

## Directors' Report

TO THE MEMBERS OF  
NATIONAL LIMESTONE COMPANY PRIVATE LIMITED

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

### 1. FINANCIAL RESULTS

Particulars	2013 ₹	2012 ₹
Revenue from Operations (Net) and Other Income	137	11,30,534
Profit / (Loss) Before Tax	(17,57,878)	(19,44,433)
Provision for Taxation	—	—
Profit / (Loss) after Taxation	(17,57,878)	(19,44,433)
Balance brought forward from previous year	(36,37,317)	(16,92,884)
Balance carried forward to Balance Sheet	(53,95,195)	(36,37,317)

### 2. OPERATIONS

There was no production and despatches during the year 2013 on account of stoppage of mining activities. The total despatches for the previous year ended December 31, 2012 were 2767.22 MT.

The Company has incurred a loss after tax of ₹ 17,57,878 for the year ended December 31, 2013 as compared to a loss after tax of ₹ 19,44,433 for the year ended December 31, 2012.

### 3. DIVIDEND

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

### 4. INDUSTRIAL RELATIONS

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

### 5. DIRECTORS

Mr. Sankarsan Dasgupta, who was appointed as a Director of the Company with effect from November 17, 2007 resigned as Director with effect from July 19, 2013. The Board has placed on record its appreciation of the valuable services rendered by Mr. Dasgupta during his tenure as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956, Mr. Burjor D. Nariman and Mr. Umesh Pratap retire by rotation and are eligible for re-appointment.

### 6. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the Accounts for the year ended December 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent, so as to give a true and fair view of the state of the affairs of the Company as at December 31, 2013 and of the loss of the Company for the period ended on that date;
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

#### **7. AUDITORS**

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

#### **8. AUDIT COMMITTEE**

The Paid up Share Capital of the Company is less than Rupees Five Crores, and hence the Company is not required to constitute an Audit Committee under provisions of Section 292A of the Companies Act, 1956.

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

There was no technology absorption and no foreign exchange earnings or outgo during the year under review. Hence, the information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is NIL.

The Company has not entered into any technology transfer agreement.

#### **10. PARTICULARS OF EMPLOYEES**

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

#### **11. ACKNOWLEDGEMENT**

Your Directors take this opportunity to express their appreciation of the excellent co-operation received from the Government and Company's Bankers. Your Directors also acknowledge the unstinted assistance and support received from ACC Limited, the holding Company, and all its employees for their valuable contribution during the year.

For and on behalf of the Board

B. D. Nariman  
Chairman

Jaipur  
January 30, 2014

Registered Office:  
G-9/C Kabir Marg,  
Bani Park,  
Jaipur 302 016

## Independent Auditors' Report

### To the Members of National Limestone Company Private Limited

#### Report on the Financial Statements

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

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

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

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2013;

- ii. in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Emphasis of Matter

We draw attention to note 28 in the financial statements which indicates that the Company has incurred a loss of ₹ 17,57,878 for the year ended December 31, 2013 and, as of that date, the Company's current liabilities exceeded its total assets by ₹ 41,08,070. These indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

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

**For K. S. Aiyar & Co,**  
*Chartered Accountants*  
Registration No: 100186W

**Sachin A. Negandhi**  
*Partner*

Place: Mumbai  
Date: January 30, 2014

Membership No.: 112888

## Annexure to the Auditors' Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on December 31, 2013, of **National Limestone Company Private Limited**)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) No fixed assets are disposed off during the year.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) Based upon the audit procedures performed and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b) is not applicable.
- (vi) The Company has not accepted any deposits from the public to which the provisions of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 apply.
- (vii) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The rules made by the Central Government for maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 are not applicable to the Company.
- (ix) (a) According to the records of the Company, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues applicable to it have been regularly deposited during the year with the appropriate authorities.
- According to the information and explanations given to us, there are no undisputed dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Wealth-tax, Service tax, Sales-tax, Customs duty, Excise duty, Cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess which have not been deposited on account of any dispute.
- (x) The accumulated losses of the Company exceed 50% of its net worth. The Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the Company has not taken any money from financial institution, bank or debenture holders and hence clause 4(xi) is not applicable.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not raised any term loans during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis aggregating to ₹ 57,44,852 have been utilised for financing the cash losses.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures were issued during the year.
- (xx) The Company has not raised any money by way of public issue during the year. Therefore, the provision of clause (xx) of the order is not applicable to the Company.
- (xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.

**For K. S. Aiyar & Co,**  
Chartered Accountants  
Registration No: 100186W

**Sachin A. Negandhi**  
Partner  
Membership No.: 112888

Place: Mumbai  
Date: January 30, 2014

**Balance Sheet as at December 31, 2013**

	Note No.	As at December 31, 2013 ₹	As at December 31, 2012 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	8,65,000	8,65,000
Reserves and Surplus	4	(49,73,070)	(32,15,192)
		(41,08,070)	(23,50,192)
<b>Current liabilities</b>			
Short Term Borrowings	5	1,89,57,645	1,78,54,039
Other Current Liabilities	6	30,32,926	26,10,774
Short-Term Provisions	7	1,61,675	2,46,296
		2,21,52,246	2,07,11,109
<b>TOTAL</b>		<b>1,80,44,176</b>	<b>1,83,60,917</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets:			
Tangible Assets	8	5,98,521	6,24,141
Long-Term Loans and Advances	9	10,38,261	5,86,030
		16,36,782	12,10,171
<b>Current assets</b>			
Inventories	10	36,31,906	36,31,906
Trade Receivables	11	6,90,713	6,90,713
Cash and Bank balances	12	7,59,299	15,02,648
Short-Term Loans and Advances	13	1,13,22,613	1,13,22,616
Other Current Assets	14	2,863	2,863
		1,64,07,394	1,71,50,746
<b>TOTAL</b>		<b>1,80,44,176</b>	<b>1,83,60,917</b>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For and on behalf of the Board of  
National Lime Stone Company  
Private Limited,

**For K.S. Aiyar & Co.**  
Chartered Accountants  
Firm Registration No. 100186W

**B.D. NARIMAN**  
Chairman

**Rajiv Prasad**  
Director

**SACHIN A. NEGANDHI**  
Partner  
Membership No. 112888

**Umesh Pratap**  
Director

**K.M.Gupta**  
Director

Mumbai, January 30, 2014

**M G Damle**  
Director

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

	Note No.	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
Revenue from Operations (gross)	15	-	11,30,534
Other Income	16	137	-
<b>Total revenue</b>		<b>137</b>	<b>11,30,534</b>
<b>EXPENSES</b>			
Cost of material Consumed	17	-	-
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	18	-	10,04,791
Depreciation and amortization expense	8	25,620	26,884
Other expenses	19	17,32,395	20,43,292
<b>Total Expenses</b>		<b>17,58,015</b>	<b>30,74,967</b>
<b>Loss before Tax</b>		<b>(17,57,878)</b>	<b>(19,44,433)</b>
<b>Tax expenses</b>		-	-
<b>Loss for the year</b>		<b>(17,57,878)</b>	<b>(19,44,433)</b>
Earnings per equity share (Face value of ₹ 100 each) (Refer Note - 21)			
Basic	₹	(203.22)	(224.79)
Diluted	₹	(203.22)	(224.79)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For and on behalf of the Board of  
National Lime Stone Company  
Private Limited,

**For K.S. Aiyar & Co.**  
Chartered Accountants  
Firm Registration No. 100186W

**B.D. NARIMAN**  
Chairman

**Rajiv Prasad**  
Director

**SACHIN A. NEGANDHI**  
Partner  
Membership No. 112888

**Umesh Pratap**  
Director

**K.M.Gupta**  
Director

Mumbai, January 30, 2014

**M G Damle**  
Director

## Cash flow Statement for the year ended December 31, 2013

	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
A. Cash flow from operating activities		
1. Net Loss before taxation	(17,57,878)	(19,44,433)
Adjustments for:		
Depreciation	25,620	26,884
Interest Received	(137)	-
<b>Operating profit before working capital changes</b>	<b>(17,32,395)</b>	<b>(19,17,549)</b>
Movement in Working Capital		
2. Decrease/(Increase) in Sundry Debtors	-	3,02,733
3. Decrease/(Increase) in Inventories	-	10,04,791
4. Decrease/(Increase) in Other Current assets	-	-
5. Decrease/(Increase) in Loans & Advances	(4,52,230)	(4,33,680)
6. Increase/(Decrease) in Other Liabilities & Provisions	4,41,139	(5,79,034)
<b>Cash generated from operations</b>	<b>(17,43,486)</b>	<b>(16,22,739)</b>
7. Direct Taxes paid - (Net of Refunds)	-	-
<b>Net Cash from operating activities</b>	<b>(17,43,486)</b>	<b>(16,22,739)</b>
B. Cash flow from investing activities		
8. Interest Received	137	-
<b>Net Cash from investing activities</b>	<b>137</b>	<b>-</b>
c. Cash flow from financing activities		
9. Inter Corporate Deposits from Holding Company	10,00,000	10,00,000
<b>Net Cash Used in financing activities</b>	<b>10,00,000</b>	<b>10,00,000</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>(7,43,349)</b>	<b>(6,22,739)</b>
Cash & Cash equivalents at the beginning of the year	8,92,965	15,15,704
Cash & Cash equivalents at the end of the year	1,49,616	8,92,965

Refer Note no 12 for details of Cash &amp; Cash equivalents.

As per our report of even date

**For K.S. Aiyar & Co.**  
Chartered Accountants  
Firm Registration No. 100186W

**SACHIN A. NEGANDHI**  
Partner  
Membership No. 112888

Mumbai, January 30, 2014

For and on behalf of the Board of National Lime Stone Company Private Limited,

**B.D. NARIMAN**  
Chairman

**Umesh Pratap**  
Director

**M G Damle**  
Director

**Rajiv Prasad**  
Director

**K.M.Gupta**  
Director

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

### 1. CORPORATE INFORMATION

National Limestone Company Private Limited is wholly owned subsidiary of ACC Limited, Company domiciled in India and incorporated under the provision of Companies Act 1956. The Company is engaged in the extraction of limestone.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (A) Basis of preparation

- (i) The financial statements have been prepared in accordance with the accounting principles generally accepted in India and comply in all material aspects in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the Act) which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act 2013 (which has superseded section 211(3C) of the Companies Act 1956 w.e.f. 12 September 2013.
- (ii) Financial statements are based on historical cost and are prepared on accrual basis, except where impairment is made and revaluation is carried out.
- (iii) Accounting policies have been consistently applied by the Company.

#### (B) Use of estimates

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

#### (C) Revenue recognition

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

- (i) Sale of goods
 

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which is generally on dispatch of products and is stated net of returns.
- (ii) Interest
 

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

#### (D) Fixed assets

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

#### (E) Depreciation

All assets are depreciated on the straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956, on a pro-rata basis.

#### (F) Impairment

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

#### (G) Investments

Current Investments are stated at lower of cost or fair value. Long term Investments are stated at cost. Provision for diminution in value is made only if decline is other than temporary.

#### (H) Income taxes

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

#### (I) Contingencies / Provisions

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

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

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

**(J) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**(K) Segment Reporting**

The Company is operating only in one significant business segment i.e. Extraction and sale of lime stone; hence segment information as per Accounting Standard 17 is not required to be disclosed. The company is catering mainly to the need of the domestic market; as such there is no reportable Geographical Segments.

**(L) Inventories**

Inventories are valued after providing for obsolescence, as follows:

- (i) Raw Materials, Stores & Spare Parts, Packing Material and Fuels  
Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
- (ii) Work-in-progress and Finished goods  
Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

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

**(M) Current / Non Current**

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

**3. SHARE CAPITAL**

Particular	As at December 31, 2013 ₹	As at December 31, 2012 ₹
<b>AUTHORISED SHARES</b>		
50,000 (Previous Year: 50,000 ) equity shares of ₹ 100 each	50,00,000	50,00,000
<b>ISSUED</b>		
8,650 (Previous Year: 8,650 ) equity shares of ₹ 100 each	8,65,000	8,65,000
<b>SUBSCRIBED &amp; PAID-UP</b>		
8,650 (Previous Year: 8,650 ) equity shares of ₹ 100 each	8,65,000	8,65,000
<b>TOTAL</b>	8,65,000	8,65,000

**Notes :****(a) Reconciliation of number of equity shares**

	2013		2012	
	Number of shares	Amount ₹	Number of shares	Amount ₹
Equity Shares:				
Number of shares outstanding at the beginning of the year	8,650	8,65,000	8,650	8,65,000
Movement during the reporting period	-	-	-	-
Closing balance at the end of the reporting period	8,650	8,65,000	8,650	8,65,000

**(b) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having par value of ₹ 100/- each. All equity shares carry similar voting rights of 1:1 and similar dividend rights.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Equity shares held by holding company / ultimate holding and their subsidiaries**

	2013		2012	
	Number of shares	Amount ₹	Number of shares	Amount ₹
ACC Limited	8,650	8,65,000	8,650	8,65,000
	8,650	8,65,000	8,650	8,65,000

**(d) Details of shareholders holding more than 5% shares**

	2013		2012	
	Number of shares	Amount ₹	Number of shares	Amount ₹
ACC Limited	8,650	8,65,000	8,650	8,65,000
	8,650	8,65,000	8,650	8,65,000

**Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)****4. RESERVES AND SURPLUS**

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
<b>General Reserves</b>	4,22,125	4,22,125
<b>Surplus in the statement of Profit and Loss</b>		
Balance as per last Financial statements	(36,37,317)	(16,92,884)
Add: Profit / Loss for the year	(17,57,878)	(19,44,433)
	(53,95,195)	(36,37,317)
<b>TOTAL</b>	<b>(49,73,070)</b>	<b>(32,15,192)</b>

**5. SHORT-TERM BORROWINGS**

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
<b>Unsecured :</b>		
From Holding Company (payable on demand & Interest free):		
Inter corporate deposits	20,00,000	10,00,000
Others Advances	1,69,57,645	1,68,54,039
<b>TOTAL</b>	<b>1,89,57,645</b>	<b>1,78,54,039</b>

**8. FIXED ASSETS**

	GROSS BLOCK AT COST		TOTAL DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01-01-2013	As at 31-12-2013	As at 01-01-2013	For the year	As at 31-12-2013	As at 31-12-2013	As at 31-12-2012
<b>Tangible Assets :</b>							
1. Freehold Land	3,80,154	3,80,154	-	-	-	3,80,154	3,80,154
2. Leasehold Land	47,977	47,977	-	-	-	47,977	47,977
3. Factory Building	7,19,591	7,19,591	5,84,226	24,032	6,08,258	1,11,333	1,35,365
4. Tubewell	35,283	35,283	14,813	576	15,389	19,894	20,470
5. Office building	43,459	43,459	12,224	708	12,932	30,527	31,235
6. Plant & machinery	40,000	40,000	40,000	-	40,000	-	-
7. Weight Machine	57,161	57,161	57,161	-	57,161	-	-
8. Magazine/ Explosive Warehouse	18,554	18,554	9,614	304	9,918	8,636	8,940
<b>TOTAL</b>	<b>13,42,179</b>	<b>13,42,179</b>	<b>7,18,038</b>	<b>25,620</b>	<b>7,43,658</b>	<b>5,98,521</b>	<b>6,24,141</b>
Previous year	13,42,179	13,42,179	6,91,154	26,884	7,18,038	6,24,141	

**9. LONG-TERM LOANS AND ADVANCES**

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
<b>Security deposit</b>		
Deposit with Holding company- ACC Limited	50,000	50,000
<b>Other loans and advances</b>		
Advances Payment against taxes	9,88,261	5,36,030
<b>TOTAL</b>	<b>10,38,261</b>	<b>5,86,030</b>

**6. OTHER CURRENT LIABILITIES**

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Security Deposits	8,62,690	8,62,689
Other Payables	12,01,523	7,65,763
Advance from Customers	9,68,713	9,82,322
<b>TOTAL</b>	<b>30,32,926</b>	<b>26,10,774</b>

**7. SHORT-TERM PROVISIONS**

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Provision for Expenses	1,61,675	2,46,296
<b>TOTAL</b>	<b>1,61,675</b>	<b>2,46,296</b>

**10. INVENTORIES**

(At cost or net realisable value whichever is lower)

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Finished Goods :		
Limestone	11,377	11,377
Crushed Limestone	36,16,555	36,16,555
Explosives	3,974	3,974
<b>TOTAL</b>	<b>36,31,906</b>	<b>36,31,906</b>

**Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)****11. TRADE RECEIVABLES**

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good More than 6 months	6,90,713	6,90,713
<b>TOTAL</b>	<b>6,90,713</b>	<b>6,90,713</b>

**12. CASH AND BANK BALANCES**

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Cash and cash equivalents		
Balances with banks:		
On current accounts	1,49,616	8,92,965
	1,49,616	8,92,965
Other bank balances		
Fixed deposit ( receipts are in the custody of mining department as security towards mines )	6,09,683	6,09,683
	6,09,683	6,09,683
<b>TOTAL</b>	<b>7,59,299</b>	<b>15,02,648</b>

**13. SHORT-TERM LOAN AND ADVANCES**

Unsecured, considered Good, unless otherwise stated

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Security deposit		
Deposit with Mining department	1,04,25,437	1,04,25,437
Advances recoverable in cash or kind		
Unsecured considered good	8,97,176	8,97,179
<b>TOTAL</b>	<b>1,13,22,613</b>	<b>1,13,22,616</b>

**14. OTHER CURRENT ASSETS**

Unsecured, considered Good unless stated otherwise

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
Interest Accrued but not due	2,863	2,863
<b>TOTAL</b>	<b>2,863</b>	<b>2,863</b>

**15. REVENUE FROM OPERATIONS**

	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
Sale of Products :		
Finished goods- Sale of Crushed Limestone	-	11,20,063
Finished goods- Sale of Limestone	-	10,471
Revenue from operations (gross)	-	11,30,534
Less: Excise duty	-	-
<b>Revenue from operations (net)</b>	<b>-</b>	<b>11,30,534</b>

**16. OTHER INCOME**

	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
Interest on Bank deposits	137	-
<b>TOTAL</b>	<b>137</b>	<b>-</b>

**17. COST OF MATERIAL CONSUMED**

	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
Purchase of Crushed limestone	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**18. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS**

	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
<b>Inventories at the end of the year</b>		
Finished Goods	36,31,906	36,31,906
	36,31,906	36,31,906
<b>Inventories at the beginning of the year</b>		
Finished Goods	36,31,906	46,36,697
	36,31,906	46,36,697
<b>(Increase )/ Decrease</b>	<b>-</b>	<b>10,04,791</b>

**Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)****19. OTHER EXPENSE**

	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
Stores & spares consumed	-	4,490
Power & fuel	13,572	6,581
Royalties	8,71,931	8,02,413
Loading, transportation, Mines expenses & other charges	3,10,531	5,20,951
Travelling Expenses	24,354	2,91,028
Bank charges	224	1,801
Professional Charges	2,73,395	1,82,644
Legal Expenses	24,200	15,000
Stationary Expenses	6,283	30,973
Miscellaneous expenses	76,905	56,411
<b>TOTAL (A)</b>	<b>16,01,395</b>	<b>19,12,292</b>

**19.1 PAYMENT TO STATUTORY AUDITORS** (excluding service tax)

	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
As auditors		
Audit fees	50,000	50,000
Audit fees for tax financial statements	25,000	25,000
For other services	56,000	56,000
<b>TOTAL (B)</b>	<b>1,31,000</b>	<b>1,31,000</b>
<b>TOTAL (A + B)</b>	<b>17,32,395</b>	<b>20,43,292</b>

**20. RELATED PARTY DISCLOSURE**

Particulars of Related Parties, which control or are under common control with the Company:

Name of Related Party	Nature of Relationship
ACC Limited	Holding Company

## (a) Transaction with Related Party

Transaction with Holding company	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
(i) Sale to ACC Limited	-	10,995
(ii) Dead Rent / Land tax / F.B.T Paid on behalf of National Limestone Company Private Limited By ACC Limited	1,03,606	1,75,238
(iii) Inter Corporate Deposits Received	10,00,000	10,00,000

## (b) Closing Balances of Related Parties

	As at December 31, 2013 ₹	As at December 31, 2012 ₹
(i) Holding Co- ACC Limited		
Security Deposit with ACC Limited- Given	50,000	50,000
Other Payables	1,69,57,655	1,68,54,039
ICD taken	20,00,000	10,00,000

**21. EARNINGS PER SHARE-[EPS]**

Particulars	For the year ended December 31, 2013 ₹	For the year ended December 31, 2012 ₹
Profit /(Loss) after taxation as per Statement in Profit & Loss in Rupees	(17,57,878)	(19,44,433)
Weighted average number of Equity Shares outstanding	8,650	8,650
Basic earnings per share (weighted average) in Rupees ( Face Value – ₹ 100 per share)	(203.22)	(224.79)

(Basic and diluted earning per share are the same)

**Notes to the Financial Statements for the year ended December 31, 2013 (Contd.)****22. TAXATION**

No provision for current tax is made in view of the losses for the year. In view of carried forward losses, the company has deferred tax assets ; however, as a matter of prudence and in view of the absence of virtual certainty of future taxable income, the same has not been recognized in the financial statements.

23. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principle amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

24. The Company has no employees on its payroll during the year

25. Contingent Liability not provided for :

Demand for land tax

Year	2013		2012	
	For the year	Cumulative	For the year	Cumulative
Amount (in ₹)	38,50,000	1,92,50,000	38,50,000	1,54,00,000

26. The Company has filed a petition against the Order / Notices of Mining Authorities towards a demand of ₹ 99, 25,437 /- (*previous year ₹ 99,25,437/-*) as additional Royalty on Limestone extracted in earlier years which in view of Company is legally unsustainable and the Company does not expect any liability in this matter.

27. In February 2012, the Company has received a Demand Notice of ₹ 19.87 Crores from DMG Department, Kothputli, Rajasthan, for Limestone extracted in the period from 1962 to 1986 without payment of Royalty. In the opinion of the Management, this demand is not sustainable and the Company has filed an appeal with Additional Director of Mines, Department of Mines and Geology, Jaipur, Rajasthan, praying for cancellation of the same and hence no provision is made for the same.

28. The Company has accumulated losses at 31st December, 2013, and the net worth is negative. The Company has obtained support from ACC Limited (Holding Company) assuring continuous support to finance the operation of the company which is being turned around after acquisition. Hence the accounts are prepared on going concern basis.

29. Additional information pursuant to the provisions of paragraph 5(viii)(c) of schedule VI of The Companies Act, 1956 is either Nil or not applicable

30. Previous year figures are regrouped / restated wherever necessary to make them comparable with current year figures.

As per our report of even date

**For K.S. Aiyar & Co.**  
Chartered Accountants  
Firm Registration No. 100186W

**SACHIN A. NEGANDHI**  
Partner  
Membership No. 112888

Mumbai, January 30, 2014

For and on behalf of the Board of National Lime Stone Company Private Limited,

**B.D. NARIMAN**  
Chairman

**Umesh Pratap**  
Director

**M G Damle**  
Director

**Rajiv Prasad**  
Director

**K.M.Gupta**  
Director