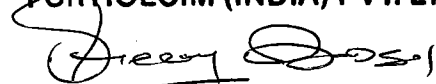


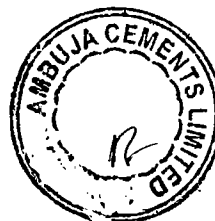
**HOLCIM (INDIA) PRIVATE LIMITED  
STATUTORY AUDIT FOR THE YEAR  
ENDED DECEMBER 31, 2011**

**CERTIFIED TRUE COPY**

**FOR HOLCIM (INDIA) PVT. LTD.**



**COMPANY SECRETARY**



# S.V. GHATALIA & ASSOCIATES

Chartered Accountants

14th Floor, The Ruby  
29 Senapati Bapat Marg  
Dadar - West I  
Mumbai-400 028, India  
Tel: +91 22 6192 0000  
Fax: +91 22 6192 1000

## Auditors' Report

To  
The Members of Holcim (India) Private Limited

1. We have audited the attached Balance Sheet of Holcim (India) Private Limited ('the Company') as at December 31, 2011 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - v. On the basis of the written representations received from the directors, as on December 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on December 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



# S.V. GHATALIA & ASSOCIATES

Chartered Accountants  
Holcim (India) Private Limited  
Page 2 of 5

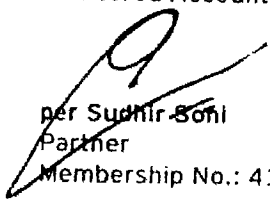
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) in the case of the balance sheet, of the state of affairs of the Company as at December 31, 2011;
  - b) in the case of the profit and loss account, of the loss for the year ended on that date; and
  - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

*S.V. Ghatalia & Associates*

For S.V. GHATALIA & ASSOCIATES

Firm registration number: 103162W

Chartered Accountants

  
per Sudhir Soni  
Partner

Membership No.: 41870



Place: Mumbai

Date: 25 JUN 2012

# **S. V. GHATALIA & ASSOCIATES**

Chartered Accountants  
Holcim (India) Private Limited  
Page 3 of 5

**Annexure referred to in paragraph 3 of our report of even date**  
Re: Holcim (India) Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The company is not engaged in the business of purchase or sale of goods. Accordingly, clause 4(ii) of the said Order is not applicable to the Company.
- (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, the provisions of clause 4(iii)(b), (c) and (d) of the said Order is not applicable to the Company.
- (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, the provisions of clause 4(iii)(f) and (g) of the said Order is not applicable to the Company.
- (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 fixed assets. The activities of the Company do not involve purchase of inventory, sale of goods and rendering of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- (vi) (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 Act 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, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) *The company does not have an internal audit system.*



# S.V.GHATALIA & ASSOCIATES

Chartered Accountants  
Holcim (India) Private Limited  
Page 4 of 5

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.

(ix) (a) Undisputed statutory dues including income-tax, cess and other material statutory dues have *not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases of depositing taxes deducted at source*. The Company is not subject to any liability relating to provident fund, employees' state insurance, investor education and protection fund, sales-tax, wealth-tax, service tax, customs duty and excise duty.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, 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. The Company is not subject to any liability relating to provident fund, employees' state insurance, investor education and protection fund, sales-tax, wealth-tax, service tax, customs duty and excise duty.

(c) According to the records of the Company, the dues outstanding of income-tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax and interest	854,050	Assessment year 2007-08	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax and interest	1,697,474	Assessment year 2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	1,208,016	Assessment year 2009-10	Commissioner of Income Tax (Appeals)

The Company is not subject to any liability relating to sales-tax, wealth-tax, service tax, customs duty and excise duty.

(x) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth *but it has 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 taken loans from any financial institution or banks and it also did not have any debentures outstanding during the year under report. Accordingly, the provisions of clause 4(xi) of the said order are not applicable.

(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.



# S.V. GHATALIA & ASSOCIATES

Chartered Accountants

Holcim (India) Private Limited

Page 5 of 5

- (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 Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding 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 or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

*S.V. Ghatalia & Associates*

For S.V. GHATALIA & ASSOCIATES

Firm registration number: 103162W

Chartered Accountants

*[Signature]*  
per Sudhir Sena  
Partner

Membership No.: 41870



Place: Mumbai

Date: 25 JUN 2012

Holcim (India) Private Limited  
Balance Sheet as at December 31, 2011

(Amount in Rupees)

	Schedules	As at December 31, 2011	As at December 31, 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	I	21,824,867,400	19,622,367,400
Share Suspense Account	II	75,308,397,193	-
Share Application Money Pending Allotment		-	1,370,000,000
Reserves & Surplus	III	29,819,865,483	-
<b>Total</b>		<b>126,953,130,076</b>	<b>20,992,367,400</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	IV	69,472	69,472
Less: Accumulated Depreciation		69,472	53,420
<b>Net Block</b>		<b>-</b>	<b>16,052</b>
<b>Investments</b>	V	126,548,784,230	19,274,150,756
<b>Current Assets, Loans and Advances</b>			
<b>Current Assets</b>			
Bank Balances	VI	36,387,925	16,527,255
Other Current Assets	VIII	268,972	-
Loans and Advances	VIII	500,206	1,350,363,856
		<b>37,157,103</b>	<b>1,366,891,111</b>
<b>Less : Current Liabilities and Provisions</b>			
Current Liabilities	IX	21,162,500	2,655,984
Provisions	X	9,361,661	-
		<b>30,524,161</b>	<b>2,655,984</b>
<b>Net Current Assets</b>		<b>6,632,942</b>	<b>1,364,235,127</b>
<b>Profit and Loss Account</b>		397,712,904	353,965,465
<b>Total</b>		<b>126,953,130,076</b>	<b>20,992,367,400</b>
<b>Notes to Accounts</b>	XV		

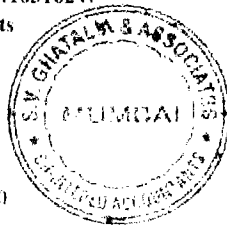
The Schedules referred to above and notes thereon form an integral part of the Balance Sheet

As per our attached report of even date

*S.V. Ghatalia & Associates*  
For S. V. Ghatalia & Associates  
Firm Registration No.: 103162W  
Chartered Accountants

For and on behalf of the Board of Directors  
of Holcim (India) Private Limited

*[Signature]*  
per Sudhir Soni  
Partner  
Membership No.: 41870



*[Signature]*  
Director

*[Signature]*  
Director

*[Signature]*  
Company Secretary

Place: MUMBAI

Date: 25 JUN 2012

**Holcim (India) Private Limited**

**Profit & Loss Account for the year ended December 31, 2011**

(Amount in Rupees)

	Schedules	For the Year Ended December 31, 2011	For the Year Ended December 31, 2010
<b>INCOME</b>			
Other Income	XI	4,079,913	85,412
<b>Total</b>		<b>4,079,913</b>	<b>85,412</b>
<b>EXPENDITURE</b>			
Personnel Expenses	XII	32,473,630	11,744,482
Operating and Other Expenses	XIII	15,337,670	5,259,428
Depreciation		16,052	23,157
<b>Total</b>		<b>47,827,352</b>	<b>17,027,067</b>
Net Loss for the Year		(43,747,438)	(16,941,655)
Loss Brought Forward from the previous year		(353,965,466)	(337,023,810)
<b>Balance carried to Balance Sheet</b>		<b>(397,712,904)</b>	<b>(353,965,465)</b>
<b>Earnings per Share</b>			
Basic	XIV	(0.02)	(0.02)
Diluted		(0.02)	(0.02)
Face Value		10.00	10.00
<b>Notes to Accounts</b>	XV		

The Schedules referred to above and notes thereon form an integral part of the Profit & Loss Account.

As per our attached report of even date

*S.V. Ghatalia & Associates*

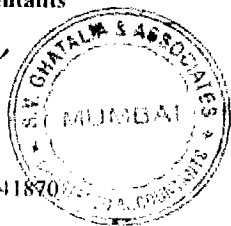
For S. V. Ghatalia & Associates

Firm Registration No.: 103162W

Chartered Accountants

per *Sudhir Soni*  
Partner

Membership No.: 41870



For and on behalf of the Board of Directors  
of Holcim (India) Private Limited

*Waldyges*

Director

*Ally*

Director

*Sudhir Soni*

Company Secretary

Place: ~~MUMBAI~~

Date : 25 JUN 2012



**Holcim (India) Private Limited**  
**Schedules to the Accounts**

(Amount in Rupees)

	As At December 31, 2011	As At December 31, 2010
<b>Schedule - I Share Capital</b>		
Authorised		
2,950,000,000 Equity Shares (Previous Year 2,950,000,000 Equity Shares) of Rs. 10/- each	29,500,000,000	29,500,000,000
5,000, 6% cumulative redeemable preference shares (Previous Year 5,000) of Rs. 100,000/- each	500,000,000	500,000,000
	<b>30,000,000,000</b>	<b>30,000,000,000</b>
Issued, Subscribed and Fully Paid - Up		
2,151,976,740 Equity Shares (Previous Year 1,931,726,740 Equity Shares) of Rs. 10/- each	21,519,767,400	19,317,267,400
3,051, 6% cumulative redeemable preference shares (Previous Year 3,051) of Rs. 100,000/- each	305,100,000	305,100,000
	<b>21,824,867,400</b>	<b>19,622,367,400</b>
Of the above		
2,151,976,740 Equity Shares (Previous Year 1,931,726,739) of Rs. 10/- each are held by Holderind Investments Limited, Mauritius, the holding Company and 1 Equity Share (Previous Year 1) of Rs. 10/- is held by its nominee		
3,051 6% Cumulative redeemable preference shares (Previous Year 3,051) of Rs. 100,000/- each are held by Holderind Investments Limited, Mauritius, the holding Company. (Refer note C-4 to Schedule XV)		
<b>Schedule - II Share Suspense Account (Refer note C-11 to Schedule XV)</b>		
Equity Share Capital Suspense account	72,959,397,193	-
Preference Share Capital Suspense account	2,349,000,000	-
	<b>75,308,397,193</b>	-
<b>Schedule - III Reserves and Surplus</b>		
Amalgamation Adjustment Reserve		
Balance at the beginning of the period	-	-
Add. Additions during the year (Refer note C-11 to Schedule XV)	29,819,865,483	-
Closing Balance	<b>29,819,865,483</b>	-



Schedule - IV Fixed Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at December 31, 2010	Additions	Deductions	As at December 31, 2011	For the year	Deletions	As at December 31, 2011	As at December 31, 2010
Computers	69,472	-	-	69,472	16,052	-	69,472	16,052
Total	69,472	-	-	69,472	16,052	-	69,472	16,052
Previous year	69,472	-	-	69,472	23,157	-	53,420	16,052



**Holcim (India) Private Limited**  
**Schedule to the Accounts**

(Amount in Rupees)

	As at December 31, 2011	As at December 31, 2010
<b>Schedule - V Long - Term, Non Trade Investments (At cost)</b>		
In Fully Paid Equity Shares		
<b>Investment in subsidiary company (Quoted) :</b>		
93,888,120 (Previous Year Nil) Equity Shares of Rs 10 each in ACC Limited	108,385,659,175	
<b>Other Investments:</b>		
(i) 150,670,120 (Previous Year Nil) Equity Shares of Rs 2 each in Ambuja Cements Limited (Quoted)	21,163,125,055	
(ii) Nil (Previous Year 397,813,637) Equity Shares of Rs 10 each in Ambuja Cement India Private Limited (Unquoted) (Refer note C-11 to Schedule XV)		19,274,150,756
	<b>126,548,784,230</b>	<b>19,274,150,756</b>
<b>Aggregate value of quoted investments:</b>		
Book value	<b>126,548,784,230</b>	
Market Value	<b>130,096,368,304</b>	
<b>Schedule - VI Bank Balances</b>		
Balance with Scheduled Banks		
- In Current Accounts	1,387,925	16,527,255
- In Deposit Accounts	35,000,000	
	<b>36,387,925</b>	<b>16,527,255</b>
<b>Schedule - VII Other Current Assets</b>		
Interest Accrued on deposits	268,972	
	<b>268,972</b>	
<b>Schedule - VIII Loans and Advances</b> (Unsecured, considered good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	500,206	
Advance payment of taxes (net of provisions)		363,856
Share application money to Ambuja Cement India Private Limited		1,350,000,000
	<b>500,206</b>	<b>1,350,363,856</b>
<b>Schedule - IX Current Liabilities</b>		
Creditors for Goods, Services & Expenses (Refer Note No C-8 to Schedule XV)	21,162,500	2,655,984
	<b>21,162,500</b>	<b>2,655,984</b>
<b>Schedule - X Provisions</b>		
Provision for taxes (net of advance tax)	9,361,661	
	<b>9,361,661</b>	



**Holcim (India) Private Limited**  
**Schedules to the Accounts**

(Amount in Rupees)

	For the year ended December 31, 2011	For the year ended December 31, 2010
<b>Schedule - XI Other Income</b>		
Interest Income (Tax Deducted at Source Rs. 409,371/- (Previous Year Rs 20,333))	4,075,246	85,412
Miscellaneous Income	4,667	-
	<b>4,079,913</b>	<b>85,412</b>
<b>Schedule - XII Personnel Expenses</b>		
Salaries, Bonus and Allowances	32,473,630	11,744,482
	<b>32,473,630</b>	<b>11,744,482</b>
<b>Schedule - XIII Operating and Other Expenses</b>		
Rates and Taxes		
Traveling and Conveyance	95,183	26,924
Legal and Professional Charges	1,187,529	1,580,846
Auditors' Remuneration (Including service tax)	12,563,909	2,291,264
Audit Fees		
Out of pocket expenses	857,057	1,005,406
Miscellaneous Expenses	16,154	7,855
	617,838	347,133
	<b>15,337,670</b>	<b>5,259,428</b>
<b>Schedule - XIV Earnings Per Share (EPS)</b>		
Net Loss as per Profit and Loss Account	(43,747,438)	(16,941,655)
Add: Dividend on cumulative preference shares, not provided for	-	(18,306,000)
Add: Dividend Tax on above	-	(3,040,444)
Add: Adjustment for previous years tax, due to change in rate of dividend distribution tax	-	258,446
Loss attributable to Equity Shareholders	<b>(43,747,438)</b>	<b>(38,029,653)</b>
Weighted average number of equity shares for calculation of EPS	2,105,599,343	1,931,726,740
Add: Potential equity shares arising from share application money pending allotment and Equity Share Capital Suspense account	511,702,332	6,082,192
Weighted average number of equity shares for calculation of Dilutive EPS	<b>2,617,301,675</b>	<b>1,937,808,932</b>
<b>Earnings per Share- Basic</b>	<b>(0.02)</b>	<b>(0.02)</b>
<b>Earnings per Share- Diluted</b>	<b>(0.02)</b>	<b>(0.02)</b>



## Holcim (India) Private Limited

### Schedule XV : Significant Accounting Policies and Notes to Accounts

#### A. Nature of Operations

Holcim (India) Private Limited (the "Company"), a wholly owned subsidiary of Holderind Investments Limited, Mauritius, is formed to act as an investment company for downstream investment in cement manufacturing ventures in India.

#### B. Significant Accounting Policies

##### 1. Basis of Preparation

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

##### 2. Use of estimates

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

##### 3. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

##### 4. Depreciation

Depreciation is provided pro-rata to the period of use, based on the straight-line method over the estimated useful lives of the assets at the following rates which are higher than the rates prescribed in Schedule XIV of the Companies Act, 1956:

Particulars	Rates %
Computers	33.34

Assets individually costing less than Rs.5,000/- are depreciated fully in the year of purchase.

##### 5. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. 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.



## 6. Revenue Recognition

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

### *Interest*

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

### *Dividends*

Revenue is recognised when the Company's right to receive payment is established by the balance sheet date.

## 7. 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. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 8. Taxation

Tax expense comprises current, deferred and fringe benefit tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognizes unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

## 9. Foreign Currency transactions

### *Initial Recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### *Conversion*

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

### *Exchange Differences*

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.



## 10. Provisions

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management 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.

## 11. Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of Cash Flow Statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

## C. Notes to Accounts

1. In view of losses incurred by the Company for the year ended December 31, 2011, no provision has been made for current Income tax.
2. As per Accounting Standard 22, Accounting for Taxes on Income, the Company would have a net deferred tax asset, primarily relating to carry forward losses under tax laws. The Company's major business is of long-term Investments from which the management does not expect a taxable cash flow in the foreseeable future. Since receipt of such amount cannot be established with virtual certainty supported by convincing evidence, no deferred tax asset has been recognized.
3. In respect of the Assessment years 2007-08, 2008-09 & 2009-10 the Company received assessment orders demanding tax and interest aggregating Rs.37.59 lacs. The Company has preferred appeals against these demands and based on the facts of the case, management is confident that no liability toward tax or interest will arise. Accordingly, no provision in respect of these demands is considered necessary.
4. During the year ended December 31, 2006, the Company had issued 3,051 6% cumulative redeemable preference shares of Rs.100,000/- each to Holderind Investments Limited, Mauritius redeemable at par after five years from the date of allotment or at the option of the Company, for a total consideration of Rs.305,100,000/-. During the previous year, Holderind Investments Limited waived its right to receive the dividends on 6% Cumulative Redeemable Preference shares. In terms of the waiver, the Company has no obligation to pay preference dividend on outstanding cumulative redeemable preference shares. Similar waiver was also received by Ambuja Cement India Private Limited in previous year, with respect to preference shares issued by it to Holderind Investments Limited. Also refer Note 11 below.

## 5. Related Party Disclosures

<b>-Where control exists</b>	
Holcim Ltd, Switzerland	Ultimate Parent Company
Holderind Investments Ltd, Mauritius	Parent Company
ACC Limited	Subsidiary Company (w.e.f. November 14, 2011)
<b>-Where transactions have taken place</b>	
Ambuja Cement India Pvt. Limited	Fellow Subsidiary Company (amalgamated with the Company w.e.f. November 14, 2011)
Ambuja Cement Limited	Fellow Subsidiary Company
ACC Limited	Fellow Subsidiary Company (up to November 14, 2011)



Particulars of Transactions with Related Party undertaken during the year:

Sr. No.	Particulars	Holding Company		Fellow Subsidiaries	
		2011 (Rs)	2010 (Rs)	2011 (Rs)	2010 (Rs)
1	Subscription to share of: Ambuja Cement India Private Limited	-	-	832,500,000	1,350,000,000
2	Share Application money Received from: Holderind Investment Ltd.	832,500,000*	1,370,000,000*	-	-
3	Reimbursement (payable)/receivable ACC Ltd. Holcim (Lanka) Ltd. PT Holcim Indonesia Tbk Holderind Investment Ltd.	(55,150) - - 387,706	- - - -	(83,305) - - -	(669,488) 39,798* 338,415*
4	Balance outstanding at the end of the year Payable: ACC Ltd. Receivable: Holderind Investment Ltd. Share Suspense Account (Refer Note C-11 below): Holderind Investment Ltd.	138,455 387,706 75,308,397,193	- - -	- - -	- -

\* Subsequently allotted on April 5, 2011

\*\* Reimbursements received in foreign currency

6. Salaries include remuneration to directors:

Particulars	2011 (Rs)	2010 (Rs)
Salary (Including bonus & other monetary incentives)	14,554,468	493,825
Allowances	4,564,495	2,315,778
<b>Total</b>	<b>19,118,963</b>	<b>2,809,603</b>

7. Details of amount receivable from fellow Subsidiaries and a Director:

Amount receivable from	Balance as on December 31, 2011	Maximum balance Outstanding during the year	Balance as on December 31, 2010	Maximum balance Outstanding during the year
<b>a) Concerns in which Directors are interested</b>				
Holcim (Lanka) Ltd.	-	-	-	39,798
PT Holcim Indonesia Tbk	-	-	-	338,415
<b>b) Director</b>	-	-	-	-
<b>Total</b>	-	-	-	<b>378,213</b>





8. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes any dues. The Company has ascertained the status of entities being micro, small and medium enterprises on the basis of information available with it. This has been relied upon by the auditors.
9. The Company has only one Business segment 'Investments' as primary segment and one geographical segment 'Domestic' as secondary segment.
10. The Company does not have any exposure in foreign currency at the period end.
11. Ambuja Cement India Private Limited (the "Transferor Company") amalgamated with the Company, pursuant to a Scheme of Amalgamation (the Scheme) as approved by the members at a court convened meeting held dated June 6, 2010 and subsequently sanctioned by the Honorable High Court of Judicature at Delhi vide its order dated November 14, 2011. The Scheme became Effective on January 6, 2012 and the Appointed date of the scheme is November 14, 2011 as approved by the Board of Directors.
  - I. As per the Scheme of Amalgamation approved by the Hon'ble High Court all the assets, rights, liabilities, taxes, contracts, commitments, registrations, authorisations, permits, approvals and all other interests in connection with or relating to the Transferor Company together with all present and future liabilities (including contingent liabilities). Shall be vested in the name of the Company with effect from the appointed date. During the period between the Appointed date and the Effective date all profits/income accruing or arising to the Transferor Company and all taxes thereof or expenditure/losses arising or incurred by it in relation to the business of the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits, income, taxes, expenditure or losses, as the case may be, of the Company. The effect of the same has been given in these financial statements.
  - II. The amalgamation has been accounted for under "Purchase method" as prescribed by the Accounting Standard-14 'Accounting for Amalgamation' (AS-14) notified by the Companies Accounting Standards Rules, 2006. Accordingly, the assets and liabilities of the Transferor Company have been taken over at fair value as at the appointed date.
  - III. 3,538,408,355 Equity shares of Rs. 10 each at a premium of Rs. 10.619 each fully paid up are to be issued to the equity shareholder (Holderind Investments Limited) of the Transferor Company holding 507,556,666 Equity shares of Rs.10 each fully paid up, without payment being received in cash, in the ratio of 10,000,000:69,714,548. Pending allotment, the face value of such equity shares and premium thereon amounting to Rs.72,959,397,193/- has been disclosed as 'Equity Share Capital Suspense account' in the financial statements.
  - IV. The balance 415,273,637 Equity shares of Rs.10 each fully paid-up held by the Company in the Transferor Company at a carrying value of Rs.21,456,650,756 as at the appointed date stand cancelled without any consideration and have been adjusted against the Amalgamation Adjustment Reserve.



- V 23,490 Preference shares of Face Value Rs. 1,00,000/- fully paid-up are to be issued at par to preference shareholders of the transferor company, without payment being received in cash, against 81,003 Preference shares of Rs.100,000 each, Rs.29,000 paid-up held in the Transferor Company. Pending allotment, the face value of such Preference shares amounting to Rs.2,349,000,000/- has been disclosed as 'Preference Share Capital Suspense account in the financial statements.
- VI. The excess of the value of net assets taken over by the Company over the value of:
- Equity and Preference Shares to be issued by the Company and
  - The carrying value of the investment held by the Company in the Transferor Company amounting to Rs.29,819,865,483/- has been accounted as Amalgamation Adjustment Reserve in the financial statements of the Company.
- VII. The profit or income accrued to Transferor Company or expenditure or losses incurred by the Transferor Company during the period November 14, 2011 to December 31, 2011 have been incorporated in these financial statements.
12. Previous year's figures have been re-grouped where necessary to conform to the current year's classification. In view of the amalgamation of Ambuja Cement India Private Limited with the Company, current year figures are not comparable with those of the previous year.

As per our attached report of even date

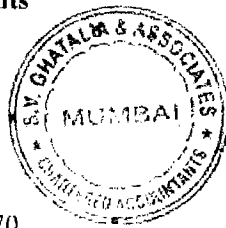
*S.V. Ghatalia & Associates*  
**For S. V. Ghatalia & Associates**  
**Firm Registration No.: 103162W**  
**Chartered Accountants**

**For and on behalf of the Board of Directors  
of Holcim (India) Private Limited.**

*[Signature]*  
**per Sudhir Soni**  
**Partner**

Membership No.: 41870  
Place: MUMBAI

Date: 25 JUN 2012



*[Signature]*  
Director

*[Signature]*  
Director

*[Signature]*  
Company Secretary

Holcim (India) Private Limited

CASH FLOW STATEMENT FOR THE PERIOD ENDED JANUARY 1, 2011 TO DECEMBER 31, 2011

	For the year ended December 31, 2011 Rs.	For the year ended December 31, 2010 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX	(43,747,438)	(16,941,655)
Adjustment for:		
Depreciation & Amortization	16,052	23,157
Interest on Fixed Deposits	(4,075,246)	(85,412)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>(47,806,632)</u>	<u>(17,003,910)</u>
Adjustment for:		
Sundry Creditors	17,734,192	1,904,484
Loan & Advances	(500,206)	-
NET CASH FROM OPERATING ACTIVITIES	<u>17,233,986</u>	<u>1,904,484</u>
	<u>(30,572,646)</u>	<u>(15,099,426)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	10,507,134	250,407
Purchase of Investments	(832,500,000)	(1,350,000,000)
	<u>(821,992,866)</u>	<u>(1,349,749,593)</u>
Direct Taxes Paid, net of refunds	(3,184,809)	(20,317)
NET CASH USED IN INVESTING ACTIVITIES	<u>(825,177,675)</u>	<u>(1,349,769,910)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share capital	832,500,000	1,370,000,000
NET CASH FROM FINANCING ACTIVITIES	<u>832,500,000</u>	<u>1,370,000,000</u>
Net (Decrease)/Increase In Cash And Cash Equivalents	(23,250,321)	5,130,664
Cash And Cash Equivalents As At The Beginning Of The Period	16,527,255	11,396,591
Add: Cash And Cash Equivalents Acquired On Amalgamation (Refer Note C-11 To Schedule VX)	43,110,991	-
Cash And Cash Equivalents As At The End Of The Period	<u>36,387,925</u>	<u>16,527,255</u>
<b>COMPONENTS OF CASH &amp; CASH EQUIVALENTS</b>		
Bank balances:		
With Scheduled banks		
In Current account	1,387,925	16,527,255
In Fixed deposit	35,000,000	-
CASH AND CASH EQUIVALENTS AS PER SCHEDULE 'VI'	<u>36,387,925</u>	<u>16,527,255</u>

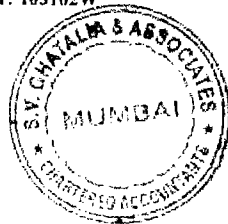
As per our attached report of even date

*S.V. Ghatalia & Associates*  
For S. V. Ghatalia & Associates

Firm Registration Number: 103162W

Chartered Accountants

*[Signature]*  
per Sudhir Surt  
Partner  
Membership No. 41870



Place: MUMBAI

Date: 25 JUN 2012

For and on behalf of the Board

*[Signature]* Director  
*[Signature]* Director

*[Signature]*  
Company Secretary

FOR HOLCIM (INDIA) PVT. LTD.

*[Signature]*  
COMPANY SECRETARY