

## Directors' Report

TO THE MEMBERS OF  
ACC MINERAL RESOURCES LIMITED

The Directors have pleasure in presenting the Eighty Fourth Annual Report, together with the Audited Financial Statements of the Company for the year ended December 31, 2012.

### 1. FINANCIAL RESULTS (STANDALONE)

Particulars	2012	2011
	₹	₹
Revenue from Operations (Net) and Other Income	-	-
Profit / (Loss) Before Depreciation, Interest and Tax	(471,189.00)	(463,589.00)
Profit / (Loss) Before Tax	(508,855.00)	(464,761.00)
Provision for Taxation/Tax for earlier years	1,971.00	-
Profit / (Loss) After Tax	(510,826.00)	(464,761.00)
Balance brought forward from previous year	153,108.00	617,869.00
Balance Carried to Balance Sheet	(357,718.00)	153,108.00

### 2. OPERATIONS

In the year 2009, the Company had entered into four Joint Venture Agreements with Madhya Pradesh State Mining Corporation Limited (MPSMC) for development and mining of four coal blocks allotted to MPSMC by the Government of India. Currently, various regulatory clearances are in process for the coal blocks. The Bicharpur Coal Block in Shahdol District is in an advanced stage of development. In a recent development, inspite of representation by the Chief Minister of Madhya Pradesh, the Semaria Piparia Coal Block has been de-allocated by the Ministry of Coal, Government of India, on January 15, 2013. The reasons cited include rejection of forest and environmental clearances by the Ministry of Environment and Forest, because of the proximity of the coal block to the National Tiger Reserve at Bandhavgarh. However, MPSMC has decided to file a writ petition in the Jabalpur High Court for relief in the matter, with the joint venture Company as co-petitioner.

The Company has no operating activity in the Coal Blocks except for the preliminary exploration activities carried out in two of the three unexplored coal blocks. The Company

has no trading activity or earnings from investments and therefore, there is no income, and the losses shown as above represent the administrative expenditure and amortization of expenses incurred for increasing the Authorised Capital of the Company.

### 3. DIVIDEND

Your Directors do not recommend any dividend for the financial year ended December 31, 2012.

### 4. INDUSTRIAL RELATIONS

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

### 5. DIRECTORS

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

### 6. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the Accounts for the year ended December 31, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) that such accounting policies as mentioned in Note 8 of the 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, 2012, and of the loss of the Company for the year ended on that date;
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Accounts for the year ended December 31, 2012 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 for the year 2013 and to authorize the Board of Directors to determine their remuneration.

**8. AUDIT COMMITTEE**

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

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

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

The Company has not entered into any technology transfer agreement

**10. PARTICULARS OF EMPLOYEES**

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Sec 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 Madhya Pradesh State Mining Corporation Limited and the Government of Madhya Pradesh. Your Directors also acknowledge the unstinting assistance and support received from ACC Limited, its holding Company, and all the employees for their valuable contribution during the year.

For and on behalf of the Board

Kuldip Kaura  
Chairman

Mumbai  
February 1, 2013

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

## **Auditors' Report** on the Consolidated Accounts of ACC Mineral Resources Limited

TO THE BOARD OF DIRECTORS,

- (1) We have audited the attached Consolidated Balance Sheet of ACC MINERAL RESOURCES LIMITED wherein is included its proportionate share in four joint venture companies, as at December 31, 2012, and also the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
  - (a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of the Company as at 31st December, 2012;
  - (b) The Consolidated Statement of Profit and Loss gives a true and fair view of the consolidated Loss of the Company for the year then ended; and
  - (c) The Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of the Company for the year then ended.
- (2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (3) We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 27 Financial Reporting of interests in Joint Venture Companies issued by the Central Government under Companies (Accounting Standards) Rules, 2006.
- (4) On the basis of the information and explanation given to us and on the consideration of the separate audit report on standalone financial statements of the Company and our audit of its four joint venture companies for the limited purpose of consolidation, we are of the opinion that:

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

**RAJESH S. JOSHI**  
*Partner*  
Membership No. 38526

Mumbai  
Date: February 01, 2013.

**Consolidated Balance Sheet as at December 31, 2012**

Particulars	Note No.	As at	As at
		December 31, 2012	December 31, 2011
		₹	₹
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	4,95,00,000	4,95,00,000
(b) Reserves and Surplus	2	(77,41,032)	(59,51,888)
<b>(2) Current Liabilities</b>			
(a) Short term borrowings from holding Company		10,49,17,000	6,00,00,000
(b) Other Current Liabilities	3	1,60,890	32,49,918
(c) Provision for Income Tax (Net)		-	1,000
<b>TOTAL</b>		<b>14,68,36,858</b>	<b>10,67,99,030</b>
<b>II ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Fixed Assets	4		
(i) Tangible assets		75,27,472	63,36,512
(ii) Intangible Assets under development		3,28,77,483	1,64,64,709
(b) Deferred Tax Assets (Net)		-	9,54,672
(c) Miscellaneous Expenditure (to the extent not written off less to be written off in next 12 months)	11	99,250	3,97,054
(d) Long term Loans & Advances			
- Capital Advances		13,230	-
- Security Deposit With MPPKVV CO LTD		14,06,300	-
<b>(2) Current Assets</b>			
(a) Cash and Bank Balances	5	10,84,275	16,34,609
(b) Short term loans & advances	6	10,20,80,641	8,06,33,129
(c) Other Current Assets	7	17,48,207	3,78,345
<b>TOTAL</b>		<b>14,68,36,858</b>	<b>10,67,99,030</b>
Refer Significant Accounting Policies & Other Explanatory information	8		

The notes referred to above form an integral part of the Consolidated Balance Sheet

As per our report of even date For and on behalf of the Board of ACC Mineral Resources Limited,

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

**BURJOR D. NARIMAN**  
Director

**SUNIL NAYAK**  
Director

**RAJESH S. JOSHI**  
Partner  
Membership No. 038526

**DINESH KUMAR SONTHALIA**  
Company Secretary

Mumbai, February 01, 2013

**Consolidated Statement of Profit & Loss for the year ended December 31, 2012**

Particulars	Note No.	For the	For the
		year ended December 31, 2012	year ended December 31, 2011
		₹	₹
<b>I Revenue from Operations</b>		-	-
<b>II Other Income</b>		51,643	69,747
<b>III Total Revenue</b>		<b>51,643</b>	<b>69,747</b>
<b>IV Expenses</b>			
Depreciation and Amortization Expenses	4	65,464	22,021
Other Expenses			
- Rent		91,140	98,490
- Rates & Taxes		4,900	4,900
- Audit Fees		2,13,796	2,05,994
- Bank Charges		6,805	1,369
- Consultancy Charges		83,440	62,318
- Printing & Stationary		-	1,395
- Travelling & Conveyance		10,832	43,687
- General Charges & CSR		1,09,963	61,869
- Miscellaneous Expenditure Written off	11	2,97,804	2,97,804
<b>Total Expenses</b>		<b>8,84,144</b>	<b>7,99,847</b>
<b>V Loss before Tax</b>		<b>(8,32,501)</b>	<b>(7,30,100)</b>
<b>VI Tax Expenses</b>			
- Tax for earlier years		1,971	-
- Deferred Tax		9,54,672	7,42,524
<b>VII Loss for the year</b>		<b>(17,89,144)</b>	<b>(14,72,624)</b>
<b>VIII Earning per Share</b>	14	(3.61)	(2.97)
Refer Significant Accounting Policies & Other Explanatory information	8		

The notes referred to above form an integral part of the Consolidated Statement of Profit & Loss

As per our report of even date For and on behalf of the Board of ACC Mineral Resources Limited,

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

**BURJOR D. NARIMAN**  
Director

**SUNIL NAYAK**  
Director

**RAJESH S. JOSHI**  
Partner  
Membership No. 038526

**DINESH KUMAR SONTHALIA**  
Company Secretary

Mumbai, February 01, 2013

**Consolidated Cash Flow Statement for the year ended December 31, 2012**

	For the year ended December 31, 2012	For the year ended December 31, 2011
	₹	₹
A. Cash flow from operating activities		
1 Net Loss before tax	(8,32,501)	(7,30,100)
Adjustments for :		
2 Depreciation	65,464	22,021
3 Interest and Dividend Income	(51,643)	(69,747)
<b>Operating profit before working capital changes</b>	<b>(8,18,680)</b>	<b>(7,77,826)</b>
Adjustments for :		
4 Other receivables	(2,42,36,904)	(2,47,69,708)
5 Trade payables	(30,90,028)	2,29,752
6 Miscellaneous Expenditure	2,97,804	2,97,804
Cash generated from operations	(2,78,47,808)	(2,50,19,978)
7 Direct Taxes - (net)	(1,971)	-
<b>Net Cash flow from operating activities</b>	<b>(2,78,49,779)</b>	<b>(2,50,19,978)</b>
B. Cash flow from investing activities		
8 Purchase of Fixed Assets	(1,76,69,198)	(53,53,325)
9 Interest and Dividend received	51,643	69,747
<b>Net cash used in investing activities</b>	<b>(1,76,17,555)</b>	<b>(52,83,578)</b>
C. Cash flow from financing activities		
10 Proceeds from Short term Borrowings	4,49,17,000	2,88,50,000
<b>Net cash used in financing activities</b>	<b>4,49,17,000</b>	<b>2,88,50,000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(5,50,334)</b>	<b>(14,53,556)</b>
Cash and cash equivalents		
- Opening Balance	16,34,609	30,88,165
- Closing Balance	10,84,275	16,34,609

Notes :

- 1 All figures in brackets are outflow
- 2 Previous Period's figures are regrouped / rearranged wherever necessary.
- 3 Cash and Cash Equivalents is Cash and Bank Balance as per Balance Sheet.

As per our report of even date

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

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

**BURJOR D. NARIMAN**  
Director

**SUNIL NAYAK**  
Director

**RAJESH S. JOSHI**  
Partner  
Membership No. 038526

**DINESH KUMAR SONTHALIA**  
Company Secretary

Mumbai, February 01, 2013

**Notes Forming Part of Consolidated Financial Statements**

<b>NOTE 1: SHARE CAPITAL:</b>	As at 31-12-2012	As at 31-12-2011
	₹	₹
<b>(a) Shares authorized:</b>		
20,00,000 Equity Shares of ₹ 100/- each (Prev. Year 20,00,000 Equity shares of ₹ 100/- each)	20,00,00,000	20,00,00,000
<b>(b) Shares issued, subscribed and fully paid:</b>		
4,95,000 Equity Shares of ₹ 100/- each (Prev. Year 4,95,000 Equity shares of ₹ 100/- each) (All the Shares are held by ACC Limited, the Holding Company and its nominees)	4,95,00,000	4,95,00,000
	4,95,00,000	4,95,00,000

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

	Numbers	As at 31-12-2012	Numbers	As at 31-12-2011
		₹		₹
At the beginning of the period	4,95,000	4,95,00,000	4,95,000	4,95,00,000
At the end of the period	4,95,000	4,95,00,000	4,95,000	4,95,00,000

**(d) The rights, preferences and restrictions including restrictions on the distribution of dividends and the repayment of Capital.**

The Company is having only one class of shares i.e Equity carrying a nominal value of ₹ 100/- per share. Every holder of the equity share of the Company is entitled to one vote per share held

In case the company declares any dividend, the equity shareholders will be entitled to receive the dividend in proportion of the number of shares held by each equity shareholder, after all preferential payments.

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

**(e) Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held.**

Particulars	31-12-2012		31-12-2011	
	Numbers	% held	Numbers	% held
ACC Limited	4,95,000	100%	4,95,000	100%
	4,95,000	100%	4,95,000	100%

<b>NOTE 2: RESERVES &amp; SURPLUS</b>	AMRL	Joint Venture Total	Total	
	As at 31-12-2012	As at 31-12-2012	As at 31-12-2012	As at 31-12-2011
	₹	₹	₹	₹
<b>Surplus in the statement of Profit and Loss</b>				
Balance as per last accounts	1,53,108	(61,04,996)	(59,51,888)	(44,79,264)
Profit / (Loss) for the year	(5,10,826)	(12,78,318)	(17,89,144)	(14,72,624)
<b>TOTAL</b>	(3,57,718)	(73,83,314)	(77,41,032)	(59,51,888)

<b>NOTE 3: OTHER CURRENT LIABILITIES</b>	AMRL	Joint Venture Total	Total	
	As at 31-12-2012	As at 31-12-2012	As at 31-12-2012	As at 31-12-2011
	₹	₹	₹	₹
(a) Audit Fees Payable	1,18,842	-	1,18,842	66,583
(b) Payable to Others	1,000	41,048	42,048	31,83,335
<b>TOTAL</b>	1,19,842	41,048	1,60,890	32,49,918

Notes forming part of Consolidated Financial Statements (contd.)

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NOTE 4: FIXED ASSETS	Gross Block			Depreciation / Amortisation			Net Block	
	As at 1-1-2012	Additions during the Year	As at 31-12-2012	As at 1-1-2012	Provided during the Year	As at 31-12-2012	As at 31-12-2012	As at 31-12-2011
<b>TANGIBLE ASSETS</b>								
Furniture, Fixtures & Equipments	49,540	5,05,196	5,54,736	1,172	29,581	30,753	5,23,983	48,368
Land	61,18,408	6,48,554	67,66,962	-	-	-	67,66,962	61,18,408
Digital Camera	6,272	-	6,272	776	443	1,219	5,053	5,497
Gps- Oregon	-	48,000	48,000	-	2,029	2,029	45,971	-
Printer	1,84,756	-	1,84,756	20,517	29,947	50,465	1,34,291	1,64,239
Vehicle	-	54,676	54,676	-	3,464	3,464	51,212	-
<b>TOTAL</b>	<b>63,58,976</b>	<b>12,56,426</b>	<b>76,15,402</b>	<b>22,465</b>	<b>65,464</b>	<b>87,930</b>	<b>75,27,472</b>	<b>63,36,512</b>
Previous Year	26,59,699	36,99,277	63,58,976	443	22,021	22,464	63,36,512	
<b>Intangible assets under development</b>								
Mineral rights							99,96,000	99,96,000
Mine development expenses							2,28,81,483	64,68,709
<b>TOTAL</b>							<b>3,28,77,483</b>	<b>1,64,64,709</b>
<b>GRAND TOTAL</b>							<b>4,04,04,955</b>	<b>2,28,01,221</b>

NOTE 5: CASH & BANK BALANCES	AMRL	Joint Venture Total	Total	As at 31-12-2011
	As at 31-12-2012	As at 31-12-2012	As at 31-12-2012	
	₹	₹	₹	₹
Cash & Cash Equivalent				
Cash in hand	1,145	-	1,145	8,282
Bank Balance - Current Account & TDR	5,37,687	5,45,443	10,83,130	16,26,327
<b>TOTAL</b>	<b>5,38,832</b>	<b>5,45,443</b>	<b>10,84,275</b>	<b>16,34,609</b>

NOTE 6: SHORT TERM LOANS & ADVANCES	AMRL	Joint Venture Total	Total	As at 31-12-2011
	As at 31-12-2012	As at 31-12-2012	As at 31-12-2012	
	₹	₹	₹	₹
Advances for Exploration	7,09,82,092	-	7,09,82,092	6,90,82,559
Advances to JV Companies	3,10,98,549	-	3,10,98,549	1,15,50,570
<b>TOTAL</b>	<b>10,20,80,641</b>	<b>-</b>	<b>10,20,80,641</b>	<b>8,06,33,129</b>

Note 7: Other Current Assets	AMRL	Joint Venture Total	Total	As at 31-12-2011
	As at 31-12-2012	As at 31-12-2012	As at 31-12-2012	
	₹	₹	₹	₹
Advances to others	10,47,674	3,21,630	13,69,304	-
Accrued Interest	-	69,279	69,279	58,532
TDS Receivable	-	10,470	10,470	22,009
Security Deposit -BSNL	1,350	-	1,350	-
Miscellaneous exp. to be written off over next 12 months	2,97,804	-	2,97,804	2,97,804
<b>TOTAL</b>	<b>13,46,828</b>	<b>4,01,379</b>	<b>17,48,207</b>	<b>3,78,345</b>

**Notes forming part of Consolidated Financial Statements (contd.)**

**NOTE 8: SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED DECEMBER 31, 2012**

**(I) Basis of preparation**

- (i) The Consolidated financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting in accordance with the accounting principles generally accepted in India and in compliance with provisions of the Companies Act, 1956 and comply with the mandatory Accounting Standards (AS) specified in the Companies (Accounting Standard) Rules, 2006, prescribed by the Central Government.
- (ii) The interest in Joint ventures have been accounted by using the proportionate consolidation method in accordance with Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint ventures" notified by Companies (Accounting Standards) Rules, 2006 (as amended).
- (iii) Financial statements are based on historical cost except where impairment is made and or revaluation is carried out.
- (iv) Accounting policies have been consistently applied by the Company except as stated otherwise.

**(II) Use of estimates**

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

**(III) Significant Accounting Policies**

**A) Fixed Assets**

- (i) Tangible fixed assets are stated at the cost of acquisition less depreciation.
- (ii) Mine Development Expenses has been recognized as intangible assets under development and includes expenses on account of prospecting, expenses for regulatory clearances, exploration and evaluation of coal mines etc. These expenses are carried forward and will be capitalized once the mine starts the commercial production.

**B) Depreciation/Amortization**

Depreciation on tangible fixed assets is provided on straight line method at the rates prescribed in schedule XIV of the Companies Act, 1956 on a pro-rata basis. The intangible fixed assets i.e. mineral rights of coal, exploration and evaluation asset etc. is to be amortized on the basis of extraction of coal in proportion to the available mineable reserves of coal.

**C) Revenue recognition**

**Dividend and Interest income**

Dividend income is recognised when the right to receive such dividend is established.

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

**D) Investments**

Current investments are carried at lower of cost and fair market value. Long term investments are carried at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in nature.

**E) Foreign currency transactions**

Foreign currency transactions are initially recorded at the rates of exchange prevailing on the date of transactions. Foreign currency monetary items are subsequently reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

**F) Income taxes**

Tax expense comprises of current and deferred tax. The deferred tax charge or credit is recognized using current tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of assets.

Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets/liabilities are reviewed as at each balance sheet date.

**G) Contingencies/Provisions**

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

**H) Segment Reporting**

The company operates in one business segment i.e. Development and operation of coal mines. This business segment is regarded as the primary segment. As the company has not yet started its commercial activities, there are no reportable geographical segments.

**NOTE 9: CORPORATE INFORMATION**

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

**NOTE 10: TAXATION**

No provision for current tax is made as at December 31, 2012 in absence of any taxable income. However the income tax liability, if any of the Company, would be determined on the basis of its results for the financial year ending as on March 31, 2013. Upon reassessment of the future projections, the deferred tax asset created earlier in respect of preliminary expenditure has been totally reversed during the year amounting to ₹ 9,54,672/-.



**Notes forming part of Consolidated Financial Statements. (contd.)**

**NOTE 11: MISCELLANEOUS EXPENDITURE**

Expenses incurred in connection with increase in Authorised Share capital amounting to ₹ 14,89,000/- is being amortized over a period of 60 months commencing from May 2009.

**NOTE 12:** Short term borrowings from holding Company of ₹ 10,49,17,000/- (Previous Year ₹ 6,00,00,000/-) are unsecured and interest free. The terms of repayment thereof are not stipulated.

**NOTE 13: RELATED PARTY DISCLOSURE**

**(A) Particulars of Holding/ Joint Venture Companies**

Name of Related Party	Nature of Relationship
ACC Limited	Holding Company
MP AMRL (Semaria) Coal Company Limited	Joint Venture Company (49% interest in Equity is held by AMRL)
MP AMRL (Bicharpur) Coal Company Limited	Joint Venture Company (49% interest in Equity is held by AMRL)
MP AMRL (Marki Barka) Coal Company Limited	Joint Venture Company (49% interest in Equity is held by AMRL)
MP AMRL (Morga) Coal Company Limited	Joint Venture Company (49% interest in Equity is held by AMRL)

**(B) Transactions with Holding Company**

Particulars	For the year ended December 31, 2012	For the year ended December 31, 2011
	₹	₹
1 Inter Corporate Deposits Received During The Year	4,49,17,000	2,88,50,000
2 Inter Corporate Deposits as at the end of the year	10,49,17,000	6,00,00,000

**(C) Transactions with Joint Venture Companies**

Particulars	For the year ended December 31, 2012	For the year ended December 31, 2011
	₹	₹
<b>1 MP AMRL (Semaria) Coal Company Ltd.</b>		
-Advance given during the year	17,19,540	16,48,426
-Balance of Advance given at the end of the year	1,74,34,970	1,57,15,430
<b>2 MP AMRL (Bicharpur) Coal Company Ltd.</b>		
-Advance given during the year	1,35,40,707	71,84,823
-Advance Repaid during the year	-	12,947
-Balance of Advance given at the end of the year	2,04,73,453	69,32,746
<b>3 MP AMRL (Marki Barka) Coal Company Ltd.</b>		
-Advance given during the year	2,30,69,125	1,88,960
-Advance Repaid during the year	-	1,88,960
-Balance of Advance given at the end of the year	2,30,69,125	-
<b>4 MP AMRL (Morga) Coal Company Ltd.</b>		
-Advance given during the year	4,63,644	16,006
-Advance Repaid during the year	4,63,644	16,006

**Notes forming part of Consolidated Financial Statements. (contd.)**

**NOTE 14: EARNINGS PER SHARE - [EPS]**

Particulars	For the year ended December 31, 2012	For the year ended December 31, 2011
	₹	₹
Loss after tax as per Statement of Profit and Loss	(17,89,144)	(14,72,624)
Weighted average number of Equity shares outstanding	4,95,000	4,95,000
Basic earnings per Share (Weighted Average) in ₹ (face value - ₹ 100 per share)	(3.61)	(2.97)

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

**NOTE 15:** Advances for exploration include ₹ 7,09,82,092/- for carrying out the exploration activity of its Coal Blocks. The same shall be allocated to respective Coal Block's Joint Venture Company once the activity is complete and Geological Report and Detailed Project Report is prepared.

**NOTE 16:** The aggregate amounts of assets, liabilities, income and expenses related to the Company's interest in the four joint ventures companies are as under:

a. Assets	:	₹ 4,21,36,734/-
b. Liabilities	:	₹ 4,21,36,734/-
c. Income	:	₹ 51,643/-
d. Expenses	:	₹ 3,75,290/-

**NOTE 17:** The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 1,67,73,721/-.

**NOTE 18:** Till the year ended December 31, 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended December 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification. It significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

As per our report of even date

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

**RAJESH S. JOSHI**  
Partner  
Membership No. 038526

Mumbai, February 01, 2013

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

**BURJOR D. NARIMAN**  
Director

**SUNIL NAYAK**  
Director

**DINESH KUMAR SONTHALIA**  
Company Secretary