
Holcim Services (South Asia) Limited	Promoter Group Company of the Holding Company
Holcim (Canada) Inc.	Promoter Group Company of the Holding Company
Holcim Environment Services Sa, Belgium	Promoter Group Company of the Holding Company
Holcim Vietnam	Promoter Group Company of the Holding Company
Encore Cement and Additives Private Limited	Fellow Subsidiary Company w.e.f. 28/01/2010.
Asian Concretes & Cements Private Limited	Associates Company of the Holding Company w.e.f 01/04/2010

(b) Transaction with Holding company

₹ Lac

Transaction with Related Party	For the year ended December 31, 2010	For the period from 1st April to December 31, 2009
(i) Sale to ACC Limited	85.65	1.16
(ii) Dead Rent / Land tax / F.B.T Paid on behalf of National limestone Private Limited By ACC Limited	12.10	12.58
(iii) Transportation charge Recovery from ACC Limited ..	76.77	1.88
(iv) Outstanding balance (Net) to ACC Limited	127.97	9.99

3. EARNINGS PER SHARE-[EPS]

₹ Lac

Particulars	For the year ended December 31, 2010	For the period from 1st April to December 31, 2009
Profit /(Loss) after taxation as per Profit and Loss Account	(8.18)	(5.99)
Weighted average number of Equity Shares Outstanding	8,650	8,650
Basic earnings per share (weighted average) in ₹		
(Face Value – ₹ 100 per share)	(94.63)	(69.25)

(There are no Potential equity shares and hence there is no working for diluted earning per share)

4. TAXATION

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

5. CONTINGENT LIABILITY NOT PROVIDED FOR

Demand for land tax.	2010		2009	
Year	For the year	Cumulative	For the year	Cumulative
Amount	38.5	115.50	38.5	77.0

6. The Company has filed a petition against the Order / Notices of Mining Authorities towards a demand of ₹ 99, 25,437 /- as additional Royalty on Limestone extracted in earlier years which in view of Company is legally unsustainable and the Company does not expect any liability in this matter.

7. The Company has accumulated losses at 31st Dec 2010, and the net worth is negative. The company has obtained support from ACC Limited (Holding Company) assuring continuous support to finance the operation of the company which being turned around after acquisition. Hence the accounts have been prepared on a going concern basis.

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

on account of principle amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

9. Payment to Statutory Auditors:

₹

Particulars	For the year ended December 31, 2010	For the period from 1st April to December 31, 2009
Audit Fees	75,000	50,000
Fees for other services	56,000	56,000
TOTAL ...	1,31,000	1,06,000

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

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

(A) Sales by class of goods (Net)

Unit	For Year ended December 31, 2010		For Year ended December 31, 2009	
	Quantity	₹ Lac	Quantity	₹ Lac
Lime Stone	39,592	85.66	538	1.16

(B) Particulars of Licensed, Installed Capacity & Production.

	For the year ended December 31, 2010	For the period from 1st April to December 31, 2009
Licensed Capacity Limestone (MT per day)	300 MT	300 MT
Installed Capacity*Limestone (MT per day)	300 MT	300 MT
Actual Productions-During the Year (Limestone)	39,592 MT	538 MT

*As certified by management and accepted by the Auditors

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

Signatures to Schedules 1 to 11
Per out report attached

For and on behalf of the Board

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

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

Sachin A. Negandhi
Partner
Membership No. 112888
Mumbai, January 27, 2011

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

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

 Registration No. U26944RJ1981PTC00227

 State Code 17

 Balance Sheet 31 12 2010

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

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

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

Total Liabilities

13543

Total Assets

13543

Sources of Funds

Paid up Capital

865

Reserves & Surplus

422

Secured Loans

NIL

Unsecured Loans

NIL

Application of Funds

Net Fixed Assets

679

Investments

NIL

Net Current Assets

(809)

Misc. Expenditure

NIL

Accumulated Losses

1418

IV. Performance of Company (Amount in ₹ Thousands)

Turnover

8569

Total Expenditure

9395

Profit / Loss Before Tax

- 826

Profit After Tax

- 818

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

(94.63)

Dividend Rate %

NIL

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

 Item Code No. (ITC Code) 25210090

Product Description

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

Directors' Report

TO THE MEMBERS OF
ENCORE CEMENT AND ADDITIVES PRIVATE LIMITED

The Directors hereby present their Fifth Annual Report together with the audited Accounts for the year ended December 31, 2010.

1. FINANCIAL RESULTS

PARTICULARS	₹ Lacs	
	2010 (Jan to Dec)	2009 (April to Dec)
Sale of Products (excluding of Excise Duty) and other income	2,242.39	43.15
Less: Expenditure other than Depreciation and Interest	2,576.22	358.86
Loss before Depreciation and Interest	(333.83)	(315.71)
Less: Depreciation	193.34	130.02
Interest	117.98	174.40
Loss before Tax	(645.15)	(620.13)
Provision for Taxation	-	-
Loss after Taxation	(645.15)	(620.13)
Balance brought forward from previous period	(697.01)	(76.89)
Balance carried forward to the next year's account	(1,342.16)	(697.01)

2. OPERATIONS DURING THE YEAR

The Company started production of Portland Slag Cement (PSC) in the month of March 2010.

Cement production during the year was 73,010 MT as against NIL during the previous period. Capacity utilisation was 34.77%. The sale of cement during the year was 72,825 MT (including 185 MT for self consumption) as against NIL during previous period April to December 2009.

Production of Ground Slag during the year was 32,680 MT as against NIL during the nine months period April to December 2009. The sale of Ground Slag during the year was 7,570 MT (including 490 MT of export) as against Nil during the nine months ended December 31, 2009.

Continuous efforts are on for modification/ replacement of facilities with a view to improving plant operations and saving cost.

3. TURNOVER AND PROFIT

The year 2010 recorded an Income of ₹ 2,242.39 lacs net of Excise Duty as compared to ₹ 43.15 lacs during the nine months period April to December 2009. The loss for the year 2010 is ₹ 645.15 lacs as compared to a loss of ₹ 620.13 lacs during the nine months period ended December 31, 2009.

4. DIVIDEND

Your Directors have not recommended payment of dividend for the year under review.

5. CHANGE IN THE REGISTERED OFFICE

During the year, the Company changed its Registered Office from 6-3-240/6/1 Sharadha Street, Beside Andhra Prabha Office, Prem Nagar, Kharathabad, Hyderabad 500 040 to 'Cement House', 121, Maharshi Karve Road, Mumbai 400 020.

6. FINANCE

During the year under review the Company discharged secured loans taken from Banks by taking interest free unsecured loans from ACC Limited, the Holding Company.

7. OUTLOOK

The Company expects significantly improved operations in terms of cement sales volume in the current year.

8. INDUSTRIAL RELATIONS

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

9. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

As required under section 217(1)(e) of the Companies Act,1956, read with the Companies (Disclosure of Particulars in the Report of Board of

Directors) Rules, 1988, the particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are set out in Annexure 'A' to the Directors' Report.

10. PARTICULAR OF EMPLOYEES

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

11. DIRECTORS

Mr V K Agnihotri who was appointed as a Director of the Company with effect from January 28, 2010 resigned as a Director with effect from July 15, 2010.

Mr KBS Swamy who was appointed as an Additional Director of the Company with effect from March 27, 2010 resigned as a Director with effect from July 15, 2010.

The Board has placed on record its appreciation of the valuable services rendered by the aforesaid Directors.

In accordance with the Provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr Sunil Nayak and Mr B.D. Nariman, Directors retire by rotation and being eligible offer themselves for re-appointment.

12. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors' make the following statements in terms of section 217(2A) of the Companies Act, 1956

- i. that the preparation of the Annual Accounts for the year ended December 31, 2010 the applicable accounting standards have been followed along with proper explanation relating to material departures if any;
- ii. that such accounting policies as mentioned in Note 1 of the Notes to Accounts have been

selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company as at December 31, 2010 and of the Profit of the Company for the year ended on that date;

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

13. AUDITORS

M/s. K S Aiyar & Co., Chartered Accountants, the existing Auditors have under Section 224(1B) of the Companies Act, 1956, furnished a certificate of their eligibility for re-appointment. The Members are requested to re-appoint them as Auditors of the Company for the year 2011.

14. ACKNOWLEDGEMENT

The Directors take this opportunity to express their grateful appreciation for the excellent assistance and cooperation received from the Rastriya Ispat Nigam Limited, Visakhapatnam Special Economic Zone and the Company's Bankers. Your Directors also thank all the employees of the Company for their valuable services and support during the year.

For and on behalf of the Board of Directors

Sunil Nayak
Chairman

Mumbai
January 31, 2011

Annexure 'A' to Director's Report

Statement pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report Board of Directors) Rules, 1988

(A) CONSERVATION OF ENERGY

a) Energy conservation measures taken:

- Elimination of Screw Conveyor and Elevator for packer spillage Material (11.5 KW)
- Magnetic Separator in Ball Mill circuit is operated with one Vibrator instead of two Vibrators (2.2 KW)
- Utilisation of old GGBS (15%) by adding to separator thereby increasing Mill Output
- Reduction of Coal consumption by utilising Cut Bags of OPC
- Use of one Blender with 45 TPH capacity as against its capacity of 30 TPH
- Replacement of Halogen lamps of 1000W (20 Nos) with 150W (20 nos) Sodium Vapour Lamps

b) Additional investment and proposals for reductions of energy consumption:

- Process optimisation of Slag Grinding Section for conservation of energy

c) The impact of the measures at (a) to (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

- Savings in energy consumption and consequent reduction in the cost of production.

d) Total energy consumption and energy consumption per unit of production as per Form A.

Form A Power and Fuel Consumption

	Current Year			Previous Year (Nine Months Ended)		
	Units (KWH)	Total (₹)	₹ per Unit	Units (KWH)	Total (₹)	₹ per Unit
1. Electricity Purchased	36,12,636	1,52,53,634.00	4.22	NIL*	85,79,804.00	NA*

	Current Year			Previous Year (Nine Months Ended)		
	Quantity (Tonnes)	Total (₹)	Average Rate (₹/Tonnes)	Quantity (Tonnes)	Total (₹)	Average Rate (₹/Tonnes)
2. Coal for Slag Dryer	1,268.7	40,01,436.29	3,153.97	NIL*	NIL*	NIL*

* There have been no power consumption nor any production of Slag in the previous period. However, fixed power cost had been paid.

	Consumption per Unit of Production	
	Current Year	Previous year
a. Electricity KWH/T Cement	48.27	NIL*
b. Coal/T of Dried Slag	0.04	NIL*

(B) TECHNOLOGY ABSORPTION

There is no Reserch and Development (R&D) activity nor any absorption, adaption and innovation in technology carried out by the Company.

An amount of ₹ 4.19 lacs foreign Exchange earned during the year against export of Slag. There was no outflow of Foreign Exchange during the year

For and on behalf of the Board of Directors

Sunil Nayak
Chairman

Mumbai
January 31, 2011

Auditor's Report to the members of the Encore Cement & Additives Private Limited

1. We have audited the attached Balance Sheet of Encore Cement & Additives Private Limited, as at December 31, 2010, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
 - c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) on the basis of the written representations received from the directors, as on December 31, 2010, and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on December 31, 2010 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2010;
 - ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Raghuvir M. Aiyar
Partner
Membership No.: 38128

Place: Mumbai
Date: January 31, 2011

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) A substantial portion of the fixed assets has been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) Fixed assets disposed off during the year were not substantial. According to the information and explanations given to us, we are of the opinion that the disposal of fixed assets has not affected the going concern status of the Company.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) Based on the Audit procedures performed and according to the information and explanations given to us there are no transactions that need to be entered into the register maintained in pursuance of section 301 of the companies Act, 1956. Accordingly sub clause (b) is not applicable.
- (vi) The Company has not accepted any deposits from the public to which the provisions of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (ix) According to the records of the Company, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, cess and other material statutory dues applicable to it have been generally regularly deposited during the year with the appropriate authorities.
- According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other statutory dues which were outstanding, at the period end for a period of more than six months from the date they became payable.
- (x) The Company has accumulated losses at the end of the financial year and has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) According to information and explanations given to us the company has not taken any money from any financial institution, bank or debenture holder, and hence clause (4) (xi) is not applicable to the company.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us, the Company has not raised any loans during the period.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis aggregating to ₹ 2,693.08 lac have been partially utilised for financing the cash losses and partially for long-term investment in fixed assets.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year. Therefore the provisions of clause (xix) of the order are not applicable to the company.
- (xx) The Company has not raised any money by way of public issue during the year. Therefore, the provision of clause (xx) of the order is not applicable to the Company.
- (xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.

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

Raghuvir M. Aiyar
Partner
Membership No.: 38128

Place: Mumbai
Date: January 31, 2011

Balance Sheet as at December 31, 2010

		₹	
Schedules		As at December 31, 2010	As at December 31, 2009
Sources of Funds :			
Shareholders' Funds			
Share Capital	1	50,000,000.00	50,000,000.00
Loan Funds :			
Secured Loans	2	-	89,571,653.00
Unsecured Loans	3	277,937,000.00	101,614,569.00
		<u>327,937,000.00</u>	<u>241,186,222.00</u>
Application of Funds:			
Fixed Assets			
Gross Block	4	236,951,356.00	199,035,388.00
Less: Depreciation		55,686,707.61	36,360,442.00
Net Block		181,264,648.39	162,674,946.00
Capital work-in-progress (including Capital Advance)		3,827,257.00	10,261,534.00
		<u>185,091,905.39</u>	<u>172,936,480.00</u>
Current Assets, Loans and Advances :			
Inventories	5	35,803,373.20	41,994,016.00
Sundry Debtors	6	2,036,350.70	805,682.00
Cash and Bank Balances	7	2,691,706.20	149,505.00
Loans and Advances	8	22,373,375.62	21,475,914.00
		<u>62,904,805.72</u>	<u>64,425,117.00</u>
Less : Current Liabilities and Provisions :			
Current Liabilities	9	53,797,084.60	65,876,869.00
Provisions	10	479,050.00	-
		<u>54,276,134.60</u>	<u>65,876,869.00</u>
Net Current Assets		<u>8,628,671.12</u>	<u>(1,451,752.00)</u>
Profit and Loss Account		<u>134,216,423.49</u>	<u>69,701,494.00</u>
TOTAL ASSETS (Net)		<u>327,937,000.00</u>	<u>241,186,222.00</u>
Notes to Accounts	13		

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

As per our report of even date

For and on behalf of the Board of Encore
Cement and Additives (P) Ltd

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

Sunil Nayak
Chairman

C.M. Reddy
Chief Executive Officer

Raghuvir M. Aiyar
Partner
Membership No.38128

Burjor D. Nariman
Director

M. Balaji
Head Finance And
Company Secretary

Mumbai, January 31, 2011

Mumbai, January 31, 2011

Profit and Loss Account for the year ended December 31, 2010

		₹	
Schedules		For the year ended December 31, 2010	For the period ended December 31, 2009
INCOME:			
Sales		249,970,289.34	4,315,138.00
Less: Excise Duty		35,211,817.17	-
Net Sales		214,758,472.17	4,315,138.00
Other Income		9,480,895.99	-
		<u>224,239,368.16</u>	<u>4,315,138.00</u>
EXPENDITURE:			
Manufacturing Expenses	11	257,622,387.21	35,886,160.00
Depreciation		19,333,801.00	13,001,609.00
Interest	12	11,798,109.44	17,440,107.00
		<u>288,754,297.65</u>	<u>66,327,876.00</u>
Profit / (Loss) Before Taxation		<u>(64,514,929.49)</u>	<u>(62,012,737.00)</u>
Provision Taxation		-	-
Profit / (Loss) After Tax		<u>(64,514,929.49)</u>	<u>(62,012,737.00)</u>
Balance brought forward from previous period		(69,701,494.00)	(7,688,757.00)
Balance carried to Balance Sheet		<u>(134,216,423.49)</u>	<u>(69,701,494.00)</u>
Earning per Share			
Basic and Diluted Earnings per Share		₹ (12.90)	(12.40)
Face value per Share		₹ 10.00	10.00
Notes to Accounts	13		

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

As per our report of even date

For and on behalf of the Board of Encore
Cement and Additives (P) Ltd

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

Sunil Nayak
Chairman

C.M. Reddy
Chief Executive Officer

Raghuvir M. Aiyar
Partner
Membership No.38128

Burjor D. Nariman
Director

M. Balaji
Head Finance And
Company Secretary

Mumbai, January 31, 2011

Mumbai, January 31, 2011

Cash Flow Statement for the year ended December 31, 2010

	For the year ended December 31, 2010	For the period ended December 31, 2009
A. Cash flow from operating activities		
1 Net Loss before Tax	(64,514,930)	(62,012,737)
Adjustments for :		
2 Depreciation	19,333,801	13,001,609
3 Interest Expense	11,798,109	18,342,725
4 Loss on Sale / Discarded Fixed Assets - Net	20,695	-
5 Miscellaneous Expenditure written off ...	124,276	-
6 Provision for Retirement Benefits	479,050	-
Operating profit before working capital changes	(32,758,999)	(30,668,403)
Adjustments for :		
7 Trade receivables	(1,230,669)	(591,825)
8 Inventories	6,190,643	4,700,633
9 Other receivables	(1,021,733)	(952,231)
10 Trade payables	(12,079,787)	9,773,284
Net Cash flow from operating activities	(40,900,545)	(17,738,542)
B. Cash flow from investing activities		
11 Purchase of Fixed Assets	(31,521,921)	(10,261,534)
12 Sale of Assets	12,000	-
Net cash used in investing activities	(31,509,921)	(10,261,534)
C. Cash flow from financing activities		
13 Interest paid	(11,798,109)	(18,342,725)
14 Proceeds from Short term Borrowings	86,750,777	46,361,892
Net cash used in financing activities	74,952,668	28,019,167
Net increase / (decrease) in cash and cash equivalents	2,542,202	19,091
Cash and cash equivalents		
Opening Balance	149,505	130,414
Closing Balance	2,691,707	149,505

Notes: 1 All figures in brackets are outflow
2 Previous period's figures are regrouped / restated wherever necessary.
3 Cash and Cash Equivalents is Cash and Bank Balance as per Balance Sheet.

As per our report of even date For and on behalf of the Board of Encore Cement and Additives (P) Ltd

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

Sunil Nayak
Chairman

C.M. Reddy
Chief Executive Officer

Raghuvir M. Aiyar
Partner
Membership No.38128

Burjor D. Nariman
Director

M. Balaji
Head Finance And
Company Secretary

Mumbai, January 31, 2011

Mumbai, January 31, 2011

Schedules forming part of the Balance Sheet

	As at December 31, 2010	As at December 31, 2009
SCHEDULE - 1 SHARE CAPITAL		
1. AUTHORISED -		
5,500,000 Equity Shares of ₹ 10 each	55,000,000.00	50,000,000.00
(Previous Year 50,00,000 Equity Shares of ₹ 10 each)		
2. ISSUED, SUBSCRIBED & PAID UP -		
5,000,000 Equity Shares of ₹ 10 each, fully paid (Previous Year 50,00,000 Equity Shares of ₹ 10 each, fully paid) (All the Shares (Previous year Nil) are held by ACC Limited, the Holding Company and its nominees)	50,000,000.00	50,000,000.00
TOTAL ...	50,000,000.00	50,000,000.00

	As at December 31, 2010	As at December 31, 2009
SCHEDULE - 2 SECURED LOANS		
Term Loan	-	69,571,653.00
(Term Loan from Syndicate Bank, NS Road, Hyderabad, Secured by hypothecation of Plant and Machinery)		
Packing Credit	-	20,000,000.00
(Against Hypothecation of Inventory and other current assets)		
TOTAL ...	-	89,571,653.00

	As at December 31, 2010	As at December 31, 2009
SCHEDULE - 3 UNSECURED LOANS		
From ACC Limited, the Holding Company	276,500,000.00	25,473,702.00
From Directors	300,000.00	6,239,000.00
From Others	1,137,000.00	69,901,867.00
TOTAL ...	277,937,000.00	101,614,569.00

Schedules forming part of the Balance Sheet

SCHEDULE - 4 FIXED ASSETS

FIXED ASSETS	GROSS BLOCK AT COST			TOTAL DEPRECIATION				NET BLOCK		
	As at 31-12-2009	Additions/ Adjustments	Deductions/ Adjustments	As at 31-12-2010	Upto 31-12-2009	For the Period ended 31-12-2010	Deductions/ Adjustments	Upto 31-12-2010	As at 31-12-2010	As at 31-12-2009
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1. Buildings	46,783,547.00	7,432,154.00	-	54,215,701.00	3,260,669.00	1,647,260.00	-	4,907,929.00	49,307,772.00	43,522,878.00
2. Machinery and Plant	117,110,971.00	29,072,104.00	-	146,183,075.00	25,471,531.00	13,951,799.00	-	39,423,330.00	106,759,745.00	91,639,440.00
3. Furniture, Fixtures and Equipments	1,735,783.00	721,608.00	40,230.00	2,417,161.00	403,194.00	231,426.00	7,535.39	627,084.61	1,790,076.39	1,332,589.00
4. Electric Installations	33,405,087.00	730,332.00	-	34,135,419.00	7,225,048.00	3,503,316.00	-	10,728,364.00	23,407,055.00	26,180,039.00
TOTAL	199,035,388.00	37,956,198.00	40,230.00	236,951,356.00	36,360,442.00	19,333,801.00	7,535.39	55,686,707.61	181,264,648.39	162,674,946.00
Previous Year	199,035,388.00	-	-	199,035,388.00	23,358,833.00	13,001,609.00	-	36,360,442.00	162,674,946.00	175,676,555.00
13. Capital Work-in-Progress and Unallocated Capital Expenditure including Capital advance									3,827,257.00	10,261,534.00

SCHEDULE - 5 INVENTORIES

	As at December 31, 2010	As at December 31, 2009
Raw-Material	26,200,869.56	4,871,445.00
Stores and Spares	891,780.40	4,864,707.00
Finished Goods	8,710,723.24	32,257,864.00
TOTAL ...	35,803,373.20	41,994,016.00

SCHEDULE - 6 SUNDRY DEBTORS (UNSECURED GOOD)

	As at December 31, 2010	As at December 31, 2009
Over six months	-	805,682.00
Others	2,036,350.70	-
(₹ 1,634,820 from ACC Limited the Holding Company)		
TOTAL ...	2,036,350.70	805,682.00

SCHEDULE -7 CASH AND BANK BALANCES

	As at December 31, 2010	As at December 31, 2009
1. Cash on Hand	20,924.00	23,990.00
2. Balances With Scheduled Banks		
In Current Account	2,670,782.20	125,515.00
TOTAL ...	2,691,706.20	149,505.00

SCHEDULE - 8 LOANS AND ADVANCES

(Unsecured, Considered Good, unless otherwise stated)

	As at December 31, 2010	As at December 31, 2009
Advances Recoverable in Cash or in Kind or for value to be received Considered Good		
Advances and Deposits (Including ₹ 425,500/- with ACC Limited the Holding Company)	22,373,375.62	21,475,914.00
TOTAL ...	22,373,375.62	21,475,914.00

SCHEDULE - 9 CURRENT LIABILITIES

	As at December 31, 2010	As at December 31, 2009
Sundry Creditors	45,783,472.54	65,876,869.00
Payable to Holding Company	8,013,612.06	-
TOTAL ...	53,797,084.60	65,876,869.00

SCHEDULE - 10 PROVISIONS

	As at December 31, 2010	As at December 31, 2009
For Gratuity	184,142.00	-
For Leave Encashment	294,908.00	-
TOTAL ...	479,050.00	-

Schedules forming part of the Profit and Loss Account

SCHEDULE - 11, MANUFACTURING AND OTHER EXPENSES

₹

	For the year ended December 31, 2010	For the period ended December 31, 2009
MANUFACTURING EXPENSES		
Purchase of Cement	127,707,457.10	-
Raw Materials Consumed	29,284,825.85	189,070.00
Stores and Spare parts Consumed	5,102,593.36	451,115.00
Packing Materials Consumed	11,199,996.52	-
Power and Fuel	19,255,070.29	8,578,804.00
Labour Charges Packing, Process & Maint	8,688,351.00	161,227.00
Repairs to Machinery	1,538,329.00	143,081.00
Repairs to Other Items	4,932,591.00	3,162,350.00
	207,709,214.12	12,685,647.00
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Wages, Dearness Allowance and Bonus	10,296,030.13	9,194,243.00
Contributions / Provisions to and for		
Provident and Other Funds	138,859.00	106,038.00
Workmen and Staff Welfare Expenses	1,086,934.53	203,443.00
	11,521,823.66	9,503,724.00
ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Rent	1,388,227.12	413,724.00
Insurance	22,215.00	118,147.00
Loading, Transportation and Other Charges	1,056,751.90	1,379,988.00
Commission on Sales	-	4,758.00
Other Expenses (Includes Loss on sale / write off of Fixed Assets (Net))	10,920,427.85	6,483,091.00
Bad and Doubtful Debts	1,456,586.80	-
	14,844,208.67	8,399,708.00
(INCREASE) / DECREASE IN STOCKS IN TRADE		
Opening Finished Stock	32,257,864.00	37,554,945.00
Closing Finished Stock	8,710,723.24	32,257,864.00
	23,547,140.76	5,297,081.00
TOTAL ...	257,622,387.21	35,886,160.00

SCHEDULE - 12, INTEREST

₹

	For the year ended December 31, 2010	For the period ended December 31, 2009
Term Loans	4,000,158.30	6,359,867.00
Others	7,797,951.14	11,080,240.00
TOTAL ...	11,798,109.44	17,440,107.00

Schedule - 13, NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2010

1. (I) Basis of preparation

- The financial statements of the Company are prepared under the historical cost convention on accrual basis of accounting and in accordance with the accounting principles generally accepted in India and in compliance with the provision of the Companies Act, 1956 and comply with the mandatory Accounting Standards (AS) specified in Companies (Accounting Standard) Rules, 2006 prescribed by the Central Government of India.
- Financial statements are based on historical cost and are prepared on accrual basis, except where impairment is made and revaluation is carried out.
- Accounting policies have been consistently applied by the Company and are consistent with those used in the previous period.

(II) Use of estimates

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

(III) Significant Accounting Policies

A) 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 recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, which is generally on dispatch of goods.

B) Fixed assets

- Fixed assets are stated at cost of acquisition or construction including installation cost, attributable interest and finance cost, till such time assets are ready for their intended use, less accumulated depreciation, impairment losses and specific grants received, if any.
- Depreciation

Depreciation on Fixed Assets is calculated on straight line basis at the rates prescribed in Schedule XIV of the Companies Act, 1956, on a pro-rata basis.

C) Impairment

An impairment loss is charged to the profit and loss account wherever the carrying amount of an asset exceeds its estimated recoverable amount. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

D) Expenditure during construction period

In case of new projects expenditure incurred, including trial production expenses net of revenue earned, prior to commencement of commercial production are capitalised.

E) Inventories

Raw materials, fuel, stores and spares are valued at 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.

Finished goods are valued at cost or net realizable value which ever is lower.

F) Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transactions. Foreign currency monetary items are 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 expense in the year in which they arise.

G) Employee benefits

(i) Defined Contribution Plan

Defined contribution plan consists of Government Provident Fund Scheme and Employee State Insurance scheme. Company's contribution paid / payable during the year under these schemes are charged to Profit and Loss Account. There are no other obligations other than the contribution made by the company.

(ii) Defined Benefit Plan

The employees' gratuity fund schemes and long term compensated absences are the defined benefit plans. Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by the reference to market yields at the Balance Sheet date on Government bonds.

H) Income taxes

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are 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. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Deferred Tax Assets are reviewed at each Balance Sheet date.

I) Contingencies / Provisions

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

2. Segment Reporting

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

3. Related Party Disclosure
(A) Particulars of Holding/ Associate Companies

Name of the Related Party	Nature of Relationship
1. ACC Limited	Holding Company
2. Bulk Cement Corporation (India) Limited	Fellow Subsidiary Company
3. ACC Mineral Resources Limited (Formerly The Cement Marketing Company of India Limited)	Fellow Subsidiary Company
4. Lucky Minmat Limited	Fellow Subsidiary Company
5. ACC concrete Limited	Fellow Subsidiary Company
6. National Limestone Company Pvt. Ltd.	Fellow Subsidiary Company w.e.f. April 20,2009
7. Holcim PTE	Promoter Group Company of the Holding Company
8. MP AMRL (Semaria) Coal Company Ltd.	Joint Venture of Fellow Subsidiary ACC Mineral Resources Ltd. (AMRL)

Name of the Related Party	Nature of Relationship
9. MP AMRL (Bicharpur) Coal Company Ltd.	Joint Venture of Fellow Subsidiary ACC Mineral Resources Ltd.(AMRL)
10. MP AMRL (Marki Barka) Coal Company Ltd.	Joint Venture of Fellow Subsidiary ACC Mineral Resources Ltd. (AMRL)
11. MP AMRL (Morga) Coal Company Ltd.	Joint Venture of Fellow Subsidiary ACC Mineral Resources Ltd.(AMRL)
12. Alcon Cement Company Pvt. Ltd.	Associate Company of the Holding Company
13. Asian Concretes & Cements Pvt. Ltd.	Associate Company of the Holding Company w.e.f. 01/04/2010
14. Ambuja Cement India Private Limited	Promoter Group Company
15. Ambuja Cements Limited	Promoter Group Company
16. Holderind Investments Limited	Promoter Group Company of the Holding Company
17. Holcim (India) Private Limited	Promoter Group Company of the Holding Company
18. Holcim Services (Asia) Limited	Promoter Group Company of the Holding Company
19. Holcim Group Support Limited	Promoter Group Company of the Holding Company
20. Holcim Singapore Limited	Promoter Group Company of the Holding Company
21. Holcim Trading FZCO	Promoter Group Company of the Holding Company
22. Holcim (Lanka) Ltd.	Promoter Group Company of the Holding Company
23. P T Holcim Indonesia Tbk	Promoter Group Company of the Holding Company
24. Holcim Services (South Asia) Limited	Promoter Group Company of the Holding Company
25. Holcim Foundation	Promoter Group Entity of the Holding Company
26. Holcim Ltd.	Promoter Group Company of the Holding Company
27. Siam City Concrete Co. Limited	Promoter Group Company of the Holding Company
28. Siam City Cement Public Company Limited	Promoter Group Company of the Holding Company
29. National Cement Factory	Promoter Group Company of the Holding Company
30. Holcim Bangladesh Limited	Promoter Group Company of the Holding Company
31. Holcim (Canada) Inc.	Promoter Group Company of the Holding Company
32. Holcim Environment Services	Promoter Group Company of the Holding Company
33. Holcim Vietnam	Promoter Group Company of the Holding Company

(B) Key Management Personnel:

Name of Related Party	Nature of Relationship
Mr. K B S SWAMY	Managing Director up to 15 th July 2010
Mr. C M REDDY	CEO & Executive Director
Mr. P. UMESWAR RAO	Non Executive Director up to 27 th January 2010

(C) Relatives of Key management Personnel

i) C. SASHIKALA REDDY	(W/o Mr. C M REDDY)
ii) Dr. SUDHA MADHURI	(W/o Mr. P. UMESWAR RAO)
iii) K KRISHNA KALYAN	(S/o Mr. K B S SWAMY)
iv) K. PRABHAKAR RAO	(Brother of Mr K B S SWAMY)
V) K RAMANI KUMAR	(W/O Mr K B S SWAMY)
Vi) K SHESHAVADUTHA	(Father of Mr .K B S SWAMY)
Vii) K. SOMARAJU ABBAI	(Brother of Mr. K B S SWAMY)

(D) Transactions with Holding Company

Particulars	₹ Lac	
	For the year ended December 31, 2010	For the period ended December 31, 2009
1 Purchase of Finished/ Unfinished goods .	457.31	-
2 Investment in the Share Capital of the Company Received	500.00	-
3 Interest on Inter Corporate Deposit paid	2.29	5.26
4 Inter Corporate Deposits Received	2515.00	250.00
5 Reimbursement Received	117.02	-
6 Sale of Finished goods	2139.14	-
7 Inter Corporate Deposits as at the end of the Year / Period	2765.00	-
8 Receivable shown under debtors & Loans and Advances	20.60	-
9 Outstanding balance included in Current Liabilities (Net)/Current Assets ..	80.14	-
10 Bank Guarantee issued by Holding Company	35.98	-

(E) Details of transactions with Relatives of the key management Personnel:

Particulars	₹ Lac	
	For the year ended December 31, 2010	For the period ended December 31, 2009
1 Unsecured Loan Received during the Year	-	3.00
2 Un secured Loan paid during the year	57.75	6.00
3 Interest Paid during the year	11.43	-
4 Unsecured loan balances out standings during the Year	-	46.31

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

Particulars	₹ Lac	
	For the year ended December 31, 2010	For the period ended December 31, 2009
1 Remuneration		
Mr. K B S SWAMY	3.89	24.75
Mr. C M REDDY	10.53	20.25
Mr. P UMESWAR RAO	11.77	9.00
2 Deposits taken during the year		
Mr. N SUMAN	3.00	6.02
Mr. P UMESWAR RAO	9.73	3.70
3 Deposits repaid during the Year		
Mr. K B S SWAMY	19.44	-
Mr. N SUMAN	12.95	-
Mr. C M REDDY	-	41.05
Mr. P UMESWAR RAO	28.80	1.97
4 Interest Paid during the year		
Mr. K B S SWAMY	0.66	-
Mr. C M REDDY	0.33	-
Mr. P UMESWAR RAO	1.15	-
5 Closing balance of deposit at the end of Year		
Mr. K B S SWAMY	-	16.28
Mr. C M REDDY	3.00	11.57
Mr. P UMESWAR RAO	13.58	17.57

4. Earnings per Share - [EPS]

Particulars	₹ Lac	
	For the year ended December 31, 2010	For the period ended December 31, 2009
Profit/(Loss) after taxation as per Profit and Loss account	(645.15)	(620.13)
Weighted average number of Equity shares outstanding (No.)	50,00,000	50,00,000
Basic earnings per Share (Weighted Average) (face value - ₹ 10 per share)	₹ (12.90)	(12.40)
(Basic and diluted earning per share are the same)		

5. Managerial Remuneration

Managerial Remuneration	₹ Lac	
	For the year ended December 31, 2010	For the period ended December 31, 2009
Salary	26.96	54.00
TOTAL ...	26.96	54.00

6. Employee Benefit :

Particulars	₹	
	Gratuity	Leave Encashment
Expenses recognised in the statement of Profit & Loss for the period ended December 31 2010		
Current service cost	1,59,806	2,41,115
Interest cost	8,607	12,927
Actuarial loss/(gain)	15,729.00	45,129
Expense recognized in the statement of Profit & Loss	1,84,142	2,99,171
	Financial Period Ending December 31, 2010	Financial Period Ending December 31, 2010
Net Asset / (Liability) recognised in the Balance sheet as at December 31, 2010		
Defined benefit obligation at end of prior year	-	1,75,910
Current service cost	1,59,806	65,205
Interest cost	8,607	12,927
Net transfer in / (out) (first year recognition)	-	(4,263)
Actuarial loss / (gain)	15,729	45,129
Defined benefit obligation at end of year	1,84,142	2,94,908
	Financial Period ending December 31, 2010	
Discount rate	8.25 % p.a.	
Salary increase rate	7.00 % p.a.	
Rate of return on plan assets	N.A.	
Expected average remaining working lives	14	
Withdrawal Assumptions	5.00%	
Provision for Gratuity ₹ 184,142 and Leave Encashment ₹ 294,908 are included under Salary & wages under Schedule 11 of the Financial Statement.		
Company has adopted method of actuarial valuation for the first time.		

7. Taxation

No provision for current tax is made in view of the losses for the year.

In view of carried forward losses, the company has deferred tax assets. However, as a matter of prudence and in view of the absence of virtual certainty of future taxable income, the same has not been recognized in the financial statements.

8. Contingent Liabilities not provided for

Indemnity, Guarantees given to Rastriya Ispat Nigam Ltd was given amounting ₹ 35.98 Lac, Guarantee given by ACC Limited the holding company. (Previous period ₹ 27.50 Lac).

9. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 16.89 Lac (Previous period Nil).

10. Payment to Statutory Auditors (Including Service Tax):

Other Expenses includes payment to Statutory Auditors as given below:

Particulars	₹ Lac	
	For the year ended December 31, 2010	For the period ended December 31, 2009
Audit Fees	3.50	1.10
Tax Accounts Audit Fees	1.20	0.85
For other services	0.75	0.13
TOTAL ...	5.45	2.08

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

The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon the auditors.

12. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3 & 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

(A) Sales by class of goods

Unit	For the year ended December 31, 2010		For the period ended December 31, 2009	
	Quantity	₹ Lac	Quantity	₹ Lac
(i) Cement	72,825.00	2,069.44	-	-
(ii) GGBS	7,570	78.15	-	-
(iii) Slags Rejects	-	25.87	-	43.15
TOTAL ...	2,173.46	43.15		

(B) Opening Stocks

Unit	For the year ended December 31, 2010		For the period ended December 31, 2009	
	Quantity	₹ Lac	Quantity	₹ Lac
(i) Cement	-	-	-	-
(ii) GGBS	16,361.07	375.55	16,361.07	375.55
TOTAL ...	375.55	375.55		

(C) Closing Stock

Unit	For the year ended December 31, 2010		For the period ended December 31, 2009	
	Quantity	₹ Lac	Quantity	₹ Lac
(i) Cement	38.61	1.20	-	-
(ii) GGBS	8,324.03	85.91	16,361.07	375.55
TOTAL ...	87.11	375.55		

(D) Details of raw materials consumed

Unit	For the year ended December 31, 2010		For the year ended December 31, 2009	
	Quantity	₹ Lac	Quantity	₹ Lac
Gypsum	814.00	11.44	-	-
OPC	40,507.10	1,277.07	-	-
Slag	38,408.14	312.55	-	-

(E) Licensed and installed capacity, actual production and opening and closing Stocks

		*Installed/Rated Capacity per annum (As certified by the Management)		Actual Production	
		As at December 31, 2010	As at December 31, 2009	As at December 31, 2010	As at December 31, 2009
		PSC Cement	MT	400,000	-	73,010	-
Ground Slag	MT	200,000	200,000	32,680	-

The company is in the business of manufacturing GGBS and PSC Cement

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

(F) Value of Imported and indigenous Raw materials, components and spare parts consumed: -

	Raw Materials		Component & Spare parts		Raw Materials		Component & Spare parts	
	For the Year December 31, 2010	For the Year December 31, 2010	For the Year December 31, 2010	For the Year December 31, 2010	For the period December 31, 2009	For the period December 31, 2009	For the period December 31, 2009	For the period December 31, 2009
	₹ Lac	%	₹ Lac	%	₹ Lac	%	₹ Lac	%
Imported	11.44	0.64	-	-	-	-	-	-
Indigenous	1,710.47	99.36	51.02	100	1.89	100	4.51	100
TOTAL	1,721.91	100	51.02	100	1.89	100	4.51	100

13. Pursuant to the share purchase agreement dated 28th January 2010, ACC Limited has purchased 50 Lakhs shares (entire Paid up capital) of the Company from the original promoters. Therefore the Company has become a 100% subsidiary Company w.e.f. 28th January 2010.

14. The Company has accumulated losses as at 31st December 2010, and the Net worth is negative. The Company has obtained support from ACC Limited "Holding Company" assuring continuous support to finance the operations of the Company which are being turned around after acquisition, hence the accounts have been prepared on a going concern basis.

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

As per our report of even date

For and on behalf of the Board of Encore Cement and Additives (P) Ltd

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

Sunil Nayak
Chairman

C.M. Reddy
Chief Executive Officer

Raghuvir M. Aiyar
Partner
Membership No.38128

Burjor D. Nariman
Director

M. Balaji
Head Finance And
Company Secretary

Mumbai, January 31, 2011

Mumbai, January 31, 2011

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

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. U74140AP2006PTC048814 State Code 11
 Balance Sheet 31 12 2010

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

Public Issue	Rights Issue
N I L	N I L
Bonus Issue	Private Placement
N I L	N I L
ESOS	
N I L	

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

Total Liabilities	Total Assets
382213	382213

Sources of Funds

Paid-up Capital	Reserves & Surplus
50000	N I L
Secured Loans	Unsecured Loans
N I L	277937
Deferred Tax Liabilities	
N I L	

Application of Funds

Net Fixed Assets	Investments
185092	N I L
Net Current Assets	Misc. Expenditure
8629	N I L
Accumulated Losses	
134216	

IV. Performance of Company (Amount in ₹ Thousands)

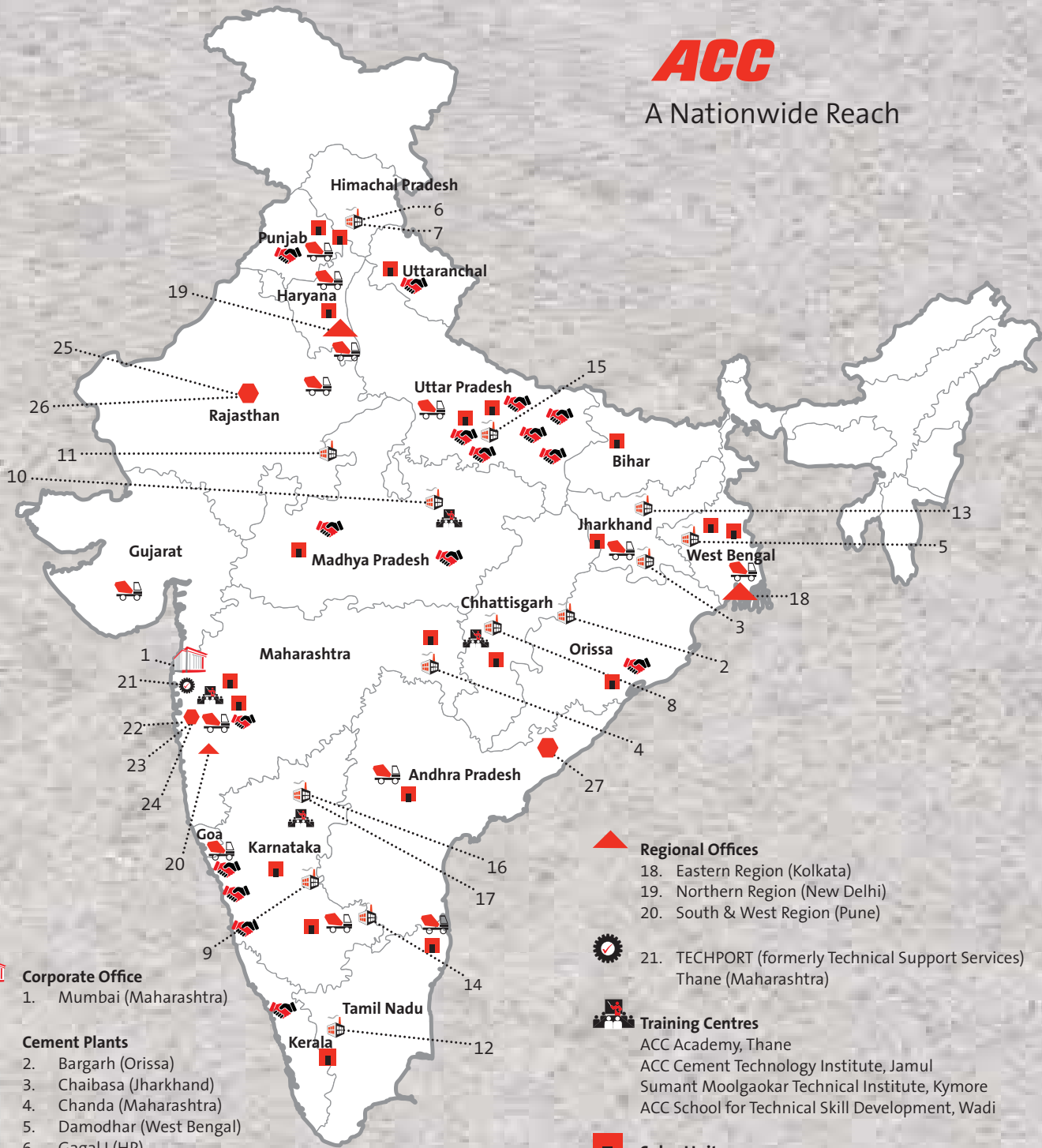
Turnover	Expenditure
224239	288754
Profit / (Loss) Before Tax	Profit / (Loss) After Tax
- 64515	- 64515
Earning per share (in ₹)	Dividend Rate %
(12.90)	N I L

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

Item Code No. (ITC Code) 252300
 Product Description C E M E N T



A Nationwide Reach



Corporate Office

- 1. Mumbai (Maharashtra)



Cement Plants

- 2. Bargarh (Orissa)
- 3. Chaibasa (Jharkhand)
- 4. Chanda (Maharashtra)
- 5. Damodhar (West Bengal)
- 6. Gagai I (HP)
- 7. Gagai II (HP)
- 8. Jamul (Chhattisgarh)
- 9. Kudithini (Karnataka)
- 10. Kymore (MP)
- 11. Lakheri (Rajasthan)
- 12. Madukkarai (TN)
- 13. Sindri (Jharkhand)
- 14. Thondebhavi (Karnataka)
- 15. Tikaria (UP)
- 16. Wadi I (Karnataka)
- 17. Wadi II (Karnataka)



Regional Offices

- 18. Eastern Region (Kolkata)
- 19. Northern Region (New Delhi)
- 20. South & West Region (Pune)



- 21. TECHPORT (formerly Technical Support Services) Thane (Maharashtra)



Training Centres

- ACC Academy, Thane
- ACC Cement Technology Institute, Jamul
- Sumant Moolgaokar Technical Institute, Kymore
- ACC School for Technical Skill Development, Wadi



Sales Unit

- ACC Help Centres



Subsidiary Companies

- 22. ACC Concrete Limited (Maharashtra)
-  **RMX Plants**
- 23. ACC Mineral Resources Limited (Maharashtra)
- 24. Bulk Cement Corporation (India) Limited (Maharashtra)
- 25. Lucky Minmat Limited (Rajasthan)
- 26. National Limestone Company Pvt. Ltd. (Rajasthan)
- 27. Encore Cement & Additives Pvt. Ltd. (Andhra Pradesh)

N.B. This map is as of February 3, 2011. It is illustrative and not drawn to scale. Andaman, Nicobar and Lakshadweep islands are not shown.

Report designed by Atherstone Investor Communications Limited (info@aicl.in)
Printed at Infomedia18 Limited (ho@infomedia18.in)



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