

## 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 ₹
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	4,95,00,000	4,95,00,000
(b) Reserves and Surplus	2	(99,96,039)	(77,41,032)
<b>(2) Current Liabilities</b>			
(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
<b>TOTAL</b>		<b>38,51,70,068</b>	<b>14,68,36,858</b>
<b>II ASSETS</b>			
<b>(1) Non Current Assets</b>			
(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
<b>(2) Current Assets</b>			
(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
<b>TOTAL</b>		<b>38,51,70,068</b>	<b>14,68,36,858</b>
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
<b>III Total Revenue</b>		<b>47,873</b>	<b>51,643</b>
<b>IV Expenses</b>			
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
<b>Total Expenses</b>		<b>23,01,745</b>	<b>8,84,144</b>
<b>V Profit / (Loss) before Tax</b>		<b>(22,53,872)</b>	<b>(8,32,501)</b>
<b>VI Tax Expenses</b>			
- Tax in respect of Earlier years	10	1,132	1,971
- Deferred Tax		-	9,54,672
<b>VII Profit / (Loss) for the year</b>		<b>(22,55,004)</b>	<b>(17,89,144)</b>
<b>VIII Earning per Share</b>			
(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
<b>Operating profit before working capital changes</b>	<b>(18,92,162)</b>	<b>(5,20,876)</b>
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)
<b>Net Cash flow from operating activities</b>	<b>(17,33,02,967)</b>	<b>(2,78,49,779)</b>
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
<b>Net cash used in investing activities</b>	<b>(6,38,96,844)</b>	<b>(1,76,17,555)</b>
C. Cash flow from financing activities		
10 Proceeds from Short term Borrowings	23,99,17,000	4,49,17,000
<b>Net cash used in financing activities</b>	<b>23,99,17,000</b>	<b>4,49,17,000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>27,17,189</b>	<b>(5,50,334)</b>
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 SONTHALIA**  
Company Secretary

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

<b>NOTE 1: SHARE CAPITAL:</b>	<b>As at 31-12-2013</b> ₹	<b>As at 31-12-2012</b> ₹
<b>(a) Shares authorized:</b>		
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>(b) Shares issued, subscribed and fully paid:</b>		
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:**

	<b>Numbers</b>	<b>As at 31-12-2013</b> ₹	<b>Numbers</b>	<b>As at 31-12-2012</b> ₹
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.**

<b>Particulars</b>	<b>As at 31-12-2013</b>		<b>As at 31-12-2012</b>	
	<b>Numbers</b>	<b>% held</b>	<b>Numbers</b>	<b>% held</b>
ACC Limited	4,95,000	100%	4,95,000	100%
	4,95,000	100%	4,95,000	100%

<b>NOTE 2: RESERVES &amp; SURPLUS</b>	<b>AMRL</b> As at 31-12-2013 ₹	<b>Joint Venture Total</b> As at 31-12-2013 ₹	<b>Total</b> As at 31-12-2013 ₹	<b>As at 31-12-2012</b> ₹
<b>Surplus</b>				
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)
<b>TOTAL</b>	(9,13,784)	(90,82,255)	(99,96,039)	(77,41,032)

<b>NOTE 3: OTHER CURRENT LIABILITIES</b>	<b>AMRL</b> As at 31-12-2013 ₹	<b>Joint Venture Total</b> As at 31-12-2013 ₹	<b>Total</b> As at 31-12-2013 ₹	<b>As at 31-12-2012</b> ₹
(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
<b>TOTAL</b>	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 Nature of 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
<b>TANGIBLE ASSETS</b>									
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
<b>TOTAL</b>	<b>76,15,402</b>	<b>56,98,784</b>	<b>30,550</b>	<b>1,32,83,636</b>	<b>87,930</b>	<b>1,11,779</b>	<b>1,99,708</b>	<b>1,30,83,927</b>	<b>75,27,472</b>
Previous Year	63,58,976	12,56,426	-	76,15,402	22,465	65,464	87,930	75,27,472	
<b>Capital work-in-progress</b>								46,31,726	-
<b>Intangible assets under development</b>									
Mineral rights								99,96,000	99,96,000
Mine development expenses								7,65,26,237	2,28,81,483
<b>TOTAL</b>								<b>8,65,22,237</b>	<b>3,28,77,483</b>
<b>GRAND TOTAL</b>								<b>10,42,37,890</b>	<b>4,04,04,955</b>

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
<b>TOTAL</b>	<b>32,31,075</b>	<b>5,70,389</b>	<b>38,01,464</b>	<b>10,84,275</b>

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
<b>TOTAL</b>	<b>7,15,43,892</b>	<b>-</b>	<b>7,15,43,892</b>	<b>7,09,82,092</b>

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
<b>TOTAL</b>	<b>7,42,83,487</b>	<b>1,30,063</b>	<b>7,44,13,550</b>	<b>14,25,227</b>

## 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 ₹
<b>1 MP AMRL (Semaria) Coal Company Ltd.</b>		
-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
<b>2 MP AMRL (Bicharpur) Coal Company Ltd.</b>		
-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
<b>3 MP AMRL (Marki Barka) Coal Company Ltd.</b>		
-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
<b>4 MP AMRL (Morga) Coal Company Ltd.</b>		
-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.

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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