



# **GUJARAT NRE MINERAL RESOURCES LIMITED**

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Annual Report 2013-14

## **Corporate Information**

**(CIN : U51109WB1993PLC060639)**

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

E-mail : investor@gnmrl.com, Website : www.gnmrl.com

Phone : +91 33 2289 1471 - 75, Fax : +91 33 2289 1470

BOARD OF DIRECTORS (As on 23.06.2014)	:	Mr. Arun Kumar Jagatramka, <i>Chairman</i> Mrs. Mona Jagatramka Mr. Amit Kumar Majumdar Mr. Rajesh Kumar Agrawal
KEY MANAGERIAL PERSONNEL (KMP)	:	Mr. Bishwanath Agarwal (Chief Executive Officer) Mr. Pramod Kumar Loharuka (Chief Financial Officer) Mr. Vimal Kumar Taparia (Company Secretary)
BANKER	:	HDFC Bank Ltd.
AUDITORS	:	M/s. N. C. Banerjee & Co. <i>Chartered Accountants</i> 2, Ganesh Chandra Avenue Room No. 9, 1st Floor Kolkata - 700 013
SOLICITOR & ADVOCATE	:	M/s. L. P. Tiwari & Co. Emerald House 1B, Old Post Office Street Kolkata - 700 001
REGISTRAR & SHARE TRANSFER AGENT	:	Bigshare Services Pvt. Ltd. E-2 & 3, Ansa Industrial Estate, Sakivihar Road Saki Naka, Andheri (E) Mumbai - 400 072 Phone : +91 22 4043 0200 Fax : +91 22 2847 5207 E-mail : investor@bigshareonline.com Website : www.bigshareonline.com

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## Notice

### TO THE SHAREHOLDERS,

Notice is hereby given that the 21st Annual General Meeting of the members of GUJARAT NRE MINERAL RESOURCES LIMITED will be held at Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700017 on Saturday, 23rd August 2014 at 9.30 a.m. to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2014 and Statement of Profit & Loss for the year ended as on that date and the Reports of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. Arun Kumar Jagatramka (DIN 00003835) who retires by rotation and being eligible offers himself for reappointment.
3. 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 upto the conclusion of next Annual General Meeting on the remuneration to be fixed by the Board of Directors in consultation with the Auditors."

#### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Amit Kumar Majumdar (DIN 00194123), existing non-executive Director of the Company liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to 31st March, 2019."

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Rajesh Kumar Agrawal (DIN 00553795), who has been appointed as an Additional Director on 23.06.2014 pursuant to Section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to 31st March, 2019."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED that in supersession of the Resolution adopted at the Extra Ordinary General Meeting held on 9th November 2011, and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed / to be borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not exceed Rs. 2000,00,00,000/- (Rupees Two Thousand Crores only)."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to provisions of Section 63 of the Companies Act, 2013 and the Articles 229, 230 and 231 of the Articles of Association of the Company and upon recommendation of the Board of Directors (the Board), consent of the members be and is hereby accorded to the Board (which term shall include any "committee" of the Board) for issue and allotment of Bonus Equity Shares of Rs. 10/- per share in the ratio of 1:5 i.e. one Bonus equity share for every five existing equity shares of the Company, ranking pari-passu in all respect including dividend with the existing Equity Shares of the Company, by capitalization of the requisite amount standing to the credit of the Company's Securities Premium Account and/ or free reserves as may be decided by the Board."

"RESOLVED FURTHER THAT Promoter Group shareholders, who have waived their entitlement to the aforesaid issue of Bonus Equity Shares in terms of the Articles of Association of the Company shall not be allotted any bonus shares with regard to their shareholding."

"RESOLVED FURTHER THAT the Record Date to ascertain the non-promoter shareholders who would be entitled to receive the Bonus equity shares as aforesaid shall be, the close of business hours on Friday, 5th September, 2014."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such act(s), deed(s), matter(s) and thing(s) and execute all such document(s), instrument(s) and writing(s), settle any question or difficulty on any matter including record date, fraction bonus equity shares, etc. as it may in its sole and absolute discretion deem necessary, or expedient or incidental with regard to issue and allotment of Bonus Equity Shares as aforesaid."

By Order of the Board  
For Gujarat NRE Mineral Resources Ltd.

Place : Kolkata  
Dated : 23rd June, 2014

Vimal Kumar Taparia  
Company Secretary

## Notice (contd.)

### NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF). The

Company has uploaded the information in respect of the Unclaimed Dividends on the Website of the Company viz. [www.gnmrl.com](http://www.gnmrl.com) Members who have not encashed their dividend warrants for the financial year 2007-08, 2008-09 and 2009-10 are advised to write to the Company immediately for issue of duplicate dividend warrant.

4. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Depository Participants(s) for communication purposes. For members who have not registered their email address with the Depository Participants(s), physical copies of the Annual Report is being sent in the permitted mode. A copy of the Annual Report is also available for download at the [www.gnmrl.com](http://www.gnmrl.com)
5. Members are requested to bring their copy of the Annual Report to the meeting place.

By Order of the Board  
For Gujarat NRE Mineral Resources Ltd.

Place : Kolkata  
Dated : 23rd June, 2014

**Vimal Kumar Taparia**  
*Company Secretary*

## Explanatory Statement in respect of the Special Business pursuant to Section 102 of the Companies Act, 2013

### ITEM NO. 4

Section 149 of the Companies Act, 2013, read with Companies (Appointment & Qualification of Directors) Rules, 2014 requires your Company to have independent directors who meet the criteria of independence as per Section 149(6) of the Act and who shall not be liable to retire by rotation.

Mr. Amit Kumar Majumdar existing non-executive director of the Company liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956, being eligible, offered himself for appointment as an Independent Director and has given requisite declaration about his independence. Accordingly, the Board is of the opinion that Mr. Majumdar is a person of integrity and possesses relevant expertise and experience and fulfills the other criteria of independence as per Section 149(6) of the Act.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Amit Kumar Majumdar for the office of Director of the Company.

Mr. Majumdar is a qualified metallurgist from the Banaras Hindu University. He has five decades of experience in the operations and management of large enterprises, specifically Steel Authority of India Limited (SAIL) where he worked for thirty years at various senior management levels. He has retired as Managing Director of Aparant Iron and Steel Private Limited, Goa.

The Board proposes to appoint Mr. Majumdar as an Independent Director for a term of five years upto 31st March, 2019. Copy of the draft letter for appointment of Mr. Majumdar as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Mr. Amit Kumar Majumdar, being an appointee and a shareholder and his relatives to the extent of their shareholding in the Company, if any may be deemed to be concerned or interested, financially or otherwise in this Resolution.

Save and except the above, none of the other Directors and Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise in this Resolution.

Accordingly, the Board recommends the resolution for appointment of Mr. Majumdar as an Independent Director for your approval.

### ITEM NO. 5

The Board of Directors of the Company pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, appointed Mr. Rajesh Kumar Agrawal as an Additional Director of the Company with effect from 23rd June, 2014 and he would hold office up to the date of the ensuing Annual General Meeting.

## **Notice (contd.)**

Mr. Rajesh Kumar Agrawal, being eligible, offered himself for appointment as an Independent Director and has given requisite declaration about his independence. Accordingly, the Board is of the opinion that Mr. Rajesh Kumar Agrawal is a person of integrity and possesses relevant expertise and experience and fulfills the other criteria of independence as per Section 149(6) of the Act.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Rajesh Kumar Agrawal for the office of Director of the Company.

Mr. Rajesh Kumar Agrawal has experience of 23 years in the matters of financial and investments activities particularly in the management of Non-Banking Finance Companies (NBFCs), accountancy and taxation.

The Board proposes to appoint Mr. Rajesh Kumar Agrawal as an Independent Director for a term of five years upto 31st March, 2019. Copy of the draft letter for appointment of Mr. Agrawal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Mr. Rajesh Kumar Agrawal, being an appointee and a shareholder and his relatives to the extent of their shareholding in the Company, if any may be deemed to be concerned or interested, financially or otherwise in this Resolution.

Save and except the above, none of the other Directors and Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise in this Resolution.

Accordingly, the Board recommends the resolution for appointment of Mr. Agrawal as an Independent Director for your approval.

### **ITEM NO. 6**

The members of the Company at the Extra Ordinary General Meeting held on 9.11.2011, authorised the Board of Directors under Section 293 (1)(d) of the Companies Act, 1956 to borrow over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 2000,00,00,000/- (Rupees Two Thousand Crores).

Section 180(1) (c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's Bankers in the

ordinary course of business, except with the consent of the company accorded by way of a Special Resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1) (c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 6, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company upto an aggregate amount of Rs. 2000,00,00,000/- (Rupees Two Thousand Crores).

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

### **ITEM NO. 7**

In order to benefit the non-promoter shareholders, the Board of Directors of the Company recommend issue of Bonus shares in the ratio of 1:5 i.e. one Bonus equity share for every five existing equity shares of the Company by capitalization of the requisite amount standing to the credit of the Company's Securities Premium Account and General Reserves as may be decided by the Board.

The aforesaid Bonus Equity Shares shall rank pari-passu in all respects with the existing Equity Shares of the Company and would be issued and credited to those members whose names appear in the Register of Members / Beneficiary records of the depositories on the close of business hours on Friday, 5th September, 2014. No letter of allotment shall be issued in relation to the said Bonus Equity Shares. Instead, share certificates will be dispatched to the shareholders who hold the existing shares in physical form and the respective beneficiary accounts will be credited for the Bonus Equity Shares, for such shareholders who hold the Equity Shares in dematerialized/electronic form.

The Board of Directors recommends the resolution for your approval.

The Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in passing of this resolution to the extent of equity shares that may be allotted to them as Bonus Equity Shares on their existing shareholding in the Company.

By Order of the Board

**For Gujarat NRE Mineral Resources Ltd.**

Place : Kolkata  
Dated : 23rd June, 2014

**Vimal Kumar Taparia**  
**Company Secretary**

## Directors' Report

**To**  
**The Members,**

The Board of Directors present 21st Annual Report and the Audited Financial Results of the Company for the year ended 31st March, 2014.

### FINANCIAL RESULTS

(₹ in Lacs)

Particulars	2013-14	2012-13
Total Income	212.00	251.51
Total Expenditure	2084.85	226.14
<b>Profit/ (Loss) before Tax</b>	<b>(1872.85)</b>	<b>25.37</b>
Less: Provision for Taxation	0.01	14.89
<b>Profit/ (Loss) after Tax</b>	<b>(1872.84)</b>	<b>10.48</b>
Add: Balance brought forward	6751.44	6740.96
<b>Balance carried to Balance Sheet</b>	<b>4878.60</b>	<b>6751.44</b>

### REVIEW OF OPERATIONS

During the year under review, the Company has earned total income of Rs. 212.00 lacs as against Rs. 251.51 lacs registered in the previous year. In the same period, the Company has incurred Net Loss of Rs. 1872.84 lacs mainly on account of loss on sale of investments as against Net Profit of Rs. 10.48 lacs in the previous year.

### DIVIDEND

In view of the losses, the Company does not recommend any dividend for the year under review.

### ISSUE OF SHARE CAPITAL

During the year under review, the Company has issued 26,78,000 equity shares of Rs. 10/- each at a premium of Rs. 5/- per share on conversion of 1339 Optional Fully Convertible Bonds.

The Company has also issued 2,95,80,270 equity shares as Bonus Shares to the non-promoter shareholders in the ratio of one Bonus share for two equity shares held.

### CORPORATE GOVERNANCE

A report on Corporate Governance is annexed hereto.

### PUBLIC DEPOSITS

The Company has not accepted or renewed any public deposit during the year under review as defined under section 58A of the Companies Act, 1956.

### SUBSIDIARY

NRE Resources Pty Ltd., Australia has ceased to be subsidiary of the Company during the year under review. As on date the Company has no subsidiary.

### DIRECTORS

Mr. Pawan Kumar Agrawal and Mr. Sisir Kumar Mukherjee resigned from the Board w.e.f. 25.03.2014 due to their preoccupation. The Board records its appreciation for the services rendered by them during their tenure in the Company.

The Board has appointed Mrs. Mona Jagatramka as Director w.e.f. 25.03.2014 to fill the casual vacancy caused by resignation of Mr. Sisir Kumar Mukherjee. Mrs. Mona Jagatramka would hold the office of Director till the remaining tenure of Mr. Sisir Kumar Mukherjee.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board has appointed Mr. Rajesh Kumar Agrawal as an Additional Director designated as an Independent Director w.e.f. 23.06.2014 upto the date of the ensuing Annual General Meeting. Mr. Rajesh Kumar Agrawal, being eligible, offered for re-appointment as an Independent Director at the ensuing Annual General Meeting.

Mr. Amit Kumar Mazumdar, existing Non-executive Director, liable to retire by rotation, has been designated as an Independent Director w.e.f. 23.06.2014.

Mr. Gopal Prasad Dokania resigned from the Board on 23.06.2014 due to his preoccupation. The Board records its appreciation for the services rendered by Mr. Dokania during his tenure in the Company.

Mr. Arun Kumar Jagatramka retire by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- followed in the preparation of the annual accounts, the applicable accounting standards with proper explanation related to the material departures, if any;
- selected such accounting policies and applied 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 losses of the Company for the year under review;
- 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 frauds and other irregularities; and
- prepared the annual accounts on a going concern basis.



## **Directors' Report (contd.)**

### **AUDIT COMMITTEE**

The Audit Committee comprises of Mr. Rajesh Kumar Agrawal (Chairman), Mr. Amit Kumar Majumdar and Mr. Arun Kumar Jagatramka. The committee periodically discusses with the Statutory Auditors about the internal control system, the scope of audit and reviews the financial statements before submission thereof to the Board and ensures compliance of internal control system apart from considering any reference made to it by the Board of Directors.

### **AUDITORS**

M/s. N. C. Banerjee & Co., Chartered Accountants, retires as Statutory Auditors of the Company at the ensuing Annual General Meeting and are eligible for re-appointment. As required under Section 139 of the Companies Act, 2013, the Company has received a written confirmation from them to the effect that their reappointment, if made, would be subject to the conditions as prescribed under Rule 4 of the Companies (Audit and Auditors) Rules 2014 and that they are not disqualified from being appointed as Statutory Auditors of the Company.

### **AUDITORS' REPORT**

The Report of the Auditors read with significant accounting policies and notes on the accounts, as annexed are self explanatory and need no elaboration.

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

The information regarding conservation of energy and technology absorption as required under Section 217(1) (e) of the Companies

Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 are not applicable as the Company is an investment company.

The foreign exchange earning and outgo during the year under review are as follows:

- a) Foreign Exchange Earning : Rs. 211.91 lacs
- b) Foreign Exchange Outgo : Rs. Nil

### **PARTICULARS OF EMPLOYEES**

There was no employee during the year under review, who was in receipt of remuneration of more than Rs. 5,00,000/- per month if appointed for a part of the year or Rs. 60,00,000/- per annum, if appointed for whole year. Therefore, the particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, are not applicable.

### **ACKNOWLEDGEMENTS**

The Directors place on record their gratitude to the bankers, media, Government and other agencies for their assistance, cooperation and encouragement extended to the Company. The Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinted efforts of investors and employees during the year under review.

For and on behalf of the Board

Place : Kolkata  
Dated : 23rd June, 2014

**A. K. Jagatramka**  
**Chairman**

## Report on Corporate Governance

### 1. Philosophy on Corporate Governance:

Gujarat NRE Mineral Resources Limited defines Corporate Governance as a systematic process by which companies are directed and controlled keeping in mind the long term interest of the stakeholders. It firmly believes that good corporate governance is the foundation of corporate excellence. It focuses on equitable treatment to all shareholders and enforces that it is "your company" and it belongs to you, the shareholders.

Gujarat NRE Mineral Resources Limited 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 principals of Corporate Governance adopted by Gujarat NRE Mineral Resources Limited leads the company's governance philosophy, trusteeship, transparency, independence, fairness, accountability, which is the basis of public confidence in corporate system.

A Report on the Corporate Governance as on date is given below.

### 2. Board of Directors: Composition and category Composition, Category & Independence etc.

The Board of Directors of your Company comprises of the followings:-

- Two Promoter – Non-executive
- Two Independent – Non-Executive

The following Table indicates the present 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</i>	Promoter, Non-executive	8	2	1
Mrs. Mona Jagatramka	Promoter, Non-executive	8	1	-
Mr. Amit Kumar Majumdar	Independent, Non-Executive	3	2	2
Mr. Gopal Prasad Dokania***	Independent, Non-Executive	-	-	-
Mr. Rajesh Kumar Agrawal	Independent, Non-Executive	2	-	-

\* 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 Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and CSR Committee in Indian Public Limited Companies have been considered.

All the Directors hold directorship/committee membership in other Companies within the limits prescribed in this regard.

\*\*\* Ceased to be Director on 23.06.2014.

### 3. Board Committees:

The Board had constituted 5 (five) committees consisting of directors and executives. These committees are (a) Audit Committee (b) Stakeholders Relationship Committee (c) Nomination and Remuneration Committee (d) CSR Committee (e) Management & Investment Committee. The composition and scope of these Committees are as given below.

#### (a) Audit Committee

i) **Terms of Reference.** The major terms of reference of the Audit Committee are as 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, remuneration and terms of appointment and if required, the removal of statutory auditors.
- 3) To review and monitor the auditor's independence and performance and effectiveness of audit process.
- 4) To review and examine 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, and related party transactions.
- 5) To undertake such other matters as may be delegated by the Board from time to time.



## **Report on Corporate Governance (contd.)**

### **ii) Composition**

The present composition of the Audit Committee is as follows:

1. Mr. Rajesh Kumar Agrawal, Chairman
2. Mr. Amit Kumar Majumdar
3. Mr. Arun Kumar Jagatramka

The Company Secretary acts as the Secretary to the Committee.

### **(b) Stakeholders Relationship Committee**

The present composition of Stakeholders Relationship Committee is as follows:

1. Mr. Arun Kumar Jagatramka, Chairman
2. Mrs. Mona Jagatramka
3. Mr. Amit Kumar Majumdar

This Committee is entrusted with responsibility of looking after share transfers and investors' grievances. The 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 a secretary to the committee.

### **(c) Nomination and Remuneration Committee.**

The present composition of the Nomination and Remuneration Committee is as follows:-

1. Mr. Rajesh Kumar Agrawal, Chairman

2. Mr. Amit Kumar Majumdar

3. Mr. Arun Kumar Jagatramka

The Nomination and Remuneration Committee considers and decides on payment of remuneration to the directors, recommendation of appointment of independent directors, etc. The non-executive directors have not been paid any remuneration other than fees for attending the Board/ Committee meetings during the year under review.

### **(d) CSR Committee**

The present composition of Corporate Social Responsibility (CSR) Committee is as follows:-

1. Mr. Arun Kumar Jagatramka, Chairman
2. Mrs. Mona Jagatramka
3. Mr. Rajesh Kumar Agrawal

The Committee is entrusted with responsibility of formulating and recommending to the Board a Corporate Social Responsibility Policy, the amount of expenditure to be incurred on such activities, etc.

### **(e) Management & Investment Committee**

The present composition of the Management & Investment Committee is as follows:-

1. Mr. Arun Kumar Jagatramka, Chairman
2. Mrs. Mona Jagatramka
3. Mr. Rajesh Kumar Agrawal
4. Mr. P. R. Kannan

The Committee has been entrusted with the responsibility of overseeing investments and borrowings of the Company and other responsibilities as may be assigned by the Board from time to time.

## **4. General Body Meetings:**

- a) The details of last three Annual General Meetings:

<b>Year</b>	<b>Meeting</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>	<b>Special Resolution, if any</b>
2012-13	20th AGM	Gyan Manch 11, Pretoria Street, Kolkata 700 071	28.06.2013	11.30 AM	No
2011-12	19th AGM	Kala Mandir, 48, Shakespeare Sarani, Kolkata 700 017	28.09.2012	11.15 AM	No
2010-11	18th AGM	Kala Mandir, 48, Shakespeare Sarani, Kolkata 700 017	30.09.2011	11.00 AM	No

Postal Ballot: No resolution was passed through postal ballot during the financial year ended 31st March 2014.

## Report on Corporate Governance (contd.)

### 5. 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.

### 6. Means of Communication:

a) Copies of the Annual Reports along with the audited

accounts are sent to all the shareholders in compliance of the provisions of the Companies Act, 2013.

b) Copies of the Annual Reports of the Company are provided upon requests to various Government Departments, Investors and others interested in getting the same.

c) The Annual Reports and press releases are displayed in the company's website [www.gnmrl.com](http://www.gnmrl.com)

### 7. General Shareholders' Information:

#### a) Annual General Meeting :

Date and Time and Venue : Saturday, 23rd August 2014 at 9.30 a.m. at Kala Kunj, 48, Shakespeare Sarani, Kolkata 700 017

#### b) Financial Year :

1st April, 2013 to 31st March, 2014

#### c) Dividend Payment Date :

Not Applicable

Particulars in respect of dividends declared by the Company is given in the following Table:

Financial year	Date of declaration of Dividend	Last date of claiming Dividend
2007-08	17.09.2008	16.09.2015
2008-09	19.09.2009	18.09.2016
2009-10	10.09.2010	09.09.2017

#### d) Depositories:

i) National Securities Depository Ltd.  
Trade World, Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai - 400013

ii) Central Depository Services (India) Ltd.  
P J Towers, 17th Floor, Dalal Street, Fort,  
Mumbai - 400001

ISIN of equity shares (on both the depositories):  
INE 566H01025

#### e) Registrar & Share Transfer Agents:

M/s. Bigshare Services Private Limited,  
E-2&3, Ansa Industrial Estate, Sakivihar Road  
Saki Naka, Andheri (E), Mumbai - 400072  
Phones: +91-22-4043 0200  
Fax: +91-22-2847 5207  
E-Mail: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

#### f) Share Transfer System:

All matters pertaining to share transfers are being handled by M/s. Bigshare Services 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. The Company regularly monitors and supervises the functioning of the share transfer system so as to ensure that there are no delays and lapses in the system. Shares held in dematerialised form are transferred 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 warrants etc. to the shareholders.

## **Report on Corporate Governance (contd.)**

**g) Shareholding Pattern as on 31st March 2014 is given in the following Table:**

Category	No. of Shares	% of Holding
Promoters & Promoter Group	447116943	83.44
<u>Non-Promoters</u>		
a) Individuals including Bodies corporate	88161779	16.45
b) NRIs / OCBs	579031	0.11
<b>Total</b>	<b>535857753</b>	<b>100.00</b>

**h) Distribution of Shareholding as on 31st March 2014 is given in the following Table:**

Shareholding Range	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1 - 500	7527	44.57	509095	0.10
501 - 1000	574	3.40	430016	0.08
1001 - 10000	7063	41.82	27935037	5.21
10001 - 50000	1537	9.10	29264374	5.46
50001 - 100000	115	0.68	7692907	1.44
100001 and above	72	0.43	470026324	87.71
<b>Total</b>	<b>16888</b>	<b>100.00</b>	<b>535857753</b>	<b>100.00</b>

**i) Dematerialisation of Shares and Liquidity:**

Approximately 99.96% of the Company's Shares are held in electronic form as on 31st March, 2014.

**j) Address for Correspondence:**

22, Camac Street, Block - C, 5th Floor  
Kolkata-700 016  
Phone: +91-33-22891471-75  
Fax: +91-33-22891470  
E-mail: [investor@gnmrl.com](mailto:investor@gnmrl.com)

For and on behalf of the Board

Place : Kolkata  
Dated : 23rd June, 2014

**A. K. Jagatramka**  
**Chairman**

## Independent Auditors' Report

To  
The members of  
**Gujarat NRE Mineral Resources Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Gujarat NRE Mineral Resources Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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 subsection (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:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- 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**

- 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.

- As required by section 227(3) of the Act, we report that:
  - 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;
  - 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;
  - 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;
  - in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956;
  - 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  
(Registration No. : 302081E)

**A. Paul**  
(Partner)

Place : Kolkata  
Dated : 23rd June, 2014

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**

- The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - The fixed assets of the Company have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
  - The Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- As informed to us the Company did not have any inventory at any time during the year under review. Hence the sub-clauses (a) (b) & (c) of clause (ii) of paragraph 4 of the Order are not applicable to the Company.
- The Company has neither granted nor taken any loans, secured or unsecured or from companies, firms or other parties covered in register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clauses (a), (b), (c), (d), (e), (f) & (g) of clause (iii) of paragraph 4 of the Order are not applicable to the Company.

## Independent Auditors' Report (contd.)

4. 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 nature of its business with regard to purchase and sale of securities. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
5. (a) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.5 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.
6. The Company has not accepted any deposits from the

public. Therefore, the provisions of clause (vi) of the Order are not applicable to the Company.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. According to the information and explanations given to us, maintenance of cost records have not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 for the business carried on by the Company.
9. (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 with appropriate authorities undisputed statutory dues including provident fund, Investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues to the extent applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty and excise duty were in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to 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 (₹ in '000)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	2810	FY:2007-08	ITAT
Income Tax Act, 1961	Income Tax	3725	FY:2010-11	CIT (Appeals)

10. The Company has no accumulated losses as at 31st March, 2014. The Company has incurred cash losses in the financial year covered by our audit report and the Company has not incurred cash losses in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society.
14. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. The shares, securities, debentures and others investments have been held by the Company in its own name.
15. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks and/or financial institutions are not prima facie prejudicial to the interests of the Company.
16. According to the information and explanations given to us, the term loans obtained by the Company were applied for the purposes for which such loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of opinion that no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. During the year covered by our audit report, the Company has not issued any secured debenture.
20. During the year covered by our audit report, the Company has not raised any money by way of public issues.
21. Based on the audit procedures and 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  
(Registration No. : 302081E)

**A. Paul**  
(Partner)

Place : Kolkata  
Dated : 23rd June, 2014

Membership No. 06490

# GUJARAT NRE MINERAL RESOURCES LIMITED

## Balance Sheet as at 31st March, 2014

(₹ in '000)

Particulars	Notes	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	5,358,578	5,035,995
Reserves & Surplus	3	1,181,803	1,651,500
		<b>6,540,381</b>	<b>6,687,495</b>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	412,500	80,000
Deferred Tax Liabilities	5	298	299
Long Term Provisions	6	677	464
		<b>413,475</b>	<b>80,763</b>
<b>Current Liabilities</b>			
Short Term Borrowings	7	1,176,927	1,375,000
Trade Payables	8	383	619
Other Current Liabilities	9	1,206,750	1,354,779
Short Term Provisions	10	1,486	1,486
		<b>2,385,546</b>	<b>2,731,884</b>
		<b>9,339,402</b>	<b>9,500,142</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Tangible Fixed Assets	11	6,855	6,950
Non-Current Investments	12	8,952,863	9,176,618
		<b>8,959,718</b>	<b>9,183,568</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	13	2,614	3,290
Short Term Loans and Advances	14	377,070	313,284
		<b>379,684</b>	<b>316,574</b>
		<b>9,339,402</b>	<b>9,500,142</b>

Significant Accounting Policies & Notes to Financial Statements 1 to 27

As per our report of even date attached

For **N. C. Banerjee & Co.**  
Chartered Accountants

For and on behalf of the Board of Directors

**A. Paul**  
Partner  
Membership No. 06490  
Place : Kolkata  
Dated : 23rd June, 2014

**A. K. Jagatramka**  
Chairman

**Mona Jagatramka**  
Director

**V. K. Taparia**  
Company Secretary



**Statement of Profit & Loss** for the year ended 31st March, 2014

(₹ in '000)

Particulars	Notes	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>INCOME</b>			
Interest (Tax deducted at source Rs. 2,119 thousand, Previous year Rs. 2,514 thousand)		21,191	25,138
Miscellaneous Income		9	13
		<u>21,200</u>	<u>25,151</u>
<b>EXPENDITURE</b>			
Loss on sale of Investments		174,380	—
Employee Benefits Expense	15	3,635	3,648
Finance Costs	16	15,588	—
Depreciation	11	95	95
Other Expenses	17	14,787	18,871
		<u>208,485</u>	<u>22,614</u>
<b>Profit before Tax</b>		<b>(187,285)</b>	<b>2,537</b>
Tax Expenses:			
Current Tax		—	1,486
Deferred Tax		(1)	3
<b>Profit after Tax</b>		<b>(187,284)</b>	<b>1,048</b>
<b>Earnings per equity share of face value of Rs.10/- each</b>			
Basic & Diluted (in Rs.)	18	(0.35)	0.00
Significant Accounting Policies & Notes to Financial Statements	1 to 27		

As per our report of even date attached

For **N. C. Banerjee & Co.**  
Chartered Accountants

For and on behalf of the Board of Directors

**A. Paul**  
Partner  
Membership No. 06490  
Place : Kolkata  
Dated : 23rd June, 2014

**A. K. Jagatramka**  
Chairman

**Mona Jagatramka**  
Director

**V. K. Taparia**  
Company Secretary

## **Notes to the Financial Statements**

### **1 SIGNIFICANT ACCOUNTING POLICIES**

#### **i. Accounting Conventions:**

The 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 and in compliance with the provisions of the Companies Act, 1956.

#### **ii. Use of Estimates:**

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

#### **iii. Fixed Assets:**

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. The cost 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.

#### **iv. Borrowing Costs:**

Borrowing Costs attributable to the acquisition, construction and development 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. Borrowing cost attributable to acquisition and retention of non-current investments are considered as part of such investments.

#### **v. Depreciation:**

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.

#### **vi. Investments:**

Long term investments are stated at cost. Cost includes finance costs. Provision is made when diminution in the value of long term investments is considered permanent in nature. Current investments are valued at lower of cost and quoted/fair value.

#### **vii. Inventories:**

Inventories are valued at cost or net realizable value whichever is lower. Cost includes all direct and indirect cost incurred in bringing the inventories to their present location and condition. Inventories are valued on FIFO basis.

#### **viii Revenue Recognition:**

Revenue is recognized to the extent, it is probable that the economic benefits will flow to the Company and it can be reliably measured. Dividend Income is recognised when right to receive the payment is established. Interest Income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

#### **ix. Foreign Currency Transactions:**

Foreign Exchange transactions are recorded normally at the exchange rates prevailing on the date of the transaction. 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, in which case they are adjusted to the carrying cost of such assets.

#### **x. Employee's short term & Post employment benefits:**

Employee benefits of short-term nature are recognized as expense as and when accrues. Post employment benefits are recognised as expenses on accrual basis at year end.

#### **xi. Amortisation:**

Preliminary and Deferred revenue expenses are amortised over the period of five years.

#### **xii. Taxation:**

Provision for current tax is made based on taxable income for the year.

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/virtual certainty that the same will be realized and are reviewed for the appropriateness of its respective carrying values at each Balance Sheet date.

## Notes to the Financial Statements (contd.)

Tax on Distributed Profit is provided in accordance with the provision of Section 115-O of the Income Tax Act, 1961 and guidance note on "Accounting for Corporate Dividend Tax".

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

### xiii. Impairment of Assets:

The Company assesses at each Balance Sheet date whether there is any indication of any asset being impaired. An asset is treated as impaired when the carrying amount of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss, if any, recognised in prior accounting periods is adjusted if there has been a change in the estimate of recoverable amount.

### xiv. 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 earning 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.

### xv. Prior Period Adjustments, Extra-ordinary Items and Changes in Accounting Policies:

Prior period adjustments, Extraordinary items and Changes in accounting policies, if any, having material impact on the financial affairs of the Company are adequately disclosed.

### xvi. 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 a contingent liability 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 neither recognized nor disclosed in the financial statements.

## 2 SHARE CAPITAL

(₹ in '000)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>Authorised:</b>		
100,00,00,000 (Previous year 100,00,00,000) Equity Shares of Rs.10/- each	10,000,000	10,000,000
<b>Issued,Subscribed and Paid-up:</b>		
53,58,57,753 (Previous year 50,35,99,483) Equity Shares of Rs.10/- each fully paid-up	5,358,578	5,035,995
	<b>5,358,578</b>	<b>5,035,995</b>

2.1 5,77,25,642 (2,81,45,372) Shares out of issued,subscribed and paid up share capital were allotted as bonus shares in the last five years by capitalisation of Securities Premium Account.

2.2 42,03,28,127 (42,03,28,127) Shares out of issued,subscribed and paid up share capital were allotted in last five years pursuant to the Schemes of amalgamation without payment being received in cash.

### 2.3 The details of Shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at 31st March,2014		As at 31st March,2013	
	No. of Shares	% held	No. of Shares	% held
Arun Kumar Jagatramka (As a Trustee of Girdharilal Arun Kumar Family Trust)	87,342,142	16.30	87,342,142	17.34
Mangal Crystal Coke Pvt Ltd.	76,593,453	14.29	76,593,453	15.21
Gouriputra Consultants Pvt Ltd.	36,969,600	6.90	36,969,600	7.34
Gujarat NRE Energy Resources Ltd.	34,164,260	6.38	34,164,260	6.78
Madhur Coal Mining Pvt Ltd.	33,270,894	6.21	33,270,894	6.61
Critical Mass Multilink Ltd.	29,777,302	5.56	29,777,302	5.91
Malgudi Investments Pvt.Ltd.	26,313,265	4.91	26,313,265	5.23

## Notes to the Financial Statements *(contd.)*

**2.4 The reconciliation of number of shares outstanding is set out below:**

Particulars	As at 31st March,2014	As at 31st March,2013
Equity Shares at the beginning of the year	503,599,483	501,297,483
Add: Bonus shares issued	29,580,270	—
Add: Shares issued on conversion of OFCB	2,678,000	2,302,000
<b>Equity Shares at the end of the year</b>	<b>535,857,753</b>	<b>503,599,483</b>

**2.5 Shares Reserved for issue against Optional Fully Convertible Bonds**

Equity Shares likely to be issued against Optional Fully Convertible Bonds	—	8,674,000
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**3 RESERVES AND SURPLUS**

(₹ in '000)

Particulars	As at 31st March,2014	As at 31st March,2013
<b>Capital Reserve</b>		
As per last Account	101,053	101,053
<b>Securities Premium Reserve</b>		
As per last Account	862,803	851,293
Add: On issue of Shares	13,390	11,510
Less: Bonus Shares issued	295,803	—
	<b>580,390</b>	<b>862,803</b>
<b>General Reserve</b>		
As per last Account	12,500	12,500
<b>Surplus in Statement of Profit &amp; Loss</b>		
As per last Account	675,144	674,096
Add: Profit/(Loss) for the year	(187,284)	1,048
	<b>487,860</b>	<b>675,144</b>
<b>TOTAL</b>	<b>1,181,803</b>	<b>1,651,500</b>

**4 LONG TERM BORROWINGS**

Particulars	As at 31st March,2014	As at 31st March,2013
<b>Secured</b>		
Term Loan from Parties other than Banks	165,000	80,000
Less: Current Maturity	82,500	—
	<b>82,500</b>	<b>80,000</b>
<b>Unsecured</b>		
Optional Fully Convertible Bonds	—	130,110
Less: Current Maturity	—	130,110
	—	—
Term Loan from Parties other than Banks	330,000	—
	<b>330,000</b>	—
	<b>412,500</b>	<b>80,000</b>

## Notes to the Financial Statements (contd.)

**4.1 (a) Term loan from IFCI Ltd. is secured by:**

- Pledge of 1,26,72,140 equity shares of Gujarat NRE Coke Ltd. held by the Company.
- Pledge of 1,03,42,791 equity shares and 15,00,000 Class "B" equity shares of Gujarat NRE Coke Ltd. held by promoter.
- Pledge of 5,00,00,000 equity shares of the Company held by promoter group company.
- Mortgage of Land & Building situated at Bhachau, Gujarat held by the Company.
- Personal guarantee of Mr. Arun Kumar Jagatramka, Chairman of the Company.

**(b) Term loan from Srei Infrastructure Finance Ltd. is secured against :**

- Mortgage of residential property at Kolkata held by promoter and promoter group companies.
- Personal guarantee of Mr. Arun Kumar Jagatramka, Chairman of the Company.

**4.2 Maturity profile of long term loans:**

(₹ in '000)

Repayment profile	2014-15	2015-16
Secured term loan from parties other than Banks	82,500	82,500
Unsecured term loan from parties other than Banks	—	330,000

**5 DEFERRED TAX LIABILITIES (NET)**

Particulars	As at 31st March,2014	As at 31st March,2013
<b>Deferred Tax Liability</b>		
On account of Depreciation on Fixed Assets	298	299
	<b>298</b>	<b>299</b>

**6 LONG TERM PROVISIONS**

Particulars	As at 31st March,2014	As at 31st March,2013
Provision for Gratuity	445	390
Provision for Leave Encashment	232	74
	<b>677</b>	<b>464</b>

**7 SHORT TERM BORROWINGS**

Particulars	As at 31st March,2014	As at 31st March,2013
<b>Secured</b>		
Term Loan from from Parties other than Banks	1,166,927	1,375,000
<b>Unsecured</b>		
Inter Corporate Deposit	10,000	—
	<b>1,176,927</b>	<b>1,375,000</b>

**7.1 (a) Term loans from SICOM Ltd. are secured by:**

- Pledge of 6,91,66,007 equity shares and 79,54,000 Class "B" equity shares of Gujarat NRE Coke Ltd. held by the Company.
- Pledge of 1,37,50,000 equity shares of Gujarat NRE Coke Ltd. and 72,50,000 equity shares of Bharat NRE Coke Ltd. held by promoter and promoter group companies.
- Personal guarantee of Mr. Arun Kumar Jagatramka, Chairman of the Company.

**(b) Term loan from STCI Finance Ltd. is secured by:**

- Pledge of 3,44,34,555 equity shares of Gujarat NRE Coke Ltd. and 8,95,000 equity shares of Bharat NRE Coke Ltd. held by the Company.
- Pledge of 1,90,50,000 equity shares of Gujarat NRE Coke Ltd. and 72,70,000 equity shares of Bharat NRE Coke Ltd. held by promoter and promoter group companies.
- Mortgage of Land & Building at Chandogar Industrial Estate, Ahmedabad, Gujarat held by the Company.
- Personnel guarantee of Mr. Arun Kumar Jagatramka, Chairman and Mrs. Mona Jagatramka, Director of the Company.

**Notes to the Financial Statements (contd.)**

**8 TRADE PAYABLES** (₹ in '000)

Particulars	As at 31st March,2014	As at 31st March,2013
Others	383	619
	<b>383</b>	<b>619</b>

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act,2006 and hence disclosures relating to amount unpaid as at year end together with interest paid/payable under this Act have not been given.

**9 OTHER CURRENT LIABILITIES**

Particulars	As at 31st March,2014	As at 31st March,2013
Current maturities of long-term debt	82,500	130,110
Interest accrued but not due on borrowings	30,023	594
Unclaimed Optional Fully Convertible Bonds	12,000	—
Unclaimed Dividends	523	531
Other Payables	1,081,704	1,223,544
	<b>1,206,750</b>	<b>1,354,779</b>

**10 SHORT TERM PROVISIONS**

Particulars	As at 31st March,2014	As at 31st March,2013
Provision for Income Tax	1,486	1,486
	<b>1,486</b>	<b>1,486</b>

**11. TANGIBLE FIXED ASSETS**

Particulars	Gross Block			Depreciation			Net Block	
	As on 01.04.2013	Additions (Deductions)	As on 31.03.2014	As on 01.04.2013	For the Year	As on 31.03.2014	As on 31.03.2014	As on 31.03.2013
Land	5,106	—	5,106	—	—	—	5,106	5,106
Building	2,532	—	2,532	848	84	932	1,600	1,684
Office Equipments	230	—	230	70	11	81	149	160
<b>TOTAL</b>	<b>7,868</b>	<b>—</b>	<b>7,868</b>	<b>918</b>	<b>95</b>	<b>1,013</b>	<b>6,855</b>	<b>6,950</b>
Previous Year	7,868	—	7,868	823	95	918	6,950	7,045



**Notes to the Financial Statements (contd.)**

12 NON-CURRENT INVESTMENTS <span style="float: right;">(₹ in '000)</span>				
Particulars	Face Value (Rs.)	No. of Shares	As at 31st March,2014	As at 31st March,2013
<b>Long term,Non trade</b>				
<b>Quoted,fully paid-up</b>				
<b>In Equity Shares of Associate Companies</b>				
Gujarat NRE Coke Limited	10	196,259,023 (194,686,105)	7,211,510	7,112,252
Gujarat NRE Coke Limited (DVR)	10	19,175,913 (16,675,913)	8,632	—
<b>In Others</b>				
SAL Steel Ltd.	10	1,445,633 (1,445,633)	28,843	28,007
<b>Total (Quoted)</b>			<b>7,248,985</b>	<b>7,140,259</b>
<b>Unquoted,fully paid-up</b>				
<b>In Equity Shares of Associate Companies</b>				
NRE Metcoke Ltd.	1	42,678,000 (42,678,000)	1,347,096	1,308,039
Bulli Coke Ltd.	1	5,552,000 (5,552,000)	92,272	89,596
Matangi Traders & Investors Pvt Ltd.	1	671,457 (671,457)	29,123	28,279
Russell Vale Traders Pvt Ltd.	1	— (3,750,000)	—	385,832
Lunva Traders Pvt Ltd.	1	42,678 (42,678)	45	44
Dharwad Traders Pvt Ltd.	1	42,678 (42,678)	45	44
Mandvi Traders Pvt Ltd.	1	42,678 (42,678)	45	44
Surajbari Traders Pvt Ltd.	1	42,678 (42,678)	45	44
<b>In Others</b>				
NRE Resources Pty Ltd.	N.A	2,000,000 (2,000,000)	94,112	91,383
Bharat NRE Coke Ltd.	10	10,895,000 (10,895,000)	125,349	121,715
Bajrang Bali Coke Industries Ltd.	10	197,000 (197,000)	11,333	11,004
FCGL Investments Ltd.	1	50,000 (50,000)	345	335
Gujarat NRE Energy Resources Ltd	1	39,500 (—)	4,068	—
<b>Total (Unquoted)</b>			<b>1,703,878</b>	<b>2,036,359</b>
<b>Total Non Current Investments</b>			<b>8,952,863</b>	<b>9,176,618</b>
Aggregate Market Value of Quoted Investments			1,760,031	3,398,569

**Notes to the Financial Statements (contd.)**

**13 CASH AND CASH EQUIVALENTS**

(₹ in '000)

Particulars	As at 31st March,2014	As at 31st March,2013
Cash on hand	337	227
Balances with Banks:		
in Current Accounts	1,754	2,532
in Dividend Accounts	523	531
	<u>2,614</u>	<u>3,290</u>

**14 SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)**

Advances to Related Party (Refer Note No.19)	371,927	280,224
Deposits with Government & Other Authorities	138	30,138
Advance Tax & Tax Deducted at Source	4,994	2,875
Others	11	47
	<u>377,070</u>	<u>313,284</u>

**15 EMPLOYEE BENEFITS EXPENSE**

Particulars	Year ended 31st March,2014	Year ended 31st March,2013
Salaries, Bonus, Allowances	3,391	3,323
Contribution to Provident and Other Funds	138	163
Provision / Payment for Gratuity	55	108
Staff Welfare Expenses	51	54
	<u>3,635</u>	<u>3,648</u>

**16 FINANCE COSTS**

Interest on Optional Fully Convertible Bonds	15,588	—
	<u>15,588</u>	<u>—</u>

**17 OTHER EXPENSES**

Auditor's Remuneration		
- For Audit Fees	112	112
Rates & Taxes	33	16
Filing Fees	20	4
Security Transaction Taxes	157	46
Electricity Charges	14	18
Printing and Stationery	191	119
Professional, Legal & Service Charges	1,136	1,643
Directors Sitting Fees	610	510
Foreign Exchange Fluctuation Loss	11,912	15,942
Miscellaneous Expenses	86	56
Communication Expenses	194	81
Travelling & Conveyance	322	324
	<u>14,787</u>	<u>18,871</u>

## Notes to the Financial Statements *(contd.)*

### 18 EARNINGS PER SHARE (EPS)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Net Profit after tax as per Statement of Profit and Loss (Rs. '000)	(187,284)	1,048
Weighted average number of equity shares outstanding during the year for calculating EPS	534,796,563	502,892,288
Basic and Diluted Earnings per share (Rs.)	(0.35)	0.00

### 19 RELATED PARTY DISCLOSURES:

As per Accounting Standard (AS-18) issued by the Institute of Chartered Accountants of India (ICAI), are given below:

#### 19.1 List of related parties where control exists and related parties with whom transactions have taken place and relationship:

##### A. Particulars of Related Parties:

###### Subsidiary

- i NRE Resources Pty Ltd. (Ceased to be subsidiary during the year)

###### Associates

- i Gujarat NRE Coke Ltd.
- ii NRE Metcoke Ltd.
- iii Bulli Coke Ltd.

###### Enterprises in which key management personnel has significant influence

- i NRE Resources Pty Ltd. (For part of the year)
- ii Bharat NRE Coke Ltd.
- iii Bajrang Bali Coke Industries Ltd.
- iv Critical Mass Multilink Ltd.
- v Gujarat NRE Energy Resources Ltd.
- vi Madhur Coal Mining Pvt Ltd.
- vii Mangal Crystal Coke Pvt Ltd.
- viii Russell Vale Traders Pvt Ltd.
- ix Malgudi Investments Pvt Ltd.
- x Gouriputra Consultants Pvt Ltd.

###### Enterprises in which key management personnel is a trustee

- i Arun Kumar Family Trust

##### B. Key management personnel

- i Mr. A. K. Jagatramka - Chairman

##### C. Relative of key management personnel

- i Mrs. Mona Jagatramka - Director

#### 19.2 Transactions with Related Parties

(₹ in '000)

Nature of Transactions	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>(i) Purchase of Securities</b>		
Enterprises in which key management personnel has significant influence	1,071,650	—
<b>(ii) Sale of Securities</b>		
Associates	663,250	—
Enterprises in which key management personnel has significant influence	439,000	—
<b>(iii) Interest Received (Gross)</b>		
Subsidiary	—	25,138
Enterprises in which key management personnel has significant influence	21,191	—

## **Notes to the Financial Statements (contd.)**

**19.2 Transactions with Related Parties (Contd.)**

(₹ in '000)

Nature of Transactions	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>(iv) Investments in</b>		
Associates	—	114,750
<b>(v) Advances Received/(Refunded)</b>		
Associates	—	70,000
Enterprises in which key management personnel has significant influence	—	(43,400)
<b>(vi) Loans / Advances Given / (Refunded / Adjusted)</b>		
Subsidiary / Sub-Subsidiary	—	257,550
Associates	—	(70,000)
Enterprises in which key management personnel has significant influence	80,272	—
<b>(vii) Guarantees/Collateral Securities outstanding as at the year end</b>		
Given on behalf of Associates	432,372	1,755,939
Given on behalf of Enterprises in which key management personnel has significant influence	905,700	—
Given by key management personnel and relative thereof on behalf of the Company	1,661,927	1,455,000
Given by Enterprises/Trust in which key management personnel has significant influence/ trustee	1,018,200	—

**19.3 Amounts due from related parties:**

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>Subsidiary</b>		
– included in Loans and Advances	—	280,224
<b>Associates</b>		
– included in Loans and Advances	4,271	—
<b>Enterprises in which key management personnel has significant influence</b>		
– included in Loans and Advances	367,656	—

**20 CONTINGENT LIABILITIES AND COMMITMENTS**

- 20.1 Corporate guarantee of Rs.13,38,072 thousand (Previous year Rs.17,55,939 thousand) given to banks, financial institutions and others for loans and advances taken by associate companies.
- 20.2 Disputed dues involved in two income tax demands under appeal - Rs.6,535 thousand (Previous year - Rs.3,640 thousand). 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.
- 21 The Company has pledged 7,89,32,561 equity shares and 1,12,21,913 Class "B" equity shares (Previous year 10,03,46,105 equity shares and 1,37,21,913 Class "B" equity shares) of Gujarat NRE Coke Ltd. and 1,00,00,000 equity shares of Bharat NRE Coke Ltd (Previous year Nil) with the banks, financial institutions and others for loans and advances taken by associate companies.
- 22 Since the Company has few employees, the accrued liability for employees' retirement benefits viz. gratuity and leave encashment at the end of the financial year has been determined by the Company on a rational basis on the assumption that such benefits are payable to all employees at the year end.

**Notes to the Financial Statements** *(contd.)*

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
23.1 Expenditure in foreign currency		
– Travelling Exp.	—	50
23.2 Earnings in foreign exchange		
– Interest	21,191	25,138
24	The indicators of impairment listed in paragraph 8 to 10 of Accounting Standard (AS-28) "Impairment of Assets" issued by the ICAI have been examined by the management and on such examination it has been found that none of the indicators are present in case of the company's assets. A formal estimate of the recoverable amount has not been made, as there is no indication of a potential impairment loss.	
25	In the opinion of the Board of Directors and to the best of their knowledge and belief, the value on realisation of current assets, loans and advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.	
26	There are no amounts due and outstanding to be credited to Investors Education and Protection Fund as at 31st March,2014.	
27	Previous year's figures have been regrouped/ reclassified wherever found necessary to correspond with the current year's figures.	

**Cash Flow Statement** for the year ended 31st March, 2014

(₹ in '000)

Particulars	Year ended 31st March,2014	Year ended 31st March,2013
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	(187,285)	2,537
<b>Adjustments for:</b>		
Depreciation	95	95
Interest Income	(21,191)	(25,138)
Loss on sale of Investments	174,380	—
Finance Cost	15,588	—
<b>Operating Profit before working Capital Changes</b>	<b>(18,413)</b>	<b>(22,506)</b>
<b>Adjustments for:</b>		
Trade & Other Receivables	(61,667)	(240,185)
Trade & Other Payables	(112,441)	596,336
<b>Cash Generated from Operations</b>	<b>(192,521)</b>	<b>333,645</b>
Direct Taxes Paid / Refunds	(2,119)	(2,513)
<b>Net Cash Flow from Operating Activities</b>	<b>(194,640)</b>	<b>331,132</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to Investments	(1,440,913)	(354,156)
Sale of Investments	1,490,287	—
Interest Received	21,191	25,138
<b>Net Cash Flow from Investing Activities</b>	<b>70,565</b>	<b>(329,018)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Borrowings	138,987	(2,500)
Finance Costs	(15,588)	—
<b>Net Cash Flow from Financing Activities</b>	<b>123,399</b>	<b>(2,500)</b>
<b>Net Increase /(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(676)</b>	<b>(386)</b>
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>3,290</b>	<b>3,676</b>
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>2,614</b>	<b>3,290</b>

As per our report of even date attached

For **N. C. Banerjee & Co.**  
Chartered Accountants

For and on behalf of the Board of Directors

**A. Paul**  
Partner  
Membership No. 06490  
Place : Kolkata  
Dated : 23rd June, 2014

**A. K. Jagatramka**  
Chairman

**Mona Jagatramka**  
Director

**V. K. Taparia**  
Company Secretary





## GUJARAT NRE MINERAL RESOURCES LIMITED

(CIN : U51109WB1993PLC060639)

Registered Office : 22, Camac Street, Block - C, 5th Floor, Kolkata - 700 016  
E-mail : investor@gnmrl.com, Website : www.gnmrl.com  
Phone : +91 33 2289 1471 - 75, Fax : +91 33 2289 1470

### PROXY FORM NO. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Members(s) : ..... Folio Number / Client ID : .....

Registered Address : .....

E-mail ID : .....

I/We, ..... being the member(s) of ..... shares of the above named Company, hereby appoint

- Name: ..... Address: .....  
E-mail Id: ..... Signature: ....., or failing him;
- Name: ..... Address: .....  
E-mail Id: ..... Signature: ....., or failing him;
- Name: ..... Address: .....  
E-mail Id: ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company, to be held at Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700017 on Saturday, 23rd August 2014 at 9.30 a.m. and at any adjournment thereof in respect of Resolution No. (1). Adoption of Annual Accounts and Reports of Board of Directors and Auditors for the year ended 31st March, 2014; (2). Re-appointment of Mr. A. K. Jagatramka as a Director of the Company; (3). Appointment of M/s. N. C. Banerjee & Co. as Statutory Auditors; (4). Appointment of Mr. Amit Kumar Majumdar as an Independent Director; (5). Appointment of Mr. Rajesh Kumar Agarwal as an Independent Director; (6). Authority to the Board to Borrow up to Rs. 2000 Crores; (7). Authority to the Board for Issue of Bonus Shares.

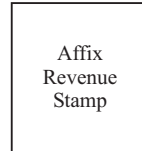
Signed this ..... day of ..... 2014

Signature of shareholder .....

Signature of Proxy holder(s) .....

Registered Folio / DPID No. & Client ID No. :

**Note :** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



## GUJARAT NRE MINERAL RESOURCES LIMITED

(CIN : U51109WB1993PLC060639)

Registered Office : 22, Camac Street, Block - C, 5th Floor, Kolkata - 700 016  
E-mail : investor@gnmrl.com, Website : www.gnmrl.com  
Phone : +91 33 2289 1471 - 75, Fax : +91 33 2289 1470

### ATTENDANCE SLIP

Registered Folio / DPID No. & Client ID No. :

No. of Shares held :

I hereby record my presence at the 21st Annual General Meeting of the Company on Saturday, 23rd August 2014 at 9.30 a.m. at Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700017.

Member's/Proxy's Name (in block letters) : .....

Member's / Proxy's Signature : .....

- Notes :**
- Member / Proxy holder wishing to attend the meeting must bring this slip to the Venue of the meeting and hand over the same at the entrance of the hall, duly signed.
  - Member(s) / Proxy holder(s) desiring to attend the meeting should bring the copy of the Annual Report for reference at the meeting.

# BOOK POST

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**Bigshare Services Pvt. Ltd.**

(Unit : Gujarat NRE Mineral Resources Ltd.)

E-2 & 3, Ansa Industrial Estate, Sakivihar Road

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