

BOARD'S REPORT

TO THE MEMBERS OF ACC MINERAL RESOURCES LIMITED

The Directors take pleasure in presenting the Annual Report on the business and operations of the Company and the Audited Financial Statements for the year ended December 31, 2016.

1. FINANCIAL HIGHLIGHTS

The financial highlights of your Company for the year ended December 31, 2016 is summarized below:

PARTICULARS	2016 ₹	2015 ₹
Total Operational Income	-	-
Other Income	3,99,91,084	4,15,26,365
Total Income	3,99,91,084	4,15,26,365
Less: Operating Expenditure	42,85,12,892	14,52,536
Profit before interest, Depreciation, Amortization Tax	(38,85,21,808)	4,00,73,829
Less: Depreciation & Amortization	12,08,272	14,17,810
Less: Finance Cost	-	-
Profit before Tax and exceptional Item	(38,97,30,080)	3,86,56,019
Exceptional Items	-	-
Profit before Tax	(38,97,30,080)	3,86,56,019
Less: Provision for Taxation (incl. liability for earlier years)	76,27,194	52,23,427
Net Profit for the year	(39,73,57,274)	3,34,32,592
EPS – Basic & Diluted	(32.58)	2.74

2. OPERATIONS

The Company had entered into Joint Venture Agreements with Madhya Pradesh State Mining Corporation Limited (MPSMC) for development of four coal blocks (viz. Bicharpur, Marki Barka, Morga and Semaria/Piparia) which were originally allocated by the Ministry of Coal to MPSMC. Pursuant to the Orders of the Supreme Court passed in August 2014 and September 2014, the allocation of the aforesaid coal blocks by the Ministry of Coal, Government of India to MPSMC were cancelled.

Subsequent to the aforesaid cancellation, one of the coal blocks i.e. Bicharpur was auctioned by the

Government through Nominated Authority. In accordance with the vesting order, the Bicharpur JV Company has handed over the Bicharpur Coal mine to the new allottee on 6th April 2015.

Aggrieved by the compensation fixed by the Nominated Authority and negotiations/discussions with UltraTech Cement Limited (UTCL) the new allottee, the Company has filed two Writ Petitions in Delhi High Court (i) against the compensation amount fixed by the Nominated Authority and (ii) towards vesting of Company's Land outside the mining lease area to the new allottee wherein the Delhi Court in its interim order dated 20th October 2015 has said that "no equities can be made in favour of UTCL, if it comes into possession of or does any other works over the said land". The final decision of the Hon'ble Court is awaited in both these Writ Petitions.

The re-auction/allocation process of other three coal blocks viz. Marki Barka, Morga and Semaria/Piparia Coal Blocks is yet to be carried out by the Ministry of Coal, Government of India.

Except for the interest earned on inter corporate deposit, the Company does not have any income.

3. DIVIDEND

Your Directors do not recommend payment of dividend for the financial year ended December 31, 2016.

4. TRANSFER TO RESERVE

No transfer to reserves has been made during the year under review.

5. DEPOSITS

The Company has not accepted any deposits from the public or the Directors during the year under review.

6. MATERIAL CHANGES AND COMMITMENTS

Except as disclosed elsewhere in the Report, no material changes and commitments have been made between the end of the financial year of the Company and the date of this Report.

7. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has given loans to its Joint Venture Companies as well as its Holding Company under the provisions of Section 186 of the Companies Act, 2013, the details of which are mentioned in the Notes forming part of the Financial Statements.

9. INTERNAL FINANCIAL CONTROLS

The Company being a wholly owned subsidiary of ACC Limited, the internal financial controls of ACC are applicable to the Company. These are adequate and commensurate with the requirements of the Company.

10. CONTRACT OR ARRANGEMENT WITH RELATED PARTIES

In accordance with the provisions of Section 188 of the Companies Act, 2013 and Rules framed thereunder, the transactions entered into with Related Parties are in the ordinary course of business, on an arms length pricing basis and are within the limits prescribed under the Companies Act, 2013 and Rules framed thereunder. These are in the form of loans given by the Company to its Joint Venture Companies and its Holding Company under the provisions of the Section 186 of the Companies Act, 2013. Accordingly, no transactions are required to be reported in Form AOC 2. The details of these transactions are mentioned in the Notes forming part of the Financial Statements.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment of Director

The Board of Directors has appointed Mr Philip Mathew as an Additional Director of the Company with effect from January 20, 2017 in the category of

Non Executive / Non Independent Director. Mr Philip Mathew holds office upto the date of the Annual General Meeting. Accordingly, his candidature for appointment as a Director has been included in the Notice convening the Annual General Meeting of the Company.

Cessation of Director

Mr Naveen Chadha who was appointed as a Director of the Company with effect from October 15, 2015, ceased to be a Director of the Company with effect from January 20, 2017.

The Board has placed on record its appreciation of the valuable contribution made by Mr Naveen Chadha during his tenure as a Director of the Company.

Directors Retiring by Rotation

In accordance with the provisions of the Companies Act, 2013, Mrs J N Dhondy retires by rotation and being eligible offers herself for re-appointment as a Director of the Company. Accordingly, the proposal for her re-appointment has been included in the Notice convening the Annual General Meeting of the Company.

Independent Directors

a. Declaration of Independence by Directors

The Independent Directors of the Company, viz. Mr Noshir H Italia and Dr I B De have given a declaration to the Company confirming that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013.

b. Independent Directors Meeting

During the year under review, the Independent Directors met once on January 20, 2017. Both the Independent Directors were present for the Meeting.

Appointment and Remuneration of Directors

For the appointment of Independent Directors, the Board considers the qualification, experience, expertise of the candidates in their respective fields, their professional business standing and diversity of the Board. For appointment of Directors other than Independent Directors, in addition to the above criteria, the recommendation, if any, received from the Holding Company are also considered.

The Company pays a sum of ₹ 5,000/- as sitting fees to the Independent Directors for each meeting of the Board and Audit Committee attended by them. The representatives of ACC on the Board of Directors of the Company do not receive sitting fees. No other remuneration is paid to the Directors.

Evaluation of the Board and its Committees

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit and Nomination and Remuneration Committee for the year 2016.

12. MEETINGS

Board Meetings

The Company held one board meeting in every quarter. During the year ended December 31, 2016, the Board Meetings were held on January 25, 2016, April 19, 2016, July 20, 2016 and October 17, 2016.

Audit Committee

The Audit Committee comprises the following Members:

Mr Noshir H Italia, (Chairman), Non Executive/Independent Director

Dr I B De, Non Executive/Independent Director

Mr Sunil Nayak, Non Executive Director

During the year, Audit Committee Meetings were held on January 25, 2016 April 19, 2016, July 20, 2016 and October 17, 2016.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee comprises the following Members:

Mr Noshir Italia (Chairman), Non Executive/Independent Director

Dr I B De, Non Executive/Independent Director

Mr Sunil Nayak, Non Executive Director

During the year, one Nomination & Remuneration Committee Meeting was held on January 25, 2016

The Company is not required to constitute a Corporate Social Responsibility Committee.

13. DETAILS OF SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have Subsidiary or Associate Companies. The following are the Joint Venture Companies:

MP AMRL (Bicharpur) Coal Company Limited

MP AMRL (Marki Barka) Coal Company Limited

MP AMRL (Semaria/Piparia) Coal Company Limited

MP AMRL (Morga) Coal Company Limited

The Company holds 49% equity in each of the four joint venture companies and the balance 51% equity is held by Madhya Pradesh State Mining Corporation Limited

14. AUDITORS

Messrs. K S Aiyar & Co., Chartered Accountants, who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Pursuant to the provision of Section 139 of the Companies Act, 2013 and rules framed thereunder 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, 2013. Your Directors recommend the re-appointment of Messrs. K S Aiyar & Co., Chartered Accountants, as Auditors of the Company for the year 2017.

15. VIGIL MECHANISM

As per the provisions of Section 177(9) of the Companies Act, 2013, the Company is required to establish an effective vigil mechanism. The vigil mechanism viz. EthicalView Reporting Policy of ACC Limited, the Holding Company, has been extended to the Company.

16. ANNUAL RETURN

The Extract of Annual Return pursuant to Section 92(3) of the Companies Act, 2013 read with The

Companies (Management and Administration) Rules, 2014 in the prescribed Form MGT-9 is enclosed as "Annexure A".

17. SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs Pramod S Shah & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is enclosed as "Annexure B".

18. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

As no business activity was carried out, the information on conservation of energy, technology absorption and foreign exchange earnings & outgo, during the year is NIL.

19. PARTICULARS OF EMPLOYEES

There are no employees on the rolls of The Company, hence there is no disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

20. 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 134(3)(c) of the Companies Act, 2013:

- i. that in the preparation of the annual financial statements, for the year ended December 31, 2016, 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 affairs of the Company as at December 31, 2016 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual financial statements have been prepared on a going concern basis;
- v. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

21. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their grateful appreciation of the assistance and co-operation received from the Government Authorities. Your Directors also acknowledge the unstinted assistance received from ACC Limited, the Holding Company.

For and on behalf of the Board

Sunil K Nayak
Director
DIN: 00081466

Jer N Dhondy
Director
DIN: 07254019

Mumbai
January 20, 2017

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

ANNEXURE 'A' TO BOARD'S REPORT.

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN as on December 31, 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	U10100MH1930PLC001612
Registration Date	July 26, 1930
Name of the Company	ACC Mineral Resources Limited
Category / Sub-Category of the Company	Indian Non Government – Limited by shares – Public Company
Address of the Registered office and contact details	Cement House, 121, Maharshi Karve Road, Mumbai 400 020
Whether listed company	Not Applicable
Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Name and Description of main Products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
Mining and development of coal blocks	1010	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
ACC Limited Cement House, 121, Maharshi Karve Road, Mumbai 400 020	L26940MH1936PLC002515	Holding	100%	2(46)
MP AMRL (Bicharpur) Coal Company Limited Address: Paryawas Bhawan, Block No. 1, IIInd Floor (A), Jail Road, Arera Hills, Bhopal MP 462011.	U10102MP2009SGC022674	Associate (Joint Venture)	49%	2(6)
MP AMRL (Marki Barka) Coal Company Limited Address: Paryawas Bhawan, Block No. 1, IIInd Floor (A), Jail Road, Arera Hills, Bhopal MP 462011.	U10102MP2009SGC022675	Associate (Joint Venture)	49%	2(6)
MP AMRL (Semaria) Coal Company Limited Address: Paryawas Bhawan, Block No. 1, IIInd Floor (A), Jail Road, Arera Hills, Bhopal MP 462011.	U10102MP2009SGC022673	Associate (Joint Venture)	49%	2(6)
MP AMRL (Morga) Coal Company Limited Address: Paryawas Bhawan, Block No. 1, IIInd Floor (A), Jail Road, Arera Hills, Bhopal MP 462011.	U10102MP2009SGC022672	Associate (Joint Venture)	49%	2(6)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Shareholding									
Category of Shareholders	No. of Shares held at the beginning of the year (January 1, 2016)				No. of Shares held at the end of the year (December 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	20	20	0.002	-	20	20	0.002	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	12194970	12194970	99.99	-	12194970	12194970	99.99	NIL
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other (Director)	-	10	10	0.008	-	10	10	0.008	-
Sub-total (A) (1):-	-	12195000	12195000	100	-	12195000	12195000	100	NIL
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	12195000	12195000	100	-	12195000	12195000	100	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	-	12195000	12195000	100	-	12195000	12195000	100	NIL

(ii) Shareholding of promoters (Including Promoter Group)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (January 1, 2016)			Shareholding at the end of the year (December 31, 2016)			% change in shareholding during the year
		No of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
1	ACC Limited	12194970	99.99	0	12194970	99.99	0	0
2	Mr Harish Badami jointly with ACC Limited	5	0.004	0	5	0.004	0	0
3	Mr Sunil Nayak jointly with ACC Limited	5	0.004	0	5	0.004	0	0
4	Mr Burjor Nariman jointly with ACC Limited	5	0.004	0	5	0.004	0	0
5	Mr Rajendra Singh Rathore jointly with ACC Limited	5	0.004	0	5	0.004	0	0
6	Mrs Jer Dhondy jointly with ACC Limited	5	0.004	0	5	0.004	0	0
7	Mr S Viswanathan jointly with ACC Limited	5	0.004	0	5	0.004	0	0
	Total	12195000	100	0	12195000	100	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (January 1, 2016)		Cumulative Shareholding during the year (Jan 1, 2016 to Dec 31, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ACC Limited				
	At the beginning of the year	12194970	99.99		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	No change			
	At the End of the year			12194970	99.99
2	Mr Harish Badami jointly with ACC Limited				
	At the beginning of the year	5	0.004		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	No change			
	At the End of the year			5	0.004
3	Mr Sunil K Nayak jointly with ACC Limited				
	At the beginning of the year	5	0.004		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	No change			
	At the End of the year			5	0.004

(iii) Change in Promoters' Shareholding (please specify, if there is no change)					
Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (January 1, 2016)		Cumulative Shareholding during the year (Jan 1, 2016 to Dec 31, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Mr Burjor Nariman jointly with ACC Limited				
	At the beginning of the year	5	0.004		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	No change			
	At the End of the year			5	0.004
5	Mr Rajendra Singh Rathore jointly with ACC Limited				
	At the beginning of the year	5	0.004		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	No change			
	At the End of the year			5	0.004
6	Mrs Jer Dhondy jointly with ACC Limited				
	At the beginning of the year	5	0.004		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	No change			
	At the End of the year			5	0.004
7	Mr S Viswanathan jointly with ACC Limited				
	At the beginning of the year	5	0.004		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	No change			
	At the End of the year			5	0.004

(iv) Shareholding Pattern of top ten Shareholders other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable:

(v) Shareholding of Directors:					
Sr No	For Each of the Directors and KMP	Shareholding at the beginning of the year (January 1, 2016)		Cumulative Shareholding during the year (January 1, 2016 to December 31, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr Sunil Nayak jointly with ACC Limited				
	At the beginning of the year	5	0.004		
	Date wise Increase / (transfer):	-	-	No change	
	At the End of the year			5	0.004
2	Mrs J N Dhondy jointly with ACC Limited				
	At the beginning of the year	5	0.004		
	Date wise Increase / (transfer):	-	-	No change	
	At the End of the year			5	0.004

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment: **Nil**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not Applicable.

B. Remuneration to other directors:

Sr No.	Particulars of Remuneration	Name of Directors		Total Amount ₹
		Mr N H Italia	Dr I B De	
1	Independent Directors			
	• Fee for attending board / committee meetings	40,000	40,000	80,000
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (1)	40,000	40,000	80,000
	Other Non-Executive Directors			
2	Other Non-Executive Directors			
	• Fee for attending board / committee meetings	-	-	-
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B) = (1)+(2)	40,000	40,000	80,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD :

Kindly refer to paragraph on Key Managerial Personnel appearing at Point No.11 of the Board's Report.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishments / compounding of offences for the year ended December 31, 2016

For and on behalf of the Board

Sunil K Nayak
Director
DIN: 00081466

Jer N Dhondy
Director
DIN: 07254019

Mumbai
January 20, 2017

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

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31st DECEMBER, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ACC Mineral Resources Ltd

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ACC Mineral Resources Ltd (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the year ended 31st December, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended 31st December, 2016 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made there under;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- (4) Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 & SS-2).

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period, all the decisions in the Board Meetings were carried unanimously.

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as listed in Annexure I.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs.

Annexure I

To,
The Members
The ACC Mineral Resources Ltd

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Pramod S. Shah & Associates
(Practising Company Secretaries)

Pramod Shah-Partner
FCS No.: 334
C P No.: 3804

Date: 19/01/2017
Place: Mumbai

Annexure II

- (1) Employees Provident Fund Act, 1952 and Rules;
- (2) Professional Tax Act, 1975 and Rules;
- (3) Payment of Gratuity Act, 1972;
- (4) Apprentices Act, 1961;
- (5) Contract Labour (R&A) Act, 1970;
- (6) Employment Exchanges (Compulsory Notification of vacancies) Act, 1959;
- (7) Employees State Insurance Act, 1947;
- (8) Equal Remuneration Act, 1976;
- (9) Income Tax Act, 1961;
- (10) Minimum Wages Act, 1948;
- (11) Payment of Bonus Act, 1965;
- (12) Shop & Establishment Act;
- (13) Finance Act, 2015;
- (14) Employees Provident Fund & Miscellaneous Provisions Act, 1952.

For Pramod S. Shah & Associates

Pramod Shah-Partner
FCS No.: 334
C P No.: 3804

Place: Mumbai
Date: 19/01/2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACC MINERAL RESOURCES LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of ACC MINERAL RESOURCES LIMITED ("the Company") and its 4 joint venture companies comprising of the Consolidated Balance Sheet as at 31st December, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its 4 joint venture companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company and 4 joint venture companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Company and its 4 joint venture companies as at 31st December, 2016, and the consolidated loss and the consolidated cash flows for the year ended on that date.

OTHER MATTERS

The financial statements of 4 joint venture companies that are consolidated have been audited by us only for the purpose of preparing these consolidated financial statements by the Company and not as Statutory Auditors of those 4 joint venture companies.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Company as on 31st December, 2016 taken on record by the Board of Directors of the Company, none of the directors of the Company is disqualified as on 31st December, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its Associates and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its four joint venture companies – Refer Note --- to the consolidated financial statements.
 - ii. The Company and its 4 joint venture companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company and its 4 joint venture companies.

For K.S.AIYAR & Co

Chartered Accountants

Firm's Registration No. 100186W

RAJESH S. JOSHI

PARTNER

Membership No. 38526

Place of Signature: Mumbai

Date: 20th January, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ACC MINERAL RESOURCES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ACC MINERAL RESOURCES LIMITED ("the Company") as of December 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to

an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance

that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were operating effectively as at December 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K.S.AIYAR & Co

Chartered Accountants

Firm's Registration No. 100186W

RAJESH S. JOSHI

PARTNER

Membership No. 38526

Place of Signature: Mumbai

Date: 20th January, 2017

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2016

Particulars		As at 31-12-2016 (₹)	As at 31-12-2015 (₹)
I Equity and Liabilities			
(1) Shareholders' Funds			
(a) Share Capital	3	1,21,95,00,000	1,21,95,00,000
(b) Reserves and Surplus	4	(40,05,26,962)	(4,43,41,623)
(2) Current Liabilities			
(b) Other Current Liabilities	5	4,31,67,722	4,36,17,283
TOTAL		86,21,40,760	121,87,75,660
II Assets			
(1) Non Current Assets			
(a) Fixed Assets	6		
(i) Tangible assets		1,89,75,558	2,35,90,486
(ii) Capital work-in-progress		4,85,42,711	23,29,09,049
(iii) Intangible Assets under development		4,82,64,015	16,66,65,827
(b) Long term Loans & Advances	7	16,29,72,521	40,61,76,965
(2) Current Assets			
(a) Cash and Bank Balances	8	10,11,020	54,79,977
(b) Short term loans & advances	9	51,72,06,718	37,90,47,408
(c) Other Current Assets	10	6,51,68,217	49,05,948
TOTAL		86,21,40,760	121,87,75,660
Refer Significant Accounting Policies & Other Explanatory information	2		

The notes referred to above form an integral part of the 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

ICAI Firm Regn. No. 100186W

RAJESH S. JOSHI

Partner

Membership No. 038526

SUNIL NAYAK

Director

DIN: 00081466

N H ITALIA

Director

DIN: 00191611

DINESH KUMAR SONTHALIA

Company Secretary

Mumbai, 20th January, 2017

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED DECEMBER 31, 2016

Particulars		For the year ended 31 st December, 2016 (₹)	For the year ended 31 st December, 2015 (₹)
I Revenue from Operations			
II Other Income			
(i) Interest on Loans & Advances		3,96,60,408	3,42,69,641
(ii) Other income		3,30,676	8,002
III Total Revenue		3,99,91,084	3,42,77,643
IV Expenses			
Depreciation and Amortization Expenses	6	12,08,272	14,88,151
Other Expenses			
-Rent		-	1,05,179
-Rates & Taxes		4,900	4,900
-Audit Fees		3,34,260	3,25,691
-Bank Charges		2,346	1,556
-Consultancy & legal Charges		2,89,926	1,78,369
-Printing & Stationery		-	3,780
-Security Service Expenses		6,60,525	9,05,670
-Travelling & Conveyance		-	2,04,881
-General Charges		22,932	13,08,715
-Diesel for DG set		-	3,48,644
-Tele-Communication & Electricity charges		809	25,893
-Sitting Fees paid to Independent Directors		1,66,325	-
- Provision for Doubtful Loans & impairment of equipment		38,58,58,934	-
Total Expenses		38,85,49,229	49,01,428
V Profit before Tax		(34,85,58,145)	2,93,76,215
VI Tax Expenses	10		
-Current Year Tax		91,44,441	52,23,427
Less : MAT Credit Entitlement		15,17,247	-
		76,27,194	52,23,427
VII Profit/(Loss) for the year		(35,61,85,339)	2,41,52,788
VIII Earning per Share	13	(29.21)	1.98
Refer Significant Accounting Policies & Other Explanatory information	2		

The notes referred to above form an integral part of 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

ICAI Firm Regn. No. 100186W

RAJESH S. JOSHI

Partner

Membership No. 038526

SUNIL NAYAK

Director

DIN: 00081466

N H ITALIA

Director

DIN: 00191611

DINESH KUMAR SONTHALIA

Company Secretary

Mumbai, 20th January, 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

	For the year ended 31 st December, 2016 (₹)	For the year ended 31 st December, 2015 (₹)
A. Cash flow from operating activities		
1 Net Profit before Tax and Exceptional Items	(34,85,58,145)	2,93,76,215
Adjustments for :		
2 Depreciation	12,08,272	14,88,151
3 Provision for Impairment	5,02,61,476	-
4 Provision for Doubtful loans & receivables	33,55,97,458	-
5 Interest and Dividend Income	(3,96,60,408)	(3,42,69,641)
6 Miscellaneous Expenditure	-	-
Operating profit before working capital changes	(11,51,347)	(34,05,275)
Adjustments for :		
7 Other receivables	(4,79,82,294)	(37,21,34,725)
8 Other current liabilities	(4,49,561)	(7,87,68,808)
Cash generated from operations	(4,95,83,202)	(45,43,08,808)
9 Direct Taxes - (net)	(54,50,987)	(41,51,836)
Net Cash flow from operating activities	(5,50,34,189)	(45,84,60,644)
B. Cash flow from investing activities		
10 Purchase of Fixed Assets	-	(28,301)
11 Sale / Adjustments of fixed assets	5,05,65,232	1,53,92,303
12 (Increase)/decrease in capital advances	-	43,60,50,229
Net cash used in investing activities	5,05,65,232	45,14,14,231
Net cash used in financing activities-	-	-
Net increase/(decrease) in cash and cash equivalents	(44,68,957)	70,46,415
Cash and cash equivalents - Opening Balance	54,79,977	1,25,26,392
- Closing Balance	10,11,020	54,79,977

- 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.

The notes referred to above form an integral part of 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

ICAI Firm Regn. No. 100186W

RAJESH S. JOSHI

Partner

Membership No. 038526

Mumbai, 20th January, 2017

SUNIL NAYAK

Director

DIN: 00081466

DINESH KUMAR SONTHALIA

Company Secretary

N H ITALIA

Director

DIN: 00191611

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

1. CORPORATE INFORMATION

The Company is a wholly owned Subsidiary of ACC Limited. The Company had entered into four joint ventures in the year 2009 with M.P. State Mining Corporation Limited (MPSMC) for mining and development of four coal blocks allotted to MPSMC by Ministry of Coal.

2. SIGNIFICANT ACCOUNTING POLICIES**(I) Basis of preparation**

- (i) The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting in accordance with the accounting principles generally accepted in India and in compliance with provisions of the Companies Act, 2013 and comply with the mandatory Accounting Standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.
- (ii) Financial statements are based on historical cost except where impairment is made and/or revaluation is carried out.
- (iii) Accounting policies have been consistently applied by the Company except as stated otherwise.

(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. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(III) Fixed Assets

- (i) Tangible fixed assets are stated at the cost of acquisition less depreciation and less provision for impairment.
- (ii) Intangible assets:
 - a. Mineral rights of coal has been recognized as intangible assets under development and valued equivalent to the Equity share capital allotted to The M.P. State Mining Corporation Limited (MPSMC) in lieu thereof in terms of the provisions of Joint Venture Agreements of four Joint Venture Companies.
 - b. 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 at present. However, in view of the cancellation of coal block, the same will be dealt with appropriately in the financial statements based on the final outcome of the auction process of the coal block by Ministry of Coal.

(IV) Depreciation/Amortization

Depreciation on tangible fixed assets is provided on straight line method at the rates prescribed in schedule II of the Companies Act, 2013 on a pro-rata basis.

Intangible assets of mine and Infrastructure Development are carried forward at present. However, in view of the cancellation of coal block, the same will be dealt with appropriately in the financial statements based on the final outcome of the auction process of the coal block by Ministry of Coal.

(V) Impairment of Assets

The carrying amount 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 assets 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.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

(VI) Revenue recognition**Dividend and Interest income**

Dividend income is recognized 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.

(VII) 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.

(VIII) 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.

(IX) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Deferred tax assets/liabilities are reviewed as at each balance sheet date.

MAT Credit Entitlement is recognized in Books of Accounts as and when the same is utilized.

(X) Contingencies/Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined

based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefit is remote.

(XI) 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. There are no reportable geographical segments.

NOTE 3 : SHARE CAPITAL :

	As at 31-12-2016 (₹)	As at 31-12-2015 (₹)
(a) Shares authorized:		
1,30,00,000 Equity Shares of ₹ 100/- each (Prev. Year 1,30,00,000 Equity shares of ₹ 100/- each)	1,30,00,00,000	1,30,00,00,000
(b) Shares issued, subscribed and fully paid :		
1,21,95,000 Equity Shares of ₹ 100/- each (Prev. Year 1,21,95,000 Equity shares of ₹ 100/- each) (All the Shares are held by ACC Limited, the Holding Company and its nominees)	1,21,95,00,000	1,21,95,00,000
	1,21,95,00,000	1,21,95,00,000

(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period ;

	Numbers	As at 31-12-2016 (₹)	Numbers	As at 31-12-2015 (₹)
At the beginning of the period	1,21,95,000	1,21,95,00,000	1,21,95,000	1,21,95,00,000
Issued during the year	-	-	-	-
At the end of the period	1,21,95,000	1,21,95,00,000	1,21,95,000	1,21,95,00,000

(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.

	As at 31-12-2016		As at 31-12-2015	
	Numbers	% held	Numbers	% held
ACC Limited	12,195,000	100	12,195,000	100
	12,195,000	100	12,195,000	100

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016
NOTE 4 : RESERVES & SURPLUS

	AMRL	JVC Total	Total	As at 31-12-2015 (₹)
	As at	As at	As at	
	31-12-2016	31-12-2016	31-12-2016	
	(₹)	(₹)	(₹)	
Surplus				
Balance as per last accounts	(29,39,286)	(4,14,02,337)	(4,43,41,623)	(6,84,94,411)
Profit / (Loss) for the year	(35,51,58,821)	(1,026,518)	(35,61,85,339)	24,152,788
	<u>(35,80,98,107)</u>	<u>(4,24,28,855)</u>	<u>(40,05,26,962)</u>	<u>(4,43,41,623)</u>

NOTE 5 : OTHER CURRENT LIABILITIES

	AMRL	JVC Total	Total	As at 31-12-2015 (₹)
	As at	As at	As at	
	31-12-2016	31-12-2016	31-12-2016	
	(₹)	(₹)	(₹)	
(a) Audit Fees Payable	218,088	-	2,18,088	1,58,158
(b) Payable to Others	4,15,92,792	5,69,192	4,21,61,984	4,34,59,125
(c) Provision for Taxation (net off of advance tax)	7,87,650	-	7,87,650	-
	<u>4,25,98,530</u>	<u>5,69,192</u>	<u>4,31,67,722</u>	<u>4,36,17,283</u>

NOTE 6 : FIXED ASSETS

Nature of fixed assets	Amount in ₹												
	Gross Block				Depreciation / Amortisation								Net Block
	As at 01.01.2016	Additions during the Period	Deductions/ Adjustments	As at 31.12.2016	As at 01.01.2016	Provided during the Period	Deductions/ Adjustments	Provision for Impairment of assets	As at 31.12.2016	As at 31.12.2016	As at 31.12.2015		
TANGIBLE ASSETS													
FURNITURE, FIXTURES & EQUIPMENTS	43,07,791	-	-	43,07,791	8,87,575	6,14,322	-	-	15,01,897	28,05,894	34,20,216		
PLANT & MACHINERY	80,00,000	-	-	80,00,000	6,36,599	5,50,088	-	34,06,657	45,93,344	34,06,657	73,63,401		
LAND	1,26,40,165	-	-	1,26,40,165	-	-	-	-	1,26,40,165	1,26,40,165	1,26,40,165		
DIGITAL CAMERA	6,272	-	-	6,272	6,272	-	-	-	6,272	-	-		
GPS- OREGON	48,000	-	-	48,000	10,055	3,524	-	-	13,579	34,421	37,945		
PRINTER	3,53,806	-	-	3,53,806	2,25,047	40,338	-	-	2,65,385	88,421	1,28,759		
TOTAL	<u>2,53,56,034</u>	-	-	<u>2,53,56,034</u>	<u>17,65,548</u>	<u>12,08,272</u>	-	<u>34,06,657</u>	<u>63,80,477</u>	<u>1,89,75,558</u>	<u>2,35,90,486</u>		
Previous year	2,53,56,034	-	-	2,53,56,034	17,65,548	-	-	-	17,65,548	2,35,90,486			
CAPITAL WORK-IN-PROGRESS													
LESS : PROVISION FOR IMPAIRMENT OF ASSETS										4,68,54,820	-		
										4,85,42,711	23,29,09,049		
INTANGIBLE ASSETS UNDER DEVELOPMENT													
MINE AND INFRASTRUCTURE DEVELOPMENT EXPENSES										4,82,64,015	16,66,65,827		
TOTAL										<u>4,82,64,015</u>	<u>16,66,65,827</u>		
GRAND TOTAL										<u>11,57,82,283</u>	<u>42,31,65,362</u>		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 7 : LONG TERM LOANS & ADVANCES

	AMRL As at 31-12- 2016 (₹)	JVC Total As at 31-12- 2016 (₹)	Total As at 31-12- 2016 (₹)	As at 31-12- 2015 (₹)
(a) Long term Loans to JV Companies				
Unsecured considered Good	13,61,32,210	-	13,61,32,210	37,93,36,654
Unsecured considered Doubtful	19,26,75,915	-	19,26,75,915	-
Sub-total	32,88,08,125	-	32,88,08,125	37,93,36,654
Less : Provisions	19,26,75,915	-	19,26,75,915	-
	13,61,32,210	-	13,61,32,210	37,93,36,654
(b) Capital Advances	13,37,500	1,48,90,891	1,62,28,391	1,62,28,391
(c) Rent in Advance	14,000	-	14,000	14,000
(d) Security Deposit With MPPKVV & others	14,900	1,05,83,020	1,05,97,920	1,05,97,920
	13,74,98,610	2,54,73,911	16,29,72,521	40,61,76,965

NOTE 8 : CASH & BANK BALANCES

	AMRL As at 31-12-2016 (₹)	JVC Total As at 31-12-2016 (₹)	Total As at 31-12-2016 (₹)	As at 31-12-2015 (₹)
(a) Cash & Cash Equivalent				
Cash in hand	1,743	-	1,743	1,743
Bank Balance - Current Account & TDR	9,69,732	39,545	10,09,277	54,78,234
	9,71,475	39,545	10,11,020	54,79,977

NOTE 9 : SHORT TERM LOANS & ADVANCES

	AMRL As at 31-12-2016 (₹)	JVC Total As at 31-12-2016 (₹)	Total As at 31-12-2016 (₹)	As at 31-12-2015 (₹)
Short term loan to ACC limited (Unsecured, considered good)	51,72,06,718	-	51,72,06,718	37,90,47,408
	51,72,06,718	-	51,72,06,718	37,90,47,408

NOTE 10 : OTHER CURRENT ASSETS

	AMRL As at 31-12-2016 (₹)	JVC Total As at 31-12-2016 (₹)	Total As at 31-12-2016 (₹)	As at 31-12-2015 (₹)
Unsecured Considered Good				
- Advances to others	25,41,262	1,96,319	27,37,581	27,25,660
- Advance tax (net of provision for Tax)	-	-	-	21,76,207
- TDS Receivable	-	4,081	4,081	4,081
- Compensation receivable from MoC / MPSMCL	-	93,16,025	93,16,025	-
- Claims lodged for refund of mining lease stamp and Registration expenses	-	2,77,60,652	2,77,60,652	-
- Claims recoverable from others	-	2,53,49,879	2,53,49,879	-
Sub-total	25,41,262	6,26,26,955	6,51,68,217	49,05,948
Unsecured Considered Doubtful				
- Claims recoverable from others	-	14,29,21,544	14,29,21,544	-
Sub-total	25,41,262	20,55,48,499	20,80,89,761	-
Less: Provisions	-	14,29,21,544	14,29,21,544	-
	25,41,262	6,26,26,955	6,51,68,217	49,05,948

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

11. TAXATION

₹ 76,27,194 (P.Y. ₹ 52,23,427) provision for current tax is made as at 31st December, 2016 after considering MAT Credit Entitlement of ₹ 15,17,247 (P.Y. Nil)

12. RELATED PARTY DISCLOSURE

(A) Particulars of Holding/ Associate 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 ACC Limited

Particulars	For the year ended December 31, 2016 ₹	For the year ended December 31, 2015 ₹
1 Opening Balance of Short term loan to ACC Limited including Accrued interest	37,90,47,408	35,50,00,000
2 Short term loan given during the year (Net of Receipt)	11,45,00,000	-
3 Interest on Loan (Net of TDS)	3,56,94,367	2,40,47,408
4 Less : Amount received during the year	1,20,35,057	-
5 Closing balance of Short term loan to ACC Limited	51,72,06,718	37,90,47,408

(C) Transactions with Joint Venture Companies (*)

Particulars	For the year ended December 31, 2016 ₹	For the year ended December 31, 2015 ₹
1 MP AMRL (Semaria) Coal Company Ltd.		
Opening Balance	2,08,61,8415	2,03,21,935
Transactions during the year	3,75,982	1,56,607
-Advance given for Expenses	-	3,83,299
-Interest Charged on the above (net of TDS)	-	-
-Advance for Expenses Repaid	2,12,37,823	2,08,61,841
Outstanding balance included in Other Current Liabilities		
2 MP AMRL (Bicharpur) Coal Company Ltd.		
Opening Balance	61,60,87,579	56,76,00,376
Transactions during the year	36,12,505	3,75,41,073
-Advance given for Expenses	-	1,09,46,130
-Interest Charged on the above (net of TDS)	10,32,00,000	-
- Less : Advance for Expenses Repaid	51,65,00,084	61,60,87,579
Outstanding balance included in other current Liabilities		
3 MP AMRL (Marki Barka) Coal Company Ltd.		
Opening Balance	10,64,82,600	10,40,88,206
Transactions during the year	76,734	4,09,858
-Advance given for Expenses	-	19,84,536
-Interest Charged on the above (net of TDS)	-	-
-Advance for Expenses Repaid	10,65,59,334	10,64,82,600
Outstanding balance included in other current Liabilities		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Particulars	For the year ended December 31, 2016	For the year ended December 31, 2015
	₹	₹
4 MP AMRL (Morga) Coal Company Ltd.		
Opening Balance	3,65,340	2,75,033
Transactions during the year	59,232	85,153
-Advance given for Expenses	-	5,154
-Interest Charged on the above (net of TDS)	-	-
-Advance for Expenses Repaid	4,24,572	3,65,340
Outstanding balance included in other current Liabilities		

(*) Transactions with joint venture companies have been disclosed at full value.

13. EARNINGS PER SHARE - [EPS]

Particulars	For the year ended December 31, 2016	For the year ended December 31, 2015
	₹	₹
Profit/(Loss) after taxation as per Statement of Profit and Loss	(35,61,85,339)	2,41,52,788
Weighted average number of Equity shares outstanding	1,21,95,000	1,21,95,000
Basic earnings per Share (face value - ₹ 100 per share)	(29.21)	1.98

(There are no diluted equity shares and hence there is no working for diluted earnings per share)

14. 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 : ₹ 15,07,32,482 (P.Y. ₹ 34,42,11,658)
b. Liabilities : ₹ 5,69,192 (P.Y. ₹ 15,53,284)
c. Income : ₹ Nil (P.Y. ₹ 2,798)
d. Expenses : ₹ 10,26,518 (P.Y. ₹ 92,82,598)

15. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Amount in ₹

Nature of entity in the	Net Assets, i.e., total assets minus total liabilities				Share in profit / (loss)			
	As % of consolidated net assets		Amount		As % of consolidated profit of loss		Amount	
	2016	2015	2016	2015	2016	2015	2016	2015
Parent								
ACC Mineral Resources Limited	105.17	102.91	86,14,01,893	1,20,93,09,194	99.71	108.40	(35,51,58,821)	2,61,81,072
Joint Ventures (as per proportionate consolidation)								
India								
MP AMRL (Bicharpur) Coal Company Limited	(3.77)	(2.06)	(3,09,08,036)	(2,42,32,546)	0.20	(7.73)	(7,15,929)	(18,66,271)
MP AMRL (Marki Barka) Coal Company Limited	(0.77)	(0.44)	(63,37,948)	(52,06,137)	0.01	(0.73)	(51,342)	(57,206)
MP AMRL (Morga) Coal Company Limited	(0.21)	(0.14)	(17,16,354)	(16,62,207)	0.01	(0.20)	(51,342)	(48,063)
MP AMRL (Semaria) Coal Company Limited	(0.42)	(0.27)	(34,66,517)	(30,49,927)	0.07	(0.24)	(2,07,905)	(56,742)
Total	100.00	100.00	81,89,73,038	1,17,51,58,377	100.00	100.00	(35,61,85,339)	2,41,52,791

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

16. Non-current investment of ₹ 196,00,000 (P.Y. ₹ 1,96,00,000) and Long term loans and advances of ₹ 13,61,32,210 (P.Y. ₹ 37,93,36,654) are realisable/recoverable from four JV Companies.
17. There is no Micro, Small and Medium enterprises, as defined in the Micro, Small, Medium enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.
18. The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Nil (P.Y. Nil).
19. Pending litigations by or against the Company are as under:
- Writ Petition filed at Delhi High Court by the Company, in relation to compensation receivable upon cancellation of Bicharpur Coal Block.
 - Writ Petition filed at Delhi High Court by the Company, in relation to compensation receivable upon vesting of land situated outside mining lease area of Bicharpur Coal Block.
 - Writ Petition filed at Jabalpur High Court by MP AMRL (Semaria) Coal Company Limited against invocation of Bank Guarantee by Ministry of Coal pertaining to Semaria / Piparia Coal Block. The court has granted stay against the said invocation of Bank Guarantee.
 - A review petition was filed at Jabalpur High Court by MP AMRL (Bicharpur) Coal Company Limited against the civil suit filed by some of the villagers in the matter of land. Outcome of the petition is awaited.
- The impact of above petitions could not be determined as the matters are subjudice.
20. The allocation of coal blocks to four joint ventures companies wherein the Company is a joint venture partner stands cancelled as per Supreme Court's decision dated 25th August 2014 read with its order dated 24th September 2014.
- Subsequent to the aforesaid cancellation, one of the coal blocks i.e. Bicharpur was auctioned by the Government through Nominated Authority. In accordance with the vesting order, the Bicharpur JV Company has handed over the Bicharpur Coal mine to the new allottee on 6th April 2015.
- Aggrieved by the compensation fixed by the Nominated Authority and negotiations/discussions with the new allottee, the Company has filed two writ petitions in Delhi High Court (i) against the compensation amount fixed by the Nominated Authority and (ii) towards vesting of Company's Land outside the mining lease area to the new allottee wherein the Delhi Court in its interim order dated 20th October 2015 has said that "no equities can be made in favour of UTCL, if comes into possession of or does any other works over the said land". The final decision of the Hon'ble court is awaited in both these writ petitions.
- The Re-auction/allocation process of other three coal blocks namely Marki Barka, Morga IV and Semaria /Piparia coal blocks has not yet been carried out by the Ministry of Coal, Government of India.
- In view of the cancellation of coal blocks and proposed re-auctioning of the same, the JV companies can no longer work towards its intended objects. Consequently, the JV Cos shall continue to only oversee the realization of the value of assets created. Hence the four JV Companies can no longer be considered to be operating as 'Going Concerns.
21. Previous year figures have been regrouped or rearranged wherever found necessary.

As per our report of even date

For K.S. Aiyar & Co.

Chartered Accountants

ICAI Firm Regn. No. 100186W

RAJESH S. JOSHI

Partner

Membership No. 038526

Mumbai, 20th January, 2017

For and on behalf of the Board of ACC Mineral Resources Limited,

SUNIL NAYAK

Director

DIN: 00081466

DINESH KUMAR SONTHALIA

Company Secretary

N H ITALIA

Director

DIN: 00191611