



GUJARAT NRE COKE LIMITED

ABRIDGED ANNUAL REPORT 2012-13



**When everything seems to be going against you,
Remember that the airplane takes off against the wind, not with it**

Corporate Information

BOARD OF DIRECTORS

(As on 11th August, 2013)

Mr. Girdharilal Jagatramka	<i>Chairman Emeritus</i>
Mr. Arun Kumar Jagatramka	<i>Chairman & Managing Director</i>
Mrs. Mona Jagatramka	<i>Director</i>
Mr. Subodh Kumar Agrawal	<i>Director</i>
Mr. Chinubhai R Shah	<i>Director</i>
Dr. Basudeb Sen	<i>Director</i>
Dr. Mahendra Kumar Loyalka	<i>Director</i>
Mr. Murari Sananguly	<i>Director</i>
Mr. C. Narasimhan	<i>Nominee Director</i>
	<i>(w.e.f 8th August, 2013)</i>

CHIEF FINANCIAL OFFICER

Mr. P. R. Kannan

CHIEF COMMERCIAL OFFICER

Mr. Pawan Kumar Agrawal

CHIEF OPERATING OFFICER

Mr. Sunil Kumar Maskara

COMPANY SECRETARY

Mr. Manoj K Shah

AUDITORS

M/s. N. C. Banerjee & Co.
Chartered Accountants,
2, Ganesh Chandra Avenue,
Room No. 9, 1st Floor,
Kolkata - 700 013

SOLICITORS & ADVOCATES

M/s. L. P. Tiwari & Co.
Emerald House, 4th Floor,
1B, Old Post Office Street,
Kolkata - 700 001

BANKERS

State Bank of India
Bank of Baroda
State Bank of Hyderabad
Standard Chartered Bank
Axis Bank Ltd.
ICICI Bank Ltd.
Tamilnad Mercantile Bank Ltd.
DBS Bank Ltd.

REGISTERED OFFICE

22, Camac Street,
Block - C, 5th Floor,
Kolkata - 700016, India
Phone : +91-33-22891471
Fax : +91-33-22891470
Email : info@gujaratnre.com
Website : www.gujaratnre.com

WORKS

COKE

- 1) Village Dharampur, Khambhalia, Jamnagar, Gujarat, India
- 2) Village Lunva, Bhachau, Kutch, Gujarat, India
- 3) Road No. 16, 1st Cross, KIADB, Belur Industrial Area, Dharwad, Karnataka, India

STEEL

Village Lunva, Bhachau,
Kutch, Gujarat, India

REGISTRAR & SHARE TRANSFER AGENT

M/s. Niche Technologies (P) Ltd.
D-511, Bagri Market, 5th Floor,
71, B. R. B. Basu Road, Kolkata - 700 001
Phone : +91-33-2235-7270 / 7271
Fax : +91-33-2215-6823

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" allowing paperless compliances by Companies and has issued circulars stating that service of notice/documents/annual reports can be sent by email to the members. To support this initiative in full measure, members who have not registered their email address so far, are requested to register their email address, in respect of electronic holdings with their concerned Depository Participants immediately. Members who hold shares in physical segment are also requested to immediately register their email address with Registrar & Share Transfer Agent of the Company.

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Notice

TO THE SHAREHOLDERS,

Notice is hereby given that the Twenty-sixth Annual General Meeting of the Shareholders (including Shareholders holding "B" Equity Shares) of **GUJARAT NRE COKE LIMITED** will be held on **Monday, the 30th day of September, 2013 at 10 am at Kalamandir, 48, Shakespeare Sarani, Kolkata 700 017** to transact the following business :

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March' 2013 and the Audited Statement of Profit & Loss for the financial year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mrs Mona Jagatramka, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr Subodh Kumar Agrawal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration. In this connection, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. N. C. Banerjee & Co., Chartered Accountants, (Registration No. 302081E) be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, to conduct the audit for the financial year 2013-14 at such remuneration as may be determined by the Board of Directors in consultation with the Auditors."

Special Business :

5. To consider and if thought fit, to pass, with or without modification, the following resolution(s) which will be considered as Special Resolution(s).

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), provisions of the Memorandum and Articles of Association of the Company, and subject to rules/regulations/guidelines issued by the Securities & Exchange Board of India (hereinafter referred to as "SEBI"), the Stock Exchange(s) where the shares of the Company are listed (including provisions of the listing agreement with them), or any other appropriate/statutory authority and also subject to such approvals, permissions, sanctions and directions as may be necessary and required from the Government of India, the Reserve Bank of India (hereinafter referred to as "RBI"), and all other appropriate authorities and institutions, rules, regulations, guidelines and contracts for the time being in force, and subject further to such other terms, conditions, stipulations, alterations, amendments, modifications or variations, the consent and approval of the members of the Company be and is hereby accorded to the Board of Directors, (hereinafter referred to as "the Board", which term shall be deemed to include any Committee of Directors for the time being authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this resolution), to offer, issue and allot in one or more tranches, on private placement and/or preferential basis,

Convertible Warrants not exceeding 56,00,000 warrants to Non Promoter entity(ies) with each warrant carrying an option/entitlement to subscribe to one number of Equity Share of Rs. 10/- each of the Company, in exchange of each such warrant on a future date i.e entitlement to subscribe to a maximum of 56,00,000 Equity Shares of Rs.10/- each (in aggregate), within a period not exceeding 18 (eighteen) months from the date of issue of such warrants, to the following entity(ies), as specified against each of their name(s) :

Sr. No.	Name of the Proposed Allottee	Category	Maximum Number of Warrants to be allotted
1	Bennett Coleman & Co Ltd	Non-Promoter	56,00,000

"RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid warrants to Non - Promoters and the Equity Shares resulting from the exercise of the entitlement of the warrant holders to subscribe to the Equity Shares shall be made at such time(s) as the Board may in its absolute discretion decide, subject however, to applicable guidelines, notifications, rules and regulations and the terms and conditions given herein below:

- a) The price including premium if any, on the equity share to be allotted on exchange/ surrender of the said warrant to the Non Promoter shall not be lower than the minimum price specified as per SEBI Regulations for Preferential Issues [Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009], considering 30 days prior to the date of Annual General Meeting as the Relevant Date as may be decided by the Board of Directors. The Relevant Date for determining the price of the Equity Shares to be allotted on exchange/ surrender of the said warrant, shall be the date which is 30 days prior to the date of Annual General Meeting i.e 30 days prior to 30.9.2013 be considered.
- b) Each of the said Warrant shall have face value of such sum that will be equivalent to the 25% of the price of the equity share to be issued in exchange/surrender of such warrant in terms of this resolution and SEBI Regulations for Preferential Issues [Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009] and will be paid as up-front at the time of allotment of warrants.
- c) Each of the said warrant shall carry a right, entitling its registered owner to apply for his option and seek allotment of one Equity share of Rs.10/- each upon exchange/surrender of the said warrant to the Company along with balance 75 % of the issue price of the Equity Share.
- d) Against each of the said warrant, the registered owner of the warrant shall be entitled to apply for at his option, and seek allotment of one Equity share in the manner aforesaid, within the period not exceeding 18 months from the date of issue of the said warrants. The Board of Directors of the Company at its discretion shall decide the time within which the application for equity share against exchange/surrender of the said warrant shall be made subject to the aforesaid time limit.
- e) In case the warrant holder do not apply for the shares of the Company against exchange/surrender of the said warrant as aforesaid within the time that may be fixed by

Notice (contd.)

the Board of Directors in this regard, then the amount paid up on each of the said warrant shall be forfeited and all the rights attached to the said warrant shall lapse automatically.

- f) Upon exchange/surrender of each of the said warrant, the amount paid up thereon shall be credited, adjusted and applied towards share application money, for which the holder of the warrant is entitled to apply.
- g) The Equity Shares to be offered, issued and allotted as aforesaid against exchange/surrender of the said warrant upon exercise of the option by the warrant holder, shall be subject to the provisions of the Memorandum and Articles of Association of the Company and on allotment, such Equity Shares shall in all respects rank pari-passu with the existing Equity Shares of the Company.
- h) Each of the said warrants and the Equity Shares to be offered, issued and allotted as aforesaid, upon exchange/surrender of the said warrants by the holder thereof, as also the entire pre-preferential Equity Shares held, if any, by the proposed allottees, shall be subject to lock in for such period as may be prescribed under the SEBI Regulations for Preferential Issues.
- i) The warrant by itself shall not give to the holder thereof any rights enjoyed by the shareholders of the Company.
- j) The option attached to each of the said warrants shall be independent of each other.
- k) In case the Equity Shares of the Company are either subdivided or consolidated before issue of the aforesaid warrants, or upon exercise of option by the holders of the said warrants, then the face value, the number of Equity Shares to be acquired upon exercise of the option attached to the said warrants and the price of acquisition of the said Equity Shares by the holders of the warrants, shall automatically stand augmented/reduced in the same proportion, as the present value of the Equity Shares of Rs.10/- each of the Company bears to the newly sub-divided or consolidated Equity Shares, without affecting any right or obligation of the said warrant holders."

"RESOLVED FURTHER THAT subject to the applicable statutory provisions, guidelines, notifications, rules and regulations, the Board of Directors be and is hereby authorized to decide, modify, alter and amend the terms of issue, offer and allotment of the aforesaid warrants and the Equity Shares resulting from the exercise of the option of each of the said warrant by its holder; PROVIDED THAT the Equity Shares resulting from the exercise of the option of each of the said warrant under this resolution shall be fully paid-up at the time of their allotment."

"RESOLVED FURTHER THAT to give effect to the aforesaid resolutions, the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any Director or any other officer(s) of the Company and for the purpose of giving effect to this resolution, the Board acting on its own or through a Committee of Directors or any other person duly authorized in this regard by the Board/Committee, be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any or all questions/matters arising with respect to the offer, issue and allotment (including deciding the terms and conditions for the same), utilization of the proceeds of the issue of the

warrants/shares, execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to the aforesaid resolution, take such further steps as are required for allotment and listing on one or more Stock Exchange(s) of the said warrants/shares to be issued, offered and allotted as aforesaid, to take such other steps that are incidental and ancillary in this regard; and to do, make or accept such alterations, modifications or variations in the foregoing or cancellation of issue of warrants, as may be considered desirable or expedient by the Board/Committee/such Authorised Person in the best interest of the Company and its shareholders."

6. To consider and if thought fit, to pass, with or without modification, the following resolution(s) which will be considered as Special Resolution(s).

"RESOLVED THAT the payment of dividend for the year 2011-12 comprising of Re.0.50 per Equity Share and Re.0.50 per "B" Equity Share of the Company as passed by the Shareholders of the Company at the previous Annual General Meeting held on 28th September, 2012 subject to receipt of approvals from various regulatory authorities be and is hereby cancelled with retrospective effect i.e. from the date of its approval since such payment of dividend is not permitted under the current Banking Arrangements and the debt, if any, on the Company as created by the approval of the shareholders as accorded on 28th September 2012 with regard to payment of any dividend stands terminated and extinguished."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to sign and execute such papers, documents etc. and to take such steps and actions as may be necessary in this regard."

By Order of the Board

For **GUJARAT NRE COKE LIMITED**

Place : Kolkata
Dated : 11th August, 2013

Manoj K Shah
Company Secretary

NOTES:

1. A SHAREHOLDER (INCLUDING SHAREHOLDER HOLDING "B" EQUITY SHARE) ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND ON HIS/HER BEHALF AND TO VOTE ONLY ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY COMPLETED, STAMPED AND LODGED WITH THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING. A COPY OF THE PROXY FORM IS ANNEXED.
2. Explanatory Statement pursuant to Section 173 of the Companies Act 1956 relating to Special Business to be transacted at this AGM, is annexed.
3. The Register of Members and the Share Transfer Books of the Company for Equity Shares (including "B" Equity Shares) will remain closed from Monday, the 23rd day of September 2013 to Monday, the 30th day of September 2013 (both days inclusive).

Notice (contd.)

4. Shareholders desiring any information on the accounts for the year ended 31st March, 2013 are requested to write to the Company at least ten days in advance, so as to enable the management to keep the information ready at the meeting.
5. The documents mentioned in Notice and Explanatory Statement are open for inspection by the shareholders at the Registered Office of the Company on all working days between 12 noon and 2 pm upto the date of the AGM.
6. Shareholders are requested to bring the admission slip(s) along with their copy of Annual Report to the meeting.
7. Shareholders are informed that Dividend which remains unclaimed / un-encashed over a period of 7 (Seven) years, is required to be transferred, as per the provisions of Section 205A of the Companies Act, 1956, by the Company to "The Investor Education & Protection Fund", constituted by the Central Government under Section 205C of the Companies Act, 1956.
8. Accordingly, unclaimed / un-encashed dividend for the financial year 2004-06(Final Dividend) would be transferred to the said Fund within stipulated period during August 2013.

It may please be noted that once the unclaimed / un-encashed dividend is transferred to "The Investor Education & Protection Fund", as aforesaid, no claim shall lie in respect of such amount by the shareholder.

9. Hence, the shareholders who have not encashed their dividend warrants for the abovementioned dividend and /or dividends declared thereafter, are requested to immediately forward the same to the Company for revalidation or seek issue of duplicate warrant(s) by writing to the Company's Registrar & Share Transfer Agent.
10. Members who are desirous of getting the Notice and or documents, covered under Section 219 read with Section 53 of the Companies Act, 1956, by electronic mode are requested to update their email id with respective Depository Participant in case they hold shares in electronic mode and to the Share Department of the company/ Registrar & Share Transfer Agent in case they hold shares in Physical form.
11. Shareholders (including Shareholders holding "B" Equity Shares) desirous of having a complete text of Annual Report 2012-13 may write to us at investor@gujaratnre.com or at the registered office of the Company

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.

Item No. 5

The Board of Directors in order to raise funds to meet capex and/or other general corporate fund requirements of the company have decided to issue Convertible Warrants to Non Promoter Entity on Private Placement/Preferential issue basis. The issue of Convertible Warrants as aforesaid, shall be made in accordance with the provisions of the Companies Act, 1956, Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, Listing Agreement of Stock Exchange and other applicable laws and provisions. The aforesaid Convertible Warrant, if issued shall carry a right to its holder to apply for and receive 1(one) Equity Share of the Company of Rs.10 each in lieu of every warrant within such time period as stated in the special resolution under Item no 5. The warrant shall have such face value and shall be subject to such terms and conditions as stated in the special resolution under Item no. 5 of the notice.

A copy of the Certificate of the Auditors of the Company certifying the adherence to SEBI's Regulations for Preferential Issues, being Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for the proposed issue is enclosed herewith.

The information as required under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 are as under:

a) Objects to the Issue :

The purpose of this issue is to augment resources to fund

capex and / or other general corporate funding requirements of the company.

b) Intention of Non Promoter to subscribe to the Offer :

The following Non Promoter entity(ies) had conveyed to the Company in writing of their respective intention to subscribe / to acquire warrants of the company on preferential / private placement basis as proposed under Special Resolution at Item no. 5 of the notice respectively.

Sr. No.	Name of the Proposed Allottee	Category	Maximum Number of Warrants to be allotted
1	Bennett Coleman & Co Ltd	Non-Promoter	56,00,000

c) Undertakings:

The Company hereby undertakes that it shall recompute the price of the specified securities in terms of the provisions of the said Regulations where it is required to do so. The Company also undertakes that if the amount payable on account of the recomputation of price is not paid within the time stipulated in the said Regulations, the specified securities shall continue to be locked in till the time such amount is paid by the allottees.

d) Shareholding Pattern before and after issue (of Equity Shares resulting from the exercise of options by the warrant holders in respect of the warrants covered under Item no. 5) :

GUJARAT NRE COKE LIMITED

Notice (contd.)

i) Equity Shares of the Company -

Particulars	Existing Shareholdings (As on 9.8.2013)		Shareholding after conversion of Warrants	
	No. of Shares	%	No. of Shares	%
Promoters Holdings -				
Indian Promoters	49155563	8.55	49155563	8.47
Foreign Promoters	0	0.00	0	0.00
Sub Total	49155563	8.55	49155563	8.47
Promoter Group	247867872	43.12	247867872	42.70
Sub Total	247867872	43.12	247867872	42.70
Total Promoters Holdings (a)	297023435	51.67	297023435	51.17
Non-Promoters Holdings -				
Institutional Investors				
Mutual Funds & UTI	21571	0.00	21571	0.00
Banks, Financial Institutions, Insurance Companies, Government holdings, etc.	859291	0.15	859291	0.15
Foreign Institutional Investors	116185309	20.21	116185309	20.02
Sub Total	117066171	20.36	117066171	20.17
Others -				
Private Corporate Bodies	24562734	4.27	30162734	5.19
Indian Public	128220782	22.31	128220782	22.09
NRIs	4900081	0.85	4900081	0.84
Any Other Clearing Members & Trusts	3106924	0.54	3106924	0.54
Sub Total	160790521	27.97	166390521	28.66
Total Non Promoter shareholding (b)	277856692	48.33	288456692	48.83
GRAND TOTAL (a + b)	574880127	100.00	580480127	100.00

ii) "B" Equity Shares of the Company (shares with lower voting rights) -

Particulars	Existing Shareholdings (As on 9.8.2013)		Shareholding after conversion of Warrants	
	No. of Shares	%	No. of Shares	%
Promoters Holdings -				
Indian Promoters	4925555	9.38	4925555	9.38
Foreign Promoters	0	0.00	0	0.00
Sub Total	4925555	9.38	4925555	9.38
Promoter Group	19175913	36.54	19175913	36.54
Sub Total	19175913	36.54	19175913	36.54
Total Promoters Holdings (a)	24101468	45.92	24101468	45.92
Non-Promoters Holdings -				
Institutional Investors				
Mutual Funds & UTI	0	0.00	0	0.00
Banks, Financial Institutions, Insurance Companies, Government holdings, etc.	59566	0.11	59566	0.11
Foreign Institutional Investors	5293941	10.09	5293941	10.09
Sub Total	5353507	10.20	5353507	10.20
Others -				
Private Corporate Bodies	6856139	13.06	6856139	13.06
Indian Public	15608830	29.74	15608830	29.74
NRIs	363840	0.69	363840	0.69
Any Other Clearing Members & Trusts	204226	0.39	204226	0.39
Sub Total	23033035	43.88	23033035	43.88
Total Non Promoter shareholding (b)	28386542	54.08	28386542	54.08
GRAND TOTAL (a + b)	52488010	100.00	52488010	100.00

Notice (contd.)

The proposed preferential allotment will not change the management control. Voting rights shall change due to the change in shareholding pattern mentioned above.

e) Proposed time limit within which allotment will be completed:

The proposed allotment of warrants will be completed within 15 days period from the date of Annual General Meeting. The allotment of 56,00,000 Equity Shares resulting from the exercise of options attached to the said warrants if exercised, will be completed within a period not exceeding 18 months from the date of issue of the warrants, as may be decided by the Board of Directors of the Company.

f) Identity of the Allottee(s) with percentage of expanded capital to be held by them:

The proposed allottee(s) of 56,00,000 Equity Shares as a result of exercise of options attached to 56,00,000 warrants proposed to be issued pursuant to a Special Resolution at Item no. 5 of the notice and the percentage of expanded capital to be held by them after the proposed allotment of the said Equity Shares to them as per the said resolution are as under -

Proposed Allottee(s)	Bennett Coleman & Co Ltd
Category	Non- Promoter
Existing Shareholdings:	
(i) No. of Shares	40,00,000 Equity Shares and 4,00,000 "B" Equity Shares
(ii) Percentage	0.70
Shareholding post conversion:	
(i) No. of Shares	96,00,000 Equity Shares and 4,00,000 "B" Equity Shares
(ii) Percentage	1.58

Section 81 of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, etc. such further shares shall be offered to the existing shareholders of the Company in the manner laid down in the said Section, unless the shareholders decide otherwise by passing a special resolution. The Board recommends passing of this Resolution as a Special Resolution.

None of the Directors of the Company is, in any way concerned or interested in passing of the Resolution set out in item no 5.

Item no 6

The shareholders at the previous Annual General Meeting held on 28.9.2012 had passed a resolution for payment of dividend at the rate of Re.0.50 per Equity Share of Rs.10 each and Re.0.50 per "B" Equity Share of Rs.10 each for the year 2011-12 out of the reserves of the company due to inadequacy of profits during the year 2011-12 with a condition that payment of dividend declared by the shareholders shall be subject to receipt of various applicable approvals and accordingly, the date of receipt of last such approval be considered as the date of declaration of dividend. In terms of the relevant provisions of Companies Act 1956, the Company had applied to the Ministry of Corporate Affairs (MCA) for its approval to the payment of dividend for the year 2011-12 out of reserves. MCA had directed the company to comply with all the requirements with regard to payment of dividend out of reserves including NOC/Prior approval from lending banks in this regard. Considering the current industrial environment and due to downgrade of credit rating of the company, Bankers have advised the company otherwise. Since such payment of dividend is not permitted by the current banking arrangements, the Board of Directors at its meeting held on 11th August 2013 has recommended with reluctance, cancellation of the payment of dividend for the year 2011-12 to the shareholders.

The Directors of the Company are interested to the extent of their respective dividend entitlement for the year 2011-12.

By Order of the Board

For **GUJARAT NRE COKE LIMITED**

Place : Kolkata
Dated : 11th August, 2013

Manoj K Shah
Company Secretary

N. C. Banerjee & Co.,
Chartered Accountants

2, Ganesh Chandra Avenue,
Room No 9, 1st Floor, Kolkata - 700013

To Whom It May Concern

This is to certify that we have verified the books and records of M/s Gujarat NRE Coke Limited, having its registered office at 22, Camac Street, Block-C, 5th Floor, Kolkata-700016, in connection with their proposed issue of 56,00,000 Convertible Warrants to the non-promoter entity(ies) (with an option to the holders to convert it into Equity Shares) on a Preferential/ Private placement basis as stated in the resolution proposed to be passed by the members of the Company at their Annual General Meeting(AGM) to be held on 30th September, 2013 under item no. 5 of the AGM notice dated 11th August, 2013 read with the Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 as annexed to the said notice. On the basis of our examination and verification and as per the information and explanations that were given to us, we have found to the best of our knowledge and belief that, the proposed issue of the said Convertible Warrants is being made in accordance with the requirements of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for preferential issues.

For N C Banerjee & Co.,
Chartered Accountants
(Registration No. 302081E)

Dated-11th August, 2013
Place-Kolkata

Arnob Paul
Partner
(Membership No-06490)

GUJARAT NRE COKE LIMITED

Notice (contd.)

(Annexure to the Notice)

INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

Name of the Director	Mrs Mona Jagatramka	Mr Subodh Kumar Agrawal
Date of Birth	11-03-1964	02-03-1962
Date of Appointment	18-10-2006	10-10-2001
Qualifications	B. Sc (Home)	F.C.A.
Expertise in specific functional areas	Business Management and Human Resources Development	Practicing Chartered Accountant with expertise in Finance, Accounts, Merchant Banking & Corporate Laws
Directorship in other Companies	<p><i>Indian Companies :</i></p> <ol style="list-style-type: none"> 1. Bhachau Traders Private Limited 2. Bulli Coke Limited 3. Critical Mass Multilink Limited 4. FCGL Investments Limited 5. Gujarat NRE Energy Resources Limited 6. Gouriputra Consultants Private Limited 7. Khambhalia Traders Private Limited 8. Mahanidhi Vyapaar Private Limited 9. Malgudi Investments Limited 10. Mangal Crystal Coke Private Limited 11. Manor Dealcom Private Limited 12. Matangi Traders & Investors Private Limited 13. NRE Metcoke Limited 14. Russell Vale Traders Private Limited 15. Dharwad Traders Private Limited 16. Lunva Traders Private Limited 17. Mandvi Traders Private Limited 18. Surajbari Traders Private Limited <p><i>Foreign Companies:</i></p> <ol style="list-style-type: none"> 1. Gujarat NRE Wonga Pty Limited 2. Gujarat NRE Limited 3. Gujarat NRE Coal (NSW) Pty. Limited 4. NRE Resources Pty Limited 5. Wonga Coal Pty Limited 6. Southbulli Holdings Pty Limited 7. Gujarat NRE India Pty Limited 8. Gujarat NRE Resources NL 	<ol style="list-style-type: none"> 1. Richfield Financial Services Ltd 2. Pinnacle Multiforms Pvt Ltd 3. ICAI Accounting Research Foundation 4. Extensible Business Reporting Language (XBRL) India
Chairmanship/Membership of Committees in other Companies	Nil	Nil
Shareholdings as on 31st March' 2013	58,55,007 Equity Shares and 5,85,500 "B" Equity Shares	35,000 Equity Shares and 3,500 "B" Equity Shares

Directors' Report

To
The Members,

The Directors have pleasure in presenting the Twenty-Sixth Annual Report and the Audited Financial Statements on the business and operations of the Company for the financial year ended on March 31, 2013.

FINANCIAL RESULTS/HIGHLIGHTS

	Rs. in crores	
	2012-13	2011-12
Income from Operations	415.57	331.00
Less : Finance Cost	263.02	208.57
Less : Depreciation	58.33	56.77
Profit before Tax & Exceptional Items	94.22	65.66
Less : Exceptional Items	47.96	60.13
Profit before Tax	46.26	5.53
Less : Provision for Taxation	15.29	2.44
Profit after Tax	30.97	3.09
Add : Balance brought forward	0.00	22.75
Amount available for appropriation	30.97	25.84
Less : Appropriations		
Transferred to(+)/from(-)		
General Reserve	0.00	-10.80
Dividend and Dividend Tax for earlier year	0.00	0.00
Proposed dividend on equity shares	0.00	28.87
Corporate Tax on Dividend	0.00	4.68
Debenture Redemption Reserve	30.97	3.09
Balance carried to Balance Sheet	0.00	0.00

REVIEW OF OPERATIONS

India's recent economic slowdown is partly rooted in external causes and partly in domestic causes as reported in the Economic Survey by the Government of India. Though the stimulus packages announced post the financial crisis triggered growth in the period of 2009-10 & 2010-11, it also resulted into higher inflation and consequently in tightening of the monetary policy. Stimulus led growth could not be sustained long and we are in the midst of another downturn which has affected every sector in the economy. It is believed that the way out is to implement structural reforms which would boost consumption, induce & facilitate investment and usher growth. The iron & steel industry in the country was one of worst affected due to lack of infrastructure spending and reduced construction activity. Low consumption had affected the manufacturing sectors such as automobiles industry etc. which had its cascading effect on the steel industry. The ban imposed by Supreme Court of India on mining of iron ore in Karnataka, Goa, etc. had its toll on the Sector, with many iron & steel mills operating at a much reduced capacity or had shut down operations due to lack of availability of iron ore. Being a part of the iron & steel industry with met coke being a crucial raw material used in blast furnace for making steel, the company had its share of challenges facing the iron & steel industry.

In spite of various adversities apart from a sluggish export market, the Company was successful in tapping the metcoke export market with exports to countries like Brazil, Malaysia etc. The Company has also been successful in procuring orders and meeting the demand for Metcoke from steel major Steel Authority of India Limited (SAIL). The Company reported higher income from operations amounting to Rs.415.57 Crores during the year under review as compared to Rs 331.00 Crores during the previous year. Consequently, the net profit after tax earned during the financial year ended 31st March, 2013 was reported higher at Rs. 30.97 crores, as compared the net profit after tax of Rs. 3.09 crores reported during the previous year.

DIVIDEND

The Board did not recommend any dividend for the year 2012-13 due to unavailability of profits for appropriation towards dividend.

The Dividend for the year 2011-12 at the rate of Re.0.50 per Equity Share and Re.0.50 per B Equity Shares which was approved by the shareholders at the previous Annual General Meeting was subject to receipt of various applicable approvals since it was payable out of reserves. Considering the current industrial environment and due to downgrade of credit rating of the company, Bankers have advised the company otherwise. Since such payment of dividend is not permitted by the current banking arrangements, the Board has recommended with reluctance, cancellation of the payment of dividend for the year 2011-12 and a resolution seeking approval of the shareholders in this regard has been included in the notice to the forthcoming Annual General Meeting (AGM).

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

In terms of Sections 205A & 205C of the Companies Act, 1956, the company had transferred since the previous Directors Report, a sum of Rs. 12,73,677.83 (Rupees Twelve lacs, Seventy-three thousand Six hundred Seventy-seven and paise Eighty-three only) for 2nd interim dividend - 2004-06, Rs.8,38,731 (Rupees Eight lacs, Thirtyeight thousand, Seven hundred Thirty-one only) for third interim dividend - 2004-06 to the Investor Education & Protection Fund (IEPF) created by the Central Government, since these dividends remained unclaimed for a period of 7 years. The Company had also transferred a sum of Rs. 87,696.00 (Rupees Eighty-seven thousand, Six hundred ninety-six only) towards dividend for the year 2004-05 paid by erstwhile FCGL Industries Ltd (since merged with the company) to the IEPF during the year under review.

ISSUE OF EQUITY

The Company allotted 4,50,00,000 Equity Shares of Rs.10 each at a premium of Rs.11.08 per share during the year under review consequent upon conversion of 4,50,00,000 (four crore, fifty lacs) Convertible Warrants issued to Promoter/Promoter Group entity.

NON-CONVERTIBLE DEBENTURES

During the year under review, the company redeemed Non-Convertible Secured Redeemable Debentures (NCDs) amounting Rs. 12.50 crores as per the terms of issue of these debentures. The Company further issued NCDs amounting Rs.100 crores during the year under review. The NCDs outstanding at the end of the year under review, aggregated to Rs. 462.50 crores comprising of NCDs issued under Qualified Institutional Placement (QIP) amounting Rs.250 crores during the year 2010-11 and the balance comprising of NCDs issued to LIC and nationalised banks.

Directors' Report (contd.)

FCCB

The Company has successfully issued 5.5% Unsecured Foreign Currency Convertible Bonds due 2017 for an aggregate amount of USD 20 million during the year under review for Capex in India and for investments in Australian subsidiaries.

LISTING

Both the Equity Shares and "B" Equity Shares of our Company are listed at the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Non-convertible Debentures of the company (including Debentures issued under QIP) are listed at Bombay Stock Exchange. The convertible warrants issued by the Company under QIP are also listed at both NSE and BSE. The FCCBs are listed at Singapore Stock Exchange.

BUSINESS PLANS

India is critically short of coking coal as a natural resource. The proven reserve of coking coal is only about 17.9 billion tons, much less than the vast proven reserves of non-coking coal of 99 billion tons. Of the total proven coking coal reserves, deposit of prime coking coal is hardly over 5 billion tons. More importantly, the quality of coking coal available is quite inferior, making it sensible to import rather than use local variety.

During 2011-12, India's coking coal consumption was around 50 million tons (mt), of which around 33 mt was met by imports, 85 percent of which came from Australia. With the growth in demand for steel, coking coal demand in the country is set to jump since coking coal is a critical raw material for production of steel through blast furnace route. By 2016-17, coking coal demand by India's expanding steel sector is expected to be around 90.2 mt which would result in higher imports, according to an estimate by the working group on steel.

India has major plans for increasing the production of steel during the current decade considering its proven reserves of iron ore. However, India will need to import coking coal. We believe in this huge potential for our products and have planned for increasing the production of hard coking coal at our mines in Australia which are presently under longwall mining from the existing levels of around 1.5 MTPA to around 5 MTPA by March 2017.

As a competitive supplier to the regional and global steel industry, we look forward to capitalize on the opportunities in an improved market environment. Longer term, we remain confident in the resilience of our business and, in particular, in the attractiveness of the markets for coking coal and metcoke, which continue to remain in short supply globally.

The Company is presently generating power through non polluting method i.e. through wind turbine generators having capacity to generate 87.5 MW of power. Further, the projects for generation of power having an aggregate capacity of 60 MW, from waste heat emanating from the Company's coke oven plants are at various stages of completion.

SUBSIDIARIES

The Company has two Indian Subsidiaries and nine Australian Subsidiaries at the close of the financial year under review. The consolidated financial statements presented by the company and annexed to the Annual Report 2012-13 include the financial information of the subsidiaries. The Ministry of Corporate Affairs vide its circular no 2/2011 dated 8th February 2011 has granted a general exemption under Section 212(8) of the Companies Act 1956, from attaching the Balance Sheet, Profit & Loss Account and other documents of the subsidiary companies to the balance sheet of any company upon compliance of certain conditions. As

the company is in compliance of these conditions, the Balance Sheet, Profit & Loss Account and other documents of the subsidiaries are not attached to this Annual Reports & Accounts. The relevant information as required by the said Circular has been provided in the Annual Report 2012-13. However, the annual accounts of the subsidiary companies and related detailed information shall be made available to the shareholders of the company and its subsidiaries seeking such information at any point of time. The annual accounts of the subsidiary companies are available at Registered Office of the Company during the working hours and also available at the respective offices of the Subsidiary companies.

MERGER

A Scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 for amalgamation of Bharat NRE Coke Ltd, an associate of the Company, has been approved by the Shareholders of the Company on 28th January, 2013 and the matter is pending for disposal by the Hon'ble Calcutta High Court.

CORPORATE GOVERNANCE

In compliance with the requirements of clause 49 of the Listing Agreement with Stock Exchanges, a Report on 'Corporate Governance' as on 31st March, 2013 and a Report on Management Discussions and Analysis are annexed to and forms a part of this Report.

Chairman & Managing Director (CEO) and Chief Financial Officer (CFO) have certified to the Board with regard to the financial statements and other matters as required by the aforesaid clause of the listing agreement and the said certificate is also annexed to and forms a part of this Report.

EMPLOYEE STOCK OPTION SCHEME

The Company had granted 95,89,000 options to its Employees/Directors through four different tranches under GNCL Employee Stock Options Scheme 2007 (ESOP 2007) till the end of previous year against the approval received from shareholders to grant upto 1,21,95,302 options under the said Scheme.

As required by clause 12 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, the disclosures with regard to Stock Options in respect of GNCL Employee Stock Option Scheme 2007 as on 31st March, 2013 are given in an Annexure to this Report.

The Company has received a certificate from the Auditors that the aforesaid Scheme has been implemented in accordance with SEBI Guidelines and the resolution passed by the shareholders. This Certificate would be placed at the AGM for inspection by the shareholders.

DIRECTORS

Mrs. Mona Jagatramka and Mr Subodh Kumar Agrawal, Directors of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment in terms of the Articles of Association of the Company.

Mr. C. Narasimhan was appointed as a Nominee Director on the Board by State Bank of India w.e.f. 8th August, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, your Directors confirm having -

- i) Followed in the preparation of the annual accounts the applicable accounting standards with proper explanation relating to material departures, if any;

Directors' Report (contd.)

- ii) Selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year under review and of the profit of the Company for the year ended on that date;
- iii) taken proper and sufficient care 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 or other irregularities; and
- iv) prepared the annual accounts on a 'going concern basis'.

AUDITORS

M/s. N. C. Banerjee & Co., Chartered Accountants, the Statutory Auditors hold office upto the forthcoming Annual General Meeting of the Company and are eligible for reappointment i.e. to audit the Accounts of the Company for the financial year 2013-14. As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has received written confirmation from M/s. N C Banerjee & Co., that their re-appointment as Auditors, if made, would be in conformity within the limits prescribed in the said Section and that they are not disqualified from being appointed as the Auditors of the Company within the meaning of Section 226 of the said Act.

AUDITORS' REPORT

The observations of the Auditors in their Report read with relevant notes on the accounts, as annexed are self-explanatory and need no elaboration. The explanation to the remark made by the Auditors in the Auditors Report on Consolidated Financial Statements is given in Note No. 31 to the Consolidated Financial Statements and the same is self-explanatory.

COST AUDIT

Cost Audit Branch of the Ministry of Corporate Affairs, Government of India vide its order no 52/26/CAB-2010 dated 30th June 2011 and Order no 52/26/CAB-2010 dated 24th January 2012 has made it mandatory for company(ies) which is/are engaged in production of steel products and allied product(s) of coal (i.e. metcoke) to appoint a Cost Auditor to audit cost records of its steel and metcoke plant/unit(s) for and from the financial year 2011-12 and 2012-13 respectively. The Company has accordingly, reappointed M/s B Mondal & Associates, Practicing Cost Accountants as Cost Auditor under the provisions of Section 233B of the Companies Act, 1956, to audit the cost records of its steel and metcoke plant(s) for the financial year 2012-13.

The particulars of cost auditor/cost audit report etc. as required by General Circular no 15/2011 dated 11th April 2011 issued by Cost Audit Branch of Ministry of Corporate Affairs, Government of India are given below :

- a) Name & address of the Cost Auditor –
M/s. B Mondal & Associates
61/H/15, Raja Naba Krishna Street,
Kolkata - 700 005.
- b) Name and membership no of the partner of the firm –
Mr Baidyanath Mondal, Membership no - 11681.
- c) Due date of filing Cost audit report with the Central Government for the year 2011-12.

Within 180 days of close of financial year i.e. by 30th September 2012. However, Ministry of Corporate Affairs vide its circular no 2/2013 dated January 31, 2013 had allowed the Companies to file its Cost Audit reports in XBRL mode latest by February 28, 2013.

- d) Actual date of filing of Cost audit report with the Central Government for the year 2011-12.

The Cost Audit Report for steel for the financial year 2011-12 was filed with the Central Government on February 28, 2013.

PUBLIC DEPOSITS

The Company has not accepted or renewed any Public Deposits, as defined under Section 58A of the Companies Act, 1956, during the year under review.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Particulars of conservation of energy, technology absorption and foreign exchange earnings and 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 forms a part of this Report as an Annexure. However, as permitted by Section 219(1)(b)(iv) of the Act, this Annual Report is being sent to all the members of the Company after excluding the said Annexure. The Annexure is available for inspection by members at the Registered Office of the company between 12 noon and 2 p.m. on working days till the ensuing AGM and if any member is interested in obtaining a copy thereof, such member may write to the company, whereupon a copy would be forwarded to such member.

PARTICULARS OF EMPLOYEES

The information on Particulars of employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 in respect of employees of the Company forms a part of this Report as an Annexure. However, as permitted by Section 219(1)(b)(iv) of the Companies Act, 1956 this Annual Report is being sent to all the members of the Company after excluding the said Annexure. The Annexure is available for inspection by members at the Registered Office of the company between 12 noon and 2 p.m. on working days till the ensuing AGM and if any member is interested in obtaining a copy thereof, such member may write to the company, whereupon a copy would be forwarded to such member.

PERSONNEL / INDUSTRIAL RELATIONS

The Company maintained cordial and harmonious relations at all levels at the offices and plants of the Company throughout the year under review.

APPRECIATION

We wish to acknowledge the understanding, support and services of our workers, staff and Executives which has largely contributed to efficient operations and management of the Company during the year under review. We also take this opportunity to express our deep sense of gratitude to all our customers, dealers, suppliers, bankers, government officials and all other business associates for their continuous guidance and support to the Company and their continued confidence in its management. We also take this opportunity to express our sincere thanks to our shareholders and debenture holders for the confidence and faith in our company.

For and on behalf of the Board

Place : Kolkata
Dated : 11th August, 2013

Arun Kumar Jagatramka
Chairman & Managing Director

Annexure forming part of the Directors' Report

Disclosure in compliance with Clause 12 of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are given below

Sr	Particulars	GNCL Employee Stock Option Scheme, 2007 – 1st Tranche	GNCL Employee Stock Option Scheme, 2007 – 2nd Tranche	GNCL Employee Stock Option Scheme, 2007 – 3rd Tranche	GNCL Employee Stock Option Scheme, 2007 – 4th Tranche
1	Total number of options under the Plan	33,90,800 Options (includes 27,77,600 options also entitled to receive 2,77,760 "B" Equity Shares as bonus shares) (options issued initially - 25,06,000 plus bonus options issued - 8,84,800)	4,26,600 Options (includes 3,65,400 options also entitled to receive 36,540 "B" Equity Shares as bonus shares) (Options issued initially - 3,09,000 plus bonus options issued - 1,17,600)	32,14,000 Options	35,60,000 Options
2	Options Granted during the year	N.A.	N.A.	N.A.	N.A.
3	Pricing Formula	Options were granted on 02.06.2007 at the closing market price of the shares of the Company on NSE on the day immediately preceding the date of grant of the options i.e. Rs.60.20 per share. Price of all options under the Scheme was adjusted to Rs.43 per share on account of bonus issue in 2008. All options were re-priced at Rs.18.05 per share as per Note given below. Consequent upon a further bonus issue of "B" Equity Shares in 2010, the price was not adjusted but 3,65,400 options outstanding at that time were entitled to receive 2,77,760 "B" Equity Shares as bonus shares free of cost in the ratio of 1 "B" Equity Share upon conversion of every 10 options into 10 equity shares.	Options were granted on 19.01.2008 at Rs.120 per share at a discount to the market price on a day immediately preceding the date of grant of options to make it lucrative to the employees. Price of all options under the Scheme was adjusted to Rs.85.72 per share on account of bonus issue in 2008. All options were re-priced at Rs.18.05 per share as per Note given below. Consequent upon a further bonus issue of "B" Equity Shares in 2010, the price was not adjusted but 3,65,400 options outstanding at that time were entitled to receive 36,540 "B" Equity Shares as bonus shares free of cost in the ratio of 1 "B" Equity Share upon conversion of every 10 equity shares.	Options were granted on 9.7.2010 at the closing market price of the shares of the Company on NSE on the day immediately preceding the date of grant of options i.e. Rs.63.05 per share.	Options were granted on 30.9.2011 at the closing market price of the shares of the Company on NSE on the day immediately preceding the date of grant of options i.e. Rs.24.30 per share.
4	Options Vested (as on March 31, 2013)	25,200 Options (these options are also entitled to receive 2,520 "B" Equity Shares as bonus shares).	1,72,200 Options (these options are also entitled to receive 17,220 "B" Equity Shares as bonus shares).	Nil	Nil
5	Options Exercised during the year	Not yet Exercised	Options exercised - Nil (till Previous year - 1,49,000).	Not applicable	Not applicable
6	Total number of shares arising as a result of exercise of options	Not Applicable	Nil (till Previous year - 1,49,000 Equity Shares & 14,900 "B" Equity Shares).	Not applicable	Not applicable
7	Options lapsed/forfeited during the year	63,000 Options (Options lapsed till Prev. Year - 9,70,200)	33,600 Options (Options lapsed till Prev. Year - 1,24,200)	1,23,000 Options (Options lapsed till previous year -3,75,000)	2,16,750 Options (Options lapsed till previous year -3,13,250)
8	Variation of terms of options upto March 31, 2013	Nil	Nil	Nil	Nil
9	Money realized by exercise of options during the year	Nil	Nil	Nil	Nil

Annexure forming part of the Directors' Report (contd.)

Sr	Particulars	GNCL Employee Stock Option Scheme, 2007 – 1st Tranche	GNCL Employee Stock Option Scheme, 2007 – 2nd Tranche	GNCL Employee Stock Option Scheme, 2007 – 3rd Tranche	GNCL Employee Stock Option Scheme, 2007 – 4th Tranche
10	Total number of options in force at the end of the year	23,57,600 Options (these options are also entitled to receive 2,35,760 "B" Equity Shares as bonus shares).	1,19,800 Options (these options are also entitled to receive 11,980 "B" Equity Shares as bonus shares).	27,16,000 Options	30,30,000 Options
11	Employee wise details of options granted to: <ul style="list-style-type: none"> i) Senior Managerial Personnel ii) Employees holding 5% or more of the total number of options granted during the year iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant. 	List given below. Options to Directors given in Corporate Governance Report Nil Nil	List given below. Options given to Directors – Nil Nil Nil	List given below. Options to Directors given in Corporate Governance Report Nil Nil	List given below. Options to Directors given in Corporate Governance Report Nil Nil
12	Diluted Earnings Per Share (EPS) pursuant to issue of shares on the exercise of option calculated in accordance with Accounting Standard (AS) 20	No options were exercised during the year.			
13	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options. The impact of this difference on profits and on EPS of the Company.	The Company has calculated Employee Compensation Costs on the basis of Intrinsic Value Method and has amortized Rs. 66,90,543.86 for the year ended 31st March, 2013 in respect of 1st & 2nd Tranches of ESOP 2007 Scheme. However, had the company followed Fair Value Method for calculating Employee Compensation Costs, such costs for the year would have been lower by Rs. 11,70,030.21 and the Profit after tax higher by the like amount and its impact on Basic as well as Diluted EPS would have been negligible.			Not Applicable
14	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock on the grant date.	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Annexure forming part of the Directors' Report (contd.)

Sr	Particulars	GNCL Employee Stock Option Scheme, 2007 – 1st Tranche	GNCL Employee Stock Option Scheme, 2007 – 2nd Tranche	GNCL Employee Stock Option Scheme, 2007 – 3rd Tranche	GNCL Employee Stock Option Scheme, 2007 – 4th Tranche
15	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the weighted average information.	The fair value of options is estimated using Black Scholes Option Pricing Model after applying the following key assumptions i) Risk free interest rate 6.23% ii) expected life - 10 Years iii) expected volatility 84% iv) expected dividends - 3% v) the price of the underlying share in market at the time of option/grant - the market price (i.e. closing price at NSE) on the day immediately preceding the day of grant i.e. Rs.60.20 per share.	The fair value of options is estimated using Black Scholes Option Pricing Model after applying the following key assumptions i) Risk free interest rate 6.23% ii) expected life - 10 Years iii) expected volatility 84% iv) expected dividends - 3% v) the price of the underlying share in market at the time of option/grant - the market price (i.e. closing price at NSE) on the day immediately preceding the day of grant i.e. Rs.139.15 per share.	The fair value of options is estimated using Black Scholes Option Pricing Model after applying the following key assumptions i) Risk free interest rate 8.0907% ii) expected life - 10 Years iii) expected volatility 85% iv) expected dividends - 2% v) the price of the underlying share in market at the time of option/grant - the market price (i.e. closing price at NSE) on the day immediately preceding the day of grant i.e. Rs.63.05 per share.	The fair value of options is estimated using Black Scholes Option Pricing Model after applying the following key assumptions i) Risk free interest rate 8.33% ii) expected life - 10 Years iii) expected volatility 85% iv) expected dividends - 3.2% v) the price of the underlying share in market at the time of option/grant - the market price (i.e. closing price at NSE) on the day immediately preceding the day of grant i.e. Rs.24.30 per share.

NB The shareholders through postal ballot as per its results declared on 2nd May, 2009 have approved re-pricing of all options issued under GNCL Employee Stock Option Scheme, 2007- 1st Tranche and 2nd Tranche at Rs.18.05 per option.

List of employee wise details of Options Granted to Senior Managerial Personnel and outstanding as on 31.3.2013

Sr	Name of the Senior Managerial Personnel	Options granted under GNCL Employee Stock Option Scheme, 2007 – 1st Tranche		Options granted under GNCL Employee Stock Option Scheme, 2007 – 2nd Tranche		Options granted under GNCL Employee Stock Option Scheme, 2007 – 3rd Tranche		Options granted under GNCL Employee Stock Option Scheme, 2007 – 4th Tranche	
		Equity Shares	"B" Equity Shares	Equity Shares	"B" Equity Shares	Equity Shares	"B" Equity Shares	Equity Shares	"B" Equity Shares
1	Mr. P. R. Kannan	42,000	4,200	-	-	27,000	-	25,500	-
2	Mr. P. K. Agrawal	42,000	4,200	-	-	27,000	-	25,500	-
3	Mr S. K. Maskara	-	-	42,000	4,200	27,000	-	25,500	-
4	Mr. D. R. Sabherwal	42,000	4,200	-	-	24,000	-	21,000	-
5	Mr. B. N. Tiwari	29,400	2,940	-	-	21,000	-	18,000	-
6	Mr R K Agarwal	-	-	-	-	21,000	-	18,000	-
7	Mr. M. K. Shah	29,400	2,940	-	-	21,000	-	18,000	-

Report on Corporate Governance

1. Philosophy on Corporate Governance:

The Company believes that the management is the trustee of all investor's capital and is obligated to maximize shareholders value over long term, while preserving the interest of all stakeholders, such as employees, customers, business partners/vendors and the society at large. It is committed to high levels of ethics and integrity in business dealings, which avoids all conflicts of interest. In order to conduct business with these principles, Gujarat NRE creates simple corporate structures based on business needs and maintains a high degree of transparency through regular disclosures and a focus on adequate control mechanism.

Gujarat NRE Coke is committed to good Corporate Governance by creating an environment based on entrepreneurship, professionalism and pursuit for excellence. The company's corporate governance is based on two core principles:

- Management must have executive freedom to drive the enterprise forward without undue restraints; and
- This freedom of management must be exercised within a framework of effective accountability.

The above belief and core principles of Corporate Governance adopted by Gujarat NRE Coke leads the company's governance philosophy, trusteeship, transparency, independence, fairness, accountability and social responsibility, which in turn is the basis of public confidence in corporate system.

A Report in line with the requirement of clause 49 of listing agreement with Stock Exchange for the year ended 31st March, 2013 is given below.

2. Board of Directors:

Composition, Category & Independence etc.

The Board of Directors of the Company represents an appropriate mix of executive and independent directors which provides leadership, guidance to the Company's management and directs, supervises and controls the performance of the Company. The Board consists of seven members out of which five directors are Non-Executive Independent Directors. The Company has one Promoter

Non Executive Director and one Promoter Chairman & Managing Director on the Board.

As mandated by Clause 49 of the Listing Agreement, the Non Executive Independent Directors on the company's Board –

- Apart from receiving sitting fee, commission and stock options, do not have any material pecuniary relationships or transactions with the company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or any one level below the Board.
- Have not been an executive of the company in the immediately preceding three financial years.
- Are not partners or executive or were not partners or executives during the preceding three financial years of the -
 - Statutory Audit firm or the internal audit firm that is associated with the company.
 - Legal Firm(s) and consulting firm(s) that have a material association with the company.
- Are not material suppliers, service providers or customers or lessors or lessees of the company, which may affect the independence of the Director.
- Are not substantial shareholders of the company i.e. do not own two percent or more of the block of voting shares/rights.
- Are not less than 21 years of age.
- As mandated by clause 49, none of the Directors are members of more than ten Board committees nor are they Chairman of more than five committees across all companies in which they occupy the position of a Director.

The Chairman & Managing Director has been appointed by the shareholders on terms and conditions including remuneration as per the recommendation of the Board of Directors. The details of remuneration received by him during 2012-13 are given elsewhere in this Report.

The following Table indicates the composition of Board of Directors of the Company and the number of other Boards and Board committees served by them as member(s)/chairman:

Name of the Director	Category	No. of other Directorships*	No. of other Board Committee** position as	
			Member	Chairman
Mr. Arun Kumar Jagatramka, <i>Chairman & Managing Director</i>	Promoter Executive	8	2	–
Mrs. Mona Jagatramka	Promoter Non-Executive	6	–	–
Mr. Subodh Kumar Agrawal	Non Executive Independent	1	1	1
Mr. Chinubhai R Shah	Non Executive Independent	11	3	4
Dr. Basudeb Sen	Non Executive Independent	7	3	1
Dr. Mahendra Kumar Loyalka	Non Executive Independent	–	–	–
Mr. Murari Sananguly	Non Executive Independent	–	–	–

* Directorship in Foreign Companies, Private Limited Companies and Companies covered under Section 25 of the Companies Act, 1956 have not been considered.

** Only the positions held in Committees, such as audit and shareholders' grievance committee in Indian Public Limited Companies have been considered.

Meetings and Attendance Record of Directors.

The Board meets on a regular basis to ensure overall focus on preserving and increasing stakeholders' value. This includes review of Company strategy and performance, management oversight, ethical business practices and legal compliance, accounting and financial controls, financial structure, preservation of assets and Board effectiveness. The required information as enumerated in Annexure IA of Clause 49 of the Listing Agreement is made available to the Board of Directors for discussion and consideration at the Board Meeting. The Chairman & Managing Director keeps the Board apprised of the overall operations & performance of the Company and about the market of the products of the Company.

Report on Corporate Governance (contd.)

During the year ended on March 31, 2013, 7 (Seven) Board Meetings were held on May 13 & 27, August 11, September 28, October 18, in 2012 and on January 9 & February 19 in 2013. The maximum time gap between any two consecutive board meetings did not exceed four months. The last AGM was held on September 28, 2012.

The following Table indicates the attendance of each Director at these Board Meetings and at the last Annual General Meeting (AGM)

Name of the Directors	No. of Board Meetings held	No. of Board Meetings Attended *	Attendance at last AGM held on 28.9.2012
Mr. Arun Kumar Jagatramka	7	7	Yes
Mrs. Mona Jagatramka	7	7	Yes
Mr. Subodh Kumar Agrawal	7	6	Yes
Mr. Chinubhai R Shah	7	7	Yes
Dr. Basudeb Sen	7	7	Yes
Dr. Mahendra Kumar Loyalka	7	4	Yes
Mr. Murari Sananguly	7	5	Yes

(* Includes participation through tele-conference/video-conference)

3. Code of Conduct

The Company's Board has laid down a Code of Conduct for all Board members and Senior Management personnel for avoidance of conflict of interest. This Code inter alia requires the Board members and Senior management personnel to also comply with the Code of Conduct for Insider Trading as laid down by Securities & Exchange Board of India (SEBI). The Company has received necessary confirmations affirming compliance of the Code from all of them during the year 1.4.2012 to 31.3.2013. A declaration to this effect, duly signed by the Chairman & Managing Director and Chief Financial Officer of the Company, is given in CEO & CFO's Certificate as annexed hereto and forms a part of this Report.

4. Board Committees:

To focus effectively on the issues and ensure expedient decision making/resolution of diverse matters, the Board has constituted a set of Committees with specific terms of reference/ scope. The Committees operate as empowered agents of the Board as per their Charter/terms of reference. Targets set by them as agreed with the management are reviewed periodically and mid-course corrections are also carried out.

At present there are 5 (five) Committees of the Board namely, Audit Committee, Share Transfer Committee, Shareholders / Investors' Grievance Committee, Remuneration / Compensation Committee and Management Committee. The scope of the said Committees and its memberships etc. are as follows:

(a) Audit Committee

i) **Terms of Reference.** The primary objective of the committee is to monitor and provide effective supervision of the Management's financial reporting process to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The terms of reference of the Audit Committee are in conformity with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. These broadly cover the following:

- 1) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) To review and recommend to the Board the appointment, re-appointment and if required the replacement or removal of statutory auditors and to fix their fees.

- 3) To review with the management, the financial statements before submission to the Board, focusing primarily on Directors Responsibility Statement which forms part of the Directors Report, accounting policies, compliance with accounting standards, compliance with Stock Exchanges and legal requirements and any related party transactions etc.
- 4) To review with the management, external and internal auditors, the adequacy of internal control systems.
- 5) To discuss with the Auditors on the scope and nature of Audit and also to have Post Audit discussion to ascertain any area of concern.
- 6) To review the Company's financial and risk management policies.
- 7) To review the financial statements of unlisted subsidiary company, in particular, the investment made if any, and all significant transactions entered into by the subsidiary company.
- 8) To review the minutes of the Board meetings of the unlisted subsidiary company along with a statement of significant transactions and arrangements it has entered into, if any.
- 9) To review the statement of material related party transactions.
- 10) To undertake such other matters as may be delegated by the Board from time to time.

ii) Composition

The present composition of the Audit Committee is as follows:

Mr. Subodh Kumar Agrawal, Committee Chairman
Dr. Basudeb Sen, Director
Mr. Chinubhai R Shah, Director
Dr. Mahendra Kumar Loyalka, Director
Mr. Murari Sananguly, Director

All the members of the Committee are Non-Executive Independent Directors. Mr. Subodh Kumar Agrawal, an Independent Director is a qualified Chartered Accountant. Dr. Basudeb Sen, Mr. Chinubhai R Shah, Dr Mahendra Kumar Loyalka and Mr Murari Sananguly are other Directors possessing extensive experience in the respective fields of accounting, finance, taxation, business policies and management. The Company Secretary acts as the Secretary to this Committee.

Report on Corporate Governance (contd.)

iii) Meetings and Attendance

During the financial year ended on March 31, 2013, four meetings of Audit Committee were held on May 27, August 11 and October 18 in 2012 and on January 9 in 2013.

The attendance of the committee members in these meetings were as follows.

Name(s)	Held	Attended*
Mr. Subodh Kumar Agrawal	04	04
Dr. Basudeb Sen	04	04
Mr. Chinubhai R Shah	04	04
Dr. Mahendra Kumar Loyalka	04	03
Mr Murari Sananguly	04	03

(* Includes participation through tele-conference/video-conference)

The Statutory Auditors of the Company are invited to attend audit committee meeting whenever required. Chairman & Managing Director, Chief Financial Officer (CFO), Internal Auditor and other senior executives are also invited to attend and deliberate in the Audit Committee meetings.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

(b) Share Transfer Committee

The Committee at present consists of the following members:

- Dr. Basudeb Sen, Committee Chairman,
- Mr. Subodh Kumar Agrawal, Director
- Dr. Mahendra Kumar Loyalka, Director
- Mr. Pawan Kumar Agrawal, Sr. Vice President

The Committee meets at regular intervals to consider and approve transfers, transmission and issue of duplicate share certificates. The Company Secretary acts as the Secretary to this Committee. During the year under review, 9 meetings were held and the attendance of the committee members in these meetings were as follows :

Name(s)	Held	Attended*
Dr. Basudeb Sen	09	09
Mr. Subodh Kumar Agrawal	09	08
Dr. Mahendra Kumar Loyalka	09	07
Mr Pawan Kumar Agrawal	09	09

(* Includes participation through tele-conference/video-conference).

(c) Shareholders'/Investors' Grievance Committee

The Committee, at present, consists of the following members:

- Mr. Subodh Kumar Agrawal, Committee Chairman
- Dr. Mahendra Kumar Loyalka, Director
- Dr. Basudeb Sen, Director

The Committee looks into the redressal of shareholders' and investors' complaints like transfer of shares,

nonreceipt of Annual Reports & Accounts, non-receipt of declared dividends etc. The Committee met 4 times during the year under review and the attendance of the committee members in these meetings were as follows:

Name(s)	Held	Attended*
Mr. Subodh Kumar Agrawal	4	4
Dr. Mahendra Kumar Loyalka	4	3
Dr Basudeb Sen	4	3

(* Includes participation through tele-conference/video-conference)

Mr. Manoj K Shah, Company Secretary has been designated as the Compliance Officer by the Board and assigned with the responsibilities of overseeing shareholders'/investors' grievances under the supervision of the Committee. He also acts as the Secretary to this Committee. There were no complaints which remained pending at the beginning of the year and out of 192 complaints received during the year ended 31st March, 2013, 192 complaints were redressed and no complaint was pending as on 31st March, 2013.

(d) Remuneration/Compensation Committee.

The Committee consists of following members :

- Dr. Mahendra Kumar Loyalka, Committee Chairman
- Mr. Subodh Kumar Agrawal, Director
- Mr. Arun Kumar Jagatramka, CMD
- Dr. Basudeb Sen, Director
- Mr. Murari Sananguly, Director

The terms of reference of this Committee is to consider and approve the remuneration payable to managerial personnel including Chairman & Managing Director upon examining a) employment scenario, b) remuneration package, c) individual performance track record and d) the provisions relating to payment of managerial remuneration prescribed under the Companies Act, 1956 and/or rules framed under the said Act. The Company is committed to make full disclosures regarding its payment to all directors. Apart from sitting fees for attending Board and Committee meetings and commissions the Company did not pay any other remuneration to the non-executive directors during the year under review. The details of remuneration paid by the Company to its Executive and Non-executive Directors during the year under review are given below. The Company Secretary acts as the Secretary to this Committee.

The attendance at the meeting of the Committee during the year under review is as follows:

Name(s)	Held	Attended*
Dr Mahendra Kumar Loyalka	02	02
Mr. Subodh Kumar Agrawal	02	02
Mr Arun Kumar Jagatramka	02	00**
Dr Basudeb Sen	02	02
Mr. Murari Sananguly	02	02

(* Includes participation through tele-conference/video-conference)

(** Being interested in the agenda items, Mr Arun Kumar Jagatramka did not attend both the meetings of the Committee)

(i) Payments made to the Chairman and Managing Director & Whole time Director during the year under review are given in the following Table :

Name of the Directors	Salary (Rs.)	Perquisite (Rs.)	Commission (Rs.)	Contribution to PF (Rs.)	Total (Rs.)	Service Contract/ Notice Period/ Severance Fees
Mr. Arun Kumar Jagatramka	1,20,00,000	29,94,237	48,89,806	1,44,000	2,00,28,043	As per Service Contract

NB – The remuneration paid to Mr Arun Kumar Jagatramka during the year 2012-13 was in accordance with the provisions of Schedule XIII of the Companies Act 1956.

Report on Corporate Governance (contd.)

(ii) Details of sitting fees paid to the non-executive Directors for the year ended March 31, 2013 along with shares/convertible instruments held by them are given in the following Table:

Name of the Director	Equity Shares & "B" Equity Shares held	Sitting Fees Paid * (Rs.)	Commission Paid (Rs.)	Service Contract/ Notice Period/ Severance Fees
Mrs. Mona Jagatramka	58,55,007 Equity Shares & 5,85,500 "B" Equity Shares	1,20,000	8,14,968	Retire by Rotation
Mr. Subodh Kumar Agrawal	35,000 Equity Shares & 3,500 "B" Equity Shares	3,80,000	8,14,968	Retire by Rotation
Mr. Chinubhai R Shah	50,000 Equity Shares & 5,000 "B" Equity Shares	2,20,000	8,14,968	Retire by Rotation
Dr. Basudeb Sen	35,000 Equity Shares & 3,500 "B" Equity Shares	3,60,000	8,14,968	Retire by Rotation
Dr. Mahendra Kumar Loyalka	35,000 Equity Shares & 3,500 "B" Equity Shares	3,25,000	8,14,968	Retire by Rotation
Mr. Murari Sananguly	37,440 Equity Shares & 3,744 "B" Equity Shares	1,60,000	8,14,968	Retire by Rotation

(* includes sitting fees paid for attending any committee meeting.)

NB – Non-executive Directors hold no convertible instrument issued by the Company except ESOP and the details of their holdings in ESOP are given below.

(iii) Details of Outstanding Stock Options held by Directors, if any, as on 31st March 2013 and whether issued at a discount as well as the period over which accrued and over which exercisable are given in the following Tables :

A) Under GNCL Employee Stock Option Scheme, 2007 – 1st tranche –

Name of the Director	Options Outstanding as on 31.3.2013	Whether issued at a discount	Period over which Accrued	Period over which exercisable
Mr Subodh Kumar Agrawal	70,000	No	On or After 1.6.2022	1.6.2022 to 31.5.2025
Mr. Chinubhai R Shah	70,000	No	On or After 1.6.2013	1.6.2013 to 31.5.2016
Dr. Basudeb Sen	70,000	No	- do -	- do -
Dr. Mahendra Kumar Loyalka	70,000	No	- do -	- do -
Mr. Murari Sananguly	70,000	No	- do -	- do -

NB – The abovementioned options were re-priced and are convertible at the rate of Rs.18.05 per share as already stated in an Annexure to the Directors Report i.e. Disclosure on ESOP.

B) Under GNCL Employee Stock Option Scheme, 2007 – 3rd tranche -

Name of the Director	Options Outstanding as on 31.3.2013	Whether issued at a discount	Period over which Accrued	Period over which exercisable
Mr Subodh Kumar Agrawal	20,000	No	On or after 9.7.2013	9.7.13 - 8.7.16
	20,000	No	On or after 9.7.2014	9.7.14 - 8.7.17
	20,000	No	On or after 9.7.2015	9.7.15 - 8.7.18
Mr. Chinubhai R Shah	20,000	No	On or after 9.7.2013	9.7.13 - 8.7.16
	20,000	No	On or after 9.7.2014	9.7.14 - 8.7.17
	20,000	No	On or after 9.7.2015	9.7.15 - 8.7.18
Dr. Basudeb Sen	20,000	No	On or after 9.7.2013	9.7.13 - 8.7.16
	20,000	No	On or after 9.7.2014	9.7.14 - 8.7.17
	20,000	No	On or after 9.7.2015	9.7.15 - 8.7.18
Dr. Mahendra Kumar Loyalka	20,000	No	On or after 9.7.2013	9.7.13 - 8.7.16
	20,000	No	On or after 9.7.2014	9.7.14 - 8.7.17
	20,000	No	On or after 9.7.2015	9.7.15 - 8.7.18
Mr. Murari Sananguly	20,000	No	On or after 9.7.2013	9.7.13 - 8.7.16
	20,000	No	On or after 9.7.2014	9.7.14 - 8.7.17
	20,000	No	On or after 9.7.2015	9.7.15 - 8.7.18

Report on Corporate Governance (contd.)

C) Under GNCL Employee Stock Option Scheme, 2007 – 4th tranche -

Name of the Director	Options Outstanding as on 31.3.2013	Whether issued at a discount	Period over which Accrued	Period over which exercisable
Mr Subodh Kumar Agrawal	15,000	No	On or after 30.09.2014	30.09.2014 - 29.09.2017
	15,000	No	On or after 30.09.2015	30.09.2015 - 29.09.2018
	15,000	No	On or after 30.09.2016	30.09.2016 - 29.09.2019
Mr. Chinubhai R Shah	15,000	No	On or after 30.09.2014	30.09.2014 - 29.09.2017
	15,000	No	On or after 30.09.2015	30.09.2015 - 29.09.2018
	15,000	No	On or after 30.09.2016	30.09.2016 - 29.09.2019
Dr. Basudeb Sen	15,000	No	On or after 30.09.2014	30.09.2014 - 29.09.2017
	15,000	No	On or after 30.09.2015	30.09.2015 - 29.09.2018
	15,000	No	On or after 30.09.2016	30.09.2016 - 29.09.2019
Dr. Mahendra Kumar Loyalka	15,000	No	On or after 30.09.2014	30.09.2014 - 29.09.2017
	15,000	No	On or after 30.09.2015	30.09.2015 - 29.09.2018
	15,000	No	On or after 30.09.2016	30.09.2016 - 29.09.2019
Mr. Murari Sananguly	15,000	No	On or after 30.09.2014	30.09.2014 - 29.09.2017
	15,000	No	On or after 30.09.2015	30.09.2015 - 29.09.2018
	15,000	No	On or after 30.09.2016	30.09.2016 - 29.09.2019

(iv) Other Remuneration:

In terms of the approval accorded by the shareholders of the Company at the 24th AGM and as per the applicable provisions of Companies Act 1956, the non executive Directors of the Company received remuneration (commission) not exceeding 1% of the net profits of the company. The break-up of remuneration (including sitting fees) received by the non Executive Directors is already provided in point no (ii) above.

(e) Management Committee

Management Committee consists of the following members:

- Mr. Arun Kumar Jagatramka, CMD - Committee Chairman
- Mr. Subodh Kumar Agrawal, Director
- Dr. Mahendra Kumar Loyalka, Director (appointed w.e.f. 11th August 2012)
- Mr. P. R. Kannan, Chief Financial Officer
- Mr. Pawan Kumar Agrawal, Senior Vice President

The term of reference of the committee comprises of matters generally of routine nature such as allotment of shares on

conversion of FCCBs/ Warrants/ESOP etc., to borrow other than by issue of Debenture(s), to give Loan(s)/ Advance(s) as well as to invest funds of the company, to issue securities and/or to provide guarantee(s) on the basis of limits prescribed by the Board, opening and closure of bank accounts, filing of forms and any other matter of routine nature etc. subject to guidelines and supervision of the Board. The Company Secretary acts as the Secretary to this Committee. The committee met 25 times during the year under review. The attendance of the Committee members at the Management Committee meetings during the year under review were as follows:

Name(s)	Held	Attended*
Mr. Arun Kumar Jagatramka	25	25
Mr. Subodh Kumar Agrawal	25	21
Dr. Mahendra Kumar Loyalka (appointed w.e.f. 11.8.2012)	18	16
Mr. P. R. Kannan	25	24
Mr. Pawan Kumar Agrawal	25	24

(* Includes participation through tele-conference/video-conference)

5. General Body Meetings:

a) The details of last 3 Annual General Meetings :

Year	Meeting	Location	Date	Time	Special Resolution, if any
2011-12	25th AGM	Kala Mandir, 48, Shakespeare Sarani, Kolkata – 700 017	28.09.2012	11.30 A.M.	No
2010-11	24th AGM	Kala Mandir, 48, Shakespeare Sarani, Kolkata – 700 017	30.09.2011	11.30 A.M.	Yes
2009-10	23rd AGM	Kala Mandir, 48, Shakespeare Sarani, Kolkata – 700 017	10.09.2010	11.30 A.M.	Yes

Report on Corporate Governance (contd.)

b) **Postal Ballot:** Two Postal Ballots were held by the company during the financial year ended 31st March 2013 as per following details –

(I) Three Special Resolution(s) were passed by the members through Postal Ballot as per results declared on 21st June 2012. The Results are given below –

i) Issue of 5 Crore Convertible Warrants to Promoters/ Promoter Group Entities on Private Placement/Preferential Basis –

Promoter/Public	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) $= [(2)/(1)] \times 100$	No. of Votes in favour (4)	No. of Votes against (5)	% of Votes in favour on votes polled (6) $= [(4)/(2)] \times 100$	% of Votes against on votes polled (7) $= [(5)/(2)] \times 100$
Promoter and Promoter Group	266493136	242632680	91.05%	242632680	0	100%	0%
Public - Institutional holders	13371783	13196034	98.69%	11326034	1870000	85.83%	14.17%
Public-Others	915164	303760	33.19%	276078	27682	90.89%	9.11%
Total	280780083	256132474	91.22%	254234792	1897682	99.26%	0.74%

ii) Issuance of Securities (including Foreign Currency Convertible Bonds) for an amount not exceeding USD 150 million or INR 750 crores, whichever is higher

Promoter/Public	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) $= [(2)/(1)] \times 100$	No. of Votes in favour (4)	No. of Votes against (5)	% of Votes in favour on votes polled (6) $= [(4)/(2)] \times 100$	% of Votes against on votes polled (7) $= [(5)/(2)] \times 100$
Promoter and Promoter Group	266493136	242632680	91.05%	242632680	0	100%	0%
Public - Institutional holders	13371783	12530119	93.71%	5023246	7506873	40.09%	59.91%
Public-Others	915164	298015	32.56%	283582	14433	95.16%	4.84%
Total	280780083	255460814	90.98%	247939508	7521306	97.06%	2.94%

iii) To make investment/loan and/or give guarantee/security in excess of limits under Section 372A of the Companies Act 1956

Promoter/Public	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) $= [(2)/(1)] \times 100$	No. of Votes in favour (4)	No. of Votes against (5)	% of Votes in favour on votes polled (6) $= [(4)/(2)] \times 100$	% of Votes against on votes polled (7) $= [(5)/(2)] \times 100$
Promoter and Promoter Group	266493136	242632680	91.05%	242632680	0	100%	0%
Public - Institutional holders	13371783	13196034	98.69%	11326034	1870000	85.83%	14.17%
Public-Others	915164	296018	32.35%	276714	19304	93.48%	6.52%
Total	280780083	256124732	91.22%	254235428	1889304	99.26%	0.74%

NB - No of shares held includes "B" Equity Shares carrying lower voting rights in respect of all the three aforesaid resolutions.

(II) One Special Resolution was passed by the members through Postal Ballot as per results declared on 8th October 2012. The Results are given below –

i) To make investment/loan and/or give guarantee/security in excess of limits under Section 372A of the Companies Act, 1956.

Promoter/Public	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) $= [(2)/(1)] \times 100$	No. of Votes in favour (4)	No. of Votes against (5)	% of Votes in favour on votes polled (6) $= [(4)/(2)] \times 100$	% of Votes against on votes polled (7) $= [(5)/(2)] \times 100$
Promoter and Promoter Group	267943136	244082682	91.09%	244082682	0	100%	0%
Public - Institutional holders	12535304	12172555	97.11%	12172555	0	100%	0%
Public-Others	250265	223889	89.46%	196969	26920	87.98%	12.02%
Total	280728705	256479126	91.36%	256452206	26920	99.99%	0.01%

NB - No of shares held includes "B" Equity Shares carrying lower voting rights.

c) **Court Convened Meeting** The High Court at Calcutta consequent upon the application made by the company for amalgamation of M/s. Bharat NRE Coke Ltd with the Company had by means of an Order dated 18th December 2012 called upon the company to convene and hold General Meeting of its shareholders on Monday the 28th day of January 2013 at 10.30 am at Gyan Manch,

Report on Corporate Governance (contd.)

11 Pretoria Street, Kolkata 700 071 for seeking their consent to the Draft Scheme of Amalgamation as filed by the company before the said Court. The result of the said meeting are given below -

Promoter/Public	No. of shares held by the persons/proxy who participated in the meeting (including B Equity Shares) (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) $= [(2)/(1)] \times 100$	No. of Votes in favour (4)	No. of Votes against (5)	% of Votes in favour on votes polled (6) $= [(4)/(2)] \times 100$	% of Votes against on votes polled (7) $= [(5)/(2)] \times 100$
Promoter and Promoter Group	312943136	289082680	92.375	289082680	0	100.000	0.000
Public - Institutional holders	12803279	12789319	99.891	12789319	0	100.000	0.000
Public-Others	31259563	27085954	86.648	27085231	723	99.997	0.003
Total	357005978	328957953	92.143	328957230	723	99.999	0.001

NB - No of shares held includes "B" Equity Shares carrying lower voting rights.

6. Subsidiaries:

The Company has two Indian Subsidiaries i.e. Manor Dealcom Pvt. Ltd and Huntervalley Coal Pvt. Ltd. and nine Australian Subsidiaries (including sub-subsidiaries) i.e. Gujarat NRE Ltd., Gujarat NRE Coking Coal Ltd., Gujarat NRE Coal (NSW) Pty Ltd., Gujarat NRE Resources NL, Gujarat NRE Wonga Pty Ltd (Previously known as Gujarat NRE FCGL Pty Ltd), Gujarat NRE Properties Pty Ltd., Wonga Coal Pty Ltd., Gujarat NRE India Pty Ltd. and Southbulli Holdings Pty Ltd as on 31st March, 2013. The Company is adequately represented on the Board of Subsidiaries. The financial performance of the Subsidiaries is discussed by the Board at its meeting and the details of investment made by and minutes of the unlisted subsidiaries are also reviewed by the Company's Board.

7. Disclosures:

- Materially significant Related Party Transactions** - The Company has not entered into any transactions of material nature, with its promoters, Directors or the Management, its Subsidiaries or with Director's relatives, etc. that may have potential conflict with its interest at large, other than those in the normal course of business. The transactions undertaken during the year have been disclosed in Note No.32 of Notes to Financial Statements for the year ended March 31, 2013. The Company's major related party transactions are generally with its Subsidiaries and Group Associates. The related party transactions are entered into based on consideration of various business exigencies, synergy in operations, and optimization of market share, profitability, legal requirements, liquidity and capital resources of Subsidiaries/Associates. All related party transactions are negotiated at arms length basis and in the interest of the Company.
- Details of Compliance** - The Company is regular in complying with the requirements of the regulatory authorities on the matters relating to the Capital market and no penalties/strictures have been imposed on the Company by Stock Exchange or SEBI or any regulatory authority, during last three years.
- Whistle Blower Policy** - The Company has a Whistle Blower Policy and appropriate mechanism in place. Employees can directly report to the top management (including Chairman & Managing Director and/or the members of the Board/Audit Committee) any concerns about any unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. Management on its turn is responsible for establishing a fearless atmosphere where reporting employee doesn't fear being harassed, demoted or retaliated or threatened in any way and simultaneously

receiving, investigating and acting upon complaints and concerns regarding actual/ possible violation of Code of Conduct or an event that could affect the business and/or reputation of the Company and/or its Subsidiaries or its Associates. No personnel of the company have been denied access to the audit committee during the year under review.

- Non-Mandatory Requirements** - The Company is duly complying with all the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and it has also adopted some of the non-mandatory requirements defined therein such as formation of Remuneration Committee, adoption of best practices to ensure regime of unqualified financial statements, whistle blower policy.

8. Means of Communication:

- The quarterly, half yearly and yearly financial results of the Company as taken on record and approved by the Board of Directors are published in leading newspapers such as Economic Times (English) in its All India editions and Dainik Statesman/Sakalbela (Bengali) in its West Bengal edition.
- The quarterly, half yearly and yearly financial results are also sent immediately upon conclusion of the meeting approving them, to the Stock Exchange(s) on which the Company's shares are listed.
- Copies of the financial results and Annual Reports of the Company are provided to various Analysts, Government Departments, Investors and others interested in getting the same upon receipt of requests.
- The Management Discussion and Analysis is annexed to the report and forms a part of this Annual Report.
- The quarterly, half yearly and yearly results, press releases and relevant presentations of the Company are displayed in the company's website: www.gujaratnre.com.

9. General Shareholders' Information:

a) Annual General Meeting :

Date and Time : Monday, 30th day of September, 2013 at 10 a.m.

Venue : Kalamandir, 48, Shakespeare Sarani, Kolkata - 700 017.

b) Financial Year : 12 months from 1st April, 2012 to 31st March, 2013

c) Book Closure Date : Monday, the 23rd day of September 2013 to Monday, the 30th day of September 2013 (Both days included).

Report on Corporate Governance (contd.)

- d) Particulars in respect of Unclaimed dividends paid by the Company for the financial year 2004-06 (Final Dividend) and thereafter is given in the following Table:

Financial year	Date of declaration of Dividend	Last date of claiming unpaid Dividend
2004-06 (Final)	03.07.2006	02.07.2013
2006-07 (Final)	28.09.2007	27.09.2014
2007-08 (Final)	17.09.2008	16.09.2015
2008-09 (Final)	19.09.2009	18.09.2016
2009-10 (Final)	10.09.2010	09.09.2017
2010-11(Final)	30.09.2011	29.09.2018

NB - The Dividend for the year 2011-12 was recommended by the Board and declared by the shareholders at the AGM held on 28.9.2012 subject to the approval of the Ministry of Corporate Affairs (MCA) due to inadequacy of profits as per the provisions of Section 205A(3) of the Companies Act, 1956 read with Companies (Declaration of Dividend out of Reserve) Rules 1975. The Company had applied for the approval of MCA in due course. The Company has since received several queries from MCA from time to time on the said application which has been duly replied. The said dividend would be paid to the shareholders upon receipt of approval from MCA.

- e) Listing of Equity Shares on Stock Exchanges :

- (i) BSE Ltd.
P J Towers, Dalal Street, Fort, Mumbai - 400 001
- (ii) National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

- f) Listing Fees:

Annual Listing Fees for the year 2013-2014 have been paid to both the Stock Exchanges. The Company has also paid the Annual Custody Fees to both the Depositories for the year 2013-2014.

- g) Depositories:

- i) National Securities Depository Ltd.
Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
- ii) Central Depository Services (India) Ltd.
P J Towers, 17th Floor, Dalal Street, Fort, Mumbai - 400 001.

- h) Stock Codes:

Equity Shares :

Stock Exchange(s)	Stock Code
Bombay Stock Exchange, (BSE)	512579
National Stock Exchange (NSE)	GUJNRECOKE
ISIN of equity shares (on both the depositories)	INE110D01013

“B” Equity Shares (DVR Shares) :

Stock Exchange(s)	Stock Code
Bombay Stock Exchange, (BSE)	570003
National “B” Stock Exchange (NSE)	GUJNREDVR
ISIN of “B” equity shares (on both the depositories)	IN9110D01011

Non-convertible Debentures quoted only at Bombay Stock Exchange (BSE)

Series	Non-convertible Debentures	Stock Id at BSE	Stock Code at BSE	ISIN No. at NSDL
2nd	11.9% NCD's of Rs. 10 lac each	GUJNRE07029	946074	INE110D07044
4th	12.5% NCD's of Rs. 10 lac each	GNCL30MAY9A	946143	INE110D07101
6th	12.5% NCD's of Rs. 10 lac each	GNCL30MAY9C	946145	INE110D07077
7th	12.5% NCD's of Rs. 10 lac each	GNCL30MAY9D	946146	INE110D07085
8th	12.5% NCD's of Rs. 10 lac each	GNCL30MAY9E	946147	INE110D07093
9th	11% NCD's of Rs. 10 lac each	GUJNRE09039	946671	INE110D07119
10th	10.9%NCD's of Rs. 10 lac each	1090GUJ22	948228	INE110D07127

Warrants issued under Qualified Institutional Placement

ISIN no of Warrants INE110D13018

Stock Code at BSE W1-GUJNRECOKE

Stock Code at NSE W1-GUJNRECOKE

- i) Market Price Data:

The Market Price of the Equity Shares of the Company during 2012-13 is given in the table below:

Equity Shares -

Months	BSE		NSE	
	High	Low	High	Low
April 2012	26.00	19.95	23.15	19.95
May 2012	20.80	15.40	20.75	15.90
June 2012	19.15	16.55	19.35	16.55
July 2012	20.45	16.75	20.45	16.55
August 2012	18.45	16.00	18.55	16.00
September 2012	19.20	16.05	19.20	16.05
October 2012	20.45	17.35	20.50	17.20
November 2012	19.50	16.90	19.80	16.95
December 2012	21.60	18.40	21.65	18.30
January 2013	23.80	19.60	23.65	19.60
February 2013	21.90	18.00	21.80	18.05
March 2013	19.35	17.30	19.40	16.55

“B” Equity Shares (DVR Shares) -

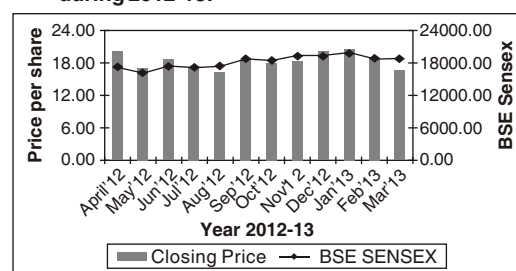
Months	BSE		NSE	
	High	Low	High	Low
April 2012	14.35	12.45	14.15	12.40
May 2012	14.01	11.15	14.20	11.05
June 2012	12.40	11.25	12.40	11.25
July 2012	13.39	11.55	13.45	11.55
August 2012	13.60	10.85	13.85	10.80
September 2012	12.40	11.00	12.45	10.20
October 2012	12.50	11.10	12.75	10.10
November 2012	11.85	10.75	12.25	10.35
December 2012	11.95	10.80	13.45	10.75
January 2013	13.05	11.00	13.10	11.00
February 2013	11.66	9.80	11.65	9.80
March 2013	10.50	8.45	11.30	8.05

NB-1. Data relating to BSE & NSE has been taken from their respective websites.

Warrants & NCDs There is hardly any trading in listed warrants and NCDs of the Company and therefore, its month-wise market prices are not available.

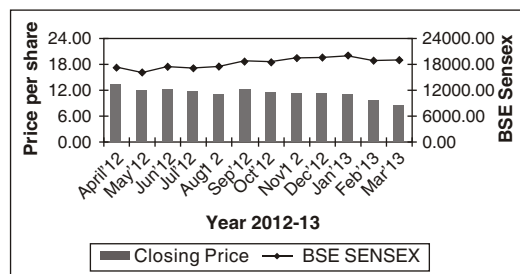
- j) Share Price Performance for

- a) Equity Shares as compared to BSE Sensex during 2012-13:



Report on Corporate Governance (contd.)

b) “B” Equity Shares as compared to BSE Sensex during 2012-13:



NB – Data relating to BSE Sensex and Closing price of Company's Equity Shares & “B” Equity Shares has been collected from BSE Website.

k) Registrar and Share Transfer Agents:

M/s. Niche Technologies Private Limited,
D-511, Bagri Market, 71, B. R. B. Basu Road,
Kolkata-700 001
Phones: +91-33-22357270/7271
Fax: +91-33-22156823
E-Mail: nichetechpl@nichetechpl.com

l) Designated Exclusive email id : The Company has designated the following email id exclusively for investor servicing : investor@gujaratnre.com

m) Share Transfer System:

All matters pertaining to share transfers are being handled by M/s. Niche Technologies Pvt Ltd., the Registrars & Share Transfer Agents (RTA) of the Company. The share transfer requests received by them are processed and a memorandum of transfer is sent to the Company for approval by the Share Transfer Committee. The company regularly monitors and supervises the functioning of the system so as to ensure that there are no delays and lapses in the system. Shares held in dematerialised form are traded electronically in the Depository. The RTA of the Company periodically receives from the Depository, the beneficial holding so as to enable them to update their records and to send all notices, corporate communications and Dividend Payments etc. to the beneficial owners of shares.

The average time taken for process of share transfer requests including dispatch of share certificates etc. is within 15 days. Physical shares received for dematerialisation are processed and computerised within a period of seven to ten days from the date of receipt, provided they are found in order in every respect. Bad deliveries are immediately returned to the respective Depository Participant under advice to the Shareholders.

n) Shareholding Pattern as on 31st March 2013 are given in the following Table:

Equity Shares -

Category	No. of Shares	% of Holding
Promoters & Promoter Group	28,88,41,668	50.68
Financial Institutions, Banks, Mutual Funds, etc.	9,22,414	0.16
FII's (including Foreign Bodies Corporates)	11,10,63,710	19.49
Indian Public (including Private Corporate Bodies)	15,47,77,352	27.16
NRIs/OCBs	48,78,205	0.86
Clearing Members & others	93,96,778	1.65
Total	56,98,80,127	100.00

“B” Equity Shares (DVR Shares) -

Category	No. of Shares	% of Holding
Promoters & Promoter Group	2,41,01,468	45.92
Financial Institutions, Banks, Mutual Funds, etc.	59,566	0.11
FII's (including Foreign Bodies Corporates)	52,93,941	10.08
Indian Public (including Private Corporate Bodies)	2,25,73,822	43.02
NRIs/OCBs	3,51,456	0.67
Clearing Members & others	1,07,757	0.20
Total	5,24,88,010	100.00

Report on Corporate Governance (contd.)

o) Distribution of Shareholding as on 31st March 2013 are given in the following Table :

Equity Shares -

Shareholding Range	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1 - 500	1,45,432	76.50	2,45,87,176	4.32
501 - 1000	21,701	11.42	1,69,06,252	2.97
1001 - 5000	19,014	10.00	4,12,22,207	7.23
5001 - 10000	2,291	1.21	1,61,89,818	2.84
10001 - 50000	1,386	0.73	2,70,10,623	4.74
50001 - 100000	134	0.07	93,02,791	1.63
100001 - and above	142	0.07	43,46,61,260	76.27
Total	1,90,100	100.00	56,98,80,127	100.00

“B” Equity Shares (DVR Shares) -

Shareholding Range	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1 - 500	1,25,864	97.22	48,72,205	9.28
501 - 1000	1,758	1.36	12,90,086	2.46
1001 - 5000	1,426	1.10	30,77,718	5.86
5001 - 10000	209	0.16	15,09,679	2.88
10001 - 50000	150	0.11	31,84,293	6.07
50001 - 100000	23	0.02	16,10,632	3.07
100001 - and above	33	0.03	3,69,43,397	70.38
Total	1,29,463	100.00	5,24,88,010	100.00

p) Dematerialisation of Shares and Liquidity:

Approximately 99.41% of the Company's Equity Shares and approximately 98.03% of Company's “B” Equity Shares have been dematerialised as on March 31, 2013 respectively. The Equity Shares and the “B” Equity Shares of Company are both actively traded in Stock Exchanges and are permitted to be traded only in dematerialised form.

q) Outstanding FCCBs / Warrants / ESOS or any other Convertible instruments, Conversion date and likely impact on equity:

The outstanding convertible bonds, warrants and ESOS as on 31st March, 2013 are as under:

- 2,08,00,000 Warrants of Rs.120 each issued under Qualified Institutional Placement with option to the warrant holder to get allotment of 1 Equity Share in lieu of each warrant. The warrant holders have the right to exercise the option for conversion of warrants on or before 28th April, 2015. If all the aforesaid warrants are converted then the Share Capital of the Company will increase by 2,08,00,000 Equity Shares of Rs. 10 each and by 20,80,000 “B” Equity Shares of Rs. 10 each.
- 50,00,000 Warrants of Rs. 21.08 each issued on preferential basis to Promoter/ Promoter Group Companies with option to the warrant holder to get allotment of 1 Equity Share in lieu of every warrant. The warrant holders have the right to exercise the option for conversion of warrants on or before 22nd

May, 2014. If all aforesaid warrants are converted then the Share Capital of the Company will increase by around 50,00,000 Equity Shares of Rs. 10/- each.

- 200 Nos. of 5.5% Unsecured FCCB due 2017 with an issue value of USD 1,00,000 each. If all the bonds are converted into equity share at its conversion price, then the Share Capital of the Company will increase by around 4,77,64,444 Equity Shares of Rs.10 each.
- The status on outstanding options under Employee Stock Option Schemes has already been provided in an Annexure to the Directors Report.

r) Plant Location:

Coke Plant(s)

1. Vill. : Dharampur, P.O. Khambhalia
Dist. : Jamnagar, Gujarat
Pin : 361305
2. Vill. : Lunva, Taluka-Bhachau
Dist. : Kutch, Gujarat
Pin : 370140
3. Road No. 16, 1st Cross, KIADB,
Belur Industrial Area, Dharwad,
Karnataka, Pin : 580011

Steel Plant(s)

Vill. : Lunva, Taluka-Bhachau
Dist. : Kutch, Gujarat
Pin : 370140

Report on Corporate Governance (contd.)

s) Address of Subsidiaries

Manor Dealcom Private Ltd

22, Camac Street, Block C, 5th Floor,
Kolkata 700 016

Huntervalley Coal Private Ltd

22, Camac Street, Block C, 5th Floor,
Kolkata 700 016

Gujarat NRE Ltd.

Lot No. 1, Princes Highway, Cnr Bellambi Lane,
Russell Vale 2517, NSW, Australia

Gujarat NRE Coking Coal Ltd.

Lot No. 1, Princes Highway, Cnr Bellambi Lane,
Russell Vale 2517, NSW, Australia

Gujarat NRE Coal (NSW) Pty Ltd.

Lot No. 1, Princes Highway, Cnr Bellambi Lane,
Russell Vale 2517, NSW, Australia

Gujarat NRE Resources NL

Lot No. 1, Princes Highway, Cnr Bellambi Lane,
Russell Vale 2517, NSW, Australia

Gujarat NRE Wonga Pty. Ltd. (previously known as Gujarat NRE FCGL Pty Ltd)

Lot No. 1, Princes Highway, Cnr Bellambi Lane,
Russell Vale 2517, NSW, Australia

Gujarat NRE Properties Pty. Ltd.

Lot No. 1, Princes Highway, Cnr Bellambi Lane,
Russell Vale 2517, NSW, Australia

Wonga Coal Pty Ltd.

Lot No. 1, Princes Highway, Cnr Bellambi Lane,
Russell Vale 2517, NSW, Australia

Gujarat NRE India Pty. Ltd.

Lot No. 1, Princes Highway, Cnr Bellambi Lane,
Russell Vale 2517, NSW, Australia

Southbulli Holdings Pty Ltd.

Lot No. 1, Princes Highway, Cnr Bellambi Lane,
Russell Vale 2517, NSW, Australia

u) Address for Correspondence:

22, Camac Street, Block - C, 5th Floor
Kolkata-700 016,
Phone: +91-33-22891471
Fax: +91-33-22891470
E-mail: kolkata@gujaratnre.com

v) Queries:

Any Query on Financial Statements, Company's performance etc. may be sent to **investor@gujaratnre.com** or addressed to the Company.

10. Auditor's Certificate on Corporate Governance

As per Clause 49 of the Listing Agreement, the Auditor's Certificate on Corporate Governance is annexed to this Report.

For and on behalf of the Board

Place : Kolkata
Dated : 26th May, 2013

Arun Kumar Jagatramka
Chairman & Managing Director

Auditors' Certificate on Corporate Governance

To the Members of

Gujarat NRE Coke Limited

We have examined the compliance of conditions of Corporate Governance by Gujarat NRE Coke Limited for the year ended on 31st March 2013, as stipulated in Clause 49G(iii) of the Listing Agreement of the said Company with the Stock Exchanges.

The compliances of the conditions of the Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representation made by the Directors and the management, we certify that the Company has substantially complied with the conditions of Corporate Governance as stipulated in the above-mentioned clause of the Listing Agreement.

As required by the guidance note issued by the Institute of Chartered Accountants of India, we state that as per the records maintained, there were no investors' complaints remaining unattended/pending for more than 30 days as at 31st March 2013.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **N. C. Banerjee & Co.,**
Chartered Accountants
(Registration No. 302081E)

Dated : 26th May, 2013
Place : Kolkata

ARNOB PAUL
Partner
(Membership No. 06490)

Management Discussion & Analysis

INDUSTRY STRUCTURE & DEVELOPMENTS

ECONOMY

The global economy though stable as of now, has still not been able to get back its colour and composure. The year gone by has been a continuation of the long drawn recession that had commenced in 2008-09 with no clear sign of an end date. The woes of Europe mired in debt and slowdown continued the whole of last year and threatens to pull down the global growth. With the major European economies like Germany, France, United Kingdom and Italy having significant contribution to the world's economic activity, any development in these western economies is being closely watched by all.

The silver lining however arises from the fact that the apprehensions of a hard landing by China or a collapse in Europe and a double dip in the US has faded and the world economy is expected to strengthen gradually in 2013. The IMF, projecting global growth at 1.9% in 2013 which is a fraction lower than 2.2% registered in 2012, however expects it grow by 2.7% in 2014. With Europe expected to grow by 0.3% in 2013 compared to a -0.2% contraction in 2012, IMF projects growth in advanced economies by 1.2%. Chinese growth is expected to be almost stagnant in 2013 with both World Bank and IMF projecting around 7.7% growth which is almost the same as in last year.

Structural reforms, fiscal prudence and financial sustainability are required to bring back the economy in the growth path. The struggling economies of Europe need to get their act together and take a more pragmatic approach to come out of the crisis. Growth in Japanese economy brought in by the recent string of reforms would be a great positive for the turnaround in the Asian and the Asia-Pacific region. China and India are expected to be the major pillars of the global economic growth. The demand of over two and a half billion people is surely expected to increase the demand for commodities and fuel growth which would be sustainable in the long run.

WORLD COKING COAL AND METALLURGICAL COKE INDUSTRY

The demand for steel is expected to increase in the medium to long term outlook, which would be led by further development in emerging markets. The growth would be primarily led by China as well as growth in markets such as India, Vietnam, Indonesia, Brazil, Middle East and SE Asia. All these regions are going to increase or add Blast Furnace steelmaking facilities. World crude steel production reached 1,548 MT for the year 2012, up by 1.2% compared to 2011.

Global demand for coking coal is expected to increase over the next five years at a CAGR of 3.6 per cent, from 854 million tonnes in 2011 to 1,024 million tonnes in 2016. China is estimated to drive global demand growth with a share of around 64 per cent followed by India with a share of around 13 per cent. Demand from Europe, which declined during the last five years, is expected to increase on the back of anticipated economic recovery between 2013 and 2014.

On the back of continued weak economic outlook for 2013, at least in the first half, coking coal demand growth is expected to be muted, with average price in the range of \$140-160 per tonne. It is interesting to note that prices have not fallen considerably due to lack of availability of premium coking coal in the global market. With increased steel consumption, coking coal is expected to remain in deficit due to supply side availability constraints. Prime quality hard coking coal which is used in steel making is not in abundance which is expected to create supply deficit and consequent rise in prices in case of any demand pull.

The health of global economy is expected to improve considerably beyond 2015 and it is believed that we might experience a sustained economic growth phase at least upto 2020. Indian economy is also expected to grow stronger during that period. We might expect a spurt in demand for coking coal with increased economic activity in and around 2015. The current delays and cancellations in new coking coal projects might result in a major shortage by 2016 resulting in higher prices.

China has been the largest met coke producer for over last two decades; having its share in met coke production in 2012 at 68% for the global production of around 650 MT. China has recently withdrawn 40% export tax on met coke export which it had imposed in 2009. This abolition of export tax has resulted in the steady decline in export prices from China, which now stands in parity with other major coke producing and exporting nations. Blast furnace coke price has been following a declining trend since 2011 and has been ranging at around U.S. \$285-300/ tonne cfr India since December 2012.

DOMESTIC COKING COAL & MET COKE INDUSTRY

India's domestic demand for met coke has been considerably down in the year 2012-13 largely due to the stagnant economic growth and reduced manufacturing & infrastructure activity which resulted in lower steel production. The ban in iron ore mining also resulted in a major reduction in steel production in South India, which affected the domestic demand of met coke to a great extent.

However, with the relaxation in mining of iron ore and an expected increased economic activity on the back of a good monsoon and certain efforts by the government, Indian steel demand is expected to increase from the current low of 2.5% in 2012 to 5.9% in 2013 and then to 7.5% in 2014.

India is one of the major importers of coking coal and met coke. India meets 70% of its coking coal need through imports. India imported around 35 MT of coking coal in 2012-13, while its demand is expected to rise to around 90 MT in next four to five years. The various efforts to boost the manufacturing sector and to resurrect the infrastructure development are expected to increase the demand for steel and in turn that of coking coal & met coke in the near future.

OPPORTUNITIES & THREATS

The biggest opportunity lies in the growing middle class in India and in its burgeoning demand. The ever growing challenge of meeting the incremental domestic demand is bound to fuel growth. Indian growth being based on internal consumption does not have to depend on external economies for selling its product. Though no country can insulate itself from the global shocks in today's liberalised economy, however the growth here is more sustainable. With the revival in global economy, demand multiplies, and since prices do not remain subdued for long, the opportunities are far more than challenges for met coke & coking coal industry in India.

Various external factors like global recession, eurozone crisis act as major threats to the met coke & coking coal industry as it does to any other commodity market. The extreme volatility in price adds to the uncertainty. Certain unexpected international & domestic developments like the abolition of 40% export tax by China or the imposition of mining ban in South India are a few threats facing the industry.

COMPANY'S PERFORMANCE

The income from operations was substantially higher at Rs.415.57 crores in the year under review as compared to Rs.331.00 crores during the previous year and consequently, the

Management Discussion & Analysis (contd.)

net profit during the year under review was reported at Rs. 30.97 crores as compared to Rs. 3.09 crores during the previous year. Accordingly, the Basic & Diluted earnings per share of the Company were reported at Rs.0.52 and Rs.0.52 respectively, for the year under review as compared to Rs.0.05 and Rs.0.05 during the previous year.

SEGMENT WISE PERFORMANCE & OUTLOOK

Coal & Coke

Coking coal and Coke segment has been at the core of the operations of the Company contributing around 87% of the total turnover during the year under review. Net Sales/income from this segment for the year under review amounted to Rs. 1495.73 crores as compared to Rs.1029.26 crores in the previous year.

Steel

Steel segment contributes around 13% to the total turnover. It achieved a turnover of Rs. 217.63 crores during the year under review as compared to Rs.344.57 crores during previous year mostly due to poor demand.

The Company is generating power through its Wind Turbines and is in the final stages of commissioning co-generation power plants to produce electricity from waste heat. This helps the Company to reduce its power costs and ensure regular supply of clean power to its production facilities.

Outlook

The market conditions are expected to remain volatile during 2013-14. However, we are seeing early signs of some hope of revival in the general economic & market conditions in the latter half of 2013. Any uptrend in economic activity would pull the prices up the curve with increased market activity & demand. The prices of coking coal and metcoke are believed to have been bottomed out with minimal downside risk, and any further movement is expected to go upwards only.

RISKS & CONCERNS

Our businesses and operations are subject to a variety of risks and uncertainties which are similar to any other company in general and also common to the industry to which we belong. Some of the key risks and uncertainties affecting the company are set forth below. Any of these risks has the potential of causing the actual operating results in future to vary materially from the current results or from anticipated future results.

- a) **Commodity Price Risk** : The Company is exposed to the risk of price fluctuations on raw materials and finished goods. However, considering the normal correlation in the prices of raw material i.e coking coal and finished good i.e. met coke, this risk gets reduced / adjusted over a period of time.
- b) **Production Risk** : Coking coal, the critical raw material required for manufacture of met coke is in short supply internationally resulting in uncertainty in its availability and consequently, its prices. Timely availability of raw material at reasonable prices is therefore, critical for survival in this industry. The Company's strategy of backward integration by acquiring coking coal mines in Australia helps in minimising the effect of volatility in prices and secures availability of premium quality hard coking coal.
- c) **Forex Risk** : The company like any other company operating in global markets is subject to Forex Risk. The Company

however, has a policy to hedge its foreign exchange risk within the defined parameters. As imports (raw materials etc.) exceed exports or vice versa, the Company suitably hedges the differential from time to time to appropriately manage the currency risk. However, such hedging does not assure avoidance of any losses due to sudden and/or substantial volatility in currency markets.

- d) **Risk from Natural Calamities**: Any act of nature detrimental to the smooth functioning of the mining of Coking coal in Australia as well as production of metallurgical coke in India, can adversely affect the performance of the Company.
- e) **Political Risk** : Any risk arising due to any major change in policy decisions on account of change in Government, Legislative bodies etc. such as levy of any additional duty etc. on the product produced by the company may affect the results of the company.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

The Company's internal control systems are commensurate with the nature, size and complexities of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial statements.

The Company has an internal audit system which is conducted by an independent firm of Chartered Accountants as well as a strong in house internal audit cell so as to cover various operations on regular basis through the year. Summarised Internal Audit Observations/ Reports are reviewed by the Audit Committee on a regular basis. The finance and accounts functions of the Company are well staffed with qualified and experienced members.

HUMAN RESOURCES

The company considers its people as its most important resource. All employees of Gujarat NRE are considered leaders and encouraged to take responsibility to do their best that they can while meeting business needs. Our strength lies in our human pool of resources and our success is largely dependent on them. The Company therefore, focuses on developing its talent pool and its employee capability through increased emphasis on learning and skill upgradation job rotation, multi skilling and inter plant sharing of experiences. Critical skills identification and ramp up planning continues at the operating level. The Company continuously reviews its policies/practices with a view to make them more contemporary and uniform in application and this is an ongoing process. To improve quality of work life, medical, transport facilities, welfare and recreational facilities have been reviewed and upgraded. All these efforts had an impact on reducing the attrition levels at our plants and offices. Cordial industrial relations prevailed across the Company during the year under review.

CAUTIONARY STATEMENT

The statement in this Management Discussion and Analysis Report describing the company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statement' within the meaning of applicable securities laws and regulations. These statements being based on certain assumptions and expectations of future events, actual results could differ materially from those expressed or implied. The Company assumes no responsibility whatsoever, in this regard.

Managing Director (CEO) & Chief Financial Officer (CFO) Certification

We, Mr. Arun Kumar Jagatramka, Chairman & Managing Director and Mr. P R Kannan, Chief Financial Officer certify that:

- 1) We have reviewed the Financial Statements and the Cash Flow Statements for the year ended 31st March 2013 and to the best of our knowledge and belief :
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulation.
- 2) To the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, any deficiencies in the design or operation of such internal controls of which we are aware and the steps that have already been taken or proposed to be taken to rectify these deficiencies.

- 4) We have disclosed based on our most recent evaluation, wherever applicable, to the Company's Auditors and the Audit Committee that -
 - a. there has not been any significant change in internal control over financial reporting during the year under reference;
 - b. there has not been any significant change in the accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - c. we are not aware of any instance during the year of any significant fraud with involvement therein of the management or any employee having a significant role in the company's internal control system over financial reporting.
- 5) We further declare that all board members and senior management personnel have affirmed compliance with the Code of Conduct during the year under review.

	A K Jagatramka	P R Kannan
	<i>Chairman &</i>	<i>Chief</i>
Place : Kolkata	<i>Managing Director</i>	<i>Financial Officer</i>
Date : 26th May, 2013		

Independent Auditors' Report on Abridged Financial Statements

To the members of
Gujarat NRE Coke Ltd.

The accompanying abridged financial statements, which comprise the abridged balance sheet as at 31 March, 2013, the abridged statement of profit & loss, and abridged cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of Gujarat NRE Coke limited ('the Company') for the year ended 31 March, 2013.

The abridged financial statements do not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") applied in the preparation of the audited financial statements of the Company. Reading the abridged financial statements, therefore, is not a substitute for reading the audited financial statements of the Company.

Management's Responsibility for the Abridged Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 read with Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2012 and are based on the audited financial statements for the year ended 31 March, 2013, prepared in accordance with Accounting Standards referred to in

sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") and accounting principles generally accepted in India.

Auditors' Responsibility

Our responsibility is to express an opinion on the abridged financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the abridged financial statements, prepared in accordance with Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 read with Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2012 are derived from the audited financial statements of the Company for the year ended 31 March, 2013 and are a fair summary of those financial statements.

For **N.C.Banerjee & Co.**
Chartered Accountants
(Firm's Registration No. 302081E)

Place : Kolkata
Date : 26th May, 2013

A. Paul
(Partner)
Membership No. 06490

Independent Auditors' Report

To the members of
Gujarat NRE Coke Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Gujarat NRE Coke Limited ("the Company"), which comprise the Balance Sheet as at March 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 ("the Act"). 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 March 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 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the 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;
 - e) On the basis of written representations received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 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;
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For N.C.Banerjee & Co.
Chartered Accountants
(Firm's Registration No. : 302081E)

Place : Kolkata
Dated : 26th May, 2013

A. Paul
(Partner)
Membership No. 06490

Annexure to Independent Auditor's Report Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) We were informed that the Company has a phased programme of physical verification of all its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, fixed assets were physically verified by management during the period under review and no material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year under review were not substantial and therefore do not affect the going concern status of the company.
- (ii) (a) During the year inventories have been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, 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 is maintaining proper records of inventory. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) In our opinion and according to the information and explanations given to us, the company has not granted or taken loans, Secured or Unsecured, to/from the companies, firm or other parties covered in the Register maintained under section 301 of the Companies Act, 1956 consequently sub clause (a) to (g) of clause 4 (iii) of the order is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services. No major weakness in internal control system was observed.
- (v) (a) According to the information and explanations given to us, we are of the opinion that particulars of all the transactions made in pursuance of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

Independent Auditors' Report (contd.)

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding value of rupees five lacs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government 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 maintained. We have not, however, carried out a detailed examination of such records with a view to determine whether they are accurate or complete.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, in our opinion, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues with appropriate authorities during the year under review.
- The Central Government has not notified the date of levy and collection of cess under Rehabilitation & Revival fund as per section 441 A of the Companies Act, 1956.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty and Excise Duty were in arrear as at 31st March, 2013, for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us and the records of the company examined by us, there were no dues in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess that have not been deposited with the appropriate authorities on account of any dispute other than those as mentioned here-in-below:

Name of the statute	Nature of Dues	Amount (Rs./Crores)	Period to which the amount Relates	Forum where disputes are pending
Income Tax Act, 1961	Regular Assessment	0.34	2004-05	Income Tax Appellate Tribunal, Kolkata / Commissioner of Income Tax (Appeals), Kolkata
Chapter V & VA of Finance Act, 1994 (Act 32 of 1994)	Service Tax	0.06	Oct'07 - Mar'08	Custom, Excise and Service Tax Appellate Tribunal, Ahmedabad.
The Customs Act, 1962	Custom Duty	0.22	2010	Custom, Excise and Service Tax Appellate Tribunal, Ahmedabad.

- (x) The Company does not have accumulated losses at the year ended 31st March, 2013 and has not incurred cash losses during the year under review and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its banks or to any financial institutions or debenture holders.
- (xii) According to the explanations given to us and based on the information available, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the order are not applicable to the company.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. The investments have been held by the company in its own name except to the extent of exemption granted under section 49 of the Companies Act, 1956.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions, on the basis of which the Company has given guarantees for loans taken by the subsidiary companies from banks or financial institutions, are not as such prima facie prejudicial to the interests of the Company.
- (xvi) In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of account, the term loans were applied for the purpose for which such loans were obtained.

- (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 investment.
- (xviii) The company has allotted shares consequent upon conversion of warrants allotted on preferential basis to a company covered in Register maintained under Section 301 of the Companies Act, 1956 during the year. The Price at which these shares have been issued has been determined as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, which in our opinion is not prejudicial to the interest of the Company.
- (xix) According to the information and explanations given to us, the company issued secured non-convertible debentures and unsecured foreign currency convertible bonds during the year under review. (Refer Note no. 4)
- (xx) The company has not raised any money by public issues during the year under review.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **N.C.Banerjee & Co.**
Chartered Accountants
(Firm's Registration No. : 302081E)

A. Paul
(Partner)
Place : Kolkata
Dated : 26th May, 2013

Membership No. 06490

Abridged Balance Sheet as at 31st March, 2013

(Statement containing salient features of Balance Sheet as per Section 219(1)(b)(iv) of Companies Act, 1956)

(Rs. in Crores)

PARTICULARS	As at 31.03.2013		As at 31.03.2012	
i. EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a) Paid up Share Capital				
(i) Equity & "B" Equity Share Capital		622.37		577.37
(b) Reserves & Surplus				
(i) Capital Reserve	144.87		51.12	
(ii) Surplus	—		—	
(iii) Securities Premium Reserve	495.73		445.87	
(iv) General Reserve	240.45		240.45	
(v) Debenture Redemption Reserve	196.57		165.59	
(vi) Employee Stock Option Outstanding	7.11	1,084.73	7.30	910.33
(c) Deposit against Share Warrants		13.04		104.15
(2) Non- Current Liabilities				
(i) Long-term borrowings	952.81		756.91	
(ii) Deferred Tax Liabilities (Net)	163.91		166.03	
(iii) Other Long-term Liabilities	—		—	
(iv) Long-term provisions	9.08	1,125.80	7.74	930.68
(3) Current Liabilities				
(i) Short-term borrowings	813.53		692.06	
(ii) Trade Payables	749.99		790.52	
(iii) Other Current Liabilities	580.21		471.53	
(iv) Short-term provisions	43.11	2,186.84	44.22	1,998.33
Total of (1) to (3)		5,032.78		4,520.86
ii. ASSETS :				
(4) Non- Current Assets				
(a) Fixed Assets				
(i) Tangible Assets(Original cost less depreciation)	899.83		925.12	
(ii) Capital Work-in-Progress	204.42	1,104.25	171.05	1,096.17
(b) Non-Current Investments				
(i) Quoted (Market Value-Rs.97.45 Cr. P.Y-Rs.78.86 Cr.)	55.66		55.66	
(ii) Unquoted	762.73	818.39	687.63	743.29
(c) Long-term loans & advances		271.13		279.01
(d) Other Non - Current Assets		—		—
(5) Current Assets				
(a) Current Investments		—		—
(b) Inventories		1,731.46		1,589.29
(c) Trade Receivables		562.71		209.99
(d) Cash & Cash Equivalents				
(i) Balances with Bank	98.43		68.57	
(ii) Cash in hand	0.25	98.68	0.23	68.80
(e) Short term loans & advances		446.16		534.31
Total of (4) to (5)		5,032.78		4,520.86
Refer Notes forming part of the Abridged Accounts				

The Complete set of Balance Sheet, Statement of Profit & Loss, other statements and notes thereto prepared as per the requirements of Schedule VI of the Companies Act, 1956 are available at the Company's Website at www.gujaratnre.com

Compiled from the Audited Accounts of the Company referred to in our Report dated 26th May, 2013

For **N. C. BANERJEE & CO.**
Chartered Accountants
(Firm Registration No. 302081E)

For and on behalf of the Board

A. Paul
Partner
Membership No. 06490
Place : Kolkata
Dated : 26th May, 2013.

A K Jagatramka
Chairman &
Managing Director

M Jagatramka
Director

P R Kannan
Chief Financial Officer

Manoj K Shah
Company Secretary

GUJARAT NRE COKE LIMITED

Abridged Statement of Profit & Loss for the year ended 31st March, 2013

(Statement containing salient features of Statement of Profit & Loss as per Section 219(1)(b)(iv) of Companies Act, 1956)

(Rs.in Crores)

PARTICULARS	For the year ended 31.03.2013		For the year ended 31.03.2012	
I INCOME				
Sales	1,821.19		1,437.34	
Less: Excise Duty	108.15	1,713.04	65.16	1,372.18
II Other Income		38.90		28.09
III Total Income (I+II)		1,751.94		1,400.27
IV EXPENDITURE				
(a) Cost of material Consumed		1,077.84		1,285.50
(b) Purchase of Stock in Trade		139.89		—
(c) Changes in Inventories of Finished Goods, Stock-in-Process and Stock in Trade		(101.47)		(440.91)
(d) Employees Benefits Expenses		60.27		54.58
(e) Finance Cost		263.02		208.57
(f) Depreciation		58.33		56.77
(g) Other Expenses		159.84		170.10
Total Expenditure (a to g)		1,657.72		1,334.61
V Profit before Exceptional Items & Tax (III-IV)		94.22		65.66
VI Exceptional Items		47.96		60.13
VII Profit Before Tax (V-VI)		46.26		5.53
VIII Tax Expenses				
– Current Tax	9.26		1.11	
– Deferred Tax	(2.11)		1.97	
– MAT credit entitlement	7.87		(1.10)	
– Tax for Earlier Years	0.27	15.29	0.46	2.44
Profit after Tax for the year (VII - VIII)		30.97		3.09
Earnings per Equity & “B” Equity Share (In Rs.)				
(Face Value of Rs.10 per Share)				
Basic		0.52		0.05
Diluted		0.52		0.05
Refer Notes forming part of the Abridged Accounts				

Compiled from the Audited Accounts of the Company referred to in our Report dated 26th May, 2013

For **N. C. BANERJEE & CO.**

Chartered Accountants

(Firm Registration No. 302081E)

For and on behalf of the Board

A. Paul
Partner

Membership No. 06490

Place : Kolkata

Dated : 26th May, 2013.

A K Jagatramka
Chairman &
Managing Director

M Jagatramka
Director

P R Kannan
Chief Financial Officer

Manoj K Shah
Company Secretary

Notes to Abridged Financial Statements

1 All amounts in the financial statements are presented in Rupees Crores, unless otherwise stated. The note numbers appeared in the "[]" are as they appear in the complete set of Financial Statements. These abridged financial statements have been prepared in accordance with the requirements of Rule 7 A of the Companies (Central Government's) General Rules & Forms, 1956 and clause 32 of the Listing Agreement. These abridged financial statements have been prepared on the basis of the complete set of financial statements for the year ended March 31, 2013.

2 [25] Segment Informations:

Segment wise Revenue, Results and Capital Employed for the Year ended 31st March, 2013.

The Company has two reporting segments i.e. "Coal & Coke" and "Steel" as primary segments.

i Primary Segment Reporting (by Business Segment):

(Rs. in Crores)

Particulars	2012-13			2011-12		
	Coal & Coke	Steel	Total	Coal & Coke	Steel	Total
Segment Revenue						
(Net Sales/Income from segment)						
External Sales	1495.73	217.30	1713.03	1029.26	342.92	1372.18
Inter-Segment Revenue		0.33	0.33		1.65	1.65
	1495.73	217.63	1713.36	1029.26	344.57	1373.83
Less: Inter Segment Revenue		0.33	0.33		1.65	1.65
Total Segment Revenue	1495.73	217.30	1713.03	1029.26	342.92	1372.18
Segment Results Profit before Tax & Interest	317.11	(16.68)	300.43	199.06	13.17	212.23
Add:- Other Un-allocable Income Net of Expenditure			8.85			1.87
Less:- Finance Expense			263.02			208.57
Less:- Provision for Tax			15.29			2.44
Net Profit			30.97			3.09
Assets						
Segment Assets*	3,461.01	484.41	3945.42	2,969.66	577.59	3547.25
Un-allocable Assets			1083.16			963.27
Total Assets			5028.58			4510.52
Liabilities						
Segment Liabilities	922.49	44.91	967.40	955.16	82.55	1037.71
Un-allocable Liabilities			50.62			63.58
Total Liabilities			1018.02			1101.29
*including captive windmills of (Rs. Crores)	6.54	343.30		6.84	368.47	
Capital Expenditure	64.23	1.83		78.88	6.74	
Non Cash Expenses						
Depreciation & Amortisation	28.17	29.72		26.66	29.69	

ii Secondary Segment Reporting (by Geographical demarcation):

(Rs. in Crores)

Particulars	2012-13			2011-12		
	India	Rest of the World	Total	India	Rest of the World	Total
Segment Revenue	1,548.09	164.94	1,713.03	1,006.59	365.59	1,372.18
Segment Assets	3,945.42	—	3,945.42	3,547.25	—	3,547.25
Capital Expenditure	66.06	—	66.06	85.62	—	85.62

Notes to Abridged Financial Statements (contd.)

3 [27.1] Contingent liabilities not provided for in respect of:

(Rs. in Crores)

	As on 31st March 2013	As on 31st March 2012
i Letter of Credits outstanding for purchase of materials / services.	1.16	18.67
ii Outstanding Bank Guarantees and Counter / Corporate Guarantees given on behalf of subsidiary companies.	2,667.05	2,458.56
iii Capital commitments	59.17	58.73
iv Bills discounted under letter of credit with banks	41.89	85.04
v Duty on account of Advance Authorisation against Export obligation.	4.87	0.73
vi On Balance Sheet date, the disputed amount involved in four income-tax demands (Previous Year four) under appeal. The management is of view that the outcome of the appeal would be favourable to the company, hence no provision has been made against these income-tax demands.	6.77	8.29
vii A demand raised by the Service tax department, against which company has filed an appeal to the jurisdiction authorities.	0.06	0.06
viii A demand raised by the Custom department, against which company has filed an appeal to the jurisdiction authorities.	1.11	2.55

27.2 Greenerth Resources & Projects Limited (formerly known as Austral Coke & Projects Limited) had filed a defamation suit in Hon'ble Bombay High Court against the Company for Rs.600 Crores. The Company had also filed Civil Suit in Hon'ble Calcutta High Court against Austral Coke & Projects Limited, all its Directors, its merchant bankers and Auditors and others claiming for loss of damages worth Rs.4761 crores. Management is confident that outcome of the defamation suit filed by the Austral Coke & Projects Limited would be in favour of the company.

27.3 In the year 2007, the company and Armada Singapore Pte Ltd ("Armada") entered into five year charter party agreement which provided, inter alia, for Armada to provide vessels to ship the company's tonnage, namely coal from various destinations worldwide. During the year 2009 Armada entered into Judicial Management, a Singaporean insolvency regime. As a result of Armada's insolvency, the Company did not make further nominations since there was no assurance or security for Armada's performance for the balance period under the agreement.

In the year 2010 Armada filed its claim submission in an arbitration proceeding against the company in London for the year 2009 and 2010 and after all the repetitive challenges by the company w.r.t the defect in constitution of the Tribunal, the Tribunal passed an order in favour of Armada assessing the liability of the company as equivalent to Rs. 46 cr (including interest of Rs. 3.7 cr).

Aggrieved by the aforesaid order the company has filed a civil suit against Armada with the Hon'ble High Court at Calcutta claiming for damages for an amount of Rs 144 crores and cancellation of the aforesaid order being void and restraining Armada from giving any effect to the order passed by the Tribunal. An order was passed by the Hon'ble High Court at Calcutta restraining Armada to take any further steps to enforce the award passed by the Tribunal in India. The matter is presently sub judice before the Hon'ble High Court at Calcutta.

Meanwhile Armada executed an enforcement proceeding before the Federal Court of Australia, New South Wales which passed a freezing order of the assets held by the company in Australia. The company had challenged such enforcement proceedings before the same court and the final judgment is reserved by the court and is pending till date.

Armada later on filed its claim submission against the company for the non-performance of contract for the year 2011 before the same arbitral tribunal in London which passed a further order in favour of Armada assessing the liability of the company as equivalent to Rs.25.4 cr (including interest of Rs. 1.2 cr). An appeal was filed by the company against said order before High Court of Justice, Queen's Bench Division, Commercial Court in England which is pending before the said court.

During the year 2012, the company sought performance under the agreement from Armada, who failed to perform as per the terms of the agreement, which event was taken as repudiation of the agreement and the agreement was terminated. On the contrary, Armada filed another claim in March 2013 for non-performance for the year 2012 for an amount equivalent to Rs. 27 cr and interest thereupon. The company has filed a counter claim for an amount equivalent to Rs 60 cr and strongly opposed the claim of Armada before a newly constituted Arbitral Tribunal. The matter is presently subjudice before the said Arbitral Tribunal and the management is confident of the outcome of case in favour of the company.

27.4 In September 2011 the company and Coeclerici Asia (Pte) Ltd ("Coeclerici") entered into an agreement of sale and purchase of met coke as per which the company had to supply the cargo to Coeclerici at a mutually agreed price by 31st March 2012. As per the terms of the agreement Coeclerici made an advance of USD 10 million to the company in Sept 2011. Owing to the sluggish market conditions, the parties could not arrive at a mutually agreed price, as such no cargo was supplied by 31.03.2012 and the entire advance of USD 10 million was required to be refunded by the company to Coeclerici. The company has already refunded USD 2 million till Sept'12 to Coeclerici and for the balance refund of USD 8 million, the company is awaiting the approval from Reserve Bank of India ("RBI").

The company does not dispute the repayment of the balance amount to Coeclerici but has been unable to make any further payment until RBI approval. However, to secure its payment position, Coeclerici proceeded with the arbitration in London by filing its claim against the company. After all the arbitration proceedings, the Tribunal finally passed its order against the company for an amount equivalent to Rs. 46.2 cr and interest thereupon.

The Amount of advance received is already accounted for under Advance received from Customers.

Notes to Abridged Financial Statements (contd.)

27.5 The company had filed proceedings before the High Court, Calcutta against Gregarious Estates Incorporated ("Gregarious" or "Owners"), Gabriel Petridis (President / Director of Gregarious), Tapas Kumar Mukhopadhyay (Director of Gregarious), Arun Dua (Director of Gregarious) and Bhatia International Pte. Limited in relation to the Time Charter Agreement dated January 29, 2008 entered into between GNCL and Gregarious whereby Gregarious agreed to give on hire and GNCL agreed to hire a vessel for a period of 82 to 86 months.

In view of the fact that there was a change in management of Gregarious without the consent of the company, it was contended that as per the terms of the agreement the company has the right to terminate the said Agreement. Further the Agreement never came into effect as per the terms of the agreement Gregarious had failed to provide the calculations for ascertaining super profits (as described therein) to the company. The company had filed a suit in Calcutta High Court for a decree of Rs. 56.25 cr and prayed for declaration that the arbitration agreement between the company and Gregarious be rendered illegal, null and void.

During pendency of above proceedings, Gregarious initiated arbitration proceedings against the company and served a claim submission for an amount equivalent to Rs 212 cr and interest thereupon.

The matter was never heard on merits at all and only the matter of jurisdiction of English Courts/ Arbitral Tribunal in London was decided by the Indian Courts.

The matter is now pending before the Arbitral Tribunal in London to be heard on merits and the management is confident of the outcome of case in favour of the company.

4 [31.i] The company uses forward contracts to hedge its risks associated with foreign currencies relating to foreign currency liabilities. The company does not use forward contracts for speculative purpose.

(Rs. in Crores)

	As on 31st March 2013	As on 31st March 2012
a Forward Contracts outstanding for hedging currency risks		
- Loans	—	—
- Payable	145.89	119.04
b Foreign Currency Exposures that have not been hedged		
- Loans including accrued interest	212.07	134.00
- Payable	564.96	553.04

ii Exchange difference Gain/ (Loss) of Rs. (1.91) Crores (Previous Year Rs. (1.34) Crores) in respect of unexpired period of forward cover contracts will be recognised in the Statement of Profit & Loss in subsequent year.

5 [32] Related Party Disclosures as required by Accounting Standard (AS-18) issued by the Institute of Chartered Accountants of India (ICAI), are given below:

A. Particulars of the Related Parties:

Subsidiary Companies

Wholly Owned

- i Gujarat NRE Limited
- ii Hunter Valley Coal (P) Ltd.
- iii Manor Dealcom (P) Ltd.

Sub-Subsidiary Companies

- i Gujarat NRE Coking Coal Ltd.
- ii Gujarat NRE Wonga Pty. Ltd. (formerly Gujarat NRE FCGL Pty. Ltd.)
- iii Wonga Coal Pty. Ltd.
- iv Gujarat NRE Resources NL
- v Gujarat NRE Coal (NSW) Pty. Ltd.
- vi South Bulli Holdings Pty. Ltd.
- vii Gujarat NRE Properties Pty. Ltd.
- viii Gujarat NRE India Pty. Ltd.

Associates

- i Bharat NRE Coke Ltd.
- ii NRE Metcoke Ltd.
- iii Surajbari Traders Pvt. Ltd.
- iv Dharwad Traders Pvt. Ltd.
- v Mandvi Traders Pvt. Ltd.
- vi Lunva Traders Pvt. Ltd.

Notes to Abridged Financial Statements (contd.)

Enterprises in which key management personnel have significant Influence

- i Gujarat NRE Mineral Resources Ltd.
- ii Gujarat NRE Energy Resources Ltd.
- iii Russell Vale Traders Pvt. Ltd.
- iv Bulli Coke Ltd.
- v Bajrang Bali Coke Industries Ltd.
- vi Mangal Crystal Coke Pvt. Ltd.

Enterprise in which key management person is a trustee

- i Girdharilal Arun Kumar Family Trust

B. Key Management Personnel

- i Mr. A. K. Jagatramka – Chairman & Managing Director
- ii Mr. P. R. Kannan – Chief Financial Officer

C Transaction with Related Parties

(Rs. in Crores)

S.N	Particulars of Transactions	Current Year	Previous Year
i	Sale/(Sales Return) of Goods/Services		
	– Associates	46.99	0.15
	– Sub-Subsidiaries	27.33	19.43
	– Enterprises in which key management person has significant influence	0.01	–
ii	Purchase of Goods /Services		
	– Associates	5.19	5.40
	– Sub-Subsidiaries	516.42	898.60
	– Enterprises in which key management person has significant influence	2.13	–
iii.	Remuneration		
	– Key Management persons	2.51	1.98
iv	Investments		
	– Subsidiaries	75.09	–
v	Shares Alloted		
	– Enterprises in which key management person has significant influence	45.00	–
vi	Share Warrant Deposit		
	Received		
	– Enterprises in which key management person has significant influence	2.64	–
	Forfeited		
	– Enterprises in which key management person has significant influence	93.75	–
vii	Rent Paid		
	– Enterprises in which key management person is a trustee	0.25	0.25
viii	Loans / Advance Given/(Refunded)		
	– Associates	5.06	30.09
	– Subsidiaries	(0.02)	–
	– Enterprises in which key management person has significant influence	(74.50)	–
ix	Guarantees/Collateral Securities Outstanding as at the Year end		
	– Given on behalf of Sub-Subsidiaries	2,453.63	2,192.32
	– Given on behalf of Subsidiaries	190.36	252.80
	– Given by Associates on behalf of the Company	155.00	55.00
	– Given by Key Management Personnel on behalf of the Company	2,298.20	2,078.10
	– Given by Enterprises in which key management person has significant influence	346.78	94.50

Notes to Abridged Financial Statements (contd.)

D The Company has the following amounts due from/ to related parties:

(Rs. in Crores)

	As on 31st March 2013	As on 31st March 2012
Due from Related Parties		
(included in loans & advances and sundry debtors)		
Subsidiaries		
– included in Loans & Advances	89.13	89.15
Associates		
– included in Sundry Debtors	52.38	–
– included in Loans & Advances	101.05	200.49
Sub-Subsidiaries		
– included in Loans & Advances	–	4.41
Enterprises in which key managerial persons has significant influence		
– included in Loans & Advances	39.35	9.35
Due to Related Parties		
(included in current liabilities)		
– Sub-Subsidiaries	541.40	634.47
Enterprises in which key management person has significant influence	1.95	–

- 6 [34] A Scheme of arrangements under section 391 to 394 of the Companies Act'1956 for amalgamation of Bharat NRE Coke Ltd., an associate of the Company, has been approved by the shareholders of the company on 28.01.2013 and the matter is pending for disposal by the Hon'ble Calcutta High Court. This Financial Statement does not carry the effect of the said amalgamation.
- 7 [36] Exceptional items for the year ended 31st March'2013 represents net foreign exchange loss of Rs. 60.11 Crores ,including Rs.12.15 Crores included in Finance Cost, (Previous Year Rs. 74.40 Crores including Rs.14.24 Crores included in Finance Cost) has been incurred due to unusual diminution in the value of Rupees as against US Dollar during the year.
- 8 [39] Previous year's figure have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

GUJARAT NRE COKE LIMITED

Cash Flow Statement for the year ended 31st March, 2013

(Rs. in Crores)

	For the Year ended 31-Mar-13	For the Year ended 31-Mar-12
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	46.27	5.51
Adjustments for:		
Depreciation / Other non cash items	58.33	56.77
Interest Paid / Payable	263.02	208.57
Other Income	(27.61)	(20.60)
Loss/(Profit) on Sale / Discard of Fixed Assets	(0.02)	0.01
Loss/(Profit) on Sale of Investment	–	0.61
Employee Stock Option - Compensation	0.67	0.51
Interest Received / Receivable	(11.26)	(7.49)
Operating Profit before working Capital Changes	329.40	243.89
Adjustments for:		
Trade & Other Receivables	(273.91)	(142.37)
Inventories	(142.18)	(536.35)
Trade Payables	(69.81)	568.02
Cash Generated from Operations	(156.50)	133.19
Direct Taxes Paid / Refunds	7.27	(12.96)
Net Cash used in Operating Activities	(149.23)	120.23
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Fixed Assets	(66.59)	(78.23)
Sale of Fixed Assets	0.02	0.10
Addition to Investments	(75.09)	–
Sale of Investments	–	4.39
Interest Received	11.27	7.49
Dividend / Misc Income	27.61	20.60
Net Cash used in Investing Activities	(102.78)	(45.65)
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds to Share Capital / Reserves	94.86	0.16
Deposit against Share Warrant	2.64	–
Increase in Long / Short term borrowing	456.18	176.40
Interest Paid	(262.16)	(208.76)
Dividend & Dividend Tax Paid	(9.63)	(57.74)
Net Cash Generated from Financing Activities	281.89	(89.94)
Net Increase / (Decrease) in Cash & Cash Equivalents	29.88	(15.36)
Cash & Cash Equivalents (Opening Balance)	68.80	84.16
Cash & Cash Equivalents (Closing Balance)*	98.68	68.80

* Includes Dividend accounts of Rs. 1.92 crores(Previous Year 2.18 Crores)

In terms of our report of even date annexed hereto

For **N. C. BANERJEE & CO.**
Chartered Accountants
(Firm Registration No. 302081E)

For and on behalf of the Board

A. Paul
Partner
Membership No. 06490
Place : Kolkata
Dated : 26th May, 2013.

A K Jagatramka
Chairman &
Managing Director

M Jagatramka
Director

P R Kannan
Chief Financial Officer

Manoj K Shah
Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name of the Subsidiary Company	(Rs. In Crores)										Gujarat NRE Properties Pty. Ltd.
	Hunter Valley Coal Pvt. Ltd.	Manor Dealcom Pvt Ltd.	Gujarat NRE Ltd.	Gujarat NRE Coal (NSW) Pty Ltd.	Gujarat NRE Coking Coal Ltd.	Wonga Coal Pty Ltd.	Gujarat NRE Resources NL	Gujarat NRE Wonga Pty Ltd.	South Bulli Holdings Pty Ltd.	Gujarat NRE India Pty. Ltd.	
1. Country of Incorporation	India	India	Australia	Australia	Australia	Australia	Australia	Australia	Australia	Australia	Australia
2. Financial Year of the subsidiary ended on	31.03.13	31.03.13	31.03.13	31.03.13	31.03.13	31.03.13	31.03.13	31.03.13	31.03.13	31.03.13	31.03.13
3. Holding Company's Interest											
i) Equity Shares											
a) Number of Shares	20,592,850	19,051,150	103,568,544	2,000,000	1,376,138,678	71,903,274	251,603,872	170,022,500	5,005,000	1,000,000	810,000
b) % of Share held by Gujarat NRE Coke Ltd and its Subsidiaries	100.00%	100.00%	100.00%	100.00%	62.93%	100.00%	100%	100.00%	100.00%	100.00%	100.00%
ii) Preference Shares											
a) Number of Shares											
b) % Share held by Gujarat NRE Coke Ltd and its Subsidiaries											
4. Net aggregate amount of Profit/(Losses) of the Subsidiary, so far as they concern members of Gujarat NRE Coke Ltd											
i) For the Financial Year of Subsidiary											
a) Dealt with in the accounts of the Holding company											
b) Not dealt with in the accounts of the Holding company	0.01	0.00	(30.00)	(0.00)	(73.00)	0.01	1.46	38.08	(0.04)	(0.01)	(23.53)
ii) For the previous Financial Years of the Subsidiary since it became the holding Company's Subsidiary											
a) Dealt with in the accounts of the Holding company											
b) Not dealt with in the accounts of the Holding company	0.00	0.00	(107.47)	(0.00)	(42.62)	(1.18)	(0.82)	71.26	(0.00)	(0.00)	(0.03)
5. Changes in the interest of Gujarat NRE Coke Ltd between the end of the subsidiary's financial year and 31st March, 2013											
Number of shares acquired											
Material changes between the end of the subsidiary's financial year and 31st March, 2013											
a) Fixed assets (net additions)											
b) Investments (Net)											
c) Moneys lent by the subsidiary											
d) Moneys borrowed by the subsidiary company other than for meeting current liabilities											

Notes:

The Ministry of Corporate Affairs vide its circular no.2/2011 dated 8th February 2011 has granted a general exemption under section 212(8) of the Companies Act 1956, from attaching the Balance Sheet, Statement of Profit & Loss and other documents of the subsidiary companies to the balance sheet of any company upon compliance of certain conditions, the Balance Sheet, Statement of Profit & Loss and other documents of the subsidiaries are not attached to the Annual Reports & Accounts. The Annual Accounts of the Subsidiaries Companies are available for inspection by any investor at the Registered Office of the Company & the concerned subsidiary of the Company.

Particulars of Subsidiary Companies issued under section 212 (8) of the Companies Act, 1956 for the financial year 2012-13 are as follows :-

Name of the Subsidiary Company		Hunter Valley Coal Pty. Ltd.		Manor Dealcom Pvt. Ltd.		Gujarat NRE Ltd.		Gujarat NRE Coal(NSW) Pty Ltd.		Gujarat NRE Coking Coal Ltd.		Wonga Coal Pty Ltd.		Gujarat NRE Resources NL		Gujarat NRE Wonga Pty Ltd.		South Bulli Holdings Pty Ltd.		Gujarat NRE India Pty Ltd.		Gujarat NRE Properties Pty Ltd.		(Rs. In Crores)
		INR		INR		AUS	INR	AUS	INR	AUS	INR	AUS	INR	AUS	INR	AUS	INR	AUS	INR	AUS	INR	AUS	INR	
(a)	Share Capital (Equity and Preference)	2.0593		1.9051		8.6480	496.3931	0.0020	0.1134	63.9634	3,643.3300	7.1903	407.6916	5.0458	286.0954	1.58	89.60	0.5005	28.38	0.0010	0.06	0.08	4.59	
(b)	Reserve & Surplus (net of debit balance of statement of profit & loss)	201.9426		187.6552		(3.6092)	(214.1653)	(0.0010)	(0.0550)	(2.8300)	(246.5278)	(0.0757)	(4.3070)	0.1913	10.6875	6.24	332.63	0.0075	0.39	(0.0006)	(1.57)	(0.43)	(24.77)	
(c)	Total Assets	248.2850		234.4120		12.2126	692.6236	0.0010	0.0581	104.6306	5,866.9900	7.1340	404.4986	5.2554	297.8360	21.94	1,228.74	0.5083	28.79	3.3172	188.08	0.59	33.32	
(d)	Total Liabilities	44.2832		44.8516		7.1738	410.9358	-	-	43.4972	2,493.4237	0.0194	1.1140	0.0184	1.0531	14.12	806.51	0.0003	0.02	3.3167	189.59	0.94	53.49	
(e)	Details of Investment (excluding investments in the subsidiary companies)																							
	- Equity / Preference Shares	248.2804		234.3733		0.0544	3.0462	-	-	0.2362	13.2300	-	-	0.2091	11.7100	-	-	-	-	-	-	-	-	
	- Government Securities	-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	- Bonds/ Mutual Funds Units	-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(f)	Turnover	0.0169		0.0040		(0.0111)	(0.6228)	0.0000	0.0000	16.1446	909.6784	0.0002	0.0120	0.0350	1.9600	8.72	487.53	(0.0007)	(0.04)	0.0000	0.0017	(0.61)	(34.02)	
(g)	Profit/(Loss) Before Taxation	0.0097		0.0013		(0.7793)	(43.5913)	(0.0001)	(0.0036)	(2.3029)	(121.7876)	0.0002	0.0092	0.0347	1.9453	0.66	39.37	(0.0002)	(0.01)	0.0000	0.0017	(0.61)	(34.02)	
(h)	Provision for Taxation	0.0019		0.0006		(0.2399)	(13.5879)	(0.0000)	(0.0011)	(0.8669)	(48.7869)	0.0000	0.0028	(0.0084)	(0.4831)	0.03	1.29	(0.0002)	(0.01)	(0.0002)	(0.0128)	(0.18)	(10.49)	
(i)	Profit/ (Loss) after Taxation	0.0078		0.0007		(0.5393)	(30.0034)	(0.0000)	(0.0025)	(1.4360)	(73.0007)	0.0001	0.0065	0.0263	1.4622	0.64	38.08	(0.0005)	(0.03)	(0.0002)	(0.0112)	(0.42)	(23.53)	
(j)	Proposed Dividend (including Corporate Dividend Tax)	-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Independent Auditors' Report on Abridged Consolidated Financial Statements

To the Members of
Gujarat NRE Coke limited

The accompanying abridged consolidated financial statements, which comprise the abridged consolidated balance sheet as at 31 March, 2013, the abridged consolidated statement of profit & loss, and abridged consolidated cash flow statement for the year then ended, and related notes, are derived from the audited consolidated financial statements of Gujarat NRE Coke limited ('the Company') for the year ended 31 March, 2013.

The abridged consolidated financial statements do not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") applied in the preparation of the audited consolidated financial statements of the Company. Reading the abridged consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Company.

Management's Responsibility for the Abridged Consolidated Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements in accordance with Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 read with Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2012 and are based on the audited consolidated financial statements for the year ended 31 March, 2013, prepared in accordance with Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") and accounting principles generally accepted in India.

Auditors' Responsibility

Our responsibility is to express an opinion on the abridged consolidated financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA)

810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the abridged consolidated financial statements, prepared in accordance with Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 read with Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2012 are derived from the audited consolidated financial statements of the Company for the year ended 31 March, 2013 and are a fair summary of those consolidated financial statements.

Other Matter

We have relied on the unaudited financial statements of all the Australian subsidiaries as referred in note no. 6 of the Abridged Consolidated Financial Statement, whose financial statements reflect total assets of Rs.8,532.55 Crores as at March 31, 2013 and total revenue of Rs.1394.86 Crores and net Cash outflows of Rs.5.61 Crores for the year ended 31st March 2013. These unaudited financial statements has been approved by the Management Committee of the respective subsidiaries and have been furnished to us by the management, and our report in so far as it relates to the amounts included in respect of these subsidiaries are based solely on such Management approved financial statements.

For **N.C.Banerjee & Co.**
Chartered Accountants
(Firm's Registration No. : 302081E)

A Paul
(Partner)
Membership No. 06490

Place : Kolkata
Dated : 30th May, 2013

Independent Auditors' Report on Consolidated Financial Statements

To the members of
Gujarat NRE Coke Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Gujarat NRE Coke Limited ("the Company"), and its subsidiaries & associates (together referred to as the 'Gujarat NRE Group') as at March 31, 2013, comprising of the consolidated balance sheet as at March 31, 2013; the consolidated statement of profit & loss and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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

Opinion

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

- in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We have relied on the unaudited financial statements of all the Australian subsidiaries as referred in note no. 31 of the Consolidated Financial Statement, whose financial statements reflect total assets of Rs. 8,532.55 Crores as at March 31, 2013 and total revenue of Rs. 1,394.86 Crores and net Cash outflows of Rs. 5.61 Crores for the year ended March 31, 2013. These unaudited financial statements has been approved by the Management Committee of the respective subsidiaries and have been furnished to us by the management, and our report in so far as it relates to the amounts included in respect of these subsidiaries are based solely on such Management approved financial statements.

For **N.C.Banerjee & Co.**
Chartered Accountants
(Firm's Registration No. : 302081E)

Place: Kolkata
Dated: 30th May, 2013

A Paul
(Partner)
Membership No. 06490

GUJARAT NRE COKE LIMITED

Abridged Consolidated Balance Sheet as at 31st March, 2013

(Statement containing salient features of Balance Sheet as per Section 219(1)(b)(iv) of Companies Act, 1956)

(Rs. in Crores)

PARTICULARS	As at 31.03.2013		As at 31.03.2012	
i. EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a) Paid up Share Capital				
(i) Equity & "B" Equity Share Capital		622.37		577.37
(b) Reserves & Surplus				
(i) Capital Reserve	144.87		51.12	
(ii) Surplus	(203.98)		(158.09)	
(iii) Securities Premium Reserve	495.73		445.87	
(iv) General Reserve	245.30		241.88	
(v) Foreign Currency Translation Reserve	2.51		201.18	
(vi) Debenture Redemption Reserve	196.57		165.59	
(vii) Employee Stock Option Outstanding	71.31		72.25	
(viii) Equity Conversion Bond reserve	8.50		8.80	
(ix) Restoration Guarantee Reserve	56.07	1,016.88	58.02	1,086.62
(c) Deposit against Share Warrants		13.04		104.15
(2) Minority Interest		1,374.32		953.90
(3) Non- Current Liabilities				
(i) Long-term borrowings	2,745.50		2,392.00	
(ii) Deferred Tax Liabilities (Net)	110.68		178.21	
(iii) Other Long-term Liabilities	—		—	
(iv) Long-term provisions	9.08	2,865.26	7.78	2,577.99
(4) Current Liabilities				
(i) Short-term borrowings	1,095.45		1,190.37	
(ii) Trade Payables	1,140.97		1,151.96	
(iii) Other Current Liabilities	1,122.64		589.07	
(iv) Short-term provisions	128.07	3,487.13	117.52	3,048.92
Total of (1) to (4)		9,379.00		8,348.95
ii. ASSETS :				
(5) Non- Current Assets				
(a) FIXED ASSETS				
(i) Tangible Assets(Original cost less depreciation)	4,876.34		4,106.46	
(ii) In Tangible Assets(Original cost less depreciation)	336.12		219.65	
(iii) Capital Work-in-Progress	439.39	5,651.85	672.31	4,998.42
(b) Non-Current Investments				
(i) Quoted (Market Value-Rs.28.71 Cr. P.Y-Rs.32.57 Cr.)	37.23		43.84	
(ii) Unquoted	351.21	388.44	350.02	393.86
(c) Long-term loans & advances		251.12		252.53
(d) Other Non - Current Assets		—		—
(6) Current Assets				
(a) Current Investments(unquoted)		—		50.85
(b) Inventories		1,807.96		1,628.80
(c) Trade Receivables		701.87		382.61
(d) Cash & Cash Equivalents				
(i) Balances with Bank	114.88		90.70	
(ii) Cash in hand	0.32	115.20	0.25	90.95
(e) Short term loans & advances		462.56		550.93
Total of (5) to (6)		9,379.00		8,348.95
Refer Notes forming part of the Abridged Consolidated Accounts				

The complete set of consolidated balance sheet, statement of consolidated profit & loss, other statements and notes thereto prepared as per the requirements of Schedule VI of the Companies Act, 1956 are available at the Company's Website at www.gujaratnre.com
Compiled from the Audited Accounts of the Company referred to in our Report dated 30th May, 2013

For **N. C. BANERJEE & CO.**
Chartered Accountants
(Firm Registration No. 302081E)

For and on behalf of the Board

A. Paul
Partner
Membership No. 06490
Place : Kolkata
Dated : 30th May, 2013.

A K Jagatramka
Chairman &
Managing Director
Place : Sydney,
Australia

M Jagatramka
Director
Place: Kolkata

P R Kannan
Chief Financial Officer
Place : Kolkata

Manoj K Shah
Company Secretary
Place : Kolkata

GUJARAT NRE COKE LIMITED

Abridged Consolidated Statement of Profit & Loss for the year ended 31st March, 2013

(Statement containing salient features of Statement of Profit & Loss as per Section 219(1)(b)(iv) of Companies Act, 1956)

(Rs.in Crores)

PARTICULARS	For the year ended 31.03.2013		For the year ended 31.03.2012	
I INCOME				
Sales	2,244.49		1,463.55	
Less: Excise Duty	108.15	2,136.34	65.16	1,398.39
II Other Income		14.50		11.38
III Total Income (I+II)		2,150.84		1,409.77
IV EXPENDITURE				
(a) Cost of material Consumed		419.66		372.13
(b) Purchase of Stock in Trade		139.89		35.96
(c) Changes in Inventories of Finished Goods, Stock-in-Process and Stock in Trade		(98.26)		(436.37)
(d) Employees Benefits Expenses		127.12		174.33
(e) Finance Cost		390.59		277.14
(f) Depreciation		321.40		150.65
(g) Other Expenses		860.65		782.58
Total Expenditure (a to g)		2,161.05		1,356.42
V Profit/(Loss) before Exceptional Items, Extraordinary Items & Tax (III-IV)		(10.21)		53.35
VI Exceptional Items		46.52		39.47
VII Extra Ordinary Items		30.82		67.09
VIII Profit/(Loss) Before Tax (V-VI-VII)		(87.55)		(53.21)
IX Tax Expenses				
– Current Tax	(25.51)		28.81	
– Deferred Tax	(38.42)		1.97	
– MAT Credit Entitlement	7.87		(1.10)	
– Tax for Earlier Years	0.27	(55.79)	0.45	30.13
Profit/(Loss) after Tax for the year (VIII - IX)		(31.76)		(83.34)
Less : Minority Interest		(16.99)		14.67
Add : Share in Profit/(Loss) of Associates		(0.17)		(0.67)
Profit/(Loss) for the year after taxes, minority interest & share of profit of associates		(14.94)		(98.68)
Earnings per Equity & "B" Equity Share (In Rs.)				
(Face Value of Rs.10 per Share)				
Basic		(0.25)		(1.71)
Diluted		(0.25)		(1.70)
Refer Notes forming part of the Abridged Consolidated Accounts				

Compiled from the Audited Accounts of the Company referred to in our Report dated 30th May, 2013

For **N. C. BANERJEE & CO.**
Chartered Accountants
(Firm Registration No. 302081E)

For and on behalf of the Board

A. Paul
Partner
Membership No. 06490
Place : Kolkata
Dated : 30th May, 2013.

A K Jagatramka
Chairman &
Managing Director
Place : Sydney,
Australia

M Jagatramka
Director
Place: Kolkata

P R Kannan
Chief Financial Officer
Place : Kolkata

Manoj K Shah
Company Secretary
Place : Kolkata

Notes to Abridged Consolidated Financial Statements

1. All amounts in the abridged consolidated financial statements are presented in Rupees Crores, unless otherwise stated. The note numbers appeared in the "[]" are as they in the complete set of Financial Statements. These abridged consolidated financial statements have been prepared in accordance with the requirements of Rule 7 A of the Companies (Central Government's) General Rules & Forms, 1956 and clause 32 of the Listing Agreement. These abridged consolidated financial statements have been prepared on the basis of the complete set of abridge consolidated financial statements for the year ended March 31, 2013.

2. [1] SIGNIFICANT ACCOUNTING POLICIES

i. Accounting Conventions

The consolidated financial statements are prepared under historical cost conventions and as a going concern basis following the accrual basis of accounting and in accordance with the generally accepted accounting principles (GAAP) in India.

ii. Principles of Consolidation

The accounts of subsidiaries including foreign subsidiaries have been consolidated with the parent company's accounts in accordance with Accounting Standard-21 on "Consolidated Financial Statements" and investments in Associates have been accounted for using the equity method as per Accounting Standard-23 on "Accounting for Associates in Consolidated Financial Statements" as specified in the Companies (Accounting Standard) Rules, 2006.

Consolidated Financial Statements have been made by adding together like items of assets, liabilities, income and expenses. The inter-company transactions and unrealized profits/(losses) thereon have been eliminated in full.

Goodwill/Capital Reserves represent the difference between the cost of control in the subsidiaries/associates, over the book value of net assets at the time of acquisition of control in the subsidiaries/associates.

Foreign subsidiaries are considered as non-integral foreign operation as per Accounting Standard-11, on "The effect of Changes in Foreign Exchange Rates". The financial statements of the same have been converted using the following methods:

Components of Statement of Profit & Loss except opening & closing stock have been converted using monthly average rate of the reported year.

Components of Balance Sheet have been converted using the rates at the balance sheet date, except balance of Statement of Profit & Loss. Resultant foreign exchange translation difference has been recognized as "Foreign Currency Translation Reserve".

iii. Use of estimates

The preparation of the consolidated financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities for the year under review and disclosure of contingent liabilities on the date of the consolidated financial statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

iv) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured

- a. In respect of Sales : When the significant risks and rewards of ownership of goods have been passed on to the buyer, which generally coincides with delivery / shipment of goods to customers.
- b. In respect of Interest Income : On time proportion basis taking into account the amount outstanding and the rate applicable.
- c. In respect of Service Income : When the services are performed as per contract.
- d. In respect of Dividend Income : When right to receive payment is established.
- e. In respect of Insurance Claims : On Settlement of Claims

Revenue from product sales is recognised inclusive of Excise duty but exclusive of Sales Tax / Value added Tax (VAT) and net of returns, Sales Discount etc. Sales Returns are accounted for when goods are returned.

v. Fixed Assets

Fixed assets are stated at historical cost, which comprises cost of purchase/construction cost, cost of borrowing and other cost directly attributable to bring the assets at its working condition and location for its intended use. Expenditures during construction period are allocated to the relevant assets in the ratio of costs of respective assets.

vi. Depreciation on Fixed Assets

Depreciation on Fixed Assets is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

In case of foreign subsidiaries, depreciation is provided on Straight Line Method (SLM) over the useful life of assets.

Mining lease is amortised over the life of the asset. Amortisation is calculated in proportion of actual production when measured against the resources available in the mine.

Mine Development is activities undertaken to gain access to mineral reserves. Typically this includes sinking shafts, permanent excavations, building transport infrastructure and roadways. All costs relating to mine development are capitalised and are amortised over the estimated reserve in that developed area of the mine. Amortisation is calculated in proportion to actual production when measured against mineable resources in the mine area developed on which the expenses were incurred. The carrying value of mine development is reviewed by directors to ensure it is not in excess of its recoverable amount.

All costs relating to the pre-production of coal were capitalised and are amortised over the estimated life of reserves in the mine. Amortisation is calculated in proportion to actual production when measured against mineable resources in the mine seam for which the expenses were incurred. The carrying value of pre-production is reviewed by directors to ensure it is not in excess of its recoverable amount.

Notes to Abridged Consolidated Financial Statements (contd.)

vii. Inventories

1. Inventories are valued as under:

- a. Raw Materials : At Cost or Net Realisable Value whichever is lower
- b. Finished Products : At Cost or Net Realisable Value whichever is lower
- c. Stores, Spares and Components : At Cost or Net Realisable Value whichever is lower
- d. Stock in process : At Raw material Cost plus estimated cost of conversion up to the stage of completion or Net Realisable Value whichever is lower.

Cost includes all direct cost and applicable manufacturing and administrative overheads.

2. Inventories are valued on FIFO basis.

3. Variation, if any, between books and physical stocks detected on physical verification, obsolete & slow moving stocks are adjusted in accounts as found appropriate.

viii. Investments

Long term investments are stated at cost. Provision is made when diminution in the value of investments is considered permanent in nature.

Current investments are stated at lower of cost and market value.

ix. Foreign Exchange Transactions

a. Initial Recognition:

Foreign Exchange transactions are recorded normally at the exchange rates prevailing on the date of the transactions.

b. Conversion

Foreign currency monetary items are 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 transaction and non-monetary items which are carried at the fair value or other similar denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c. Exchange differences

Exchange differences arising on settlement of transactions or on reporting monetary items of the Company at the rate different from those at which they were initially recorded during the year, or reported in previous financial statement, are recognised as income or expenses in the year in which they arise except in case where they relate to acquisition of fixed assets.

d. Forward Exchange Contract not intended for trading or speculative purposes

The premium or discount arising at the inception of forward exchange contract is amortized as expenses or income over the life of the respective contract. Exchange differences on such contracts are recognised in the statement of Profit or Loss in the year in which exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expenses for the year.

x. Provisions, Contingent Liabilities and Contingent Assets

The Company makes a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent Assets are disclosed when an inflow of economic benefit is probable and/or certain.

xi. Borrowing Costs

Borrowing Costs that are attributable to the acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs of the year are charged to revenue in the period in which they are incurred.

xii. Taxation

Current Tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred Tax Liability is recognized for all timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Assets are recognized only if there is reasonable certainty that the same will be realized and are reviewed for the appropriateness of its respective carrying values at each Balance Sheet date.

Tax on Distributed Profit Payable is in accordance with the provision of Section 155O of the Income Tax Act, 1961 and in accordance with guidance note on Accounting for Corporate Dividend Tax.

Wealth Tax is determined on taxable value of assets on the balance sheet date.

Foreign Companies recognize tax liabilities and assets as per their local regulations & laws.

xiii. Employee benefits

a) Short Term & Post Employment Benefits

Employee benefits of short-term nature are recognized as expense as and when those accrue. Post employments benefits are recognized as expenses based on actuarial valuation at year end which takes into account actuarial gains and losses.

b) Employee Stock Option Scheme (ESOS)

Aggregate quantum of options granted under the schemes in monetary term net of consideration of issue, to be paid in cash, are shown in the Balance Sheet as Employees Stock Option outstanding under Reserves & Surplus and as Deferred Employees Compensation (ESOS) under Miscellaneous Expenditure as per guidelines of SEBI in this respect. With the exercise of options and consequent issue of equity shares corresponding ESOS outstanding is transferred to Securities Premium Account.

Notes to Abridged Consolidated Financial Statements (contd.)

In case of foreign subsidiaries the fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognized over the period during which the employee become unconditionally entitled to the options. Fair value at grant date is independently determined using Binomial method for option pricing.

xiv. Indirect Taxes

Excise Duty on Finished Goods Stock is accounted for at the point of manufacture of goods and is accordingly considered for valuation of finished goods stock as on Balance sheet date. Customs duty on imported raw materials is accounted for on the clearance of goods from the Customs Authorities.

In Foreign Subsidiaries

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

xv. Un Amortised Expenditure

Unamortised expenditure, stated at cost, is amortized over period of time as under:

- (i) Deferred Revenue Expenses - 5 years
- (ii) Deferred Employees Compensation under ESOS -
Amortised on straight line basis over vesting period.

The restoration liability calculated as discounted present value in relation to restoration guarantee at the end of the lease is correspondingly represented by a Unamortised Expenditures as Deferred restoration Guarantee.

The deferred restoration guarantee, after deducting the change in liability, is amortised on a straight line basis over the life of the mine lease.

xvi. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication of an asset being impaired. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value, in which case the impairment loss is charged to the Statement of Profit and Loss of the

year. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

xvii. Research and development

Revenue expenditure on research and development is expensed as incurred. Capital expenditures incurred on research and development having alternate uses are capitalised as fixed assets and depreciated in accordance with the depreciation policy of the Company.

xviii. Earning per share (EPS)

The basic earning per share ("EPS") is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted with the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

xix. Prior Period Adjustments, Extra-ordinary Items and Changes in Accounting Policies

Prior period adjustments, extraordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed.

xx. Minority Interest

Minority Interest as shown in the consolidated balance sheet comprises of share in equity and reserves and surplus/losses of the subsidiaries.

xxi. Segment Reporting

i. Identification of Segments :

The Group's Operating Businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

ii. Allocation of Common Costs :

Common allocable costs are allocated to each segment according to sales of each segment to total sales of the Group.

Notes to Abridged Consolidated Financial Statements (contd.)

3 [29]Segment Informations:

Segment wise Revenue, Results and Capital Employed for the Year ended 31st March,2013.

The Company has three reportable segment i.e. " Coal & Coke" , " Steel" & " Mining" as primary business segments :

i Primary Segment Reporting (by Business Segment):

(Rs. in Crores)

Particulars	2012-13				2011-12			
	Coal & Coke	Steel	Mining	Total	Coal & Coke	Steel	Mining	Total
Segment Revenue								
(Net Sales/Income from segment)								
External Sales	1495.73	217.30	423.31	2136.34	1029.26	342.92	26.21	1398.39
Inter-Segment Revenue		0.33	617.27	617.60		1.65	909.56	911.21
	1495.73	217.63	1040.58	2753.94	1029.26	344.57	935.77	2309.60
Less: Inter Segment Revenue		0.33	617.27	617.60		1.65	909.56	911.21
Total Segment Revenue	1495.73	217.30	423.31	2136.34	1029.26	342.92	26.21	1398.39
Segment Results before Tax, Extraordinary Items & Interest	342.40	(17.01)	17.59	342.98	293.44	14.82	2.77	311.03
Add:- Other Un-allocable Income Net of Expenditure				(58.60)				(112.04)
Less:- Finance Expense				371.93				252.19
Less:- Provision for Tax				(55.79)				30.14
Net Profit/(Loss)				(31.76)				(83.34)
Assets								
Segment Assets*	3,461.01	484.41	4,997.33	8942.75	2,969.64	577.59	4,024.14	7571.37
Un-allocable Assets				585.83				576.04
Total Assets				9528.58				8147.41
Liabilities								
Segment Liabilities	924.93	44.93	649.44	1619.30	955.15	82.55	625.31	1663.01
Un-allocable Liabilities				57.07				21.77
Total Liabilities				1676.37				1684.78
*including captive windmills of (Rs. Crores)	6.54	343.30	—		6.84	368.47	—	
Capital Expenditure	64.23	1.83	838.15		78.88	6.74	1,429.14	
Non Cash Expenses								
Depreciation & Amortisation	28.17	29.72	260.55		26.66	29.69	93.88	

ii Secondary Segment Reporting (by Geographical demarcation):

(Rs. in Crores)

Particulars	2012-13			2011-12		
	India	Rest of the World	Total	India	Rest of the World	Total
Segment Revenue	1,548.09	588.25	2,136.34	1,006.59	391.80	1,398.39
Segment Assets	3,945.42	4,997.33	8,942.75	3,547.23	4,024.14	7,571.37
Capital Expenditure	66.06	838.15	904.21	85.62	1,429.14	1,514.76

Notes to Abridged Consolidated Financial Statements (contd.)

(Rs. in Crores)

4 [27] Contingent liabilities not provided for in respect of:

[27.1] For Parent Company (Gujarat NRE Coke Ltd.)		As on 31st March 2013	As on 31st March 2012
i	Letter of Credits outstanding for purchase of materials/services.	1.16	18.67
ii	Outstanding Bank Guarantees	23.06	13.44
iii	Capital commitments	59.17	58.73
iv	Bills discounted under letter of credit with banks	41.89	85.04
v	Duty on account of Advance Authorisation against Export obligation.	4.87	0.73
vi	On Balance Sheet date, the disputed amount involved in four (Previous Year four) income-tax demands under appeal. The management is of view that the outcome of the appeal would be favourable to the company, hence no provision has been made against these income-tax demands.	6.77	8.29
vii	A demand raised by the Service tax department, against which company has filed an appeal to the jurisdiction authorities.	0.06	0.06
viii	A demand raised by the Custom department, against which company has filed an appeal to the jurisdiction authorities.	1.11	2.55

For Subsidiaries

A bank guarantees of Rs.3.44 Crores (Previous Year Rs. 3.22 Crores) has been provided to The Sydney Catchment Authority.

A bank guarantee has been provided to the Department of Primary Industries in respect of the restoration liability for NRE No1 mine for Rs. 32.47 Crores (Previous Year Rs. 30.39 Crores) . The restoration liability for this has been accounted at its present value in the Group's financial statements. The Group has provided Rs.229.66 Crores as a bank guarantee to the Department of Primary Industries. The amount is for rehabilitation of the new NRE Wongawilli mine (previously known as Eloura mine) purchased from BHP Billiton by the subsidiary Gujarat NRE Wonga Pty Ltd. This site rehabilitation guarantee is large due to the large area of land of the mine site. This estimated rehabilitation will be reviewed by the company within two years and may result in a decrease in the said liability. The restoration liability has been accounted at its present value in the Group's financial statements.

A bank guarantee of Rs.1.85 Crores (Previous Year Rs. 1.74 Crores) has been provided to Commonwealth Bank of Australia to enable them to further issue a bank guarantee favoring Port Kembla Coal Terminal.

Capital Commitment - Rs.231.69 Cr.(Prv. Year Rs.166.59 Cr.)

- 27.2** Greenerth Resources & Projects Limited (formerly known as Austral Coke & Projects Limited) had filed a defamation suit in Hon'ble Bombay High Court against the Company for Rs.600 Crores. The Company had also filed Civil Suit in Hon'ble Calcutta High Court against Austral Coke & Projects Limited, all its Directors, its merchant bankers and Auditors and others claiming for loss of damages worth Rs.4761 crores. Management is confident that outcome of the defamation suit filed by the Austral Coke & Projects Limited would be in favour of the company.

- 27.3** In the year 2007, the company and Armada Singapore Pte Ltd ("Armada") entered into five year charter party agreement which provided, inter alia, for Armada to provide vessels to ship the company's tonnage, namely coal from various destinations worldwide. During the year 2009 Armada entered into Judicial Management, a Singaporean insolvency regime. As a result of Armada's insolvency, the Company did not make further nominations since there was no assurance or security for Armada's performance for the balance period under the agreement.

In the year 2010 Armada filed its claim submission in an arbitration proceeding against the company in London for the year 2009 and 2010 and after all the repetitive challenges by the company w.r.t the defect in constitution of the Tribunal, the Tribunal passed an order in favour of Armada assessing the liability of the company as equivalent to Rs. 46 cr (including interest of Rs. 3.7 cr).

Aggrieved by the aforesaid order the company has filed a civil suit against Armada with the Hon'ble High Court at Calcutta claiming for damages for an amount of Rs 144 crores and cancellation of the aforesaid order being void and restraining Armada from giving any effect to the order passed by the Tribunal. An order was passed by the Hon'ble High Court at Calcutta restraining Armada to take any further steps to enforce the award passed by the Tribunal in India. The matter is presently sub judice before the Hon'ble High Court at Calcutta.

Meanwhile Armada executed an enforcement proceeding before the Federal Court of Australia, New South Wales which passed a freezing order of the assets held by the company in Australia. The company had challenged such enforcement proceedings before the same court and the final judgment is reserved by the court and is pending till date.

Notes to Abridged Consolidated Financial Statements (contd.)

Armada later on filed its claim submission against the company for the non-performance of contract for the year 2011 before the same arbitral tribunal in London which passed a further order in favour of Armada assessing the liability of the company as equivalent to Rs.25.4 cr (including interest of Rs. 1.2 cr). An appeal was filed by the company against said order before High Court of Justice, Queen's Bench Division, Commercial Court in England which is pending before the said court.

During the year 2012, the company sought performance under the agreement from Armada, who failed to perform as per the terms of the agreement, which event was taken as repudiation of the agreement and the agreement was terminated. On the contrary, Armada filed another claim in March 2013 for non-performance for the year 2012 for an amount equivalent to Rs. 27 cr and interest thereupon. The company has filed a counter claim for an amount equivalent to Rs 60 cr and strongly opposed the claim of Armada before a newly constituted Arbitral Tribunal. The matter is presently subjudice before the said Arbitral Tribunal and the management is confident of the outcome of case in favour of the company.

- 27.4** In September 2011 the company and Coeclerici Asia (Pte) Ltd ("Coeclerici") entered into an agreement of sale and purchase of met coke as per which the company had to supply the cargo to Coeclerici at a mutually agreed price by 31st March 2012. As per the terms of the agreement Coeclerici made an advance of USD 10 million to the company in Sept 2011. Owing to the sluggish market conditions, the parties could not arrive at a mutually agreed price, as such no cargo was supplied by 31.03.2012 and the entire advance of USD 10 million was required to be refunded by the company to Coeclerici. The company has already refunded USD 2 million till Sept'12 to Coeclerici and for the balance refund of USD 8 million, the company is awaiting the approval from Reserve Bank of India ("RBI").

The company does not dispute the repayment of the balance amount to Coeclerici but has been unable to make any further payment until RBI approval. However, to secure its payment position, Coeclerici proceeded with the arbitration in London by filing its claim against the company. After all the arbitration proceedings, the Tribunal finally passed its order against the company for an amount equivalent to Rs. 46.2 cr and interest thereupon.

The Amount of advance received is already accounted for under Advance received from Customers.

- 27.5** The company had filed proceedings before the High Court, Calcutta against Gregarious Estates Incorporated ("Gregarious" or "Owners"), Gabriel Petridis (President / Director of Gregarious), Tapas Kumar Mukhopadhyay (Director of Gregarious), Arun Dua (Director of Gregarious) and Bhatia International Pte. Limited in relation to the Time Charter Agreement dated January 29, 2008 entered into between GNCL and Gregarious whereby Gregarious agreed to give on hire and GNCL agreed to hire a vessel for a period of 82 to 86 months.

In view of the fact that there was a change in management of Gregarious without the consent of the company, it was contended that as per the terms of the agreement the company has the right to terminate the said Agreement. Further the Agreement never came into effect as per the terms of the agreement Gregarious had failed to provide the calculations for ascertaining super profits (as described therein) to the company. The company had filed a suit in Calcutta High Court for a decree of Rs. 56.25 cr and prayed for declaration that the arbitration agreement between the company and Gregarious be rendered illegal, null and void.

During pendency of above proceedings, Gregarious initiated arbitration proceedings against the company and served a claim submission for an amount equivalent to Rs 212 cr and interest thereupon.

The matter was never heard on merits at all and only the matter of jurisdiction of English Courts/ Arbitral Tribunal in London was decided by the Indian Courts.

The matter is now pending before the Arbitral Tribunal in London to be heard on merits and the management is confident of the outcome of case in favour of the company.

5 [30]Related Party Disclosures as required by Accounting Standard (AS-18) issued by the Institute of Chartered Accountants of India (ICAI), are given below:

A. Particulars of the Related Parties:

Associates

- 1 Bharat NRE Coke Ltd.
- 2 NRE Metcoke Ltd.
- 3 Surajbari Traders Pvt. Ltd.
- 4 Dharwad Traders Pvt. Ltd.
- 5 Mandvi Traders Pvt. Ltd.
- 6 Lunva Traders Pvt. Ltd.

Enterprises in which key management personnel have significant Influence

- 1 Gujarat NRE Mineral Resources Ltd.
- 2 Gujarat NRE Energy Resources Ltd.
- 3 Russel Vale Traders Pvt. Ltd.
- 4 Bulli Coke Ltd.
- 5 Bajrangbali Coke Industries Ltd.
- 6 Mangal Crystal Coke Pvt. Ltd.
- 7 NRE Resources Pty. Ltd.

Notes to Abridged Consolidated Financial Statements (contd.)

Enterprise in which key management person is a trustee

- 1 Girdharilal Arun Kumar Family Trust

B. Key Management Personnel

- 1 Mr. A. K. Jagatramka – Chairman & Managing Director
2 Mr. P. R. Kannan – Chief Financial Officer

RELATIVES OF KEY MANAGEMENT PERSONNEL

Mrs. Mona Jagatramka
Ms. Tanvee Jagatramka

C. Transaction with Related Parties

(Rs. in Crores)

S.N	Particulars of Transactions	Current Year	Previous Year
i	Sale/(Sales Return) of Goods/Services		
	- Associates	46.99	0.15
	- Enterprises in which key management person has significant influence	0.01	–
ii	Purchase of Goods /Services		
	- Associates	5.19	5.40
	- Enterprises in which key management person has significant influence	2.13	–
iii.	Remuneration		
	- Key Management persons	8.74	6.07
	- Relatives of Key Management Personnel	1.22	0.94
iv	Shares Allotted		
	- Enterprises in which key management person has significant influence	45.00	–
v	Share Warrant Deposit		
	Received		
	- Enterprises in which key management person has significant influence	2.64	–
	Forfeited		
	- Enterprises in which key management person has significant influence	93.75	–
vi	Rent Paid		
	- Enterprises in which key management person is a trustee	0.25	0.25
vii	Loans / Advance Given/(Refunded)		
	- Associates	5.06	30.09
	- Enterprises in which key management person has significant influence	(74.50)	0.30
viii	Loans / Advance Taken/(Repaid)		
	- Enterprises in which key management person has significant influence	187.11	–
ix	Guarantees/Collateral Securities Outstanding as at the Year end		
	- Given by Associates on behalf of the Company	155.00	55.00
	- Given by Key Management Personnel on behalf of the Company	2,298.20	2078.10
	- Given by Enterprises in which key management person has significant influence	346.78	94.50

- 6 [31] The Consolidated Balance Sheets & Statement of Profit & Loss has been prepared based on the available Management Approved Financial Statements as on 31st March'2013 of the Australian Subsidiaries Companies namely Gujarat NRE Limited, Wonga Coal Pty. Ltd., Gujarat NRE Coking Coal Ltd., Gujarat NRE Wonga Pty. Ltd., Gujarat NRE Coal (NSW) Pty. Ltd., Gujarat NRE Resources NL, Gujarat NRE Properties Pty. Ltd. & Gujarat NRE Australia Pty. Ltd. & South Bulli Holding Pty. Ltd. In respect of Gujarat NRE Coking Coal Limited (GNCCL), being a Company listed on the Australian Stock Exchange (ASX). The Consolidated Management Approved Financial of GNCCL has been filed on ASX on 30th May'2013.
- 7 [32.1] Gujarat NRE Properties Pty. Ltd. owns a property located at Cliff Road, Wollongong, the carrying value of which was Rs.55.57 Crores. An independent valuation of said property was carried out and the property was valued at Rs.24.75 Crores resulting in an impairment of Rs.30.81 Crores. This impairment was on account of general downtrend in the real- estate market.
- [32.2] Gujarat NRE Coking Coal Ltd. has made investment in Mutual Fund anticipating better returns. However, the value of those investments have significantly diminished due to economic and financial crisis and impaired accordingly.
- 8 [33] Exceptional items for the year ended 31st March'2013 represents the foreign exchange losses due to unusual diminution in the value of Rupee as against the US Dollar during the year.
- 9 [35] Previous year's figure have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

Consolidated Cash Flow Statement for the year ended 31st March, 2012

(Rs. in Crores)

	For the Year ended 31-Mar-13	For the Year ended 31-Mar-12
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax	(87.55)	(53.21)
Adjustments for:		
Depreciation / Other non cash items	322.81	153.73
Net Loss/(Profit) on Sale/ Revaluation of Investment	62.88	30.11
Interest Paid / Payable	371.93	236.66
Net Other Income	(0.67)	(2.17)
Net Loss/(Profit) on Sale / Discard of Fixed Assets	(0.02)	(0.01)
Employee Stock Option - Compensation	0.67	0.51
Interest Received / Receivable	(11.83)	(9.20)
Extra Ordinary Items	30.82	67.09
Operating Profit before working Capital Changes	689.04	423.51
Adjustments for:		
Trade & Other Receivables	(246.35)	(225.99)
Inventories	(179.16)	(522.22)
Trade Payables	(49.48)	771.34
Cash Generated from Operations	214.05	446.64
Direct Taxes Paid / Refunds	6.99	(15.54)
Net Cash Generated from Operating Activities	221.04	431.10
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Fixed Assets	(997.82)	(1,441.38)
Sale of Fixed Assets	0.02	0.28
Addition to Investments	—	—
Sale of Investments	—	(13.86)
Interest Received	11.83	9.20
Dividend / Misc Income	0.67	2.17
Net Cash used in Investing Activities	(985.30)	(1,443.59)
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds to Share Capital / Reserves	327.08	0.79
Deposit against Share Warrant	2.64	—
Increase in Long / Short term borrowing	835.78	946.38
Interest Paid	(363.17)	(235.12)
Dividend & Dividend Tax Paid	(9.63)	(57.74)
Miscellaneous Expenditure	(4.19)	(8.32)
Net Cash flow from Financing Activities	788.51	645.99
Net Increase / (Decrease) in Cash & Cash Equivalents	24.25	(366.50)
Cash & Cash Equivalents (Opening Balance)	90.95	457.45
Cash & Cash Equivalents (Closing Balance)*	115.20	90.95

* Includes Dividend accounts of Rs. 1.92 crores (Previous Year 2.18 Crores)

In terms of our report of even date annexed hereto

For **N. C. BANERJEE & CO.**

Chartered Accountants

(Firm Registration No. 302081E)

For and on behalf of the Board

A. Paul

Partner

Membership No. 06490

Place : Kolkata

Dated : 30th May, 2013.

A K JagatramkaChairman &
Managing DirectorPlace : Sydney,
Australia**M Jagatramka**

Director

Place: Kolkata

P R Kannan

Chief Financial Officer

Place : Kolkata

Manoj K Shah

Company Secretary

Place : Kolkata

Notes

[illegible]



GUJARAT NRE COKE LIMITED

Registered Office: 22, Camac Street, Block-C, 5th Floor,
Kolkata-700 016

ATTENDANCE SLIP

Shareholder's Folio Number/ DP Id No. & Client Id No.	Name of the Shareholder (in block letters)	Number of Shares held		
		Equity	"B" Equity	Total
Email :				

I hereby record my presence at the 26th Annual General Meeting of the Company to be held at Kala Mandir, 48, Shakespeare Sarani, Kolkata-700 017 on Monday, September 30, 2013 at 10 AM.

Name of the Proxy*

(IN BLOCK LETTERS)

(To be filled if the Proxy attends instead of Shareholder)

Signature of the Shareholder/Proxy

(Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall)

Note: Please bring the copy of the Annual Report 2012-13 to the Meeting Hall



GUJARAT NRE COKE LIMITED

Registered Office: 22, Camac Street, Block-C, 5th Floor,
Kolkata-700 016

PROXY FORM

I/We.....of.....in the district
of.....being a shareholder(s) of GUJARAT NRE COKE LIMITED, hereby
appoint.....of.....
in the district of.....failing
him/her.....of.....in
the district of.....as my/our proxy to vote for me/us and on my/our behalf at
the 26th Annual General Meeting of the Company to be held at Kala Mandir, 48, Shakespeare Sarani, Kolkata - 700 017 on
Monday, September 30, 2013 at 10 AM and at any adjournment thereof.

As witness my/our hand(s) this..... day of.....2013.

Folio No./DP Id & Client Id No.....

No. of Equity Shares held.....

No. of "B" Equity Shares held

Total No. of Shares held.....

Affix Rupee
One
Revenue
Stamp

Signature

Note: The proxy form (duly filled up and signed) must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding of the aforesaid meeting.



गिरधारीलाल जगतरामका भवन



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D-511, Bagri Market, 5th Floor,
71, B.R.B. Basu Road
Kolkata - 700 001