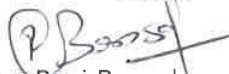


Auditors' Report – Clause 31(a) of Listing Agreement

Pursuant to Clause 31(a) of the Listing Agreement, we give below in Form A information on "Matter of Emphasis" in the Auditors' Report for the year ended December 31, 2013.

Form A

1.	Name of the Company	ACC Limited
2.	Annual Financial Statements for the year ended	December 31, 2013
3.	Type of Audit Observation	Un-qualified/Matter of Emphasis – We draw attention to Note 37(A)(e) of the financial Statements, relating to the order of the Competition Commission of India (CCI), concerning alleged contravention of the provisions of the Competition Act, 2002 and imposing a penalty of ₹1,147.59 Crore on the Company. The Company is advised by external legal Counsel that it has a good case for the Competition Appellate Tribunal setting aside the order passed by CCI, and accordingly no provision has been considered necessary by the Company in this regard. Our opinion is not qualified in respect of this matter.
4.	Frequency of Observation	Appeared in the Audit Report on the Financial Statements for the year ended December 31, 2013. Also appeared in the Limited Review Report on the statement of unaudited financial results for the quarters ended March 31, 2013, June 30, 2013 and September 30, 2013
5.	For S. R. Batliboi & Co. LLP Firm Registration No. 301003E Chartered Accountants  Per Ravi Bansal Partner Membership No. 49365 Statutory Auditor	 Farrokh K Kavarana Chairman-Audit Committee  Kuldip Kaura Chief Executive Officer & Managing Director  Sunil Nayak Chief Financial Officer



Embracing Tomorrow
Building Capabilities

ACC LIMITED
78th Annual Report 2013



BOARD OF DIRECTORS

(As on 6th February 2014)

Mr N S Sekhsaria

Chairman

Mr Paul Hugentobler

Deputy Chairman

Mr Kuldeep Kaura

Chief Executive Officer &
Managing Director

Mr S M Palia

Mr Bernard Fontana

Mr M L Narula

Mr Shailesh Haribhakti

Mr Aidan Lynam

Mr Sushil Kumar Roongta

Mr Ashwin Dani

Mr Farrokh K Kavarana

Mr Bernard Terver

Mr Vijay Kumar Sharma

AUDIT COMMITTEE

Mr S M Palia

Chairman

Mr Paul Hugentobler

Mr Sushil Kumar Roongta

Mr M L Narula

Mr Ashwin Dani

Mr Farrokh K Kavarana

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Mr Paul Hugentobler

Chairman

Mr M L Narula

Mr Bernard Terver

Mr Kuldeep Kaura

COMPENSATION COMMITTEE

Mr N S Sekhsaria

Chairman

Mr Paul Hugentobler

Mr Shailesh Haribhakti

Mr Farrokh K Kavarana

Mr Bernard Terver

COMPLIANCE COMMITTEE

Mr Paul Hugentobler

Chairman

Mr Shailesh Haribhakti

Mr Bernard Terver

Mr Kuldeep Kaura

CAPEX COMMITTEE

Mr Paul Hugentobler

Chairman

Mr S M Palia

Mr M L Narula

Mr Aidan Lynam

Mr Sushil Kumar Roongta

Mr Bernard Terver

Mr Kuldeep Kaura

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr S M Palia

Chairman

Mr M L Narula

Mr Kuldeep Kaura

MANAGING COMMITTEE

Mr Kuldeep Kaura

Chairman

Mr Sunil Nayak

Mr J Datta Gupta

Mr Vivek Chawla

Mr Rajiv Prasad

Mr P N Iyer

Mr Joydeep Mukherjee

Mr Ranjan Sachdeva

COMPANY SECRETARY & HEAD - COMPLIANCE

Mr Burjor D Nariman

AUDITOR

S R Batliboi & Co. LLP

COST AUDITOR

N I Mehta & Company

BANKERS

State Bank of India

Citibank, NA

HDFC Bank Limited

REGISTERED OFFICE

Cement House

121 Maharshi Karve Road

Mumbai 400 020

Website: www.acclimited.com

CONTENTS

01-13	Introductory - Profile
14-16	Performance Highlights
17	Financial Highlights
18	Economic Value Added
19-23	Notice
24-36	Directors' Report and Management Discussion & Analysis
37-42	Annexures to Directors' Report
43-71	Corporate Governance
72-83	Business Responsibility Report
84-90	Financial Analysis
91-93	Auditors' Report
94	Balance Sheet
95	Statement of Profit and Loss
96-97	Cash Flow Statement
98-137	Notes to Financial Statements
138	Statement under Section 212
139-183	Consolidated Financial Statements

Accounts - Subsidiary Companies

S1-S11	- ACC Mineral Resources Limited
S12-S24	- Bulk Cement Corporation (India) Limited
S25-S39	- Lucky Minmat Limited
S40-S51	- National Limestone Company Private Limited
S52-S62	- Singhania Minerals Private Limited

ANNUAL GENERAL MEETING

On Wednesday, April 9, 2014 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.



EMBRACING TOMORROW - BUILDING CAPABILITIES

We are making steady progress towards our vision of transforming ACC into an organization that is safe, customer-oriented, compliant, efficient and people-minded.

Your company confidently faced the challenges of coping with a generally sluggish economy. That is because in the ongoing Institutionalizing Excellence journey, we built on our achievements, step by step.

We kept a sharp focus on our main priorities - of delivering higher customer value and operational excellence to strive for continuous growth with motivational people processes, due regard for sustainable development and above all nurturing a safety culture.

The progress we have made in respect of the Institutionalizing Excellence journey so far helped us defuse inflationary pressures and improve operating costs. Above all it took us further on the path of enabling us to serve our customers better.

This has also helped us in enhancing our capabilities, improving our processes - thus enabling us to participate in India's growth story.



Customer Excellence - Cement

To reinforce the customer value proposition, our marketing and sales teams demonstrated a new sense of vitality and innovation while facing the challenges involved in dealing with a slow-moving market.



ACC's young and energetic sales force engaged itself with strengthening and nurturing the company's brand advantage, to maintain its share in an increasingly competitive market. Reaching out to our customers, listening to them so we can get to know them better, to understand their needs and address their concerns with a valuable offer and differentiated customer experience - Cementing Relationships.

The goal for Marketing & Sales was to enrich customer services, to seek stronger customer-pull and price improvements - particularly by leveraging enhanced brand building initiatives and value based pricing in partnership with the company's channel members.

Apart from the point of purchase in the company's vast retail network, ACC's brand visibility was widened across several mediums making effective use of television advertising, print and social media and synergizing sales efforts. New products and services were launched during the year supported by vigorous campaigns.

Additional revenue generation was pursued through an increase in the sale of premium products which increased by almost 90 per cent during the year.



Customer Excellence - Concrete



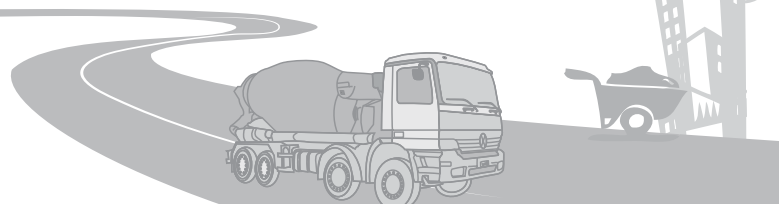
On-time service also holds the key to Customer excellence in the Ready Mix Concrete (RMX) business. ACC RMX posted a stellar performance in 2013, overriding the conditions of a stagnant market to turnaround after many years. This was made possible by simultaneously addressing

- ▶ customer oriented product development leading to several new value added products and services
- ▶ enhanced quality
- ▶ operational efficiencies
- ▶ better logistics management targeting increased transit mixer utilization and turnarounds
- ▶ enhanced customer service through faster on-time service and delivery

Our product range now provides one stop solutions from small basic requirements up to higher grades of concrete to build the country's tallest structures.

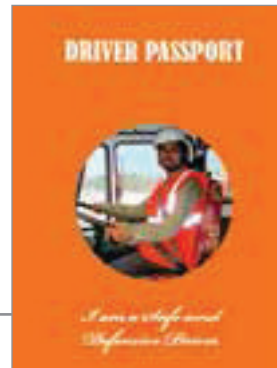
With a wider portfolio of new Value Added Solutions of as many as 19 products for different applications, all tailored to meet specific customer requirements, and by leveraging the company's vast and competent cement sales network to target the retail segment, ACC Concrete has been successful in widening its customer base.

ACC RMX is ready to participate in the growth of India's construction and infrastructure development sector by striving to further enhance service levels and increasing volumes from its existing assets, through on-site and commercial projects.



Logistics Excellence

The company is making steady progress as it moves ahead with its structured plan to achieve best-in-class performance in logistics management in terms of cost-to-serve and time-to-serve with a whole new focus on logistics safety.



Driver and Vehicle Passports introduced to ensure drivers are competent to drive the vehicles on company's business and the vehicles are safe to be driven. So far 14,000 Driver Passports and 12,600 Vehicle Passports have been issued.

The Logistics Excellence journey saw visible and significant initiatives to reduce lead distances and eliminate multiple handling.

Best-in-class logistics management demands excellence in logistics infrastructure at our plants, warehouses and other points critical in storage and handling. We are equipping plants with facilities for drivers and their crew such as rest rooms, canteens, clean drinking water and maintenance facilities. At Chanda we have built an impressive state-of-the-art parking yard with concrete surfacing, among the largest and most modern in the country, which is likely to become a benchmark in itself.





'Wear Seat Belt' campaign started in plants

RFID (Radio Frequency Identification Device) and GPS (Global Positioning Systems) modules which were successfully deployed at three plants are being replicated at all plants of the company in a phased manner. These technologies have demonstrated their effectiveness in managing in-plant loading time and tracking vehicles in transit to help improve turn-around time. The end result is better customer service.

An essential component of efficient logistics is the safety and well-being of the people who play the most important part in it - the drivers and transport crew. ACC is committed to mitigating and eliminating risks in Logistics. We are implementing this through a host of measures focused on People, Vehicles and Processes. These include upgrading amenities for truck drivers at our plants, improving traffic management within our plants, screening of drivers to ensure they are fit to drive vehicles on company's business, assessment of vehicles for their safety and roadworthiness and enhancing competence of drivers through defensive driver training.



Drivers are regularly briefed about risks and hazards



A Seat Belt Convincer is used to stress the importance of wearing a seat belt



Truck simulator in use for driver training. About 600 drivers benefited from simulator training



A Defensive driving training in session - 8,600 drivers were trained this way

Manufacturing Excellence

The improvement engine that was kick-started two years ago as an essential part of the Manufacturing Excellence journey, advanced full steam ahead - demonstrating consistent progress during the year in terms of strengthening the company's basic health, operating performance and input cost.

Communities of excellence for different pillars and communities of practice for key performance indicators helped achieve overall improvements in clinker factor, thermal and electrical efficiency. Thanks to the hard work of our project management offices and plant teams, overall performance efficiencies and productivity parameters have risen appreciably.

Among the objectives in our manufacturing excellence programme was to achieve reduction in the cost of production both on an overall basis and at each plant. Dedicated project teams were formed to drive improvement projects on important cost performance indicators across all plants. And despite difficult economic conditions last year, successful cost reductions enabled by the manufacturing excellence journey, made it possible for the company to subdue the impact of rising prices of our majors of coal, energy, mineral components like gypsum, slag and flyash.





There is a noticeable change in the language used by employees for target setting. What looked impossible like reaching for the moon became the aspiration. Many plants have achieved and surpassed their individual “moon” or aspirational targets. Now efforts are being directed to make it possible for the company as a whole to raise its overall efficiency parameters closer to the moon.

The concept of creating model plants paid rich dividends and went beyond the organization when one of our plants was named as model plant in the Holcim region, characterized by its best performance in respect of Electrical Energy.

By year end, all but one of our plants was green in Holcim’s global Operational Performance Index. Several of our plants were recognized by reputable bodies for demonstrating high standards of manufacturing excellence, energy efficiency, mines operations and safety.

Work on the new Jamul project in Chhattisgarh is progressing well and had reached its half way mark during the year.



Sustainable Development



In less than 25 years, we slashed our overall carbon footprint by 32 per cent.

Our active participation as members of the Cement Sustainability Initiative in India culminated last year in the charting of the Low Carbon Technology Roadmap for cement industry. We are working diligently as per our Technology Roadmap to cut emissions by a further 20 per cent by 2040.

Our approach to sustainable development is proactive and holistic to create value for all stakeholders. It embodies

- ▶ Safety by ensuring Zero harm to anybody associated with ACC
- ▶ Conservation of energy and natural resources
- ▶ Preserving the environment and biodiversity
- ▶ Water stewardship
- ▶ and well-being of our host communities

We continued to contribute to the global effort to cut direct greenhouse gas (GHG) emissions by successfully using the proven levers:

- ▶ manufacturing blended cements that consume less clinker
- ▶ pursuing continuous improvements in thermal and electrical energy efficiency
- ▶ improving the usage of Alternative Fuels and Raw materials (AFR) and
- ▶ adopting clean and green technologies

Waste Heat

ACC's first ever Waste Heat Recovery Boiler was commissioned at Gagal plant, an important milestone in our sustainable development journey.

Alternative Fuels and Raw Materials

Sustainable waste management solutions are offered under the GEOCYCLE brand to industry, civic bodies and other waste generators. A wide range of industrial, municipal and agricultural wastes and by-products are treated at our cement plants either as alternative fuels or as raw material replacement. We also engage with local communities to source biomass, thus creating livelihood opportunities.

We aim to achieve a step change in handling increased volumes by setting up waste pre-processing facilities for three cement plants with the augmentation of feeding and storage systems and incorporating suitable safety arrangements. With newer facilities and improved technical capabilities, we are confident of serving a larger client base.

Water

We strive to maintain Zero Discharge. Several initiatives have been undertaken at all plants to reduce specific water consumption for cement manufacture while simultaneously enhancing water harvesting efforts in plants and mines.

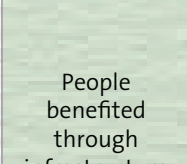


Social

Responsibility

The company's nationwide community development efforts impacted nearly 6 lakh people in 132 villages.

A newly constituted Corporate Social Responsibility Committee of the Board of Directors reviewed and restated the company's CSR policy to emphasize the key performance areas mainly in respect of Education, Health & Sanitation and Sustainable Livelihoods.

Total villages covered 132		Total population covered 5.95 Lakh		Children benefited through educational initiatives 18380		Meritorious students supported 666
	Children benefited through technology aided education initiatives 12695		Self Help Groups (SHGs) organized 737		Truck drivers covered under insurance 1056	People benefited through Livelihood creation 17288
People benefited through health and nutrition initiatives 1.09 Lakh		Anganwadi centres supported 102		Employability Training Imparted to 3579		General and Special Health Camps conducted 3273
	Care reached out to people living with HIV/AIDS 3026	Children benefited 3186		People benefited through infrastructure development initiatives 4.35 Lakh	Total leverage through CSR projects ₹ 6.7 Cr	Total Hand Pumps installed 46
People benefited through Drinking water initiatives 72294		People benefited through excavation of ponds 2.72 Lakh			Roads constructed for the community (in meters) 4755	
Disaster Relief Support provided to 8703	Toilets constructed for Individual households 330					

Occupational Health & Safety

Ensuring “No harm anywhere to anyone associated with ACC” remains the overriding priority for the company.



Our main endeavour in 2013 was to instill OH&S as our license to lead. A special initiative, “Suraksha Lahar”, was implemented to improve OH&S systems by identifying and addressing deficiencies and to build OH&S capabilities of line and functional employees. Safety received a new thrust on visible leadership and creating a structure within plants that ensures accountability and incorporates a concept of Zone ownership. Going beyond plant operations, the company also addressed the subject of Logistics Safety.

Shop floor employees and contract workers, who comprise the bulk of our workforce, actively participate in safety initiatives to identify their concerns and to execute safety improvement projects in their respective work areas.

A Centre of Excellence in Safety, opened during the year, provides a platform to implement safety processes and systems uniformly at all plants with capability building, sharing experiences and best practices.

Occupational health was addressed in the areas of health surveillance, upgradation of emergency medical response and pro-wellness all of which helped save valuable lives and mitigate health risk factors among employees.



Human Resources

The People Excellence journey was continued in 2013 with its agenda of companywide engagement, motivation and achieving results through people.



On the People Excellence front, we made notable progress on addressing four key people processes that were identified as essential to our on-going agenda of companywide engagement and motivation.

Recruitment and on-boarding : We now have an effective process in place for attracting fresh science graduates, graduate engineers and management trainees with the right talent profile as per our needs and inducting them through well-defined orientation programmes that span the first three years. During the year we set up 13 on-boarding centres and developed 3 skill builders for on-the-job programmes. Over 150 fresh and recent employees underwent these processes during the year.



A well-designed career path offers young employees a sense of direction with a clear and decisive stairway to their growth in the organisation.

Our talent management interventions have already received external recognition. Through these we are seeking to build organization capability, develop talent for critical skills and create a leadership pipeline. A robust learning and development architecture has been put in place to provide differential talent development solutions for each level of employees.

We believe in “learning by doing” and therefore our development model involves a combination of learning interventions, on-the-job tasks/ projects and coaching & mentoring by seniors.

Shop Floor Associates, who constitute a major part of the company's workforce, are recognized as major partners in the growth journey and also provided appropriate behavioral and vocational training to enable them participate meaningfully in problem-solving and improvement projects.



Awards in 2013



- ▶ **ACC wins CII-ITC Sustainability Prize**, highest honour awarded by CII-ITC for 2013, as one of India's Most Sustainable Companies



- ▶ **Mother Teresa Corporate Citizenship Award 2013** to ACC Madukkarai from Loyala Institute of Business Administration



- ▶ **ASSOCHAM Appreciation Award** for CSR initiatives to ACC Thondebhavi



- ▶ **Confederation of Indian Industry (CII) Environmental Best Practices Award 2013** to ACC Bargarh and Kymore for Innovative Environmental Projects



- ▶ **National Council for Cement & Building Materials Award** for best improvement in Thermal & Electrical Energy performance and Best Environmental excellence in Plant Operation to ACC Gagal for 2011-12



- ▶ **National Council for Cement & Building Materials Award** for best improvement in Thermal & Electrical Energy performance and Best Improvement in Energy Performance in manufacture of Blended Cements to ACC Jamul for 2012-13



- ▶ **India Manufacturing Excellence Award 2013** - Platinum Certificate to ACC Lakheri, Gold Certificate to ACC Chanda and Gagal in Cement sector - Large category



- ▶ **Designomix Award** to ACC for Digital Innovation using technology, India's first and only Design award



- ▶ **Parivartan Sustainability Leadership Award for 2013** organized by Sustainability Outlook India to ACC for demonstrating "Most Improved Disclosure"



- ▶ **ACC ranked as India's Most Admired Company** in the cement sector by Fortune India and Hay Group India



- ▶ **Best Safety Training Module Award** in Gulbarga region to ACC Wadi from Directorate of Factories, Karnataka



- ▶ **Safety Innovation Award 2013** from Institution of Engineers (India) to ACC Kudithini and Tikaria



- ▶ **ACC wins Eco-Corporate Yes Bank-Saevus Natural Capital Award** for 2013 from Yes Bank



- ▶ **CII 14th Annual National Awards** for Excellence in Energy Management 2013 to ACC Jamul - Excellent Energy Efficient Plant, ACC Kymore & Lakheri - Energy Efficient Units & ACC Thondebhavi - Energy Efficient Unit & Best Project Implemented



- ▶ **Green Manufacturing Excellence Award 2013**, Leaders Award to ACC Lakheri, Challengers Award to ACC Chanda, Galgal, Wadi & Sindri, Aspirants to Jamul, Kudithini and Thondebhavi from Frost & Sullivan



- ▶ **Golden Peacock Environment Management Award 2013** to ACC Tikaria from Institute of Directors

- ▶ **NITIE-CSR Award** for "Clean & Green Madukkarai" Solid Waste Management initiative to ACC Madukkarai from National Institute of Industrial Engineering, Mumbai

- ▶ **Eco Award 2013** for Solid Waste Management initiative to ACC Madukkarai from British Council

- ▶ **CII Green Co-certification** to ACC Thondebhavi, first Cement Grinding unit to receive this recognition

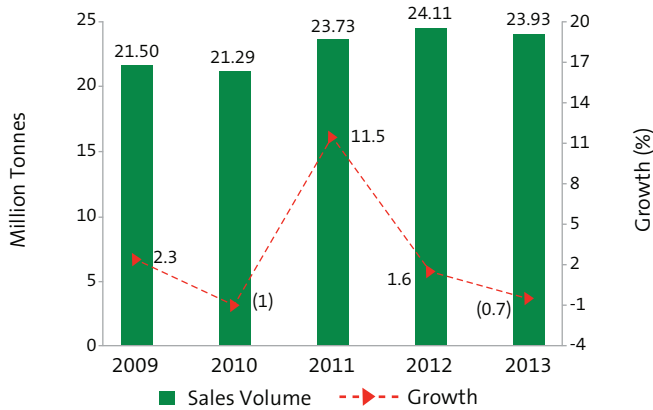
- ▶ **Association of Business Communicators of India (ABCI) Awards** for ACC Parivar, ACC Commemorative Book and ACC Sustainable Development Report

- ▶ **Greentech Environment Management Award 2013**, Gold category to ACC Tikaria from Greentech Foundation

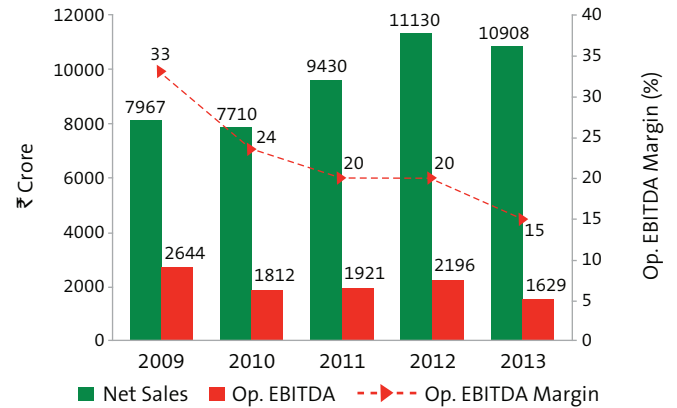
- ▶ **Corporate Excellence Award** Best Overall Corporate Social Responsibility Performance in 2012 to ACC Kudithini and Responsible Business Award for Environment Leadership to ACC Madukkarai from World CSR Foundation, Star Group and CMO Asia

Performance Highlights

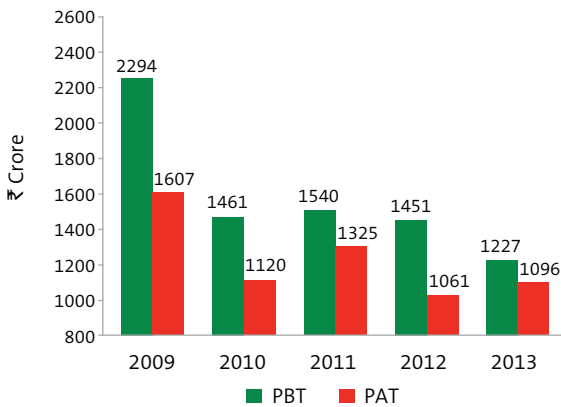
SALES VOLUME & GROWTH



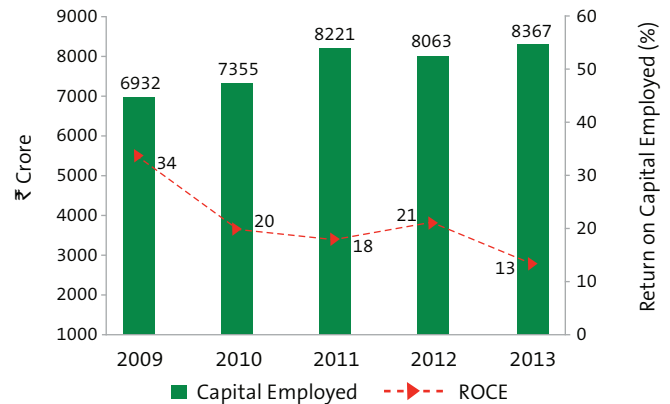
NET SALES, OPERATING EBITDA & OPERATING EBITDA MARGIN



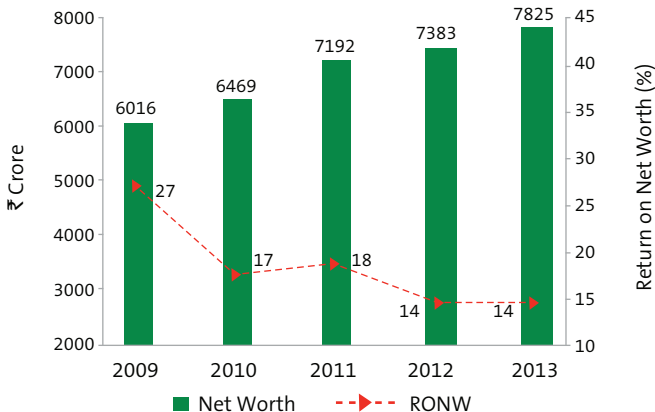
PROFIT BEFORE TAX & PROFIT AFTER TAX



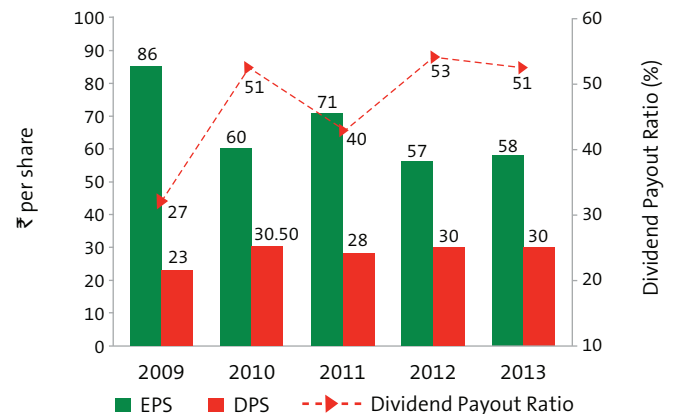
CAPITAL EMPLOYED & RETURN ON CAPITAL EMPLOYED



NET WORTH & RETURN ON NET WORTH

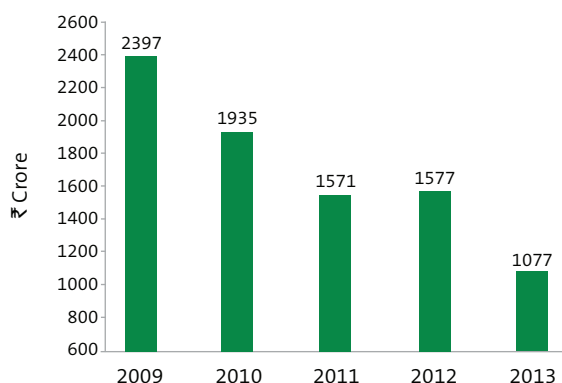


DIVIDEND PER SHARE, EARNING PER SHARE & DIVIDEND PAYOUT RATIO*

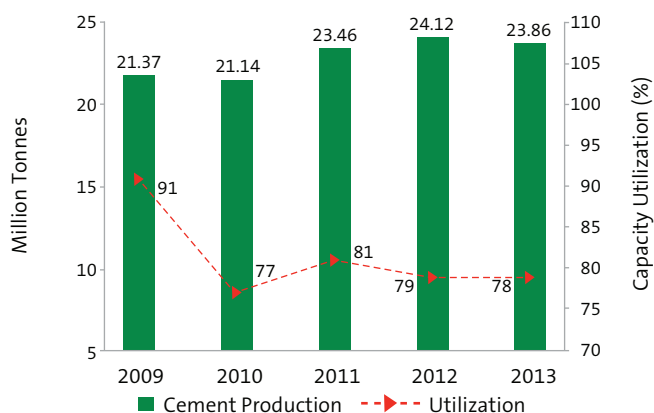


* Dividend Payout Ratio is calculated without considering dividend distribution tax

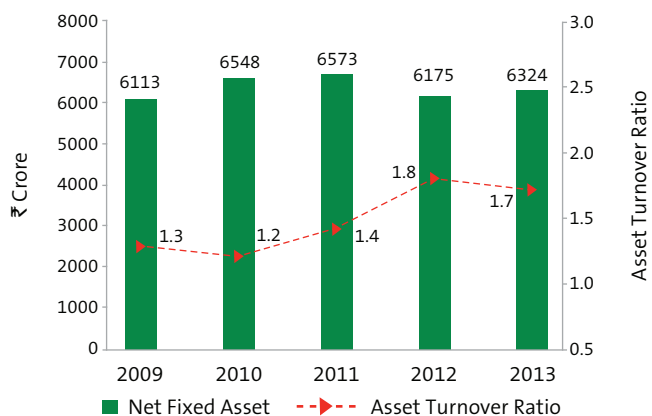
NET CASH GENERATED FROM OPERATIONS



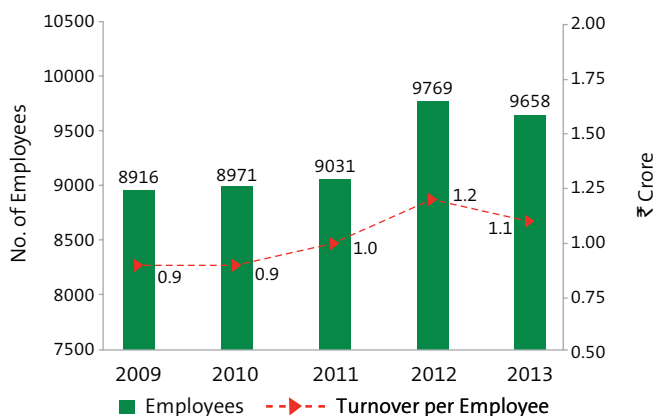
CEMENT PRODUCTION & CAPACITY UTILIZATION



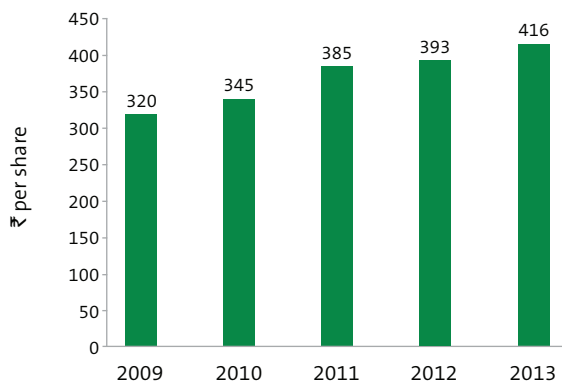
NET FIXED ASSETS & ASSET TURNOVER RATIO



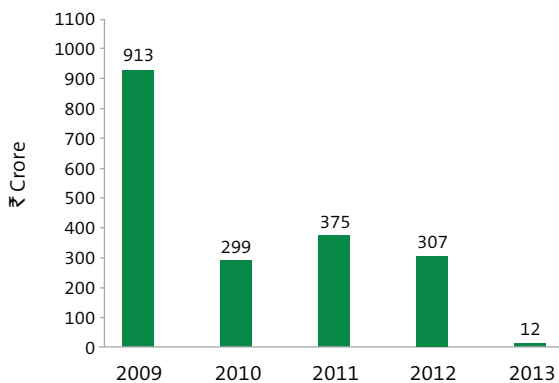
EMPLOYEES AT THE YEAR END & TURNOVER PER EMPLOYEE



BOOK VALUE PER SHARE

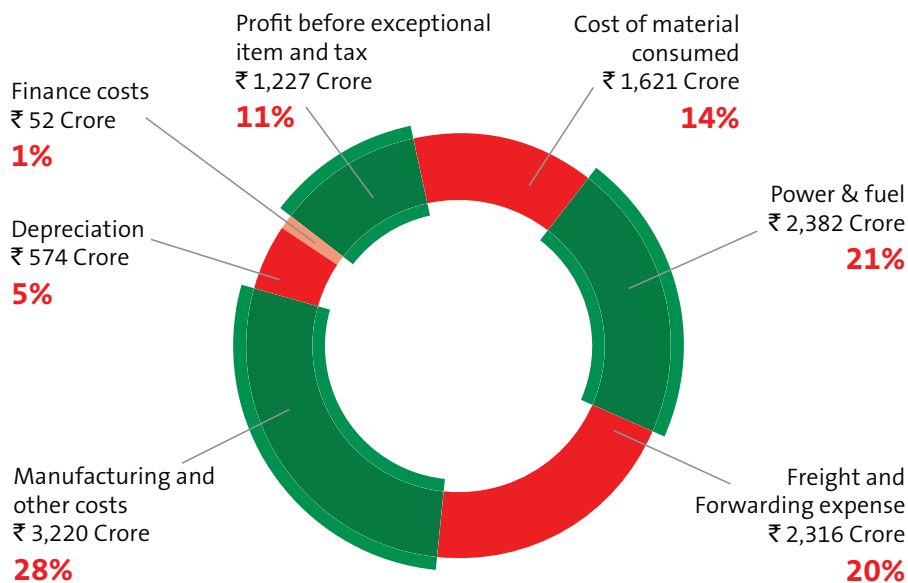


ECONOMIC VALUE ADDED (EVA)

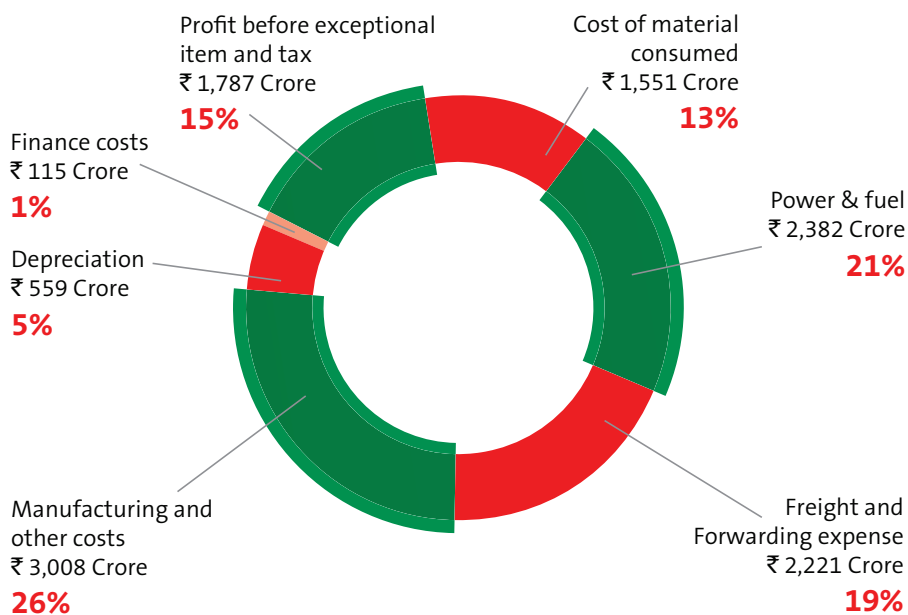


Cost & Profit as a Percentage of Total Income

2013



2012



Financial Highlights

₹ Crore

	2013	2012	2011	2010	2009	2008	2007	2006	2005*	2004-05
--	------	------	------	------	------	------	------	------	-------	---------

INCOME STATEMENT

Net Sales	10,908	11,130	9,430	7,710	7,967	7,126	6,905	5,803	3,221	3,902
Operating EBIDTA	1,629	2,196	1,921	1,812	2,644	1,899	1,993	1,717	616	715
Profit before Tax	1,227	1,451	1,540	1,461	2,294	1,737	1,930	1,620	684	444
Profit after Tax	1,096	1,061	1,325	1,120	1,607	1,213	1,439	1,232	544	378

BALANCE SHEET

Net Worth	7,825	7,383	7,192	6,469	6,016	4,928	4,153	3,142	2,130	1,585
Borrowings	35	163	511	524	567	482	306	771	1,071	1,408
Net Fixed Assets	6,324	6,175	6,573	6,548	6,113	4,717	3,741	3,396	3,047	2,835
Cash and cash equivalents#	2,621	3,137	2,932	2,388	1,876	1,438	1,489	1,080	348	57
Current Assets	3,476	3,098	3,691	2,751	2,458	3,116	2,426	2,006	1,496	1,251
Current Liabilities	3,726	3,863	3,768	3,746	3,114	2,766	2,221	1,672	1,335	1,076
Capital Employed	8,367	8,063	8,221	7,355	6,932	5,746	4,791	4,234	3,508	3,301

SIGNIFICANT RATIOS

Operating EBIDTA / Net sales	15%	20%	20%	24%	33%	27%	29%	30%	19%	18%
Return on Capital Employed	13%	21%	18%	20%	34%	29%	36%	41%	19%	16%
Return on Net Worth	14%	14%	18%	17%	27%	25%	35%	39%	34%	24%
Current Ratio	0.93	0.80	0.98	0.73	0.72	1.00	0.99	1.15	1.06	1.13
Debts Equity Ratio	0.004	0.02	0.07	0.08	0.09	0.10	0.07	0.25	0.50	0.89
Price Earning Ratio	18.91	25.15	16.29	18.04	10.23	7.39	13.74	16.44	17.74	17.25
Net worth per Share (₹)	416	393	385	345	320	263	221	168	115	89
Dividend per share (₹)	30.00	30.00	28.00	30.50	23.00	20.00	20.00	15.00	8.00	7.00
Basic Earnings per Share (₹)	58.36	56.52	70.59	59.66	85.60	64.63	76.75	66.02	30.02	21.23
Cash Earnings per Share (₹)	88.93	104.15	95.90	80.57	103.83	80.31	93.03	79.64	39.09	31.82

CASH FLOWS

Net cash provided by / (used in)										
Operating activities	1,077	1,577	1,571	1,935	2,397	1,708	2,023	1,422	644	598
Investing activities	(852)	(311)	(258)	(812)	(1,505)	(1,170)	(824)	(483)	(181)	(519)
Financial activities	(861)	(1,066)	(768)	(621)	(455)	(297)	(1,075)	(423)	(419)	(87)

*Pertains to 9 months period

#Cash and cash equivalents includes investment in short term deposits and mutual funds

Current maturities of Long-Term Borrowings have been included in Borrowings excluding same from current liabilities.

Economic Value Added [EVA] Statement

₹ Crore

	2013	2012*	2011	2010	2009
Capital employed	8,367	8063	8,221	7,355	6,932
Avg Capital Employed	8,215	8,142	7,788	7,144	6,339
EVA					
Net operating profit after taxes	1,096	1,288	1,325	1,120	1,607
Cost of Capital	1,084	981	950	821	694
EVA	12	307	375	299	913
Return on Capital employed (%)	13.34	15.82	17.01	15.68	25.35
Weighted Average Cost of Capital (%)	13.20	12.05	12.20	11.49	10.95
EVA / Capital Employed (%)	0.15	3.77	4.82	4.19	14.40
Enterprise Value					
Market Capitalisation (As at December, 31)	20,806	26,836	21,345	20,194	16,362
Add: Debts	35	163	511	524	567
Less: Cash and Cash Equivalents	2,621	3,137	2,932	2,388	1,876
EV (Enterprise Value)	18,220	23,862	18,923	18,330	15,053
EV / Yr. End Capital Employed (Times)	2.18	2.96	2.30	2.49	2.17

* Net Operating profit excludes exceptional item and tax impact on the same.

Notice

NOTICE IS HEREBY GIVEN THAT THE SEVENTY-EIGHTH ANNUAL GENERAL MEETING OF ACC LIMITED will be held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 on Wednesday, April 9, 2014 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Statement of Profit and Loss for the financial year ended December 31, 2013, 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 Aidan Lynam who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr Sushil Kumar Roongta who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr M L Narula who retires by rotation and is eligible for re-appointment.
6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED that in place of Messrs S R Batliboi & Co. LLP, the retiring Auditors, who have expressed their inability to continue, Messrs S R B C & CO LLP (ICAI Firm Registration No. 324982E), Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company for the Company’s financial year ending December 31, 2014, to hold office from the conclusion of this Annual General Meeting of the Company until the conclusion of the next Annual General Meeting of the Company and in respect of whom the Company has received a special notice from a Member, pursuant to the provisions of Section 190 read with Section 225

of the Companies Act, 1956, signifying its intention to propose the appointment of Messrs S R B C & CO LLP as Statutory Auditors on such remuneration as may be determined by the Board of Directors or a Committee thereof in consultation with the Auditors”.

SPECIAL BUSINESS

7. To appoint a Director in place of Mr Farrokh K Kavarana who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 3, 2013 and who holds office up to the date of the forthcoming Annual General Meeting of the Company under Section 161 of the Companies Act, 2013, (corresponding to 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 the provisions of Section 257 of the Companies Act, 1956, from a Member proposing Mr Kavarana’s candidature for the office of Director.
8. To appoint a Director in place of Mr Bernard Terver who was appointed by the Board of Directors as an Additional Director of the Company with effect from December 4, 2013 and who holds office up to the date of the forthcoming Annual General Meeting of the Company under Section 161 of the Companies Act, 2013, (corresponding to 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 Terver’s candidature for the office of Director.
9. To appoint a Director in place of Mr Vijay Kumar Sharma who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 6, 2014 and who holds office up to the date of the forthcoming Annual General Meeting of the Company under

Section 161 of the Companies Act, 2013, (corresponding to 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 Sharma'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 OF THE COMPANY.
- b. The Register of Members and Share Transfer Books of the Company shall remain closed from March 26, 2014 to April 9, 2014, both days inclusive, for payment of final dividend.
- c. The Dividend, after declaration, will be paid to those Members of the Company whose names stand on the Register of Members on April 9, 2014. 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 25, 2014 as per the list provided by the Depositories for this purpose. The dividend will be payable on and from April 15, 2014.
- 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 2014, the Company will be required to transfer to the Investor Education & Protection Fund, the

following unclaimed dividends:

- 69th Dividend for the year ended December 31, 2006.
- 70th Interim Dividend for the year ended December 31, 2007

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. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment at the forthcoming Annual General Meeting is given in the Annexure.
- g. The relative Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, (corresponding to Section 173 of the Companies Act, 1956), in respect of the business under Item Nos. 7 to 9 as set out above are annexed hereto.
- h. 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. Members holding shares in physical form may obtain nomination forms from the Share Department of the Company or the same can be downloaded from the Company's website www.acclimited.com. Members holding shares in dematerialized form should contact their Depository Participants in this regard.

By Order of the Board of Directors,
For ACC Limited

Burjor D Nariman
Company Secretary & Head – Compliance
Mumbai,
February 6, 2014

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

Explanatory Statements

The following Explanatory Statements, as required by Section 102 of the Companies Act, 2013, (corresponding to Section 173 of the Companies Act, 1956), set out all material facts relating to the business under Item Nos. 7, 8 and 9 mentioned in the accompanying Notice dated February 6, 2014.

2. **Item No 7:** The Board of Directors has appointed Mr Farrokh K Kavarana as an Additional Director on the Board with effect from May 3, 2013.
3. Mr Kavarana is a Chartered Accountant and an MBA from the Wharton School, University of Pennsylvania. He is a Fellow of the Institute of Chartered Accountants, England & Wales and Member of the Institute of Chartered Accountants of India. He is presently a Director of Tata Sons Limited and Tata Industries Limited, the apex holding companies of the Tata Group. He is Chairman of several Tata Companies in India and abroad. Mr Kavarana has also held executive positions within the Tata Group Companies, in senior positions such as Executive Chairman of Tata Infotech Ltd. from 2000 to 2005, Executive Director of Tata Motors Limited from 1994 to 2000. Prior to that he was Vice Chairman & Managing Director of Tata International AG, Switzerland and Tata Ltd., U.K., responsible for the Tata Group's overseas operations and investments.
4. Mr Kavarana is involved with several social and charitable institutions and is a trustee of Childline India Foundation, the Lady Tata Memorial Trust, the Nani Palkhivala Memorial Trust and the National Centre for the Performing Arts. He is a recipient of the Dadabhai Naoroji International Millennium Award 2005 and the Wharton India Alumni Award 2009.
5. Under Section 161 of the Companies Act, 2013, (corresponding to Section 260 of the Companies Act, 1956), Mr Kavarana holds office till the date of the forthcoming Annual General Meeting of the Company.
6. Notice under Section 257 of the Companies Act, 1956, has been received from a Member signifying his intention to propose the appointment of Mr Kavarana as a Director of the Company.
7. The Board commends the above appointment and the relevant Resolution at Item No 7 of the accompanying Notice.
8. Mr Farrokh Kavarana 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 is concerned or is otherwise interested in the said Resolution.
9. **Item No 8:** The Board of Directors has appointed Mr Bernard Terver as an Additional Director on the Board with effect from December 4, 2013.
10. Mr Bernard Terver graduated from Ecole Polytechnique, Paris, in 1976. He has a work experience of over thirty five years in the cement business and has been in the services of Holcim Limited since 1994, where he has held senior positions. Mr Terver not only has a rich experience in cement and aggregates but also has a strong track record in financial performance as well as Occupational Health & Safety. In 1999, Mr Terver became CEO of Holcim Columbia and in 2003 he was appointed Area Manager for the Andes Nations, Central America and the Caribbean. Since October 2008, he has been CEO of Holcim US and effective November 2010, CEO of Aggregate Industries US. Mr Terver, as an Executive Committee Member of Holcim Limited, Switzerland, is responsible for Africa, Middle East as well as the Indian subcontinent, i.e. India, Sri Lanka and Bangladesh.
11. Under Section 161 of the Companies Act, 2013, (corresponding to Section 260 of the Companies Act, 1956), Mr Terver holds office till the date of the forthcoming Annual General Meeting of the Company.
12. Notice under Section 257 of the Companies Act, 1956, has been received from a Member signifying his intention to propose the appointment of Mr Terver as a Director of the Company.
13. The Board commends the above appointment and the relevant Resolution at Item No 8 of the accompanying Notice.
14. Mr Bernard Terver 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 is concerned or is otherwise interested in the said Resolution.

15. **Item No 9:** The Board of Directors has appointed Mr Vijay Kumar Sharma as an Additional Director on the Board with effect from February 6, 2014.
16. Mr Sharma is a Science Graduate. He is the Managing Director of Life Insurance Corporation of India (LIC) since November 1, 2013. Mr Sharma joined LIC as Direct Recruit Officer in 1981 and has grown with the Company since then. During his stint with LIC as Senior Divisional Manager, Karnal, this rural Division had catapulted to Number One position in the country in premium income ahead of all metro centres. As Executive Director of Pension & Group Schemes, he pioneered the launch of various prestigious pension schemes in the country. As Zonal Manager in-charge of Southern Zone, he successfully turned around its operations and put it on growth trajectory making it No.1 Zone in 2010.
17. Prior to his appointment as Managing Director of LIC, he was the Managing Director and Chief Executive Officer, LIC Housing Finance Ltd. (LICHFL), a premier housing finance provider in the country with loan portfolio exceeding ₹ 83,000 crore.
18. During his tenure with LICHFL the Company was adjudged as “Best Housing Finance Company 2011” by CNBC-TV 18.
19. Mr Sharma has over thirty years experience in insurance and financial sectors. His key areas of expertise are Business Strategy, Business Development, Processes and Systems, Leadership Development, Product Development and Branding, Risk Mitigation and Compliance.
20. Mr Sharma is a visiting faculty to many management institutions including National Insurance Academy, Pune.
21. Under Section 161 of the Companies Act, 2013, (corresponding to Section 260 of the Companies Act, 1956), Mr Sharma holds office till the date of the forthcoming Annual General Meeting of the Company.
22. Notice under Section 257 of the Companies Act, 1956, has been received from a Member signifying his intention to propose the appointment of Mr Sharma as a Director of the Company.
23. The Board commends the above appointment and the relevant Resolution at Item No 9 of the accompanying Notice.
24. Mr Vijay Kumar Sharma is interested in the Resolution set out at Item No 9 of the accompanying Notice since it relates to his appointment. None of the other Directors is concerned or is otherwise interested in the said Resolution.

By Order of the Board of Directors,
For ACC Limited

Burjor D Nariman
Company Secretary & Head – Compliance

Mumbai,
February 6, 2014

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

Invitation to participate in the Green Initiative launched by the Ministry of Corporate Affairs

We invite our Members to participate in the Green Initiative by registering their Email IDs with the Company to enable it to send documents such as Annual Report, Notices of General Meetings, Postal Ballot Notices, ECS Credits etc. by email. This is now permitted by the Ministry of Corporate Affairs vide their Notifications No. 17/2011 and No. 18/2011 dated April 21, 2011 and April 29, 2011 respectively.

Annexure to Items 3, 4, 5, 7, 8 and 9 of the Notice

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

Name of the Director	Mr Aidan Lynam	Mr Sushil Kumar Roongta	Mr M L Narula	Mr Farrokh K Kavarana	Mr Bernard Terver	Mr Vijay Kumar Sharma
Date of Birth	08.07.1960	09.05.1950	25.10.1940	17.03.1944	02.04.1952	19.12.1958
Nationality	Irish	Indian	Indian	Indian	French	Indian
Date of Appointment on Board	22.04.2010	03.02.2011	01.04.2007	03.05.2013	04.12.2013	06.02.2014
Qualification	Degree in Engineering from the University College of Dublin and an MBA from IMD, Lausanne, Switzerland. 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 from IIFT. Fellow - All India Management Association (AIMA)	B.Sc. Engineering (Electrical) from Punjab University. Fellow - Institute of Engineers	B.Com. (Hons.) from University of Bombay and an MBA from the Wharton School, University of Pennsylvania. Fellow of the Institute of Chartered Accountants, England & Wales and a Member of the Institute of Chartered Accountants of India	Degree in Engineering from Ecole Polytechnique, Paris	M.Sc.
Shareholding in ACC	NIL	NIL	NIL	NIL	NIL	NIL
List of Directorships held in other Companies	-	Hindustan Petroleum Corporation Limited; Jubilant Industries Limited; Bharat Aluminium Company Limited (BALCO); Talwandi Sabo Power Limited	Everest Industries Limited	Tata Sons Limited; Tata Industries Limited; Tata Global Beverages Limited; Trent Limited; Tata Projects Limited; Tata AIA Life Insurance Company Limited; Tata AIG General Insurance Company Limited; Tata Asset Management Limited; Tata Capital Limited; Tata Capital Financial Services Limited; Centre for Entrepreneurship (Section 25 Company) Sika Properties Pvt. Ltd.	Ambuja Cements Limited	Life Insurance Corporation of India; Infrastructure Leasing & Financial Services Limited; LIC Pension Fund Limited

Directors' Report & Management Discussion and Analysis

TO THE MEMBERS OF
ACC LIMITED

The Directors take pleasure in presenting the Seventy Eighth Annual Report together with the audited financial statements for the year ended December 31, 2013. The Management Discussion and Analysis has also been incorporated into this report.

1. HIGHLIGHTS OF PERFORMANCE

Consolidated income for the year decreased by 2% to ₹ 11,389 crore as compared to ₹ 11,621 crore in 2012. Consolidated profit before tax in 2013 was ₹ 1,214 crore as against ₹ 1,441 crore in 2012. Similarly, consolidated profit after tax was ₹ 1,095 crore as against ₹ 1,059 crore in 2012.

2. FINANCIAL RESULTS

	Consolidated		Standalone	
	₹ Crore		₹ Crore	
	2013	2012	2013	2012
Revenue from Operations(Net) and other income	11,388.55	11,621.47	11,392.73	11,622.78
Profit Before Tax (PBT)	1,213.64	1,440.99	1,226.96	1,451.49
Provision for Tax	131.91	391.08	131.20	390.30
Profit After Tax (PAT)	1,094.67	1,059.28	1,095.76	1,061.19
Balance brought forward from previous year	3,845.79	3,591.12	3,861.83	3,821.54
Adjustment pursuant to Amalgamation	-	-	-	(216.29)
Profit available for Appropriations	4,940.46	4,650.40	4,957.59	4,666.44
Appropriations:				
Interim Equity Dividend	206.52	206.52	206.52	206.52
Proposed Final Equity Dividend	356.72	356.72	356.72	356.72
Tax on Equity Dividends	95.72	91.37	95.72	91.37
Previous Year Tax on Equity Dividends	2.76	-	2.76	-
General Reserve	120.00	150.00	120.00	150.00
Surplus carried to the next year's account	4,158.74	3,845.79	4,175.87	3,861.83

3. DIVIDEND

Your Directors are pleased to recommend a final dividend of ₹ 19/- per equity share of ₹ 10 each. The Company had distributed an interim dividend of ₹ 11/- per equity share of ₹ 10 each in August 2013. The total dividend for the year ended December 31, 2013 would accordingly be ₹ 30/- per equity share of ₹ 10 each which was the same as the dividend declared for the year ended December 31, 2012. The total outgo for the current year amounts to ₹ 658.96 crore, including dividend distribution tax of ₹ 95.72 crore as against ₹ 654.61 crore including dividend distribution tax of ₹ 91.37 crore in the previous year and ₹ 2.76 crore being the dividend distribution tax pertaining to previous year.

4. ECONOMIC SCENARIO AND OUTLOOK

Indian economic growth in 2013 had slowed down to 4.5%-5% which is the lowest in a decade. The high borrowing cost to combat inflation coupled with lower private consumption, low investment in infrastructure and other sectors were responsible for this. Although agriculture and allied sectors had shown improvement following a good monsoon and exports grew due to the depreciation in the value of the Indian Rupee, the economic growth was mainly pulled down by the contraction of the manufacturing sector.

The low economic growth appears to have bottomed out and a gradual increase in economic activity is expected from the middle of 2014.

5. CEMENT INDUSTRY OUTLOOK AND OPPORTUNITIES

The Indian Cement Industry has an installed capacity of ~350 million tonnes and the domestic consumption in the calendar year 2013 was ~260 million tonnes. Cement consumption had grown at the rate of 4% to 5% in the calendar year 2013. Although, cement consumption is believed to have a multiplying factor of 1.2 to the GDP growth, such lower than expected

consumption growth was mainly due to the high cost of borrowing and low investment in the infrastructure and commercial segments.

Your Company had a marginally negative volume growth during the last calendar year as our large capacity in South and West could not be placed in the market due to overcapacity in these regions and also on account of negative consumption growth in our key markets of Maharashtra and Karnataka. The sales volume was however, in line with other large cement manufacturers in India.

The overall cement demand is estimated to grow at the rate of 4% to 5% in the calendar year 2014. The consumption growth may pick up beyond 5% if investment is made in the infrastructure segment. With the gradual reduction in fiscal deficits and Consumer Price Index, it is expected that the interest rates would gradually come down which would stimulate demand in the housing sector. Even with a modest increase in the consumption growth, the cement industry will continue to have a huge capacity surplus in 2014, particularly in the South. Your Company's continued focus on cost reduction under the "Institutionalizing Excellence" programme, its thrust on increasing the sale of its premium products and various other customer excellence initiatives should help in presenting an improved performance.

6. CEMENT BUSINESS – PERFORMANCE AT A GLANCE

	2013	2012	Change %
Production - million tonnes	23.86	24.12	-1
Sales Volume - million tonnes	23.93	24.11	-1
Sale Value - (₹ crore)	10,908.41	11,130.45	-2
Operating EBITDA - (₹ crore)	1,628.79	2,195.57	-26

Your Company's constant focus on cost reduction through various efficiency improvement measures taken at the plants and in the areas of logistics under "Institutionalizing Excellence" programme helped in partially covering the high cost of inflation.

Introduction of premium products such as F2R, Concrete+, ACC Gold in the retail segment in many of our markets proved to be successful. It has been decided to replicate this success on an all India basis.

7. INSTITUTIONALIZING EXCELLENCE

In 2012, your Company had launched the Institutionalizing Excellence programme across all functions to sustain overall performance excellence so as to deliver superior value to customers and pursue cost leadership. The programme helped the Company offset inflationary pressure by managing its operating costs and enhancing customer value through improvements in manufacturing, sales, logistics and procurement processes. The Institutionalizing Excellence journey continues with a strong focus on Occupational Health & Safety.

In Manufacturing Excellence, some plants have already achieved and have even surpassed their individual aspirational targets in respect of plant performance such as clinker factor, thermal and electrical energy efficiencies. Efforts are now directed towards raising the overall efficiency parameters closer to the aspirational targets and pursue further reductions in input costs of coal, gypsum, slag and flyash.

The Customer Excellence programme continued to focus on measures to achieve volume and price improvement and steps for the enhancement of brand equity.

The Logistics Excellence journey saw visible and significant initiatives to optimize cost-to-serve and time-to-serve, reduce lead distances, eliminate multiple handling and

enable the creation of modern infrastructure at our plants and warehouses. The RFID and GPS modules which were successfully deployed at three plants are being replicated at all plants of the Company in a phased manner.

8. CAPEX

The on-going Jamul project in Chhattisgarh, which comprises a new state-of-the-art clinkering line of 2.79 million tonnes per annum capacity and a grinding facility of 1.10 million tonnes per annum capacity is progressing well and has reached its halfway mark. The project will be completed in a phased manner by mid 2015. During the year, work also commenced on the Sindri grinding unit in Jharkhand, which will receive clinker from the new Jamul plant.

Your Company's first Waste Heat Recovery Boiler plant, with an output of ~7.5 MW, was commissioned at the Gagal Cement Plant in Himachal Pradesh.

9. READY MIXED CONCRETE (RMX)

The Company's RMX business turned around during the year with its operating EBITDA improving substantially to ₹ 19.61 crore from ₹ 2.1 crore in the previous year, though concrete sales volume increased marginally. The improvement in profitability was mainly a result of close monitoring of operating and logistic costs and offering our customers value added products and solutions. Customer focus has been sharpened by widening the customer base and by leveraging the cement sales network to target the retail segment.

The RMX market in the country has become more fragmented and competitive with many new entrants from the unorganized segment. Larger investments are foreseen in real estate and infrastructure projects across India in the coming year leading to growth in the construction sector. The increased demand is expected to come from the markets of Mumbai, Chennai

and Bengaluru. The Company is taking suitable steps to consolidate its RMX business by striving to increase volumes from its existing assets, through on-site and commercial projects.

	2013	2012	Change %
Production - Lakh Cubic Meters	15.96	16.54	-4
Sales Volume - Lakh Cubic Meters	18.00	17.97	-
Sale Value - (₹ crore)	655.91	617.06	6
Operating EBITDA - (₹ crore)	19.61	2.12	825

10. SUSTAINABLE DEVELOPMENT

Sustainability is an integral part of our business philosophy. The Company is in the process of consolidating inputs for a new roadmap for sustainable development for the period 2014-2017.

The cement operations of your Company are certified under various management systems for quality, environment and safety. In addition to Corporate Social Responsibility (CSR), Human Resources (HR) and Occupational Health & Safety (OH&S), which are addressed later in this report, the important initiatives of your Company's sustainable development agenda include reduction in CO₂ emissions, reduction in stack and fugitive emissions, water management and biodiversity.

10.1 CO₂ Emissions:

Your Company co-chaired the group involved in developing a Low Carbon Technology roadmap for the Indian Cement Industry under the aegis of the Cement Sustainability Initiative in India (CSI) of World Business Council for Sustainable Development (WBCSD). The roadmap comprises a comprehensive plan to achieve reduction in direct emissions leading upto the year 2050. This is the first plan of its kind which is a

country-specific and sector-specific long term action plan to cut CO₂ emissions and mitigate climate change risks. Keeping in mind these reduction targets, your Company is working on the following levers simultaneously:

- increasing the use of Alternative Fuels and Raw materials (AFR).
- reducing Thermal Energy and Electrical Energy.
- reducing clinker factor by producing blended cements using industrial waste materials like flyash and slag.
- increasing the use of renewable energy.
- waste heat power generation from process waste heat.

Efforts in these areas helped your Company to maintain a leadership position in reduction of CO₂ emissions in the country, as illustrated by the following:

- specific CO₂ emissions for Portland Pozzolona Cement (PPC) during the year was 529 kg CO₂ / tonne of cement as compared to 545 kg CO₂ / tonne of cement in the previous year.
- specific CO₂ emissions for Portland Slag Cement (PSC) during the year was 352 kg CO₂ / tonne of cement as compared to 367 kg CO₂ / tonne of cement in the previous year.

The above reduction helped the Company to maintain overall specific CO₂ emissions, at 538 kg CO₂ / tonne of cement despite increase in the production of Ordinary Portland Cement.

- 10.1.1 Alternative Fuels and Raw Materials (AFR):**
Your Company's initiatives in utilizing Alternative Fuels and Raw Materials (AFR) in the cement manufacturing process is gaining momentum in an effort to mitigate the rising cost of conventional fossil fuels and raw materials. Forty six co-processing

trials of different waste materials have so far been carried out after obtaining necessary clearances from the concerned authorities at the State and Centre levels. These trials have demonstrated that co-processing is environmentally and ecologically a more sustainable technology for managing waste than other technologies that are in practice today, such as landfill and incineration. Our waste management services through cement kiln co-processing are gaining wider acceptance.

Based on the demonstrated success of the suitability of co-processing technology for waste streams, the Company has received clearances for co-processing 127 different waste streams generated by diverse industry segments such as automobiles, chemicals, engineering, power, steel, refineries and petrochemicals. During the year under review, the Company conducted seven co-processing trials of different waste materials. Twenty three new industries accepted the co-processing services offered by the Company as a result of which thirty two new streams for co-processing have been added in various plants. Currently, different types of waste streams are being co-processed from industrial, agricultural and municipal sources as AFR.

During the year 2013, a quantum leap was achieved in the usage of AFR, thereby enabling a Thermal Substitution Rate (TSR) of 4.36% against a target of 4.12%. The focus on AFR, enabled your Company to reduce fuel consumption in kilns, captive power plants and in dryers.

Your Company is also engaged in co-processing segregated non-recyclable plastic waste from municipal solid waste, thereby assisting Society with the disposal of

plastic waste. Your Company is in an active engagement with fifteen municipalities and local bodies in this regard and has co-processed 433.38 tonnes of non-recyclable plastics during the year.

To increase the AFR utilization substantially, three pre-processing platforms are being set up at our plants which will prepare AFR material of uniform quality from various kinds of wastes that have different types of physical and chemical characteristics. Two of these facilities are expected to be ready during the course of this year.

10.1.2 Reduction of Thermal Energy:

Many initiatives were taken to reduce specific thermal energy in the manufacture of clinker as part of the Manufacturing Excellence initiatives, which resulted in a reduction of 10 MJ specific thermal energy / tonne of clinker as compared to 2012. In many plants, higher percentage of petcoke is being used to reduce the cost of thermal energy and coal costs.

10.1.3 Clinker Factor:

Clinker Factor in both varieties of blended Cements viz. Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC) was reduced through product innovation and research efforts.

Your Company's blended Cement initiatives is one of the biggest Clean Development Mechanism (CDM) project of its kind in the Indian Cement Industry. Continuous efforts to control clinker content in PPC has helped in reducing CO₂ emissions over a period of four years in four plants and this is currently under review for issuance of 8,46,313 CERs (Certified Emission Reductions) by United Nations Framework Convention on Climate Change (UNFCCC).

10.1.4 Renewable Energy:

Your Company's Renewable Energy portfolio consists of 19 MW in the form of wind farms across three states viz. 9 MW in Tamil Nadu, 7.5 MW in Rajasthan and 2.5 MW in Maharashtra. Cumulatively, a total of 23.53 million units of wind power has been generated. These units helped the Company meet its non-solar renewable purchase obligation for Madukkarai and Lakheri Plants.

In Maharashtra, the Company was issued Renewable Energy Certificates (RECs), besides meeting the power needs of our Thane complex and part of the requirement of our Subsidiary Company, Bulk Cement Corporation (India) Limited at Kalamboli. The non-solar renewable power obligations of other plants viz. Wadi, Kymore, Bargarh, Tikaria and Jamul were met by purchasing RECs.

The Tamil Nadu Wind Mill Project realized 21,745 CERs from UNFCCC.

10.1.5 Waste Heat Power generation from process waste heat:

The Waste Heat Recovery System at Gagal is expected to reduce 44,180 tonnes of CO₂ per annum. This is an important milestone in the Company's sustainable development journey.

10.2 Stack Emissions and Fugitive Emissions:

The Company has implemented various initiatives/measures for improving the environmental performance of its Plants. The current average Kiln Stack emissions are <30mg/Nm³, as against the regulatory compliance requirement of 30mg/Nm³. The specific kiln dust emissions per tonne of cement have decreased by ~18% as compared to the previous year. This was achieved through

various measures like conversion of Electrostatic Precipitators (ESPs) to Baghouse and installation of Polytetrafluoroethylene (PTFE) membrane filter bags in place of conventional filter bags. Many initiatives were undertaken to minimize fugitive as well as stack emissions across all Plants. These include installation of dust suppression systems, dust extraction systems for material handling, loading, unloading areas of raw materials, intermediate and finished products. In some plants, covered storage has been provided to prevent fugitive emissions. On-line continuous ambient air quality monitoring stations were installed in some plants to monitor environment parameters.

10.3 Water-positive initiatives:

Your Company has adopted a two pronged strategy i.e. working simultaneously on reducing fresh water intensity by reducing water demand in process / non-process needs and waste water recycling after treatment, whilst simultaneously working on rain water harvesting in plants, mines, housing colonies and community areas.

During the year 2013, the Company's specific water consumption per tonne of cement was reduced by 2%. As part of its water-positive initiatives, the Company has taken up many water harvesting schemes during the year. Installation of water metering systems and increasing the usage of recycled water will help the Company to become water-positive in the near future.

10.4 Biodiversity:

As part of your Company's overall objective to create a positive impact on biodiversity, a risk assessment exercise of all mines has been carried out and various initiatives are being undertaken in this regard. The green belt area in all cement plants is being increased to maintain atleast 33% as green coverage. During the year 2013, approximately 1 lakh trees were planted under afforestation programmes across all plants.

11. COMMUNITY DEVELOPMENT

The Board of Directors constituted a Corporate Social Responsibility (CSR) Committee which reviewed and restated the Company's CSR policy in order to make it more comprehensive and aligned with the activities specified in Schedule VII of the Companies Act, 2013. The new policy statement emphasizes the purpose of delivering superior and sustainable value to our stakeholders and simultaneously indicates key performance areas and specific deliverables mainly in respect of education, health & sanitation and sustainable livelihoods.

During the year 2013, the Company's community development efforts successfully touched the lives of almost 6 lakh people spanning ~130 villages across the country. Overall CSR expenditure incurred during the year was ₹ 22.76 crore.

Efforts to enhance the quality of education in the plants neighbourhood schools benefitted approximately 18,000 students during the year. Scholarships were awarded to 650 meritorious students from weaker sections of society to help them continue their education. Technology aided education initiatives like smart classes and interactive kiosks in rural schools reached out to about 12,700 rural children to keep pace with modern methods of learning. Specific support was provided to revive education to about 850 girl children who had dropped out of school. The Company continued to support 7 Government run ITIs under the Public Private Partnership Schemes with Ministry of Labour and Employment, Government of India.

Skill development training programmes were imparted to unemployed youth in partnership with specialized NGOs, which helped about 2,500 youth get job placements in various manufacturing and service sector enterprises. Your Company supported the formation of 737 Self Help Groups (SHGs) and their strengthening through structured training activities. Members of these SHGs saved close to ₹ 1.50 crore which

helped them to secure matching grants from banks and other financial institutions to start micro-enterprises.

In matters of health and nutrition, your Company's initiatives benefitted more than 1 lakh people. Support to 102 "anganwadi centres" helped approximately 3,000 children get access to better health and nutrition. Nearly 1,500 HIV/AIDS affected persons were supported through counselling, testing and treatment.

Your Company supported the process of Aadhaar enablement of the local communities to enhance their access to government subsidies and entitlements. A substantial part of the people living around our plants now have Aadhaar identification cards.

Your Company has also been engaged in leadership roles in CSR at various platforms. ACC has been nominated as an Industry representative in the Global Fund for India's Country Co-ordination Mechanism on Health. The Company has also been appointed in the CII's Sanitation Committee to promote initiative of Government of India on better sanitation coverage in India.

Your Company was quick to respond in providing timely relief to the people affected in two major disasters that struck the nation in 2013. The Chief Minister of Uttarakhand acknowledged the prompt efforts and unstinted help rendered by the Company's employees to the victims of the landslide and flash floods in June 2013.

12. OCCUPATIONAL HEALTH & SAFETY (OH&S)

In pursuit of ensuring "No harm anywhere to anyone associated with ACC", Occupational Health & Safety (OH&S) remains the Company's top priority. Accordingly, the endeavour in 2013 was to instill OH&S as our license to lead. Through widely communicated initiatives such as "Suraksha Laher", efforts were directed to create an appropriate infrastructure, improve OH&S systems to make them more robust by

identifying and addressing deficiencies and by building OH&S capabilities of line and functional personnel.

There was a new thrust on visible leadership in creating a structure within plants that ensures accountability and incorporates a concept of Zone ownership. A Centre of Excellence has been created to implement safety processes and systems uniformly at all plants, for capability building and for sharing experiences and best practices. The centre has three fulltime executives to implement OH&S priority areas. It is also intended to involve and engage Shop Floor Associates (SFAs) and contract workers to identify their safety concerns and execute safety projects with a view to achieve focused improvements in their respective work areas. The behaviour based safety initiative "ACC Chetna", launched in 2012, continued to form part of the basic behaviour expected as a practice from employees to prevent incidents.

Reaching beyond plant operations, your Company also addressed the subject of Logistics Safety to prevent vehicle related incidents. This programme included carefully planned interventions in people development and training in safe driving for drivers. Plant-level health and safety checks have been initiated in phases with the help of external consultants. The safety checks include examination of factors influencing vehicular safety such as overall plant layout, packing house layout, truck parking yards, inward and outward flow of traffic, storage areas and infrastructure for road and rail transport.

Various steps were taken to demonstrate that health constitutes an essential part of Occupational Health & Safety. The focus on occupational health in the areas of health surveillance, upgradation of emergency medical response and pro-wellness programmes helped save valuable lives while reducing health risk factors.

13. HUMAN RESOURCES

Success of any organization depends upon the engagement and motivation levels of its employees. In Human Resources, our emphasis was to give autonomy to people at different levels and create a sense of ownership in order to unleash their potential.

The Human Resources Division has played a significant role in achieving the overall business objectives by creating a common vision, building capability amongst people and more importantly, involve and engage employees in improvement programmes across the functions for achieving higher results. This process of engagement and involvement through special projects has created learning opportunities for the employees.

To support business, processes were re-engineered to bring about various changes in systems in order to provide proactive support. Some of the initiatives are as under:

- Recruitment and On-Boarding – Right-fit talent is hired and exposed to a year-long induction programme in newly created On-Boarding Centers.
- Employee Engagement Programmes – Employee feedback through various surveys conducted show that the employees are experiencing a greater sense of engagement. This has been achieved through various on-the-job engagement initiatives.
- Organization Excellence – The Company has carried out a variety of initiatives in this regard, after benchmarking Indian and Global best-in-class organization designs.
- Skill Enhancement – A plan has been put in place for upgrading the skills of SFAs through training and engaging them in a variety of improvement programmes to enable them to align with business and perform better. The unions and other stakeholders are highly appreciative of this initiative.

- **Capability Building** – Your Company believes that capability can be built by hands-on experience and exposure. Series of programmes are being conducted whereunder a large number of middle and senior level leaders are assigned various turnaround projects. A continuous monitoring as well as a recognition and reward model has also been created around this initiative to encourage and recognize people in larger forums.
- **Creating a future leadership pipeline** – With a view to motivating and retaining talent and providing growth opportunities for them in their respective work areas, identified talent has been given new challenges through engagement, mobility and special projects.
- **Proactive Industrial Relations** – A great deal of time is spent in engaging Unions and sharing relevant information with them to enable them to participate in the growth journey.

14. FINANCE

Your Company's cash and cash equivalent as at December 31, 2013 was ₹ 2,621 crore. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters are kept under strict check through continuous monitoring. The Company's debt programme continues to enjoy an "AAA" rating from CRISIL.

During the year under review, the Company had given an option of premature redemption of Non-Convertible Debentures to the holders of its Privately Placed Debentures.

Non-Convertible Debentures of the aggregate value of ₹ 105 crore, stand prematurely redeemed whilst debentures of the aggregate value of ₹ 20 crore, stand redeemed on maturity as on December 31, 2013.

As on date, Non-Convertible Debentures aggregating ₹ 32 crore remain outstanding.

15. FIXED DEPOSITS

Despite efforts to identify and repay unclaimed deposits, the total amount of fixed deposits matured and remaining unclaimed as on December 31, 2013 was ₹ 0.02 crore.

16. SUBSIDIARY COMPANIES

16.1 ACC Mineral Resources Limited (AMRL)

The wholly owned Company ACC Mineral Resources Limited is a Joint Venture Partner in four Coal Blocks allotted by the Madhya Pradesh State Mining Corporation Limited (MPSMC).

Preliminary and pre-development activities in the three Coal Blocks out of four are in progress. The Bicharpur Coal Block in the Shahdol District is in an advanced stage of development and will cater to the coal requirement of some of your Company's cement plants when it becomes operational. Various clearances for Marki Barka Coal Block in Singrauli are in an advanced stage and a detailed project report for the Block is under preparation. The exploration activity in Morga IV Coal Block is expected to take place after the clearance from the Ministry of Environment & Forests.

In January 2013, the Semaria Piparia Coal Block was de-allocated by the Ministry of Coal on the grounds of non-receipt of forest and environmental clearances from the Ministry of Environment and Forests, in view of the block's proximity to the National Tiger Reserve at Bandhavgarh. On a Writ Petition filed by MPSMC and the Semaria Joint Venture Company, partial relief in the matter has been granted by the High Court at Jabalpur.

16.2 Bulk Cement Corporation (India) Limited (BCCI)

During the year under review, BCCI handled cement volumes of 9.60 lakh tonnes as against 9.20 lakh tonnes in 2012. The profit after tax for the year 2013 is ₹ 270.94 lakhs as against ₹ 179.81 lakhs in the year 2012.

16.3 Audited Financial Statements of Subsidiary Companies

As required under Section 212 of the Companies Act, 1956, the audited financial statements along with the report of the Board of Directors relating to the Company's subsidiaries viz. ACC Mineral Resources Limited, Bulk Cement Corporation (India) Limited, Lucky Minmat Limited, National Limestone Company Private Limited and Singhania Minerals Private Limited together with the respective Auditors' Reports thereon for the year ended December 31, 2013 are annexed.

17. DIRECTORS

The Board has appointed Mr Farrokh K Kavarana as an Additional Director of the Company with effect from May 3, 2013. In accordance with Section 161 of the Companies Act, 2013 (corresponding to Section 260 of the Companies Act, 1956), Mr Kavarana holds office upto the date of the forthcoming Annual General Meeting of the Company and his candidature for appointment as a Director has been included in the Notice convening the forthcoming Annual General Meeting of the Company.

The Board has appointed Mr Bernard Terver as an Additional Director of the Company with effect from December 4, 2013. In accordance with Section 161 of the Companies Act, 2013 (corresponding to Section 260 of the Companies Act, 1956), Mr Terver holds office upto the date of the forthcoming Annual General Meeting of the Company and his candidature for appointment as a Director has been included in the Notice convening the forthcoming Annual General Meeting of the Company.

At the request of Life Insurance Corporation of India, the Board has appointed Mr V K Sharma, Managing Director, Life Insurance Corporation of India, as an Additional Director of the Company with effect from February 6, 2014. In accordance with Section 161 of Companies

Act, 2013 (corresponding to Section 260 of the Companies Act, 1956), Mr Sharma holds office upto the date of the forthcoming Annual General Meeting of the Company and his candidature for appointment as a Director has been included in the Notice convening the forthcoming Annual General Meeting of the Company.

The Board has re-appointed Mr Kuldip Kaura as Chief Executive Officer & Managing Director for a period of one year with effect from January 1, 2014. The Members of the Company had approved of the aforesaid re-appointment and the terms of remuneration of Mr Kaura by way of a postal ballot, pursuant to which the Company has entered into an agreement with Mr Kaura detailing therein his terms of re-appointment and remuneration.

In accordance with the provisions of the Companies Act, 1956, and in terms of the Memorandum and Articles of Association of the Company, the following Directors, viz. Mr Aidan Lynam, Mr Sushil Kumar Roongta and Mr M L Narula retire by rotation and are eligible for re-appointment.

18. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the IA function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all the Company's locations, and its Subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective

areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

19. BUSINESS RISK MANAGEMENT

Your Company has a robust process to identify and assess business risks and opportunities. The Business Risk Management (BRM) activity is monitored both at the Corporate and at regional levels. Risks and opportunities so identified are integrated into the business plan and a detailed action plan to mitigate identified risks is drawn up and its implementation monitored. Key business risks identified by the Company fall into areas of fuels, projects, competition and OH&S. These risks together with plans for their mitigation are as under:

Fuels Risk:

Cement production is an energy-intensive process that requires large quantities of coal to meet its kiln and captive power generation requirements; hence, consistent supply of this fuel at reasonable and stable prices is a major concern for the Company. Erratic supplies of coal due to domestic production constraints and price fluctuations would adversely impact the input costs for an industry as dependent on coal as the Cement Industry. The Company is gradually increasing the use of alternative fuels and is optimizing its coal mix. To hedge this risk, your Company has through its Subsidiary Company ACC Mineral Resources Limited, entered into Joint Venture with Madhya Pradesh State Mining Corporation Limited for developing four coal block as earlier indicated. The Bicharpur Coal Block when developed would partly meet the coal requirement of some of the Company's Cement Plants.

Project Risks:

The Cement Industry is capital intensive in nature. Its Compound Annual Growth Rate

(CAGR) for the next five years is expected to be ~7 %. In the execution of large projects which are highly capital intensive in nature, there could be exposure to time and cost overruns. To mitigate these risks, the Company has strengthened its project management team as well as its project accounting and governance framework. Whilst the Company continues to draw on Holcim's expertise, a separate organizational structure at Project sites with defined roles and accountability has been put in place for large projects.

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 capacities to increase market share, enhance brand equity and visibility, enlarge product portfolio and service offerings. It would also leverage on its Infrastructure, Commercial and Institutional Sales teams to offer value to large customers.

OH&S Risks:

The Cement Industry is labour intensive and hence the safety of employees and workers is of utmost importance to the Company. To reinforce the safety culture in the Company, it has identified Occupational Health & Safety as a focus area of overriding importance. The Company already has a robust approach to tackle this risk through various programmes in all its Plants and Sales Units as detailed in para 12 of this Report.

20. AWARDS

During the year under review, your Company received many awards and felicitations conferred by reputable organizations for achievements in different areas such as Safety, Manufacturing Excellence and Environment Management. Your Company was recognized as one of India's most

sustainable companies and was presented the CII-ITC Sustainability Prize under the category of large manufacturing companies which is a notable recognition.

21. ENHANCING SHAREHOLDERS' VALUE

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

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

22. DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the annual accounts for the year ended December 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and have been applied consistently and judgement and estimates have been made that are

reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on December 31, 2013, and of the profit of the Company for the year ended on that date;

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

23. AUDIT

The Company's Auditors Messrs S R Batliboi & Co LLP, Chartered Accountants, who are the Statutory Auditors of the Company and who hold office upto the date of the Annual General Meeting, have, arising out of their internal restructuring, expressed their inability to continue as Auditors of the Company.

Messrs S R Batliboi & Co LLP, were appointed as Auditors of the Company in 2012. The Board has placed on record its appreciation of the services rendered by the Auditors.

The Members are requested to appoint S R B C & CO LLP (ICAI Firm Registration No. 324982E) one of the four firms in the overall S R Batliboi & Co network, as the Auditors of the Company for the year 2014 and to authorize the Board of Directors to fix their remuneration as per Item 6 of the Notice. S R B C & CO LLP have confirmed their eligibility under Section 224 of the Companies Act, 1956, for appointment as Auditors of the Company.

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 2013.

24. CORPORATE GOVERNANCE

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

25. BUSINESS RESPONSIBILITY REPORTING

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

26. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards viz. AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India form part of this Annual Report.

27. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

28. PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended, in respect of the employees of the Company, is provided in the Annexure forming part of this Report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the aforesaid Annexure which is available for

inspection by the Members at the Registered Office of the Company during business hours on working days of the Company upto the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

29. ACKNOWLEDGEMENTS

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, shareholders, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of ACC for their unstinted commitment and continued contribution to the Company.

30. CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

N S Sekhsaria
Chairman

Mumbai
February 6, 2014

Annexure 'A' to Directors' Report

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.

Sustainability is at the core of ACC's business philosophy and has become a part of its DNA. In this direction, as a part of manufacturing excellence, ACC implements many initiatives in the areas of Energy and Environment. Few initiatives in these areas are as given below:

A: CONSERVATION OF ENERGY

(a) Energy conservation and efficiency measures were undertaken in various areas of the cement plants:

- Thondebhavi Plant commissioned Medium Voltage (6.6 KV) Variable Speed Drives for Bag House Fan & Low Voltage Variable Speed Drives for Compressors and Bag Filter Fans.
- Madukkarai Plant commissioned Medium Voltage (6.6 KV) Variable Speed Drive for Kiln Exhaust fan; commissioned Low Voltage Variable Speed Drives for forced draft fans of cooler, and vacuum pumps; replaced impeller of cooler fan 3 & 4 with energy efficient impellers, replaced compressor with PD blower for Side Line Calcliner firing.
- Jamul Plant commissioned Low Voltage Variable Speed Drives for Raw Mill 2 Dust Collector Fan, Coal Mill 1 & 2 Circulating Fan, Coal Mill 2 Dust Collector Fan, Cement Mill 7 & 8 Dust Collector Fan.
- Lakheri Plant commissioned Medium Voltage (6.6 KV) Variable Speed Drives for the Calcliner Fan and E-Mill Fan; commissioned Low Voltage Variable Speed Drives for Cooler Fans, Cement Mill Compressors, Process Dust Collector Fans in plant and Primary Air Fans, Auxiliary Cooling Water Pump in Captive Power Plant; Reduced cooler exhaust gas flow from 1.2 to 1.0 Nm³/kg Clinker by attending cooler plate to plate gaps, inter & under compartment sealing & Use of Pneumatic Double flap gates for arresting false air from cooler. This helped to reduce cooler exhaust gas temperature from 240 deg C to 220 deg C, which resulted in better heat recuperation in cooler;
- Bargarh plant commissioned Low Voltage Variable Speed Drives for clinker cooler Forced Draft fans and 2 Nos Primary & Secondary Air Fans for CPP.
- Chanda Plant commissioned Medium Voltage (3.3 KV) drives for Cement Mill 1 & 2 Separator Fans; commissioned Low Voltage Variable Speed Drives for Compressors & Installation of VFD for Belt Conveyors:
- Kymore Plant replaced Kiln 1 bag house fan Impeller with energy efficient impeller and modified ducting from bag house outlet to fan inlet to reduce fan consumption. Medium voltage (6.6 KV) variable speed drive has been installed which will be commissioned during next stoppage; 3.3 KV motors were converted to 415 V along with Low Voltage Variable Speed Drives for Separator Fans of Cement Mills 1 & 8. Low Voltage Variable Speed Drives were also commissioned for vent fans of Cement Mills 1, 8 & 9; Kiln 1 Clinker Cooler was modified from Controlled Flow Grate (CFG) to Reduced Fall Through (RFT) to improve Cooler Heat Recuperation.
- Gagal Plant retrofitted existing GRR controls by installing Medium Voltage (6.6KV) Variable Speed Drives for Pre-heater Fan, VRM Fan, Bag House Fan and Separator Fans for Gagal 2; Replaced VRM Fan, Kiln String Fan, Cooler Forced Cooling Fan, Separator Fans for Cement Mills 1,2 & 3 with energy efficient fans; Commissioned Low Voltage variable speed drives for separator fans of Cement Mill 3,4 & 5. bag house fan for Cement Mill 3 & 4; dust collector cleaning operation converted from timer based to Differential Pressure based cleaning to avoid excessive cleaning and optimising compressed air consumption. It also commissioned the 8.0 MW Waste Heat Recovery Power Generator during the year. It is expected to generate 7.2 MW (Net) at full load.

- Wadi Plant improved Raw Mill #2 Production Rate Index (PRI) from 515 to 540 by Installation of FOL (force oil lubrication system) system for Main Motor bearing cooling, increasing the roller lifting height from 200 mm to 250mm, stage wise reduction of dam ring from 85 mm to 65 mm WG and partial blocking of nozzle ring for desired velocity profile; high Vibration Level in separator of Raw mill was corrected by Increasing the clearance between feed chute & Separator rotor from 5 mm to 75 – 80mm; Low Voltage Variable Speed Drive was installed for Lime Stone Stacker bogie drives and modified logic of stacker for running in auto mode fully whereby plant is able to maintain the homogenous limestone pile; Variable Speed Drives were installed for Raw Mill Vent Fan 1,2,&3, Cement Mill Vent Fans and 4 Nos Primary Air Fans.
- Tikaria Plant commissioned VFD for Coal Handling Bag Filter Fan; Modified water circulation line of Pregrinder (PG) circuit to stop the complete cooling tower along with circulation pump of PG circuit.
- Chaibasa Plant commissioned Medium Voltage (6.6KV) variable speed drive for Bag House fan, it commissioned variable speed drive for reverse air fan and revived PID Loop control of RA fan speed with respect to Bag house Differential Pressure; commissioned Medium Voltage (6.6KV) variable speed drive for Coal Mill Fan; Reduced Raw Mill Fan Power by changing of fan impeller and also individual cyclone study and modification; Improved the reliability of cement mill separator and Elevator by separator Cone replacement, Gear box base plate replacement & Elevator modification to increase mill output.
- Sindri Plant converted the 3.3 KV motors to 690 V and commissioned Low Voltage Variable Speed Drives for VRM ID Fan
- Kudithini Plant commissioned Low Voltage Variable Speed Drives for Packing plant Bag Filter Fans, Compressor and Water pump. Replaced Reciprocating compressor (150 kW) with PD blower (55 kW) along with VVFD for fine coal conveying to Hot Air Generator; stopped operation of two compressors of 90 KW by integrating compressed air line with main compressor (132 KW)
- Vizag Plant installed 24W Solar Lights to replace 250W MV street lights; installed 45 KVA Lighting Transformer for optimisation of lighting voltage.
- A detailed Energy Audit was conducted at Tikaria, Madukkarai, Thondebhavi, Bargarh and Chanda plants, and detailed compressed air audit was conducted at Kudithini plant.
- Energy Monitoring System was commissioned at Sindri & Tikaria
- Capacitor banks have been added to the system across ACC plants to improve plant power factor and also to reduce harmonics.
- Replacement of conventional lamps with Compact Fluorescent Lamps & LED light for plant and colony lighting was done across ACC plants.
- ISO 50001 certification audit was conducted for Thondebhavi, Kudithini and Wadi Plants.
- Thondebhavi Plant was awarded Certificate of Merit by BEE as part of National Energy Conservation Award's 2013; Jamul, Lakheri Kymore and Thondebhavi Plants were awarded by Confederation of Indian Industries; Jamul and Gagal Plants were felicitated by National Council for Cement & Building Materials.

Green power –

- ACC Renewable Energy Portfolio consists of 19 MW in the form of Wind Farms across 3 states viz. 9 MW in the state of Tamil Nadu, 7.5 MW in the state of Rajasthan and 2.5 MW in the state of Maharashtra. Cumulatively, we have generated 32.53 Million Units of green power. (Rajasthan - 11.02 Million Units, Tamil Nadu - 18.12 Million Units, Maharashtra - 3.39 Million Units).
- These units helped ACC to meet the Renewable Purchase Obligation (Non-Solar) for Madukkarai Plant

(TN) & Lakheri Plant (Rajasthan) fully. In Maharashtra, we were issued Renewable Energy Certificates (RECs) besides meeting the Thane complex power needs and also part requirement of BCCI Kalamoli.

- The Renewable Power Obligation (Non-Solar) of other plants (Wadi in Karnataka, Kymore in Madhya Pradesh, Bargarh in Orissa, Tikaria in Uttar Pradesh, Jamul in Chhattisgarh) were met by purchasing Renewable Energy Certificates.
- We are in advanced talks to consume Green Power in Karnataka state (Kudithini and Thondebhavi plants), to meet our Non-Solar RPO for Wadi plants. Likewise, we are pursuing Power Purchase Agreement (Green Power) for other states, besides exploring options of setting up Wind Farms.

(b) Additional Proposals being implemented to further the drive for energy conservation

- Installation of Medium Voltage and Low Voltage Variable Speed Drives.
- Replacement of existing fans with high efficiency fans
- Replacement of pumps with high efficiency pumps
- Replacement of multiple compressors with single compressors
- Replacement of Motors with high efficiency motors
- Improve Air Conditioning and Lighting loads
- Install additional capacitors to improve power factor
- Process optimisation

This will ensure further saving in electrical energy during 2014, as well as achieve better process controls.

(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. During the year 2013, the electrical energy reduced by 3.55% and thermal energy reduced by 0.33 %.

Environmental Performance:

CO₂ Performance:

- ACC's overall Specific CO₂ emissions excluding emissions from CPP are 538 Kg CO₂ / T of Cement.
- ACC's Specific CO₂ emissions for Portland Pozzolona Cement: 529 Kg CO₂ /T of Cement.
- ACC's Specific CO₂ emissions for Portland Slag Cement: 368 Kg CO₂ /T of Cement.

This performance is better than the country's average CO₂ performance of 2010 - 719 Kg CO₂ /T of Cement as indicated in Low Carbon Technology Roadmap 2050 developed by CSI-WBCSD.

Clean Development Mechanism (CDM):

Blended Cement Project: Realized 72714 CERS in 2013. Also submitted verification reports to UNFCCC recommending for issuance of 846313 carbon credits

9 MW Wind project in Tamil Nadu: Realized 21745 CERs in 2013.

Kiln Stack Emissions & Fugitive Emissions:

ACC has implemented various initiatives/measures for improving the environmental performance of the plants. Our specific kiln dust emissions per tonne of cement has been decreased by ~18% when compared with last year. This reduction has been achieved through various measures like conversion of ESP's to Baghouse, changing the maintenance practices, by installing PTFE membrane glass fibre filter bags in place of ordinary filter bags etc. Across ACC, many initiatives have been undertaken to minimize fugitive as well as stack emissions. ACC is having one of the best stack emission performance in the country.

Water Intensity & Metering System:

A lot of initiatives have been undertaken in water management like installation of water meters, minimizing the leakages, modification of the process etc which has resulted in saving of freshwater consumption. Huge amount of rainwater has also been harvested in & around plant premises.

During the year 2013, ACC's specific water consumption / T of Cement is reduced by 2% in Cement manufacturing. ACC is implementing many initiatives to achieve the country's best specific water consumption of 80 ltrs/cement.

Water Positivity: We are implementing all possible measures like water harvesting in mines, colony, plant, implementing water metering system and water conservation measures to become water neutral at first and then aiming to become water positive.

Discharge of Effluents: We adhere to Zero discharge of our process waste water.

A Green belt has been developed in & around the plant premises. During the year 2013, we have planted about one lakh trees under our afforestation programme.

During the year 2013, we have installed Continuous Ambient Air Quality Monitoring Stations at 3 plants and started uploading the ambient air quality data of 3 plants on CPCB website continuously.

Sustainability Roadmap: The existing road map is for the period 2009-2013 and we are in the process of consolidating the inputs for roadmap for the period 2014-2017.

During 2013, the following awards have been received by ACC as a Corporate, towards its sustainability performance:

1. CII - ITC Sustainability Prize
2. "Eco - Corporate" Yes Bank - Saevus Natural Capital Award
3. Parivartan Sustainability Disclosure Leadership Award

Individual plants have been recognised by various environmental awards in various categories.

Form A
Power and Fuel Consumption – Cement

	Current Year			Previous Year		
	Lakh Units (Kwh)	Total Cost (₹ Lakhs)	₹ per Unit	Lakh units (Kwh)	Total Cost (₹ Lakhs)	₹ per Unit
Electricity (Gross)						
a) Purchased :	5407	31,678	5.86	6152	32,949	5.36
b) Own Generation :						
i) Through Diesel Generator	6	224	36.49	43	570	13.28
ii) Through Steam Turbine / Generator	17639	77,555	4.40	17876	76,829	4.30 **

	Quantity (Lakh Tonnes)	Total Cost (₹ Lakhs)	Average Rate (₹/Tonne)	Quantity (Lakh Tonnes)	Total Cost (₹ Lakhs)	Average Rate (₹/Tonne)
Coal (for kiln)*	22.75	13,2465	5822	23.29	1,32,094	5672

* Does not include other fuel / alternative fuels used in kiln.

** Excluding impact due to change in Depreciation method.

Waste Heat Recovery System commissioned in Nov-2013 and under stabilisation.

Consumption per unit of Production

	@ Standard	Current Year	Previous Year
a) Electricity Kwh/T of Cement * Semi-dry / Dry Process	98-110	81	84
b) Coal for kiln K.cal/Kg of clinker Semi-dry / Dry Process	720-990	733	736

@ 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 maximization of use of low-grade limestone for cement manufacture
- Development of application oriented Cements with decreased CO₂ emissions
- 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 environmentally friendly of co-processing wastes in cement manufacture leading to thermal substitution and conservation of natural resources

- h) Development and use of Cement Grinding aid and accelerators for PPC & PSC for improved performance in Concrete and reduced clinker factor in Blended Cements
- i) Evolving optimum fuel Mix and Maximization of ashless fuels like Petcoke.
- j) Development of Cements tailored for specific market clusters and application segments
- k) Development of one of its kind cement in India for reducing water seepage
- l) Development of cement based niche products
- m) Quality benchmarking exercise for different market clusters of ACC products

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

- a) Effective use of marginal quality raw materials and fuels with improved clinker quality
- b) Increased absorption of blending materials like flyash and slag in blended cements
- c) Effective replacement of the costlier natural gypsum by a cheaper by-product phospho-gypsum without affecting the quality of cement
- d) Maintain a lead position in all the market clusters of the country
- e) Launch of special high performance premium brands like F2R, Concrete Plus, Coastal Plus ACC Plus+, ACC Gold for specific Market segments / Market climatic conditions for improved Performance and Durability of Resultant Concrete
- f) Reduction in Sp. Power consumption for grinding
- g) Effective use of statistical Quality Control & Quality tools at each stage of Cement Manufacture for Process improvements leading to improvements in consistency of Operations and consistency in Quality of the Product
- h) Fuel efficiency

3. Future plan of action:

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

4. Expenditure on R & D:

	2013 ₹ Lakhs	2012 ₹ Lakhs
a. Capital	106	172
b. Recurring (Gross)	743	652
c. Total	849	824
d. Total R&D expenditure as percentage of total turnover (%)	0.07	0.07

5. Foreign Exchange Earnings & Outgo:

	2013 ₹ Lakhs	2012 ₹ Lakhs
Foreign exchange earned	78	-
Foreign exchange used	18,803	7,830

Corporate Governance

The Directors present the Company's report on Corporate Governance for the year ended December 31, 2013.

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 implemented before they were mandatorily prescribed. Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. The Company's Code of Business Conduct and Ethics, its Fraud Risk Management Policy and its well structured internal control systems which are subjected to regular assessment for their effectiveness, reinforces integrity of management and fairness in dealing with the Company's stakeholders. This, together with meaningful CSR activities and sustainable development policies followed by the Company, has enabled your Company to earn trust and goodwill of its investors, business partners, employees and the communities in which it operates. During the year 2013, your Company has won the CII-ITC Sustainability Prize for being one of the India's most sustainable companies – the highest honour awarded by CII-ITC. 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 Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the management to achieve these corporate objectives within a given framework thereby bringing about an enabling environment for value creation through sustainable profitable growth.

The Board of Directors - The ACC Board plays a pivotal role in ensuring that the Company runs on sound and

ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company, ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.

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 committees to oversee various aspects of business operations.

Management Structure – Management Structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities. This broadly is as under:

- a. **Chief Executive Officer and Managing Director** – The Chief Executive Officer and Managing Director (CEO & MD) 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, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various committees.
- b. **Managing Committee** – This Committee comprises the Chief Executive Officer and Managing Director, Chief Executives of the Regions and Corporate Functional Heads. This Committee is a brain storming and consultative committee where important business issues are discussed, monthly performance reviewed and targets set. The various business challenges are also discussed and decisions taken within the framework of the strategic policies laid down by the Board.
- c. **Chief Executives at the Regions** – The business operations of the Company have been divided into four regions, viz. East, West, North and South. Each region is managed by a Chief Executive who is responsible for the overall business and for the day-to-day management of

operations within the regions. He is supported by the Director Sales and Director Logistics who look after the sales operations and the logistics function within the region. 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 plant level. The Director Plants report to the Chief Executive of their respective Region.

BOARD OF DIRECTORS

Composition of the Board as on December 31, 2013

	No of Directors
Non Executive & Independent Directors including the Chairman	6
Other Non Executive Directors	5
Executive Director (CEO & Managing Director)	1
Total	12

Directors' Profile

The Board of Directors comprises highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process.

The brief profile of the Company's Board of Directors is as under:

Mr N S Sekhsaria (Chairman): Mr 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 his guidance is reflected 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 in 1980 as Project Manager and in 1994 was appointed as Area Manager for Holcim Limited. In January 2002, he was appointed as a Member on Holcim's Executive Committee and is responsible for Holcim's business in South Asia and ASEAN countries excluding Philippines. He is the Vice Chairman of Ambuja Cements Limited.

Mr Kuldip Kaura (CEO & MD): Mr Kaura holds a B.E. (Honours) in Mechanical Engineering from Birla Institute of Technology & Science (BITS), Pilani, and has the benefit of management education from reputable business institutions like London Business School and Swedish Institute of Management which has given him a deep appreciation of the national and international business environment. Mr Kaura has a wide and varied experience in the metals/mining and engineering sectors.

As CEO & MD of ACC, Mr Kaura has successfully steered the "Institutionalizing Excellence" journey, a programme aimed at strengthening the Company's internal processes through continuous improvements

in manufacturing, sales & marketing, logistics, procurement and workmen development thereby seeking a leadership position in the cement industry and deliver superior value to the stakeholders.

Mr Kaura has served with Vedanta Resources for around seven years, initially as the Managing Director of Hindustan Zinc Limited and thereafter as Chief Executive Officer of Vedanta Resources Plc till 2008. There he played a significant role in the transformation and rapid growth of its group companies. Prior to this, Mr Kaura has served with ABB India Limited in various key positions and was the Managing Director of that Company from 1998 to 2001.

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 Organization Limited, set up to provide consultancy service to micro, small and medium enterprises. He is a Trustee of Bombay Community Public Trust and Chairman of Foundation for Research in Community Health.

Mr Bernard Fontana: Mr Fontana holds a degree in engineering from the Ecole Polytechnique and Ecole Nationale Supérieure des Techniques Avancées in Paris. He started his career with Groupe SNPE in France and in 1998, he was appointed Head – US Operations. From 2001 to 2004, Mr Fontana was a Member of the Executive Committee of the said Company. Mr Fontana thereafter joined Arcelor Mittal and was a Member of their Management Committee. At Arcelor Mittal, he was responsible for their Automotive Worldwide Business Unit, business development at Flat Carbon, IT, HR processes and the global alliance with Nippon Steel. In 2010, Mr Fontana took over as Chief Executive Officer of Aperam, a Luxembourg-domiciled listed corporate group that was spun off from Arcelor Mittal. Mr Fontana is presently the Chief Executive Officer of Holcim Limited with effect from February 1, 2012.

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 46 years in various senior positions at the plants and in the Corporate Office including that of the 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.

Mr Shailesh Haribhakti: Mr Haribhakti is a Chartered and Cost Accountant, and a Certified Internal Auditor, Financial Planner and Fraud Examiner. During a career span of four decades, he has successfully established and led many innovative services. His current passion involves outsourcing of knowledge processes, engaged investing, and efficiency and effectiveness enhancement in social, commercial and governmental organizations. He strongly believes in 'shared value' creation, good public and corporate governance and promoting a green environment. He actively promotes these causes, and contributes towards their evolution by participating in the process of framing regulations and standards.

Mr Aidan Lynam: 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, Mr Lynam is a Member of the Institute of Engineers in 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 Lynam has an in-depth knowledge of cement technology and the use of Alternative Fuel Resources (AFR) in the cement manufacturing process.

Mr Sushil Kumar Roongta: 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 is Vice Chariman of Bharat Aluminium Company Limited (BALCO) and heads Aluminium & Power Business of the Vedanta Group. Earlier during his tenure as Chairman of SAIL from August 2006 to May 2010, the ranking of SAIL among 'World Class Steel Makers' moved up to the second position from the seventeenth position, as per World Steel Dynamics USA.

Mr Roongta headed a "Panel of Experts on the Reforms in the Central PSEs", constituted by the Planning Commission. He has also been a Member of the Committee formed by the Ministry of Corporate Affairs, to formulate Policy Document on Corporate Governance.

Mr Roongta is also associated with several academic institutions, and is the Chairman, Board of Governors, IIT, Bhubaneswar.

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

Mr Ashwin Dani: Mr Dani holds a BSc (Hons) degree, a Masters Degree in Polymer Science (USA) and a Diploma in Colour Science (USA). Mr Dani was the Vice Chairman and Managing Director of Asian Paints Limited from December 1998 to March 2009 and is currently, Non-Executive Vice Chairman of that Company. He was the Vice President of Federation of Indian Chambers of Commerce and Industry (FICCI). In addition to his Directorship in ACC Limited, he is also a member on the Board of Sun Pharmaceuticals Limited, one of the leading pharmaceutical companies in the country.

Mr Dani started his career in 1967, as a Development Chemist with Inmont Corp., (now known as BASF) Detroit, USA, a major supplier of automotive OEM and refinishes. He joined Asian Paints in 1968 as Senior Executive and moved through successive senior positions like Director – R&D, Works Director, Whole-time Director and Vice Chairman.

Mr Dani is the past President of the Indian Paint Association (IPA) and has received a number of awards for his contributions to the Paint Industry. He was a member of the Central Board of Trustees – Employees Provident Fund of the Government of India and was also the President of the Board of Governors of the UDCT Alumni Association, Mumbai. Currently, he is the member on the Board of Management of Institute of Chemical Technology (formerly UDCT), Mumbai.

Mr Dani is former managing Trustee of "Light on Yoga", a trust created by the world famous Yogacharya, Shri B.K.S. Iyengar and his disciples.

Mr Farrokh Kavarana (appointed w.e.f. 03.05.2013):

Mr Kavarana is a Chartered Accountant and an MBA from the Wharton School, University of Pennsylvania. He is a Fellow of the Institute of Chartered Accountants, England & Wales and a Member of the Institute of Chartered Accountants of India. Mr Kavarana is a Director of Tata Sons Limited and Tata Industries Limited, the apex holding companies of the Tata Group. He is Chairman of several Tata Companies in India and abroad. Mr Kavarana has also held executive positions within the Tata Group Companies in senior positions such as Executive Chairman of Tata Infotech Ltd. from 2000 to 2005, Executive Director of Tata Motors Limited from 1994 to 2000. Prior to that, he was Vice Chairman & Managing Director of Tata International AG, Switzerland and Tata Ltd., U.K., responsible for the Tata Group's overseas operations and investments.

He is involved with several social and charitable institutions and is a trustee of Childline India Foundation, the Lady Tata Memorial Trust, the Nani Palkhivala Memorial Trust and National Centre for the Performing Arts. He is a recipient of the Dadabhai Naoroji International Millennium Award 2005 and the Wharton India Alumni Award 2009.

Mr Bernard Terver (appointed w.e.f. 04.12.2013):

Mr Terver graduated from Ecole Polytechnique, Paris, in 1976. He has a work experience of over thirty five years in the cement business and has been in the services of Holcim Limited since 1994, where he has held senior positions. Mr Terver not only has a rich experience in cement and aggregates but also has a

strong track record in financial performance as well as Occupational Health & Safety. In 1999, Mr Terver became CEO of Holcim Columbia and in 2003 he was appointed Area Manager for the Andes nations, Central America and the Caribbean. Since October 2008, he has been CEO of Holcim US and effective November 2010, CEO of Aggregate Industries US. Mr. Terver, as an Executive Committee Member of Holcim Limited, Switzerland, is presently responsible for Africa, Middle East as well as the Indian subcontinent, i.e. India, Sri Lanka and Bangladesh.

Mr Vijay Kumar Sharma M.Sc. (appointed w.e.f. 06.02.2014): Mr Sharma is the Managing Director of Life Insurance Corporation of India (LIC) since November 1, 2013. Mr Sharma joined LIC as Direct Recruit Officer in 1981 and has grown with the Company since then. During his stint with LIC as Senior Divisional Manager, Karnal, this rural Division had catapulted to Number One position in the country in premium income ahead of all metro centres. As Executive Director of Pension & Group Schemes, he pioneered the launch of various prestigious pension schemes in the country. As Zonal Manager in-charge of Southern Zone, he successfully turned around its operations and put it on growth trajectory making it No.1 Zone in 2010.

Prior to his appointment as Managing Director of LIC, he was the Managing Director and Chief Executive Officer, LIC Housing Finance Ltd. (LICHFL), a premier housing finance provider in the country with loan portfolio exceeding ₹ 83,000 crore.

During his tenure with LICHFL the Company was adjudged as “Best Housing Finance Company 2011” by CNBC-TV 18.

Mr Sharma has over thirty years experience in insurance and financial sectors. His key areas of expertise are Business Strategy, Business Development, Processes and Systems, Leadership Development, Product Development and Branding, Risk Mitigation and Compliance.

Mr Sharma is a visiting faculty to many management institutions including National Insurance Academy, Pune.

Directors Retired/Retiring

At the Board Meeting held on February 6, 2014, Mr Paul Hugentobler has submitted his resignation from the Board of Directors of the Company with effect from February 7, 2014, consequent upon his retirement from the services of Holcim Limited, Switzerland.

Mr S M Palia will be stepping down from the Board of Directors of the Company with effect from February 7, 2014, as per the Succession Policy for Directors.

Mr Naresh Chandra IAS (Retired) (ceased to be a Director w.e.f. 05.04.2013): Mr Naresh Chandra is a post graduate in mathematics from Allahabad University. He was a 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 the Committee of Civil Aviation Policy, Ministry of Civil Aviation. He is a Director on the Boards of various companies. He is the recipient of Padma Vibhushan from the Government of India.

Mr R A Shah (ceased to be a Director w.e.f. 05.04.2013): 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.

Other Relevant Details of Directors:

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/Independent	3	-	-
Mr Paul Hugentobler	06.05.2005	Non-Executive	3	2	1
Mr Kuldip Kaura	05.08.2010	Executive	5	2	-
Mr S M Palia	25.01.2002	Non-Executive/Independent	5	1	2
Mr Bernard Fontana	28.03.2012	Non-Executive	2	-	-
Mr M L Narula	01.04.2007	Non-Executive	2	3	-
Mr Shailesh Haribhakti	17.02.2006	Non-Executive/Independent	11	3	5
Mr Aidan Lynam	22.04.2010	Non-Executive	1	-	-
Mr Sushil Kumar Roongta	03.02.2011	Non-Executive/Independent	5	3	2
Mr Ashwin Dani	15.12.2011	Non-Executive/Independent	7	3	2
Mr Farrokh Kavarana (appointed w.e.f. 03.05.2013)	03.05.2013	Non-Executive/Independent	11	5	3
Mr Bernard Terver (appointed w.e.f. 04.12.2013)	04.12.2013	Non-Executive	2	1	-
Mr Vijay Kumar Sharma (appointed w.e.f. 06.02.2014)	06.02.2014	Non-Executive/Independent	4	-	-
#Mr Naresh Chandra IAS (Retd.) (retired as a Director w.e.f. 05.04.2013)	05.05.2004	Non-Executive/Independent	12	8	1
#Mr. R A Shah (retired as a Director w.e.f. 05.04.2013)	24.01.2006	Non-Executive/Independent	15	5	4

*Excludes directorships held in Private Limited Companies, Foreign Companies and Section 25 Companies;

**Only mandatory committees considered viz. Audit Committee & Shareholders' / Investors' Grievance Committee;

#Information as available on the date of retirement.

Board Meetings held during the Year

Dates on which the Board Meetings were held	Total Strength of the Board	No of Directors Present
February 7, 2013	12	12
May 3, 2013	11	10
July 25, 2013	11	08
October 23, 2013	11	06
December 4, 2013	12	11

Attendance of Directors at Board Meetings and Annual General Meeting

Name of the Director	Attendance at the Board Meetings held on					Attendance at the AGM held on April 5, 2013
	February 7, 2013	May 3, 2013	July 25, 2013	October 23, 2013	December 4, 2013	
Mr N S Sekhsaria	√	√	√	√	√	√
Mr Paul Hugentobler	√	√	√	√	√	√
Mr Kuldip Kaura	√	√	√	√	√	√
Mr S M Palia	√	√	√	Leave of Absence	√	√
Mr Bernard Fontana	√	√	√	Leave of Absence	Leave of Absence	Leave of Absence
Mr M L Narula	√	√	√	√	√	√
Mr Shailesh Haribhakti	√	Leave of Absence	Leave of Absence	Leave of Absence	√	√
Mr Aidan Lynam	√	√	Leave of Absence	√	√	√
Mr Sushil Kumar Roongta	√	√	Leave of Absence	Leave of Absence	√	Leave of Absence
Mr Ashwin Dani	√	√	√	√	√	√
Mr Farrokh Kavarana (appointed w.e.f. 03.05.2013)	Not Applicable	√	√	Leave of Absence	√	Not Applicable
Mr Bernard Terver (appointed w.e.f. 04.12.2013)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	√	Not Applicable
Mr Naresh Chandra (ceased to be a Director w.e.f. 05.04.2013)	√	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Mr R A Shah (ceased to be a Director w.e.f. 05.04.2013)	√	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

The Board periodically reviews the items required to be placed before it as per Clause 49 of the Listing Agreement and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual accounts, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, OH&S performance, progress of major projects and reviews such other items which require Board's attention. It directs and guides the activities

of the Management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items set out as guidelines in Clause 49 of the Listing Agreement to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

COMMITTEES OF THE BOARD

The Board has constituted the following six committees viz. Audit Committee, Shareholders'/ Investors' Grievance Committee, Compensation Committee, Compliance Committee, Capex Committee and CSR Committee. The terms of reference of these Committees are decided by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee who also informs the Board of the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

a) 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 and internal control systems;
- review of quarterly, half yearly and annual financial statements including major accounting entries involving exercise of judgement by the management;
- representation by the Statutory Auditors to the management in regard to any internal control weaknesses observed by them during the course of their audit and the action taken by the management thereon;
- discussions with Statutory, Internal and Cost Auditors on matters related to their area of audit;

- review of Internal Audit Report and implementation of action points arising therefrom;
- review of Risk Management framework concerning the critical operation of the Company;
- Management Discussion & Analysis of the Company's operations;
- review of significant related party transactions;
- review of implementation of the Fraud Risk Management Policy and the Fraud Risk Assessment Reports;
- recommendation for appointment of Statutory and Cost Auditors and their remuneration;
- appointment, removal and terms of remuneration of the Chief Financial Officer and the Chief Internal Auditor.

The Audit Committee and the Internal Audit Department of the Company are governed by their respective Charters to ensure effective compliance with Clause 49 of the Listing Agreement. These charters are reviewed from time to time with a view to bring them in line with the regulatory framework.

The Internal Audit Department is headed by the Chief Internal Auditor who functions independently and reports to the Chairman of the Audit Committee.

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

During the year, the Audit Committee was further strengthened by the appointment of new Members.

The composition of the Audit Committee as at December 31, 2013 and details of the Members' participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Audit Committee Meetings held on				
		February 6, 2013	May 2, 2013	July 24, 2013	October 22, 2013	December 3, 2013
Mr S M Palia (appointed Chairman w.e.f. 03.05.2013)	Non-Executive/ Independent	√	√	√	Leave of Absence	√
Mr Paul Hugentobler	Non-Executive	√	√	√	√	√
Mr Sushil Kumar Roongta	Non-Executive/ Independent	Leave of Absence	Leave of Absence	√	Leave of Absence	Leave of Absence
Mr M L Narula (appointed w.e.f. 07.02.2013)	Non-Executive	Not Applicable	√	√	√	√
Mr Ashwin Dani (appointed w.e.f. 07.02.2013)	Non-Executive/ Independent	Not Applicable	√	√	√	√
Mr F K Kavarana (appointed w.e.f. 03.05.2013)	Non-Executive/ Independent	Not Applicable	Not Applicable	√	√	√
Mr Shailesh Haribhakti, (ceased to be a Chairman & Member w.e.f. 03.05.2013)	Non-Executive/ Independent	√	Leave of Absence	Not Applicable	Not Applicable	Not Applicable
Mr Naresh Chandra, IAS (Retd.) (ceased to be a Member w.e.f. 05.04.2013)	Non-Executive/ Independent	√	Not Applicable	Not Applicable	Not Applicable	Not Applicable

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. They have attended all the Meetings during the year. The representative of the Cost Auditor is invited to attend the Meeting of the Audit Committee when the Cost Audit Report is tabled for discussion. The CEO & MD, the Chief Financial Officer (CFO), the

Chief Internal Auditor and the Chief Executives at the Regions attend all the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. A representative of Holcim Group's internal audit team is also invited to attend the meeting and share Holcim's expertise in international best practices in Internal Audit.

During the year under review, the Audit Committee has met the Statutory Auditors and the Internal Auditor separately to get their inputs on any significant matters relating to their areas of audit.

Self Assessment by the Audit Committee

The Audit Committee has set in place a process to measure and benchmark its performance on an annual basis. The assessment broadly covers composition, structure and committee meetings; business and risk management; overview of the financial reporting process; internal control systems and overview of internal and external audits. The results of the self assessment are presented to the Audit Committee along with the action plan in the areas requiring improvement.

b) 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 composition of the Shareholders' / Investors' Grievance Committee as at December 31, 2013 and details of the Members' participation at the Meetings of the Committee are as under:

Name of the Member	Attendance at the Shareholders'/Investors' Grievance Committee Meetings held on				
	February 7, 2013	May 3, 2013	July 25, 2013	October 23, 2013	December 4, 2013
Mr Paul Hugentobler (Chairman)	√	√	√	√	√
Mr M L Narula	√	√	√	√	√
Mr Bernard Terver (appointed w.e.f. 04.12.2013)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Mr Kuldip Kaura	√	√	√	√	√

The Company Secretary also functions as the Compliance Officer.

During the year, 24 complaints were received from shareholders, all of which have been attended / resolved. No investor grievance has remained unattended / pending for more than thirty days. No share transfers were pending as on December 31, 2013.

c) Compensation Committee - (Non Mandatory 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 CEO & MD

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 companies, responsibilities to be shouldered by the CEO & MD and the Company's and individual performance. The Committee also identifies individuals qualified to become Directors and recommends the same to the Board. This Committee also reviews and recommends to the Board, the appointment of the senior-most level of the Executives. It also reviews the performance and compensation of the Managing Committee Members and the Company Secretary and Head Compliance.

The composition of the Compensation Committee as at December 31, 2013 and the details of Members' participation at the Meetings of the Committee are as under:

Name of the Member	Attendance at the Compensation Committee Meetings held on			
	February 7, 2013	May 3, 2013	October 23, 2013	December 4, 2013
Mr N S Sekhsaria (Chairman)	√	√	√	√
Mr Paul Hugentobler	√	√	√	√
Mr Shailesh Haribhakti	√	Leave of Absence	Leave of Absence	√
Mr Farrokh K Kavarana (appointed w.e.f. 04.12.2013)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Mr Bernard Terver (appointed w.e.f. 04.12.2013)	Not Applicable	Not Applicable	Not Applicable	Not Applicable

d) Compliance Committee (Non Mandatory Committee – Constituted in 2008)

The Compliance Committee plays an important role in building a regime of zero tolerance to any form of non compliance which is essential for sustainable growth.

The terms of reference of the Committee broadly comprises:

- reviewing the legal environment in which the Company operates with a view to understand the implications of major legislative and regulatory developments and their interpretation by the Courts of law that may significantly affect the Company;
- reviewing compliance with the provisions of Competition Law and to provide guidance in regard to the development of the laws in India and abroad;
- reviewing the compliance with all applicable statutes, rules and regulations based on reports received from the CEO & MD, Chief Executives of the Regions, CFO, President Human Resources and the Company Secretary & Head Compliance and recommend corrective actions, if any, where required;
- reviewing significant legal cases filed by and against the Company.

The composition of the Compliance Committee as at December 31, 2013 and the details of the Members' participation at the Meetings of the Committee are as under:

Name of the Member	Attendance at the Compliance Committee Meetings held on			
	February 6, 2013	May 2, 2013	July 24, 2013	October 22, 2013
Mr Paul Hugentobler (Chairman)	√	√	√	√
Mr Shailesh Haribhakti	√	Leave of Absence	√	Leave of Absence
Mr Bernard Terver (appointed w.e.f. 04.12.2013)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Mr Kuldeep Kaura	√	√	√	√
Mr R A Shah (ceased to be a Chairman w.e.f. 05.04.2013)	√	Not Applicable	Not Applicable	Not Applicable
Mr Naresh Chandra, IAS (Retd.) (ceased to be a Member w.e.f. 05.04.2013)	√	Not Applicable	Not Applicable	Not Applicable

e) Capex Committee - (Non Mandatory Committee – Constituted in 2010)

The Capex Committee was constituted to undertake a detailed examination of various large project proposals and report/recommend the same to the Board. The terms of reference of the said Committee are as under:

- to evaluate the financial viability of all major capex proposals for recommendation to the Board;
- to monitor the projects with regard to the committed expenditure and time schedules;
- to discuss post audit evaluation of above completed projects;
- to evaluate acquisition proposals and make appropriate recommendations to the Board;
- such other duties relating to capex projects as may be assigned to the Committee from time to time by the Board.

The composition of the Capex Committee as at December 31, 2013 and the details of the Members' participation at the Meetings of the Committee are as under:

Name of the Member	Attendance at the Capex Committee Meeting held on April 5, 2013
Mr Paul Hugentobler (Chairman)	√
Mr S M Palia	√
Mr M L Narula	√
Mr Aidan Lynam	√
Mr Sushil Kumar Roongta	Leave of Absence
Mr Bernard Terver (appointed w.e.f. 4.12.2013)	Not Applicable
Mr Kuldip Kaura	√

f) Corporate Social Responsibility (CSR) Committee – (Non Mandatory Committee - Constituted on February 7, 2013)

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013;
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

The composition of the Corporate Social Responsibility Committee as at December 31, 2013 and the details of Members' participation at the Meetings of the Committee are as under:

Name of the Member	Attendance at the CSR Meetings held on	
	February 22, 2013	October 10, 2013
Mr S M Palia (Chairman)	√	√
Mr M L Narula	√	√
Mr Kuldip Kaura	√	√

REMUNERATION POLICY

(a) Remuneration Policy for Executive Director:

Subject to the approval of the Members and other approvals as may be required under the Companies Act, 1956, the remuneration of the CEO & MD is decided by the Board of Directors on the recommendation of the Compensation Committee. In determining the remuneration, the Compensation Committee takes into consideration the size and complexity of the Company's operations and the onerous responsibility required to be shouldered by the incumbent, the remuneration paid by comparable companies and the performance of the Company.

The remuneration structure of Mr Kuldeep Kaura, CEO & MD and the terms of appointment/re-appointment which have been approved by the Members of the Company are as under:

	Terms of appointment and remuneration	Terms of re-appointment and remuneration
Period of Appointment / Re-appointment	Appointed as CEO & MD (Designate) from 05.08.2010 to 12.08.2010 and as CEO & MD w.e.f 13.08.2010 to 31.12.2013.	Re-appointed for a period of one year w.e.f. 01.01.2014.
Salary Grade	₹ 11,00,000 - ₹ 25,00,000	₹ 11,00,000 - ₹ 25,00,000
Allowances	i. Housing : Free furnished residential accommodation or HRA at the rate of 40% of the basic salary. ii. 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 up to the next two corporate financial years. iii. Such Special Allowance as may be decided by the Board on the recommendation of the Compensation Committee.	i. Housing : Free furnished residential accommodation or HRA at the rate of 40% of the basic salary. ii. LTA: An amount not exceeding 12.5% of the basic salary. The entitlement to the extent not availed of shall be encash and paid out at the end of the tenure of the CEO & MD. iii. Such Special Allowance as may be decided by the Board on the recommendation of the Compensation Committee.
Perquisites	i. Membership of two clubs. ii. 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 Medical Insurance 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.	i. Membership of two clubs. ii. 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 Medical Insurance 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.

	Terms of appointment and remuneration	Terms of re-appointment and remuneration
Retiral Benefits	Contribution to Provident Fund and Superannuation Fund as per the rules of the Company.	Contribution to Provident Fund and Superannuation Fund as per the rules of the Company.
Performance Incentive	Amount equivalent to a maximum of 37.5% of the basic salary and allowances [which includes 7.5% as Holcim's Global Performance Incentive Scheme (The Scheme)]. The component of tax, if any, applicable on the shares granted by Holcim pursuant to the Scheme shall be borne by the Company.	Amount equivalent to a maximum of 37.5% of the basic salary and allowances [which includes 7.5% as Holcim's Global Performance Incentive Scheme (The Scheme)]. The component of tax, if any, applicable on the shares granted by Holcim pursuant to the Scheme shall be borne by the Company.
Minimum Remuneration	Where in the financial years during the currency of the tenure of the CEO & MD, 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.	Where in the financial year 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 as per the terms of appointment.	Three months notice or three months salary in lieu of notice as per the terms of re-appointment (i.e. w.e.f. 01.01.2014).

(b) 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, excluding CSR Committee. The total amount of sitting fees paid during the financial year ended December 31, 2013 was ₹ 19.40 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, the stringent accounting standards and governance norms, the Members of the Company have at the 74th Annual General

Meeting held on 8th April, 2010 sanctioned the payment of commission to the Non-Executive Directors of an amount not exceeding one percent of the net profits of the Company as computed in the manner provided under Section 198(1) of the Companies Act, 1956.

Pursuant thereto, the Company has provided for the payment of commission of ₹ 13.00 lakhs to each of the Non-Executive Directors for the financial year 2013, 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 ₹ 9.00 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 ₹ 22.00 lakhs. 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, 2013

₹ Lakhs

Name	Salary	Commission	Sitting Fees	Total
Mr N S Sekhsaria	-	13.00	1.80	14.80
Mr Paul Hugentobler	-	22.00	4.80	26.80
Mr Kuldip Kaura	605.02	-	-	605.02
Mr S M Palia	-	22.00	1.80	23.80
Mr Bernard Fontana	-	13.00	0.60	13.60
Mr M L Narula	-	21.09	3.00	24.09
Mr Shailesh Haribhakti	-	22.00	1.40	23.40
Mr Aidan Lynam	-	13.00	1.00	14.00
Mr Sushil Kumar Roongta	-	22.00	0.80	22.80
Mr Ashwin Dani	-	21.09	1.80	22.89
Mr Farrokh Kavarana (appointed w.e.f. 03.05.2013)	-	14.65	1.20	15.85
Mr Bernard Terver (appointed w.e.f. 04.12.2013)	-	1.69	0.20	1.89
Mr Naresh Chandra (retired as a Director w.e.f. 05.04.2013)	-	5.67	0.60	6.27
Mr. R. A. Shah (retired as a Director w.e.f. 05.04.2013)	-	5.67	0.40	6.07

Notes:

1. Mr Farrokh K Kavarana, Mr Bernard Terver, Mr Naresh Chandra and Mr R A Shah, Non-Executive Directors have been paid commission on a prorata basis.
2. Salary includes basic salary, performance incentive, allowances, contribution to provident fund, perquisites (including monetary value of taxable perquisites) etc. 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.

SUBSIDIARY COMPANIES

The Company does not have a 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 Internal 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

Commensurate with the size of the Company's operation, 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 on Related Party Transactions 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) and the relevant provision of the Companies Act, 1956. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

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, is the introduction of the Fraud Risk Management Policy which contains features of the Whistle Blower Policy.

CEO & MD / CFO Certification

The CEO & MD and the CFO have issued a certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

CODE OF CONDUCT

The Board of Directors has approved a Code of Business Conduct and Ethics which is applicable to the Members of the Board and all employees in the Management grade. The Company believes in "Zero Tolerance" to bribery and corruption in any form and the Board has laid down the "Anti Bribery & Corruption Directive" which forms an Appendix to the Code of Conduct. The Code of Conduct has been posted on the Company's website www.acclimited.com.

The Code lays down the standard of conduct which is expected to be followed by the concerned Directors and the designated employees in their business dealings and in particular on matters relating to conflict of interests, bribery and corruption, integrity of accounting and financial reporting, fair competition, Corporate Social Responsibility, concern for sustainable development / sustainable performance, concern for occupational health and safety, use of licensed software, email and internet connectivity and corporate communications.

All the Board Members and the senior management personnel have confirmed compliance with the Code. The Company has organized face to face training for approximately 1,900 employees in Management Grade. In addition, all Management Staff were required to complete an e-learning module in this regard.

The Value Creation in Competitive Environment (VCCE) Program was introduced in ACC as early as 2008 and the Company has been carrying out extensive training sessions for creating awareness among relevant employees for conducting business in a fair manner upholding the interest of consumers.

In staying true to our values of Strength, Performance & Passion and in line with our vision of being one of the most respected companies in India, we are committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has set up a Fraud Risk Management Committee (FRMC) under the Audit Committee and instituted a Fraud Risk Management (FRM) Policy to combat fraud and misconduct. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

ACC Ethics Helpline, which is managed by an independent professional organization, can be contacted to report any suspected or confirmed

incident of fraud / misconduct. The Ethics Helpline details are:

E-Mail: acc@ethicalview.com

National Toll Free Number: 18002092008

Fax Number: +91(22) 66459575

Post: Post Box No. 137, Pune - 411001

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company. The Company Secretary & Head Compliance is responsible for implementation of the said Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

COMMUNICATION WITH THE MEMBERS / SHAREHOLDERS

The unaudited quarterly/half yearly financial statements results are announced within forty-five days of the close of the quarter. The audited annual financial statements are announced within two months from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are thereafter given by way of a Press Release to various news agencies/analysts and are 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 Members prior to the Annual General Meeting.

The Company also informs by way of intimation to BSE and NSE all price sensitive matters or such other matters which in its opinion are material and of relevance to the Members and subsequently issues a Press Release in regard to the same.

The Annual Report of the Company, the quarterly/half yearly and the annual financial statements and the press releases of the Company are also placed on the Company's website: www.acclimited.com and can be downloaded.

In compliance with Clause 52 of the Listing Agreement, the financial statements, shareholding pattern, quarterly compliances and other relevant corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically through Corporate Filing and Dissemination System (CFDS) website www.corpfiling.co.in and on NSE's NEAPS portal.

Individual reminders are sent each year to those members whose dividends have remained unclaimed for a period of seven years from the date they become due for payment, before transferring the monies to the Investors' Education & Protection Fund (IEPF). The information on unclaimed dividend is also posted on the website of the Company as aforesaid.

GENERAL INFORMATION FOR SHAREHOLDERS

Investor Services

The Company has an in-house Share Department located at its Registered Office which offers all share related services to its Members and investors. These services include transfer / transmission / dematerialisation of shares, payment of dividends, sub-division / consolidation / renewal of share certificates and investor grievances.

The Secretarial and Compliance Division and the Share Department had received ISO 9001:2008 certification in 2011 from Det Norske Veritas AS Certification Services (DNV) for the robustness of its internal processes. During the year under review, follow up audit was carried out by DNV with no adverse comments.

The Company is registered with SEBI as Registrar to an issue/share transfer agent in Category II Share Transfer Agent and the registration code is INR000004124.

The Departments had also carried out a Satisfaction Survey from its internal and external stakeholders including the Directors/Members of the Company and had received a satisfaction score of 94%.

Address for Correspondence with the Company

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

Telephone Nos: (022) 3302 4469

Fax No: (022) 6631 7458

Communication by e-mail:

For transfer/transmission/subdivision/demat/loss of shares/dividend/general inquiries and investor grievance remaining unattended:	sujata.chitre@acclimited.com
--	--

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain Demat Account/s, for their queries relating to shareholding, change of address, credit of dividend through NECS. However, queries relating to non-receipt of dividend, non-receipt of

annual reports, or on matters relating to the working of the Company should be sent to the Company.

Members who hold shares in physical form should address their queries to the Company.

Members are requested to ensure that correspondence for change of address, change in bank details, processing of unclaimed dividend, subdivision of shares, renewal / split / consolidation of share certificates, issue of duplicate share certificates should be signed by the first named Member as per the specimen signature lodged with the Company. The Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address.

Members are requested to indicate their DP ID & Client ID / Ledger Folio number in their correspondence with the Company and also to provide their Email addresses and telephone numbers / fax numbers to facilitate prompt response from the Company.

Exclusive E-Mail ID & Toll Free Number

The Company has designated an e-mail ID to enable the Members and investors to correspond with the Company. The e-mail ID is ACC-InvestorSupport@acclimited.com

The Company has also set up a toll free number 1800-3002-1001 to facilitate the Members/Investors to contact the Company. The toll free services will be available on all working days of the Company from 9.15 a.m. till 5.00 p.m.

Plant Location

The location of the Company's Plants are given on the inside cover page of the Annual Report. The details of the Plants along with their addresses and telephone numbers are also available on the Company's website.

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)
BSE 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.

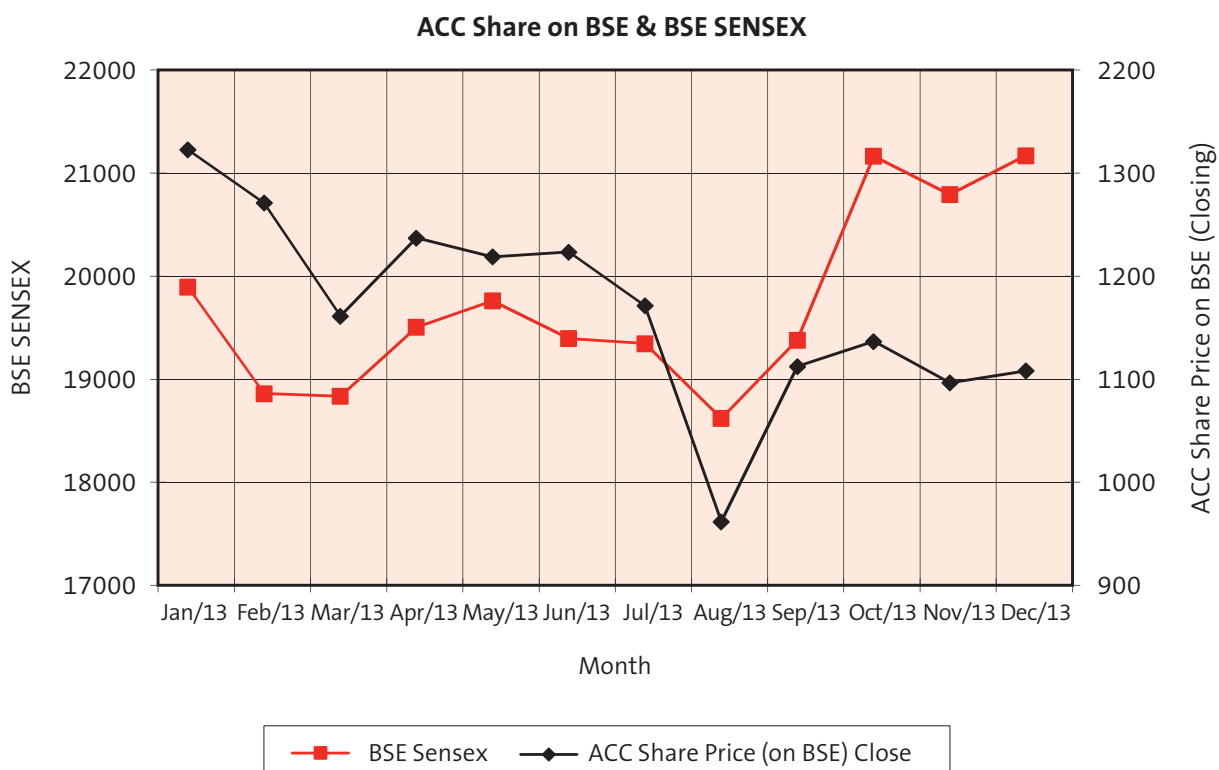
ISIN Number for Privately Placed Debentures

NSDL & CDSL	INE012A07196
-------------	--------------

The Debenture Trustee as on December 31, 2013 is IDBI Trusteeship Services Limited.

ACC Share Price on BSE vis-à-vis BSE Sensex January – December 2013

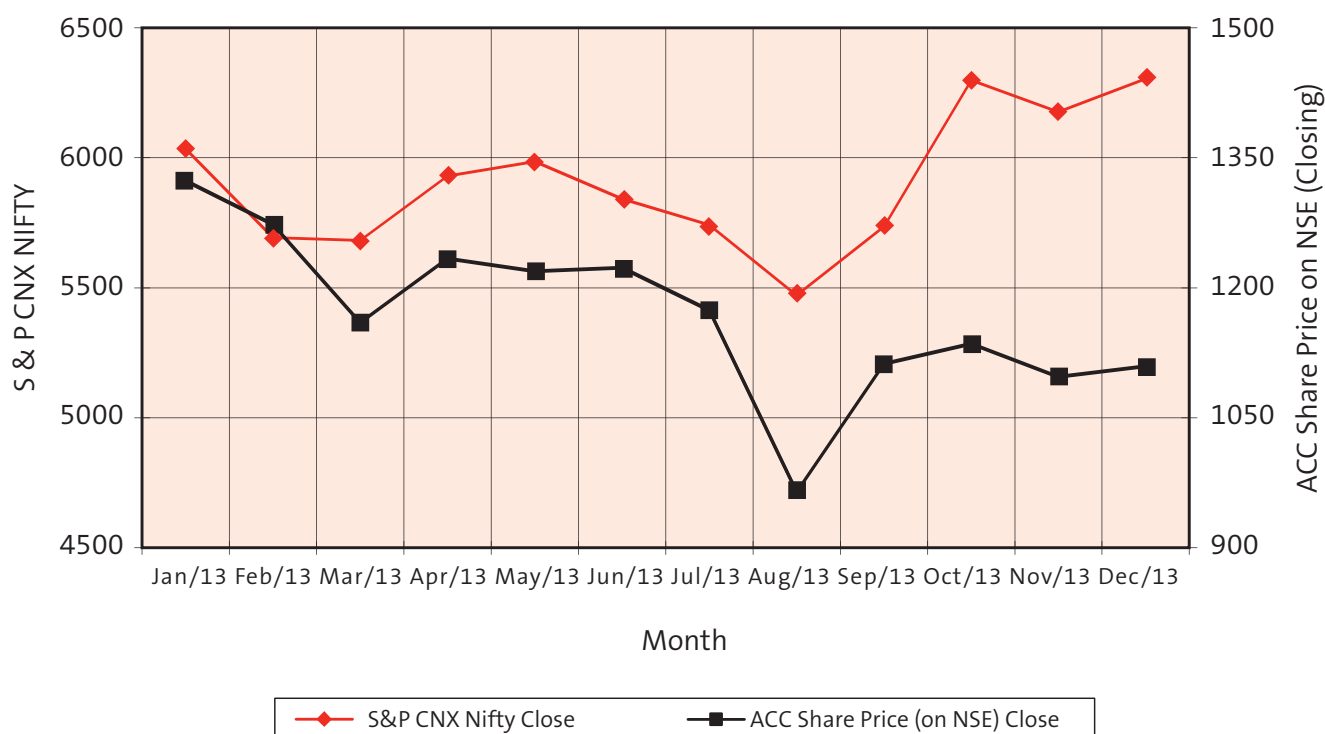
Month	BSE Sensex Close	ACC Share Price			No of shares traded during the month	Turnover (₹ Crores)
		High	Low	Close		
		₹	₹	₹		
Jan-13	19,894.98	1,452.70	1,301.25	1,322.55	5,86,327	80.08
Feb-13	18,861.54	1,355.00	1,223.90	1,271.10	4,93,197	63.87
Mar-13	18,835.77	1,299.85	1,118.40	1,161.25	5,41,138	65.94
Apr-13	19,504.18	1,263.95	1,106.75	1,237.10	3,99,500	46.84
May-13	19,760.30	1,278.50	1,183.00	1,218.85	5,27,202	64.90
Jun-13	19,395.81	1,236.50	1,149.00	1,223.45	2,98,719	35.82
Jul-13	19,345.70	1,292.00	1,140.00	1,171.35	9,37,970	115.20
Aug-13	18,619.72	1,205.40	912.05	961.80	15,41,322	177.06
Sept-13	19,379.77	1,136.10	914.00	1,112.45	5,63,805	57.60
Oct-13	21,164.52	1,166.60	1,092.00	1,136.70	5,67,122	64.36
Nov-13	20,791.93	1,148.00	1,011.20	1,096.55	3,65,300	39.16
Dec-13	21,170.68	1,183.00	1,069.20	1,108.20	3,34,152	37.33



ACC Share Price on NSE vis-à-vis S&P CNX Nifty January – December 2013

Month	S & P CNX Nifty Close	ACC Share Price			No of shares traded during the month	Turnover (₹ Crores)
		High	Low	Close		
		₹	₹	₹		
Jan-13	6,034.75	1,452.50	1,301.10	1,323.10	69,23,949	946.82
Feb-13	5,693.05	1,349.00	1,203.00	1,272.55	97,48,237	1,259.89
Mar-13	5,682.55	1,300.70	1,118.05	1,159.20	73,03,840	890.65
Apr-13	5,930.20	1,263.90	1,106.60	1,233.30	48,67,722	572.59
May-13	5,985.95	1,279.90	1,191.00	1,218.75	51,91,771	638.36
Jun-13	5,842.20	1,255.45	1,146.05	1,222.65	53,05,547	635.09
Jul-13	5,742.00	1,292.95	1,140.05	1,173.55	59,11,048	726.17
Aug-13	5,471.80	1,205.00	911.15	964.10	75,15,976	814.09
Sept-13	5,735.30	1,138.00	913.90	1,111.95	76,71,004	791.95
Oct-13	6,299.15	1,166.95	1,092.00	1,134.85	73,78,346	835.04
Nov-13	6,176.10	1,149.45	1,016.65	1,096.60	66,66,839	714.55
Dec-13	6,304.00	1,183.90	1,069.00	1,108.75	45,48,867	505.68

ACC Share on NSE & S&P CNX NIFTY



SHARE TRANSFER SYSTEM/DIVIDEND AND OTHER RELATED MATTERS

i. Share transfers

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

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. Members holding shares in physical form may obtain nomination form, from the Share Department of the Company or download the same from the Company's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

iii. Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders/legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

iv. Subdivision of shares

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

v. Dividend

a. Payment of dividend through National Electronic Clearing Service (NECS)

The Company provides the facility for remittance of dividend to the Members through NECS. 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 core banking account number allotted to them by their bankers. 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.

b. 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 (IEPF) established by the Government. The Company will, in June 2014 and September 2014 transfer to the said fund, the following dividends:

- 69th Dividend for the year ended December 31, 2006
- 70th Interim Dividend for the year ended December 31, 2007

The date of declaration of dividend in respect of the years ended 2006 to 2013 and the dates by which the amount will be transferred to IEPF is as under:

Financial Year	Date of Declaration	Rate of Dividend per share (₹)	Due date for transfer to IEPF
31.12.2006 (69th)	28.03.2007	15.00	01.06.2014
31.12.2007 (70th Interim)	19.07.2007	10.00	22.09.2014
31.12.2007 (70th Final)	24.04.2008	10.00	28.06.2015
31.12.2008 (71st Interim)	24.07.2008	10.00	27.09.2015
31.12.2008 (71st Final)	08.04.2009	10.00	12.06.2016
31.12.2009 (72nd Interim)	23.07.2009	10.00	26.09.2016
31.12.2009 (72nd Final)	08.04.2010	13.00	12.06.2017
31.12.2010 (73rd Interim)	22.07.2010	10.00	25.09.2017
31.12.2010 (73rd Final)	13.04.2011	20.50	17.06.2018
31.12.2011 (74th Interim)	28.07.2011	11.00	30.09.2018
31.12.2011 (74th Final)	28.03.2012	17.00	01.06.2019
31.12.2012 (75th Interim)	26.07.2012	11.00	29.09.2019
31.12.2012 (75th Final)	05.04.2013	19.00	09.06.2020
31.12.2013 (76th Interim)	25.07.2013	11.00	28.09.2020

vi. 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.

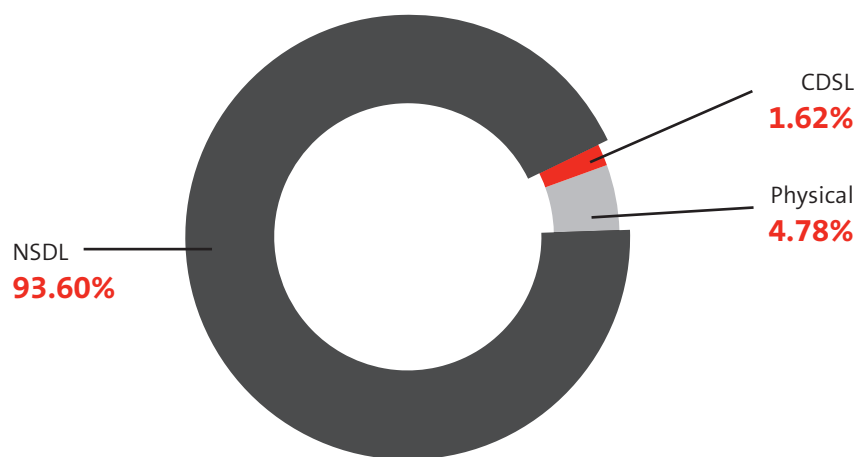
vii. Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by

an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited and The National Stock Exchange of India Limited and is also placed before the Shareholders'/ Investors' Grievance Committee and the Board of Directors.

Distribution of shareholding as on December 31, 2013

No. of shares slab	No. of share-holders	% No. of Shares holders	Physical	% of share capital	NSDL	% of share capital	CDSL	% of share capital	Total No. of Shares	% of share capital
1-50	60799	57.71	264124	0.14	671925	0.36	173316	0.09	1109365	0.59
51-100	13921	13.21	292536	0.16	706938	0.38	139643	0.07	1139117	0.61
101-200	10808	10.26	480273	0.26	971681	0.52	158821	0.08	1610775	0.86
201-500	9930	9.43	937805	0.50	2024352	1.08	311279	0.17	3273436	1.74
501-1000	4818	4.57	902929	0.48	2269651	1.21	314701	0.17	3487281	1.86
1001-5000	4214	4.00	2090857	1.11	5772593	3.07	701416	0.37	8564866	4.56
5001-10000	431	0.41	568243	0.30	2176262	1.16	250391	0.13	2994896	1.60
>10000	432	0.41	3439983	1.83	161138889	85.83	986748	0.53	165565620	88.19
Total	105353	100.00	8976750	4.78	175732291	93.60	3036315	1.62	187745356	100.00

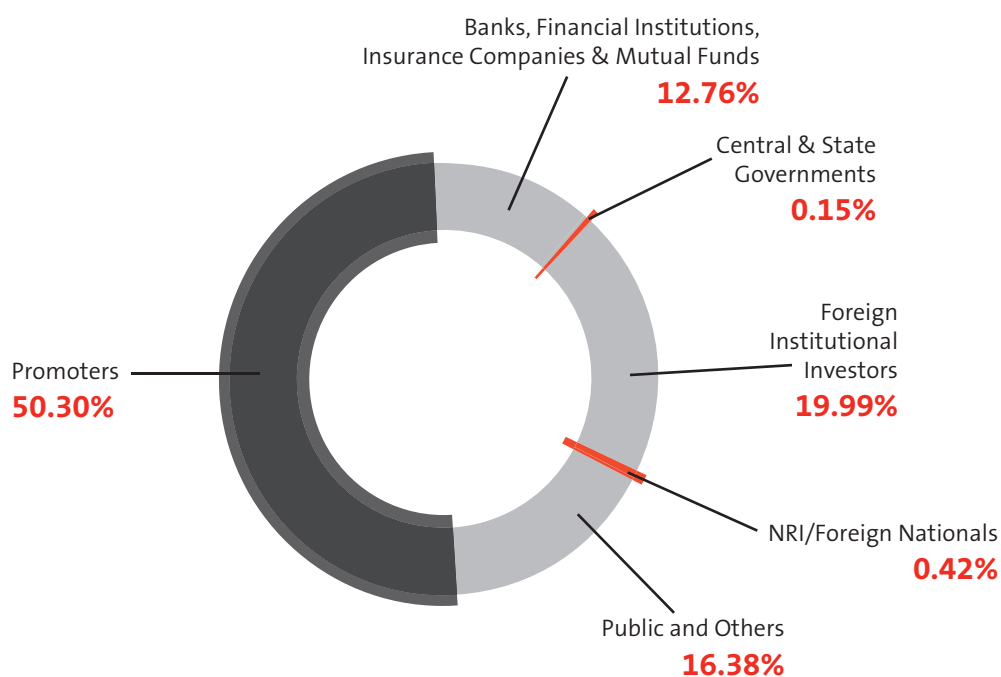
Distribution of Shareholding as on 31.12.2013

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, 2013

Category	No. of Shares held	%	
Promoters:			
Holcim (India) Private Limited	93888120	50.01	
Holderind Investments Ltd.	541000	0.29	50.30
Banks, Financial Institutions, Insurance Companies & Mutual Funds			
i. Banks	439521	0.23	
ii. Financial Institutions	17627660	9.40	
iii. Insurance Companies	-	-	
iv. Mutual Funds/UTI	5885030	3.13	12.76
Central & State Governments	287815		0.15
Foreign Institutional Investors	37530075		19.99
NRIs / Foreign Nationals	788449		0.42
Directors	0		0.00
Public and Others	30757686		16.38
TOTAL	187745356		100.00

Shareholding Pattern As on December 31, 2013



The Company is a subsidiary of Holcim India Private Limited and an ultimate subsidiary of Holcim Limited, Switzerland.

Statement showing Shareholding of more than 1% of the Capital as on December 31, 2013

Sr. No.	Names of the shareholders		Number of shares	Percentage of Capital
1	Holcim (India) Private Limited (Promoter)	93888120	94429120	50.30
	Holderind Investments Ltd (Promoter)	541000		
2	Life Insurance Corporation of India		15392891	8.20
3	Aranda Investments (Mauritius) Pte Ltd		4743636	2.53
4	Aberdeen Global Indian Equity (Mauritius) Limited		4123936	2.20
5	JP Morgan Funds – Emerging Markets Equity Fund		2873698	1.53
6	JP Morgan Sicav Investment Company (Mauritius) Limited		2385199	1.27
	TOTAL		123948480	66.03

Global Depository Receipts (GDR) 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
77th	Calendar Year 2012	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020	05.04.2013	3.00 p.m.	No Special Resolution was passed
76th	Calendar Year 2011		28.03.2012	3.00 p.m.	No Special Resolution was passed
75th	Calendar Year 2010		13.04.2011	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:

- (i) Pursuant to Section 192A(2) of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, a Notice dated January 9, 2013 was sent to the Members seeking their approval through postal ballot for passing of an Ordinary Resolution for

the payment of Technology and Knowhow Fee to Holcim Technologies Limited. 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	3901	130111680	100
Less: Invalid Forms received	270	67380	0.05
Net valid Postal Ballot Forms received	3631	130044300	99.95
Postal Ballot Forms with assent for the Resolution	2879	98429932	75.65
Postal Ballot Forms with dissent for the Resolution	752	31614368	24.30

The Ordinary Resolution as per Notice dated January 8, 2013 for the payment of Technology and Knowhow Fee to Holcim Technologies Limited, was accordingly passed with the requisite majority.

- (ii) Pursuant to Section 192A(2) of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, a

Notice dated December 16, 2013 was sent to the Members seeking their approval through postal ballot for passing of an Ordinary Resolution

for the re-appointment and 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	3264	142504234	100
Less: Invalid Forms received	221	68445	0.05
Net valid Postal Ballot Forms received	3043	142435789	99.95
Postal Ballot Forms with assent for the Resolution	2921	142382558	99.91
Postal Ballot Forms with dissent for the Resolution	122	53231	0.04

The Ordinary Resolution as per Notice dated December 16, 2013 for the re-appointment and remuneration of Mr Kuldip Kaura, Chief Executive Officer and Managing Director was accordingly passed with the requisite majority.

FINANCIAL CALENDAR 2014:

Board Meeting for consideration of audited financial statements for the financial year ended December 31, 2013 and recommendation of final dividend	: February 6, 2014
Posting of Annual Reports	: On or before March 14, 2014
Book Closure Dates	March 26, 2014 to April 9, 2014 (both days inclusive)
Last date for receipt of Proxy Forms	: April 7, 2014 before 3.00 p.m.
Date, Time & Venue of the 78th Annual General Meeting	April 9, 2014 at 3.00 p.m. Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg Mumbai 400 020
Dividend Payment Date	: April 15, 2014
Probable date of despatch of warrants	: April 11, 2014
Board Meeting for consideration of unaudited quarterly financial statements for the financial year ended December 31, 2014	: Within forty five days from the End of the quarter, as stipulated under the Listing Agreement with the Stock Exchanges
Audited financial statements for the current financial year ending December 31, 2014	: Within sixty days 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 6, 2014

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, 2013.

For ACC Limited

Kuldip Kaura
Chief Executive Officer & Managing Director

Mumbai
February 6, 2014

CEO / CFO Certification

We, the undersigned, in our respective capacities as Chief Executive Officer & Managing Director and Chief Financial Officer of ACC Limited ('the Company') to the best of our knowledge and belief certify that:

- a. We have reviewed the financial statements and the cash flow statement for the financial year ended December 31, 2013 and based on our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We hereby declare that all the Members of the Board of Directors and Managing Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d. We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- e. We have indicated, based on our most recent evaluation, wherever applicable, to the auditors and the Audit Committee:
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For ACC Limited

For ACC Limited

Kuldip Kaura
Chief Executive Officer & Managing Director

Sunil Nayak
Chief Financial Officer

Mumbai
February 6, 2014

S R Batliboi & Co. LLP
Chartered Accountants

The Ruby, 14th Floor,
29, Senapati Bapat Marg,
Dadar (West),
Mumbai – 400 028.

Tel. No. +91 22 6192 0000
Fax No. +91 22 6192 1000

AUDITORS' CERTIFICATE

TO THE MEMBERS OF ACC LIMITED

We have examined the compliance of conditions of Corporate Governance by ACC Limited, for the year ended on December 31, 2013, 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.

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 & Co. LLP
Chartered Accountants
ICAI Firm Registration No. : 301003E

per Ravi Bansal
Partner
Membership No.: 49365

Mumbai
February 6, 2014

Business Responsibility Report

Section A: General Information about the Company

1. Corporate Identity Number (CIN) : L26940MH1936PLC002515
2. Name of the Company : ACC Limited
3. Registered Address : Cement House
121, Maharshi Karve Road
Mumbai 400 020
4. Website : www.acclimited.com
5. Email id : brr.info@acclimited.com
6. Financial Year reported : January 1, 2013 to December 31, 2013
7. Sector(s) that the Company is engaged in (industrial activity code wise) : Cement.

Group	Class	Sub class	Description
269	2694	26942	Manufacture of Portland Cement

8. List three key product/services that the Company manufactures/provides (as in balance sheet):
The Company manufactures cement of various kinds viz. Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and Ready Mixed Concrete (RMX)
9. Total number of locations where business activity is undertaken by the Company:
 - (i) Number of International locations : Nil.
 - (ii) Number of National locations : 17 cement plants, 47 Ready Mixed Concrete Plants and 26 offices including registered office, regional offices and sales offices.
10. Markets served by the Company : Pan India across all markets in India.
Local / State / National / International

Section B: Financial Details of the Company

1. Paid up capital (INR) : ₹ 187.95 Crore
2. Total turnover (INR) : ₹ 10908.41 Crore
3. Total profit after taxes (INR) : ₹ 1095.76 Crore

4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

The Company's total spending on CSR is 1.94% of the average profit after taxes in the previous three financial years.

5. List of activities in which expenditure in 4 above has been incurred:

- A. Education
- B. Health and Sanitation
- C. Sustainable Livelihood
- D. Empowerment and Gender Equality
- E. Community Environment
- F. Community Infrastructure
- G. Other Development Areas.

Section C: Other Details**1. Does the Company have any Subsidiary Company / Companies?**

Yes, the Company has five subsidiaries viz.:

- A. ACC Mineral Resources Limited
- B. Bulk Cement Corporation (India) Limited
- C. Lucky Minmat Limited
- D. National Limestone Company Private Limited
- E. Singhania Minerals Private Limited

2. Do the Subsidiary Company / Companies participate in the BR initiatives of the parent company. If yes, then indicate the number of such subsidiary company(s)?

Yes, Business Responsibility initiatives of the parent company are applicable to the subsidiary companies.

3. Do any other entity / entities (e.g. suppliers, distributors etc) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%].

From time to time the Company invites its trade channel partners (dealers, C&F agents, transporters etc.) to participate with the Company in various BR initiatives of the Company, such as education, health, drinking water, disaster relief etc. The percentage is likely to be less than 30%.

Section D: BR Information

1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the BR policy / policies:

- **DIN Number** : 00006293
- **Name** : Mr Kuldip Kaura
- **Designation** : Chief Executive Officer & Managing Director

b) Details of the BR head:

Sr No	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Mr Burjor D Nariman
3	Designation	Company Secretary & Head Compliance
4	Telephone Number	(022) 3302 4321 / 3302 4329
5	Email Id	brr.info@acclimited.com

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y/N):

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

- P1** – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2** – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3** – Businesses should promote the well being of all employees.
- P4** – Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5** – Businesses should respect and promote human rights.
- P6** – Businesses should respect, protect and make efforts to restore the environment.
- P7** – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8** – Businesses should support inclusive growth and equitable development.
- P9** – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr No	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for...	Y	Y The policy is embedded in the Company's quality and environment policies which inter alia, relate to safe and sustainable products	Y	Y	Y The policy is embedded in the Company's Code of Business Conduct and Ethics, HR policies and various other HR practices	Y	N	Y	N
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	--	Y	Y	--	Y	--	Y	--
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y Bureau of Indian Standards (BIS)	Y	N	--	Y	--	N	--
4	Has the policy been approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Y	--	N	Y	--	N	--	Y	--
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y At Managing Committee Meetings	Y	Y	--	Y	--	Y	--
6	Indicate the link for the policy to be viewed online?	*	--	--	#	--	--	--	#	--
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	--	Y (to internal stake - holders)	Y	--	Y	--	Y	--
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	--	Y	--	Y	--
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y The Company has a redressal mechanism to address product related complaints i.e. Customer Complaint Portal	Y	N	--	N	--	N	--
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	N	--	N	N	--	Y	--	N	--

* <http://www.acclimited.com/newsite/finance.asp?tag=cbc>

http://www.acclimited.com/newsite/corp_soc_resp.asp

2a. If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	--	--	--	--	--	--	--	--	--
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles	--	--	--	--	--	--	--	--	--
3	The Company does not have financial or manpower resources available for the task	--	--	--	--	--	--	--	--	--
4	It is planned to be done within next six months	--	--	--	--	--	--	--	--	--
5	It is planned to be done within next one year	--	--	--	--	--	--	--	--	--
6	Any other reason (please specify)	--	--	--	--	--	--	The Company has a track record of pioneering achievements, long experience and leadership position which has benefitted the cement industry at large in initiating dialogue with Government. However, no need for a formal policy has been felt.	--	The Company has a systematic process of assessing customer needs, fulfilling them with innovative products and services. It also has a customer complaint redressal system.

3. Governance related to BR:

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

Twice a year

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Yes, the Company publishes printed versions of its Sustainability Report in a two year cycle. An electronic version of the report is uploaded on the Company's website in the intervening year to serve as a web update. The Business Responsibility Report is published as a separate section in the Annual Report. This report constitutes the Company's second Business Responsibility Report. The hyperlink for viewing the Sustainability Report of the Company is <http://www.acclimited.com/newsite/sdevelopment.asp>

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No.**
Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

No, the Company considers Corporate Governance as an integral part of good management. The Company has a Code of Business Conduct and Ethics (along with an Anti-Bribery and Corruption Directive) and a Fraud Risk Management Policy that are approved by the Board of Directors and signed by the Company Secretary. These are applicable to all Board Members and employees of the Company and its subsidiaries. Quarterly / annual affirmation is taken from the Directors of the Company and designated persons covered by the Code. The Anti-Bribery And Corruption Directive and the Fraud Risk Management Policy also extends to the Company's business partners viz. vendors / service providers / customers. The Code is available on the Company's website at this web address: <http://www.acclimited.com/newsite/finance.asp?tag=cbc>

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The Company received 83 complaints under the Fraud Risk Management response mechanism, out of which 65 were resolved and the balance 18 complaints are under various stages of investigation and completion.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

Blended cements namely Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC). The Company offers waste management solutions whereby it uses industrial / municipal hazardous and non-hazardous waste as alternative fuel. The Company also uses biomass in its manufacturing process.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):**

- i. **Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain**

Consumption per unit of production	Current Year (Jan - Dec 2013)	Previous Year (Jan - Dec 2012)
Electrical Energy (kWh / Ton of Cement)	85.00	88.13
Thermal Energy (K Cal / kg of Clinker)	732.30	736.00
CO ₂ Emissions (kg CO ₂ / Ton of Cement)	538.00	539.12

- ii. **Reduction during usage by consumers (energy, water) achieved since the previous year?**

The Company's products do not have any broad-based impact on energy. However, as the cement manufacturing process is highly energy intensive, the Company takes several measures to reduce thermal and electrical consumption.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, all of the Company's plants are situated close to limestone mines and thus help minimize transportation. The Company employs sustainable mining practices. Most bulk materials are transported inward by rail. Blended Cements are manufactured using flyash / slag which are by-products of other industries which are not environment friendly and need to be disposed off in a careful manner.

In the manufacture of clinker, the Company utilizes a small quantity of Alternative Fuel and Raw Materials (AFR) which helps conserve natural resources. The Company encourages procurement through vendors who adopt sustainable practices.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

The Company has a policy of giving preference to procuring goods and services like horticulture, housekeeping etc. from nearby suitable sources of supply.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Cement manufacturing process does not directly discharge any significant effluent or waste.

The used cement bags get recycled and reused. About 87% of cement manufactured by the Company comprises blended cement which is produced using slag and flyash which are wastes from other industrial processes.

Recognizing the urgent need to address global problems of increasing paucity of fossil fuels and rampant practices of unsustainable waste disposal, the Company has pioneered the use of industrial, municipal and agricultural wastes as Alternative Fuels and Raw Materials (AFR) in India.

Principle 3: Businesses should promote the well-being of all employees

1. Please indicate the total number of employees:

Sr No	Category of Employees	No of Employees
1	Management Staff	4896
2	Shop Floor Associates	4692
	Total	9588

2. Please indicate the total number of employees hired on temporary / contractual / casual basis:

Sr No	Category of Employees	No of Employees
1	Retainers / Advisors	72
2	Sub-Contracted Employees	3512
3	Casual Employees	70
	Total	3654

3. Please indicate the number of permanent women employees:

Number of permanent women employees : 393.

4. Please indicate the number of permanent employees with disabilities:

Number of permanent employees with disabilities : 24.

5. Do you have an employee association that is recognized by Management?

Yes, there are recognized trade unions affiliated to various trade union bodies. Company's Shop Floor Associates are members of their respective unions.

6. What percentage of your permanent employees are members of this recognized employee association?

Approximately 53% of permanent employees are members of recognized employee associations.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

Sr No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your undermentioned employees were given safety and skill up-gradation training in the last year?

A.	Permanent Employees	:	52%
B.	Permanent Women Employees	:	38%
C.	Casual / Temporary / Contractual Employees	:	100%
D.	Employees with Disabilities	:	17%

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**1. Has the Company mapped its internal and external stakeholders? Yes / No.**

Yes, the Company has mapped its stakeholders as a part of its stakeholder engagement strategy development process.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders with the help of socio-demographic data of the community through baseline surveys.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The Company continues to run two Anti-Retroviral Therapy (ART) centers to support people affected by HIV / AIDS through medical treatment and counselling. The Company has also supported patients by organizing them in Self Help Groups (SHGs) and through life skills development programmes.

The Company has enhanced access to healthcare for the community through health camps and mobile health clinics. The Company also jointly works with the local district administration for promoting national campaigns on DOTS for TB, Malaria prevention and immunization.

The Company's pilot initiative for promoting solar energy security in remote tribal areas and education support to dropout girl children are some of the other special initiatives undertaken to engage with the vulnerable and marginalized stakeholders.

Principle 5: Businesses should respect and promote human rights**1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The Company does not have a stated Human Rights Policy. However, most of the aspects are covered in the Company's Code of Business Conduct and Ethics as well as in various human resource practices.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

NIL

Principle 6: Businesses should respect, protect and make efforts to restore the environment**1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The extent of ACC's Corporate Environment Policy extends to cover the Company and its subsidiaries.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Yes / No. If yes, please give hyperlink for webpage etc.

Yes, the Company is committed to reduce Greenhouse Gases (GHGs) emissions and has a clear roadmap to achieve the same. The hyperlink for the same is: <http://www.acclimited.com/newsite/sdevelopment.asp>

3. Does the Company identify and assess potential environmental risks? Yes / No.

Yes, the Company has a mechanism to identify and assess potential environmental risks in its plants and projects.

- 4. Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

Yes, the Company has three registered projects under Clean Development Mechanism (CDM) and Environmental Compliance Report (Validation & Verification Reports) has been filed and Certified Emission Reductions (CERs) were issued.

- 5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc? Yes / No. If yes, please give hyperlink to web page etc.**

Yes, the Company has taken up several initiatives on clean technology, energy efficiency and renewable energy. Details of these are available at <http://www.acclimited.com/newsite/sdevelopment.asp>

- 6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

Yes, the emissions / waste generated by the Company are within the permissible limits given by Central and State Pollution Control Boards.

- 7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.**

NIL.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

- 1. Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.**

The Company is a Member of:

- A. Confederation of Indian Industry (CII)
- B. Federation of Indian Chambers of Commerce and Industry (FICCI)
- C. Bombay Chamber of Commerce & Industry (BCCI)
- D. Federation of Indian Mineral Industries (FIMI)

- 2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No. If yes, specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).**

Yes, following are the broad areas:

- A. Sustainable Mining Practices
- B. Waste Management
- C. Energy Conservation
- D. Promotion of Concrete Roads

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Yes, the Company has specific programmes / initiatives / projects in pursuance of its CSR policy.

The Company engages host communities through Community Advisory Panels (CAPs) at all plant locations for planning of CSR activities, process monitoring and evaluation. The CSR project participants include the disadvantaged, vulnerable and marginalized sections of the society.

The Company carried out CSR projects in pursuance of inclusive development, primarily focusing in areas listed in Section B item 5.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / Government structures / any other organization?

The Company's CSR projects are implemented through internal team as well as in partnership with Non-Governmental Organizations (NGOs) and Government Institutions.

3. Have you done any impact assessment of your initiative?

Yes, the Company has conducted impact assessments of its CSR initiatives.

4. What is the Company's direct contribution to community development projects – Amount in INR and details of the projects undertaken?

The Company has spent an amount of ₹ 22.76 Crore in development projects in 2013 as under:

Sr No	Focus Areas	Expenditure ₹ crore
1	Literacy and Education for Community	4.18
2	Livelihood, Employability and Income Generation	5.55
3	Health and Sanitation Programmes	5.94
4	Empowerment and Gender Equality	2.02
5	Community Environment Projects	0.87
6	Building Community Infrastructure	3.10
7	Other Development Areas	1.10
	Total	22.76

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words.

Yes, the Company follows participatory approach in the selection of CSR initiatives. A Community Advisory Panel (CAP), comprising representatives and opinion leaders of the community is functional at plant locations, which facilitate inclusive project planning, information sharing and participatory implementation. Stakeholder Engagement Survey (SES) is conducted at regular intervals to identify needs of the community, required modifications in ongoing initiative implementation and assess project outcomes. This helps in foster ownership amongst local communities.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year 2013?

A total of 287 complaints were received from customers (end-consumers) in 2013, out of which 3 (amounting to <1%) were pending as of December 31, 2013, while the rest were satisfactorily resolved.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

Yes, in respect of special products like 'ACC F2R (Foundation to Roof) Cement' etc., apart from the statutory information, the key product benefits are also highlighted on the packing of the cement bag.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as of end of financial year? If so, provide details thereof, in about 50 words or so.

The Builders Association of India (BAI) had in July 2010 filed a complaint before the Competition Commission of India (CCI) alleging anti-competitive practices on the part of major cement manufacturers including ACC, which was investigated. The CCI has thereafter passed an Order against the cement manufacturers and a penalty of ₹ 1147.59 crore was levied on the Company.

This Order has been challenged by the cement manufacturers including your Company before the Competition Appellate Tribunal (COMPAT) and as on date the matter is subjudice.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

Yes. Customer Satisfaction Survey, is carried out by the Company every year.

Financial Analysis of ACC Limited (Standalone)

The following table set forth the breakup of the Company's expenses as part of the Revenue from operations (Net)

Figures in ₹ Crore

	2013	% of Revenue from operations	2012	% of Revenue from operations
Revenue from operations (net)	11,168.94	100%	11,357.96	100%
Other income	223.79	2%	264.82	2%
Cost of material consumed	1,621.48	15%	1,551.47	14%
Purchase of stock-in-trade	232.86	2%	158.75	1%
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	6.53	0.06%	20.02	0.18%
Employee benefits expense	661.68	6%	616.65	5%
Power and fuel	2,382.34	21%	2,382.26	21%
Freight and Forwarding expense	2,316.11	21%	2,221.17	20%
Finance costs	51.67	0.46%	114.65	1%
Depreciation and amortization expense	573.95	5%	558.88	5%
Other expenses	2,319.15	21%	2,212.06	19%
Profit before exceptional item and tax	1,226.96	11%	1,786.87	16%

1. Revenue from operations (net):

Figures in ₹ Crore

	2013	2012	Change	Change%
Cement and Clinker	10,252.50	10,513.38	(260.88)	-2%
Ready Mix Concrete	639.63	605.80	33.83	6%
Sale of services	16.28	11.27	5.01	44%
Other operating revenue	260.53	227.51	33.02	15%
TOTAL	11,168.94	11,357.96	(189.02)	-2%

Revenue from operations has slightly decreased due to following:-

- Net sale of cement and clinker has decreased by 2% primarily on account of decrease in sales volume and sales realization. The Company achieved a sales volume of 23.93 million tonnes of cement during the year as compared to 24.11 million tonnes in previous year. The economic environment in the country was sluggish, thus impacting demand for cement. As a result the company's cement volume remained almost flat.
- Other operating revenue has increased due to accrual of incentive receivables under governments incentive schemes.

2. Other Income:

Figures in ₹ Crore

	2013	2012	Change	Change%
Other Income	223.79	264.82	(41.03)	-15.49%

Interest on bank deposits and Gain on sale of current investments have gone down on account of decrease in Cash and cash equivalents by ₹ 516 Crore as compared to previous year.

3. Cost of material Consumed:

Figures in ₹ Crore

	2013	2012	Change	Change%
Cost of material consumed	1,621.48	1,551.47	70.01	4.51%

Due to sluggish market, production of cement remained almost flat at 23.86 million tonnes. Cost of material consumed has increased due to escalations in input cost of Slag by 19% and Fly ash by 11%. Cost of Iron Ore, Bauxite and Laterite have also gone up.

4. Purchase of Traded goods

Figures in ₹ Crore

	2013	2012	Change	Change%
Cement	140.36	92.20	48.16	52%
Ready mix concrete	92.50	66.55	25.95	39%
TOTAL	232.86	158.75	74.11	47%

Purchase of trading cement has increased due to increase in purchase quantity from 0.20 to 0.30 million tonnes.

5. Power and Fuel:

Figures in ₹ Crore

	2013	2012	Change	Change%
Power and Fuel	2,382.34	2,382.26	0.08	0.003%

- Overall power and fuel cost is maintained at previous year level with the improvement in efficiency and better fuel mix. The Company maximized the use of pet coke and alternative fuel. Overall pet coke consumption in current year has increased. This has helped in lowering the use of imported coal.
- State Electricity Board hike the Power tariff by 9%.
- Clinker production during the current year is at 15.52 million tonnes as compared to 15.45 million tonnes in previous year.
- Power consumption is 85 kwh/t as compared to 88.13 kwh/t in the previous year.

6. Employee benefits expense:

Figures in ₹ Crore

	2013	2012	Change	Change%
Employee benefits expense	661.68	616.65	45.03	7.30%

Employee benefits expenses increased due to increments in salary and wages which is partly offset by decrease in retirement benefits provision due to increase in discounting rate from 8.15% to 8.85%.

7. Freight and Forwarding expense :

Figures in ₹ Crore

	2013	2012	Change	Change%
Freight and Forwarding expense	2,316.11	2,221.17	94.94	4.27%

- Freight and Forwarding expense has increased mainly on account of sharp hike in diesel prices during the year and hike in base freight rate and surcharge by railways.
- To mitigate the impact of increase, the Company is continuously focusing on improvements in logistics process through cost leadership programme.

8. Other Expenses:

Figures in ₹ Crore

	2013	2012	Change	Change%
Consumption of packing materials	434.15	381.53	52.62	13.79%
Repairs	160.00	162.27	(2.27)	-1.40%
Royalties	118.28	130.85	(12.57)	-9.61%
Discount on sales	81.73	83.16	(1.43)	-1.72%
Rates and Taxes	113.19	115.66	(2.47)	-2.14%
Advertisement	116.07	102.58	13.49	13.15%
Excise Duties	6.47	88.47	(82.00)	-92.68%
Rent	30.51	31.59	(1.08)	-3.42%
Insurance	25.29	24.67	0.62	2.51%
Consumption of Stores and spares	381.29	386.50	(5.21)	-1.35%
Technology and Know-how fees	107.66	-	107.66	100%
Miscellaneous Expenses	744.51	704.78	39.73	5.64%
TOTAL	2,319.15	2,212.06	(107.09)	4.84%

Other expense has increased on account of following:-

- Consumption of packing material cost has increase mainly due to increase in average price of bags by 16%.
- Previous year Royalty charges included ₹ 10 Crore paid against the demand on royalty of limestone related to earlier years.
- Advertisement expense has increased to improve the brand visibility of the Company.
- Excise duty has decreased by ₹ 58 Crore due to exemption of excise duty on captive consumption of clinker from March 2013. Other decrease is on account of change in inventory.
- Technology and Know-how fees represents the amount paid to Holcim Technology Limited.
- Miscellaneous expenses has gone up due to provision for diminution in the value of investment of ₹ 17.86 Crore in Shiva Cement Limited and Impairment of Coal washery of ₹ 11.93 Crore.

9. Depreciation and Amortization expense:

Figures in ₹ Crore

	2013	2012	Change	Change%
Depreciation and Amortization expense	573.95	558.88	15.07	2.70%

Depreciation expense has marginally increased as compared to previous year.

10. Finance costs:

Figures in ₹ Crore

	2013	2012	Change	Change%
Finance costs	51.67	114.65	(62.98)	-54.93%

Finance costs comprise interest on debenture, interest on income tax and other interest. Finance cost has decreased due to following:

- During the year, the Company has bought back and redeemed debentures of ₹ 125 Crore. Interest on debentures has decreased by ₹ 39 Crore as compared to previous year.
- Interest on income tax has decreased by ₹ 36 Crore due to write back of provision for interest on income tax related to earlier years.
- During the year, the Company has provided ₹ 6.35 Crore related to Interest on delayed payment of Royalty on limestone.

11. Fixed Assets:

Figures in ₹ Crore

	2013	2012	Change	Change%
Tangible assets	5,503.13	5,862.85	(359.72)	-6.14%
Intangible assets	0.83	1.02	(0.19)	-18.63%
Capital Work in progress	819.61	311.30	508.31	163.29%

- No major capitalisation has taken place in the current year. Reduction in the net block of tangible assets is mainly on account of depreciation charge for the current year.
- Capital work-in-progress has gone up mainly on account of capital expenditure incurred on Jamul project and Waste Heat Recovery System at Gagaj.

12. Investments:

Figures in ₹ Crore

	2013	2012	Change	Change%
Non-current investments	176.81	194.67	(17.86)	-9%
Current investments	2,017.21	2,358.88	(341.67)	-14%
TOTAL	2,194.02	2,553.55	(359.53)	-14%

- Non-current investments have decreased due to provision for diminution in the value of investment in Shiva Cement Limited of ₹ 17.86 Crore.
- Current investment has decreased due to decrease in surplus cash.

13. Loans and Advances

Figures in ₹ Crore

	2013	2012	Change	Change%
Long-term loans and advances	866.83	564.20	302.63	54%
Short-term loans and advances	359.39	323.29	36.10	11%
TOTAL	1,226.22	887.49	338.73	38%

- Long-term loans and advances has increased mainly due to increase in capital advances for Jamul project.
- Short term loans and advance has increased due to advance given to wholly owned subsidiary, ACC Mineral Resources Limited for ₹ 24 Crore.

14. Inventories :

Figures in ₹ Crore

	2013	2012	Change	Change%
Inventories	1,121.47	1,133.55	(12.08)	-1%

Inventory has decreased marginally by 1% in comparison to previous year.

15. Trade receivables:

Figures in ₹ Crore

	2013	2012	Change	Change%
Trade receivables	397.22	303.45	93.77	31%

Trade receivable has increased on account of following:-

- Increase in Trade receivables is mainly on account of increase in non-trade debtors by ₹ 79.02 Crore and trade debtors ₹ 14.75 Crore.
- The average collection days outstanding for cement sales as on December 31, 2013 is 5.7 as compared to 4.3 as on December 31, 2012.

16. Other assets

Figures in ₹ Crore

	2013	2012	Change	Change%
Other non-current assets	308.24	165.84	142.40	86%
Other current assets	19.47	28.80	(9.33)	-32%
TOTAL	327.71	194.64	133.07	68%

- Other non-current assets have gone up due to accrual of incentive receivables under government incentives schemes.
- Other current assets have gone down due to decrease in interest accrued on investments.

17. Long-term borrowings

Figures in ₹ Crore

	2013	2012	Change	Change%
Secured borrowings	-	82.00	(82.00)	-100%.
Unsecured borrowings	-	3.03	(3.03)	-100%.
TOTAL	-	85.03	(85.03)	-100%.

- During the current year the Company has bought back non-convertible debentures of ₹ 50 Crore and current maturities of debentures of ₹ 32 Crore is shown under other current liabilities.
- Current maturities of Unsecured borrowings of ₹ 3.03 Crore is shown under other current liabilities.

18. Other Liabilities

Figures in ₹ Crore

	2013	2012	Change	Change%
Other Long-term liabilities	406.75	381.09	25.66	7%
Other current liabilities	1,545.69	1,515.81	29.88	2%
TOTAL	1,952.44	1,896.90	55.54	3%

- Other Long-term liabilities have increased due to increase in deposit from dealers and others.
- Other current liabilities have marginally increased as compared to the previous year. Liability for capital expenditure, statutory dues and other payables has increased.

19. Provisions

Figures in ₹ Crore

	2013	2012	Change	Change%
Long-term provisions	89.09	92.36	(3.27)	-4%
Short-term provisions	1,080.75	1,291.73	(210.98)	-16%
TOTAL	1,169.84	1,384.09	(214.25)	-15%

- Long-term provisions have gone down due to decrease in provision for employee benefits. The decrease is on account of change in actuarial assumption factors.
- Short-term provisions has decreased due to write back of provision for income tax by ₹ 222.20 Crore related to earlier assessment years.

20. Trade Payables

Figures in ₹ Crore

	2013	2012	Change	Change%
Trade payables	639.20	660.49	(21.29)	-3.22%

Trade payables have decreased marginally as compared to previous year.

21. Cash Flow

Figures in ₹ Crore

	2013	2012	Change	Change%
Net cash flow from operating activities	1,077.00	1,577.00	(500.00)	-31.71%

The net cash from operating activities is decreased as compared to the previous year due to following:

- As a result of lower operating profit during the current year, the operating profit before working capital changes has decreased by ₹ 535 Crore.
- Decrease in working capital by ₹ 188 Crore, as compared to increase by ₹ 446 Crore in the previous year
- Cash outflow from income tax paid is ₹ 429 Crore, as compared to ₹ 206 Crore in the previous year. In the previous year, the Company had received the income tax refund of ₹ 212 Crore.

Figures in ₹ Crore

	2013	2012	Change	Change%
Net cash flow from investing activities	852.11	310.65	541.46	174.30%

During the current year, fund used in investing activities has increased due to following:

- Increase in outflow for purchase of fixed assets mainly on account of Capital advances for Jamul project.
- Investment in bank deposits of ₹ 119 Crore (Earmarked for specific purpose)

Figures in ₹ Crore

	2013	2012	Change	Change%
Net cash flow from financing activities	860.88	1,066.02	(205.14)	-19.24%

The net cash used in financing activities is decreased due to following:

- During the current year the company has bought back and redeemed non-convertible debentures of ₹ 125 Crore as compared to ₹ 343 Crore in the pervious year.

Independent Auditor's Report

To the Members of ACC Limited

Report on the Financial Statements

We have audited the accompanying financial statements of ACC Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") 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, 2013;

- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 37 (A) (e) of the financial Statements, relating to the order of the Competition Commission of India (CCI), concerning alleged contravention of the provisions of the Competition Act, 2002 and imposing a penalty of ₹ 1,147.59 Crore on the Company. The Company is advised by external legal Counsel that it has a good case for the Competition Appellate Tribunal setting aside the order passed by CCI, and accordingly no provision has been considered necessary by the Company in this regard. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, 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 purpose 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 those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on December 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Ravi Bansal

Partner

Membership Number: 49365

Place: Mumbai

Date: 6 February, 2014

Annexure to the Auditor's Report

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" 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 disposal of a substantial part 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) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, 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, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to the information and explanations given to us, 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, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (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 the 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 in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, and having regard to the explanation that certain services availed are of a specialized nature for which comparable quotations are not available, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices that are reasonable having regard to the prevailing market prices at the relevant time.
- (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 of the Company 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 related to the manufacture of Cement, 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 have generally been regularly deposited during the year with appropriate authorities except ₹ 0.52 Crore at a particular location where we are informed that the Company has applied for exemption from the operation of the Employees' State Insurance Act, 1948.
- (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 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				
		Commissionerate	Appellate authorities & Tribunal	High Court	Supreme Court	Total Amount
Sales Tax (Tax / Penalty / Interest)	1984-85 to 2013-14	39.11	66.67	76.54	6.15	188.47
Central Excise Act (Duty / Penalty / Interest)	1994-95 to 2013-14	7.27	17.86	0.75	2.34	28.22
Service Tax under Finance Act, 1994 (Tax / Penalty / Interest)	2005-06 to 2013-14	-	13.83	-	-	13.83
Cess Matters	2003-04 to 2013-14	7.08	-	5.71	19.36	32.15
Total		53.46	98.36	83.00	27.85	262.67

- (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 debenture holders. The Company did not have any outstanding dues in respect of financial institution or bank during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted 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 said 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 said Order 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 banks or financial institutions.
- (xvi) Based on information and explanations given to us by the management, terms loans were applied for the purpose for which 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 and hence not commented.
- (xxi) To the best of our knowledge, and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company, has been noticed or reported during the year.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E

per Ravi Bansal
Partner
Membership Number: 49365

Place: Mumbai
Date: 6 February, 2014

Balance Sheet as at December 31, 2013

Particulars	Note No.	2013 ₹ Crore	2012 ₹ Crore
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	187.95	187.95
Reserves and surplus	4	7,636.89	7,194.85
		7,824.84	7,382.80
Non-current liabilities			
Long-term borrowings	5	-	85.03
Deferred tax liabilities (Net)	6	507.27	516.92
Other Long-term liabilities	7	406.75	381.09
Long-term provisions	8	89.09	92.36
		1,003.11	1,075.40
Current liabilities			
Trade payables	9	639.20	660.49
Other current liabilities	10	1,545.69	1,515.81
Short-term provisions	11	1,080.75	1,291.73
		3,265.64	3,468.03
TOTAL		12,093.59	11,926.23
ASSETS			
Non-current assets			
Fixed Assets:			
Tangible assets	12	5,503.13	5,862.85
Intangible assets	12	0.83	1.02
Capital work-in-progress		819.61	311.30
Non-current investments	13	176.81	194.67
Long-term loans and advances	14	866.83	564.20
Other non-current assets	15	308.24	165.84
		7,675.45	7,099.88
Current assets			
Current investments	16	2,017.21	2,358.88
Inventories	17	1,121.47	1,133.55
Trade receivables	18	397.22	303.45
Cash and bank balances	19	503.38	678.38
Short-term loans and advances	20	359.39	323.29
Other current assets	21	19.47	28.80
		4,418.14	4,826.35
TOTAL		12,093.59	11,926.23
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

N.S.SEKHSARIA
Chairman

PAUL HUGENTOBLE
Deputy Chairman

S. M. PALIA
BERNARD FONTANA
M. L. NARULA
SHAILESH V. HARIBHAKTI
AIDAN LYNAM
SUSHIL KUMAR ROONGTA
ASHWIN DANI
FARROKH K. KAVARANA
BERNARD TERVER

Directors

per RAVI BANSAL
Partner
Membership No. 49365

KULDIP KAURA
CEO & Managing Director

SUNIL K. NAYAK
Chief Financial Officer

BURJOR D. NARIMAN
Company Secretary

Mumbai, February 06, 2014

Statement of Profit and Loss for the year ended December 31, 2013

Particulars	Note No.	2013		2012
		₹ Crore	₹ Crore	₹ Crore
Revenue from operations (gross)		12,491.07		12,639.44
Less - Excise duty		1,322.13		1,281.48
Revenue from operations (net)	22	11,168.94		11,357.96
Other Income	23	223.79		264.82
Total Revenue			11,392.73	11,622.78
EXPENSES				
Cost of material consumed	24	1,621.48		1,551.47
Purchase of stock-in-trade	25	232.86		158.75
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	6.53		20.02
Employee benefits expense	27	661.68		616.65
Power and fuel		2,382.34		2,382.26
Freight and Forwarding expense		2,316.11		2,221.17
Finance costs	29	51.67		114.65
Depreciation and amortization expense	12	573.95		558.88
Other expenses	28	2,319.15		2,212.06
Total Expenses			10,165.77	9,835.91
Profit before exceptional item and tax			1,226.96	1,786.87
Exceptional item	40		-	(335.38)
Profit before tax			1,226.96	1,451.49
Tax expenses				
Current tax		(363.05)		(439.16)
Tax adjustments for earlier years		216.74		(25.23)
Deferred tax		15.11		74.09
			(131.20)	(390.30)
Profit for the year			1,095.76	1,061.19
Earnings per equity share	30			
{(Face value of ₹ 10 each (Previous year - ₹ 10 each))}				
Basic		₹	58.36	56.52
Diluted		₹	58.23	56.38
Significant accounting policies	2			

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

N.S.SEKHSARIA
Chairman

PAUL HUGENTOBLE
Deputy Chairman

S. M. PALIA
BERNARD FONTANA
M. L. NARULA
SHAILESH V. HARIBHAKTI
AIDAN LYNAM
SUSHIL KUMAR ROONGTA
ASHWIN DANI
FARROKH K. KAVARANA
BERNARD TERVER

Directors

per RAVI BANSAL
Partner
Membership No. 49365

KULDIP KAURA
CEO & Managing Director

SUNIL K. NAYAK
Chief Financial Officer

BURJOR D. NARIMAN
Company Secretary

Mumbai, February 06, 2014

Cash Flow Statement for the year ended December 31, 2013

Particulars	2013 ₹ Crore	2012 ₹ Crore
A. Cash flow from operating activities		
Net Profit before Taxation	1,226.96	1,451.49
Adjustments for:		
Depreciation and Amortisation	573.95	558.88
Impairment Loss	11.93	-
Exceptional item (Refer Note - 40)	-	335.38
Loss / (Profit) on sale / write off of fixed assets (Net)	3.85	(6.15)
Provision for diminution in the value of Investment	17.86	-
Gain on sale of current investments (Net)	(59.47)	(84.68)
Dividend income	(6.59)	(3.09)
Interest income	(157.73)	(170.90)
Finance costs	51.67	114.65
Provision for doubtful debts and advances (Net)	7.62	(3.48)
Capital Spares Consumed	23.22	36.36
Operating profit before working capital changes	1,693.27	2,228.46
Changes in Working Capital:		
Adjustments for Decrease / (Increase) in operating assets:		
Decrease / (Increase) in Trade receivable	(101.36)	(23.40)
Decrease / (Increase) in Inventories	12.08	(21.77)
Decrease / (Increase) in Short term loans & advances	(11.31)	(41.78)
Decrease / (Increase) in Long term loans & advances	(51.75)	(40.55)
Decrease / (Increase) in Other non current assets	(134.45)	(109.28)
Adjustments for Increase / (Decrease) in operating liabilities:		
Increase / (Decrease) in Trade payables	(21.04)	(168.67)
Increase / (Decrease) in Other current liabilities	77.49	(83.55)
Increase / (Decrease) in Other long term liabilities	25.66	5.56
Increase / (Decrease) in Short term provisions	20.29	17.87
Increase / (Decrease) in Long term provisions	(3.26)	20.03
Cash generated from operations	1,505.62	1,782.92
Income tax paid - (Net of refunds)	(428.62)	(205.92)
Net Cash flow from operating activities	1,077.00	1,577.00
B. Cash flow from investing activities		
Loans to subsidiary companies	(24.79)	(4.92)
Purchase of Fixed assets (Including Capital work-in-progress and capital advances)	(947.77)	(568.40)
Proceeds from sale of Fixed assets	7.29	16.39
Gain on sale of current investments (Net)	59.47	84.68
Purchase of non current investments	-	(0.34)
Purchase of investments in subsidiary company	-	(5.00)
Investment in bank deposits (having original maturity for more than 3 months)	(119.30)	(0.12)
Dividend received	6.59	3.09
Interest received	166.40	163.97
Net cash used in investing activities	(852.11)	(310.65)

Cash Flow Statement for the year ended December 31, 2013 (contd.)

Particulars	2013 ₹ Crore	2012 ₹ Crore
C. Cash flow from financing activities		
Finance costs	(76.93)	(110.19)
Repayment of Short term borrowings	(78.03)	(1.62)
Repayment of Long term borrowings	(50.00)	(346.05)
Dividend paid	(560.20)	(522.88)
Dividend distribution tax paid	(95.72)	(85.28)
Net cash used in financing activities	(860.88)	(1,066.02)
Net increase / (decrease) in cash and cash equivalents	(635.99)	200.33
Cash and cash equivalents at the beginning of the year	3,135.05	2,930.32
Cash and cash equivalents acquired on account of amalgamation	-	4.40
Cash and cash equivalents at the end of the year	2,499.06	3,135.05
Components of cash and cash equivalents:		
Cash on hand	0.12	0.14
Balance with banks -		
On current accounts	55.68	111.03
On deposit account	288.00	530.00
Earmarked for specific purpose (Refer Note (1) below)	38.04	35.00
Cash and cash equivalents (Refer Note 19)	381.84	676.17
Add : Investment in Mutual Funds	1,062.00	1,034.00
Add : Investment in Certificate of Deposits	955.22	1,324.88
Add : Deposit with HDFC Limited	100.00	100.00
Cash and Cash equivalents in cash flow statement	2,499.06	3,135.05

Significant accounting policies (Refer Note - 2)

- Note : 1 These balances are not available for use by the Company as they represent unpaid dividend liabilities.
2 The amalgamation of Encore and ACCCL with Company in the previous year was non-cash transaction and hence, had no impact on the Company's cash flow for the previous year.

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E

N.S.SEKHSARIA

Chairman

PAUL HUGENTOBLE

Deputy Chairman

S. M. PALIA**BERNARD FONTANA****M. L. NARULA****SHAILESH V. HARIBHAKTI****AIDAN LYNAM****SUSHIL KUMAR ROONGTA****ASHWIN DANI****FARROKH K. KAVARANA****BERNARD TERVER**

Directors

per RAVI BANSAL

Partner

Membership No. 49365

KULDIP KAURA

CEO & Managing Director

SUNIL K. NAYAK

Chief Financial Officer

BURJOR D. NARIMAN

Company Secretary

Mumbai, February 06, 2014

Notes to the Financial Statements for the year ended December 31, 2013

1 COMPANY OVERVIEW

ACC Limited (the Company) is a public limited company domiciled and headquartered in India and incorporated under the provision of Companies Act, 1956. Its shares are listed on two stock exchanges in India. The Company is engaged in the manufacturing and selling of Cement and Ready mix concrete. The Company caters mainly to the domestic market.

2 SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

- a) The financial statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.
- b) The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(ii) Use of estimates

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

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

(iii) Tangible Fixed assets

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

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

(iv) Depreciation on tangible fixed assets

- a) Depreciation on fixed assets other than Captive Power Plant related assets consisting of Buildings, Plant and Equipment (CPP assets), is provided using the straight-line method and on CPP assets using the written-down value method at the rates prescribed in schedule XIV to the Companies Act, 1956 or based on the useful lives of the assets as estimated by management, whichever is higher. The depreciation on the following assets is provided at higher rates as compared to schedule XIV rates:

Assets	Useful Life
Transit Mixers	8 Years
Concrete Pumps	6 Years

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

- b) Machinery spares which are capitalised, are depreciated over the useful life of the related fixed asset. The written down value of such spares is charged in the Statement of Profit and Loss, on issue for consumption.
- c) Leasehold land is amortized on a straight-line basis over the period of lease.
- d) Freehold land used for mining is depreciated on the basis of quantity of minerals actually extracted during the year with respect to the estimated total quantity of extractable mineral reserves.

(v) Intangible Assets and Amortisation

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

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

(vi) Impairment of assets

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

(vii) Borrowing Costs

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

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

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

(viii) Investments

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

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

(ix) Inventories

Inventories are valued after providing for obsolescence, as follows:

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

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

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

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

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

(x) Cash and Cash equivalents

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

(xi) Revenue recognition

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

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are disclosed net of sales tax / VAT, trade discounts and returns, as applicable. Excise duties deducted from turnover (gross) are the amounts that are included in the amount of turnover (gross) and not the entire amount of liability that arose during the year.

Income from services

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

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

Interest and Dividend Income

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

(xii) 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.

(xiii) Government Grants and Subsidies

- a) Government Grants and subsidies are recognized when there is reasonable assurance that the conditions attached to them will be complied, and grant/subsidy will be received.
- b) Government grants and subsidies receivable against an expense are deducted from such expense and subsidy/grant receivable against a specific fixed asset is deducted from cost of the relevant fixed asset.
- c) Government grants of the nature of promoters' contribution are credited to Capital Reserve and treated as a part of shareholders' funds.

(xiv) Leases

Where the Company is the lessee

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

Where the Company is the lessor

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

(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.

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

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.

(xvii) Employee benefits

a) Short term employee benefits

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

b) Defined contribution plans

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

c) Defined benefit plans

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

d) Other long term benefits

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

e) Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. These are provided based on past experience of leave availed.

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

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

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

(xviii) Income taxes

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

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

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

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

(xix) Provisions and contingent liabilities

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

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

(xx) 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.

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

(xxi) Mines Restoration Expenditure

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

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

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

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

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

(xxiii) Segment Reporting

Identification of segments

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

Allocation of common costs

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

Unallocated items

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

Segment Policies

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

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

3. SHARE CAPITAL

	2013 ₹ Crore	2012 ₹ Crore
Authorised Shares		
22,50,00,000 (Previous Year - 22,50,00,000) Equity Shares of ₹ 10 each	225.00	225.00
10,00,00,000 (Previous Year - 10,00,00,000) Preference Shares of ₹ 10 each	100.00	100.00
Issued		
18,87,93,243 (Previous Year - 18,87,93,243) Equity Shares of ₹ 10 each	188.79	188.79
Subscribed & Paid-up		
18,77,45,356 (Previous Year - 18,77,45,356) Equity Shares of ₹ 10 each fully paid	187.75	187.75
Add : 3,84,060 (Previous Year - 3,84,060) Equity Shares of ₹ 10 each Forfeited - Amount Paid	0.20	0.20
TOTAL	187.95	187.95

i) Reconciliation of number of equity shares outstanding

	2013		2012	
	No. of shares	₹ Crore	No. of shares	₹ Crore
Equity Shares at the beginning of the year	18,77,45,356	187.75	18,77,45,356	187.75
Equity Shares at the end of the year	18,77,45,356	187.75	18,77,45,356	187.75

ii) Terms / rights attached to equity shares

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

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

	2013 ₹ Crore	2012 ₹ Crore
Holcim (India) Private Limited, the Holding Company		
9,38,88,120 (Previous Year - 9,38,88,120) Equity shares ₹ 10 each fully paid	93.89	93.89
Holderind Investments Ltd., Mauritius, Holding Company of Holcim (India) Private Limited		
5,41,000 (Previous Year - 5,41,000) Equity shares ₹ 10 each fully paid	0.54	0.54

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

iv) The Company has issued total 63,537 (Previous Year - 1,20,938) Equity shares ₹ 10 each fully paid during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan, wherein part consideration was received in form of employee services.

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

	2013		2012	
	No. of shares	% Holding	No. of shares	% Holding
Holcim (India) Private Limited	9,38,88,120	50.01	9,38,88,120	50.01
Life Insurance Corporation of India	1,53,92,891	8.20	1,34,97,566	7.19

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

4. RESERVES AND SURPLUS

	2013		2012
	₹ Crore	₹ Crore	₹ Crore
Capital Reserve			
Balance as per last Financial statements	74.88		74.64
Add: Addition on Amalgamation of ACC Concrete Limited (ACCCL)	-		0.24
Add: Reversal of capital subsidy provision [Refer Note - 37 B (b)]	8.00		-
		82.88	74.88
Securities Premium Account		844.84	844.84
Debenture Redemption Reserve			
Balance as per last Financial statements	39.25		85.00
Less: Transferred to General Reserve	31.25		45.75
		8.00	39.25
General Reserve			
Balance as per last Financial statements	2,374.05		2,169.86
Add: Transferred from Amortisation Reserve	-		8.44
Add: Transferred from Debenture Redemption Reserve	31.25		45.75
Add: Transferred from Surplus in Statement of Profit and Loss	120.00		150.00
		2,525.30	2,374.05
Amortisation Reserve			
Balance as per last Financial statements	-		8.44
Less: Transferred to General Reserve	-		8.44
		-	-
Surplus in Statement of Profit and Loss			
Balance as per last Financial statements	3,861.83		3,821.54
Add: Profit for the year	1,095.76		1,061.19
Less: Adjustment pursuant to amalgamation of ACCCL - Balance in Statement of Profit and Loss as on January 01, 2012 (Refer Note - 34(B))	-		197.96
Less: Adjustment pursuant to amalgamation of Encore - Balance in Statement of Profit and Loss as on January 01, 2011 (Refer Note - 34(A))	-		13.42
Less: Adjustment for excess of the book value of the investment in the equity share capital of Encore over the face value of such share capital (Refer Note - 34(A))	-		6.78
Add: Post merger Profit of Encore for the year 2011 (Refer Note - 34(A))	-		1.87
	4,957.59		4,666.44
Less - Appropriations			
Interim equity dividend (amount per share ₹ 11 (Previous Year - ₹ 11))	206.52		206.52
Proposed final equity dividend (amount per share ₹ 19 (Previous Year - ₹ 19))	356.72		356.72
Tax on equity dividends	95.72		91.37
Previous Year tax on equity dividends	2.76		-
Transfer to General Reserve	120.00		150.00
	781.72		804.61
		4,175.87	3,861.83
TOTAL		7,636.89	7,194.85

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

5. LONG-TERM BORROWINGS

	Long Term		Current Maturity of Long-Term Borrowings*	
	2013 ₹ Crore	2012 ₹ Crore	2013 ₹ Crore	2012 ₹ Crore
Secured				
Privately placed Non-Convertible Debentures				
320 (Previous Year - 820) 8.45% Non-Convertible	-	82.00	32.00	-
Debentures of ₹ 10,00,000 each (Refer Note (i) below)				
Nil (Previous Year - 750) 11.30% Non-Convertible	-	-	-	75.00
Debentures of ₹ 10,00,000 each (Refer Note (ii) below)				
Sub-Total	-	82.00	32.00	75.00
Unsecured				
Deferred payment liability (Refer Note (iii) below)	-	1.62	1.62	1.62
Deferred sales tax loans (Refer Note (iv) below)	-	1.41	1.41	1.41
Sub-Total	-	3.03	3.03	3.03
TOTAL	-	85.03	35.03	78.03

*Amount disclosed under the head "Other Current Liabilities" (Refer Note - 10)

- 8.45% Debentures are redeemable at par at the end of five years from the date of allotment, viz 07 October 2009. These debentures are secured by a charge on all movable and immovable assets under the Debenture Trust Deed. During the year, the Company has bought back 500 debentures (Previous year - 2,180) of ₹ 50 Crore (Previous year - ₹ 218 Crore).
- 11.30% Debentures were redeemable at par at the end of five years from the date of allotment, viz 09, December 2008. These debentures were secured by a charge on all movable and immovable assets under the Debenture Trust Deed. During the year, the Company has bought back 550 debentures (Previous year - 1,250) of ₹ 55 Crore (Previous year - ₹ 125 Crore) and redeemed 200 Debentures (Previous year - ₹ Nil) of ₹ 20 Crore (Previous year - ₹ Nil).
- Deferred Payment Liability is payable to the Industrial Development Corporation of Orissa Limited (IDCOL) in eight equal annual installments of ₹ 1.62 Crore beginning from 2007 without interest or penalty.
- Deferred sales tax loan is interest-free and payable in 12 yearly installments of ₹ 1.41 Crore each beginning from 2003.

6. DEFERRED TAX LIABILITIES (NET)

	2013 ₹ Crore	2012 ₹ Crore
Deferred Tax Liabilities arising on account of :		
Depreciation and amortisation differences	745.55	724.88
	745.55	724.88
Deferred Tax Assets arising on account of :		
Provision for employee benefits	61.85	54.75
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	74.34	59.44
Provision for obsolescence of spare parts	28.07	20.80
Others	74.02	72.97
	238.28	207.96
Net Deferred Tax Liabilities	507.27	516.92

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

7. OTHER LONG-TERM LIABILITIES

	2013 ₹ Crore	2012 ₹ Crore
Deposit from dealers and others	406.75	381.09
TOTAL	406.75	381.09

8. LONG-TERM PROVISIONS

	2013 ₹ Crore	2012 ₹ Crore
Provision for employee benefits (Refer Note - 31)		
Provision for gratuity and staff benefit schemes	69.94	75.36
Other Provisions		
Provision for Mines Restoration	19.15	17.00
TOTAL	89.09	92.36

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

Mines Restoration Expenditure

	2013 ₹ Crore	2012 ₹ Crore
Opening provision	17.00	14.26
Add: Provision during the year	2.61	4.14
Less: Utilisation during the year	(0.46)	(1.40)
Closing provision	19.15	17.00

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.

9. TRADE PAYABLES

	2013 ₹ Crore	2012 ₹ Crore
Due to Micro and Small Enterprises	1.66	1.64
Due to others	637.54	658.85
TOTAL	639.20	660.49

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

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

10. OTHER CURRENT LIABILITIES

	2013 ₹ Crore	2012 ₹ Crore
Current maturities of long-term borrowings (Refer Note - 5)	35.03	78.03
Interest accrued but not due on borrowings	0.64	2.14
Investor Education and Protection Fund :- (Refer Note - (i) below)		
Unpaid dividend	38.04	35.00
Unpaid Matured Deposits	0.02	0.02
Statutory dues	314.33	286.00
Advance from customers	144.85	161.71
Deposits	107.60	107.03
Liability for capital expenditure	70.06	52.51
Other payables (including Rebates to customers, Employees dues, etc.)	835.12	793.37
TOTAL	1,545.69	1,515.81

- i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at December 31, 2013

11. SHORT-TERM PROVISIONS

	2013 ₹ Crore	2012 ₹ Crore
Provision for employee benefits (Refer Note - 31)		
Provision for gratuity and staff benefit schemes	31.21	28.32
Provision for compensated absences	90.44	73.05
Other Provisions		
Provision for Income Tax (Net of advance tax)	541.76	775.77
Proposed Final Dividend	356.72	356.72
Tax on proposed dividend	60.62	57.87
TOTAL	1,080.75	1,291.73

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

12. FIXED ASSETS

₹ Crore

Particulars	GROSS BLOCK AT COST			DEPRECIATION / AMORTISATION / IMPAIRMENT					NET BLOCK	
	As at 01-01-2013	Additions/ Adjustments	Deductions/ Adjustments	As at 31-12-2013	As at 01-01-2013	For the Year	Impairment loss	Deductions/ Adjustments	As at 31-12-2013	As at 31-12-2012
Tangible Assets :										
Freehold Land	282.19	7.16	27.86	261.49	1.55	0.24	-	-	1.79	259.70
Leasehold Land	64.80	0.04	0.99	63.85	37.44	1.51	-	0.99	37.96	25.89
Buildings	1,209.35	36.28	4.69	1,240.94	324.57	44.61	2.15	2.71	368.62	872.32
Plant and Equipment	8,245.04	217.69	68.47	8,394.26	3,803.25	498.90	9.69	37.70	4,274.14	4,120.12
Railway Sidings	158.10	2.20	-	160.30	42.29	7.07	-	-	49.36	110.94
Furniture & Fixtures	38.83	2.79	0.35	41.27	14.36	4.37	-	0.26	18.47	22.80
Vehicles	47.01	10.71	1.53	56.19	23.25	4.75	-	1.29	26.71	29.48
Office equipment	113.64	10.40	2.78	121.26	49.40	12.07	0.09	2.18	59.38	61.88
TOTAL	10,158.96	287.27	106.67	10,339.56	4,296.11	573.52	11.93	45.13	4,836.43	5,503.13
Intangible Assets:										
Computer Software	59.82	0.24	0.07	59.99	58.80	0.43	-	0.07	59.16	0.83
TOTAL	59.82	0.24	0.07	59.99	58.80	0.43	-	0.07	59.16	0.83

Notes:-

- Buildings include cost of Shares ₹ 4,960 (Previous Year - ₹ 5,460) in various Co-operative Housing Societies, in respect of 26 residential flats (Previous Year - 27).
- Buildings include Gross block of ₹ 23.86 Crore (Previous year - ₹ 23.86 Crore) and Net block of ₹ 19.99 Crore (Previous Year - ₹ 22.05 Crore) in respect of which the transfer of title deeds to the name of the Company is under process.
- Plant and Equipment includes assets given on lease to Railways under "Own Your Wagons" Scheme of ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore) and accumulated depreciation ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore).
- Plant and Equipment and Buildings include Gross Block of ₹ 12.68 Crore (Previous Year - ₹ 12.68 Crore), ₹ 25.87 Crore (Previous Year - ₹ 26.23 Crore), and Net Block ₹ Nil (Previous Year - ₹ Nil), ₹ Nil (Previous Year - ₹ 0.12 Crore), respectively, in respect of expenditure incurred on capital assets, ownership of which does not vest in the Company.

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

12. FIXED ASSETS (contd.)

₹ Crore

Particulars	GROSS BLOCK AT COST				DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 01-01-2012	Additions on amalgamation	Additions/ Adjustments	Deductions/ Adjustments	As at 31-12-2012	As at 01-01-2012	Additions on amalgamation	For the Year*	Deductions/ Adjustments	As at 31-12-2012	As at 31-12-2011
Tangible Assets :											
Freehold Land	248.67	-	33.52	-	282.19	-	-	1.55	-	280.64	248.67
Leasehold Land	58.70	3.00	3.10	-	64.80	34.81	0.22	2.41	-	27.36	23.89
Buildings	1,108.83	56.72	50.47	6.67	1,209.35	228.28	26.68	76.12	6.51	324.57	884.78
Plant and Equipment	7,859.81	112.13	366.96	93.86	8,245.04	3,023.43	40.54	787.82	48.54	3,803.25	4,441.79
Railway Sidings	153.73	-	5.19	0.82	158.10	35.57	-	7.02	0.30	42.29	115.81
Furniture & Fixtures	35.35	1.65	2.36	0.53	38.83	11.99	0.35	2.40	0.38	14.36	24.47
Vehicles	33.37	10.75	4.01	1.12	47.01	14.19	5.65	4.32	0.91	23.25	23.76
Office equipment	90.87	10.95	14.05	2.23	113.64	34.80	5.33	10.97	1.70	49.40	64.24
TOTAL	9,589.33	195.20	479.66	105.23	10,158.96	3,383.07	78.77	892.61	58.34	4,296.11	5,862.85
Intangible Assets:											
Computer Software	56.04	2.89	0.89	-	59.82	54.77	2.38	1.65	-	58.80	1.02
TOTAL	56.04	2.89	0.89	-	59.82	54.77	2.38	1.65	-	58.80	1.02

* Depreciation for the year includes an additional depreciation charge of ₹ 335.38 Crore relating to period upto December 31, 2011 due to change in Accounting policy which is disclosed as an exceptional item (Refer Note - 40).

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

13. NON-CURRENT INVESTMENTS

	2013			2012	
	Numbers	₹ Crore		Numbers	₹ Crore
Trade Investments (valued at cost unless stated otherwise)					
(a) Unquoted equity instruments					
Investment in subsidiaries					
Face value ₹ 10 each					
Bulk Cement Corporation (India) Limited	3,18,42,050	37.27		3,18,42,050	37.27
Singhanian Minerals Private Limited	20,000	5.00		20,000	5.00
Face value ₹ 100 each					
Lucky Minmat Limited	3,25,000	38.10		3,25,000	38.10
ACC Mineral Resources Limited	4,95,000	4.95		4,95,000	4.95
National Limestone Company Private Limited	8,650	16.24		8,650	16.24
Investment in Associates					
Face value ₹ 10 each					
Alcon Cement Company Private Limited	4,08,001	22.25		4,08,001	22.25
Asian Concretes and Cements Private Limited	81,00,000	36.81		81,00,000	36.81
Aakaash Manufacturing Company Private Limited	4,401	6.01		4,401	6.01
{Acquired on amalgamation of ACCCL Refer Note 34 (B)}					
Investment in Others					
Face value ₹ 10 each					
Moirā Madhujore Coal Limited	82,019	0.69		82,109	0.69
(b) Quoted equity instruments					
Face value ₹ 2 each					
Shiva Cement Limited	2,36,50,000	5.79		2,36,50,000	23.65
{Net of provision for diminution in the value of investment aggregating to ₹ 17.86 Crore (Previous year - ₹ Nil)} (Refer Note - 39)					
			173.11		190.97

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

13. NON-CURRENT INVESTMENTS (contd.)

	2013		2012	
	Numbers	₹ Crore	Numbers	₹ Crore
Non trade investments (value at cost)				
Investment in equity instruments (unquoted)				
Face value ₹ 10 each				
* Kanoria Sugar & General Mfg. Company Limited	4	-	4	-
* Gujarat Composites Limited	60	-	60	-
* Rohtas Industries Limited	220	-	220	-
* The Jaipur Udyog Limited	120	-	120	-
* Digvijay Finlease Limited	90	-	90	-
* The Travancore Cement Company Limited	100	-	100	-
* Ashoka Cement Limited	50	-	50	-
Face value ₹ 5 each				
* The Sone Valley Portland Cement Company Limited	100	-	100	-
Investment in Bonds (Unquoted)				
Face value ₹ 10,00,000 each				
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70	37	3.70
				3.70
TOTAL		176.81		194.67

Notes:

(I)	Aggregate amount of quoted Investments	5.79	23.65
	{Market value ₹ 5.79 Crore (Previous year - ₹ 9.53 Crore)}		
	Aggregate amount of unquoted Investments	171.02	171.02
(II)	Aggregate provision for diminution in the value of investments	17.86	-
(III)	*Denotes amount less than ₹ 50,000		

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

14. LONG-TERM LOANS AND ADVANCES

	2013 ₹ Crore	2012 ₹ Crore
Unsecured, Considered Good, unless otherwise stated		
Capital advances	389.74	192.37
Security deposits	186.23	167.17
Deposits with Government bodies and others		
Considered good	160.79	128.96
Considered doubtful	4.57	4.33
	165.36	133.29
Less: Allowance for doubtful deposits	4.57	4.33
	160.79	128.96
Advances recoverable in cash or kind	16.87	16.26
Advance tax (Net of provision for tax)	113.20	59.44
TOTAL	866.83	564.20

15. OTHER NON-CURRENT ASSETS

Unsecured, Considered Good, unless otherwise stated

	2013 ₹ Crore	2012 ₹ Crore
Incentives under Government schemes and other receivables		
Considered good	308.24	165.84
Considered doubtful	0.44	8.44
	308.68	174.28
Less: Provision for doubtful receivables	0.44	8.44
TOTAL	308.24	165.84

16. CURRENT INVESTMENTS

	2013			2012	
	Numbers	₹ Crore		Numbers	₹ Crore
Current investments					
(valued at lower of cost and fair value)					
Investment in Certificate of Deposits					
- Fully paid-up (unquoted)					
Unit of Face value ₹ 1,00,000 each					
Allahabad Bank	2,500	24.49		-	-
Andhra Bank	15,000	146.94		-	-
IDBI Bank Limited	10,000	97.97		-	-
Central Bank of India	2,500	24.54		-	-
Corporation Bank	7,500	73.37		-	-
Syndicate Bank	5,000	49.02		-	-
State Bank of Hyderabad	7,500	73.49		-	-
Bank of Baroda	2,500	24.46		-	-
Bank of India	2,500	24.51		-	-
Kotak Mahindra Bank Limited	12,500	122.34		-	-
UCO Bank	5,000	49.18		5,000	49.02

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

16. CURRENT INVESTMENTS (contd.)

	2013			2012	
	Numbers	₹ Crore		Numbers	₹ Crore
Punjab National Bank	10,000	97.96		10,000	98.00
Oriental Bank	2,500	24.48		25,000	245.14
Canara Bank	7,500	73.48		10,000	98.13
State Bank of Patiala	5,000	48.98		25,000	245.24
Axis Bank Limited	-	-		15,000	146.98
ICICI Bank Limited	-	-		25,000	246.42
Indian Bank	-	-		20,000	195.95
			955.21		1,324.88
Investment in Mutual Funds - Fully paid-up (Unquoted)					
Unit of Face value ₹ 10 each					
HDFC HIF Short Term Plan - GR	-	-		5,81,64,246.885	130.00
JP Morgan India Treasury Fund - Super IP - GR	-	-		6,71,21,752.146	100.00
Kotak Floater ST - GR	-	-		6,11,97,245.578	115.00
Reliance Medium Term Fund - GR	-	-		6,39,61,793.489	150.00
Religare Short Term Plan - Plan A - GR	-	-		7,81,15,845.799	120.00
HDFC Liquid Fund - GR	3,90,03,988.470	96.00		-	-
Sundaram Money Fund - GR	95,17,902.904	25.00		-	-
Unit of Face value ₹ 100 each					
ICICI Prudential Liquid Fund - Super IP - GR	48,33,369.584	89.00		44,78,322.562	76.00
Birla Sunlife Cash Plus Fund - GR	39,92,814.649	80.00		-	-
DWS Insta Cash Plus Fund - Super IP - GR	20,33,230.449	33.00		-	-
ICICI Prudential Floating Rate Plan - GR	18,85,684.423	35.00		-	-
Unit of Face value ₹ 1,000 each					
Axis Liquid Fund - IP - GR	8,10,267.730	112.00		4,33,079.711	55.00
DSP Blackrock Liquidity Fund - IP - GR	-	-		1,14,767.993	15.00
SBI Premier Liquid Fund - Super IP - GR*	5,95,684.836	117.00		8,21,515.920	148.00
Templeton India TMA - Super - IP - GR	1,34,368.003	25.00		7,32,722.577	125.00
Kotak Floater ST - Direct plan GR	5,23,688.990	107.00		-	-
Reliance Liquid Fund - GR	3,65,582.219	111.00		-	-
Baroda Pioneer - Liquid Fund - Plan A - GR	1,18,822.597	17.00		-	-
IDBI Liquid Fund -GR	2,40,768.694	32.00		-	-
IDFC Cash Fund Plan C - IP - GR	1,31,961.540	20.00		-	-
Canara Robeco Liquid Fund - GR	33,334.353	5.00		-	-
L & T Liquid Fund - GR	1,63,028.042	28.00		-	-
Pramerica Liquid Fund- Direct - GR	1,49,759.918	20.00		-	-
Principal Cash Management Fund - GR	82,859.810	10.00		-	-
Religare Liquid Fund - GR	4,37,001.946	75.00		-	-
UTI Liquid Fund - Cash Plan -GR	1,22,397.445	25.00		-	-
			1,062.00		1,034.00
TOTAL			2,017.21		2,358.88
Aggregate amount of unquoted Investments			2,017.21		2,358.88

*Includes Nil units (Previous Year - 2,77,753) of ₹ Nil (Previous Year - ₹ 50 Crore) in the process of redemption, where redemption proceeds are received subsequent to the year end.

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

17. INVENTORIES

(At cost or net realisable value whichever is lower)

	2013 ₹ Crore	2012 ₹ Crore
Raw Materials	132.90	156.41
{Including in transit ₹ 1.74 Crore (Previous Year - ₹ 11.03 Crore)}		
Work-in-Progress	252.85	228.86
Finished Goods	129.82	160.54
Stock-in-trade	0.49	0.29
Stores & Spare Parts and Packing Material	296.13	286.02
{Including in transit ₹ 9.73 Crore (Previous Year - ₹ 9.02 Crore)}		
Fuels	309.28	301.43
{Including in transit ₹ 7.86 Crore (Previous Year - ₹ 5.31 Crore)}		
TOTAL	1,121.47	1,133.55

18. TRADE RECEIVABLES

	2013 ₹ Crore	2012 ₹ Crore
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	16.36	12.23
Unsecured, considered Doubtful	15.46	8.52
	31.82	20.75
Less: Provision for doubtful trade receivables	15.46	8.52
	16.36	12.23
Other Trade receivables		
Secured, considered good	66.34	63.64
Unsecured, considered good	314.52	227.58
Unsecured, considered Doubtful	4.39	-
	385.25	291.22
Less: Provision for doubtful trade receivables	4.39	-
	380.86	291.22
TOTAL	397.22	303.45

19. CASH AND BANK BALANCES

	2013 ₹ Crore	2012 ₹ Crore
Cash and cash equivalents		
Balances with banks:		
On current accounts	55.68	111.03
Deposits with original maturity of less than three months	288.02	530.00
On unpaid dividend account	38.04	35.00
Cash on hand	0.12	0.14
	381.86	676.17
Other bank balances		
*Deposits with original maturity for more than 3 months but less than 12 months	121.51	2.20
Post office saving accounts	0.01	0.01
	121.52	2.21
TOTAL	503.38	678.38

*Given as security against bank guarantee and others

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

20. SHORT-TERM LOANS AND ADVANCES

Unsecured, Considered Good, unless otherwise stated

	2013 ₹ Crore	2012 ₹ Crore
Security deposits	9.37	7.88
Loans and advances to related parties	35.71	10.92
Advances recoverable in cash or kind	110.69	120.57
Other loans and advances		
Balances with statutory / government authorities	103.62	83.92
Deposit with HDFC Limited	100.00	100.00
TOTAL	359.39	323.29

Loans and Advances, in the nature of loans – As required under Clause 32 of Listing Agreement

To wholly owned Subsidiaries –

Particulars	2013 ₹ Crore	Maximum Balance during the Year ₹ Crore	2012 ₹ Crore	Maximum Balance during the Year ₹ Crore
Inter Corporate Deposits:				
ACC Mineral Resources Limited	34.48	34.48	10.49	10.49
Lucky Minmat Limited	1.00	1.00	0.30	0.30
National Limestone Company Private Limited	0.20	0.20	0.10	0.10
Singhania Minerals Private Limited	0.03	0.03	0.03	0.03

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

21. OTHER CURRENT ASSETS

Unsecured, Considered Good, unless otherwise stated

	2013 ₹ Crore	2012 ₹ Crore
Interest accrued on investments	6.16	14.83
Other Accrued Interest	1.41	1.35
Fixed assets held for sale	11.90	12.62
TOTAL	19.47	28.80

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

22. REVENUE FROM OPERATIONS

	2013 ₹ Crore	2012 ₹ Crore
Sale of products		
Finished goods	11,963.39	12,231.97
Traded goods	250.87	168.69
Sale of services	16.28	11.27
Sale of products and services (gross)	12,230.54	12,411.93
Less: Excise duty	1,322.13	1,281.48
Sale of products and services (net)	10,908.41	11,130.45
Other operating revenue	260.53	227.51
Revenue from operations (net)	11,168.94	11,357.96
i) Details of products sold		
	2013 ₹ Crore	2012 ₹ Crore
Finished goods (net of excise duty)		
Cement	10,037.04	10,358.61
Ready Mix Concrete	544.58	539.45
Clinker	59.64	52.43
	10,641.26	10,950.49
Traded goods		
Cement	155.82	102.34
Ready Mix Concrete	95.05	66.35
	250.87	168.69
ii) Details of sale of services		
Pumping and conveying charges	16.28	11.27
	16.28	11.27
iii) Detail of Other operating revenue		
Provision no longer required written back	13.92	23.32
Sale of surplus generated power	4.36	1.27
Incentives and subsidies	140.73	93.97
Miscellaneous income	101.52	108.95
TOTAL	260.53	227.51

23. OTHER INCOME

	2013 ₹ Crore	2012 ₹ Crore
Interest on Bank deposits	148.77	162.13
Other interest income	3.33	8.77
Interest on Income Tax	5.63	-
{Net of interest expense on Income tax ₹ 21.98 Crore (Previous Year - Nil)}		
Profit on sale of fixed assets (Net)	-	6.15
Gain on sale of current investments (Net)	59.47	84.68
Dividend from long term investments	6.59	3.09
TOTAL	223.79	264.82

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

24. COST OF MATERIALS CONSUMED

	2013 ₹ Crore	2012 ₹ Crore
Opening stock	156.41	156.33
Add: Acquired on amalgamation	-	9.41
Purchase and incidental expenses	1,597.97	1,542.14
	1,754.38	1,707.88
Less: Closing stock	132.90	156.41
TOTAL	1,621.48	1,551.47

Details of cost of materials consumed

	2013 ₹ Crore	2012 ₹ Crore
Slag	331.54	280.59
Gypsum	337.73	348.65
Fly Ash	310.72	281.58
Cement for RMX	61.55	99.69
Aggregates	98.23	99.22
Others*	481.71	441.74
TOTAL	1,621.48	1,551.47

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

25. PURCHASE OF TRADED GOODS

	2013 ₹ Crore	2012 ₹ Crore
Cement	140.36	92.20
Ready Mix Concrete	92.50	66.55
TOTAL	232.86	158.75

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

	2013 ₹ Crore	2012 ₹ Crore	(Increase) / decrease ₹ Crore
Inventories at the end of the year			
Stock-in-trade	0.49	0.29	(0.20)
Finished goods	129.82	160.54	30.72
Work -in-progress	252.85	228.86	(23.99)
	383.16	389.69	6.53
Inventories at the beginning of the year			
Stock-in-trade	0.29	0.20	(0.09)
Finished goods	160.54	124.76	(35.78)
Work -in-progress	228.86	283.05	54.19
Finished goods acquired on account of amalgamation	-	1.70	1.70
	389.69	409.71	20.02
TOTAL	6.53	20.02	

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

27. EMPLOYEE BENEFITS EXPENSE

	2013 ₹ Crore	2012 ₹ Crore
Salaries and Wages	572.00	517.57
Contributions to Provident and other Funds	53.30	67.16
Staff Welfare Expenses	36.38	31.92
TOTAL	661.68	616.65

Exclude cost relating to share based payments incurred and paid by Holcim Ltd., the ultimate holding Company, to the employees of the Company.

28. OTHER EXPENSES

	2013 ₹ Crore	2012 ₹ Crore
Consumption of stores and spares parts	381.29	386.50
Consumption of packing materials	434.15	381.53
Excise duty (Refer Note - (ii) & (iii) below)	6.47	88.47
Rent	30.51	31.59
Rates and taxes	113.19	115.66
Repairs to Building	7.20	13.26
Repairs to Machinery	132.89	136.32
Repairs to other Items	19.91	12.69
Insurance	25.29	24.67
Royalties	118.28	130.85
Discount on sales	81.73	83.16
Advertisement	116.07	102.58
Technology and Know-how fees	107.66	-
Miscellaneous expenses (Refer Note - (i) & (iv) below)	744.51	704.78
TOTAL	2,319.15	2,212.06

i) Payment to Statutory Auditors (excluding service tax)

	2013 ₹ Crore	2012 ₹ Crore
As Auditors		
Audit fees	2.72	2.57
Audit fees for tax financial statements	0.59	0.60
Out of pocket expenses	0.12	0.12
In other matters - Certification	0.11	0.03
TOTAL	3.54	3.32

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

iii) Includes excise duty on captive consumption of Clinker ₹ 6.58 Crore (Previous Year - ₹ 64.63 Crore)

iv) Miscellaneous expenses includes:

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

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

29. FINANCE COSTS

	2013 ₹ Crore	2012 ₹ Crore
Interest expenses	51.67	79.02
Interest on Income Tax	-	35.63
{Net of interest on refund Nil (Previous Year - ₹ 74.61 Crore)}		
TOTAL	51.67	114.65

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

30. EARNINGS PER SHARE - [EPS]

	2013 ₹ Crore	2012 ₹ Crore
Net Profit as per Statement of Profit and Loss	1,095.76	1,061.19
Weighted average number of equity shares for Earnings Per Share computation		
Shares for Basic Earnings Per Share	18,77,45,356	18,77,45,356
Add: Potential diluted equity shares on account of shares in abeyance	4,45,714	4,82,972
Number of Shares for Diluted Earnings Per Share	18,81,91,070	18,82,28,328
Earnings Per Share		
Face value per Share ₹	10.00	10.00
Basic ₹	58.36	56.52
Diluted ₹	58.23	56.38

31. EMPLOYEE BENEFITS

- a) Defined Contribution Plans – Amount recognised and included in Note 27 “Contributions to Provident and other Funds” of Statement of Profit and Loss ₹ 14.59 Crore (Previous Year - ₹ 16.23 Crore).
- b) Defined Benefit Plans – As per actuarial valuation on December 31, 2013
The Company has a defined benefit gratuity and post retirement medical benefit plans as given below:
 - i. Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of services. The scheme is funded with insurance companies in the form of 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.
 - iii. Every employee who has joined before 1st December 2005 and separates from service of the Company on Superannuation and on medical grounds is entitled to additional gratuity. The scheme is Non Funded.

Defined Benefit Plans as per Actuarial valuation on December 31, 2013

	Gratuity		Post Employment Medical benefits (PEMB)
	Funded	Non Funded	
	₹ Crore	₹ Crore	₹ Crore
I Expense recognised in the Statement of Profit & Loss – for the year ended December 31, 2013			
1. Current Service cost	9.20	4.09	0.05
	7.68	3.32	0.05
2. Interest Cost	12.21	5.12	0.26
	10.82	4.25	0.20
3. Employee Contributions	-	-	(0.31)
	-	-	(0.39)
4. Expected return on plan assets	(11.66)	-	-
	(10.17)	-	-
5. Net Actuarial (Gains) / Losses	0.93	1.53	1.27
	19.15	9.05	1.70
6. Total expense	10.68	10.74	1.27
	27.48	16.62	1.56

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

	Gratuity		Post Employment Medical benefits (PEMB)
	Funded	Non Funded	
	₹ Crore	₹ Crore	₹ Crore
II Amount recognised in Balance Sheet			
1. Present value of Defined Benefit Obligation	(165.88)	(71.18)	(4.18)
	(160.11)	(65.54)	(3.50)
2. Fair value of plan assets	149.80	-	-
	137.12	-	-
3. Funded status {Surplus/(Deficit)}	(16.08)	-	-
	(22.99)	-	-
4. Net asset/(liability) as at December 31, 2013	(16.08)	(71.18)	(4.18)
	(22.99)	(65.54)	(3.50)
III Present Value of Defined Benefit Obligation			
1. Present value of Defined Benefit Obligation at beginning of the year	160.11	65.54	3.50
	134.32	52.05	2.57
2. Liability transfer on account of merger of ACCCL	-	-	-
	1.47	0.12	-
3. Liability transfer on account of merger of ENCORE	-	-	-
	0.03	-	-
4. Current Service cost	9.20	4.09	0.05
	7.68	3.32	0.05
5. Interest Cost	12.21	5.12	0.26
	10.82	4.25	0.20
6. Employee Contributions	-	-	(0.31)
	-	-	(0.39)
7. Actuarial (Gains) / Losses	2.06	1.53	1.27
	20.48	9.05	1.70
8. Benefits Payments	(17.70)	(5.10)	(0.59)
	(14.69)	(3.25)	(0.63)
9. Present value of Defined Benefit Obligation at the end of the year	165.88	71.18	4.18
	160.11	65.54	3.50
IV Fair Value of Plan Assets			
1. Plan assets at the beginning of the year	137.12	-	-
	118.77	-	-
2. Assets transfer on account of merger of ACCCL	-	-	-
	1.05	-	-
3. Expected return on plan assets	11.66	-	-
	10.17	-	-
4. Contributions by Employer	-	-	-
	5.92	-	-
5. Actual benefits paid	(0.11)	-	-
	(0.12)	-	-
6. Actuarial Gains / (Losses)	1.13	-	-
	1.33	-	-
7. Plan assets at the end of the year	149.80	-	-
	137.12	-	-
8. Actual return on plan assets	12.79	-	-
	11.50	-	-

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

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

Qualifying Insurance Policy 100% (P.Y. - 100%)

VI Effect of One percentage point change in the assumed Medical Inflation rate	One percentage increase - ₹ Crore	One percentage decrease - ₹ Crore
Increase /(Decrease) on aggregate service and interest cost of Post Employment Medical benefits	0.05	(0.05)
	0.06	(0.06)
Increase/(Decrease) on Present value of Defined Benefit Obligation as at December 31, 2013	0.56	(0.56)
	0.67	(0.65)

VII Actuarial Assumptions:

a) Financial Assumptions

1 Discount Rate	8.85 % p.a.(P.Y.- 8.15% p.a.)
2 Expected rate of return on plan assets	8.5 % p.a.(P.Y.- 8.5% p.a.)
3 Salary increase rate	7% p.a.(P.Y.- 7% p.a.)

b) Demographic Assumptions

1 Mortality pre-retirement	Indian Assured Lives Mortality (2006-08) Modified Ultimate <i>Indian Assured Lives Mortality (1994-96) Modified Ultimate</i>
2 Mortality post-retirement	Mortality for annuitants LIC (1996-98)
3 Turnover rate	5% p.a. (P.Y. - 5% p.a.)
4 Medical premium inflation	12% p.a. for the first 5 years and thereafter 8% p.a.

(Figures in italics pertain to previous year)

c) Basis used to determine expected rate of return on assets:

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation. The Gratuity Scheme is invested in Life Insurance Corporation (LIC) of India's Group Gratuity-cum-Life Assurance cash accumulation policy and HDFC Standard Life's Group Unit Linked Plan - For Defined Benefit Scheme.

d) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

e) The Company expects to contribute ₹ 7.50 Crore (Previous year - ₹ Nil) to Gratuity fund in the year 2014.

f) Post employment defined benefit plan expenses are included under employee benefit expenses in the statement of Profit and Loss.

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

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

(i) Gratuity (Funded)

₹ Crore

	2013	2012	2011	2010	2009
Defined benefit obligation	(165.88)	(160.11)	(134.32)	(117.16)	(101.13)
Plan assets	149.80	137.12	118.77	103.72	95.39
Surplus / (deficit)	(16.08)	(22.99)	(15.55)	(13.44)	(5.74)
Experience adjustments on plan assets	(1.17)	(1.29)	(0.43)	(0.46)	(0.71)
Experience adjustments on plan liabilities	11.76	16.89	19.94	10.54	(5.74)

(ii) Gratuity (Non funded)

	2013	2012	2011	2010	2009
Defined benefit obligation	(71.18)	(65.54)	(52.05)	(41.83)	(31.60)
Plan assets	-	-	-	-	-
Surplus / (deficit)	(71.18)	(65.54)	(52.05)	(41.83)	(31.60)
Experience adjustments on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Experience adjustments on plan liabilities	5.05	7.33	9.49	7.67	(3.83)

(iii) Post Employment Medical Benefits

	2013	2012	2011	2010	2009
Defined benefit obligation	(4.18)	(3.50)	(2.58)	(2.28)	(3.61)
Plan assets	-	-	-	-	-
Surplus / (deficit)	(4.18)	(3.50)	(2.58)	(2.28)	(3.61)
Experience adjustments on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Experience adjustments on plan liabilities	1.33	1.38	1.02	(0.20)	(2.96)

h) Provident Fund

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

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below there is no shortfall as at December 31, 2013 and December 31, 2012.

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

	2013 ₹ Crore	2012 ₹ Crore
Plan assets at year end, at fair value	447.54	392.76
Present value of defined obligation at year end	447.54	392.76
Assets recognised in Balance Sheet	-	-

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

	2013	2012
Discounting rate	8.85%	8.15%
Expected guaranteed interest rate	8.50%	8.50%
Expected Rate of Return on Asset	8.94%	9.05%

i) Amount recognised as an expense under employee benefit expenses in the statement of Profit and Loss in respect of other long term benefits is ₹ 29.52 Crore (Previous Year - ₹ 24.95 Crore).

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

32. SEGMENT REPORTING

The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system. The Company's operations predominantly relate to manufacture of cement and Ready mix concrete. The export turnover is not significant in the context of total turnover. As such there is only one geographical segment.

Inter segment transfers:

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

INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

₹ Crore

	Cement		Ready Mix Concrete		Total	
	2013	2012	2013	2012	2013	2012
REVENUE						
External sales	10,252.50	10,513.38	655.91	617.07	10,908.41	11,130.45
Other operating revenue	251.15	220.15	9.38	7.36	260.53	227.51
Inter-segment sales	115.01	90.82	6.19	-	121.20	90.82
	10,618.66	10,824.35	671.48	624.43	11,290.14	11,448.78
Less: Elimination	(115.01)	(90.82)	(6.19)	-	(121.20)	(90.82)
Total revenue	10,503.65	10,733.53	665.29	624.43	11,168.94	11,357.96
RESULT						
Segment result	1,072.92	1,652.66	1.87	(16.12)	1,074.79	1,636.54
Unallocated corporate Income					39.52	90.99
Operating Profit					1,114.31	1,727.53
Finance cost					(51.67)	(114.65)
Interest and Dividend income					164.32	173.99
Exceptional item (Refer note - 40)					-	(335.38)
Tax expenses					(131.20)	(390.30)
Profit after tax					1,095.76	1,061.19
OTHER INFORMATION						
Segment assets	8,896.86	8,299.59	230.95	195.56	9,127.81	8,495.15
Unallocated Corporate assets					2,965.78	3,431.08
Total assets					12,093.59	11,926.23
Segment liabilities	2,433.52	2,331.45	113.29	96.24	2,546.81	2,427.69
Unallocated corporate liabilities					1,721.94	2,115.74
Total liabilities					4,268.75	4,543.43
Capital expenditure	950.34	545.79	14.99	3.10	965.33	548.89
Depreciation and Amortization (Including exceptional item)	556.24	876.03	17.71	18.23	573.95	894.26
Impairment loss recognised	11.93	-	-	-	11.93	-
Other non-cash expenses	4.29	18.79	9.02	2.94	13.31	21.73

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

33. OPERATING LEASE

	2013 ₹ Crore	2012 ₹ Crore
a) Future Lease Rental payments		
(i) Not later than one year	30.70	33.61
(ii) Later than one year and not later than five years	93.06	96.69
(iii) Later than five years	40.69	61.50
b) Operating lease payment recognised in Statement of Profit & Loss amounting to ₹ 79.44 Crore (Previous Year - ₹ 87.66 Crore)		
c) General description of the leasing arrangement		
(i) Leased Assets: Grinding facility, Dumpers, Cranes and Tippers, Car, Locomotives, Godowns, Flats, Computers, Concrete pumps and other related Office equipments and other premises.		
(ii) Future lease rentals are determined on the basis of agreed terms.		
(iii) There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.		
(iv) At the expiry of the lease term, the Company has an option either to return the asset or extend the term by giving notice in writing.		

34. AMALGAMATION OF WHOLLY OWNED SUBSIDIARY COMPANIES

A) Encore Cement and Additives Private Limited (Encore)

- a) During the previous year, pursuant to the scheme of amalgamation ('the Scheme') of erstwhile Encore Cement and Additives Private Limited with the Company under Sections 391 to 394 of the Companies Act, 1956 sanctioned by Hon'ble Bombay High Court on October 05 2012, entire business and all assets and liabilities of Encore Cement and Additives Private Limited were transferred and vested in the Company effective from January 01, 2011. Accordingly the Scheme was given effect to in the financial statements of previous year.

The Encore was engaged in manufacture and sale of cement.

- b) The amalgamation was accounted for under the "Pooling of Interest" method as prescribed by the Accounting Standard 14 "Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, the accounting treatment had been given in the previous year as under:-
- The assets and liabilities as at January 01, 2011 were incorporated in the financial statement of the Company at its book value.
 - Debit balance in the statement of Profit and Loss of Encore as at January 01, 2011 amounting to ₹ 13.42 Crore was adjusted in "Surplus in Statement of Profit and Loss".
 - 5,000,000 Equity Shares of ₹ 10 each fully paid in Encore Cement and Additives Private Limited, held as investment by the Company stands cancelled and difference between the book value and face value of such shares amounting to ₹ 6.78 Crore was adjusted against the Statement of Profit and Loss of the Company.
 - The accounts of Encore for the year ended December 31, 2011 were finalised as a separate entity. The net profit after tax amounting to ₹ 1.87 Crore for the year ended December 31, 2011 was adjusted in "Surplus in Statement of Profit and Loss".

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

B) ACC Concrete Limited (ACCCL)

- a) During the previous year, pursuant to the scheme of amalgamation ('the Scheme') of erstwhile ACC Concrete Limited with the Company under Sections 391 to 394 of the Companies Act, 1956 sanctioned by Hon'ble Bombay High Court on October 09 2012, entire business and all assets and liabilities of ACC Concrete Limited were transferred and vested in the Company effective from January 01, 2012. Accordingly the Scheme was given effect to in the financial statements of previous year.

The erstwhile ACC Concrete Limited was engaged in manufacture and sale of Ready mix concrete.

- b) The amalgamation was accounted for under the "Pooling of Interest" method as prescribed by the Accounting Standard 14 "Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, the accounting treatment had been given in the previous year as under:-
- (i) The assets and liabilities as at January 01, 2012 were incorporated in the financial statement of the Company at the book value.
 - (ii) Debit balance in the Statement of Profit and Loss of ACC Concrete Limited amounting to ₹ 197.96 Crore was adjusted in "Surplus in Statement of Profit and Loss".
 - (iii) 15,00,000 Equity Shares of ₹ 10 each fully paid and 10,00,00,000 1% Cumulative Redeemable Preference Share of ₹ 10 each Fully paid in ACC Concrete Limited, held as investment by the Company were cancelled.

35. RELATED PARTY DISCLOSURE

(A) Names of the Related parties where control exists:		Nature of Relationship
(i)	Holcim Ltd.	Ultimate Holding Company
(ii)	Holderind Investments Ltd.	Holding Company of Holcim(India) Private Limited
(iii)	Holcim (India) Private Limited	Holding Company
(iv)	Bulk Cement Corporation (India) Limited	Subsidiary Company
(v)	ACC Mineral Resources Limited	Subsidiary Company
(vi)	Lucky Minmat Limited	Subsidiary Company
(vii)	National Limestone Company Private Limited	Subsidiary Company
(viii)	Singhanian Minerals Private Limited	Subsidiary Company w.e.f. August 07, 2012
(B) Others - With whom transactions have been taken place during the year		
(a) Names of other Related parties		Nature of Relationship
(i)	Alcon Cement Company Private Limited	Associate Company
(ii)	Asian Concretes & Cements Private Limited	Associate Company
(iii)	Aakaash Manufacturing Company Private Limited	Associate Company
(iv)	Ambuja Cements Limited	Fellow Subsidiary
(v)	Holcim Group Services Ltd.	Fellow Subsidiary
(vi)	Holcim Group Support Ltd. (Merged with Holcim Technology Ltd w.e.f January 01, 2013)	Fellow Subsidiary
(vii)	Holcim (Singapore) Pte Limited	Fellow Subsidiary
(viii)	Holcim Trading FZCO	Fellow Subsidiary
(ix)	Holcim (Lanka) Limited	Fellow Subsidiary

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

(x) P T Holcim Indonesia Tbk	Fellow Subsidiary
(xi) Holcim Services (South Asia) Limited	Fellow Subsidiary
(xii) Siam City Cement Public Company Limited	Associate Company of Fellow Subsidiary w.e.f January 01, 2013
(xiii) Holcim (Bangladesh) Limited	Fellow Subsidiary
(xiv) Holcim (Vietnam) Limited	Fellow Subsidiary
(xv) Holcim (Malaysia) SDN BHD	Fellow Subsidiary
(xvi) Holcim (US) INC	Fellow Subsidiary
(xvii) Holcim Foundation	Entity controled by Holcim Ltd.
(xviii) Holcim Services Asia Bangkok	Fellow Subsidiary
(xix) Holcim Services (Asia) Limited	Fellow Subsidiary
(xx) Holcim Technology Ltd	Fellow Subsidiary
(xxi) Holcim Trading Pte Ltd	Fellow Subsidiary
(xxii) AL Jabor Cement Industries Co.	Fellow Subsidiary
(xxiii) National Cement Factory	Associate Company of Fellow Subsidiary
(xxiv) Holcim Trading S. A.	Fellow Subsidiary
(xxv) Holcim (Australia) PTY Ltd.	Fellow Subsidiary
(b) Key Management Personnel:	
Name of the Related Party	Nature of Relationship
Mr. Kuldip K. Kaura	CEO & Managing Director

(C) Transactions with Subsidiary Companies

	2013 ₹ Crore	2012 ₹ Crore
(i) Purchase of Raw Materials	-	0.06
Lucky Minmat Limited	-	0.06
(ii) Sale of Finished Goods	0.24	-
Bulk Cement Corporation (India) Limited	0.24	-
(iii) Reimbursement of Expenses Paid/Payable	29.68	34.58
Bulk Cement Corporation (India) Limited	29.02	34.31
Others	0.66	0.27
(iv) Reimbursement of Expenses Received/Receivable	1.92	1.91
Bulk Cement Corporation (India) Limited	1.85	1.87
Others	0.07	0.04
(v) Rendering of Services	1.43	1.09
Bulk Cement Corporation (India) Limited	1.43	1.09

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

	2013 ₹ Crore	2012 ₹ Crore
(vi) Receiving of Services	18.65	16.41
Bulk Cement Corporation (India) Limited	18.65	16.41
(vii) Investment in Subsidiary in Equity Shares Capital	-	5.00
Singhania Minerals Private Limited	-	5.00
(viii) Inter Corporate Deposits Given	24.79	4.92
ACC Mineral Resources Limited	23.99	4.49
Others	0.80	0.43
(ix) Inter Corporate Deposits as at the end of the year	35.71	10.92
ACC Mineral Resources Limited	34.48	10.49
Others	1.23	0.43
(x) Outstanding balance included in Trade receivables	0.42	0.76
Bulk Cement Corporation (India) Limited	0.38	0.76
Others	0.04	-
(xi) Outstanding balance included in Short -term loans and advances	0.08	0.08
National Limestone Company Private Limited	0.08	0.08
(xii) Outstanding balance included in Long -term loans and advances	1.65	1.63
National Limestone Company Private Limited	1.63	1.62
Others	0.02	0.01
(xiii) Outstanding balance included in Other Long -term Liabilities	0.03	0.03
National Limestone Company Private Limited	0.02	0.02
Lucky Minmat Limited	0.01	0.01
(xiv) Outstanding balance included in Trade payables	1.96	4.38
Bulk Cement Corporation (India) Limited	1.96	4.38

(D) Transactions with Associate Companies

	2013 ₹ Crore	2012 ₹ Crore
(i) Purchase of Finished Goods	163.35	137.50
Alcon Cement Company Private Limited	74.53	69.57
Aakaash Manufacturing Company Private Limited	88.82	67.93
(ii) Purchase of Raw Materials	22.20	26.86
Asian Concretes & Cements Private Limited	22.20	26.86

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

D) Transactions with Associate Companies (contd.)

	2013 ₹ Crore	2012 ₹ Crore
(iii) Sale of Finished / Unfinished Goods	34.97	32.82
Alcon Cement Company Private Limited	25.00	30.52
Aakaash Manufacturing Company Private Limited	9.97	2.30
(iv) Dividend Received	6.59	3.09
Alcon Cement Company Private Limited	4.53	2.65
Aakaash Manufacturing Company Private Limited	2.06	0.44
(v) Reimbursement of Expenses Paid/Payable	0.02	-
Aakaash Manufacturing Company Private Limited	0.02	-
(vi) Reimbursement of Expenses Received/Receivable	6.25	3.95
Alcon Cement Company Private Limited	5.64	3.95
Asian Concretes & Cements Private Limited	0.61	-
(vii) Rendering of Services	1.24	1.19
Alcon Cement Company Private Limited	1.24	1.19
(viii) Receiving of Services	53.04	49.37
Asian Concretes & Cements Private Limited	53.04	49.37
(ix) Outstanding balance included in Trade receivables	6.22	9.37
Alcon Cement Company Private Limited	4.59	8.79
Aakaash Manufacturing Company Private Limited	1.63	0.58
(x) Outstanding balance included in Trade payables	17.52	21.06
Alcon Cement Company Private Limited	1.74	3.74
Aakaash Manufacturing Company Private Limited	8.03	9.03
Asian Concretes & Cements Private Limited	7.75	8.29

(E) Details of Transactions relating to Holding Companies

	2013 ₹ Crore	2012 ₹ Crore
(i) Dividend paid	283.28	264.40
Holcim (India) Private Limited	281.66	262.89
Holderind Investments Ltd.	1.62	1.51
(ii) Reimbursement of Expenses Received / Receivable	0.02	0.02
Holcim (India) Private Limited	0.02	0.02

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

(F) Details of Transactions relating to Fellow Subsidiary Companies

	2013 ₹ Crore	2012 ₹ Crore
(i) Purchase of Raw Materials	17.24	83.80
Holcim Trading FZCO	4.45	83.80
Holcim Trading Pte Ltd	3.19	-
Ambuja Cements Limited	9.60	-
(ii) Purchase of Finished / Unfinished Goods	13.59	23.16
Ambuja Cements Limited	13.59	23.16
(iii) Purchase of Stores & Spares	0.12	1.70
Ambuja Cements Limited	0.12	1.70
(iv) Purchase of Fixed Assets	4.08	-
Ambuja Cements Limited	4.08	-
(v) Sale of Finished / Unfinished Goods	6.16	-
Ambuja Cements Limited	6.16	-
(vi) Sale of Raw Material & Other Items	11.55	7.56
Ambuja Cements Limited	11.55	7.56
(vii) Rendering of Services	4.56	5.71
Ambuja Cements Limited	4.12	2.63
Holcim (Lanka) Limited	-	2.89
Others	0.44	0.19
(viii) Reimbursement of Expenses Paid / Payable	3.20	12.75
Holcim Trading FZCO	2.74	12.70
Ambuja Cements Limited	0.45	0.02
Others	0.01	0.03
(ix) Reimbursement of Expenses Received / Receivable	5.82	1.11
Ambuja Cements Limited	4.00	0.46
Holcim Group Services Ltd.	0.90	-
Holcim Group Support Ltd. (Merged with Holcim Technology Ltd w.e.f January 01, 2013)	-	0.22
Others	0.92	0.43
(x) Receiving of Services	49.86	99.76
Ambuja Cements Limited	0.21	3.29
Holcim Group Services Ltd.	1.54	-
Holcim Group Support Ltd. (Merged with Holcim Technology Ltd w.e.f January 01, 2013)	-	39.57
Holcim Services (South Asia) Limited	36.91	30.93
Holcim Trading FZCO	5.02	23.39
Holcim Technology Ltd	5.55	-
Others	0.63	2.58

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

(F) Details of Transactions relating to Fellow Subsidiary Companies (contd.)

	2013 ₹ Crore	2012 ₹ Crore
(xi) Interest Paid	-	0.09
Ambuja Cements Limited	-	0.09
(xii) Technology and Know-how fee	107.66	-
Holcim Technology Ltd	107.66	-
(xiii) Outstanding balance included in Trade receivables	1.94	5.02
Ambuja Cements Limited	1.24	1.81
Holcim (Lanka) Limited	0.11	2.96
AL Jabor Cement Industries CO.	0.32	-
Others	0.27	0.25
(xiv) Outstanding balance included in Trade payables	42.83	36.02
Holcim Group Services Ltd.	1.28	-
Holcim Group Support Ltd. (Merged with Holcim Technology Ltd w.e.f January 01, 2013)	-	14.42
Ambuja Cements Limited	8.62	0.60
Holcim Trading FZCO	-	10.59
Holcim Technology Ltd	29.47	-
Holcim Services (South Asia) Limited	3.09	8.89
Others	0.37	1.52

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

	2013 ₹ Crore	2012 ₹ Crore
(i) Rendering of Services	0.34	0.76
Siam City Cement Public Company Limited	-	0.76
National Cement Factory	0.34	-
(ii) Reimbursement of Expenses Received / Receivable	0.06	0.09
Siam City Cement Public Company Limited	-	0.09
National Cement Factory	0.06	-
(iii) Receiving of Services	0.01	0.04
Siam City Cement Public Company Limited	0.01	0.04
(iv) Outstanding balance included in Trade receivables	0.39	0.76
Siam City Cement Public Company Limited	-	0.76
National Cement Factory	0.39	-
(v) Outstanding balance included in Trade payables	0.01	-
Siam City Cement Public Company Limited	0.01	-

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

(H) Details of Transaction with Key Management Personnel

	2013 ₹ Crore	2012 ₹ Crore
(i) Remuneration*	6.05	5.28
Mr. Kuldip K. Kaura	6.05	5.28
(ii) Outstanding balance included in other current liabilities	1.10	0.88
Mr. Kuldip K. Kaura	1.10	0.88

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

36. CAPITAL AND OTHER COMMITMENTS

	2013 ₹ Crore	2012 ₹ Crore
A) Estimated value of contracts in capital account remaining to be executed	1,532.60	1,375.27

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

37. (A) Contingent liabilities not provided for -

	2013 ₹ Crore	2012 ₹ Crore
a) Claims not acknowledged by the Company		
Sales tax	30.22	30.14
Customs demand	17.69	-
Claim by Suppliers	36.79	36.79
Labour related	26.48	23.42
Others	27.98	20.24
	139.16	110.59
In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums / authorities.		
b) Indemnity, Guarantee/s given to Banks/Financial Institutions, Government Bodies and others	256.16	216.19
c) Bills discounted	9.51	13.25

d) The Company had filed petitions against the orders / notices of various authorities demanding ₹ 211.73 Crore (*Previous Year – ₹ 193.60 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.

In view of above demand being legally unjustifiable, the Company does not expect any liability in above matter.

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

- e) The Competition Commission of India issued an Order dated 20th June, 2012, imposing penalty on certain cement manufacturers, including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002, and imposed a penalty of ₹ 1,147.59 Crore on the Company. The Company had filed an appeal against the said Order before the Competition Appellate Tribunal (COMPAT). Pending final disposal of the appeal, the COMPAT has stayed the penalty with a condition to deposit 10% of the penalty amount, which has been deposited in the form of short term bank fixed deposit with lien in favour of COMPAT. The fixed deposit has been renewed on maturity along with interest of ₹ 4.30 Crore. Based on the advice of external legal counsel, the Company believes that it has good grounds for a successful appeal. Accordingly, no provision is considered necessary.

- (B) a) The Company had availed Sales Tax Incentives in respect of its new 1 MTPA Plant at Gagal (Gagal II) under the HP State Industrial Policy, 1991. The Company had in 2011 accrued Sales Tax Incentives aggregating ₹ 56 Crore even though the Sales Tax Authorities had introduced certain restrictive conditions after commissioning of the unit stipulating that incentive is available only for incremental amount over the base revenue and production (of Gagal I) prior to the commissioning of Gagal II. The Company contends that Gagal II is a new unit, as decided by the HP High Court and confirmed by the Supreme Court while determining the eligibility for Transport Subsidy, and hence such restrictions are not applicable to the unit. The Department had recovered ₹ 64 Crore (Tax of ₹ 56 Crore plus interest of ₹ 8 Crore) and the same is accounted as an amount recoverable.

The HP High Court, had in 2012 dismissed the Company's appeal. The Company believes the Hon'ble High Court's judgment is based on an erroneous understanding of certain facts and legal positions and that it also failed to consider certain key facts in its order. The Company has been advised by legal experts that there is no change in the merits of the Company's case.

Based on the advise, the Company filed a review petition before HP High Court which has recently been rejected, subsequent to which the Company submitted a Special Leave Petition before the Hon'ble Supreme Court.

- b) Pursuant to incentives available under a State Industrial Policy in respect of one of its cement plants, the Company has made claims in accordance with its eligibility. However, the disbursal of the amounts claimed was not forthcoming as the authorities have raised various new conditions and restrictions, totally extraneous to the approvals and confirmations expressly received by the Company. The Company had filed two writ appeals before the Jharkhand High Court against the restrictions and disputes on the extent of the eligible claims now being sought to be effected / raised by the Government.

The High Court (Single Bench) has recently decided the matter partially in favour of the Company. Pursuant to the decision of the High Court, the Company has accrued a further amount of ₹ 34.99 Crore and reversed the provision made earlier for capital subsidy of ₹ 8 Crore. The Cumulative amount accrued (including capital subsidy) for the entire period of claims, on this basis, stands at ₹ 86.85 Crore. Based on the court direction, the Company has submitted its revised claim in this regard.

The Company has also preferred an appeal before the Division Bench of the Jharkhand High Court for the balance claim which was turned down by the Hon'ble Single Bench.

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

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

Particulars	Currency	2013			2012		
		Foreign currency in Crore	Exchange rate	₹ Crore	Foreign currency in Crore	Exchange rate	₹ Crore
Trade Receivable	SAR	0.25	16.43	4.03	0.25	14.60	3.58
Trade Payable and Other Current Liabilities	CHF	0.23	69.50	15.99	0.31	59.84	18.46
	USD	0.03	61.78	1.72	0.29	54.69	15.81
	GBP	0.0001	102.08	0.01	0.0004	88.34	0.04
	EUR	0.04	85.18	3.20	0.04	72.47	2.62
	SGD	-	-	-	0.001	44.68	0.06

39. During the year, the Company has provided ₹ 17.86 Crore for diminution in the value of investment in Shiva Cement Limited considering the diminution in market value of these investments other than temporary nature.
40. During the previous year, effective from 1 January, 2012, the Company had with retrospective effect changed its method of providing depreciation on fixed assets related to Captive Power Plants from the 'Straight Line' method to the 'Written Down Value' method, at the rates prescribed in Schedule XIV to the Companies Act, 1956. Accordingly, an additional depreciation charge of ₹ 335.38 Crore relating to period upto December 31, 2011 was disclosed as an exceptional item.
41. Tax adjustments for earlier years of ₹ 216.74 Crore represents write back of tax provision related to earlier assessment years.

42. CAPITALISATION OF EXPENDITURE

Capital work-in-progress includes Pre-operative expenses pending allocation of ₹ 73.93 Crore (*Previous year - ₹ 32.80 Crore*).

During the year, the company has capitalized the following expenses of revenue nature to the cost of capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

Particulars	2013 ₹ Crore	2012 ₹ Crore
Employee benefits expense	16.11	2.75
Other expenses	4.57	3.87
	20.68	6.62

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)

43. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS

Particulars	2013 ₹ Crore	2012 ₹ Crore
Raw Material	56.07	103.00
Stores and Spare Parts	53.65	107.50
Coal	209.44	402.52
Capital Goods	104.35	51.00
	423.51	664.02

44. EXPENDITURE IN FOREIGN CURRENCIES (ON ACCRUAL BASIS)

Particulars	2013 ₹ Crore	2012 ₹ Crore
Technology and Know-how fees	107.66	-
Fees for Technical support services	24.33	36.21
Consultants' Fees	1.28	4.86
Others	54.76	37.23
	188.03	78.30

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

	2013		2012	
	₹ Crore	%	₹ Crore	%
(a) Raw materials				
Imported	85.84	5.29	165.74	10.68
Indigenous	1,535.64	94.71	1,385.73	89.32
	1,621.48	100.00	1,551.47	100.00
(b) Stores and spare parts				
Imported	42.25	11.08	53.81	13.92
Indigenous	339.04	88.92	332.69	86.08
	381.29	100.00	386.50	100.00

46. EARNINGS IN FOREIGN EXCHANGE (ON ACCRUAL BASIS)

Particulars	2013 ₹ Crore	2012 ₹ Crore
Consultancy Services	0.78	-
	0.78	-

Notes to the Financial Statements for the year ended December 31, 2013 (contd.)**47. REMITTANCES IN FOREIGN CURRENCIES -**

Particulars	2013	2012
On account of dividend to non-resident shareholders		
(a) Final Dividend		
No. of shareholders	1	1
No. of Equity Shares	5,41,000	5,41,000
Amount remitted (₹ Crore)	1.03	0.92
Year to which it pertains	2012	2011
(b) Interim Dividend		
No. of shareholders	1	1
No. of Equity Shares	5,41,000	5,41,000
Amount remitted (₹ Crore)	0.60	0.60
Year to which it pertains	2013	2012

48. PROPOSED DIVIDEND

The final dividend proposed for the year is as follows :

Particulars	2013	2012
On Equity Shares of ₹ 10 each		
Amount of dividend proposed (₹ Crore)	356.72	356.72
Dividend per Equity Share (₹)	19	19

49. COMPARATIVE FIGURES

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

As per our report of even date

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per RAVI BANSAL
Partner
Membership No. 49365

Mumbai, February 06, 2014

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 HUGENTOBLE
Deputy Chairman

SUNIL K. NAYAK
Chief Financial Officer

S. M. PALIA
BERNARD FONTANA
M. L. NARULA
SHAILESH V. HARIBHAKTI
AIDAN LYNAM
SUSHIL KUMAR ROONGTA
ASHWIN DANI
FARROKH K. KAVARANA
BERNARD TERVER

Directors

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	National Limestone Co. Pvt. Limited	Singhania Minerals Pvt. Limited
(A) The "Financial Year" of the Subsidiary Companies	December 31, 2013	December 31, 2013	December 31, 2013	December 31, 2013	December 31, 2013
(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	8,650 Shares of ₹ 100 / - each fully paid up	20,000 Shares of ₹ 10 / - each fully paid up
(b) Extent of holding	100%	94.65%	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, 2013 amounted to -					
(i) for the Subsidiaries financial year ended as in (A) above (₹ Lakhs)	(22.55)	270.94	(41.93)	(17.58)	(2.63)
(ii) for the previous financial years of the Subsidiaries since they became the Holding Company's subsidiaries (₹ Lakhs)	(77.41)	981.72	(124.38)	(36.37)	(2.91)
(b) Dealt with in the accounts of ACC Limited for the year ended December 31, 2013 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	-	-	-	-	-

N.S.SEKHSARIA
Chairman

PAUL HUGENTOBLE
Deputy Chairman

S.M.PALIA
BERNARD FONTANA
M.L.NARULA
SHAILESH V. HARIBHAKTI
AIDAN LYNAM
SUSHIL KUMAR ROONGTA
ASHWIN DANI
FARROKH K. KAVARANA
BERNARD TERVER

Directors

KULDIP KAURA
CEO & Managing Director

SUNIL K. NAYAK
Chief Financial Officer

BURJOR D. NARIMAN
Company Secretary

Mumbai, February 06, 2014

Independent Auditor's Report

To the Board of Directors of ACC Limited

We have audited the accompanying consolidated financial statements of ACC Limited ("the Company") and its subsidiaries and associates ("the Group"), which comprise the consolidated Balance Sheet as at December 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 Company as at December 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, 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.

Emphasis of Matter

We draw attention to Note 37 (A) (e) of the financial Statements, relating to the order of the Competition Commission of India (CCI), concerning alleged contravention of the provisions of the Competition Act, 2002 and imposing a penalty of ₹ 1,147.59 Crore on the Company. The Company is advised by external legal Counsel that it has a good case for the Competition Appellate Tribunal setting aside the order passed by CCI and accordingly no provision has been considered necessary by the Company in this regard. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit total assets of ₹ 107.82 Crore as at December 31, 2013, total revenues of ₹ 2.40 Crore and net cash inflows amounting to ₹ 0.04 Crore for the year then ended, included in the accompanying consolidated financial statements in respect of five subsidiaries and the Group's share of profit of ₹ 13.09 Crore in respect of three associates included in the accompanying consolidated financial statements, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiaries and associates is based solely on the report of other auditors.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Ravi Bansal

Partner

Membership Number: 49365

Place: Mumbai

Date: 6 February, 2014

Consolidated Balance Sheet as at December 31, 2013

Particulars	Note No.	2013 ₹ Crore	2012 ₹ Crore
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	187.95	187.95
Reserves and surplus	4	7,625.43	7,184.48
		7,813.38	7,372.43
Minority Interest		2.70	2.55
Non-current liabilities			
Long-term borrowings	5	-	85.03
Deferred tax liabilities (Net)	6	512.84	522.59
Other Long-term liabilities	7	406.75	381.09
Long-term provisions	8	89.09	92.36
		1,008.68	1,081.07
Current liabilities			
Trade payables	9	641.64	660.71
Other current liabilities	10	1,553.91	1,519.69
Short-term provisions	11	1,080.75	1,291.73
		3,276.30	3,472.13
TOTAL		12,101.06	11,928.18
ASSETS			
Non-current assets			
Fixed Assets:			
Tangible assets	12	5,541.74	5,897.15
Intangible assets	12	28.24	34.23
Capital work-in-progress		823.54	311.58
Intangible assets under development		8.65	3.29
Non-current investments	13	86.66	101.44
Long-term loans and advances	14	879.96	568.80
Other non-current assets	15	308.24	165.84
		7,677.03	7,082.33
Current assets			
Current investments	16	2,038.91	2,377.23
Inventories	17	1,122.30	1,134.40
Trade receivables	18	397.18	302.76
Cash and bank balances	19	505.72	680.70
Short-term loans and advances	20	340.39	321.89
Other current assets	21	19.53	28.87
		4,424.03	4,845.85
TOTAL		12,101.06	11,928.18
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

N.S.SEKHSARIA
Chairman

PAUL HUGENTOBLE
Deputy Chairman

S. M. PALIA
BERNARD FONTANA
M. L. NARULA
SHAILESH V. HARIBHAKTI
AIDAN LYNAM
SUSHIL KUMAR ROONGTA
ASHWIN DANI
FARROKH K. KAVARANA
BERNARD TERVER

Directors

per RAVI BANSAL
Partner
Membership No. 49365

KULDIP KAURA
CEO & Managing Director

SUNIL K. NAYAK
Chief Financial Officer

BURJOR D. NARIMAN
Company Secretary

Mumbai, February 06, 2014

Consolidated Statement of Profit and Loss for the year ended December 31, 2013

Particulars	Note No.	2013		2012
		₹ Crore	₹ Crore	₹ Crore
Revenue from operations (gross)		12,491.55		12,639.67
Less - Excise duty		1,322.13		1,281.48
Revenue from operations (net)	22	11,169.42		11,358.19
Other Income	23	219.13		263.28
Total Revenue			11,388.55	11,621.47
EXPENSES				
Cost of material consumed	24	1,621.48		1,551.42
Purchase of stock-in-trade	25	232.86		158.75
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	6.53		20.12
Employee benefits expense	27	662.96		617.86
Power and fuel		2,384.47		2,384.34
Freight and Forwarding expense		2,299.15		2,206.31
Finance costs	29	51.67		114.65
Depreciation and amortization expense	12	583.79		568.90
Other expenses	28	2,332.00		2,222.75
Total Expenses			10,174.91	9,845.10
Profit before exceptional item and tax			1,213.64	1,776.37
Exceptional item	44		-	(335.38)
Profit before Tax			1,213.64	1,440.99
Tax expenses				
Current tax		(363.87)		(439.75)
Tax adjustments for earlier years		216.74		(25.23)
Deferred tax		15.22		73.90
			(131.91)	(391.08)
Profit after Tax			1,081.73	1,049.91
Share of Profit in Associates			13.09	9.47
Minority Interest			(0.15)	(0.10)
Profit for the year			1,094.67	1,059.28
Earnings per equity share	30			
{(Face value of ₹ 10 each (Previous year - ₹ 10 each))}				
Basic		₹	58.31	56.42
Diluted		₹	58.17	56.28
Significant accounting policies	2			

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

N.S.SEKHSARIA
Chairman

PAUL HUGENTOBLE
Deputy Chairman

S. M. PALIA
BERNARD FONTANA
M. L. NARULA
SHAILESH V. HARIBHAKTI
AIDAN LYNAM
SUSHIL KUMAR ROONGTA
ASHWIN DANI
FARROKH K. KAVARANA
BERNARD TERVER

Directors

per RAVI BANSAL
Partner
Membership No. 49365

KULDIP KAURA
CEO & Managing Director

SUNIL K. NAYAK
Chief Financial Officer

BURJOR D. NARIMAN
Company Secretary

Mumbai, February 06, 2014

Consolidated Cash Flow Statement for the year ended December 31, 2013

Particulars	2013 ₹ Crore	2012 ₹ Crore
A. Cash flow from operating activities		
Net Profit before Taxation	1,213.64	1,440.99
Adjustments for:		
Depreciation and Amortisation	583.79	568.90
Impairment Loss	11.93	-
Exceptional item (Refer Note - 44)	-	335.38
Loss / (Profit) on sale / write off of fixed assets (Net)	3.93	(6.11)
Provision for diminution in the value of Investment	17.86	-
Gain on sale of current investments (Net)	(61.27)	(86.11)
Interest Income	(157.86)	(171.05)
Finance Costs	51.67	114.65
Provision for doubtful debts and advances (Net)	7.53	(3.55)
Capital Spares Consumed	23.22	36.36
Miscellaneous expenditure written off	3.44	3.47
Operating profit before working capital changes	1,697.88	2,232.93
Changes in Working Capital:		
Adjustments for Decrease / (Increase) in operating assets:		
Decrease / (Increase) in Trade receivable	(102.77)	(38.82)
Decrease / (Increase) in Inventories	12.09	(21.63)
Decrease / (Increase) in Short term loans & advances	(18.24)	(44.31)
Decrease / (Increase) in Long term loans & advances	(59.57)	(41.91)
Decrease / (Increase) in Other current assets	(0.29)	(0.26)
Decrease / (Increase) in Other non current assets	(134.45)	(109.28)
Adjustments for Increase / (Decrease) in operating liabilities:		
Increase / (Decrease) in Trade payables	(17.89)	(152.76)
Increase / (Decrease) in Other current liabilities	79.26	(84.19)
Increase / (Decrease) in Other long term liabilities	25.65	5.56
Increase / (Decrease) in Short term provisions	20.29	17.92
Increase / (Decrease) in Long term provisions	(3.26)	20.03
Cash generated from operations	1,498.70	1,783.28
Income Tax Paid - (Net of refunds)	(430.10)	(206.42)
Net Cash flow from operating activities	1,068.60	1,576.86
B. Cash flow from investing activities		
Purchase of Fixed Assets (Including Capital work-in-progress and Capital Advances)	(962.72)	(572.17)
Proceeds from sale of Fixed Assets	7.30	16.40
Gain on sale of current investments (Net)	61.27	86.11
Purchase of non current Investments	-	(0.34)
Purchase of Investments in subsidiary company	-	(5.00)
Investment in bank deposits (having original maturity for more than 3 months)	(119.30)	(0.13)
Dividend Received from Associates	6.59	3.09
Interest Received	166.53	164.13
Net cash used in investing activities	(840.33)	(307.91)

Consolidated Cash Flow Statement for the year ended December 31, 2013 (contd.)

Particulars	2013 ₹ Crore	2012 ₹ Crore
C. Cash flow from financing activities		
Finance costs	(76.93)	(110.19)
Repayment of Short term borrowings	(78.03)	(1.62)
Repayment of Long term borrowings	(50.00)	(346.05)
Dividend paid	(560.20)	(522.88)
Dividend Distribution Tax paid	(95.72)	(85.28)
Net cash used in financing activities	(860.88)	(1,066.02)
Net increase / (decrease) in cash and cash equivalents	(632.61)	202.93
Cash and cash equivalents at the beginning of the year	3,155.50	2,952.57
Cash and cash equivalents at the end of the year	2,522.89	3,155.50
Components of cash and cash equivalents:		
Cash on hand	0.12	0.14
Balance with banks -		
On current accounts	56.15	111.61
On deposit account	289.66	531.52
Earmarked for specific purpose*	38.04	35.00
Cash and cash equivalents (Refer Note - 19)	383.97	678.27
Add : Investment in Mutual Funds	1,083.70	1,052.35
Add : Investment in Certificate of Deposits	955.22	1,324.88
Add : Deposit with HDFC Limited	100.00	100.00
Cash and Cash equivalents in cash flow statement	2,522.89	3,155.50

Significant accounting policies (Refer Note - 2)

*These balances are not available for use by the Company as they represent unpaid dividend liabilities.

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E

N.S.SEKHSARIA

Chairman

PAUL HUGENTOBLE

Deputy Chairman

S. M. PALIA**BERNARD FONTANA****M. L. NARULA****SHAILESH V. HARIBHAKTI****AIDAN LYNAM****SUSHIL KUMAR ROONGTA****ASHWIN DANI****FARROKH K. KAVARANA****BERNARD TERVER**

Directors

per RAVI BANSAL

Partner

Membership No. 49365

KULDIP KAURA

CEO & Managing Director

SUNIL K. NAYAK

Chief Financial Officer

BURJOR D. NARIMAN

Company Secretary

Mumbai, February 06, 2014

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

1 COMPANY OVERVIEW

ACC Limited (the Company) is a public limited company domiciled and headquartered in India and incorporated under the provision of Companies Act, 1956. Its shares are listed on two stock exchanges in India. The Company is engaged in the manufacturing and selling of Cement and Ready mix concrete. The Company caters mainly to the domestic market.

2 SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

- a) The 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), its subsidiaries and associates. The Company, its subsidiaries and associates 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 / associates, consolidated in these financial statements unless otherwise stated.
- b) 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	
	2013	2012
a) Subsidiaries		
1 Bulk Cement Corporation (India) Limited (BCCI)	94.65%	94.65%
2 ACC Mineral Resources Limited	100%	100%
3 Lucky Minmat Limited	100%	100%
4 National Limestone Co. Private Limited	100%	100%
5 Singhania Mineral Private Limited	100%	100%
b) Associates		
1 Alcon Cement Company Private Limited	40%	40%
2 Asian Concretes and Cements Private Limited	45%	45%
3 Aakaash Manufacturing Private Limited	40%	40%
c) Joint Ventures of ACC Mineral Resources Limited		
1 MP AMRL(Semaria) Coal Company Limited	49%	49%
2 MP AMRL(Bicharpur) Coal Company Limited	49%	49%
3 MP AMRL(Marki Barka) Coal Company Limited	49%	49%
4 MP AMRL(Morga) Coal Company Limited	49%	49%

Notes :

- 1) Each of the above Companies is incorporated in India & financials statements are drawn up to the same reporting date as that of the parent Company i.e. December 31, 2013.
- 2) Encore Cements & Additives Private Limited was amalgamated with the company with effect from January 01, 2011. On amalgamation of Encore Cement & Additives Private Limited, the goodwill as on that date amounting to ₹ 11.29 Crore was adjusted against General Reserves.
- 3) ACC Concrete Limited was amalgamated with the company with effect from January 01, 2012.

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

- c) The Consolidated Financial Statements have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular 15/ 2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.
- d) The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.
- e) 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.
- f) 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.
- g) 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.
- h) 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.
- i) 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.
- j) 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).
- k) The difference between the cost of investment in the associates and the Company's share of net assets at the time of acquisition of share in the associate is identified in the financial statements as Goodwill or Capital Reserve as the case may be. Goodwill is amortised over a period of ten years from the date of investment.
- l) 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).

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

(ii) Use of estimates

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

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

(iii) Tangible Fixed assets

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

(iv) Depreciation on tangible fixed assets

- a) Depreciation on fixed assets other than Captive Power Plant related assets consisting of Buildings, Plant and Equipment (CPP assets), is provided using the straight-line method and on CPP assets using the written-down value method at the rates prescribed in schedule XIV to the Companies Act, 1956 or based on the useful lives of the assets as estimated by management, whichever is higher. The depreciation on the following assets is provided at higher rates as compared to schedule XIV rates:

Assets	Useful Life
Transit Mixers	8 Years
Concrete Pumps	6 Years

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

- b) Machinery spares which are capitalised are depreciated over the useful life of the related fixed asset. The written down value of such spares is charged in the Statement of Profit and Loss, on issue for consumption.
- c) Leasehold land is amortized on a straight line basis over the period of lease.
- d) Freehold land used for mining is depreciated on the basis of quantity of minerals actually extracted during the year with respect to the estimated total quantity of extractable mineral reserves.

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

(v) Intangible Assets and Amortisation

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

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

(vi) Intangible assets under development

Mine Development Expenses has been recognized as intangible assets under development and 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.

(vii) Impairment of assets

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

(viii) Borrowing Costs

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

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

(ix) Investments

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

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

(x) Inventories

Inventories are valued after providing for obsolescence, as follows:

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

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

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

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

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

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

(xi) Cash and Cash equivalents

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

(xii) Revenue recognition

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

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are disclosed net of sales tax / VAT, trade discounts and returns, as applicable. Excise duties deducted from turnover (gross) are the amounts that are included in the amount of turnover (gross) and not the entire amount of liability that arose during the year.

Income from services

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

Interest and Dividend Income

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

(xiii) 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.

(xiv) Government Grants and Subsidies

- a) Government Grants and subsidies are recognized when there is reasonable assurance that the conditions attached to them will be complied, and grant/ subsidy will be received.
- b) Government grants and subsidies receivable against an expense are deducted from such expense and subsidy/ grant receivable against a specific fixed asset is deducted from cost of the relevant fixed asset.
- c) Government grants of the nature of promoters' contribution are credited to Capital Reserve and treated as a part of shareholders' funds.

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

(xv) Leases

Where the Company is the lessee

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

Where the Company is the lessor

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

(xvi) 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.

(xvii) 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.

(xviii) Employee benefits

a) Short term employee benefits

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

b) Defined contribution plans

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

c) Defined benefit plans

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

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

d) Other long term benefits

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

- e) Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. These are provided based on past experience of leave availed.
- f) For the purpose of presentation of Defined benefit plans and other long term benefits, the allocation between short term and long term provisions has been made as determined by an actuary. The Company presents the entire compensated absences as a short term provisions, since employee has an unconditional right to avail the leave at any time during the year.
- g) Expenses incurred towards voluntary retirement scheme are charged to the Statement of Profit and Loss as and when incurred.

(xix) Income taxes

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

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

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

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

(xx) Provisions and contingent liabilities

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

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

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

(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 total estimate of restoration expenses is apportioned over the estimate of mineral reserves and a provision is made based on minerals extracted during the year.

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

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

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

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

(xxiv) Segment Reporting

Identification of segments

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

Allocation of common costs

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

Unallocated items

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

Segment Policies

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

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

3. SHARE CAPITAL

	2013 ₹ Crore	2012 ₹ Crore
Authorised Shares		
22,50,00,000 (Previous Year - 22,50,00,000) Equity Shares of ₹ 10 each	225.00	225.00
10,00,00,000 (Previous Year - 10,00,00,000) Preference Shares of ₹ 10 each	100.00	100.00
Issued		
18,87,93,243 (Previous Year - 18,87,93,243) Equity Shares of ₹ 10 each	188.79	188.79
Subscribed & Paid-up		
18,77,45,356 (Previous Year - 18,77,45,356) Equity Shares of ₹ 10 each fully paid	187.75	187.75
Add: 3,84,060 (Previous Year - 3,84,060) Equity Shares of ₹ 10 each Forfeited - Amount Paid	0.20	0.20
TOTAL	187.95	187.95

i) Reconciliation of number of equity shares outstanding

	2013		2012	
	No. of shares	₹ Crore	No. of shares	₹ Crore
Equity Shares at the beginning of the year	18,77,45,356	187.75	18,77,45,356	187.75
Equity Shares at the end of the year	18,77,45,356	187.75	18,77,45,356	187.75

ii) Terms / rights attached to equity shares

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

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

	2013 ₹ Crore	2012 ₹ Crore
Holcim (India) Private Limited, the Holding Company		
9,38,88,120 (Previous Year - 9,38,88,120) Equity shares ₹ 10 each fully paid	93.89	93.89
Holderind Investments Ltd., Mauritius, Holding Company of Holcim (India) Private Limited		
5,41,000 (Previous Year - 5,41,000) Equity shares ₹ 10 each fully paid	0.54	0.54

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

iv) The Company has issued total 63,537 (Previous Year - 1,20,938) Equity shares ₹ 10 each fully paid during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan, wherein part consideration was received in form of employee services.

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

	2013		2012	
	No. of shares	% Holding	No. of shares	% Holding
Holcim (India) Private Limited	9,38,88,120	50.01	9,38,88,120	50.01
Life Insurance Corporation of India	1,53,92,891	8.20	1,34,97,566	7.19

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

4. RESERVES AND SURPLUS

	2013		2012
	₹ Crore	₹ Crore	₹ Crore
Capital Reserve			
Balance as per last Financial statements	7.07		7.07
Add: Reversal of capital subsidy provision [Refer Note - 37 B (b)]	8.00		-
		15.07	7.07
Securities Premium Account		844.84	844.84
Debenture Redemption Reserve			
Balance as per last Financial statements	39.25		85.00
Less: Transferred to General Reserve	31.25		45.75
		8.00	39.25
General Reserve			
Balance as per last Financial statements	2,447.53		2,254.63
Add: Transferred from Amortisation Reserve	-		8.44
Add: Transferred from surplus in Statement of Profit and Loss	120.00		150.00
Add: Transferred from Debenture Redemption Reserve	31.25		45.75
Less: Goodwill amount of Encore Cement and Additives Private Limited Adjusted on amalgamation [Refer Note - 2 (i) (b) (2)]	-		11.29
		2,598.78	2,447.53
Amortisation Reserve			
Balance as per last Financial statements	-		8.44
Less: Transferred to General Reserve	-		8.44
		-	-
Surplus in Statement of Profit and Loss			
Balance as per last Financial statements	3,845.79		3,591.12
Add: Profit for the year	1,094.67		1,059.28
	4,940.46		4,650.40
Less - Appropriations			
Interim equity dividend (amount per share ₹ 11 (Previous Year - ₹ 11))	206.52		206.52
Proposed final equity dividend (amount per share ₹ 19 (Previous Year - ₹ 19))	356.72		356.72
Tax on equity dividends	95.72		91.37
Previous Year tax on equity dividends	2.76		-
Transfer to General Reserve	120.00		150.00
	781.72		804.61
		4,158.74	3,845.79
TOTAL		7,625.43	7,184.48

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

5. LONG-TERM BORROWINGS

	Long Term		Current Maturity of Long-Term Borrowings*	
	2013 ₹ Crore	2012 ₹ Crore	2013 ₹ Crore	2012 ₹ Crore
Secured				
Privately placed Non-Convertible Debentures				
320 (Previous Year - 820) 8.45% Non-Convertible Debentures of ₹ 10,00,000 each (Refer Note (i) below)	-	82.00	32.00	-
Nil (Previous Year - 750) 11.30% Non-Convertible Debentures of ₹ 10,00,000 each (Refer Note (ii) below)	-	-	-	75.00
Sub-Total	-	82.00	32.00	75.00
Unsecured				
Deferred payment liability (Refer Note (iii) below)	-	1.62	1.62	1.62
Deferred sales tax loans (Refer Note (iv) below)	-	1.41	1.41	1.41
Sub-Total	-	3.03	3.03	3.03
TOTAL	-	85.03	35.03	78.03

*Amount disclosed under the head "Other Current Liabilities" (Refer Note - 10)

- 8.45% Debentures are redeemable at par at the end of five years from the date of allotment, viz 07 October 2009. These debentures are secured by a charge on all movable and immovable assets under the Debenture Trust Deed. During the year, the Company has bought back 500 debentures (Previous year - 2,180) of ₹ 50 Crore (Previous year - ₹ 218 Crore).
- 11.30% Debentures were redeemable at par at the end of five years from the date of allotment, viz 09, December 2008. These debentures were secured by a charge on all movable and immovable assets under the Debenture Trust Deed. During the year, the Company has bought back 550 debentures (Previous year - 1,250) of ₹ 55 Crore (Previous year - ₹ 125 Crore) and redeemed 200 Debentures (Previous year - Nil) of ₹ 20 Crore (Previous year - ₹ Nil).
- Deferred Payment Liability is payable to the Industrial Development Corporation of Orissa Limited (IDCOL) in eight equal annual installments of ₹ 1.62 Crore beginning from 2007 without interest or penalty.
- Deferred sales tax loan is interest-free and payable in 12 yearly installments of ₹ 1.41 Crore each beginning from 2003.

6. DEFERRED TAX LIABILITIES (NET)

	2013 ₹ Crore	2012 ₹ Crore
Deferred Tax Liabilities arising on account of :		
Depreciation and amortisation differences	751.12	730.55
	751.12	730.55
Deferred Tax Assets arising on account of :		
Provision for employee benefits	61.85	54.75
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	74.34	59.44
Provision for obsolescence of spare parts	28.07	20.80
Others	74.02	72.97
	238.28	207.96
Net Deferred Tax Liabilities	512.84	522.59

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

7. OTHER LONG-TERM LIABILITIES

	2013 ₹ Crore	2012 ₹ Crore
Deposit from dealers and others	406.75	381.09
TOTAL	406.75	381.09

8. LONG-TERM PROVISIONS

	2013 ₹ Crore	2012 ₹ Crore
Provision for employee benefits (Refer Note - 31)		
Provision for gratuity and staff benefit schemes	69.94	75.36
Other Provisions		
Provision for Mines Restoration	19.15	17.00
TOTAL	89.09	92.36

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

Mines Restoration Expenditure

	2013 ₹ Crore	2012 ₹ Crore
Opening provision	17.00	14.26
Add: Provision during the year	2.61	4.14
Less: Utilisation during the year	(0.46)	(1.40)
Closing provision	19.15	17.00

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.

9. TRADE PAYABLES

	2013 ₹ Crore	2012 ₹ Crore
Due to Micro and Small Enterprises	1.66	1.64
Due to others	639.98	659.07
TOTAL	641.64	660.71

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

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

10. OTHER CURRENT LIABILITIES

	2013 ₹ Crore	2012 ₹ Crore
Current maturities of long-term borrowings (Refer Note - 5)	35.03	78.03
Interest accrued but not due on borrowings	0.64	2.14
Investor Education and Protection Fund :- (Refer Note - (i) below)		
Unpaid dividend	38.04	35.00
Unpaid Matured Deposits	0.02	0.02
Statutory dues	314.42	286.01
Advance from customers	144.95	161.81
Deposits	107.93	107.13
Liability for capital expenditure	75.11	54.80
Other payables (including Rebates to customers, Employees dues, etc.)	837.77	794.75
TOTAL	1,553.91	1,519.69

- i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at December 31, 2013

11. SHORT-TERM PROVISIONS

	2013 ₹ Crore	2012 ₹ Crore
Provision for employee benefits (Refer Note - 31)		
Provision for gratuity and staff benefit schemes	31.21	28.32
Provision for compensated absences	90.44	73.05
Other Provisions		
Provision for Income Tax (Net of advance tax)	541.76	775.77
Proposed Final Dividend	356.72	356.72
Tax on proposed dividend	60.62	57.87
TOTAL	1,080.75	1,291.73

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

12. FIXED ASSETS

Particulars	GROSS BLOCK AT COST			DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK		
	As at 01-01-2013	Additions/ Adjustments	Deductions/ Adjustments	As at 31-12-2013	As at 01-01-2013	For the Year	Impairment loss	Deductions/ Adjustments	As at 31-12-2013	As at 31-12-2012
Tangible Assets :										
Freehold Land	282.92	7.51	27.86	262.57	1.55	0.24	-	-	1.79	260.78
Leasehold Land	65.45	0.04	0.99	64.50	38.03	1.51	-	0.99	38.55	25.95
Buildings	1,215.83	36.28	4.69	1,247.42	327.56	44.72	2.15	2.71	371.72	875.70
Plant and Equipment	8,360.01	225.23	70.29	8,514.95	3,892.35	502.40	9.69	39.44	4,365.00	4,149.95
Railway Sidings	164.39	2.29	-	166.68	44.74	7.37	-	-	52.11	114.57
Furniture & Fixtures	39.94	3.14	0.42	42.66	15.03	4.38	-	0.33	19.08	23.58
Vehicles	38.25	10.71	1.53	47.43	14.40	4.76	-	1.29	17.87	29.56
Office equipment	113.34	10.40	2.78	120.96	49.32	12.08	0.09	2.18	59.31	61.65
TOTAL	10,280.13	295.60	108.56	10,467.17	4,382.98	577.46	11.93	46.94	4,925.43	5,541.74
Intangible Assets:										
Computer Software	59.82	0.34	0.07	60.09	58.82	0.44	-	0.07	59.19	0.90
Goodwill	59.42	-	-	59.42	26.19	5.89	-	-	32.08	27.34
TOTAL	119.24	0.34	0.07	119.51	85.01	6.33	-	0.07	91.27	28.24

₹ Crore

Notes:-

- Buildings include cost of Shares ₹ 4,960 (Previous Year - ₹ 5,460) in various Co-operative Housing Societies, in respect of 26 residential flats (Previous Year - 27).
- Buildings include Gross block of ₹ 23.86 Crore (Previous year - ₹ 23.86 Crore) and Net block of ₹ 19.99 Crore (Previous Year - ₹ 22.05 Crore) in respect of which the transfer of title deeds to the name of the Company is under process.
- Plant and Equipment includes assets given on lease to Railways under "Own Your Wagons" Scheme of ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore) and accumulated depreciation ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore).
- Plant and Equipment and Buildings include Gross Block of ₹ 12.68 Crore (Previous Year - ₹ 12.68 Crore), ₹ 25.87 Crore (Previous Year - ₹ 26.23 Crore), and Net Block ₹ Nil (Previous year - ₹ Nil), ₹ Nil (Previous Year - ₹ 0.12 Crore), respectively, in respect of expenditure incurred on capital assets, ownership of which does not vest in the Company.
- Goodwill is on account of Investment in subsidiaries

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

12. FIXED ASSETS (contd.)

Particulars	GROSS BLOCK AT COST				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01-01-2012	Additions on Acquisition of Subsidiary	Additions/ Adjustments	Deductions/ Adjustments	As at 31-12-2012	As at 01-01-2012	For the Year*	Deductions/ Adjustments	As at 31-12-2012	As at 31-12-2011
Tangible Assets :										
Freehold Land	249.34	-	33.58	-	282.92	-	1.55	-	281.37	249.34
Leasehold Land	62.33	0.02	3.10	-	65.45	35.62	2.41	-	27.42	26.71
Buildings	1,172.26	-	50.47	6.90	1,215.83	257.89	76.19	6.52	888.27	914.37
Plant and Equipment	8,087.62	-	368.24	95.85	8,360.01	3,149.93	791.87	49.45	4,467.66	4,937.69
Railway Sidings	157.29	-	7.92	0.82	164.39	37.75	7.29	0.30	119.65	119.54
Furniture & Fixtures	38.05	-	2.42	0.53	39.94	13.00	2.41	0.38	24.91	25.05
Vehicles	35.35	-	4.02	1.12	38.25	10.98	4.33	0.91	23.85	24.37
Office equipment	101.64	-	14.06	2.36	113.34	40.16	10.98	1.82	64.02	61.48
TOTAL	9,903.88	0.02	483.81	107.58	10,280.13	3,545.33	897.03	59.38	4,382.98	6,358.55
Intangible Assets:										
Computer Software	58.93	-	0.89	-	59.82	57.17	1.65	-	58.82	1.76
Goodwill	68.41	-	4.98	13.97	59.42	23.27	5.60	2.68	33.23	45.14
TOTAL	127.34	-	5.87	13.97	119.24	80.44	7.25	2.68	85.01	46.90

₹ Crore

* Depreciation for the year includes an additional depreciation charge of ₹ 335.38 Crore relating to period upto December 31, 2011 due to change in Accounting policy which is disclosed as an exceptional item (Refer Note - 44).

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

13. NON-CURRENT INVESTMENTS

	2013			2012	
	Numbers	₹ Crore		Numbers	₹ Crore
Trade Investments					
(valued at cost unless stated otherwise)					
(a) Unquoted equity instruments					
Investment in Associates					
Face value ₹ 10 each					
Alcon Cement Company Private Limited					
{includes unamortised Goodwill of ₹ 6.85 Crore	4,08,001	23.10		4,08,001	24.16
(Previous Year - ₹ 8.47 Crore)}					
Add: Share of Profit		3.72			3.21
Less: Dividend Received		(4.53)			(2.65)
Less: Amortisation of Goodwill		(1.62)			(1.62)
			20.67		23.10
Asian Concretes and Cements Private Limited	81,00,000	41.86		81,00,000	38.90
{includes unamortised Goodwill of ₹ 9.71 Crore					
(Previous Year - ₹ 11.26 Crore)}					
Add: Share of Profit		6.68			4.52
Less: Amortisation of Goodwill		(1.55)			(1.56)
			46.99		41.86
Aakaash Manufacturing Company Private Limited	4,401	8.44		4,401	7.39
{includes unamortised Goodwill of ₹ 1.99 Crore					
(Previous Year - ₹ 2.24 Crore)}					
Add: Share of Profit		2.69			1.74
Less: Dividend Received		(2.06)			(0.44)
Less: Amortisation of Goodwill		(0.25)			(0.25)
			8.82		8.44
Investment in Others					
Face value ₹ 10 each					
Moirra Madhujore Coal Limited	82,019		0.69	82,019	0.35
(b) Quoted equity instruments					
Face value ₹ 2 each					
Shiva Cement Limited	2,36,50,000		5.79	2,36,50,000	23.65
{Net of provision for diminution in the value of investment aggregating to ₹ 17.86 Crore					
(Previous year - ₹ Nil)} (Refer Note - 39)					
			82.96		97.74

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

13. NON-CURRENT INVESTMENTS (contd.)

	2013			2012	
	Numbers	₹ Crore		Numbers	₹ Crore
Non trade investments (value at cost)					
Investment in equity instruments (unquoted)					
Face value ₹ 10 each					
* Kanoria Sugar & General Mfg. Company Limited	4	-		4	-
* Gujarat Composites Limited	60	-		60	-
* Rohtas Industries Limited	220	-		220	-
* The Jaipur Udyog Limited	120	-		120	-
* Digvijay Finlease Limited	90	-		90	-
* The Travancore Cement Company Limited	100	-		100	-
* Ashoka Cement Limited	50	-		50	-
Face value ₹ 5 each					
* The Sone Valley Portland Cement Company Limited	100	-		100	-
Investment in Bonds (Unquoted)					
Face value ₹ 10,00,000 each					
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70		37	3.70
			3.70		3.70
TOTAL			86.66		101.44

Notes:

(I)	Aggregate amount of quoted Investments	5.79	23.65
	{Market value ₹ 5.79 Crore (Previous year - ₹ 9.53 Crore)}		
	Aggregate amount of unquoted Investments	80.87	77.79
(II)	Aggregate provision for diminution in value of investments	17.86	-
(III)	*Denotes amount less than ₹ 50,000		

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

14. LONG-TERM LOANS AND ADVANCES

	2013 ₹ Crore	2012 ₹ Crore
Unsecured, Considered Good, unless otherwise stated		
Capital advances	391.42	193.43
Security deposits	186.57	167.49
Deposits with Government bodies and others		
Considered good	159.10	127.27
Considered doubtful	4.57	4.33
	163.67	131.60
Less: Allowance for doubtful deposits	4.57	4.33
	159.10	127.27
Loans and advances to related parties	11.34	3.11
Advances recoverable in cash or kind	16.95	17.44
Advance tax (Net of provision for tax)	114.58	60.06
TOTAL	879.96	568.80

15. OTHER NON-CURRENT ASSETS

Unsecured, Considered Good, unless otherwise stated

	2013 ₹ Crore	2012 ₹ Crore
Incentives under Government schemes and other receivables		
Considered good	308.24	165.84
Considered doubtful	0.44	8.44
	308.68	174.28
Less: Provision for doubtful receivables	0.44	8.44
TOTAL	308.24	165.84

16. CURRENT INVESTMENTS

	2013			2012	
	Numbers	₹ Crore		Numbers	₹ Crore
Current investments					
(valued at lower of cost and fair value)					
Investment in Certificate of Deposits					
- Fully paid-up (unquoted)					
Unit of Face value ₹ 1,00,000 each					
Allahabad Bank	2,500	24.49		-	-
Andhra Bank	15,000	146.94		-	-
IDBI Bank Limited	10,000	97.97		-	-
Central Bank of India	2,500	24.54		-	-
Corporation Bank	7,500	73.37		-	-
Syndicate Bank	5,000	49.02		-	-
State Bank of Hyderabad	7,500	73.49		-	-
Bank of Baroda	2,500	24.46		-	-
Bank of India	2,500	24.51		-	-
Kotak Mahindra Bank Limited	12,500	122.34		-	-
UCO Bank	5,000	49.18		5,000	49.02
Punjab National Bank	10,000	97.96		10,000	98.00
Oriental Bank	2,500	24.48		25,000	245.14

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

16. CURRENT INVESTMENTS (contd.)

	2013			2012	
	Numbers	₹ Crore		Numbers	₹ Crore
Canara Bank	7,500	73.48		10,000	98.13
State Bank of Patiala	5,000	48.98		25,000	245.24
Axis Bank Limited	-	-		15,000	146.98
ICICI Bank Limited	-	-		25,000	246.42
Indian Bank	-	-		20,000	195.95
			955.21		1,324.88
Investment in Mutual Funds - Fully paid-up (Unquoted)					
Unit of Face value ₹ 10 each					
HDFC HIF Short Term Plan - GR	-	-		5,81,64,246.885	130.00
JP Morgan India Treasury Fund - Super IP - GR	-	-		6,71,21,752.146	100.00
Kotak Floater ST - GR	-	-		6,11,97,245.578	115.00
Reliance Medium Term Fund - GR	-	-		6,39,61,793.489	150.00
Religare Short Term Plan - Plan A - GR	-	-		7,81,15,845.799	120.00
SBI-SHF-Ultra Short Term Debt Fund -GR				54,298.896	8.00
HDFC Liquid Fund - GR	3,90,03,988.470	96.00		-	-
Sundaram Money Fund - GR	95,17,902.904	25.00		-	-
DWS Cash Opportunities Fund-Regular Plan- GR	71,97,524.052	12.00		-	-
Unit of Face value ₹ 100 each					
ICICI Prudential Liquid Fund - Super IP - GR	48,33,369.584	89.00		44,78,322.562	76.00
Birla Sunlife Cash Plus Fund - GR	39,92,814.649	80.00		-	-
DWS Insta Cash Plus Fund - Super IP - GR	20,33,230.449	33.00		-	-
ICICI Prudential Floating Rate Plan - GR	18,85,684.423	35.00		-	-
Unit of Face value ₹ 1,000 each					
Axis Liquid Fund - IP - GR	8,10,267.730	112.00		4,33,079.711	55.00
DSP Blackrock Liquidity Fund - IP - GR	-	-		1,14,767.993	15.00
SBI Premier Liquid Fund - Super IP - GR*	5,95,684.836	117.00		8,21,515.920	148.00
Templeton India TMA - Super - IP - GR	1,34,368.003	25.00		7,32,722.577	125.00
UTI Treasury Advantage Fund - IP -GR	-	-		66,828.439	10.35
Kotak Floater ST - Direct plan GR	5,23,688.990	107.00		-	-
Reliance Liquid Fund - GR	3,65,582.219	111.00		-	-
Baroda Pioneer - Liquid Fund - Plan A - GR	1,18,822.597	17.00		-	-
IDBI Liquid Fund -GR	2,40,768.694	32.00		-	-
IDFC Cash Fund Plan C - IP - GR	1,31,961.540	20.00		-	-
Canara Robeco Liquid Fund - GR	33,334.353	5.00		-	-
L & T Liquid Fund - GR	1,63,028.042	28.00		-	-
Pramerica Liquid Fund- Direct - GR	1,49,759.918	20.00		-	-
Principal Cash Management Fund - GR	82,859.810	10.00		-	-
Religare Liquid Fund - GR	4,37,001.946	75.00		-	-
UTI Liquid Fund - Cash Plan -GR	1,22,397.445	25.00		-	-
UTI Floating rate fund-STP-Regular plan- GR	23,233.120	4.70		-	-
DSP Black rock Money Manager Fund-Regular Plan-GR	29,432.586	5.00		-	-
			1,083.70		1,052.35
TOTAL			2,038.91		2,377.23
Aggregate amount of unquoted Investments			2,038.91		2,377.23

*Includes Nil units (Previous Year - 2,77,753) of ₹ Nil (Previous Year - ₹ 50 Crore) in the process of redemption, where redemption proceeds are received subsequent to the year end.

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)**17. INVENTORIES**

(At cost or net realisable value whichever is lower)

	2013 ₹ Crore	2012 ₹ Crore
Raw Materials (Including in transit ₹ 1.74 Crore (Previous Year - ₹ 11.03 Crore))	132.90	156.41
Work-in-Progress	252.85	228.86
Finished Goods	130.18	160.90
Stock-in-trade	0.49	0.29
Stores & Spare Parts and Packing Material {Including in transit ₹ 9.73 Crore (Previous Year - ₹ 9.02 Crore)}	296.60	286.51
Fuels {Including in transit ₹ 7.86 Crore (Previous Year - ₹ 5.31 Crore)}	309.28	301.43
TOTAL	1,122.30	1,134.40

18. TRADE RECEIVABLES

	2013 ₹ Crore	2012 ₹ Crore
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	16.43	12.30
Unsecured, considered Doubtful	15.46	8.52
	31.89	20.82
Less: Provision for doubtful trade receivables	15.46	8.52
	16.43	12.30
Other Trade receivables		
Secured, considered good	66.34	63.64
Unsecured, considered good	314.41	226.82
Unsecured, considered Doubtful	4.39	-
	385.14	290.46
Less: Provision for doubtful trade receivables	4.39	-
	380.75	290.46
TOTAL	397.18	302.76

19. CASH AND BANK BALANCES

	2013 ₹ Crore	2012 ₹ Crore
Cash and cash equivalents		
Balances with banks:		
On current accounts	56.15	111.61
Deposits with original maturity of less than three months	289.67	531.52
On unpaid dividend account	38.04	35.00
Cash on hand	0.12	0.14
	383.98	678.27
Other bank balances		
*Deposits with original maturity for more than 3 months but less than 12 months	121.73	2.42
Post office saving accounts	0.01	0.01
	121.74	2.43
TOTAL	505.72	680.70

*Given as security against bank guarantee and others

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

20. SHORT-TERM LOANS AND ADVANCES

Unsecured, Considered Good, unless otherwise stated

	2013 ₹ Crore	2012 ₹ Crore
Security deposits	10.41	8.92
Advances recoverable in cash or kind	126.30	128.96
Other loans and advances		
Balances with statutory / government authorities	103.68	84.01
Deposit with HDFC Limited	100.00	100.00
TOTAL	340.39	321.89

21. OTHER CURRENT ASSETS

Unsecured, Considered Good, unless otherwise stated

	2013 ₹ Crore	2012 ₹ Crore
Interest accrued on investments	6.16	14.83
Other Accrued Interest	1.45	1.38
Fixed assets held for sale	11.92	12.63
Others	-	0.03
TOTAL	19.53	28.87

22. REVENUE FROM OPERATIONS

	2013 ₹ Crore	2012 ₹ Crore
Sale of products		
Finished goods	11,963.39	12,232.08
Traded goods	250.87	168.69
Sale of services	16.28	11.27
Sale of products and services (gross)	12,230.54	12,412.04
Less: Excise duty	1,322.13	1,281.48
Sale of products and services (net)	10,908.41	11,130.56
Other operating revenue	261.01	227.63
Revenue from operations (net)	11,169.42	11,358.19
Detail of Other operating revenue		
	2013 ₹ Crore	2012 ₹ Crore
Provision no longer required written back	14.01	23.39
Sale of surplus generated power	4.36	1.27
Incentives and subsidies	140.73	93.97
Miscellaneous income	101.91	109.00
TOTAL	261.01	227.63

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)**23. OTHER INCOME**

	2013 ₹ Crore	2012 ₹ Crore
Interest on Bank deposits	148.90	162.28
Other interest income	3.33	8.77
Interest on Income Tax	5.63	-
{Net of interest expense on Income tax ₹ 21.98 Crore (Previous Year - ₹ Nil)}		
Profit on sale of fixed assets (Net)	-	6.11
Gain on sale of current investments (Net)	61.27	86.11
Share of Other Income in Joint Ventures	-	0.01
TOTAL	219.13	263.28

24. COST OF MATERIALS CONSUMED

	2013 ₹ Crore	2012 ₹ Crore
Opening stock	156.41	165.48
Purchase and incidental expenses	1,597.97	1,542.35
	1,754.38	1,707.83
Less: Closing stock	132.90	156.41
TOTAL	1,621.48	1,551.42

Details of cost of materials consumed

	2013 ₹ Crore	2012 ₹ Crore
Slag	331.54	280.59
Gypsum	337.73	348.65
Fly Ash	310.72	281.58
Aggregates	98.23	99.22
Cement for RMX	61.55	99.69
Others*	481.71	441.69
TOTAL	1,621.48	1,551.42

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

25. PURCHASE OF TRADED GOODS

	2013 ₹ Crore	2012 ₹ Crore
Cement	140.36	92.20
Ready Mix Concrete	92.50	66.55
TOTAL	232.86	158.75

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

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

	2013 ₹ Crore	2012 ₹ Crore	(Increase) / decrease ₹ Crore
Inventories at the end of the year			
Stock-in-trade	0.49	0.29	(0.20)
Finished goods	130.18	160.90	30.72
Work -in-progress	252.85	228.86	(23.99)
	383.52	390.05	6.53
Inventories at the beginning of the year			
Stock-in-trade	0.29	0.20	(0.09)
Finished goods	160.90	126.92	(33.98)
Work -in-progress	228.86	283.05	54.19
	390.05	410.17	20.12
TOTAL	6.53	20.12	

27. EMPLOYEE BENEFITS EXPENSE

	2013 ₹ Crore	2012 ₹ Crore
Salaries and Wages	573.28	518.78
Contributions to Provident and other Funds	53.30	67.16
Staff Welfare Expenses	36.38	31.92
TOTAL	662.96	617.86

Exclude cost relating to share based payments incurred and paid by Holcim Ltd., the ultimate holding Company, to the employees of the Company.

28. OTHER EXPENSES

	2013 ₹ Crore	2012 ₹ Crore
Consumption of stores and spare parts	382.54	387.70
Consumption of packing materials	434.15	381.53
Excise duty (Refer Note - (i) & (ii) below)	6.47	88.47
Rent	30.53	31.60
Rates and Taxes	114.53	116.22
Repairs to Building	7.58	13.44
Repairs to Machinery	135.62	138.55
Repairs to other Items	20.02	12.76
Insurance	25.50	24.86
Royalties	118.76	131.39
Discount on sales	81.73	83.16
Advertisement	116.07	102.58
Technology and Know-how fees	107.66	-
Miscellaneous expenses (Refer Note - (iii) below)	750.84	710.49
TOTAL	2,332.00	2,222.75

- i) Includes excise duty related to the difference between the closing stock and opening stock.
- ii) Includes excise duty on captive consumption of Clinker ₹ 6.58 Crore (*Previous Year - ₹ 64.63 Crore*)
- iii) Miscellaneous expenses includes:
 - (a) Loss on sale / write off and impairment of Fixed Assets (Net) - ₹ 15.86 Crore (*Previous year - ₹ Nil*)
 - (b) Provision for other than temporary diminution in long term investment of ₹ 17.86 Crore (*Previous year - ₹ Nil*)

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)**29. FINANCE COSTS**

	2013 ₹ Crore	2012 ₹ Crore
Interest expenses	51.67	79.02
Interest on Income Tax	-	35.63
{Net of interest on refund ₹ Nil (Previous Year - ₹ 74.61 Crore)}		
TOTAL	51.67	114.65

30. EARNINGS PER SHARE - [EPS]

	2013 ₹ Crore	2012 ₹ Crore
Net Profit as per Statement of Profit and Loss	1,094.67	1,059.28
Weighted average number of equity shares for Earnings Per Share computation		
Shares for Basic Earnings Per Share	18,77,45,356	18,77,45,356
Add: Potential diluted equity shares on account of shares in abeyance	4,45,714	4,82,972
Number of Shares for Diluted Earnings Per Share	18,81,91,070	18,82,28,328
Earnings Per Share		
Face value per Share ₹	10.00	10.00
Basic ₹	58.31	56.42
Diluted ₹	58.17	56.28

31. EMPLOYEE BENEFITS

- a) Defined Contribution Plans – Amount recognised and included in Note 27 “Contributions to Provident and Other Funds” of Statement of Profit and Loss ₹ 14.59 Crore (Previous Year ₹ 16.23 Crore).
- b) Defined Benefit Plans – As per actuarial valuation on December 31, 2013
The Company has a defined benefit gratuity and post retirement medical benefit plans as given below:
 - i Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of services. The scheme is funded with insurance companies in the form of 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.
 - iii. Every employee who has joined before 1st December 2005 and separates from service of the Company on Superannuation and on medical grounds is entitled to additional gratuity. The scheme is Non Funded.

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

Defined Benefit Plans as per Actuarial valuation on December 31, 2013

	Gratuity		Post Employment Medical benefits (PEMB)
	Funded ₹ Crore	Non Funded ₹ Crore	₹ Crore
I Expense recognised in the Statement of Profit & Loss – for the year ended December 31, 2013			
1. Current Service cost	9.20	4.09	0.05
	7.68	3.32	0.05
2. Interest Cost	12.21	5.12	0.26
	10.82	4.25	0.20
3. Employee Contributions	-	-	(0.31)
	-	-	(0.39)
4. Expected return on plan assets	(11.66)	-	-
	(10.17)	-	-
5. Net Actuarial (Gains) / Losses	0.93	1.53	1.27
	19.15	9.05	1.70
6. Total expense	10.68	10.74	1.27
	27.48	16.62	1.56
II Amount recognised in Balance Sheet			
1. Present value of Defined Benefit Obligation	(165.88)	(71.18)	(4.18)
	(160.11)	(65.54)	(3.50)
2. Fair value of plan assets	149.80	-	-
	137.12	-	-
3. Funded status {Surplus/ (Deficit)}	(16.08)	-	-
	(22.99)	-	-
4. Net asset/ (liability) as at December 31, 2013	(16.08)	(71.18)	(4.18)
	(22.99)	(65.54)	(3.50)
III Present Value of Defined Benefit Obligation			
1. Present value of Defined Benefit Obligation at beginning of the year	160.11	65.54	3.50
	135.82	52.17	2.57
2. Current Service cost	9.20	4.09	0.05
	7.68	3.32	0.05
3. Interest Cost	12.21	5.12	0.26
	10.82	4.25	0.20
4. Employee Contributions	-	-	(0.31)
	-	-	(0.39)
5. Actuarial (Gains) / Losses	2.06	1.53	1.27
	20.48	9.05	1.70
6. Benefits Payments	(17.70)	(5.10)	(0.59)
	(14.69)	(3.25)	(0.63)
7. Present value of Defined Benefit Obligation at the end of the year	165.88	71.18	4.18
	160.11	65.54	3.50

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

	Gratuity		Post Employment Medical benefits (PEMB)
	Funded	Non Funded	
	₹ Crore	₹ Crore	₹ Crore
IV Fair Value of Plan Assets			
1. Plan assets at the beginning of the year	137.12	-	-
	119.82	-	-
2. Expected return on plan assets	11.66	-	-
	10.17	-	-
3. Contributions by Employer	-	-	-
	5.92	-	-
4. Actual benefits paid	(0.11)	-	-
	(0.12)	-	-
5. Actuarial Gains / (Losses)	1.13	-	-
	1.33	-	-
6. Plan assets at the end of the year	149.80	-	-
	137.12	-	-
7. Actual return on plan assets	12.79	-	-
	11.50	-	-

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

Qualifying Insurance Policy 100% (P.Y. - 100%)

VI Effect of One percentage point change in the assumed Medical Inflation rate	One percentage increase - ₹ Crore	One percentage decrease - ₹ Crore
Increase / (Decrease) on aggregate service and interest cost of Post Employment Medical benefits	0.05	(0.05)
	0.06	(0.06)
Increase/ (Decrease) on Present value of Defined Benefit Obligation as at December 31, 2013	0.56	(0.56)
	0.67	(0.65)

VII Actuarial Assumptions:

a) Financial Assumptions

1 Discount Rate	8.85 % p.a.(P.Y.- 8.15% p.a.)
2 Expected rate of return on plan assets	8.5 % p.a.(P.Y.- 8.5% p.a.)
3 Salary increase rate	7% p.a.(P.Y.- 7% p.a.)

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

b) Demographic Assumptions

1 Mortality pre-retirement	Indian Assured Lives Mortality (2006-08) Modified Ultimate <i>Indian Assured Lives Mortality (1994-96) Modified Ultimate</i>
2 Mortality post-retirement	Mortality for annuitants LIC (1996-98) ultimate
3 Turnover rate	5% p.a. (<i>P.Y. - 5% p.a.</i>)
4 Medical premium inflation	12% p.a. for the first 5 years and thereafter 8% p.a.

(Figures in italics pertain to previous year)

c) Basis used to determine expected rate of return on assets:

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation. The Gratuity Scheme is invested in Life Insurance Corporation (LIC) of India's Group Gratuity-cum-Life Assurance cash accumulation policy and HDFC Standard Life's Group Unit Linked Plan - For Defined Benefit Scheme.

d) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

e) The Company expects to contribute ₹ 7.50 Crore (*Previous year - ₹ Nil*) to Gratuity fund in the year 2014.

f) Post employment defined benefit plan expenses are included under employee benefit expenses in the statement of Profit and Loss.

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

(i) Gratuity (Funded)

	2013	2012	2011	2010	2009
Defined benefit obligation	(165.88)	(160.11)	(135.82)	(118.55)	(102.36)
Plan assets	149.80	137.12	119.82	104.90	96.50
Surplus / (deficit)	(16.08)	(22.99)	(16.00)	(13.65)	(5.86)
Experience adjustments on plan assets	(1.17)	(1.29)	(0.45)	(0.44)	(0.91)
Experience adjustments on plan liabilities	11.76	16.89	19.94	10.54	(5.74)

₹ Crore

(ii) Gratuity (Non funded)

	2013	2012	2011	2010	2009
Defined benefit obligation	(71.18)	(65.54)	(52.17)	(41.90)	(31.75)
Plan assets	-	-	-	-	-
Surplus / (deficit)	(71.18)	(65.54)	(52.17)	(41.90)	(31.75)
Experience adjustments on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Experience adjustments on plan liabilities	5.05	7.33	9.49	(7.67)	(3.83)

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

(iii) Post Employment Medical Benefits

	2013	2012	2011	2010	2009
Defined benefit obligation	(4.18)	(3.50)	(2.58)	(2.28)	(3.61)
Plan assets	-	-	-	-	-
Surplus / (deficit)	(4.18)	(3.50)	(2.58)	(2.28)	(3.61)
Experience adjustments on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Experience adjustments on plan liabilities	1.33	1.38	1.02	(0.20)	(2.96)

h) Provident Fund

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

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below there is no shortfall as at December 31, 2013 and December 31, 2012.

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

	2013 ₹ Crore	2012 ₹ Crore
Plan assets at year end, at fair value	447.54	392.76
Present value of defined obligation at year end	447.54	392.76
Assets recognised in Balance Sheet	-	-

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

	2013	2012
Discounting rate	8.85%	8.15%
Expected guaranteed interest rate	8.50%	8.50%
Expected Rate of Return on Asset	8.94%	9.05%

- i) Amount recognised as an expense under employee benefit expenses in the statement of Profit and Loss in respect of other long term benefits is ₹ 29.52 Crore (Previous Year - ₹ 24.95 Crore).

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

32. SEGMENT REPORTING

The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system. The Company's operations predominantly relate to manufacture of cement and Ready mix concrete. The export turnover is not significant in the context of total turnover. As such there is only one geographical segment.

Inter segment transfers:

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

INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

₹ Crore

	Cement		Ready Mix Concrete		Total	
	2013	2012	2013	2012	2013	2012
REVENUE						
External sales	10,252.50	10,513.49	655.91	617.07	10,908.41	11,130.56
Other operating revenue	251.63	220.27	9.38	7.36	261.01	227.63
Inter-segment sales	115.01	90.82	6.19	-	121.20	90.82
	10,619.14	10,824.58	671.48	624.43	11,290.62	11,449.01
Less: Elimination	(115.01)	(90.82)	(6.19)	-	(121.20)	(90.82)
Total revenue	10,504.13	10,733.76	665.29	624.43	11,169.42	11,358.19
RESULT						
Segment result	1,064.27	1,643.66	1.87	(16.12)	1,066.14	1,627.54
Unallocated corporate Income					41.31	92.42
Operating Profit					1,107.45	1,719.96
Finance cost					(51.67)	(114.65)
Interest and Dividend income					157.86	171.06
Exceptional item {Refer note - 2(ii)}					-	(335.38)
Tax expenses					(131.91)	(391.08)
Profit after tax					1,081.73	1,049.91
OTHER INFORMATION						
Segment assets	9,004.71	8,384.32	230.95	195.56	9,235.66	8,579.88
Unallocated Corporate assets					2,865.40	3,348.30
Total assets					12,101.06	11,928.18
Segment liabilities	2,446.89	2,335.56	113.29	96.24	2,560.18	2,431.80
Unallocated corporate liabilities					1,727.50	2,123.95
Total liabilities					4,287.68	4,555.75
Capital expenditure	963.04	548.15	14.99	3.10	978.03	551.25
Depreciation and Amortization (Including exceptional item)	566.08	886.05	17.71	18.23	583.79	904.28
Impairment loss recognised	11.93	-	-	-	11.93	-
Other non-cash expenses	4.29	18.79	9.02	2.94	13.31	21.73

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

33. OPERATING LEASE

	2013 ₹ Crore	2012 ₹ Crore
a) Future Lease Rental payments		
(i) Not later than one year	30.70	33.61
(ii) Later than one year and not later than five years	93.06	96.69
(iii) Later than five years	40.69	61.50
b) Operating lease payment recognised in Statement of Profit & Loss amounting to ₹ 79.44 Crore (Previous Year - ₹ 87.66 Crore)		
c) General description of the leasing arrangement		
(i) Leased Assets: Grinding facility, Dumpers, Cranes and Tippers, Car, Locomotives, Godowns, Flats, Computers, Concrete pumps and other related Office equipments and other premises.		
(ii) Future lease rentals are determined on the basis of agreed terms.		
(iii) There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.		
(iv) At the expiry of the lease term, the Company has an option either to return the asset or extend the term by giving notice in writing.		

34. The Semaria / Piparia coal block was de-allocated by Ministry of Coal, Govt. of India on 15th January 2013, however a par relief on the same has been granted by Jabalpur High Court and the Company expects a favourable outcome and continuation of it's rights in the Coal Block.

35. RELATED PARTY DISCLOSURE

(A) Names of the Related parties where control exists:	Nature of Relationship
(i) Holcim Ltd.	Ultimate Holding Company
(ii) Holderind Investments Ltd.	Holding Company of Holcim (India) Private Limited
(iii) Holcim (India) Private Limited	Holding Company
(iv) MP AMRL(Semaria) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
(v) MP AMRL(Bicharpur) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
(vi) MP AMRL(Marki Barka) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
(vii) MP AMRL(Morga) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
(B) Others - With whom transactions have been taken place during the year	
(a) Names of other Related parties	Nature of Relationship
(i) Alcon Cement Company Private Limited	Associate Company
(ii) Asian Concretes & Cements Private Limited	Associate Company
(iii) Aakaash Manufacturing Company Private Limited	Associate Company
(iv) Ambuja Cements Limited	Fellow Subsidiary
(v) Holcim Group Services Ltd.	Fellow Subsidiary
(vi) Holcim Group Support Ltd. (Merged with Holcim Technology Ltd w.e.f January 01, 2013)	Fellow Subsidiary

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

(vii) Holcim (Singapore) Pte Limited	Fellow Subsidiary
(viii) Holcim Trading FZCO	Fellow Subsidiary
(ix) Holcim (Lanka) Limited	Fellow Subsidiary
(x) P T Holcim Indonesia Tbk	Fellow Subsidiary
(xi) Holcim Services (South Asia) Limited	Fellow Subsidiary
(xii) Siam City Cement Public Company Limited	Associate Company of Fellow Subsidiary w.e.f. January 01, 2013
(xiii) Holcim (Bangladesh) Limited	Fellow Subsidiary
(xiv) Holcim (Vietnam) Limited	Fellow Subsidiary
(xv) Holcim (Malaysia) SDN BHD	Fellow Subsidiary
(xvi) Holcim (US) INC	Fellow Subsidiary
(xvii) Holcim Foundation	Entity controlled by Holcim Ltd.
(xviii) Holcim Services Asia Bangkok	Fellow Subsidiary
(xix) Holcim Services (Asia) Limited	Fellow Subsidiary
(xx) Holcim Technology Ltd	Fellow Subsidiary
(xxi) Holcim Trading Pte Ltd	Fellow Subsidiary
(xxii) AL Jabor Cement Industries Co.	Fellow Subsidiary
(xxiii) National Cement Factory	Associate Company of Fellow Subsidiary
(xxiv) Holcim Trading S. A.	Fellow Subsidiary
(xxv) Holcim (Australia) PTY Ltd.	Fellow Subsidiary
(b) Key Management Personnel:	
Name of the Related Party	Nature of Relationship
Mr. Kuldeep K. Kaura	CEO & Managing Director

(c) Transactions with Subsidiary Companies

	2013 ₹ Crore	2012 ₹ Crore
(i) Purchase of Finished Goods	163.35	137.50
Alcon Cement Company Private Limited	74.53	69.57
Aakaash Manufacturing Company Private Limited	88.82	67.93
(ii) Purchase of Raw Materials	22.20	26.86
Asian Concretes & Cements Private Limited	22.20	26.86
(iii) Sale of Finished / Unfinished Goods	34.97	32.82
Alcon Cement Company Private Limited	25.00	30.52
Aakaash Manufacturing Company Private Limited	9.97	2.30
(iv) Dividend Received	6.59	3.09
Alcon Cement Company Private Limited	4.53	2.65
Aakaash Manufacturing Company Private Limited	2.06	0.44

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)**(C) Transactions with Subsidiary Companies (contd.)**

	2013 ₹ Crore	2012 ₹ Crore
(v) Reimbursement of Expenses Paid / Payable	0.02	-
Aakaash Manufacturing Company Private Limited	0.02	-
(vi) Reimbursement of Expenses Received / Receivable	6.25	3.95
Alcon Cement Company Private Limited	5.64	3.95
Asian Concretes & Cements Private Limited	0.61	-
(vii) Rendering of Services	1.24	1.19
Alcon Cement Company Private Limited	1.24	1.19
(viii) Receiving of Services	53.04	49.37
Asian Concretes & Cements Private Limited	53.04	49.37
(ix) Outstanding balance included in Trade receivables	6.22	9.37
Alcon Cement Company Private Limited	4.59	8.79
Aakaash Manufacturing Company Private Limited	1.63	0.58
(x) Outstanding balance included in Trade payables	17.52	21.06
Alcon Cement Company Private Limited	1.74	3.74
Aakaash Manufacturing Company Private Limited	8.03	9.03
Asian Concretes & Cements Private Limited	7.75	8.29

(D) Details of Transactions relating to Holding Companies

	2013 ₹ Crore	2012 ₹ Crore
(i) Dividend paid	283.28	264.40
Holcim (India) Private Limited	281.66	262.89
Holderind Investments Ltd.	1.62	1.51
(ii) Reimbursement of Expenses Received / Receivable	0.02	0.02
Holcim (India) Private Limited	0.02	0.02

(E) Details of Transactions relating to Fellow Subsidiary Companies

	2013 ₹ Crore	2012 ₹ Crore
(i) Purchase of Raw Materials	17.24	83.80
Holcim Trading FZCO	4.45	83.80
Holcim Trading Pte Ltd	3.19	-
Ambuja Cements Limited	9.60	-
(ii) Purchase of Finished / Unfinished Goods	13.59	23.16
Ambuja Cements Limited	13.59	23.16

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

(E) Details of Transactions relating to Fellow Subsidiary Companies (contd.)

	2013 ₹ Crore	2012 ₹ Crore
(iii) Purchase of Stores & Spares	0.12	1.70
Ambuja Cements Limited	0.12	1.70
(iv) Purchase of Fixed Assets	4.08	-
Ambuja Cements Limited	4.08	-
(v) Sale of Finished / Unfinished Goods	6.16	-
Ambuja Cements Limited	6.16	-
(vi) Sale of Raw Material & Other Items	11.55	7.56
Ambuja Cements Limited	11.55	7.56
(vii) Rendering of Services	4.56	5.71
Ambuja Cements Limited	4.12	2.63
Holcim (Lanka) Limited	-	2.89
Others	0.44	0.19
(viii) Reimbursement of Expenses Paid / Payable	3.20	12.75
Holcim Trading FZCO	2.74	12.70
Ambuja Cements Limited	0.45	0.02
Others	0.01	0.03
(ix) Reimbursement of Expenses Received / Receivable	5.82	1.11
Ambuja Cements Limited	4.00	0.46
Holcim Group Services Ltd.	0.90	-
Holcim Group Support Ltd. (Merged with Holcim Technology Ltd w.e.f January 01, 2013)	-	0.22
Others	0.92	0.43
(x) Receiving of Services	49.86	99.76
Ambuja Cements Limited	0.21	3.29
Holcim Group Services Ltd.	1.54	-
Holcim Group Support Ltd. (Merged with Holcim Technology Ltd w.e.f January 01, 2013)	-	39.57
Holcim Services (South Asia) Limited	36.91	30.93
Holcim Trading FZCO	5.02	23.39
Holcim Technology Ltd	5.55	-
Others	0.63	2.58
(xi) Interest Paid	-	0.09
Ambuja Cements Limited	-	0.09

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)**(E) Details of Transactions relating to Fellow Subsidiary Companies (contd.)**

	2013 ₹ Crore	2012 ₹ Crore
(xii) Technology and Know-how fee	107.66	-
Holcim Technology Ltd	107.66	-
(xiii) Outstanding balance included in Trade receivables	1.94	5.02
Ambuja Cements Limited	1.24	1.81
Holcim (Lanka) Limited	0.11	2.96
AL Jabor Cement Industries CO.	0.32	-
Others	0.27	0.25
(xiv) Outstanding balance included in Trade payables	42.83	34.50
Holcim Group Services Ltd.	1.28	-
Holcim Group Support Ltd. (Merged with Holcim Technology Ltd w.e.f January 01, 2013)	-	14.42
Ambuja Cements Limited	8.62	0.60
Holcim Trading FZCO	-	10.59
Holcim Technology Ltd	29.47	-
Holcim Services (South Asia) Limited	3.09	8.89
Others	0.37	-

(F) Details of Transactions relating to Associate Company of Fellow Subsidiary

	2013 ₹ Crore	2012 ₹ Crore
(i) Rendering of Services	0.34	0.76
Siam City Cement Public Company Limited	-	0.76
National Cement Factory	0.34	-
(ii) Reimbursement of Expenses Received / Receivable	0.06	0.09
Siam City Cement Public Company Limited	-	0.09
National Cement Factory	0.06	-
(iii) Receiving of Services	0.01	0.04
Siam City Cement Public Company Limited	0.01	0.04
(iv) Outstanding balance included in Trade receivables	0.39	0.76
Siam City Cement Public Company Limited	-	0.76
National Cement Factory	0.39	-
(v) Outstanding balance included in Trade payables	0.01	-
Siam City Cement Public Company Limited	0.01	-

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

(G) Details of Transaction with Key Management Personnel

	2013 ₹ Crore	2012 ₹ Crore
(i) Remuneration*	6.05	5.28
Mr. Kuldip K. Kaura	6.05	5.28
(ii) Outstanding balance included in other current liabilities	1.10	0.88
Mr. Kuldip K. Kaura	1.10	0.88

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

(H) Details of Transactions with Joint Venture Companies

	2013 ₹ Crore	2012 ₹ Crore
(i) Advances given	16.14	3.87
MP AMRL(Semaria) Coal Company Limited	0.09	0.17
MP AMRL(Bicharpur) Coal Company Limited	12.49	1.35
MP AMRL(Marki Barka) Coal Company Limited	3.55	2.31
MP AMRL(Morga) Coal Company Limited	0.01	0.04
(ii) Advances Repaid	0.01	0.04
MP AMRL(Morga) Coal Company Limited	0.01	0.04
(iii) Outstanding balance in Short Term Loans and Advances	22.23	6.10
MP AMRL(Semaria) Coal Company Limited	1.83	1.74
MP AMRL(Bicharpur) Coal Company Limited	14.54	2.05
MP AMRL(Marki Barka) Coal Company Limited	5.86	2.31

36. CAPITAL AND OTHER COMMITMENTS

	2013 ₹ Crore	2012 ₹ Crore
A) Estimated value of contracts in capital account remaining to be executed	1,535.64	1,381.78
B) The Company from time to time provides need based support to subsidiaries towards capital and other requirements.		

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)**37. (A) CONTINGENT LIABILITIES NOT PROVIDED FOR -**

	2013 ₹ Crore	2012 ₹ Crore
a) Claims not acknowledged by the Company		
Sales tax	30.22	30.14
Customs demand	17.69	-
Claim by Suppliers	36.79	36.79
Labour related	26.48	23.42
Mines and Geology	19.87	19.87
Others	31.83	25.34
TOTAL	162.88	135.56
In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums / authorities.		
b) Indemnity, Guarantee/s given to Banks/ Financial Institutions, Government Bodies and others	256.16	216.19
c) Bills discounted	9.51	13.25

- d) The Company had filed petitions against the orders / notices of various authorities demanding ₹ 211.73 Crore (*Previous Year – ₹ 193.60 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.

In view of above demand being legally unjustifiable, the Company does not expect any liability in above matter.

- e) The Competition Commission of India issued an Order dated 20th June, 2012, imposing penalty on certain cement manufacturers, including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002, and imposed a penalty of ₹ 1,147.59 Crore on the Company. The Company had filed an appeal against the said Order before the Competition Appellate Tribunal (COMPAT). Pending final disposal of the appeal, the COMPAT has stayed the penalty with a condition to deposit 10% of the penalty amount, which has been deposited in the form of short term bank fixed deposit with lien in favour of COMPAT. The fixed deposit has been renewed on maturity along with interest of ₹ 4.30 Crore. Based on the advice of external legal counsel, the Company believes that it has good grounds for a successful appeal. Accordingly, no provision is considered necessary.

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

- (B) a) The Company had availed Sales Tax Incentives in respect of its new 1 MTPA Plant at Gagal (Gagal II) under the HP State Industrial Policy, 1991. The Company had in 2011 accrued Sales Tax Incentives aggregating ₹ 56 Crore even though the Sales Tax Authorities had introduced certain restrictive conditions after commissioning of the unit stipulating that incentive is available only for incremental amount over the base revenue and production (of Gagal I) prior to the commissioning of Gagal II. The Company contends that Gagal II is a new unit, as decided by the HP High Court and confirmed by the Supreme Court while determining the eligibility for Transport Subsidy, and hence such restrictions are not applicable to the unit. The Department had recovered ₹ 64 Crore (Tax of ₹ 56 Crore plus interest of ₹ 8 Crore) and the same is accounted as an amount recoverable.

The HP High Court, had in 2012 dismissed the Company's appeal. The Company believes the Hon'ble High Court's judgment is based on an erroneous understanding of certain facts and legal positions and that it also failed to consider certain key facts in its order. The Company has been advised by legal experts that there is no change in the merits of the Company's case.

Based on the advise, the Company filed a review petition before HP High Court which has recently been rejected, subsequent to which the Company submitted a Special Leave Petition before the Hon'ble Supreme Court.

- b) Pursuant to incentives available under a State Industrial Policy in respect of one of its cement plants, the Company has made claims in accordance with its eligibility. However, the disbursal of the amounts claimed was not forthcoming as the authorities have raised various new conditions and restrictions, totally extraneous to the approvals and confirmations expressly received by the Company. The Company had filed two writ appeals before the Jharkhand High Court against the restrictions and disputes on the extent of the eligible claims now being sought to be effected / raised by the Government.

The High Court (Single Bench) has recently decided the matter partially in favour of the Company. Pursuant to the decision of the High Court, the Company has accrued a further amount of ₹ 34.99 Crore and reversed the provision made earlier for capital subsidy of ₹ 8 Crore. The Cumulative amount accrued (including capital subsidy) for the entire period of claims, on this basis, stands at ₹ 86.85 Crore. Based on the court direction, the Company has submitted its revised claim in this regard.

The Company has also preferred an appeal before the Division Bench of the Jharkhand High Court for the balance claim which was turned down by the Hon'ble Single Bench.

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

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

Particulars	Currency	2013			2012		
		Foreign currency in Crore	Exchange rate	₹ Crore	Foreign currency in Crore	Exchange rate	₹ Crore
Trade Receivable	SAR	0.25	16.43	4.03	0.25	14.60	3.58
Trade Payable and Other Current Liabilities	CHF	0.23	69.50	15.99	0.31	59.84	18.46
	USD	0.03	61.78	1.72	0.29	54.69	15.81
	GBP	0.0001	102.08	0.01	0.0004	88.34	0.04
	EUR	0.04	85.18	3.20	0.04	72.47	2.62
	SGD	-	-	-	0.001	44.68	0.06

39. During the year, the Company has provided ₹ 17.86 Crore for diminution in the value of investment in Shiva Cement Limited considering the diminution in market value of these investments other than temporary nature.

40. Tax adjustments for earlier years of ₹ 216.74 Crore represents write back of tax provision related to earlier assessment years.

41. CAPITALISATION OF EXPENDITURE

Capital work-in-progress includes Pre-operative expenses pending allocation of ₹ 73.93 Crore (*Previous year - ₹ 32.80 Crore*).

During the year, the company has capitalized the following expenses of revenue nature to the cost of capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

Particulars	2013 ₹ Crore	2012 ₹ Crore
Employee benefits expense	16.11	2.75
Other expenses	4.57	3.87
	20.68	6.62

42. Advances recoverable in cash or kind under Short-term Loans and advances includes ₹ 7.15 Crores (*Previous year - ₹ 7.10 Crore*) for carrying out the exploration activity of 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.

Notes to the Consolidated Financial Statements for the year ended December 31, 2013 (contd.)

43. The aggregate amounts of assets, liabilities, income and expenses related to the Company's interest in the four joint ventures companies are as under:

Particulars	2013 ₹ Crore	2012 ₹ Crore
Assets		
Fixed Assets	10.15	3.98
Long term Loans and Advances	1.75	0.14
Cash and Bank Balances	0.06	0.05
Other Current Assets	0.01	0.04
Liabilities		
Other Current Liabilities	0.03	-
Income	-	0.01
Expenses	0.17	0.04

44. During the previous year, effective from 1 January, 2012, the Company had with retrospective effect changed its method of providing depreciation on fixed assets related to Captive Power Plants from the 'Straight Line' method to the 'Written Down Value' method, at the rates prescribed in Schedule XIV to the Companies Act, 1956. Accordingly, an additional depreciation charge of ₹ 335.38 Crore relating to period upto December 31, 2011 was disclosed as an exceptional item.

45. PROPOSED DIVIDEND

The final dividend proposed for the year is as follows :

Particulars	2013 ₹ Crore	2012 ₹ Crore
On Equity Shares of ₹ 10 each		
Amount of dividend proposed (₹ Crore)	356.72	356.72
Dividend per Equity Share (₹)	19	19

46. COMPARATIVE FIGURES

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

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per RAVI BANSAL
Partner
Membership No. 49365

N.S.SEKHSARIA
Chairman

KULDIP KAURA
CEO & Managing Director

BURJOR D. NARIMAN
Company Secretary

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

PAUL HUGENTOBLE
Deputy Chairman

SUNIL K. NAYAK
Chief Financial Officer

S. M. PALIA
BERNARD FONTANA
M. L. NARULA
SHAILESH V. HARIBHAKTI
AIDAN LYNAM
SUSHIL KUMAR ROONGTA
ASHWIN DANI
FARROKH K. KAVARANA
BERNARD TERVER

Directors

Mumbai, February 06, 2014

Consolidated Group Operating Results and Net Worth - Explanatory Statement

CONSOLIDATED GROUP OPERATING RESULTS FOR THE YEAR ENDED DECEMBER 31, 2013

	2013		2012
	₹ Crore	₹ Crore	₹ Crore
ACC's Net Profit		1,095.76	1,061.19
Add: Pro-rata share of profits / (losses) of subsidiaries -			
Bulk Cement Corporation (India) Limited	2.71		1.81
ACC Mineral Resources Limited	(0.23)		(0.18)
Lucky Minmat Limited	(0.42)		(0.57)
National Limestone Co. Pvt. Limited	(0.17)		(0.20)
Singhania Mineral Private Limited	(0.03)		(0.03)
		1.86	0.83
Add: Pro-rata share of profit of Associates		13.09	9.47
Less: Minority Interest of Subsidiary (BCCI)		0.15	0.10
Less: Amortisation of Goodwill on acquisition of Subsidiary and			
Investment in Associates		9.30	9.02
Less: Dividend received from Associates		6.59	3.09
		1,094.67	1,059.28

CONSOLIDATED GROUP NET WORTH AS AT DECEMBER 31, 2013

	2013		2012
	₹ Crore	₹ Crore	₹ Crore
ACC's Net Worth		7,824.84	7,382.80
Add: Net worth as per Balance Sheet of Subsidiary Companies -			
Bulk Cement Corporation (India) Limited	49.15		46.45
ACC Mineral Resources Limited	3.95		4.17
Lucky Minmat Limited	1.43		1.85
National Limestone Co. Pvt. Limited	(0.41)		(0.23)
Singhania Mineral Private Limited	(0.04)		(0.01)
	54.08		52.23
Less: Pro-rata share of Minority shareholders interest in			
the Net Worth of Subsidiary Companies	2.70		2.55
Less: ACC's share in pre-acquisition Net Worth of			
Subsidiary Companies	42.62		42.62
		8.76	7.06
Less: Amortisation of Goodwill in Subsidiary Companies		34.75	28.86
Less: Unrealised profit on purchase of Fixed Assets		(0.53)	(0.53)
Add: Increase in Net Worth of Alcon Cement Company Pvt. Ltd.		(1.58)	0.85
Add: Increase in Net Worth of Asian Cements & Concretes Pvt. Ltd.		10.17	5.04
Add: Increase in Net Worth of Aakaash Manufacturing Co. Pvt. Ltd.		2.81	2.43
Add: Addition due to merger of ENCORE		2.68	2.68
Less: Other adjustments (Net)		0.08	0.10
		7,813.38	7,372.43



Accounts - Subsidiary Companies

	Page Nos.
ACC Mineral Resources Limited	S1-S11
Bulk Cement Corporation (India) Limited	S12-S24
Lucky Minmat Limited	S25-S39
National Limestone Company Private Limited	S40-S51
Singhania Minerals Private Limited	S52-S62

Directors' Report

TO THE MEMBERS OF
ACC MINERAL RESOURCES LIMITED

The Directors have pleasure in presenting the Eighty Fifth Annual Report, together with the Audited Financial Statements of the Company for the year ended December 31, 2013.

1. FINANCIAL RESULTS (STANDALONE)

Particulars	2013 ₹	2012 ₹
Revenue from Operations (Net) and Other Income	—	—
Profit/(Loss) Before Depreciation, Interest and Tax	(4,73,176)	(4,71,189)
Profit/(Loss) Before Tax	(5,57,066)	(5,08,855)
Provision for Taxation/Tax for earlier years	1,000	1,971
Profit/(Loss) After Tax	(5,56,066)	(5,10,826)
Balance brought forward from previous year	(3,57,718)	1,53,108
Balance Carried to Balance Sheet	(9,13,784)	(3,57,718)

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. The Company has appointed a contractor for the development and operation of Bicharpur Coal Block and the production from the said coal block is expected in the year 2014. Various clearances for Marki Barka Coal Block are in advance stage and detailed Project Report for the block is under preparation. The exploration activity in Morga IV Coal Block is expected to take place after the clearance from Ministry of Environment & Forest. The Semaria/Piparia Coal block was de-allocated by

Ministry of Coal, Govt. of India on January 15, 2013. On a Writ Petition filed by the Madhya Pradesh State Mining Corporation Limited and the Semaria Joint Venture Company, part relief has been granted by the Jabalpur High Court in the matter. Presently the matter is subjudice.

The Company has no operating activity in the Coal Blocks and no trading activity or earnings from investments and therefore, there is no income. The losses shown above represents the administrative expenditure and amortization of expenses incurred for increasing the Authorised Capital of the Company.

3. DIVIDEND

Your Directors do not recommend any dividend for the financial year ended December 31, 2013.

4. INDUSTRIAL RELATIONS

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

5. DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr T N Tiwari and Mr Burjor D Nariman retire by rotation and are eligible for re-appointment.

6. 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 statements 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, 2013, 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 8 of the Notes to the Financial Statements 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 affairs of the Company as at December 31, 2013, and of the loss 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, 2013 have been prepared on 'going concern' basis.

7. AUDITORS

Messrs K S Aiyar & Co., Chartered Accountants, who are the Statutory Auditors of the Company, hold office up to the date of the ensuing Annual General Meeting and are eligible for re-appointment. As required under the provision of Section 224(1B) of the Companies Act, 1956, the Company has obtained written confirmation from Messrs K S Aiyar & Co. that their appointment, if made, would be in conformity with the Companies Act, 1956. The Members are requested to appoint Messrs K S Aiyar & Co., Chartered Accountants, as Auditors for the year 2014 and to authorize the Board of Directors to determine their remuneration.

8. 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.

9. 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.

10. 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.

11. ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their appreciation of the excellent co-operation received from the Madhya Pradesh State Mining Corporation Limited and the Government of Madhya Pradesh. 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

Sunil Nayak
Director

Burjor D. Nariman
Director

Mumbai,
February 04, 2014

Registered Office:
Cement House,
121, Maharshi Karve Road,
Mumbai 400 020

Independent Auditors' Report on the Consolidated Accounts of ACC Mineral Resources Limited

TO THE BOARD OF DIRECTORS,

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ACC Mineral Resources Limited ("the Company"), which comprise the consolidated Balance Sheet as at December 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement, wherein is included its proportionate share in four joint venture companies for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 consolidated state of affairs of the Company as at December 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the consolidated loss for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our audit opinion, we draw attention to note no. 20 to the financial statements stating that a part relief has been granted by the Jabalpur High Court on De-allocation of Coal Block of one of the joint venture companies by the Ministry of Coal. The Company expects a favourable outcome and continuation of its rights in the said Coal Block. Hence the accounts of the said joint venture company are continued to be prepared on a 'Going Concern' basis.

For K. S. AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

Mumbai
February 04, 2014

RAJESH S. JOSHI
Partner
Membership No. 038526

Consolidated Balance Sheet as at December 31, 2013

Particulars	Note No.	As at December 31, 2013 ₹	As at December 31, 2012 ₹
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	4,95,00,000	4,95,00,000
(b) Reserves and Surplus	2	(99,96,039)	(77,41,032)
(2) Current Liabilities			
(a) Short term borrowings from holding Company	12	34,48,34,000	10,49,17,000
(b) Other Current Liabilities	3	8,32,107	1,60,890
TOTAL		38,51,70,068	14,68,36,858
II ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	4		
(i) Tangible assets		1,30,83,927	75,27,472
(ii) Capital work-in-progress		46,31,726	-
(iii) Intangible Assets under development		8,65,22,237	3,28,77,483
(b) Miscellaneous Expenditure (to the extent not written off less to be written off in next 12 months)	11	-	99,250
(c) Long term Loans & Advances			
-Long term Loans to JV Companies		11,33,56,261	3,10,98,549
-Capital Advances		1,63,34,361	3,34,860
-Security Deposit With MPPKV Co. Ltd. & others		14,82,650	14,07,650
(2) Current Assets			
(a) Cash and Bank Balances	5	38,01,464	10,84,275
(b) Short term loans & advances	6	7,15,43,892	7,09,82,092
(c) Other Current Assets	7	7,44,13,550	14,25,227
TOTAL		38,51,70,068	14,68,36,858
Refer Significant Accounting Policies & Other Explanatory information	8		

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

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. 100186W

BURJOR D. NARIMAN
Director

SUNIL NAYAK
Director

RAJESH S. JOSHI
Partner
Membership No. 038526

DINESH KUMAR SONTHALIA
Company Secretary

Mumbai, February 04, 2014

Consolidated Statement of Profit & Loss for the year ended December 31, 2013

Particulars	Note No.	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
I Revenue from Operations		-	-
II Other Income		47,873	51,643
III Total Revenue		47,873	51,643
IV Expenses			
Depreciation and Amortization Expenses	4	1,11,779	65,464
Other Expenses			
-Rent		1,78,360	91,140
-Rates & Taxes		4,900	4,900
-Audit Fees		2,16,904	2,13,796
-Bank Charges		2,599	6,805
-Consultancy & legal Charges		4,46,734	83,440
-Security Service Expenses		3,02,333	-
-Travelling & Conveyance		21,550	10,832
-General Charges & CSR		7,18,782	1,09,963
-Miscellaneous Expenditure Written off	11	2,97,804	2,97,804
Total Expenses		23,01,745	8,84,144
V Profit / (Loss) before Tax		(22,53,872)	(8,32,501)
VI Tax Expenses	10		
- Tax in respect of Earlier years		1,132	1,971
- Deferred Tax		-	9,54,672
VII Profit / (Loss) for the year		(22,55,004)	(17,89,144)
VIII Earning per Share (face value - ₹ 100 per share)	14	(4.56)	(3.61)
Refer Significant Accounting Policies & Other Explanatory information	8		

The notes referred to above form an integral part of the Consolidated Statement of Profit & Loss

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. 100186W

BURJOR D. NARIMAN
Director

SUNIL NAYAK
Director

RAJESH S. JOSHI
Partner
Membership No. 038526

DINESH KUMAR SONTHALIA
Company Secretary

Mumbai, February 04, 2014

Consolidated Cash Flow Statement for the year ended December 31, 2013

	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
A. Cash flow from operating activities		
1 Profit / (Loss) before tax	(22,53,872)	(8,32,501)
Adjustments for :		
2 Depreciation	1,11,779	65,464
3 Interest and Dividend Income	(47,873)	(51,643)
4 Miscellaneous Expenditure	2,97,804	2,97,804
Operating profit before working capital changes	(18,92,162)	(5,20,876)
Adjustments for :		
5 Other receivables	(17,20,80,890)	(2,42,36,904)
6 Other current liabilities	6,71,217	(30,90,028)
Cash generated from operations	(17,33,01,835)	(2,78,47,808)
7 Direct Taxes - (net)	(1,132)	(1,971)
Net Cash flow from operating activities	(17,33,02,967)	(2,78,49,779)
B. Cash flow from investing activities		
8 Purchase of Fixed Assets	(6,39,44,717)	(1,76,69,198)
9 Interest and Dividend received	47,873	51,643
Net cash used in investing activities	(6,38,96,844)	(1,76,17,555)
C. Cash flow from financing activities		
10 Proceeds from Short term Borrowings	23,99,17,000	4,49,17,000
Net cash used in financing activities	23,99,17,000	4,49,17,000
Net increase/(decrease) in cash and cash equivalents	27,17,189	(5,50,334)
Cash and cash equivalents		
- Opening Balance	10,84,275	16,34,609
- Closing Balance	38,01,464	10,84,275

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. 100186W

RAJESH S. JOSHI
Partner
Membership No. 038526

Mumbai, February 04, 2014

For and on behalf of the Board of
ACC Mineral Resources Limited,

BURJOR D. NARIMAN
Director

SUNIL NAYAK
Director

DINESH KUMAR SONTALIA
Company Secretary

Notes to the Financial Statements for the year ended December 31, 2013

NOTE 1: SHARE CAPITAL:	As at 31-12-2013 ₹	As at 31-12-2012 ₹
(a) Shares authorized:		
20,00,000 Equity Shares of ₹ 100/- each (Prev. Year 20,00,000 Equity shares of ₹ 100/- each)	20,00,00,000	20,00,00,000
(b) Shares issued, subscribed and fully paid:		
4,95,000 Equity Shares of ₹ 100/- each (Prev. Year 4,95,000 Equity shares of ₹ 100/- each) (All the Shares are held by ACC Limited, the Holding Company and its nominees)	4,95,00,000	4,95,00,000
	4,95,00,000	4,95,00,000

(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

	Numbers	As at 31-12-2013 ₹	Numbers	As at 31-12-2012 ₹
At the beginning of the period	4,95,000	4,95,00,000	4,95,000	4,95,00,000
At the end of the period	4,95,000	4,95,00,000	4,95,000	4,95,00,000

(d) The rights, preferences and restrictions including restrictions on the distribution of dividends and the repayment of Capital.

The Company is having only one class of shares i.e. Equity carrying a nominal value of ₹ 100/- per share

Every holder of the equity share of the Company is entitled to one vote per share held

In case the company declares any dividend, the equity shareholders will be entitled to receive the dividend in proportion of the number of shares held by each equity shareholder, after all preferential payments.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after the distribution to all the preferential creditors. The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder.

(e) Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held.

Particulars	As at 31-12-2013		As at 31-12-2012	
	Numbers	% held	Numbers	% held
ACC Limited	4,95,000	100%	4,95,000	100%
	4,95,000	100%	4,95,000	100%

NOTE 2: RESERVES & SURPLUS	AMRL As at 31-12-2013 ₹	Joint Venture Total As at 31-12-2013 ₹	Total As at 31-12-2013 ₹	As at 31-12-2012 ₹
Surplus				
Balance as per last accounts	(3,57,718)	(73,83,317)	(77,41,035)	(59,51,888)
Profit / (Loss) for the year	(5,56,066)	(16,98,938)	(22,55,004)	(17,89,144)
TOTAL	(9,13,784)	(90,82,255)	(99,96,039)	(77,41,032)

NOTE 3: OTHER CURRENT LIABILITIES	AMRL As at 31-12-2013 ₹	Joint Venture Total As at 31-12-2013 ₹	Total As at 31-12-2013 ₹	As at 31-12-2012 ₹
(a) Audit Fees Payable	1,08,166	-	1,08,166	1,18,842
(b) Payable to Others	3,86,119	3,37,822	7,23,941	42,048
TOTAL	4,94,285	3,37,822	8,32,107	1,60,890

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)

(Amt. in ₹)

NOTE 4: FIXED ASSETS	Gross Block				Depreciation / Amortisation			Net Block	
	As at 1-1-2013	Additions during the Year	Deductions / Adjustments during the Year	As at 31-12-2013	As at 1-1-2013	Provided during the Year	As at 31-12-2013	As at 31-12-2013	As at 31-12-2012
TANGIBLE ASSETS									
Furniture, Fixtures & Equipments	5,54,736	21,86,875	30,550	27,11,061	30,753	73,874	1,04,627	26,06,433	5,23,983
Land	67,66,962	35,11,909	-	1,02,78,871	-	-	-	1,02,78,871	67,66,962
Digital Camera	6,272	-	-	6,272	1,219	445	1,664	4,608	5,053
GPS- Oregon	48,000	-	-	48,000	2,029	2,287	4,316	43,684	45,971
Printer	1,84,756	-	-	1,84,756	50,465	29,956	80,420	1,04,336	1,34,291
Vehicle	54,676	-	-	54,676	3,464	5,217	8,681	45,995	51,212
TOTAL	76,15,402	56,98,784	30,550	1,32,83,636	87,930	1,11,779	1,99,708	1,30,83,927	75,27,472
Previous Year	63,58,976	12,56,426	-	76,15,402	22,465	65,464	87,930	75,27,472	
Capital work-in-progress								46,31,726	-
Intangible assets under development									
Mineral rights								99,96,000	99,96,000
Mine development expenses								7,65,26,237	2,28,81,483
TOTAL								8,65,22,237	3,28,77,483
GRAND TOTAL								10,42,37,890	4,04,04,955

NOTE 5: CASH & BANK BALANCES	AMRL As at 31-12-2013 ₹	Joint Venture Total As at 31-12-2013 ₹	Total As at 31-12-2013 ₹	As at 31-12-2012 ₹
Cash & Cash Equivalent				
Cash in hand	7,916	-	7,916	1,145
Bank Balance - Current Account & TDR	32,23,159	5,70,389	37,93,548	10,83,130
TOTAL	32,31,075	5,70,389	38,01,464	10,84,275

NOTE 6: SHORT TERM LOANS & ADVANCES	AMRL As at 31-12-2013 ₹	Joint Venture Total As at 31-12-2013 ₹	Total As at 31-12-2013 ₹	As at 31-12-2012 ₹
Advances for Exploration	7,15,43,892	-	7,15,43,892	7,09,82,092
TOTAL	7,15,43,892	-	7,15,43,892	7,09,82,092

NOTE 7: OTHER CURRENT ASSETS	AMRL As at 31-12-2013 ₹	Joint Venture Total As at 31-12-2013 ₹	Total As at 31-12-2013 ₹	As at 31-12-2012 ₹
Advances to others	7,41,84,237	-	7,41,84,237	10,47,674
Accrued Interest	-	1,11,443	1,11,443	69,279
TDS Receivable	-	6,860	6,860	10,470
Security Deposit -BSNL, Rent and others	-	11,760	11,760	-
Miscellaneous exp. to be written off over next 12 months	99,250	-	99,250	2,97,804
TOTAL	7,42,83,487	1,30,063	7,44,13,550	14,25,227

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)

NOTE 8: SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED DECEMBER 31, 2013

(I) Basis of preparation

- (i) The Consolidated 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 which as per a clarification issued by the Ministry of Corporate affairs continue to apply under section 133 of the Companies Act, 2013 (which has superseded section 211 (3C) of the Companies Act, 1956, w.e.f. 12 September 2013) and comply with the mandatory Accounting Standards (AS) specified in the Companies (Accounting Standard) Rules, 2006 (as amended), prescribed by the Central Government.
- (ii) The interest in Joint ventures have been accounted by using the proportionate consolidation method in accordance with Accounting Standard (AS) 27 "Financial Reporting of interests in Joint ventures" notified by Companies (Accounting Standards) Rules, 2006 (as amended).
- (iii) Financial statements are based on historical cost except where impairment is made and or revaluation is carried out.
- (iv) Accounting policies have been consistently applied by the Company except as stated otherwise.

(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) Fixed Assets

- (i) Tangible fixed assets are stated at the cost of acquisition less depreciation.
- (ii) Mine Development Expenses has been recognized as intangible assets under development and 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.

B) 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.

C) 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.

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; if 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.

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**NOTE 9: CORPORATE INFORMATION**

The company is a wholly owned Subsidiary of ACC Limited. The company has entered into four joint ventures in the year 2009 with M.P. State Mining Corporation Limited (MPSMCL) for mining and development of four coal blocks allotted to MPSMCL by Ministry of Coal.

NOTE 10: TAXATION

No provision for current tax is made as at December 31, 2013 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 financial year ending as on March 31, 2014.

NOTE 11: 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.

NOTE 12: Short term borrowings from holding Company of ₹ 34,48,34,000/- (P.Y. ₹ 10,49,17,000/-) are unsecured and interest free. The terms of repayment thereof are not stipulated.

NOTE 13: RELATED PARTY DISCLOSURE**(A) Particulars of Holding/ Joint Venture Companies**

Name of Related Party	Nature of Relationship
ACC Limited	Holding 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)

(B) Transactions with Holding Company

Particulars	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
1 Inter Corporate Deposits received during the year	23,99,17,000	4,49,17,000
2 Inter Corporate Deposits paid during the year	-	-
3 Inter Corporate Deposits as at the end of the year	34,48, 34,000	10,49,17,000

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**(C) Transactions with Joint Venture Companies**

Particulars	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
1 MP AMRL (Semaria) Coal Company Ltd.		
-Advance given during the year	8,59,003	17,19,540
-Advance Repaid during the year	-	-
-Balance of Advance given at the end of the year	1,82,93,973	1,74,34,970
2 MP AMRL (Bicharpur) Coal Company Ltd.		
-Advance given during the year	12,49,41,237	1,35,40,707
-Advance Repaid during the year	-	-
-Balance of Advance given at the end of the year	14,54,14,690	2,04,73,453
3 MP AMRL (Marki Barka) Coal Company Ltd.		
-Advance given during the year	3,54,89,390	2,30,69,125
-Advance Repaid during the year	-	-
-Balance of Advance given at the end of the year	5,85,58,515	2,30,69,125
4 MP AMRL (Morga) Coal Company Ltd.		
-Advance given during the year	49,861	4,63,644
-Advance Repaid during the year	49,861	4,63,644
-Balance of Advance given at the end of the year	-	-

NOTE 14: EARNINGS PER SHARE - [EPS]

Particulars	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
Profit/(Loss) after taxation as per statement of Profit and Loss	(22,55,004)	(17,89,144)
Weighted average number of Equity shares outstanding	4,95,000	4,95,000
Basic earnings per Share (Weighted Average) in Rupees (face value - ₹ 100 per share)	(4.56)	(3.61)

(There are no diluted equity shares and hence there is no working for diluted earnings per share)

NOTE 15: Advances for exploration include ₹ 7,15,43,892/- (p.y. ₹ 7,09,82,092/-) 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.

NOTE 16: The aggregate amounts of assets, liabilities, income and expenses related to the Company's interest in the four joint ventures companies are as under:

a. Assets	:	₹ 11,97,66,485
b. Liabilities	:	₹ 11,97,66,485
c. Income	:	₹ 47,873
d. Expenses	:	₹ 17,44,679

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)

NOTE 17: The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 2,22,24,33,000 (p.y. ₹ 1,67,74,000)

NOTE 18: Company has entered into contract for operation and extraction of coal in respect of mines of MP AMRL (Bicharpur) Coal Company limited for a consideration payable on the basis of per tonne of extraction.

NOTE 19: The Company has to lay certain transmission lines for power supply and construct road (enabling assets) for the Bicharpur project, resulting in to 'Assets not owned by the respective JV Company'. The JV Company has a 'Control' over these assets as it has got a right to use these assets and employ the same for its operations and derive future economic benefits. Accordingly these assets will be capitalized as 'Assets not owned by the Company' to be amortized over the useful life of the respective asset from the date put to use and an amount of ₹ 9,16,000 has been incurred till date under Capital WIP.

NOTE 20: The Semaria/Piparia coal block was de-allocated by Ministry of Coal, Govt. of India on January 15, 2013, however a part relief on the same has been granted by Jabalpur High Court and the Company expects a favourable outcome and continuation of it's rights in the Coal Block.

NOTE 21: Previous year figures have been regrouped or rearranged wherever found necessary.

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. 100186W

BURJOR D. NARIMAN
Director

SUNIL NAYAK
Director

RAJESH S. JOSHI
Partner
Membership No. 038526

DINESH KUMAR SONTALIA
Company Secretary

Mumbai, February 04, 2014

Directors' Report

TO THE MEMBERS OF
BULK CEMENT CORPORATION (INDIA) LIMITED

The Directors take pleasure in presenting the Twenty Second Annual Report on the business and operations of the Company and the Audited Accounts for the year ended December 31, 2013.

1. FINANCIAL RESULTS

PARTICULARS	2013 ₹ Lakhs	2012 ₹ Lakhs
Revenue from operations (net) and Other Income	1,930.83	1,665.84
Profit Before Tax	342.14	248.06
Provision for Tax		
Current Tax	81.86	59.16
Deferred Tax	(10.66)	9.09
Profit after Tax	270.94	179.81
Balance brought forward from previous year	1,280.22	1,100.41
Balance carried forward to Balance Sheet	1,551.16	1,280.22

2. OPERATIONS

The total dispatches for the year ended December 31, 2013 were 9.60 Lakhs MT compared to 9.20 Lakhs MT in the previous year which is higher by 4.35%. During the year 2013, 253 rakes were received.

The specific power consumption for the year 2013 was 2.81 Units/MT as against 2.87 Units/MT for the year 2012, which is 2.09% lower.

3. DIVIDEND

Your Directors do not recommend payment of dividend for the financial year ended December 31, 2013.

4. INDUSTRIAL RELATIONS

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

5. DIRECTORS

The Government of India, Ministry of Commerce & Industry, Department of Industrial Policy & Promotion has pursuant to its rights under Article 134(1) of the Company's Articles of Association, appointed Ms Gauri Karol, Director in the Department of Industrial Policy & Promotion, as a Director of the Company in place of Mr A K Singh. Pursuant thereto, the Board of Directors of your Company had appointed Ms Gauri Karol as an Additional Director of the Company with effect from July 23, 2013 who ceased to be a Director of the Company with effect from October 14, 2013. The Board has placed on record its appreciation of the valuable services rendered by Ms Gauri Karol during her tenure as a Director of the Company. Thereafter vide its Order no. 18(21) 2009 - Cement dated September 16, 2013, the Ministry appointed Mr Alok Mukhopadhyay, Deputy Secretary in the Department of Industrial Policy & Promotion, as a Director of the Company. Pursuant thereto, the Board of Directors of your Company has appointed Mr Alok Mukhopadhyay as an Additional Director of the Company with effect from October 14, 2013. Mr Alok Mukhopadhyay holds office upto the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment as a Director has been included in the Notice of the forthcoming Annual General Meeting of the Company.

The Board of Directors has appointed Mr Joydeep Mukherjee as an Additional Director of the Company with effect from July 23, 2013. Mr Joydeep Mukherjee holds office upto the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment as a Director has been included in the Notice of the forthcoming Annual General Meeting of the Company.

Mr AK Singh who was appointed by the Government of India, Ministry of Commerce & Industry, Department of Industrial Policy & Promotion as a Director of the Company with effect from April

13, 2012, ceased to be a Director of the Company with effect from July 23, 2013. The Board has placed on record its appreciation of the valuable services rendered by Mr A K Singh during his tenure as a Director of the Company.

Mr Sankarsan Dasgupta who was appointed as a Director of the Company with effect from January 29, 2010, ceased to be a Director of the Company with effect from July 23, 2013. The Board has placed on record its appreciation of the valuable services rendered by Mr Sankarsan Dasgupta during his tenure as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956, Mr Sunil Nayak and Mr Jayanta Datta Gupta retire by rotation and are eligible for re-appointment.

6. 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 (2AA) of the Companies Act, 1956:

- i) that in the preparation of the Accounts for the year ended December 31, 2013, 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 2 of the Notes to the Financial Statements 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, 2013, 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, 2013, have been prepared on a going concern basis.

7. AUDITORS

Messrs K S Aiyar & Co, Chartered Accountants, who are the Statutory Auditors of the Company, hold office upto the date of the ensuing Annual General Meeting and are eligible for re-appointment. As required under the provision of Section 224(1B) of the Companies Act, 1956, the Company has obtained written confirmation from Messrs K S Aiyar & Co that their appointment, if made, would be in conformity with the Companies Act, 1956. The Members are requested to appoint Messrs K S Aiyar & Co, Chartered Accountants, as Auditors of the Company for the year 2014 and to authorize the Board of Directors to determine their remuneration.

As per The Companies (Cost Accounting Records) Rules, 2011, your Company requires to maintain cost accounting records and file Compliance Certificate with the Central Government. Your Directors have appointed Messrs N I Mehta & Co., Cost Auditors, to for Compliance Reporting for the financial year 2013.

8. AUDIT COMMITTEE

As on January 27, 2014 the Audit Committee comprises the following Members:

Mr Alok Mukhopadhyay (w.e.f. October 14, 2013)

Mr Sunil Nayak

Mr P N Iyer

Mr Burjor D Nariman

Mr Joydeep Mukherjee (w.e.f. July 23, 2013)

Mr A K Singh who was the Chairman of the Audit Committee upto July 23, 2013 demitted office consequent upon his ceasing to be a Director of the Company. Mrs Gauri Karol was appointed as a Member of the Audit Committee w.e.f. July 23, 2013

and she demitted office as on October 14, 2013 upon ceasing to be Director of the Company.

The Audit Committee has appointed Mr Alok Mukhopadhyay as a Chairman of the Company with effect from January 27, 2014.

Mr Sankarsan Dasgupta, who was a Member of the Audit Committee upto July 23, 2013 demitted office consequent upon his ceasing to be a Director of the Company.

During the year ended December 31, 2013 four Audit Committee Meetings were held.

9. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE 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	2013	2012
1. Electricity		
a. Units Purchased KWH	26,97,510	2,643,780
Total Amount (₹ Lakhs)	213.07	207.60
Rate/Unit (₹/KW)	7.89	7.85
b. Own Generation	-	-
2. Consumption / Unit of Production Electricity (Unit/MT)	2.81	2.87

Disclosure of particulars with respect to Foreign Exchange Earning and Outgo

PARTICULARS	2013	2012
Foreign Exchange earned	Nil	Nil
Foreign Exchange used	Nil	Nil

The Company has not entered into any technology transfer agreement.

10. 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.

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 Promotion & Policy, 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 of Directors

JOYDEEP MUKHERJEE
Director

SUNIL K. NAYAK
Director

Mumbai
January 27, 2014

Registered Office:
Plot No. W-7,
KWC Kalamboli,
Dist. Raigad 410 218

Auditors' Report

TO THE MEMBERS OF
BULK CEMENT CORPORATION (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **BULK CEMENT CORPORATION (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at December 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 which shall continue to apply under section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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.
2. As required by section 227(3) of the Act, 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 purpose 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 those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 which shall continue to apply under section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 issued by the Ministry of Corporate Affairs;
 - e. on the basis of the written representations received from the directors, as on December 31, 2013, 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, 2013 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For K.S. AIYAR & CO.

Chartered Accountants

Firm Registration number 100186W

RAJESH S. JOSHI

Partner

Membership number 38526

Place: Mumbai
January 27, 2014

Annexure to the Auditors' Report (Referred to in paragraph 1 on Report on Other Legal and Regulatory Requirements of our report.)

- (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) Fixed assets that have been disposed off during the year were not material so as to affect 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) 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) 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, 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, 2013 for a period of more than six months from the date they became payable.
- (x) 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	CESTAT
Denial of Cenvat credit of Service tax availed on input services on account of cement cleared in bulk as such.		₹ 75 Lakhs (Excl. interest and penalty)	SCN cum demand notice responded to the Excise Department.
Penalty imposed by Excise Department on availment of Cenvat credit at a rate higher than the rate at which inputs materials were cleared as such.	Financial Year 2008-09	₹ 9.40 Lakhs	Disputed matter to be referred to Commissioner (Appeal)
Cenvat availed on cement returned in bulkers.	Apr 07 to Nov 08	₹ 37.48 Lakhs	CESTAT

- (xi) 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.
- (xii) There are no dues to banks or financial institutions or debenture holders.
- (xiii) 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.
- (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 applications.
- (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 number 100186W

RAJESH S. JOSHI
Partner
Membership number 38526

Place: Mumbai
January 27, 2014

Balance Sheet as at December 31, 2013

Particulars	Note No.	2013 ₹ Lakhs	2012 ₹ Lakhs
EQUITY AND LIABILITIES:			
Shareholders Funds:			
Share capital	3	3,364.21	3,364.21
Reserves and surplus	4	1,551.16	1,280.22
		4,915.37	4,644.43
Non Current Liabilities			
Deferred tax liability (Net)	5	556.50	567.16
		556.50	567.16
Current Liabilities:			
Trade payables	6	479.49	534.34
Other current liabilities	7	763.70	350.51
		1,243.19	884.85
TOTAL		6,715.06	6,096.44
ASSETS:			
Non Current Assets			
Fixed Assets:			
Tangible Assets	8 (a)	3,718.95	3,345.47
Intangible Assets	8 (b)	8.62	-
Capital work in progress		347.42	27.81
Long Term Loans & Advances	9	129.57	272.26
		4,204.56	3,645.54
Current Assets:			
Current Investment	10	2,170.00	1,835.00
Inventories	11	47.32	48.56
Trade Receivable	12	226.77	446.32
Cash and Bank Balances	13	5.04	16.79
Short Term Loans and Advances	9	59.22	102.98
Assets held for Disposal		2.15	1.25
		2,510.50	2,450.90
TOTAL		6,715.06	6,096.44
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date For and on behalf of the Board of Directors of Bulk Cement Corporation (India) Limited,

For K.S. AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

JOYDEEP MUKHERJEE
Director

SUNIL K. NAYAK
Director

RAJESH S. JOSHI
Partner
Membership number 38526

BINITA KHORY
Company Secretary

Mumbai, January 27, 2014

Statement of Profit and Loss for the year ended December 31, 2013

Particulars	Note No.	2013 ₹ Lakhs	2012 ₹ Lakhs
INCOME:			
Sale of Services & Other Operating Income	14	1,750.51	1,518.05
Other Income	15	180.32	147.79
Total Revenue		1,930.83	1,665.84
EXPENSES:			
Employee benefits expense	16	128.18	120.09
Operating and Other Expenses	17	1,066.89	856.61
Depreciation		393.62	516.00
Depreciation of earlier years written Back		-	(74.92)
Total Expenses		1,588.69	1,417.78
Profit before tax		342.14	248.06
Tax Expenses :			
Current Tax		120.74	119.86
Less: MAT Set Off Available		(38.88)	(60.70)
Net Current Tax		81.86	59.16
Deferred Tax		(10.66)	9.09
		71.20	68.25
Profit for the year		270.94	179.81
Earnings Per Equity Share (Face Value of ₹ 10 each)			
Basic and Diluted Earnings per Share (₹)	20	0.81	0.53
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date For and on behalf of the Board of Directors of Bulk Cement Corporation (India) Limited,

For K.S. AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

JOYDEEP MUKHERJEE
Director

SUNIL K. NAYAK
Director

RAJESH S. JOSHI
Partner
Membership number 38526

BINITA KHORY
Company Secretary

Mumbai, January 27, 2014

Cash flow Statement for the year ended December 31, 2013

	2013 ₹ Lakhs	2012 ₹ Lakhs
A. Cash Flow from Operating Activities		
1. Net Profit before tax	342.14	248.06
Adjustments For:		
Provision written back	(8.66)	(7.48)
Depreciation	393.62	516.00
Depreciation Written Back	-	(74.92)
Interest Received	(0.97)	(5.09)
Loss/ (Profit) on sale of assets	8.19	3.91
Loss/ (Profit) on sale of Investment	(179.35)	(142.70)
Operating profit before working capital changes	554.97	537.78
2. Trade Receivables	219.55	(283.56)
3. Inventories	1.24	3.96
4. Other receivables	250.34	(155.90)
5. Trade payables	367.00	312.54
Cash generated from Operations	1393.10	414.82
6. Direct Taxes refund/ (paid)	(145.75)	(46.89)
Net Cash from Operating Activities	1247.35	367.93
B. Cash Flow from Investing Activities		
7. Interest received	0.97	5.09
8. Purchase of Investments	(8450.00)	(7005.00)
9. Sale of Investments	8115.00	6680.00
10. Purchase of Fixed Assets & Increase in Capital work in Progress	(1105.10)	(197.91)
11. Sales of Fixed Assets	0.68	0.50
12. (Loss) / Profit on sale of Investment	179.35	142.70
Net Cash from Investing Activities	(1259.10)	(374.62)
Net increase / (decrease) in cash & cash equivalents	(11.75)	(6.69)
Opening Balance	16.79	23.48
Closing Balance	5.04	16.79

Notes:

1. All figures in brackets are outflow
2. Figures for the previous year have been regrouped / restated wherever necessary to make them comparable.
3. Direct Taxes paid are treated as arising from Operating Activities and are not bifurcated between Investing and Financing Activities.
4. Cash and Cash Equivalent is Cash and Bank Balances as per Balance Sheet.

As per our report of even date

FOR K.S. AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

RAJESH S. JOSHI
Partner
Membership No. 38526

Mumbai, January 27, 2014

For and on behalf of the Board of Directors of Bulk Cement Corporation (India) Limited,

JOYDEEP MUKHERJEE
Director

BINITA KHORY
Company Secretary

SUNIL K. NAYAK
Director

Notes to the Financial Statements for the year ended December 31, 2013

1 CORPORATE INFORMATION

Bulk Cement Corporation (India) Limited is a limited Company domiciled in India and incorporated under the provision of Companies Act. The Company is engaged in the handling of Bulk Cement. The Company caters only to the needs of the domestic market of the parent Company i.e. M/s ACC Limited.

2 SIGNIFICANT ACCOUNTING POLICIES:

A) Basis of accounting and use of estimates

Financial statements are prepared under the historical cost convention, on accrual basis of accounting in accordance with the accounting principles generally accepted in India and in compliance with the provisions of Companies Act and comply with the accounting standards specified in Companies (Accounting Standard) Rules, 2006 prescribed by the Central government.

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 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. However, in respect of the Plant & Machinery- Elevator Belt, the depreciation is provided at higher rate (20.19%) in line with its estimated useful life.

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 are reimbursed. This is disclosed as Deputation Charges in the Statement of Profit & Loss.

G) Taxation

Tax expense comprises of Current, Deferred 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.

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**NOTE 3 : SHARE CAPITAL**

	2013 ₹ Lakhs	2012 ₹ Lakhs
AUTHORISED		
3,40,00,000 (Previous Year - 3,40,00,000) Equity Shares of ₹ 10 each	3,400.00	3,400.00
1,10,00,000 (Previous Year -1,10,00,000) Preference Shares of ₹ 10 each	1,100.00	1,100.00
TOTAL	4,500.00	4,500.00
ISSUED SUBSCRIBED AND FULLY PAID UP		
3,36,42,070 (Previous Year -3,36,42,070) Equity Shares of ₹ 10 each fully paid	3,364.21	3,364.21
TOTAL	3,364.21	3,364.21

(a) Details of shareholders holding more than 5% of the shares of the Company and shares held by holding Company

	2013		2012	
	Number of shares	% of Holding	Number of shares	% of Holding
(Shares held by the President of India, Development Commissioner of Cement Industries)	18,00,020	5.35	18,00,020	5.35
Shares Held by M/s ACC Ltd -Holding Company	3,18,42,050	94.65	3,18,42,050	94.65

(b) Reconciliation of No of Equity shares

	2013		2012	
	Number of shares	Amount ₹ Lakhs	Number of shares	Amount ₹ Lakhs
Equity shares at the beginning of the year	3,36,42,070	3,364.21	3,36,42,070	3,364.21
Shares Issued during the year	-	-	-	-
Equity shares at the end of the year	3,36,42,070	3,364.21	3,18,42,070	3,364.21

(c) Rights and restrictions attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

NOTE 4 : RESERVES AND SURPLUS

	2013 ₹ Lakhs	2012 ₹ Lakhs
Surplus in the statement of profit and loss :		
Balance as per last Financial statements	1,280.22	1,100.41
Add: Profit of the year	270.94	179.81
TOTAL	1,551.16	1,280.22

NOTE 5 : DEFERRED TAX LIABILITIES (NET) :

	2013 ₹ Lakhs	2012 ₹ Lakhs
Deferred Tax Liabilities arising on account of :		
Depreciation differences	556.50	567.16
TOTAL	556.50	567.16

NOTE 6 : TRADE PAYABLES

	2013 ₹ Lakhs	2012 ₹ Lakhs
Trade Payable Due to The Holding Company: ACC Limited ₹ 69.49 Lakhs (Previous year ₹ 84.58 Lakhs)	479.49	534.34
TOTAL	479.49	534.34

NOTE 6.1 - 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.

NOTE 7 : OTHER CURRENT LIABILITIES

	2013 ₹ Lakhs	2012 ₹ Lakhs
Statutory Dues	9.91	7.45
Retention Deposit from Contractors/ Vendors	24.34	2.12
Liability For Capital Expenditure	505.06	229.15
Provision for Railway Claims	224.39	111.79
TOTAL	763.70	350.51

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**NOTE 8 (a) : TANGIBLE ASSETS**

₹ Lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01-01-2013	Additions/ Adjustments	Deletions	As at 31-12-2013	As at 01-01-2013	For The Year	On Deletion/ Disposals	Adjustments	As at 31-12-2013	As at 31-12-2013	As at 31-12-2012
Building	247.36	-	-	247.36	114.94	8.26	-	-	123.20	124.16	132.42
Building & Installation	0.68	-	-	0.68	0.09	0.07	-	-	0.16	0.52	0.59
Plant & Machinery	3,270.09	92.14	(157.27)	3,204.96	2,861.46	89.10	-	(154.70)	2,795.86	409.10	408.63
Roads, Bridges	173.56	-	-	173.56	39.35	2.83	-	-	42.18	131.38	134.21
Rails & Sidings	628.59	8.75	-	637.34	244.61	30.07	-	-	274.68	362.66	383.98
Wagon & Loco	3,944.29	661.55	-	4,605.84	1,880.07	231.88	-	-	2,111.95	2,493.89	2,064.22
Furniture & Fixtures	13.78	13.03	(6.76)	20.05	12.59	0.41	-	(6.76)	6.24	13.81	1.19
Office Equipments	11.90	-	-	11.90	3.47	0.52	-	-	3.99	7.91	8.43
Vehicles	7.62	-	-	7.62	1.03	0.73	-	-	1.76	5.86	6.59
Electrical Installation	596.72	-	(24.67)	572.05	391.52	28.34	-	(17.47)	402.39	169.66	205.21
TOTAL	8,894.59	775.47	(188.70)	9,481.36	5,549.13	392.21	-	(178.93)	5,762.41	3,718.95	3,345.47
Previous Year	8,726.92	280.11	(112.44)	8,894.59	5,214.85	516.00	(106.80)	(74.92)	5,549.13	3,345.47	3,512.07

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.

NOTE 8 (b) : INTANGIBLE ASSETS

₹ Lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01-01-2013	Additions/ Adjustments	Deletions	As at 31-12-2013	As at 01-01-2013	For The Year	On Deletion/ Disposals	Adjustments	As at 31-12-2013	As at 31-12-2013	As at 31-12-2012
Software for Process Control System	-	10.03	-	10.03	-	1.41	-	-	1.41	8.62	-
TOTAL	-	10.03	-	10.03	-	1.41	-	-	1.41	8.62	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-

NOTE 9 : LOANS & ADVANCES

	2013		2012	
	Non Current ₹ Lakhs	Current ₹ Lakhs	Non Current ₹ Lakhs	Current ₹ Lakhs
(Unsecured Considered Good)				
(a) Capital Advances	5.00	-	106.48	-
(b) Other Deposits	18.17	-	18.17	-
(c) Advances recoverable in cash or in kind or for value to be received	3.96	32.51	109.36	79.76
(d) Advance Tax Paid {Net of provision for Taxation, Amt ₹ 272.5 Lakhs : (Previous year ₹ 190.64 Lakhs)}	98.67	-	34.78	-
(e) Advance Fringe Benefit Tax {Net of provision for Taxation, Amt ₹ 1.95 Lakhs : (Previous year ₹ 1.95 Lakhs)}	0.01	-	0.01	-
(f) Balance with Excise, Customs and Port Trust Authorities on Current accounts	-	6.32	-	8.59
(g) Prepaid Expenses	3.76	20.39	3.46	14.63
TOTAL	129.57	59.22	272.26	102.98

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**NOTE 10 : CURRENT INVESTMENTS (Valued at Lower of Cost and Fair Value)**

	2013		2012	
	Amount ₹ Lakhs	No Of Units	Amount ₹ Lakhs	No Of Units
Investment in Mutual Funds - Fully paid-up (Unquoted)				
Unit of Face value ₹ 1000 each SBI SHF-Ultra short term debt fund -Regular Plan - (Growth Option)	-	-	800.00	54,298.90
Unit of Face value ₹ 1000 each UTI Treasury Advantage Fund - Institutional Plan (Growth Option)	-	-	1,035.00	66,828.44
Unit of Face value ₹ 1000 each DSP Black rock Money Manager Fund-Regular Plan-(Growth Option)	500.00	29,432.59	-	-
Unit of Face value ₹ 1000 each UTI Floating rate fund-STP-Regular plan- (Growth Option)	470.00	23,233.12	-	-
Unit of Face value ₹ 10 each DWS Cash Opportunities Fund-Regular Plan-(Growth Option)	1,200.00	71,97,524.05	-	-
TOTAL	2,170.00		1,835.00	
Aggregate amount of Unquoted Investments	2,170.00		1,835.00	

NOTE 11 : INVENTORIES (At Cost or Net Realisable value whichever is lower)

	2013 ₹ Lakhs	2012 ₹ Lakhs
Stores & Spare Parts	47.32	48.56
TOTAL	47.32	48.56

NOTE 12 : TRADE RECEIVABLE

	2013 ₹ Lakhs	2012 ₹ Lakhs
Others		
Unsecured Considered Good	226.77	446.32
Due from The Holding Company: ACC Limited ₹ 226.77 Lakhs; (Previous year ₹ 446.32 Lakhs), Maximum Outstanding Balance during the Period ₹ 522.44 Lakhs : (Previous year ₹ 504.94 Lakhs)		
TOTAL	226.77	446.32

NOTE 13 : CASH & BANK BALANCES

	2013 ₹ Lakhs	2012 ₹ Lakhs
Cash and Cash Equivalent		
Cash on Hand	0.06	0.12
Balances with Scheduled Banks in Current Accounts	4.98	16.67
TOTAL	5.04	16.79

NOTE 14 : REVENUE FROM OPERATIONS

	2013 ₹ Lakhs	2012 ₹ Lakhs
SALE OF SERVICES		
Bulk Handling Charges	1,310.06	1,146.52
Freight Rebate :		
Recovered from ACC limited	393.24	359.16
Received From Railways	35.65	-
	1,738.95	1,505.68
OTHER OPERATING REVENUE		
Miscellaneous Income	2.90	4.89
Provision no longer required written back	8.66	7.48
	11.56	12.37
REVENUE FROM OPERATIONS(NET)	1,750.51	1,518.05

NOTE 15 : OTHER INCOME

	2013 ₹ Lakhs	2012 ₹ Lakhs
Profit on sale of Current Investment	179.35	142.70
Interest on deposits	0.97	5.09
TOTAL	180.32	147.79

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**NOTE 16 : EMPLOYEE BENEFITS**

	2013 ₹ Lakhs	2012 ₹ Lakhs
Staff Welfare	0.06	-
Deputation Charges	128.12	120.09
TOTAL	128.18	120.09

NOTE 17 : OPERATING AND OTHER EXPENSES

	2013 ₹ Lakhs	2012 ₹ Lakhs
Power & Fuel	213.07	207.60
Plant Operating Charges	110.99	103.38
Rates & Taxes	133.94	56.22
Insurance	21.17	19.46
Consumption of Stores and Spares	125.11	119.06
Repairs and Maintenance - Plant	272.73	223.06
Repairs and Maintenance - Buildings	37.70	17.77
Repairs and Maintenance - Others	10.67	7.34
Communication	3.04	2.46
Travelling and Conveyance	2.31	4.66
Security Charges	57.36	47.04
Legal Services	22.97	17.63
Remuneration to Auditors		
Statutory Audit	2.25	2.25
Tax Audit	1.20	1.30
Other Services	2.50	2.50
Out-of-pocket expenses	0.31	0.26
Other Expenses	41.40	20.71
Loss on Fixed Assets scrapped/retired (Net)	8.19	3.91
TOTAL	1,066.89	856.61

NOTE 18 : RELATED PARTY DISCLOSURES**(I) Particulars of Related Parties:**

Name of the Related Party	Nature of Relationship
ACC Ltd.	Holding Company

(II) Key Management Personnel:

Name of the Related Party	Nature of Relationship
Mr. Ram Manohar Sowbhagya	Head BCCI

(III) Transactions with Related Parties during the year:

	Holding Company	
	ACC Limited	
	2013 ₹ Lakhs	2012 ₹ Lakhs
a) Rendering of Services	1,310.06	1,146.52
b) Deputation Charges Paid	128.18	110.53
c) Purchase of Cement	23.79	-
d) Reimbursement of Freight Rebate	393.24	359.16
e) Outstanding balance included in Current assets	226.77	446.32
f) Outstanding balance included in Current liabilities	69.49	84.58
h) Reimbursement of expenses paid (Net of Reversal)		
Power Expenses	182.24	182.28
Others	17.60	4.95
i) Reimbursement of expenses received	3,064.05	3,566.24

NOTE 19 : Taxation

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) Rules 2006. During the year, the Company has Credited to the Statement of Profit & Loss a reversal of Deferred Tax Liability of ₹ 10.66 Lakhs (Previous Year ₹ 9.09 Lakhs was debited).

NOTE 20 : EARNINGS PER SHARE:

	2013	2012
Profit/(Loss) after taxation as per Statement of Profit and loss (₹ Lakhs)	270.92	179.81
Weighted average number of Equity shares outstanding (No)..	3,36,42,070	3,36,42,070
Basic earnings per Share (Weighted Average) in ₹ (Face value - ₹ 10 per share)	0.81	0.53

(There are no potential equity shares and hence there is no working for diluted earning per share).

NOTE 21 : During the year, the company has made provision for wagons maintenance charges, on an estimated basis (as Railways have not raised any Claims for the period from January, 2013 to December, 2013) of ₹ 150.53 Lakhs (P.Y. ₹ 138.32 Lakhs for Jan 2012 to Dec 2012) for the 167 wagons (Both old & new) owned by the company. In addition, the company also made a provision of ₹ 10.76 Lakhs on the new 14 wagons purchased by the company during the year.

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**NOTE 22 : CONTINGENT LIABILITIES NOT PROVIDED FOR:**

Sr. No.	Particulars	2013 ₹ Lakhs	2012 ₹ Lakhs
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.	Show Cause cum Demand notice disallowing Cenvat Availed on Cement Returned in Bulkers for Period April-07-Nov 08	37.48	37.48
5.	Order passed by Additional Commissioner of Income tax imposing penalty in a case relating to availment of cenvat credit on inputs at a rate higher than the rate at which the said inputs were cleared as such	9.40	-
6.	SCN issued by the Commissioner of Service tax reversing cenvat credit availed on input services in proportion to the ratio of cement cleared as such	75.00	-

NOTE 23 : The benefit of credit against the payment made towards Minimum Alternate Tax for the earlier years in accordance with the provision of Section 115JAA has been accounted for the nine months period ended on 31st December 2013 on a prorate basis.

NOTE 24 : Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) ₹ 82.12 Lakhs (Previous Year ₹ 483.04 Lakhs).

NOTE 25 : Other additional information pursuant to the provisions of paragraph 5 (viii)(c) of Schedule VI to the Companies Act, 1956 is either Nil or not applicable to the Company.

NOTE 26 : In the opinion of the Board of directors, any of the assets other than fixed assets and non-current investments do not have a value on realization in the ordinary course of business lower than at least equal to the amount at which they are stated.

NOTE 27 : Previous year's figures have been regrouped/ rearranged wherever necessary to make them comparable with the current year's figure.

As per our report of even date

FOR K.S. AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

RAJESH S. JOSHI
Partner
Membership No. 38526

Mumbai, January 27, 2014

For and on behalf of the Board of Directors of Bulk Cement Corporation (India) Limited,

JOYDEEP MUKHERJEE
Director

BINITA KHORY
Company Secretary

SUNIL K. NAYAK
Director

Directors' Report

TO THE MEMBERS OF
LUCKY MINMAT LIMITED

The Directors take pleasure in presenting the Thirty Eighth Annual Report on the business and operations of the Company and the Audited Accounts for the year ended December 31, 2013.

1. FINANCIAL RESULTS

Particulars	2013 ₹	2012 ₹
Revenue from Operations (Net) and Other Income	11,65,884	15,24,840
Profit/(Loss) before Tax	(41,93,499)	(57,28,250)
Provision for Taxation	—	—
Profit/(Loss) after Taxation	(41,93,499)	(57,28,250)
Balance brought forward from previous year	(1,48,37,405)	(91,09,155)
Balance carried forward to Balance Sheet	(1,90,30,904)	(1,48,37,405)

2. OPERATIONS

The total dispatches for the year ended December 31, 2013 were NIL as compared to 2,623.83 MT for the year ended December 31, 2012. The Company has stopped all mining operations from March 29, 2012 for want of the Forest and Environment Clearance by the Rajasthan State Pollution Control Board, Jaipur.

The Company has incurred a loss after tax of ₹ 41,93,499 for the year ended December 31, 2013 as compared to a loss after tax of ₹ 57,28,250 for the year ended December 31, 2012.

3. DIVIDEND

Your Directors do not recommend any dividend for the financial year ended December 31, 2013.

4. INDUSTRIAL RELATIONS

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

5. DIRECTORS

Mr. Sankarsan Dasgupta who was appointed as a Director of the Company with effect from November 17, 2007 resigned as Director with effect from July 19, 2013. The Board has placed on record its appreciation of the valuable services rendered by Mr. Dasgupta during his tenure as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956, Mr. Umesh Pratap and Mr. Rajiv Prasad retire by rotation and are eligible for re-appointment.

6. 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 (2AA) of the Companies Act, 1956:

- i) that in the preparation of the Accounts for the year ended December 31, 2013, 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 2 of the Notes to the Financial Statements 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, 2013, and of the loss 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, 2013, have been prepared on a going concern basis.

7. AUDITORS

Messrs K S Aiyar & Co., Chartered Accountants, who are the Statutory Auditors of the Company, hold office up to the date of the ensuing Annual General Meeting and are eligible for re-appointment. As required under the provision of Section 224(1B) of the Companies Act, 1956, the Company has obtained written confirmation from Messrs K S Aiyar & Co., that their appointment, if made, would be in conformity with the Companies Act, 1956. The Members are requested to appoint Messrs K S Aiyar & Co., Chartered Accountants, as Auditors for the year 2014, and to authorize the Board of Directors to determine their remuneration.

8. 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 provisions of Section 292A of the Companies Act, 1956.

9. SECRETARIAL AUDIT

Pursuant to the provisions of Section 383A of the Companies Act, 1956, the Company has obtained certificate from 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.

10. 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.

11. 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.

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 unstinted assistance and support received from ACC Limited, the holding Company, and all its employees for their valuable contribution during the year.

For and on behalf of the Board

B D Nariman
Chairman

Jaipur
January 30, 2014

Registered Office:
G-9/C Kabir Marg,
Bani Park,
Jaipur 302 016

Pramod S. Shah

Mani Bhuwan, 1st Floor, Office No. 5, 54, Hughes Road
(Opp : Dharam Palace), Mumbai - 400 007 (India)
E-mail : saurabhshah361@gmail.com
Tel.: (O) +91 (022) 2367 8570/2368 0263/2368 2139/2368 0256
Fax : +91 (022) 2367 8571
Mobile : 98211 06410 / 98211 06217

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, **Nominal Capital: ₹ 32,500,000/-**
The Members, **Registration No. : 001697**
Lucky Minmat Limited **(31/12/2013)**

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), the notified Sections of the Companies Act, 2013, w.e.f. **12th September, 2013**, 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, 2013. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, 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 other authorities within the time prescribed under the Companies Act, 1956, and the rules made thereunder.
3. The Company being a public limited Company, the provisions relating to Private Company are not applicable and therefore comments are not required.
4. The Board of Directors duly met 4. times on 01/02/2013, 26/04/2013, 19/07/2013, 17/10/2013 in respect of which meetings proper notice were given and the proceedings were properly recorded and signed including the circular resolution in the minutes books maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year.
6. The Annual General Meeting for the year ended on 31/12/2012 was held on 22/03/2013 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 Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors or persons or firms or companies referred to under Section 295 of the Companies Act, 1956, or Section 185 of the Companies Act, 2013.
9. The Company has not entered into contracts falling within the purview of Section 297 of the Companies Act, 1956, in respect of contracts specified in that Section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Companies Act, 1956.
11. As there were no instances falling within the purview of Section 314 of the Companies Act, 1956, 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 Companies Act, 1956.
 - 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 Companies Act, 1956, regarding Boards Report.
14. The Board of Directors of the Company is duly constituted and the appointment of additional directors has been duly made.
 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 Companies Act, 1956 or Companies Act, 2013 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 Companies Act, 1956, 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 the purview of Section 58A of the Companies Act, 1956, during the financial year.
 24. The Company has not made any borrowings during the financial year ended 31st December, 2013.
 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 Companies Act, 1956, and consequently no entries have been made 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 under scrutiny.
 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 prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Companies Act, 1956 or Companies Act, 2013.
 32. The Company has not received any money as security from its employees during the financial year.
 33. The Company has no employee employed during the year. Hence, the deposit of both employee's and employers contribution to provident fund with authorities pursuant to Section 418 of the Companies Act, 1956, does not arise.

Signature:

Name of Company Secretary : Pramod S. Shah
Partner

C. P. No. : 3804

Place : Mumbai
Date : 27/01/2014

Annexure A

The Company has been maintaining the following statutory records such as:

- 1) Minutes Book (Board Meeting)
- 2) Minutes Book (AGM & EGM)
- 3) Register of Members
- 4) Register of Director
- 5) Register of Director's shareholding
- 6) Register of Share Transfer
- 7) Register of Shareholders
- 8) Register of Loans
- 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, 2013.

Sr. No.	Form No.	Filed u/s (of the Companies Act, 1956)	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	31/12/2012	11/05/2013	Yes	N.A.
2	Form 23AC & 23ACA XBRL (Balance Sheet and Profit & Loss Account)	220	31/12/2012	19/04/2013	Yes	N.A.
3	Form 66	383A	31/12/2012	25/03/2013	Yes	N.A.
4	Form 32	260	Appointment of Additional Director	21/02/2013	Yes	N.A.
5	Form 32	264(2)	Change in Designation	20/04/2013	Yes	N.A.
6	Form 32	303(2)	Cessation of Director	06/08/2013	Yes	N.A.

Independent Auditors' Report

TO THE MEMBERS OF LUCKY MINMAT LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Lucky Minmat Limited** ('the Company'), which comprise the Balance Sheet as at December 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') which shall continue to apply in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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, 2013;
- (ii) in the case of the Statement of Profit and Loss, of the loss 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.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, 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 purpose 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 those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956, which shall continue to apply in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs;
 - e) on the basis of the written representations received from the directors, as on December 31, 2013, and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on December 31, 2013 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

For K. S. AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: January 30, 2014

Annexure to the Auditors' Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on December 31, 2013, 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 rules made by the Central Government for maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 are not applicable to the Company.
- (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, 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:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
The Rajasthan Finance Act, 2008 & Rajasthan Environment & Health Cess Rules, 2008	Environment and Health Cess on Limestone	10,63,120	December 2008 - onwards	Supreme Court

- (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
Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: January 30, 2014

Balance Sheet as at December 31, 2013

Particulars	Note No.	As at December 31, 2013 ₹	As at December 31, 2012 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	3,25,00,000	3,25,00,000
Reserves and surplus	4	(1,81,95,986)	(1,40,02,487)
		1,43,04,014	1,84,97,513
Current liabilities			
Short term borrowings	5	1,00,00,000	30,00,000
Other current liabilities	6	2,99,231	2,66,764
Short-term provisions	7	13,41,665	14,27,174
		1,16,40,896	46,93,938
TOTAL		2,59,44,910	2,31,91,451
ASSETS			
Non-current assets			
Fixed Assets:			
Tangible assets	8	37,380	41,675
Non-current investments	9	20,850	20,850
Long-term loans and advances	10	30,10,736	27,66,117
		30,68,966	28,28,642
Current assets			
Trade receivables	11	-	-
Cash and bank Balances	12	1,84,98,010	1,88,48,244
Short-Term loans and advances	13	41,23,152	12,69,635
Other current assets	14	2,54,782	2,44,930
		2,28,75,944	2,03,62,809
TOTAL		2,59,44,910	2,31,91,451
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date For and on behalf of the Board of Lucky Minmat Limited.

For K.S. AIYAR & CO. B.D.Nariman Rajiv Prasad
Chartered Accountants Chairman Director
Firm Registration No :- 100186W

Umesh Pratap K.M.Gupta
Director Director

SACHIN A. NEGANDHI

Partner M G Damle
Membership No. 112888 Director

Mumbai, January 30, 2014

Statement of Profit & Loss for the year ended December 31, 2013

Particulars	Note No.	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
Revenue from Operations	15	-	5,39,723
Other Income	16	11,65,884	9,85,117
Total Revenue		11,65,884	15,24,840
EXPENSES			
Depreciation and amortization expense	8	4,295	4,295
Other expenses	17	53,55,088	72,48,795
Total Expenses		53,59,383	72,53,090
Loss before Tax		(41,93,499)	(57,28,250)
Tax expenses		-	-
Loss for the Year		(41,93,499)	(57,28,250)
Earnings per equity share (Face value of ₹ 100 each) (Refer Note - 19)			
Basic	₹	(12.90)	(17.63)
Diluted	₹	(12.90)	(17.63)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date For and on behalf of the Board of Lucky Minmat Limited.

For K.S. AIYAR & CO. B.D.Nariman Rajiv Prasad
Chartered Accountants Chairman Director
Firm Registration No :- 100186W

Umesh Pratap K.M.Gupta
Director Director

SACHIN A. NEGANDHI

Partner M G Damle
Membership No. 112888 Director

Mumbai, January 30, 2014

Cash Flow Statement for the year ended December 31, 2013

	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
A. Cash flow from operating activities		
1. Net Profit/(Loss) before taxation	(41,93,499)	(57,28,250)
Adjustments for:		
Depreciation	4,295	4,295
Interest Received	(11,65,884)	(9,85,117)
Operating profit before working capital changes	(53,55,088)	(67,09,072)
Movement in Working Capital		
2. Decrease/(Increase) in Sundry Debtors	-	5,39,133
3. Decrease/(Increase) in Inventories	-	-
4. Decrease/(Increase) in Other Current Assets	(28,86,399)	(12,54,011)
5. Increase/(Decrease) in Other Liabilities & Provisions	(53,042)	(11,31,990)
Cash generated from operations	(82,94,529)	(85,55,940)
6. Direct Taxes paid - (Net of Refunds)-	(2,44,619)	(2,94,182)
Net Cash From Operating Activities	(85,39,148)	(88,50,122)
B. Cash Flow From Investing Activities		
7. Interest Received	11,65,884	10,44,760
Net Cash From Investing Activities	11,65,884	10,44,760
C. Cash Flow From Financing Activities		
8. Inter Corporate Deposits from Holding company	70,00,000	30,00,000
Net Cash Used in Financing Activities	70,00,000	30,00,000
Net increase / (decrease) in cash & cash equivalents	(3,73,264)	(48,05,362)
Cash & cash equivalents at the beginning of the year	1,72,83,243	2,20,88,605
Cash & cash equivalents at the end of the year	1,69,09,979	1,72,83,243
Refer Note no 12 for details of Cash & Cash equivalents.		

As per our report of even date

For K.S. AIYAR & CO.
Chartered Accountants
Firm Registration No :- 100186W

SACHIN A. NEGANDHI
Partner
Membership No. 112888

Mumbai, January 30, 2014

For and on behalf of the Board of Lucky Minmat Limited.

B.D.Nariman
Chairman

Umesh Pratap
Director

M G Damle
Director

Rajiv Prasad
Director

K.M.Gupta
Director

Notes to the Financial Statements for the year ended December 31, 2013

1. CORPORATE INFORMATION

Lucky Minmat Limited is a wholly owned subsidiary of ACC Limited, Company domiciled in India and incorporated under the provision of Companies Act 1956. The Company is engaged in the extraction of limestone.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of preparation

- (i) The financial statements have been prepared in accordance with the accounting principles generally accepted in India and comply in all material aspects in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 („the Act) which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act 2013 (which has superseded section 211(3C) of the Companies Act 1956 w.e.f. 12 September 2013).
- (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 are valued after providing for obsolescence, as follows:

- (i) 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.
- (ii) 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.

(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 / Provision

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.

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)

(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..

(M) Current /Non Current

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

3. SHARE CAPITAL

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
AUTHORISED SHARES		
3,25,000 (Previous Year: 3,25,000) equity shares of ₹ 100 each	3,25,00,000	3,25,00,000
	3,25,00,000	3,25,00,000
ISSUED		
3,25,000 (Previous Year: 3,25,000) equity shares of ₹ 100 each	3,25,00,000	3,25,00,000
	3,25,00,000	3,25,00,000
SUBSCRIBED & PAID-UP		
3,25,000 (Previous Year: 3,25,000) equity shares of ₹ 100 each	3,25,00,000	3,25,00,000
TOTAL	3,25,00,000	3,25,00,000

Notes :

(a) Reconciliation of number of equity shares

	2013		2012	
	Number of shares	Amount ₹	Number of shares	Amount ₹
Equity Shares				
Number of shares outstanding at the beginning of the year	3,25,000	3,25,00,000	3,25,000	3,25,00,000
Movement during the reporting period	-	-	-	-
Closing balance at the end of the reporting period	3,25,000	3,25,00,000	3,25,000	3,25,00,000

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 100/- each. All equity shares carry similar voting rights of 1:1 and similar dividend rights

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	2013		2012	
	Number of shares	Amount ₹	Number of shares	Amount ₹
Holding company				
ACC Limited	3,25,000	3,25,00,000	3,25,000	3,25,00,000
	3,25,000	3,25,00,000	3,25,000	3,25,00,000

(d) Details of shareholders holding more than 5% shares

	2013		2012	
	Number of shares	Amount ₹	Number of shares	Amount ₹
Equity shares				
ACC Limited	3,25,000	3,25,00,000	3,25,000	3,25,00,000

4. RESERVES AND SURPLUS

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
General Reserves		
Surplus in the statement of profit and loss	8,34,918	8,34,918
Balance as per last Financial statements	(1,48,37,405)	(91,09,155)
Add: Loss for the year	(41,93,499)	(57,28,250)
	(1,90,30,904)	(1,48,37,405)
TOTAL	(1,81,95,986)	(1,40,02,487)

5. SHORT TERM BORROWINGS

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Loan & Advances from related parties		
From Holding Company - ACC Limited	1,00,00,000	30,00,000
TOTAL	1,00,00,000	30,00,000

6. OTHER CURRENT LIABILITIES

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Payable to Holding Co.	2,34,181	81,622
Other Payables	65,050	1,85,142
TOTAL	2,99,231	2,66,764

7. SHORT-TERM PROVISIONS

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Provision for Environmental Cess on Limestone	10,63,120	10,63,120
Provision for Expenses	2,78,545	3,64,054
TOTAL	13,41,665	14,27,174

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**8. FIXED ASSETS**

	GROSS BLOCK AT COST		DEPRECIATION / AMORTISATION		NET BLOCK		
	As at January 1, 2013 ₹	As at December 31, 2013 ₹	As at January 1, 2013 ₹	For the year ₹	As at December 31, 2013 ₹	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Tangible Assets :							
1. Buildings	3,88,076	3,88,076	3,88,076	-	3,88,076	-	-
2. Plant and Machinery	43,680	43,680	7,588	2,075	9,663	34,017	36,092
3. Computer / Printer	13,700	13,700	8,117	2,220	10,337	3,363	5,583
TOTAL	4,45,456	4,45,456	4,03,781	4,295	4,08,076	37,380	41,675
Previous year	4,45,456	4,45,456	3,99,486	4,295	4,03,781	41,675	

9. NON-CURRENT INVESTMENTS

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Trade Investments (valued at cost)		
National Saving Certificate	20,850	20,850
TOTAL	20,850	20,850

10. LONG-TERM LOANS AND ADVANCES

Unsecured, considered Good, unless otherwise stated

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Security deposit		
Deposit with Holding Company	1,00,000	1,00,000
Other loans and advances		
Advances Payment against taxes	29,10,736	26,66,117
TOTAL	30,10,736	27,66,117

11. TRADE RECEIVABLES

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Unsecured, considered good unless stated otherwise		
Receivable from holding company:		
Over six months		-
Others	-	-
TOTAL	-	-

12. CASH AND BANK BALANCES

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Cash and Cash equivalents		
Balances with banks:		
On current accounts	6,80,643	20,78,163
Deposits with original maturity of less than three months	1,62,29,336	1,52,05,080
	1,69,09,979	1,72,83,243
Other Bank balances		
Fixed deposit (Receipts are in the custody of mining department as security towards mines)	15,88,031	15,65,001
	15,88,031	15,65,001
TOTAL	1,84,98,010	1,88,48,244

13. SHORT-TERM LOAN AND ADVANCES

Unsecured, considered Good, unless otherwise stated

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Advances recoverable in cash or kind		
Unsecured considered good	38,136	1,06,491
	38,136	1,06,491
Other loans and advances		
Advances recoverable or value to be received	40,85,016	11,63,144
TOTAL	41,23,152	12,69,635

14. OTHER CURRENT ASSETS

Unsecured, considered Good, unless otherwise stated

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Interest Accrued but not due		
	2,54,782	2,44,930
TOTAL	2,54,782	2,44,930

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**15. REVENUE FROM OPERATIONS**

	For the Year ended December 31, 2013 ₹	For the Year ended December 31, 2012 ₹
Sale of Products :		
Finished goods- Sale of Limestone	-	5,39,723
TOTAL	-	5,39,723

16. OTHER INCOME

	For the Year ended December 31, 2013 ₹	For the Year ended December 31, 2012 ₹
Interest on Bank deposits	11,65,884	9,85,117
TOTAL	11,65,884	9,85,117

17.1 OTHER EXPENSE

	For the Year ended December 31, 2013 ₹	For the Year ended December 31, 2012 ₹
Consumption of stores and spares	-	1,12,253
Travelling Expenses	2,81,559	2,64,094
Power and fuel	11,402	2,950
Repairs to other Items	80,406	12,800
Stationary Expenses	8,913	12,726
Royalties/dead Rent	38,71,594	46,36,757
Loading, Transportation and other mining expenses	3,75,416	14,69,362
Bank charges	2,032	895
Professional Expenses	2,98,788	3,01,046
Miscellaneous expenses	1,29,978	1,40,912
TOTAL (A)	50,60,088	69,53,795

17.2 PAYMENT TO STATUTORY AUDITORS (excluding service tax)

	For the Year ended December 31, 2013 ₹	For the Year ended December 31, 2012 ₹
As Auditors		
Audit fees	1,00,000	1,00,000
Audit fees for tax financial statements	70,000	70,000
For other services	1,25,000	1,25,000
TOTAL (B)	2,95,000	2,95,000
TOTAL (A + B)	53,55,088	72,48,795

18. 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

B. Related Party Transactions

Transaction with Holding Company	For the Year ended December 31, 2013 ₹	For the Year ended December 31, 2012 ₹
(i) Sales of Finished / Unfinished goods to ACC Limited (Net)	-	5,39,723
(ii) Inter corporate deposit received	70,00,000	30,00,000
(iii) TDS / VAT/ Service Tax / Royalty Paid on behalf of Lucky Minmat Limited By ACC Limited	1,52,559	1,72,617

C. Closing Balances of Related Parties

Holding Co - ACC Limited	As at December 31, 2013 ₹	As at December 31, 2012 ₹
ICD Taken	1,00,00,000	30,00,000
Security Deposit with ACC Limited - Given	1,00,000	1,00,000
Other Payables	2,34,181	81,621

19. EARNINGS PER SHARE (EPS)

	For the Year ended December 31, 2013 ₹	For the Year ended December 31, 2012 ₹
Profit/(Loss) after taxation as per Statement of Profit & Loss in Rupees	(41,93,499)	(57,28,250)
Weighted average number of Equity Shares Outstanding	3,25,000	3,25,000
Basic earnings per share (weighted average) (Face Value – ₹ 100 per share)	(12.90)	(17.63)

(Basic and Diluted EPS are same)

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**20. 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.

- 21.** 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.

- 22.** The Company has no employees on its payroll during the period.

- 23.** With Regard to the application for renewal of consent to operate minor lease for production capacity 1,20,643 Tonnes per annum filed with the Rajasthan state Pollution control board (RSPCB), a show cause notice was received from the RSPCB in December 2011 which was suitably replied. Thereafter, the company received notice for closure of the mines in February, 2012 pursuant to which the company has stopped all mining operations from March 2012.

- 24.** Additional information pursuant to the provisions of paragraph 5(viii)(c) of schedule VI of The Companies Act, 1956 is either Nil or not applicable.

- 25.** Previous year figures are regrouped / restated wherever necessary to make them comparable with current year figures.

As per our report of even date

For K.S. AIYAR & CO.

Chartered Accountants

Firm Registration No :- 100186W

SACHIN A. NEGANDHI

Partner

Membership No. 112888

Mumbai, January 30, 2014

For and on behalf of the Board of Lucky Minmat Limited

B.D.Nariman

Chairman

Rajiv Prasad

Director

Umesh Pratap

Director

K.M.Gupta

Director

M G Damle

Director

Directors' Report

TO THE MEMBERS OF
NATIONAL LIMESTONE COMPANY PRIVATE LIMITED

The Directors take pleasure in presenting the Thirty Third Annual Report on the business and operations of the Company and the Audited Accounts for the year ended December 31, 2013.

1. FINANCIAL RESULTS

Particulars	2013 ₹	2012 ₹
Revenue from Operations (Net) and Other Income	137	11,30,534
Profit / (Loss) Before Tax	(17,57,878)	(19,44,433)
Provision for Taxation	—	—
Profit / (Loss) after Taxation	(17,57,878)	(19,44,433)
Balance brought forward from previous year	(36,37,317)	(16,92,884)
Balance carried forward to Balance Sheet	(53,95,195)	(36,37,317)

2. OPERATIONS

There was no production and despatches during the year 2013 on account of stoppage of mining activities. The total dispatches for the previous year ended December 31, 2012 were 2767.22 MT.

The Company has incurred a loss after tax of ₹ 17,57,878 for the year ended December 31, 2013 as compared to a loss after tax of ₹ 19,44,433 for the year ended December 31, 2012.

3. DIVIDEND

Your Directors do not recommend any dividend for the financial year ended December 31, 2013.

4. INDUSTRIAL RELATIONS

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

5. DIRECTORS

Mr. Sankarsan Dasgupta, who was appointed as a Director of the Company with effect from November 17, 2007 resigned as Director with effect from July 19, 2013. The Board has placed on record its appreciation of the valuable services rendered by Mr. Dasgupta during his tenure as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956, Mr. Burjor D. Nariman and Mr. Umesh Pratap retire by rotation and are eligible for re-appointment.

6. 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 (2AA) of the Companies Act, 1956:

- i) that in the preparation of the Accounts for the year ended December 31, 2013, 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 2 of the Notes to the Financial Statements 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, 2013 and of the loss 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, 2013, have been prepared on a going concern basis.

7. AUDITORS

Messrs K S Aiyar & Co., Chartered Accountants, who are the Statutory Auditors of the Company, hold office up to the date of the ensuing Annual General Meeting and are eligible for re-appointment. As required under the provision of Section 224(1B) of the Companies Act, 1956, the Company has obtained written confirmation from Messrs K S Aiyar & Co., that their appointment, if made, would be in conformity with the Companies Act, 1956. The Members are requested to appoint Messrs K S Aiyar & Co., Chartered Accountants, as Auditors for the year 2014 and to authorize the Board of Directors to determine their remuneration.

8. 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 provisions of Section 292A of the Companies Act, 1956.

9. 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.

10. 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.

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 unstinted assistance and support received from ACC Limited, the holding Company, and all its employees for their valuable contribution during the year.

For and on behalf of the Board

B. D. Nariman
Chairman

Jaipur
January 30, 2014

Registered Office:
G-9/C Kabir Marg,
Bani Park,
Jaipur 302 016

Independent Auditors' Report

To the Members of National Limestone Company Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **National Limestone Company Private Limited** ('the Company'), which comprise the Balance Sheet as at December 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') which shall continue to apply in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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, 2013;

- ii. in the case of the Statement of Profit and Loss, of the loss 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.

Emphasis of Matter

We draw attention to note 28 in the financial statements which indicates that the Company has incurred a loss of ₹ 17,57,878 for the year ended December 31, 2013 and, as of that date, the Company's current liabilities exceeded its total assets by ₹ 41,08,070. These indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, 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 purpose 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 those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956, which shall continue to apply in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs;
 - e) on the basis of the written representations received from the directors, as on December 31, 2013, and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on December 31, 2013 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

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

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: January 30, 2014

Annexure to the Auditors' Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on December 31, 2013, 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) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
 - (viii) The rules made by the Central Government for maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 are not applicable to the Company.
 - (ix) (a) According to the records of the Company, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues applicable to it have been regularly deposited during the year with the appropriate authorities.
- According to the information and explanations given to us, there are no undisputed dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Wealth-tax, Service tax, Sales-tax, Customs duty, Excise duty, Cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess which have not been deposited on account of any dispute.
 - (x) The accumulated losses of the Company exceed 50% of its net worth. The Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
 - (xi) According to the information and explanations given to us, the Company has not taken any money from financial institution, bank or debenture holders and hence clause 4(xi) is not applicable.
 - (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 - (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
 - (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
 - (xv) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.
 - (xvi) The Company has not raised any term loans during the year.
 - (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis aggregating to ₹ 57,44,852 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
Registration No: 100186W

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: January 30, 2014

Balance Sheet as at December 31, 2013

	Note No.	As at December 31, 2013 ₹	As at December 31, 2012 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	8,65,000	8,65,000
Reserves and Surplus	4	(49,73,070)	(32,15,192)
		(41,08,070)	(23,50,192)
Current liabilities			
Short Term Borrowings	5	1,89,57,645	1,78,54,039
Other Current Liabilities	6	30,32,926	26,10,774
Short-Term Provisions	7	1,61,675	2,46,296
		2,21,52,246	2,07,11,109
TOTAL		1,80,44,176	1,83,60,917
ASSETS			
Non-current assets			
Fixed Assets:			
Tangible Assets	8	5,98,521	6,24,141
Long-Term Loans and Advances	9	10,38,261	5,86,030
		16,36,782	12,10,171
Current assets			
Inventories	10	36,31,906	36,31,906
Trade Receivables	11	6,90,713	6,90,713
Cash and Bank balances	12	7,59,299	15,02,648
Short-Term Loans and Advances	13	1,13,22,613	1,13,22,616
Other Current Assets	14	2,863	2,863
		1,64,07,394	1,71,50,746
TOTAL		1,80,44,176	1,83,60,917
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For and on behalf of the Board of
National Lime Stone Company
Private Limited,

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

B.D. NARIMAN
Chairman

Rajiv Prasad
Director

SACHIN A. NEGANDHI
Partner
Membership No. 112888

Umesh Pratap
Director

K.M.Gupta
Director

Mumbai, January 30, 2014

M G Damle
Director

Statement of Profit and Loss for the year ended December 31, 2013

	Note No.	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
Revenue from Operations (gross)	15	-	11,30,534
Other Income	16	137	-
Total revenue		137	11,30,534
EXPENSES			
Cost of material Consumed	17	-	-
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	18	-	10,04,791
Depreciation and amortization expense	8	25,620	26,884
Other expenses	19	17,32,395	20,43,292
Total Expenses		17,58,015	30,74,967
Loss before Tax		(17,57,878)	(19,44,433)
Tax expenses		-	-
Loss for the year		(17,57,878)	(19,44,433)
Earnings per equity share (Face value of ₹ 100 each) (Refer Note - 21)			
Basic	₹	(203.22)	(224.79)
Diluted	₹	(203.22)	(224.79)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For and on behalf of the Board of
National Lime Stone Company
Private Limited,

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

B.D. NARIMAN
Chairman

Rajiv Prasad
Director

SACHIN A. NEGANDHI
Partner
Membership No. 112888

Umesh Pratap
Director

K.M.Gupta
Director

Mumbai, January 30, 2014

M G Damle
Director

Cash flow Statement for the year ended December 31, 2013

	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
A. Cash flow from operating activities		
1. Net Loss before taxation	(17,57,878)	(19,44,433)
Adjustments for:		
Depreciation	25,620	26,884
Interest Received	(137)	-
Operating profit before working capital changes	(17,32,395)	(19,17,549)
Movement in Working Capital		
2. Decrease/(Increase) in Sundry Debtors	-	3,02,733
3. Decrease/(Increase) in Inventories	-	10,04,791
4. Decrease/(Increase) in Other Current assets	-	-
5. Decrease/(Increase) in Loans & Advances	(4,52,230)	(4,33,680)
6. Increase/(Decrease) in Other Liabilities & Provisions	4,41,139	(5,79,034)
Cash generated from operations	(17,43,486)	(16,22,739)
7. Direct Taxes paid - (Net of Refunds)	-	-
Net Cash from operating activities	(17,43,486)	(16,22,739)
B. Cash flow from investing activities		
8. Interest Received	137	-
Net Cash from investing activities	137	-
c. Cash flow from financing activities		
9. Inter Corporate Deposits from Holding Company	10,00,000	10,00,000
Net Cash Used in financing activities	10,00,000	10,00,000
Net increase / (decrease) in cash & cash equivalents	(7,43,349)	(6,22,739)
Cash & Cash equivalents at the beginning of the year	8,92,965	15,15,704
Cash & Cash equivalents at the end of the year	1,49,616	8,92,965

Refer Note no 12 for details of Cash & Cash equivalents.

As per our report of even date

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

SACHIN A. NEGANDHI
Partner
Membership No. 112888

Mumbai, January 30, 2014

For and on behalf of the Board of National Lime Stone Company Private Limited,

B.D. NARIMAN
Chairman

Umesh Pratap
Director

M G Damle
Director

Rajiv Prasad
Director

K.M.Gupta
Director

Notes to the Financial Statements for the year ended December 31, 2013

1. CORPORATE INFORMATION

National Limestone Company Private Limited is wholly owned subsidiary of ACC Limited, Company domiciled in India and incorporated under the provision of Companies Act 1956. The Company is engaged in the extraction of limestone.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of preparation

- (i) The financial statements have been prepared in accordance with the accounting principles generally accepted in India and comply in all material aspects in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the Act) which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act 2013 (which has superseded section 211(3C) of the Companies Act 1956 w.e.f. 12 September 2013.
- (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

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)

present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

(J) Earnings per share

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

(K) Segment Reporting

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

(L) Inventories

Inventories are valued after providing for obsolescence, as follows:

- (i) 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.
- (ii) 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.

(M) Current /Non Current

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

3. SHARE CAPITAL

Particular	As at December 31, 2013 ₹	As at December 31, 2012 ₹
AUTHORISED SHARES		
50,000 (Previous Year: 50,000) equity shares of ₹ 100 each	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 & PAID-UP		
8,650 (Previous Year: 8,650) equity shares of ₹ 100 each	8,65,000	8,65,000
TOTAL	8,65,000	8,65,000

Notes :**(a) Reconciliation of number of equity shares**

	2013		2012	
	Number of shares	Amount ₹	Number of shares	Amount ₹
Equity Shares:				
Number of shares outstanding at the beginning of the year	8,650	8,65,000	8,650	8,65,000
Movement during the reporting period	-	-	-	-
Closing balance at the end of the reporting period	8,650	8,65,000	8,650	8,65,000

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 100/- each. All equity shares carry similar voting rights of 1:1 and similar dividend rights.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	2013		2012	
	Number of shares	Amount ₹	Number of shares	Amount ₹
ACC Limited	8,650	8,65,000	8,650	8,65,000
	8,650	8,65,000	8,650	8,65,000

(d) Details of shareholders holding more than 5% shares

	2013		2012	
	Number of shares	Amount ₹	Number of shares	Amount ₹
ACC Limited	8,650	8,65,000	8,650	8,65,000
	8,650	8,65,000	8,650	8,65,000

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**4. RESERVES AND SURPLUS**

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
General Reserves	4,22,125	4,22,125
Surplus in the statement of Profit and Loss		
Balance as per last Financial statements	(36,37,317)	(16,92,884)
Add: Profit / Loss for the year	(17,57,878)	(19,44,433)
	(53,95,195)	(36,37,317)
TOTAL	(49,73,070)	(32,15,192)

5. SHORT-TERM BORROWINGS

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Unsecured :		
From Holding Company (payable on demand & Interest free):		
Inter corporate deposits	20,00,000	10,00,000
Others Advances	1,69,57,645	1,68,54,039
TOTAL	1,89,57,645	1,78,54,039

6. OTHER CURRENT LIABILITIES

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Security Deposits	8,62,690	8,62,689
Other Payables	12,01,523	7,65,763
Advance from Customers	9,68,713	9,82,322
TOTAL	30,32,926	26,10,774

7. SHORT-TERM PROVISIONS

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Provision for Expenses	1,61,675	2,46,296
TOTAL	1,61,675	2,46,296

8. FIXED ASSETS

	GROSS BLOCK AT COST		TOTAL DEPRECIATION / AMORTISATION		NET BLOCK		
	As at 01-01-2013	As at 31-12-2013	As at 01-01-2013	For the year	As at 31-12-2013	As at 31-12-2013	As at 31-12-2012
Tangible Assets :							
1. Freehold Land	3,80,154	3,80,154	-	-	-	3,80,154	3,80,154
2. Leasehold Land	47,977	47,977	-	-	-	47,977	47,977
3. Factory Building	7,19,591	7,19,591	5,84,226	24,032	6,08,258	1,11,333	1,35,365
4. Tubewell	35,283	35,283	14,813	576	15,389	19,894	20,470
5. Office building	43,459	43,459	12,224	708	12,932	30,527	31,235
6. Plant & machinery	40,000	40,000	40,000	-	40,000	-	-
7. Weight Machine	57,161	57,161	57,161	-	57,161	-	-
8. Magazine/ Explosive Warehouse	18,554	18,554	9,614	304	9,918	8,636	8,940
TOTAL	13,42,179	13,42,179	7,18,038	25,620	7,43,658	5,98,521	6,24,141
Previous year	13,42,179	13,42,179	6,91,154	26,884	7,18,038	6,24,141	

9. LONG-TERM LOANS AND ADVANCES

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Security deposit		
Deposit with Holding company- ACC Limited	50,000	50,000
Other loans and advances		
Advances Payment against taxes	9,88,261	5,36,030
TOTAL	10,38,261	5,86,030

10. INVENTORIES

(At cost or net realisable value whichever is lower)

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Finished Goods :		
Limestone	11,377	11,377
Crushed Limestone	36,16,555	36,16,555
Explosives	3,974	3,974
TOTAL	36,31,906	36,31,906

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**11. TRADE RECEIVABLES**

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good More than 6 months	6,90,713	6,90,713
TOTAL	6,90,713	6,90,713

12. CASH AND BANK BALANCES

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Cash and cash equivalents		
Balances with banks:		
On current accounts	1,49,616	8,92,965
	1,49,616	8,92,965
Other bank balances		
Fixed deposit (receipts are in the custody of mining department as security towards mines)	6,09,683	6,09,683
	6,09,683	6,09,683
TOTAL	7,59,299	15,02,648

13. SHORT-TERM LOAN AND ADVANCES

Unsecured, considered Good, unless otherwise stated

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Security deposit		
Deposit with Mining department	1,04,25,437	1,04,25,437
Advances recoverable in cash or kind		
Unsecured considered good	8,97,176	8,97,179
TOTAL	1,13,22,613	1,13,22,616

14. OTHER CURRENT ASSETS

Unsecured, considered Good unless stated otherwise

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Interest Accrued but not due	2,863	2,863
TOTAL	2,863	2,863

15. REVENUE FROM OPERATIONS

	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
Sale of Products :		
Finished goods- Sale of Crushed Limestone	-	11,20,063
Finished goods- Sale of Limestone	-	10,471
Revenue from operations (gross)	-	11,30,534
Less: Excise duty	-	-
Revenue from operations (net)	-	11,30,534

16. OTHER INCOME

	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
Interest on Bank deposits	137	-
TOTAL	137	-

17. COST OF MATERIAL CONSUMED

	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
Purchase of Crushed limestone	-	-
TOTAL	-	-

18. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
Inventories at the end of the year		
Finished Goods	36,31,906	36,31,906
	36,31,906	36,31,906
Inventories at the beginning of the year		
Finished Goods	36,31,906	46,36,697
	36,31,906	46,36,697
(Increase)/ Decrease	-	10,04,791

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**19. OTHER EXPENSE**

	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
Stores & spares consumed	-	4,490
Power & fuel	13,572	6,581
Royalties	8,71,931	8,02,413
Loading, transportation, Mines expenses & other charges	3,10,531	5,20,951
Travelling Expenses	24,354	2,91,028
Bank charges	224	1,801
Professional Charges	2,73,395	1,82,644
Legal Expenses	24,200	15,000
Stationary Expenses	6,283	30,973
Miscellaneous expenses	76,905	56,411
TOTAL (A)	16,01,395	19,12,292

19.1 PAYMENT TO STATUTORY AUDITORS (excluding service tax)

	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
As auditors		
Audit fees	50,000	50,000
Audit fees for tax financial statements	25,000	25,000
For other services	56,000	56,000
TOTAL (B)	1,31,000	1,31,000
TOTAL (A + B)	17,32,395	20,43,292

20. RELATED PARTY DISCLOSURE

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

(a) Transaction with Related Party

Transaction with Holding company	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
(i) Sale to ACC Limited	-	10,995
(ii) Dead Rent / Land tax / F.B.T Paid on behalf of National Limestone Company Private Limited By ACC Limited	1,03,606	1,75,238
(iii) Inter Corporate Deposits Received	10,00,000	10,00,000

(b) Closing Balances of Related Parties

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
(i) Holding Co- ACC Limited		
Security Deposit with ACC Limited- Given	50,000	50,000
Other Payables	1,69,57,655	1,68,54,039
ICD taken	20,00,000	10,00,000

21. EARNINGS PER SHARE-[EPS]

Particulars	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
Profit /(Loss) after taxation as per Statement in Profit & Loss in Rupees	(17,57,878)	(19,44,433)
Weighted average number of Equity Shares outstanding	8,650	8,650
Basic earnings per share (weighted average) in Rupees (Face Value – ₹ 100 per share)	(203.22)	(224.79)

(Basic and diluted earning per share are the same)

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**22. 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.

- 23.** 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.

- 24.** The Company has no employees on its payroll during the year

- 25.** Contingent Liability not provided for :

Demand for land tax

Year	2013		2012	
	For the year	Cumulative	For the year	Cumulative
Amount (in ₹)	38,50,000	1,92,50,000	38,50,000	1,54,00,000

- 26.** The Company has filed a petition against the Order / Notices of Mining Authorities towards a demand of ₹ 99, 25,437 /- (*previous year ₹ 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.
- 27.** In February 2012, the Company has received a Demand Notice of ₹ 19.87 Crores from DMG Department, Kothputli, Rajasthan, for Limestone extracted in the period from 1962 to 1986 without payment of Royalty. In the opinion of the Management, this demand is not sustainable and the Company has filed an appeal with Additional Director of Mines, Department of Mines and Geology, Jaipur, Rajasthan, praying for cancellation of the same and hence no provision is made for the same.
- 28.** The Company has accumulated losses at 31st December, 2013, 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 is being turned around after acquisition. Hence the accounts are prepared on going concern basis.
- 29.** Additional information pursuant to the provisions of paragraph 5(viii)(c) of schedule VI of The Companies Act, 1956 is either Nil or not applicable
- 30.** Previous year figures are regrouped / restated wherever necessary to make them comparable with current year figures.

As per our report of even date

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

SACHIN A. NEGANDHI
Partner
Membership No. 112888

Mumbai, January 30, 2014

For and on behalf of the Board of National Lime Stone Company Private Limited,

B.D. NARIMAN
Chairman

Umesh Pratap
Director

M G Damle
Director

Rajiv Prasad
Director

K.M.Gupta
Director

Directors' Report

TO THE MEMBERS OF
SINGHANIA MINERALS PRIVATE LIMITED

The Directors take pleasure in presenting the Nineteenth Annual Report on the business and operations of the Company and the Audited Accounts for the year ended December 31, 2013.

1. FINANCIAL RESULTS

Particulars	For the year ended December 31, 2013 (₹)	For the nine months period ended December 31, 2012 (₹)
Revenue from Operations (Net) and other income	—	—
Profit / (Loss) Before Tax	(2,63,328)	(2,90,536)
Provision for Taxation	—	—
Profit / (Loss) for the year	(2,63,328)	(2,90,536)
Balance carried to Balance Sheet	(5,53,864)	(2,90,536)

2. OPERATIONS

The Company had no operations for the year ended December 31, 2013. The loss for the period pertains to fees for statutory & tax account audits and Limited Reviews together with legal and secretarial fees.

3. DIVIDEND

Your Directors do not recommend any dividend for the financial year ended December 31, 2013.

4. DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr. Burjor D. Nariman retires by rotation and is eligible for re-appointment.

5. 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 (2AA) of the Companies Act, 1956:

- i) that in the preparation of the Accounts for the year ended December 31, 2013, 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 Notes 1 & 2 of the Notes to the Financial Statements 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, 2013, and of the loss 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, 2013, have been prepared on a going concern basis.

6. AUDITORS

Messrs K S Aiyar & Co., Chartered Accountants, who are the Statutory Auditors of the Company, hold office up to the date of the ensuing Annual General Meeting and are eligible for re-appointment. As required under the provision of Section 224(1B) of the Companies Act, 1956, the Company has

obtained written confirmation from Messrs K S Aiyar & Co., that their appointment, if made, would be in conformity with the Companies Act, 1956. The Members are requested to appoint Messrs K S Aiyar & Co., Chartered Accountants, as Auditors of the Company for the year 2014 and to authorize the Board of Directors to determine their remuneration.

7. 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 provisions of Section 292A of the Companies Act, 1956.

8. 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.

9. 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.

10. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their appreciation of the excellent co-operation received from the Company's Bankers. Your Directors also acknowledge the unstinting assistance and support received from ACC Limited, its holding Company.

For and on behalf of the Board,

Vivek Chawla
Chairman

Bhopal
January 30, 2014

Registered Office:
Paryavas Bhavan, 2nd Floor,
Block No.1, Jail Road
Arera Hills,
Bhopal 462011 (M.P.)

Independent Auditors' Report

To the Members of Singhania Minerals Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Singhania Minerals Private Limited ('the Company'), which comprise the Balance Sheet as at December 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') which shall continue to apply in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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, 2013;
- (ii) in the case of the Statement of Profit and Loss, of the loss 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.

Emphasis of Matter

We draw attention to note 16 in the financial statements which indicates that the Company has incurred a loss of ₹ 2.63 lakhs for the year ended December 31, 2013 and, as of that date, the Company's current liabilities exceeded its total assets by ₹ 3.54 lakhs. These indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, 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 purpose 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 those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956, which shall continue to apply in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs;
 - e) on the basis of the written representations received from the directors, as on December 31, 2013, and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on December 31, 2013 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

For K. S. AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: January 30, 2014

Annexure to the Auditors' Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on December 31, 2013, of Singhania Minerals 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 have been physically verified by the management in accordance with regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No discrepancies were noticed on such verification.
(c) No fixed assets were disposed off during the year.
- (ii) Since the Company has not started any commercial operations and in absence of any inventories clause 4 (ii) is not applicable for the year.
- (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, the internal control system is being instituted so as to be commensurate with the size of the Company and the nature of its business for the purchases of fixed assets. During the course of our audit, no weakness was noticed in the internal control system in respect of this area.
- (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 does not have paid-up capital and reserves exceeding ₹ 50 lakhs as at the commencement of the financial year, and also does not have an average annual turnover exceeding ₹ 5 crores for a period of three consecutive years immediately preceding the current financial year; the directions in respect of internal audit are not applicable to the Company.
- (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) During the year there were no employees in the employment of the Company. Accordingly the directions relating to Provident Fund and Employee's State Insurance are not applicable to the Company. Further, based on our examination of the records maintained during the year, the Company is not liable to make any payments towards Investor Education Protection Fund, Wealth tax, Customs duty, Excise duty, and Cess and Sales Tax.

The Company has been generally regular in depositing Income Tax and Service Tax dues along with Cess thereon with the appropriate authority and there are no undisputed amounts payable there of which are outstanding, as at December 31, 2013 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess which have not been deposited on account of any dispute.
- (x) The accumulated losses of the Company exceed 50% of its net worth. The Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the Company has not taken any money from 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) 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 ₹ 6,15,354 have been partially utilised for financing the cash losses and partially for long-term investment in fixed assets / long term loans and advances.
- (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.
- Place: Mumbai
Date: January 30, 2014

For K. S. AIYAR & CO.
Chartered Accountants
Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No.: 112888

Balance Sheet as at December 31, 2013

Particulars	Note No.	As at December 31, 2013 ₹	As at December 31, 2012 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	2,00,000	2,00,000
Reserves and Surplus	4	(5,53,864)	(2,90,536)
		(3,53,864)	(90,536)
Current liabilities			
Short-term borrowings	5	5,27,031	2,70,000
Other current liabilities	6	14,720	-
Short-term provisions	7	78,652	92,135
		6,20,403	3,62,135
TOTAL		2,66,539	2,71,599
ASSETS			
Non-current assets			
Fixed Assets:			
Tangible assets	8	2,41,490	2,41,490
Long-term loans and advances	9	20,000	20,000
		2,61,490	2,61,490
Current assets			
Cash and bank balances	10	5,049	10,109
TOTAL		2,66,539	2,71,599
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For and on behalf of the Board of
Singhania Minerals Private Limited,

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

Vivek Chawla
Chairman
SUNIL K. NAYAK
Director

SACHIN A. NEGANDHI
Partner
Membership No. 112888

BURJOR D. NARIMAN
Director

Mumbai, January 30, 2014

Statement of Profit & Loss for the year ended December 31, 2013

Particulars	Note No.	For the year ended December 31, 2013 ₹	For the nine months period ended December 31, 2012 ₹
Revenue from operations		-	-
Other Income		-	-
Total Revenue		-	-
EXPENSES			
Depreciation and amortization expense		-	-
Other expenses	11	2,63,328	2,90,536
Total Expenses		2,63,328	2,90,536
Profit/ (Loss) before tax		(2,63,328)	(2,90,536)
Provision for Taxation		-	-
Profit/ (Loss) after tax		(2,63,328)	(2,90,536)
Earnings per equity share (Face value of ₹ 10 each) (Refer Note - 13)			
Basic & Diluted Earning per share (₹)		(13.17)	(14.53)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For and on behalf of the Board of
Singhania Minerals Private Limited,

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

Vivek Chawla
Chairman
SUNIL K. NAYAK
Director

SACHIN A. NEGANDHI
Partner
Membership No. 112888

BURJOR D. NARIMAN
Director

Mumbai, January 30, 2014

Cash flow Statement for the year ended December 31, 2013

	For the year ended December 31, 2013 ₹	For the nine months period ended December 31, 2012 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
1. Net Profit/(Loss) before taxation	(2,63,328)	(2,90,536)
Adjustments for:		
Miscellaneous Expenditure written off	-	1,85,213
Operating profit before working capital changes	(2,63,328)	(1,05,323)
Movement in Working Capital		
2. Increase in loans and advances	-	(20,000)
3. Increase/(Decrease) in Other Liabilities & Provisions	1,237	92,135
NET CASH FROM OPERATING ACTIVITIES	(2,62,091)	(13,188)
B. CASH FLOW FROM INVESTING ACTIVITIES		
4. Purchase of Fixed Assets	-	(2,41,490)
NET CASH FROM INVESTING ACTIVITIES	-	(2,41,490)
C. CASH FLOW FROM FINANCING ACTIVITIES		
5. Increase in short term borrowings	2,57,031	2,70,000
NET CASH FROM FINANCING ACTIVITIES	2,57,031	2,70,000
Net increase / (decrease) in cash & cash equivalents	(5,060)	15,322
Cash & cash equivalents at the beginning of the year	10,109	14,787
Cash & cash equivalents at the end of the year	5,049	30,109

As per our report of even date

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

SACHIN A. NEGANDHI
Partner
Membership No. 112888

Mumbai, January 30, 2014

For and on behalf of the Board of Singhania Minerals
Private Limited,

Vivek Chawla
Chairman

SUNIL K. NAYAK
Director

BURJOR D. NARIMAN
Director

Notes to the Financial Statements for the year ended December 31, 2013**1. SIGNIFICANT ACCOUNTING POLICIES & INFORMATIONS****A. Corporate Information**

Singhania Minerals Private Limited (the Company) is a private limited Company domiciled in India and incorporated under the provision of Companies Act 1956. The Company is engaged in the extraction of limestone. The Company has not yet started its operations.

B. Basis of preparation

- a) The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting in accordance with accounting principles generally accepted in India and in compliance with provisions of the companies Act, 1956 which as per a clarification issued by the Ministry of Corporate Affairs continues to apply under section 133 of the Companies Act, 2013 (which has superseded section 211 (3C) of the Companies Act, 1956, w.e.f. 12 September 2013) and comply with the mandatory Accounting Standard (AS) specified in the Companies (Accounting Standards) Rules, 2006, prescribed by the central government.
- b) The Financial statements have been prepared as per the revised schedule VI of the Companies Act, 1956 and under the historical cost convention on an accrual basis, except where impairment is made.
- c) The Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

C. 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.

2. SIGNIFICANT ACCOUNTING POLICIES**(i) Fixed assets**

Tangible fixed assets are stated at the cost of acquisition less depreciation and amortisation. The Mining lease has been recognised as tangible assets.

(ii) Depreciation and Amortisation

Depreciation on tangible assets is charged at the prescribed rate under Schedule XIV of the Companies Act 1956 on straight line method on prorata basis. The cost of mining lease included in leasehold land is to be amortised on the basis of extraction of limestone in proportion to the available reserves of limestone.

(iii) Impairment of assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable

amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

(iv) 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.

(v) 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

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are disclosed net of sales tax / VAT, discounts and returns, as applicable. Excise duties deducted from turnover (gross) are the amounts that are included in the amount of turnover (gross) and not the entire amount of liability that arose during the year. Excise duties in respect of finished goods are shown separately as an item of Manufacturing Expenses and included in the valuation of finished goods.

(vi) Income taxes

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and / or deferred tax provisions that may become necessary due to certain developments or reviews during the relevant period. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India.

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

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

(vii) 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.

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)

(viii) 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.

(ix) Current / Non Current

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

3. SHARE CAPITAL

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
AUTHORISED SHARES		
20,000 (Previous Year - 20,000) Equity Shares of ₹ 10 each	2,00,000	2,00,000
ISSUED		
20,000 (Previous Year - 20,000) Equity Shares of ₹ 10 each	2,00,000	2,00,000
SUBSCRIBED & PAID-UP		
20,000 (Previous Year - 20,000) Equity Shares of ₹ 10 each (All the shares are held by ACC Limited, the Holding Company)	2,00,000	2,00,000
TOTAL	2,00,000	2,00,000

Notes :

i) Reconciliation of number of equity shares outstanding

	As at December 31, 2013		As at December 31, 2012	
	Number of shares	Amount ₹	Number of shares	Amount ₹
Equity shares at the beginning of the year	20,000	2,00,000	20,000	2,00,000
Movement during the reporting period	-	-	-	-
Equity shares at the end of the year	20,000	2,00,000	20,000	2,00,000

ii) Terms / rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 per share. All equity shares carry similar voting rights of 1:1 and similar dividend rights.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(x) Segment Reporting

The Company has only one business segment 'limestone extraction' as its primary segment and hence disclosure of segment-wise information is not required under Accounting Standard 17 - 'Segmental Information' 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.

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

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
ACC Limited	20,000	20,000

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

	As at December 31, 2013		As at December 31, 2012	
	Number of shares	% holding	Number of shares	% holding
ACC Limited	20,000	100	20,000	100

4. RESERVES AND SURPLUS

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Surplus in Statement of Profit and Loss		
Balance as per last Financial statements	(2,90,536)	
Add: Profit for the year	(2,63,328)	(2,90,536)
TOTAL	(5,53,864)	(2,90,536)

5. SHORT TERM BORROWINGS

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Unsecured		
From Holding Company (Interest free and payable on demand)	5,27,031	2,70,000
TOTAL	5,27,031	2,70,000

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**6. OTHER CURRENT LIABILITIES**

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
TDS Payable	14,720	-
TOTAL	14,720	-

7. SHORT TERM PROVISIONS

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Provision for Expenses	78,652	92,135
TOTAL	78,652	92,135

8. FIXED ASSETS

FIXED ASSETS	GROSS BLOCK AT COST		NET BLOCK	
	As at 1-1-2013 ₹	As at 31-12-2013 ₹	As at 31-12-2013 ₹	As at 31-12-2013 ₹
Tangible Assets:				
Lease hold Land	2,41,490	2,41,490	2,41,490	2,41,490
TOTAL	2,41,490	2,41,490	2,41,490	2,41,490
Previous Year	2,41,490	2,41,490	2,41,490	2,41,490

9. LONG-TERM LOANS AND ADVANCES

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Unsecured, Considered Good, unless otherwise stated		
Security deposits (Deposits with Mining Department)	20,000	20,000
TOTAL	20,000	20,000

10. CASH AND BANK BALANCES

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Cash and cash equivalents		
Balances with banks:		
On current accounts	5,049	10,109
TOTAL	5,049	10,109

11. OTHER EXPENSES

	For the year ended December 31, 2013 ₹	For the nine months period ended December 31, 2012 ₹
Preliminary Expenses	-	3,050
Pre- operative Expenses	-	1,93,621
Bank Charges	1,668	1,730
Dead Rent	26,700	-
Office General expenses	310	-
Secretarial & Legal Expenses	63,330	-
Traveling Expenses	23,340	-
Other Expenses	16,980	10,135
TOTAL (A)	1,32,328	2,08,536

11.1 PAYMENT TO STATUTORY AUDITORS (EXCLUDING SERVICE TAX)

	For the year ended December 31, 2013 ₹	For the nine months period ended December 31, 2012 ₹
As auditors		
Statutory Audit fees	50,000	50,000
Audit fees for tax financial statements	25,000	-
For other services	56,000	32,000
TOTAL (B)	1,31,000	82,000
Total other expenses (A+B)	2,63,328	2,90,536

12. RELATED PARTY DISCLOSURE

Particulars of related parties where control exists.

Name of Related Party	Nature of Relationship
ACC Limited	Holding Company

(i) Opening Balance of Related Party

Name of the Related Party	Opening Balance as at January 1, 2013
ACC Limited	2,70,000

(ii) Related Party Transaction

Transaction with Related Party	For the year ended December 31, 2013 ₹	For the nine months period ended December 31, 2012 ₹
Loan received from ACC Limited	2,57,031	2,70,000

(iii) Closing Balance of Related Party

Name of the Related Party	Opening Balance as at January 1, 2013
ACC Limited	5,27,031

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**13. EARNINGS PER SHARE - [EPS]**

	For the year ended December 31, 2013 ₹	For the year ended 31st December, 2012 ₹
Net Profit as per Statement of Profit and Loss	(2,63,328)	(2,90,536)
Weighted average number of equity shares for Earnings Per Share computation	20,000	20,000
Shares for Basic Earnings Per Share	20,000	20,000
Number of Shares for Diluted Earnings Per Share	20,000	20,000

Earnings Per Share

Face value per Share	10.00	10.00
Basic	(13.17)	(14.53)
Diluted	(13.17)	(14.53)

- 14.** 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.

- 15.** Additional information pursuant to provisions of paragraph 5 (viii) (c) of schedule VI of Companies Act 1956 is either nil or not applicable.

- 16.** The company has accumulated losses as at December 31, 2013 and net worth is negative. The company has obtained support from ACC Limited 'Holding Company' ACC Limited assuring continuous support to finance the operations of the company. Hence accounts have been prepared on going concern basis.

17. Comparative Figures

As the previous period is a period of 9 months and the current period is of 12 months the figures of the previous period are not comparable with those for the current year.

- 18.** Previous period figures are regrouped/re-stated wherever necessary.

As per our report of even date

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

SACHIN A. NEGANDHI
Partner
Membership No. 112888

Mumbai, January 30, 2014

For and on behalf of the Board of Singhania Minerals
Private Limited,

Vivek Chawla
Chairman

SUNIL K. NAYAK
Director

BURJOR D. NARIMAN
Director

This image shows a full page of white paper with horizontal dotted lines, typical of notebook paper. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

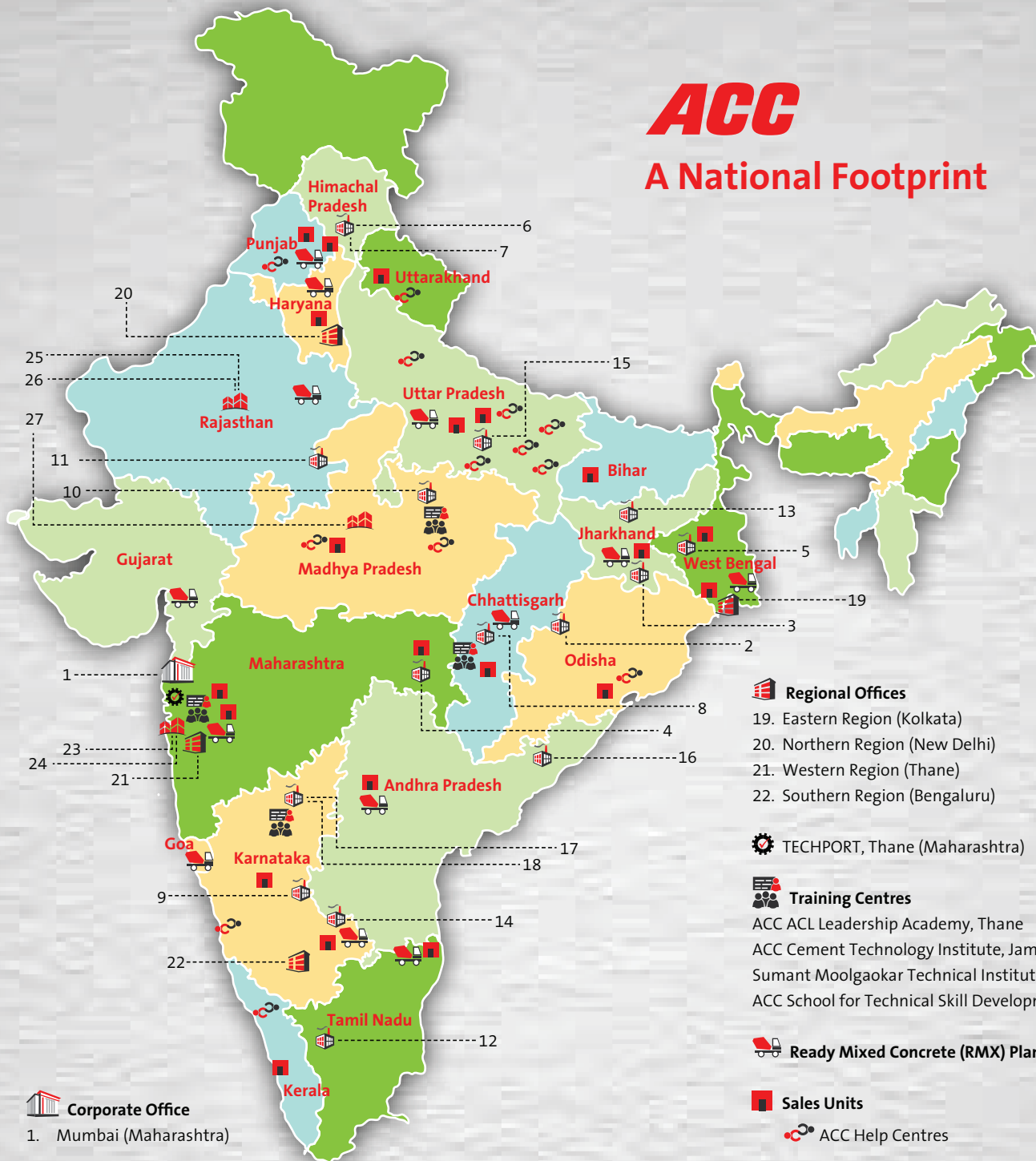
(This page has been intentionally left blank)

This image shows a full page of white paper with horizontal dotted lines, resembling notebook paper. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

(This page has been intentionally left blank)

ACC

A National Footprint



Corporate Office

1. Mumbai (Maharashtra)

Cement Plants

2. Bargarh (Odisha)
3. Chaibasa (Jharkhand)
4. Chanda (Maharashtra)
5. Damodhar (West Bengal)
6. Gagal I (HP)
7. Gagal 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. Vizag (AP)
17. Wadi I (Karnataka)
18. Wadi II (Karnataka)

Regional Offices

19. Eastern Region (Kolkata)
20. Northern Region (New Delhi)
21. Western Region (Thane)
22. Southern Region (Bengaluru)

TECHPORT, Thane (Maharashtra)

Training Centres

ACC ACL Leadership Academy, Thane
ACC Cement Technology Institute, Jamul
Sumant Moolgaokar Technical Institute, Kymore
ACC School for Technical Skill Development, Wadi

Ready Mixed Concrete (RMX) Plants

Sales Units

ACC Help Centres

Subsidiary Companies

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. Singhania Minerals Pvt. Ltd. (Madhya Pradesh)

This map is as of February 6, 2014. It is illustrative and not drawn to scale.
Andaman, Nicobar and Lakshadweep islands are not shown.

A WYATT SOLUTION (info@wyatt.co.in)



ACC Limited

Registered Office

Cement House

121, Maharshi Karve Road

Mumbai 400 020, India.

www.acclimited.com