

Directors' Report

TO THE MEMBERS OF
BULK CEMENT CORPORATION (INDIA) LIMITED

The Directors take pleasure in presenting the Twenty Second Annual Report on the business and operations of the Company and the Audited Accounts for the year ended December 31, 2013.

1. FINANCIAL RESULTS

PARTICULARS	2013 ₹ Lakhs	2012 ₹ Lakhs
Revenue from operations (net) and Other Income	1,930.83	1,665.84
Profit Before Tax	342.14	248.06
Provision for Tax		
Current Tax	81.86	59.16
Deferred Tax	(10.66)	9.09
Profit after Tax	270.94	179.81
Balance brought forward from previous year	1,280.22	1,100.41
Balance carried forward to Balance Sheet	1,551.16	1,280.22

2. OPERATIONS

The total dispatches for the year ended December 31, 2013 were 9.60 Lakhs MT compared to 9.20 Lakhs MT in the previous year which is higher by 4.35%. During the year 2013, 253 rakes were received.

The specific power consumption for the year 2013 was 2.81 Units/MT as against 2.87 Units/MT for the year 2012, which is 2.09% lower.

3. DIVIDEND

Your Directors do not recommend payment of dividend for the financial year ended December 31, 2013.

4. INDUSTRIAL RELATIONS

During the year under review, industrial relations at the Company's unit continued to remain cordial and peaceful.

5. DIRECTORS

The Government of India, Ministry of Commerce & Industry, Department of Industrial Policy & Promotion has pursuant to its rights under Article 134(1) of the Company's Articles of Association, appointed Ms Gauri Karol, Director in the Department of Industrial Policy & Promotion, as a Director of the Company in place of Mr A K Singh. Pursuant thereto, the Board of Directors of your Company had appointed Ms Gauri Karol as an Additional Director of the Company with effect from July 23, 2013 who ceased to be a Director of the Company with effect from October 14, 2013. The Board has placed on record its appreciation of the valuable services rendered by Ms Gauri Karol during her tenure as a Director of the Company. Thereafter vide its Order no. 18(21) 2009 - Cement dated September 16, 2013, the Ministry appointed Mr Alok Mukhopadhyay, Deputy Secretary in the Department of Industrial Policy & Promotion, as a Director of the Company. Pursuant thereto, the Board of Directors of your Company has appointed Mr Alok Mukhopadhyay as an Additional Director of the Company with effect from October 14, 2013. Mr Alok Mukhopadhyay holds office upto the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment as a Director has been included in the Notice of the forthcoming Annual General Meeting of the Company.

The Board of Directors has appointed Mr Joydeep Mukherjee as an Additional Director of the Company with effect from July 23, 2013. Mr Joydeep Mukherjee holds office upto the date of the forthcoming Annual General Meeting. Accordingly, his candidature for appointment as a Director has been included in the Notice of the forthcoming Annual General Meeting of the Company.

Mr A K Singh who was appointed by the Government of India, Ministry of Commerce & Industry, Department of Industrial Policy & Promotion as a Director of the Company with effect from April

13, 2012, ceased to be a Director of the Company with effect from July 23, 2013. The Board has placed on record its appreciation of the valuable services rendered by Mr A K Singh during his tenure as a Director of the Company.

Mr Sankarsan Dasgupta who was appointed as a Director of the Company with effect from January 29, 2010, ceased to be a Director of the Company with effect from July 23, 2013. The Board has placed on record its appreciation of the valuable services rendered by Mr Sankarsan Dasgupta during his tenure as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956, Mr Sunil Nayak and Mr Jayanta DattaGupta retire by rotation and are eligible for re-appointment.

6. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the Accounts for the year ended December 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company as at December 31, 2013, and of the profit of the Company for the year ended on that date;
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of

the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv) that the accounts for the year ended December 31, 2013, have been prepared on a going concern basis.

7. AUDITORS

Messrs K S Aiyar & Co, Chartered Accountants, who are the Statutory Auditors of the Company, hold office upto the date of the ensuing Annual General Meeting and are eligible for re-appointment. As required under the provision of Section 224(1B) of the Companies Act, 1956, the Company has obtained written confirmation from Messrs K S Aiyar & Co that their appointment, if made, would be in conformity with the Companies Act, 1956. The Members are requested to appoint Messrs K S Aiyar & Co, Chartered Accountants, as Auditors of the Company for the year 2014 and to authorize the Board of Directors to determine their remuneration.

As per The Companies (Cost Accounting Records) Rules, 2011, your Company requires to maintain cost accounting records and file Compliance Certificate with the Central Government. Your Directors have appointed Messrs N I Mehta & Co., Cost Auditors, to for Compliance Reporting for the financial year 2013.

8. AUDIT COMMITTEE

As on January 27, 2014 the Audit Committee comprises the following Members:

Mr Alok Mukhopadhyay (w.e.f. October 14, 2013)

Mr Sunil Nayak

Mr P N Iyer

Mr Burjor D Nariman

Mr Joydeep Mukherjee (w.e.f. July 23, 2013)

Mr A K Singh who was the Chairman of the Audit Committee upto July 23, 2013 demitted office consequent upon his ceasing to be a Director of the Company. Mrs Gauri Karol was appointed as a Member of the Audit Committee w.e.f. July 23, 2013

and she demitted office as on October 14, 2013 upon ceasing to be Director of the Company.

The Audit Committee has appointed Mr Alok Mukhopadhyay as a Chairman of the Company with effect from January 27, 2014.

Mr Sankarsan Dasgupta, who was a Member of the Audit Committee upto July 23, 2013 demitted office consequent upon his ceasing to be a Director of the Company.

During the year ended December 31, 2013 four Audit Committee Meetings were held.

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

As required under Section 217(1)(e) of the Companies Act 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are mentioned herein below:

FORM "A"

Form for Disclosure of Particulars with respect to Conservation of Energy, Power and Fuel Consumption:

PARTICULARS	2013	2012
1. Electricity		
a. Units Purchased KWH	26,97,510	2,643,780
Total Amount (₹ Lakhs)	213.07	207.60
Rate/Unit (₹/KW)	7.89	7.85
b. Own Generation	-	-
2. Consumption / Unit of Production Electricity (Unit/MT)	2.81	2.87

Disclosure of particulars with respect to Foreign Exchange Earning and Outgo

PARTICULARS	2013	2012
Foreign Exchange earned	Nil	Nil
Foreign Exchange used	Nil	Nil

The Company has not entered into any technology transfer agreement.

10. PARTICULARS OF EMPLOYEES

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

11. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their grateful appreciation of the excellent assistance and co-operation received from the Department of Industrial Promotion & Policy, Ministry of Commerce & Industry, Ministry of Railways, ACC Limited and Company's Bankers. Your Directors also thank all the employees of the Company for their valuable service and support during the year.

For and on behalf of the Board of Directors

JOYDEEP MUKHERJEE
Director

SUNIL K. NAYAK
Director

Mumbai
January 27, 2014

Registered Office:
Plot No. W-7,
KWC Kalamboli,
Dist. Raigad 410 218

Auditors' Report

TO THE MEMBERS OF BULK CEMENT CORPORATION (INDIA) LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 which shall continue to apply under section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 which shall continue to apply under section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 issued by the Ministry of Corporate Affairs;
 - e. on the basis of the written representations received from the directors, as on December 31, 2013, and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on December 31, 2013 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For K.S. AIYAR & CO.
Chartered Accountants
Firm Registration number 100186W

RAJESH S. JOSHI
Partner
Membership number 38526

Place: Mumbai
January 27, 2014

Annexure to the Auditors' Report (Referred to in paragraph 1 on Report on Other Legal and Regulatory Requirements of our report.)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Most of the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) Fixed assets that have been disposed off during the year were not material so as to affect the going concern status of the Company.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. No discrepancies were noticed on verification between the physical stocks and the book stocks.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) According to the information and explanations given to us, there are no transactions that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956. Accordingly, sub-clause (b) is not applicable.
- (vi) The Company has not accepted any deposits from the public to which the provisions of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (ix) According to the records of the Company, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom duty, Excise duty, Cess and other material statutory dues with the appropriate authorities. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at December 31, 2013 for a period of more than six months from the date they became payable.
- (x) According to the records of the Company, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess which have not been deposited on account of any dispute, are as follows:

Nature of dues	Period to which the amount relates	Amounts involved (dues to the extent not deposited)	Forum where the dispute is pending
Service Tax	Financial years 2001-02 to 2005-06	₹ 27.71 Lakhs	CESTAT
Denial of Cenvat credit of Service tax availed on input services on account of cement cleared in bulk as such.		₹ 75 Lakhs (Excl. interest and penalty)	SCN cum demand notice responded to the Excise Department.
Penalty imposed by Excise Department on availment of Cenvat credit at a rate higher than the rate at which inputs materials were cleared as such.	Financial Year 2008-09	₹ 9.40 Lakhs	Disputed matter to be referred to Commissioner (Appeal)
Cenvat availed on cement returned in bulkers.	Apr 07 to Nov 08	₹ 37.48 Lakhs	CESTAT

- (xi) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xii) There are no dues to banks or financial institutions or debenture holders.
- (xiii) Based on our examination of documents and records, we are of the opinion that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the Company has not raised any loans during the period.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company we report that no funds raised on short-term basis have been used for long-term applications.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year under audit. Therefore the provisions of clause (xix) of the order is not applicable to the company.
- (xx) The Company has not raised any money by way of public issue during the year. Therefore, the provision of clause (xx) of the order is not applicable to the Company.
- (xxi) Based upon the audit procedures performed and according to the information and explanations given and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For K.S. AIYAR & CO.
Chartered Accountants
Firm Registration number 100186W

RAJESH S. JOSHI
Partner
Membership number 38526

Place: Mumbai
January 27, 2014

Balance Sheet as at December 31, 2013

Particulars	Note No.	2013 ₹ Lakhs	2012 ₹ Lakhs
EQUITY AND LIABILITIES:			
Shareholders Funds:			
Share capital	3	3,364.21	3,364.21
Reserves and surplus	4	1,551.16	1,280.22
		4,915.37	4,644.43
Non Current Liabilities			
Deferred tax liability (Net)	5	556.50	567.16
		556.50	567.16
Current Liabilities:			
Trade payables	6	479.49	534.34
Other current liabilities	7	763.70	350.51
		1,243.19	884.85
TOTAL		6,715.06	6,096.44
ASSETS:			
Non Current Assets			
Fixed Assets:			
Tangible Assets	8 (a)	3,718.95	3,345.47
Intangible Assets	8 (b)	8.62	-
Capital work in progress		347.42	27.81
Long Term Loans & Advances	9	129.57	272.26
		4,204.56	3,645.54
Current Assets:			
Current Investment	10	2,170.00	1,835.00
Inventories	11	47.32	48.56
Trade Receivable	12	226.77	446.32
Cash and Bank Balances	13	5.04	16.79
Short Term Loans and Advances	9	59.22	102.98
Assets held for Disposal		2.15	1.25
		2,510.50	2,450.90
TOTAL		6,715.06	6,096.44
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date For and on behalf of the Board of Directors of Bulk Cement Corporation (India) Limited,

For K.S. AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

JOYDEEP MUKHERJEE **SUNIL K. NAYAK**
Director Director

RAJESH S. JOSHI
Partner
Membership number 38526

BINITA KHORY
Company Secretary

Mumbai, January 27, 2014

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

Particulars	Note No.	2013 ₹ Lakhs	2012 ₹ Lakhs
INCOME:			
Sale of Services & Other Operating Income	14	1,750.51	1,518.05
Other Income	15	180.32	147.79
Total Revenue		1,930.83	1,665.84
EXPENSES:			
Employee benefits expense	16	128.18	120.09
Operating and Other Expenses	17	1,066.89	856.61
Depreciation		393.62	516.00
Depreciation of earlier years written Back		-	(74.92)
Total Expenses		1,588.69	1,417.78
Profit before tax		342.14	248.06
Tax Expenses :			
Current Tax		120.74	119.86
Less: MAT Set Off Availed		(38.88)	(60.70)
Net Current Tax		81.86	59.16
Deferred Tax		(10.66)	9.09
		71.20	68.25
Profit for the year		270.94	179.81
Earnings Per Equity Share (Face Value of ₹ 10 each)			
Basic and Diluted Earnings per Share (₹)	20	0.81	0.53
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date For and on behalf of the Board of Directors of Bulk Cement Corporation (India) Limited,

For K.S. AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

JOYDEEP MUKHERJEE **SUNIL K. NAYAK**
Director Director

RAJESH S. JOSHI
Partner
Membership number 38526

BINITA KHORY
Company Secretary

Mumbai, January 27, 2014

Cash flow Statement for the year ended December 31, 2013

	2013 ₹ Lakhs	2012 ₹ Lakhs
A. Cash Flow from Operating Activities		
1. Net Profit before tax	342.14	248.06
Adjustments For:		
Provision written back	(8.66)	(7.48)
Depreciation	393.62	516.00
Depreciation Written Back	-	(74.92)
Interest Received	(0.97)	(5.09)
Loss/ (Profit) on sale of assets	8.19	3.91
Loss/ (Profit) on sale of Investment	(179.35)	(142.70)
Operating profit before working capital changes	554.97	537.78
2. Trade Receivables	219.55	(283.56)
3. Inventories	1.24	3.96
4. Other receivables	250.34	(155.90)
5. Trade payables	367.00	312.54
Cash generated from Operations	1393.10	414.82
6. Direct Taxes refund/ (paid)	(145.75)	(46.89)
Net Cash from Operating Activities	1247.35	367.93
B. Cash Flow from Investing Activities		
7. Interest received	0.97	5.09
8. Purchase of Investments	(8450.00)	(7005.00)
9. Sale of Investments	8115.00	6680.00
10. Purchase of Fixed Assets & Increase in Capital work in Progress	(1105.10)	(197.91)
11. Sales of Fixed Assets	0.68	0.50
12. (Loss) / Profit on sale of Investment	179.35	142.70
Net Cash from Investing Activities	(1259.10)	(374.62)
Net increase / (decrease) in cash & cash equivalents	(11.75)	(6.69)
Opening Balance	16.79	23.48
Closing Balance	5.04	16.79

Notes:

- All figures in brackets are outflow
- Figures for the previous year have been regrouped / restated wherever necessary to make them comparable.
- Direct Taxes paid are treated as arising from Operating Activities and are not bifurcated between Investing and Financing Activities.
- Cash and Cash Equivalent is Cash and Bank Balances as per Balance Sheet.

As per our report of even date

For and on behalf of the Board of Directors of Bulk Cement Corporation (India) Limited,

FOR K.S. AIYAR & CO.

Chartered Accountants

Firm Registration No. 100186W

JOYDEEP MUKHERJEE

Director

SUNIL K. NAYAK

Director

RAJESH S. JOSHI

Partner

Membership No. 38526

BINITA KHORY

Company Secretary

Mumbai, January 27, 2014

Notes to the Financial Statements for the year ended December 31, 2013**1 CORPORATE INFORMATION**

Bulk Cement Corporation (India) Limited is a limited Company domiciled in India and incorporated under the provision of Companies Act. The Company is engaged in the handling of Bulk Cement. The Company caters only to the needs of the domestic market of the parent Company i.e. M/s ACC Limited.

2 SIGNIFICANT ACCOUNTING POLICIES:**A) Basis of accounting and use of estimates**

Financial statements are prepared under the historical cost convention, on accrual basis of accounting in accordance with the accounting principles generally accepted in India and in compliance with the provisions of Companies Act and comply with the accounting standards specified in Companies (Accounting Standard) Rules, 2006 prescribed by the Central government.

B) Revenue Recognition

Revenue arising from charges for Bulk handling of cement is recognized based on tonnage handled and Rebate on freight granted by the Railways is recognized based on tonnage of bulk cement despatched from the supplier to the Company's terminal at Kalamboli.

Interest and Dividend Income

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

C) Fixed Assets and Depreciation

(i) Fixed assets are stated at cost of acquisition or construction, including attributable interest and financial cost till such assets are ready for its intended use, less accumulated depreciation, impairment losses and specific grants received, if any.

(ii) Depreciation is provided in the accounts on the Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956, on a pro-rata basis. However, in respect of the Plant & Machinery- Elevator Belt, the depreciation is provided at higher rate (20.19%) in line with its estimated useful life.

D) Investments

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

E) Inventory

The Company does not carry any inventory of raw materials and there are no Stock of Traded Finished Goods at the end of the year. The stock of stores and spares is valued at cost -Weighted Average (Moving) and net realizable value whichever is less.

F) Employees Benefit

The Company operates through the employees on deputation from the parent company.

All the emoluments payable to these employees along with the related benefits are claimed by the parent company and are reimbursed. This is disclosed as Deputation Charges in the Statement of Profit & Loss.

G) Taxation

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

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

H) Impairment of Assets

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

I) Contingencies / Provisions

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

J) During the year the Company is engaged in only one business segment i.e. bulk handling of cement. Hence other segmental information as per Accounting Standard 17 is not required to be disclosed.

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**NOTE 3 : SHARE CAPITAL**

	2013 ₹ Lakhs	2012 ₹ Lakhs
AUTHORISED		
3,40,00,000 (Previous Year - 3,40,00,000) Equity Shares of ₹ 10 each	3,400.00	3,400.00
1,10,00,000 (Previous Year -1,10,00,000) Preference Shares of ₹ 10 each	1,100.00	1,100.00
TOTAL	4,500.00	4,500.00
ISSUED SUBSCRIBED AND FULLY PAID UP		
3,36,42,070 (Previous Year -3,36,42,070) Equity Shares of ₹ 10 each fully paid	3,364.21	3,364.21
TOTAL	3,364.21	3,364.21

(a) Details of shareholders holding more than 5% of the shares of the Company and shares held by holding Company

	2013		2012	
	Number of shares	% of Holding	Number of shares	% of Holding
(Shares held by the President of India, Development Commissioner of Cement Industries)	18,00,020	5.35	18,00,020	5.35
Shares Held by M/s ACC Ltd -Holding Company	3,18,42,050	94.65	3,18,42,050	94.65

(b) Reconciliation of No of Equity shares

	2013		2012	
	Number of shares	Amount ₹ Lakhs	Number of shares	Amount ₹ Lakhs
Equity shares at the beginning of the year	3,36,42,070	3,364.21	3,36,42,070	3,364.21
Shares Issued during the year	-	-	-	-
Equity shares at the end of the year	3,36,42,070	3,364.21	3,18,42,070	3,364.21

(c) Rights and restrictions attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

NOTE 4 : RESERVES AND SURPLUS

	2013 ₹ Lakhs	2012 ₹ Lakhs
Surplus in the statement of profit and loss :		
Balance as per last Financial statements	1,280.22	1,100.41
Add: Profit of the year	270.94	179.81
TOTAL	1,551.16	1,280.22

NOTE 5 : DEFERRED TAX LIABILITIES (NET) :

	2013 ₹ Lakhs	2012 ₹ Lakhs
Deferred Tax Liabilities arising on account of :		
Depreciation differences	556.50	567.16
TOTAL	556.50	567.16

NOTE 6 : TRADE PAYABLES

	2013 ₹ Lakhs	2012 ₹ Lakhs
Trade Payable Due to The Holding Company: ACC Limited ₹ 69.49 Lakhs (Previous year ₹ 84.58 Lakhs)	479.49	534.34
TOTAL	479.49	534.34

NOTE 6.1 - There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues.

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

NOTE 7 : OTHER CURRENT LIABILITIES

	2013 ₹ Lakhs	2012 ₹ Lakhs
Statutory Dues	9.91	7.45
Retention Deposit from Contractors/ Vendors	24.34	2.12
Liability For Capital Expenditure	505.06	229.15
Provision for Railway Claims	224.39	111.79
TOTAL	763.70	350.51

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**NOTE 8 (a) : TANGIBLE ASSETS**

₹ Lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01-01-2013	Additions/ Adjustments	Deletions	As at 31-12-2013	As at 01-01-2013	For The Year	On Deletion/ Disposals	Adjustments	As at 31-12-2013	As at 31-12-2013	As at 31-12-2012
Building	247.36	-	-	247.36	114.94	8.26	-	-	123.20	124.16	132.42
Building & Installation	0.68	-	-	0.68	0.09	0.07	-	-	0.16	0.52	0.59
Plant & Machinery	3,270.09	92.14	(157.27)	3,204.96	2,861.46	89.10	-	(154.70)	2,795.86	409.10	408.63
Roads, Bridges	173.56	-	-	173.56	39.35	2.83	-	-	42.18	131.38	134.21
Rails & Sidings	628.59	8.75	-	637.34	244.61	30.07	-	-	274.68	362.66	383.98
Wagon & Loco	3,944.29	661.55	-	4,605.84	1,880.07	231.88	-	-	2,111.95	2,493.89	2,064.22
Furniture & Fixtures	13.78	13.03	(6.76)	20.05	12.59	0.41	-	(6.76)	6.24	13.81	1.19
Office Equipments	11.90	-	-	11.90	3.47	0.52	-	-	3.99	7.91	8.43
Vehicles	7.62	-	-	7.62	1.03	0.73	-	-	1.76	5.86	6.59
Electrical Installation	596.72	-	(24.67)	572.05	391.52	28.34	-	(17.47)	402.39	169.66	205.21
TOTAL	8,894.59	775.47	(188.70)	9,481.36	5,549.13	392.21	-	(178.93)	5,762.41	3,718.95	3,345.47
Previous Year	8,726.92	280.11	(112.44)	8,894.59	5,214.85	516.00	(106.80)	(74.92)	5,549.13	3,345.47	3,512.07

Note: The terminal is on leasehold land of the Central Government in possession of the Company. It was sanctioned for the project by the Ministry of Industry, Government of India, vide letter No.DCCI/1-26/91-92 DT 27.09.93. Sublease granted by Central government to the company for 60 years on 12.12.2008 effective from 12.12.1991.

NOTE 8 (b) : INTANGIBLE ASSETS

₹ Lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01-01-2013	Additions/ Adjustments	Deletions	As at 31-12-2013	As at 01-01-2013	For The Year	On Deletion/ Disposals	Adjustments	As at 31-12-2013	As at 31-12-2013	As at 31-12-2012
Software for Process Control System	-	10.03	-	10.03	-	1.41	-	-	1.41	8.62	-
TOTAL	-	10.03	-	10.03	-	1.41	-	-	1.41	8.62	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-

NOTE 9 : LOANS & ADVANCES

	2013		2012	
	Non Current ₹ Lakhs	Current ₹ Lakhs	Non Current ₹ Lakhs	Current ₹ Lakhs
(Unsecured Considered Good)				
(a) Capital Advances	5.00	-	106.48	-
(b) Other Deposits	18.17	-	18.17	-
(c) Advances recoverable in cash or in kind or for value to be received	3.96	32.51	109.36	79.76
(d) Advance Tax Paid {Net of provision for Taxation, Amt ₹ 272.5 Lakhs : (Previous year ₹ 190.64 Lakhs)}	98.67	-	34.78	-
(e) Advance Fringe Benefit Tax {Net of provision for Taxation, Amt ₹ 1.95 Lakhs : (Previous year ₹ 1.95 Lakhs)}	0.01	-	0.01	-
(f) Balance with Excise, Customs and Port Trust Authorities on Current accounts	-	6.32	-	8.59
(g) Prepaid Expenses	3.76	20.39	3.46	14.63
TOTAL	129.57	59.22	272.26	102.98

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**NOTE 10 : CURRENT INVESTMENTS (Valued at Lower of Cost and Fair Value)**

	2013		2012	
	Amount ₹ Lakhs	No Of Units	Amount ₹ Lakhs	No Of Units
Investment in Mutual Funds - Fully paid-up (Unquoted)				
Unit of Face value ₹ 1000 each SBI SHF-Ultra short term debt fund -Regular Plan - (Growth Option)	-	-	800.00	54,298.90
Unit of Face value ₹ 1000 each UTI Treasury Advantage Fund - Institutional Plan (Growth Option)	-	-	1,035.00	66,828.44
Unit of Face value ₹ 1000 each DSP Black rock Money Manager Fund-Regular Plan-(Growth Option)	500.00	29,432.59	-	-
Unit of Face value ₹ 1000 each UTI Floating rate fund-STP-Regular plan- (Growth Option)	470.00	23,233.12	-	-
Unit of Face value ₹ 10 each DWS Cash Opportunities Fund-Regular Plan-(Growth Option)	1,200.00	71,97,524.05	-	-
TOTAL	2,170.00		1,835.00	
Aggregate amount of Unquoted Investments	2,170.00		1,835.00	

NOTE 11 : INVENTORIES (At Cost or Net Realisable value whichever is lower)

	2013 ₹ Lakhs	2012 ₹ Lakhs
Stores & Spare Parts	47.32	48.56
TOTAL	47.32	48.56

NOTE 12 : TRADE RECEIVABLE

	2013 ₹ Lakhs	2012 ₹ Lakhs
Others		
Unsecured Considered Good	226.77	446.32
Due from The Holding Company: ACC Limited ₹ 226.77 Lakhs; (Previous year ₹ 446.32 Lakhs), Maximum Outstanding Balance during the Period ₹ 522.44 Lakhs : (Previous year ₹ 504.94 Lakhs)		
TOTAL	226.77	446.32

NOTE 13 : CASH & BANK BALANCES

	2013 ₹ Lakhs	2012 ₹ Lakhs
Cash and Cash Equivalent		
Cash on Hand	0.06	0.12
Balances with Scheduled Banks in Current Accounts	4.98	16.67
TOTAL	5.04	16.79

NOTE 14 : REVENUE FROM OPERATIONS

	2013 ₹ Lakhs	2012 ₹ Lakhs
SALE OF SERVICES		
Bulk Handling Charges	1,310.06	1,146.52
Freight Rebate :		
Recovered from ACC limited	393.24	359.16
Received From Railways	35.65	-
	1,738.95	1,505.68
OTHER OPERATING REVENUE		
Miscellaneous Income	2.90	4.89
Provision no longer required written back	8.66	7.48
	11.56	12.37
REVENUE FROM OPERATIONS(NET)	1,750.51	1,518.05

NOTE 15 : OTHER INCOME

	2013 ₹ Lakhs	2012 ₹ Lakhs
Profit on sale of Current Investment	179.35	142.70
Interest on deposits	0.97	5.09
TOTAL	180.32	147.79

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**NOTE 16 : EMPLOYEE BENEFITS**

	2013 ₹ Lakhs	2012 ₹ Lakhs
Staff Welfare	0.06	-
Deputation Charges	128.12	120.09
TOTAL	128.18	120.09

NOTE 17 : OPERATING AND OTHER EXPENSES

	2013 ₹ Lakhs	2012 ₹ Lakhs
Power & Fuel	213.07	207.60
Plant Operating Charges	110.99	103.38
Rates & Taxes	133.94	56.22
Insurance	21.17	19.46
Consumption of Stores and Spares	125.11	119.06
Repairs and Maintenance - Plant	272.73	223.06
Repairs and Maintenance - Buildings	37.70	17.77
Repairs and Maintenance - Others	10.67	7.34
Communication	3.04	2.46
Travelling and Conveyance	2.31	4.66
Security Charges	57.36	47.04
Legal Services	22.97	17.63
Remuneration to Auditors		
Statutory Audit	2.25	2.25
Tax Audit	1.20	1.30
Other Services	2.50	2.50
Out-of-pocket expenses	0.31	0.26
Other Expenses	41.40	20.71
Loss on Fixed Assets scrapped/retired (Net)	8.19	3.91
TOTAL	1,066.89	856.61

NOTE 18 : RELATED PARTY DISCLOSURES**(I) Particulars of Related Parties:**

Name of the Related Party	Nature of Relationship
ACC Ltd.	Holding Company

(II) Key Management Personnel:

Name of the Related Party	Nature of Relationship
Mr. Ram Manohar Sowbhagya	Head BCCI

(III) Transactions with Related Parties during the year:

	Holding Company ACC Limited	
	2013 ₹ Lakhs	2012 ₹ Lakhs
a) Rendering of Services	1,310.06	1,146.52
b) Deputation Charges Paid	128.18	110.53
c) Purchase of Cement	23.79	-
d) Reimbursement of Freight Rebate	393.24	359.16
e) Outstanding balance included in Current assets	226.77	446.32
f) Outstanding balance included in Current liabilities	69.49	84.58
h) Reimbursement of expenses paid (Net of Reversal)		
Power Expenses	182.24	182.28
Others	17.60	4.95
i) Reimbursement of expenses received	3,064.05	3,566.24

NOTE 19 : Taxation

The Company has been recognizing in the financial statements the deferred tax assets/liabilities in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Central Government under the Companies (Accounting Standard) Rules 2006. During the year, the Company has Credited to the Statement of Profit & Loss a reversal of Deferred Tax Liability of ₹ 10.66 Lakhs (Previous Year ₹ 9.09 Lakhs was debited).

NOTE 20 : EARNINGS PER SHARE:

	2013	2012
Profit/(Loss) after taxation as per Statement of Profit and loss (₹ Lakhs)	270.92	179.81
Weighted average number of Equity shares outstanding (No)..	3,36,42,070	3,36,42,070
Basic earnings per Share (Weighted Average) in ₹ (Face value - ₹ 10 per share)	0.81	0.53

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

NOTE 21 : During the year, the company has made provision for wagons maintenance charges, on an estimated basis (as Railways have not raised any Claims for the period from January, 2013 to December, 2013) of ₹ 150.53 Lakhs (P.Y. ₹ 138.32 Lakhs for Jan 2012 to Dec 2012) for the 167 wagons (Both old & new) owned by the company. In addition, the company also made a provision of ₹ 10.76 Lakhs on the new 14 wagons purchased by the company during the year.

Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)**NOTE 22 : CONTINGENT LIABILITIES NOT PROVIDED FOR:**

Sr. No.	Particulars	2013 ₹ Lakhs	2012 ₹ Lakhs
1.	Claim by Railway for Maintenance Charges till 30th June 2009 for privately owned wagons by the Company	43.35	43.35
2.	Service Tax and Penalty	27.71	27.71
3.	Inadmissible Cenvat Credit availed on Railway Wagons	-	109.36
4.	Show Cause cum Demand notice disallowing Cenvat Availed on Cement Returned in Bulkers for Period April-07-Nov 08	37.48	37.48
5.	Order passed by Additional Commissioner of Income tax imposing penalty in a case relating to availment of cenvat credit on inputs at a rate higher than the rate at which the said inputs were cleared as such	9.40	-
6.	SCN issued by the Commissioner of Service tax reversing cenvat credit availed on input services in proportion to the ratio of cement cleared as such	75.00	-

NOTE 23 : The benefit of credit against the payment made towards Minimum Alternate Tax for the earlier years in accordance with the provision of Section 115JAA has been accounted for the nine months period ended on 31st December 2013 on a prorate basis.

NOTE 24 : Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) ₹ 82.12 Lakhs (Previous Year ₹ 483.04 Lakhs).

NOTE 25 : Other additional information pursuant to the provisions of paragraph 5 (viii)(c) of Schedule VI to the Companies Act, 1956 is either Nil or not applicable to the Company.

NOTE 26 : In the opinion of the Board of directors, any of the assets other than fixed assets and non-current investments do not have a value on realization in the ordinary course of business lower than at least equal to the amount at which they are stated.

NOTE 27 : Previous year's figures have been regrouped/ rearranged wherever necessary to make them comparable with the current year's figure.

As per our report of even date

FOR K.S. AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

RAJESH S. JOSHI
Partner
Membership No. 38526

Mumbai, January 27, 2014

For and on behalf of the Board of Directors of Bulk Cement Corporation (India) Limited,

JOYDEEP MUKHERJEE
Director

SUNIL K. NAYAK
Director

BINITA KHORY
Company Secretary