



GUJARAT NRE MINERAL RESOURCES LIMITED

Annual Report 2012-13

Corporate Information

BOARD OF DIRECTORS	: Mr. Arun Kumar Jagatramka Mr. Amit Kumar Majumdar Mr. Sisir Kumar Mukherjee Mr. Gopal Prasad Dokania Mr. Pawan Kr. Agrawal
COMPANY SECRETARY	: Mr. Vimal Kumar Taparia
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
REGISTERED OFFICE	: 22, Camac Street Block - C, 5th Floor Kolkata - 700 016 Phone : +91 33 2289 1471 to 75 Fax : +91 33 2289 1470 E-mail : investor@gnmrl.com Website : www.gnmrl.com
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 0262 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 20th Annual General Meeting of the members of GUJARAT NRE MINERAL RESOURCES LIMITED will be held at Gyan Manch, 11, Pretoria Street, Kolkata 700071 on Friday, 28th June 2013 at 11.30 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 2013 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. Gopal Prasad Dokania 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 until 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 Mr. Pawan Kumar Agrawal who was appointed by the Board of Directors as an Additional Director of the Company with effect from 12th March 2013 and who holds office upto the date of ensuing Annual General Meeting of the Company in terms of Section 260 of the Companies Act 1956 and in respect of whom the Company has received a Notice from a Member under Section 257 of the Companies Act, 1956 be and is hereby appointed a Director of the Company, whose office shall be liable to retire by rotation in terms of Section 255 of the Companies Act, 1956.

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309,310, 311 read with Schedule XIII and any other applicable provisions, if any of the Companies Act, 1956 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the Company hereby approves the appointment of Mr. Pawan Kumar Agrawal as Managing Director of the Company for a period of five years with effect from 2nd June 2013 on nil remuneration as approved by the Board of Directors of the Company at its meeting held on 12th March 2013 with liberty to the Board of Directors of the Company (hereinafter referred to as the Board, which expression shall include any Committee of the Board) to alter and vary the terms and conditions and/or remuneration and other benefits, from time to time, subject to the provisions of Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT Mr. Pawan Kumar Agrawal shall not be subject to retirement by rotation while he continues to hold office of the Managing Director."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and to sign and execute all such agreements, documents, instruments and writings, as may be required with the power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and to delegate all or any of the powers hereinafter conferred to any Director(s) and/or Officer(s) of the Company to give effect to this resolution."

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

"RESOLVED THAT in accordance with the relevant provisions of the Companies Act, 1956 and the Article nos. 229, 230 and 231 and any other applicable provisions of the Articles of Association of the Company and consequent upon recommendation of the Board of Directors, consent of the members be and is hereby accorded to the Board of Directors (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 1:2 i.e. one equity share to be credited as fully paid-up for every two 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 General Reserves as may be decided by the Board."

"RESOLVED FURTHER THAT pursuant to Article no. 229 of the Articles of Association of the Company, the Bonus Shares mentioned as aforesaid shall not be issued and allotted to the Promoter Group Shareholders who have waived their entitlement to the issue of Bonus Shares on their respective shareholding."

"RESOLVED FURTHER THAT the holders of Optional Fully Convertible Bonds (the Bonds) which remain outstanding as on the Record Date will also be entitled to receive Bonus Shares at the same ratio as aforesaid on the equity shares to be allotted to them upon their exercise of option of conversion of the Bonds as per terms of its issue."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to fix the Record Date for the purpose of ascertaining the members who would be entitled for issue and allotment of Bonus Equity Shares as aforesaid."

"RESOLVED FURTHER THAT the Bonus shares shall be allotted subject to the Memorandum & Articles of Association of the Company and shall in all respect rank pari-passu, with the existing Equity Shares of the Company."

"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 dealing with fraction bonus equity shares as may be required and as it may in its sole and absolute discretion deem necessary, or expedient or incidental in 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 : 26th May, 2013

Vimal Kumar Taparia
Company Secretary

Notice (contd.)

NOTES:

1. A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING ON HIS/HER BEHALF AND VOTE ONLY ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DULY COMPLETED, STAMPED AND LOGGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A COPY OF PROXY IS ENCLOSED HERewith.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 24th June 2013 to Friday, 28th June 2013 (both days inclusive).
3. Members, who are holding shares in physical mode in identical order of names in more than one folio, are requested to write to the Company enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio.
4. Members desiring any information on accounts are requested to write to the Company at least ten days before the date of AGM so as to enable the management to keep the information ready at the meeting.

5. Members are requested to bring the admission slips along with their copies of the Annual Report to the meeting.
6. Any change in the address of the members may please be notified to the Registrar & Share Transfer Agent of the Company quoting their registered folio number.
7. Shareholders are informed that dividend which remains unclaimed / unpaid over a period of seven years is required to be transferred to the Investor Education and Protection Fund constituted by the Central Government under Section 205C of the Companies Act 1956. Hence the shareholders who have not encashed their dividend warrant for the financial year 2007-08, 2008-09 and 2009-10 are requested to immediately intimate to the Company's Registrar & Share Transfer Agent and seek issue of duplicate dividend warrant.

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

Place : Kolkata
Dated : 26th May, 2013

Vimal Kumar Taparia
Company Secretary

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

Item No. 4

Mr. Pawan Kumar Agrawal was appointed as an Additional Director w.e.f. 12.3.2013 by the Board of Directors of the Company. He holds office upto the conclusion of ensuing Annual General Meeting in terms of the provisions of Section 260 of the Companies Act 1956.

A notice has been received from a member of the Company under Section 257 of the Companies Act, 1956 along with requisite deposit amount signifying his intention to propose Mr. Pawan Kumar Agrawal as a candidate for the office of a Director of the Company.

The Board recommends passing of this resolution as an ordinary resolution. Except Mr. Pawan Kumar Agrawal, none of the other Directors of the Company are concerned or interested in passing of this resolution.

Item No. 5

The tenure of Mr. A. K. Jagatramka as Managing Director of the Company expires on 1st June 2013. Mr. A. K. Jagatramka has expressed his unwillingness to continue as Managing Director due to his pre-occupation. However, Mr. A. K. Jagatramka will continue on the Board as Non-Executive Chairman.

The Board has appointed Mr. Pawan Kumar Agrawal as Managing Director for a period of five years w.e.f. 2nd June 2013, on nil remuneration subject to the approval of the shareholders.

Mr. Pawan Kumar Agrawal is a Chartered Accountant and also a Cost & Management Accountant having rich experience in business administration, corporate finance and accounts. He presently serves as Chief Commercial Officer of Gujarat NRE Coke Ltd. and Managing Director of Bharat NRE Coke Ltd.

This may be treated as an abstract of the terms of the Contract with Mr. Pawan Kumar Agrawal as a Managing Director pursuant to the provisions of Section 302 of the Companies Act, 1956.

Accordingly, the Board recommends passing of this resolution as an ordinary resolution.

Except Mr. Pawan Kumar Agrawal, none of the other Directors of the Company are concerned or interested in passing of this resolution.

Item No. 6

Keeping with Gujarat NRE Group's policy towards creating value for its investors, the Board of Directors proudly recommends an issue of Bonus Shares in the ratio of 1:2 i.e. one equity share of Rs. 10/- each to be credited as fully paid-up for every two existing equity shares of Rs. 10/- each of the Company by capitalization of the requisite amount standing to the credit of the Company's Securities Premium Account and/or General Reserves as may be decided by the Board.

The Board is also pleased to extend issue of Bonus Shares in same ratio to the OFCB holders on the Equity Shares that would be allotted to them upon exercise of option of conversion of their Bonds.

The aforesaid Bonus Equity Shares shall rank pari-passu in all respects with the existing Equity Shares of the Company. 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, within the prescribed period.

In the interest of the Company and its non-promoter shareholders, the promoter of the Company Mr. Arun Kumar Jagatramka, his family members and the companies belonging to the group, have decided to waive their respective entitlements to receive 22,35,58,472 Bonus Shares as aforesaid. Accordingly, the Bonus Shares would be issued to non-promoter shareholders only. Consequently, post issue of Bonus Shares, the stake of the promoter group in the Company would come down from present 89% to about 82%.

The Board of Directors recommends passing of the resolution as an Ordinary resolution.

Except Mr. A K Jagatramka, who has waived his entitlement to the Bonus Shares, all other Directors of the Company are concerned or interested in passing of this resolution to the extent of Equity Shares that may be allotted to them as Bonus Shares.

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

Place : Kolkata
Dated : 26th May, 2013

Vimal Kumar Taparia
Company Secretary

Directors' Report

**To
The Members,**

The Board of Directors present 20th Annual Report and the Audited Financial Results of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS

	(₹ in Lacs)	
Particulars	2012-13	2011-12
Total Income	251.51	2085.35
Total Expenditure	226.14	163.82
Profit before Tax (PBT)	25.37	1921.53
Less: Provision for Taxation	14.89	(23.64)
Profit after Tax (PAT)	10.48	1945.17
Add: Balance brought forward	6740.96	4795.79
Balance carried to Balance Sheet	6751.44	6740.96

REVIEW OF OPERATIONS

The Company is a core investment company and its investments are focused in coking coal & met coke sector. The Company currently holds controlling stake, i.e. 34% of the Equity Shares in Gujarat NRE Coke Limited, flagship company of the Group, which is largest independent producer of met coke in India and the only Indian Company to own and operate coking coal mines in Australia.

During the year under review, the Company has earned total income of Rs. 251.51 lacs as against Rs. 2085.35 lacs registered in the previous year. Net Profit after Tax was Rs. 10.48 lacs as against Rs. 1945.17 lacs recorded in the previous year.

OIL EXPLORATION BLOCKS

The Company through its sub-subsidiary Gujarat NRE Oil Ltd. (GNOL), Australia had forayed in Oil & Gas sector in the year 2006-07 by acquiring blocks viz. EP 457 and EP 458 in Western Australia with a vision to reap the benefit at a time when it is most favourable and beneficial to the Company and its shareholders. The Directors are pleased to inform that after a good work performed on these block during the last 6 years, NRE Resources Pty Ltd, holding company of GNOL during the year has successfully disposed off its entire stake in GNOL and has realized handsome gains of AUD 32.675 million (equivalent to Rs. 182.88 crores).

DIVIDEND

In view of the need to conserve resources for its future requirements, the Company does not recommend any dividend for the year under review.

ISSUE OF BONUS SHARES

The Board is pleased to recommend yet another issue of Bonus Shares in ratio 1:2, i.e. One Bonus share for every two equity shares held.

To make the non-promoter shareholders true beneficiaries of this proposal, the Promoter Group shareholders have waived their entitlement to the Bonus Shares.

The Board is also pleased to extend the benefit of this Bonus Issue to the holders of Optional Fully Convertible Bonds (OFCB) who opt for conversion of their Bonds into equity shares.

ISSUE OF EQUITY SHARES

The Company has allotted 23,82,000 equity shares of Rs. 10/- each at a premium of Rs. 5/- per share upon the conversion of 1191 OFCBs till date.

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.

SUBSIDIARIES

The Company presently has a wholly owned subsidiary viz. NRE Resources Pty Ltd., Australia. The Balance Sheet, Statement of Profit & Loss, Report of the Board of Directors and Report of the Auditors and other statements relating to the subsidiary as required under the provisions of Section 212 of the Companies Act 1956 are annexed and form a part of this Annual Report.

During the year under review, consequent upon disposal of entire stake in Gujarat NRE Oil Ltd., Australia the same has ceased to be subsidiary of NRE Resources Pty. Ltd., and hence, also ceased to be a sub-subsidiary of the Company.

DIRECTORS

Mr. Gopal Prasad Dokania, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The resolution for his re-appointment is included in the Notice.

The Board has appointed Mr. Pawan Kumar Agrawal as Additional Director w.e.f. 12.03.2013. He vacates his office at the ensuing Annual General Meeting of the Company pursuant to the provisions of Section 260 of the Companies Act 1956. The Company has received Notice under Section 257 of the Companies Act, 1956 from a shareholder proposing the name of Mr. Pawan Kumar Agrawal for the office of Director of the Company.

Mr. A. K. Jagatramka due to his pre-occupation, expressed his unwillingness to continue as Managing Director after expiry of his present tenure on 01.06.2013. He would however, continue as non-Executive Chairman of the Company.

The Board also at the same meeting appointed Mr. Pawan Kumar Agrawal as Managing Director of the Company for a period of 5 years w.e.f. 02.06.2013 at nil remuneration subject to the approval of the shareholders of the Company. The Resolution seeking the approval for the appointment of Mr. Pawan Kumar Agrawal as Managing Director is included in the Notice.

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:-

- a) followed in the preparation of the annual accounts, the applicable accounting standards with proper explanation related to the material departures, if any;

Directors' Report (contd.)

- b) 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 profit of the Company for the year under review;
- c) 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
- d) prepared the annual accounts on a going concern basis.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Gopal Prasad Dokania (Chairman), Mr. Sisir Kumar Mukherjee, 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, retire as Statutory Auditors of the Company at the ensuing Annual General Meeting and are eligible for re-appointment. As required under Section 224 (1B) of the Companies Act, 1956, the Company has received a written confirmation from them to the effect that their re-appointment, if made, would be in conformity with the limits prescribed in the said section 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 a core investment company.

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

- a) Foreign Exchange Earning : Rs. 251.38 lacs
- b) Foreign Exchange Outgo : Rs. 0.50 lacs

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, co-operation 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 : 26th May, 2013

A. K. Jagatramka
Chairman & Managing Director

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 for the year ended 31st March 2013 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:-

- One Promoter Chairman & Managing Director
- One Non-Executive, Non-Independent Director
- Three Non-Executive, Independent Directors

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 & Managing Director</i>	Promoter Executive	8	1	1
Mr. Amit Kumar Majumdar	Independent / Non-Executive	3	2	-
Mr. Sisir Kumar Mukherjee	Independent / Non-Executive	1	-	-
Mr. Gopal Prasad Dokania	Independent / Non-Executive	-	-	-
Mr. Pawan Kumar Agrawal	Non-Executive	5	-	1

* 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, remuneration and shareholders' grievance committee in Indian Public Limited Companies have been considered.

Independent / Non-Executive Directors do not have any material pecuniary relationship or transaction with the Company apart from receiving their remuneration by way of sitting fees for attending the Board/ Committee meetings.

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

3. Board Committees:

The Board had constituted 4 (four) committees consisting of directors and executives. These committees are (a) Audit Committee (b) Share Transfer and Investors' Grievance Committee, (c) Remuneration Committee and (d) Management & Investment Committee. The composition and scope of these Committees are as given below.

(a) Audit Committee

i) **Terms of Reference.** The terms of reference of the Audit Committee are in conformity with 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 fixation of 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, 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.

Report on Corporate Governance (contd.)

- 7) To review the financial statements, in particular, the investment made by the subsidiary company, all significant transactions entered into by the subsidiary company.
- 8) To review the statement of materially significant related party transactions, if any.
- 9) 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:

1. Mr. Gopal Prasad Dokania, Chairman
2. Mr. Sisir Kumar Mukherjee
3. Mr. Amit Kumar Majumdar
4. Mr. Arun Kumar Jagatramka

The Company Secretary acts as the Secretary to the Committee.

Three members viz. Mr. Gopal Prasad Dokania (Chairman), Mr. Sisir Kumar Mukherjee and Mr. Amit Kumar Majumdar are Non-executive independent directors. Mr. Arun Kumar Jagatramka is a Promoter Executive Director.

(b) Share Transfer and Investors' Grievance Committee

The present composition of Share Transfer and Investors' Grievance Committee is as follows:

1. Mr. Arun Kumar Jagatramka, Chairman
2. Mr. Amit Kumar Majumdar
3. Mr. Gopal Prasad Dokania
4. Mr. P. R. Kannan
5. Mr. Pawan Kr. Agrawal

This Committee is entrusted with responsibility of looking after share transfers and investors' grievances.

Mr. Vimal Kumar Taparia, 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) Remuneration Committee.

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

1. Mr. Sisir Kumar Mukherjee (Chairman)
2. Mr. Amit Kumar Majumdar
3. Mr. Gopal Prasad Dokania

The remuneration committee considers and decides on payment of remuneration to the 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. No remuneration was paid to the Chairman & Managing Director as per terms of his appointment.

(d) Management & Investment Committee

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

1. Mr. Arun Kumar Jagatramka, Chairman
2. Mr. Sisir Kumar Mukherjee
3. Mr. Amit Kumar Majumdar
4. Mr. P. R. Kannan
5. Mr. Pawan Kr. Agrawal

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 :

Year	Meeting	Location	Date	Time	Special Resolution, if any
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
2009-10	17th AGM	Kala Mandir, 48, Shakespeare Sarani, Kolkata 700 017	10.09.2010	11.00 AM	No

Postal Ballot: No resolution was passed through postal ballot during the financial year ended 31st March 2013.

Report on Corporate Governance (contd.)

5. Subsidiaries

The Company has a wholly owned Australian Subsidiary viz. NRE Resources Pty Ltd. (NRPL). During the year under review Gujarat NRE Oil Ltd., Australia has ceased to be subsidiary of NRE Resources Pty Ltd., hence, it has also ceased to be sub-subsidiary of the Company.

6. 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. All related party transactions

are negotiated at arms length basis and in the interest of the Company.

7. Means of Communication:

- Copies of the Annual Reports alongwith the audited accounts are sent to all the shareholders in compliance of the provisions of the Companies Act, 1956.
- Copies of the Annual Reports of the Company are provided upon requests to various Government Departments, Investors and others interested in getting the same.
- The Annual Reports and press releases are displayed in the company's website: www.gnmrl.com

8. General Shareholders' Information:

a) Annual General Meeting :

Date and Time and Venue : Friday, 28th June 2013 at 11.30 a.m. at Gyan Manch, 11, Pretoria Street, Kolkata 700071

b) Financial Year

: 1st April, 2012 to 31st March, 2013

c) Book Closure Date

: 24th June 2013 to 28th June 2013(both days inclusive).

d) 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

e) Depositories:

- National Securities Depository Ltd.
Trade World, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400013
 - 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
- ISIN of OFCBs (on both the depositories):
INE 566H08012

f) Registrar & Share Transfer Agents:

M/s. Bigshare Services Private Limited,
E-2, 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

g) 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.)

h) Shareholding Pattern as on 31st March 2013 is given in the following Table:

Category	No. of Shares	% of Holding
Promoters & Promoter Group	447116943	88.78
Indian Public (including Bodies corporate)	56178623	11.16
NRIs / OCBs	303917	00.06
Total	503599483	100.00

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

Shareholding Range	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1 - 500	7864	46.62	486560	0.10
501 - 1000	1035	6.14	764641	0.15
1001 - 10000	7052	41.81	23813553	4.73
10001 - 50000	829	4.91	15659098	3.11
50001 - 100000	50	0.30	3597094	0.71
100001 and above	37	0.22	459278537	91.20
Total	16867	100.00	503599483	100.00

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

Approximately 99.96% of the Company's Shares are held in electronic form as on 31st March, 2013.

k) **Address of Subsidiary**

NRE Resources Pty. Limited

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

l) **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

For and on behalf of the Board

Place : Kolkata
Dated : 26th May, 2013

A. K. Jagatramka
Chairman & Managing Director

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, 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 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, 2013;
- in the case of the Statement of Profit and Loss, of the profit 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, 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 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 : 26th May, 2013

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 the 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, 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, 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	830	FY:2005-06	CIT (Appeals)
Income Tax Act, 1961	Income Tax	2810	FY:2007-08	CIT (Appeals)

10. The Company has no accumulated losses as at 31st March, 2013 and the Company has not incurred cash losses in the financial year covered by our audit report and 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 : 26th May, 2013

Membership No. 06490

Balance Sheet as at 31st March, 2013

(₹ in '000)

Particulars	Notes	As at 31st March,2013	As at 31st March,2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	5,035,995	5,012,975
Reserves & Surplus	3	1,651,500	1,638,942
		6,687,495	6,651,917
Non-Current Liabilities			
Long Term Borrowings	4	80,000	164,640
Deferred Tax Liabilities	5	299	297
Long Term Provisions	6	464	341
		80,763	165,278
Current Liabilities			
Short Term Borrowings	7	1,375,000	1,357,500
Trade Payables	8	619	144
Other Current Liabilities	9	1,354,779	728,930
Short Term Provisions	10	1,487	—
		2,731,885	2,086,574
		9,500,143	8,903,769
ASSETS			
Non-Current Assets			
Tangible Fixed Assets	11	6,950	7,045
Non-Current Investments	12	9,176,619	8,822,463
		9,183,569	8,829,508
Current Assets			
Cash and Cash Equivalents	13	3,290	3,676
Short Term Loans and Advances	14	313,284	70,585
		316,574	74,261
		9,500,143	8,903,769

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 : 26th May, 2013.

A. K. Jagatramka
Chairman & Mg. Director

P. K. Agrawal
Director

V. K. Taparria
Company Secretary

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

(₹ in '000)

Particulars	Notes	Year ended 31st March, 2013	Year ended 31st March, 2012
INCOME			
Dividends on long term, Non trade investments		—	208,535
Interest (Tax deducted at source Rs.2,514 Thousand, Previous year Rs.Nil)		25,138	—
Miscellaneous Income		13	—
		<u>25,151</u>	<u>208,535</u>
EXPENDITURE			
Employee Benefits Expense	15	3,648	3,573
Finance Costs	16	—	3,176
Depreciation	11	95	95
Other Expenses	17	18,871	9,538
		<u>22,614</u>	<u>16,382</u>
Profit before Tax		2,537	192,153
Tax Expenses:			
Current Tax		1,486	—
Deferred Tax		3	9
Earlier years Tax		—	(2,373)
Profit after Tax		<u>1,048</u>	<u>194,517</u>
Earnings per equity share of face value of Rs.10/- each			
Basic & Diluted (in Rs.)	18	—	0.39
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 : 26th May, 2013.

A. K. Jagatramka
Chairman & Mg. Director

P. K. Agrawal
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, 2013	As at 31st March, 2012
Authorised:		
100,00,00,000 (Previous year 100,00,00,000) Equity Shares of Rs.10/- each	10,000,000	10,000,000
Issued,Subscribed and Paid-up:		
50,35,99,483 (Previous year 50,12,97,483) Equity Shares of Rs.10/- each fully paid-up	5,035,995	5,012,975
	5,035,995	5,012,975

2.1 2,81,45,372 (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,2013		As at 31st March,2012	
	No. of Shares	% held	No. of Shares	% held
Arun Kumar Jagatramka (As a Trustee of Girdharilal Arun Kumar Family Trust)	87,342,142	17.34	87,342,142	17.42
Mangal Crystal Coke Pvt Ltd.	76,593,453	15.21	76,593,453	15.28
Bulli Coke Ltd.	—	—	66,853,594	13.34
Gouriputra Consultants Pvt Ltd.	36,969,600	7.34	36,969,600	7.37
Gujarat NRE Energy Resources Ltd.	34,164,260	6.78	34,164,260	6.82
Madhur Coal Mining Pvt Ltd.	33,270,894	6.61	33,270,894	6.64
Critical Mass Multilink Ltd.	29,777,302	5.91	29,777,302	5.94
Malgudi Investments Ltd.	26,313,265	5.23	26,313,265	5.25

Notes to the Financial Statements *(contd.)*

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

Particulars	As at 31st March,2013	As at 31st March,2012
Equity Shares at the beginning of the year	501,297,483	483,237,303
Add: Bonus shares issued	—	18,060,180
Add: Shares issued on conversion of OFCB	2,302,000	—
Equity Shares at the end of the year	503,599,483	501,297,483

2.5 Shares Reserved for issue against Optional Fully Convertible Bonds

Equity Shares likely to be issued against Optional Fully Convertible Bonds at the option of the Bond Holders (Refer Note No.4.1)	8,674,000	10,976,000
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3 RESERVES AND SURPLUS

Particulars	As at 31st March,2013	As at 31st March,2012
(₹ in '000)		
Capital Reserve		
As per last Account	101,053	101,053
Securities Premium Reserve		
As per last Account	851,293	1,031,895
Add: On issue of Shares	11,510	—
Less: Bonus Shares issued	—	180,602
	862,803	851,293
General Reserve		
As per last Account	12,500	12,500
Surplus in Statement of Profit & Loss		
As per last Account	674,096	479,579
Add: Profit for the year	1,048	194,517
	675,144	674,096
TOTAL	1,651,500	1,638,942

4 LONG TERM BORROWINGS

Particulars	As at 31st March,2013	As at 31st March,2012
Secured		
Term Loan from Parties other than Banks (Refer Note No.7.1)	80,000	—
Unsecured		
Optional Fully Convertible Zero Coupon Bonds (OFCB)	—	164,640
	80,000	164,640

4.1 Each OFCB of Rs. 30,000/-, at the option of the Bond holders, is convertible into 2,000 fully paid equity shares of Rs. 10 each at a premium of Rs.5/- per share. Alternatively, each OFCB, at the option of Bond holders, is redeemable at a premium of Rs. 6,000/- on 16th August,2013.

5 DEFFERED TAX LIABILITIES (NET)

Particulars	As at 31st March,2013	As at 31st March,2012
Deferred Tax Liability		
On account of Depreciation on Fixed Assets	299	297
	299	297

Notes to the Financial Statements (contd.)

6 LONG TERM PROVISIONS (₹ in '000)

Particulars	As at 31st March,2013	As at 31st March,2012
Provision for Gratuity	390	282
Provision for Leave Encashment	74	59
	<u>464</u>	<u>341</u>

7 SHORT TERM BORROWINGS

Particulars	As at 31st March,2013	As at 31st March,2012
Secured		
Term Loan from Parties other than Banks	1,375,000	1,357,500
	<u>1,375,000</u>	<u>1,357,500</u>

7.1 Term loans are secured by pledge of equity shares of Gujarat NRE Coke Ltd held as investments and by personal guarantee of Mr. Arun Kumar Jagatramka, the Chairman & Managing Director of the Company.

8 TRADE PAYABLES

Particulars	As at 31st March,2013	As at 31st March,2012
Others	619	144
	<u>619</u>	<u>144</u>

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,2013	As at 31st March,2012
Current maturities of Long-term debts	130,110	100,000
Interest accrued but not due on borrowings	594	636
Advances against sale of Non-Current Investments	1,217,050	621,650
Unclaimed Dividends	531	601
Others	6,494	6,043
	<u>1,354,779</u>	<u>728,930</u>

10 SHORT TERM PROVISIONS

Particulars	As at 31st March,2013	As at 31st March,2012
Provision for Income Tax	1,487	—
	<u>1,487</u>	<u>—</u>

Notes to the Financial Statements (contd.)

11. TANGIBLE FIXED ASSETS

(₹ in '000)

Particulars	Gross Block			Depreciation			Net Block	
	As on 01.04.2012	Additions (Deductions)	As on 31.03.2013	As on 01.04.2012	For the Year	As on 31.03.2013	As on 31.03.2013	As on 31.03.2012
Land	5,106	—	5,106	—	—	—	5,106	5,106
Building	2,532	—	2,532	764	84	848	1,684	1,768
Office Equipments	230	—	230	59	11	70	160	171
TOTAL	7,868	—	7,868	823	95	918	6,950	7,045
Previous Year	7,868	—	7,868	728	95	823	7,045	7,140

12. NON-CURRENT INVESTMENTS

Particulars	Face Value (Rs.)	No. of Shares	As at 31st March,2013	As at 31st March,2012
Long term,Non trade Quoted,fully paid-up In Equity Shares of Associate Companies				
Gujarat NRE Coke Limited	10	194,686,105 (192,578,554)	7,112,252	6,918,401
Gujarat NRE Coke Limited (DVR)	10	16,675,913 (16,675,913)	—	—
In Others				
SAL Steel Ltd.	10	1,445,633 (1,445,633)	28,007	27,389
Total (Quoted)			7,140,259	6,945,790
Unquoted,fully paid-up In Equity Shares of Subsidiary Company				
NRE Resources Pty Ltd.	N.A	2,000,000 (2,000,000)	91,384	89,367
In Equity Shares of Associate Companies				
Bharat NRE Coke Ltd.	10	10,895,000 (10,895,000)	121,715	119,029
NRE Metcoke Ltd.	1	42,678,000 (42,678,000)	1,308,039	1,279,174
Bulli Coke Ltd.	1	5,552,000 (5,552,000)	89,596	87,619
Matangi Traders & Investors Pvt Ltd.	1	671,457 (671,457)	28,279	27,655
Russell Vale Traders Pvt Ltd.	1	3,750,000 (2,475,000)	385,832	262,568
Lunva Traders Pvt Ltd.	1	42,678 (42,678)	44	43
Dharwad Traders Pvt Ltd.	1	42,678 (42,678)	44	43
Mandvi Traders Pvt Ltd.	1	42,678 (42,678)	44	43
Surajbari Traders Pvt Ltd.	1	42,678 (42,678)	44	43
In Others				
Bajrang Bali Coke Industries Ltd.	10	197,000 (197,000)	11,004	10,761
FCGL Investments Ltd.	1	50,000 (50,000)	335	328
Total (Unquoted)			2,036,360	1,876,673
Total Non Current Investments			9,176,619	8,822,463
Aggregate Market Value of Quoted Investments			3,398,569	4,505,472

Notes to the Financial Statements (contd.)

13 CASH AND CASH EQUIVALENTS

(₹ in '000)

Particulars	As at 31st March,2013	As at 31st March,2012
Cash on hand	227	1,284
Balances with Banks:		
in Current Accounts	2,532	1,791
in Dividend Accounts	531	601
	<u>3,290</u>	<u>3,676</u>

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

Advances to Related Party (Refer Note No.19)	280,224	70,050
Deposits with Government & Other Authorities	30,138	138
Advance Tax & Tax Deducted at Source	2,875	361
Others	47	36
	<u>313,284</u>	<u>70,585</u>

15 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31st March,2013	Year ended 31st March,2012
Salaries, Bonus, Allowances	3,323	3,333
Contribution to Provident and Other Funds	163	154
Provision / Payment for Gratuity	108	31
Staff Welfare Expenses	54	55
	<u>3,648</u>	<u>3,573</u>

16 FINANCE COSTS

Discount & Commission on issue of OFCB	—	3,176
	<u>—</u>	<u>3,176</u>

17 OTHER EXPENSES

Auditor's Remuneration		
- For Audit Fees	112	112
Rates & Taxes	16	11
Filling Fees	4	4
Security Transaction Taxes	46	14
Electricity Charges	18	16
Printing and Stationery	119	378
Professional, Legal & Service Charges	1,643	7,265
Directors Sitting Fees	510	640
Foreign Exchange Fluctuation Loss	15,942	-
Miscellaneous Expenses	56	61
Communication Expenses	81	626
Travelling & Conveyance	324	411
	<u>18,871</u>	<u>9,538</u>

Notes to the Financial Statements (contd.)

18 EARNINGS PER SHARE (EPS)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Net Profit after tax as per Statement of Profit and Loss (Rs.'000)	1,048	194,517
Weighted average number of equity shares outstanding during the year for calculating EPS	502,892,288	501,297,483
Basic and Diluted Earnings per share (Rs.)	—	0.39

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:

Name of Related Party	Relationship
NRE Resources Pty Ltd	Subsidiary
Gujarat NRE Oil Ltd.	Sub-Subsidiary (up to 15/10/2012)
Gujarat NRE Coke Ltd.	Associates
NRE Metcoke Ltd.	Associates
Russell Vale Traders Pvt Ltd.	Associates
Shri A. K. Jagatramka	Key management personnel
Bajrang Bali Coke Industries Ltd.	Enterprises in which key management personnel has significant Influence

19.2 Transactions with Related Parties

(₹ in '000)

Nature of Transactions	Year ended 31st March,2013	Year ended 31st March,2012
(i) Purchase of Securities		
Key management personnel	—	171
(ii) Interest Received (Gross)		
Subsidiary	25,138	—
(iii) Dividend Received		
Associates	—	208,535
(iv) Investments in		
Associates	114,750	—
(v) Advances Received/(Refunded)		
Associates	70,000	305,450
Enterprises in which key management personnel has significant influence	(43,400)	316,200
(vi) Loans / Advances Given / (Refunded / Adjusted)		
Subsidiary	257,600	—
Sub-Subsidiary	(50)	36
Associates	(700,000)	(8,500)

Notes to the Financial Statements *(contd.)*

19.3 Amounts due from related parties:

(₹ in '000)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Subsidiary		
– included in Loans and Advances	280,224	—
Sub-Subsidiary		
– included in Loans and Advances	—	50
Associates		
– included in Loans and Advances	—	70,000

20 CONTINGENT LIABILITIES AND COMMITMENTS

20.1 Corporate guarantee of Rs.17,55,939 thousand (Previous year Rs.14,43,884 thousand) given to Banks, Financial institutions and Others for loans taken by associate companies.

20.2 Disputed dues involved in two income tax demands under appeal - Rs.3,640 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 10,03,46,105 equity shares and 1,37,21,913 Class "B" equity shares (Previous year 6,46,87,410 equity shares and 1,05,98,741 Class "B" equity shares) of Gujarat NRE Coke Ltd with the banks, financial institutions and others for loans 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.

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
23.1 Expenditure in foreign currency		
– Travelling Exp.	50	94
23.2 Earnings in foreign exchange		
– Interest	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, 2013.

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, 2013

(₹ in '000)

Particulars	Year ended 31st March,2013	Year ended 31st March,2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	2,537	192,153
Adjustments for:		
Depreciation	95	95
Dividend Income	—	(208,535)
Interest Income	(25,138)	—
Finance Cost	—	3,176
Operating Profit before working Capital Changes	(22,506)	(13,111)
Adjustments for:		
Trade & Other Receivables	(240,185)	8,535
Trade & Other Payables	596,336	619,562
Cash Generated from Operations	333,645	614,986
Direct Taxes Paid / Refunds	(2,513)	(2)
Net Cash Flow from Operating Activities	331,132	614,984
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Investments	(354,156)	(258,602)
Interest Received	25,138	—
Dividend Received	—	208,535
Net Cash Flow from Investing Activities	(329,018)	(50,067)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Borrowings	(2,500)	(562,860)
Finance Costs	—	(3,176)
Net Cash Flow from Financing Activities	(2,500)	(566,036)
Net Increase /(Decrease) in Cash & Cash Equivalents	(386)	(1,119)
Cash & Cash Equivalents (Opening Balance)	3,676	4,795
Cash & Cash Equivalents (Closing Balance)	3,290	3,676

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 : 26th May, 2013.

A. K. Jagatramka
Chairman & Mg. Director

P. K. Agrawal
Director

V. K. Taparia
Company Secretary

DIRECTORS' REPORT

Your directors present their report on the company for the period from 1st April 2012 to 31st December, 2012.

Directors

The names of Directors in office at any time during or at the end of the reporting period are:

- Arun Kumar Jagatramka
- Mona Jagatramka
- Sanjay Sharma

Result

The company reported a net profit of \$19,768,248 (31st March 2012; Profit \$8,195). The profit has been arrived at after capital gain of \$32,675,000 upon sale of shares in subsidiary company Gujarat NRE Oil Limited on 16th October 2012.

Principal Activities

The Company is engaged in resource and oil exploration activity.

No significant changes in the nature of this activity occurred during the period other than sale of shares in a subsidiary company resulting in capital gain of \$32,675,000.

Dividends

No dividend was paid during the period and none is recommended.

Options

No options to shares in the company have been granted during or since the end of the financial period and there were no options outstanding at the date of this report.

Significant events after Statement of financial position date

No significant event has occurred since balance sheet date.

Indemnification of Directors and Officers

The indemnification of directors, secretaries and senior managers of the Company are covered under a contract taken on global basis by one of the related company of the ultimate holding company Gujarat NRE Mineral Resources Ltd. in India. No indemnities have been given, during or since the end of the financial period, for any person who is or has been an officer or auditor of the Company.

In accordance with normal commercial practice, disclosure of the total amount of premium payable under, and the nature of liabilities covered by, the insurance contract is prohibited by a confidentiality clause in the contract.

No leave or proceedings

No person has applied for leave of Court to bring proceedings on behalf of the Company, or intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceeding.

Non Audit Services

The Board has perused non-audit services performed by the associated firm of the auditor Kantilal Ratanshi Gokani and is satisfied that those non-audit services are compatible with, and did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons :

- All non-audit services have been reviewed by the Board to ensure that these services do not impact on the impartiality and objectivity of the auditor.
- The non-audit services provided do not undermine the general principles relating to auditor independence as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.
- The ratio of non-audit fee to audit fee is at a level that would not impact the impartiality and objectivity of the auditor.

- There were no known conflict of interest situations or any circumstances arising out of a relationship between the Company (including its Directors and Officers) and the auditor which may impact on auditor independence.

The auditor's independence declaration (made under section 307C of the Corporations Act 2001) is attached to and forms part of this report.

Signed in accordance with a resolution of the Board of Directors.

Arun Kumar Jagatramka
Sanjay Sharma
(Directors)

Dated 24th May 2013

DIRECTORS' DECLARATION

The directors of the company declare that :

1. The financial statements, comprising the income statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, are in accordance with the Corporations Act 2001 and;
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 31st December 2012 and of the performance for the financial period ended 31st December 2012 of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by :

Signed in accordance with a resolution of the Board of Directors

Arun Kumar Jagatramka
Sanjay Sharma
(Directors)

Dated 24th May 2013

AUDITOR'S INDEPENDENCE DECLARATION

I Kantilal Ratanshi Gokani being auditor of NRE Resources Pty Ltd declare that to the best of my knowledge and belief, during the period ended 31 December, 2012 there have been :

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to audit
- ii. no contravention of any applicable code of professional conduct in relation to the audit.

Signed by KANTILAL RATANSHI GOKANI
of 96 Cahors Road, PADSTOW NSW 2211
Dated 24th May 2013

INDEPENDENT AUDITOR'S REPORT

To the members of NRE Resources Pty Limited

Report on the Financial Report

I have audited the accompanying financial report of NRE Resources Pty Limited, which comprises the balance sheet as at 31 December 2012, and the income statement, statement of changes in equity and cash flow statement for the nine months period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company at the period's end or from time to time during the financial period.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the

NRE RESOURCES PTY LIMITED

Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

Audit Opinion

In my opinion,

- (a) the financial report of NRE Resources Pty Limited is in accordance with the *Corporations Act 2001*, including:
- giving a true and fair view of the company's financial position as at 31st December 2012 and of its performance for the nine months period ended on that date; and
 - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

KANTILAL RATANSHI GOKANI
96 Cahors Road, PADSTOW NSW 2211
Dated 24th May 2013

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 December 2012

	Notes	31 December 2012 (\$)	31 March 2012 (\$)
Revenue	2	32,675,000	14,010
Less :			
Foreign Exchange Loss		95,468	—
Expenses	3	4,339,178	5,815
Profit before income tax		28,240,354	8,195
Income tax expense	4	(8,472,106)	—
Profit after income tax		19,768,248	8,195

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION as at 31 December, 2012

	Notes	31 December 2012 (\$)	31 March 2012 (\$)
CURRENT ASSETS			
Cash and Cash Equivalent (including USD 5 million deposit into MCB)		4,779,606	1,258
GST Receivable		500	—
Loan to Gujarat NRE Wonga Pty Ltd		—	1,200,000
Loan to Gujarat NRE Oil Ltd		—	40,000
Loan to Gujarat NRE Limited		8,212,000	—
Loan to Wonga Coal Pty Ltd		197,080	—
Loan to Gujarat NRE India Pty Ltd		21,932,820	—
TOTAL CURRENT ASSETS		35,122,006	1,241,258
NON CURRENT ASSETS			
Investment	5	161,100	760,000
TOTAL NON-CURRENT ASSETS		161,100	760,000
TOTAL ASSETS		35,283,106	2,001,258
CURRENT LIABILITIES			
Trade & other payable		5,500	—
Accrued expenses		3,800	3,800
Loan from Gujarat NRE Mineral Resources Ltd		4,600,000	—
Loan from Gujarat NRE Coking Coal Limited		435,994	—
Income tax Liability		8,472,106	—
TOTAL CURRENT LIABILITIES		13,517,400	3,800
TOTAL LIABILITIES		13,517,400	3,800
NET ASSETS		21,765,706	1,997,458
EQUITY			
Contributed capital	6	2,000,000	2,000,000
Accumulated profit/(loss)		19,765,706	(2,542)
TOTAL EQUITY		21,765,706	1,997,458

The above Statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY as at 31 December, 2012

	Issued capital \$	Accumulated Profit/(Loss) \$	Total equity \$
At 31 March 2009	100,000	(13,461)	86,539
Total Comprehensive Income for the year :-			
Loss for the year	—	(3,559)	(3,559)
Total Comprehensive Income for the year	—	(3,559)	(3,559)
Transaction with owners in their capacity as owners			
Issue of share capital	1,900,000	—	1,900,000
At 31 March 2010	2,000,000	(17,020)	1,982,980
Total Comprehensive Income for the year :-			
Profit of the year	—	6,283	6,283
Total Comprehensive Income for the year	—	6,283	6,283
At 31 March 2011	2,000,000	(10,737)	1,989,263
Total Comprehensive Income for the year :-			
Profit for the year	—	8,195	8,195
Total Comprehensive Income for the year	—	8,195	8,195
At 31 March 2012	2,000,000	(2,542)	1,997,458
Total Comprehensive Income for the period :-			
Profit for the period	—	19,768,248	19,768,248
Total Comprehensive Income for the period	—	19,768,248	19,768,248
At 31st December 2012	2,000,000	19,765,706	21,765,706

The above Statement of Changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS for the period ended 31 December, 2012

	Notes	31 December 2012 (\$)	31 March 2012 (\$)
CASH FLOW FROM OPERATING ACTIVITIES			
Interest received		—	14,010
Payments to Suppliers/Creditors		(4,429,146)	(5,815)
GST Received/(Paid)		(500)	425
Net cash inflow/(outflow) from operating activities		(4,429,646)	8,620
CASH FLOW FROM INVESTING ACTIVITIES			
Sale of Investments		33,435,000	—
Purchase of investments		(161,100)	—
Net cash inflow from investing activities		33,273,900	—
CASH FLOW FROM FINANCING ACTIVITIES			
Loan from Gujarat NRE Wonga Pty Ltd		1,200,000	(1,200,000)
Loan from Gujarat NRE Oil Ltd		40,000	(40,000)
Loan from Gujarat NRE Mineral Resources Ltd		4,600,000	—
Loan to Gujarat NRE Limited		(8,212,000)	—
Loan to Wonga Coal Pty Ltd		(197,080)	—
Loan to Gujarat NRE India Pty Ltd		(21,932,820)	—
Loan from Gujarat NRE Coking Coal Ltd		435,994	—
Net cash inflow from financing activities		(24,065,906)	(1,240,000)
Net Increase/(Decrease) in cash and cash equivalents		4,778,348	(1,231,380)
Cash and cash equivalent at beginning of the period		1,258	1,232,638
Cash and cash equivalent at end of the period		4,779,606	1,258

The above Statement of Cash flows should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December, 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the company to its only shareholder Gujarat NRE Mineral Resources Limited. The financial report is prepared for nine months from the date of 1st April 2012.

The report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Corporation Act 2001 and accounting policies as set out below.

Compliance with IFRS - Compliance with Australian Accounting Standards ensures that the financial report of NRE Resources Pty Ltd as an individual entity complies with International Financial Reporting Standards (IFRS).

The financial report has also been prepared on a historical cost basis.

The concept of accruals accounting has been adopted in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

b. Income Tax

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the Statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax asset for unrecouped tax loss is recognized only if it is probable that future taxable amount is recoverable to utilise the loss.

c. Cash and equivalents

For the purposes of cash flows, cash includes cash on hand and deposits held on call with banks or financial institutions.

d. Revenue

Revenue is recognised at the fair value of consideration received or receivable. Amount disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Interest revenue is recognized on a proportional basis taking into account the interest rates applicable to the financial assets. There was no such revenue during the period.

e. Goods and Services Tax (GST)

Revenues, expenses and assets are recognized net of the amount of GST except where the GST is not recoverable from the taxation authorities. In these circumstances, the GST is recognized as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated inclusive of GST. The cash flows are included in the statement of cash flows on a gross basis.

f. Going Concern

Notwithstanding the company's deficiency in net current assets, the financial report has been prepared on going concern basis. The directors consider the company to be a going concern on the basis of the continued support by the company's ultimate parent company.

g. Impairment of Assets

At each reporting date, the company reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, any excess of the assets carrying value over its recoverable value is expensed to profit or loss.

h. Investment

Investment in subsidiaries are carried at cost.

i. Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

NOTE 2: OTHER REVENUE

	31 December 2012 (\$)	31 March 2012 (\$)
Interest income	—	14,010
Profit from sale of Investments	32,675,000	—
	32,675,000	14,010

NOTE 3: EXPENSES

	31 December 2012 (\$)	31 March 2012 (\$)
Accounting and Taxation fees	—	1,950
Bank Fees and Charges	79	36
Professional & Consultancy fees	4,335,910	—
Other fees & Charges	—	1,829
Audit fee	3,189	2,000
	4,339,178	5,815

NOTE 4: INCOME TAX

Income tax expenses of \$ 8,472,106 on Profit before tax of \$ 28,240,354.

NOTE 5: INVESTMENTS

	No. of Shares	31 December 2012 (\$)	31 March 2012 (\$)
Ordinary Shares in Gujarat NRE Oil Ltd			
Opening Balance B/f	760,000	760,000	760,000
Add : Purchase during the period	2,565,000	2,565,000	—
Less: Sales during the period	(3,325,000)	(3,325,000)	—
		—	760,000
Ordinary Shares in Gujarat NRE Coking Coal Ltd.			
	895,000	161,100	—
		161,100	760,000

NRE RESOURCES PTY LIMITED

NOTE 6: CONTRIBUTED CAPITAL

	31 December 2012 (\$)		31 March 2012 (\$)	
	Share No.	Amount	Share No.	Amount
Ordinary shares				
Opening balance	2,000,000	2,000,000	2,000,000	2,000,000
Closing balance	2,000,000	2,000,000	2,000,000	2,000,000

NOTE 7: REMUNERATION AND RETIREMENT BENEFITS

No remuneration was paid or payable to directors of the company.

Names of directors who held office during the period are

- Mr Arun Kumar Jagatramka
- Mrs Mona Jagatramka
- Mr Sanjay Sharma

NOTE 8: RELATED PARTY TRANSACTION

Disclosure relating to directors is set out in Note 7

The only shareholder is Gujarat NRE Mineral Resources Ltd, a public limited company incorporated in India.

Transactions with related entities :

The Company received AUD 1,200,000 from Gujarat NRE Wonga Pty Ltd as

refund of advance given in the previous year. At the end of reporting period the balance outstanding is Nil.

The Company received a short term loan amounting to AUD 11,300,000 from its parent Company Gujarat NRE Mineral Resources Limited, a company incorporated in India. At the end of reporting period the balance outstanding was AUD 4,600,000.

The company made an advance of AUD 8,212,000 to Gujarat NRE Limited, a company incorporated in Australia. At the end of reporting period the balance outstanding was AUD 8,212,000.

The company made an advance of AUD 36,572,000 to Wonga Coal Pty Ltd, a company incorporated in Australia. At the end of the reporting period the balance outstanding was AUD 197,080.

The Company received a short term loan of AUD 10,108,000 from Gujarat NRE Coking Coal Ltd, a company incorporated in Australia. At the end of reporting period the balance outstanding was AUD 435,994.

The Company made an advance of AUD 21,932,820 to Gujarat NRE India Pty Ltd, a company incorporated in Australia. At the end of the reporting period the balance outstanding was AUD 21,932,820.

The company purchased 895,000 Shares @0.18 Cents of Gujarat NRE Coking Coal Limited, a company incorporated and listed at ASX, in Australia. At the end of the reporting period the company hold 0.07% of Gujarat NRE Coking Coal Ltd.

AUDITORS' CERTIFICATE

To

The Board of Directors
Gujarat NRE Mineral Resources Ltd.

NRE Resources Pty Ltd (herein after referred to as "NRPL"), a subsidiary of Gujarat NRE Mineral Resources Ltd (herein after referred to as "GNMRL") was incorporated with Australian Securities and Investment Commission on 23rd day of August, 2006.

The attached audited accounts of the Company (NRPL) for the period ended 31st December, 2012 drawn as per Australian Laws comprising of financial statements together with Directors' Report, Independent Auditors' Report and Notes to accounts were audited by Mr. Kantilal Ratanshi Gokani of 96 Cahors Road, Padstow, NSW 2211. These accounts have been forwarded by NRPL for attaching with the audited accounts of holding company Gujarat NRE Mineral Resources Ltd.

In terms of the Section 212 of the Companies Act, 1956, the accounts of the subsidiary company, that has to be attached with the holding company's audited accounts, shall be drawn as per provisions of the Companies Act, 1956.

For the purpose of attaching the subsidiary's audited statements of accounts, the holding company GNMRL has recast the audited statements of accounts drawn under Australian Laws in accordance with the provisions of the Companies Act, 1956 as far as possible based on the information available with the holding company in India.

The recast audited accounts of NRPL have been drawn in accordance with revised Schedule VI of the Companies Act, 1956. For the purpose of these recasting, the Australian dollars have been converted in Indian rupee in accordance with the applicable exchange rate in accordance with AS-11.

For the purpose of checking this conversion and recasting, we have relied upon the independent audit report given by Mr. Kantilal Ratanshi Gokani and as such we have not examined the accuracy and authenticity of any part of the said audited accounts.

On the basis of the said audited accounts and according to the information and explanations given to us, we observe that the accounts of NRPL for the period ended 31st December, 2012 have been properly recast as far as possible in accordance with revised Schedule VI of the Companies Act, 1956.

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

A. Paul
Partner

Place: Kolkata
Date : 26th May, 2013

Membership No.06490

BALANCE SHEET as at 31st December, 2012

(₹ in '000)

Particulars	Notes	As at	
		31.12.2012	31.03.2012
EQUITY AND LIABILITY			
Shareholders' Funds			
Share Capital	2	115,280	107,440
Reserves and Surplus	3	1,089,899	(2,618)
		1,205,179	104,822
Current Liabilities			
Trade Payables	4	536	204
Other Current Liabilities	5	290,275	—
Short Term Provisions	6	488,332	—
		779,143	204
		1,984,322	105,026
ASSETS			
Non-Current Assets			
Non-Current Investments	7	9,060	39,885
Current Assets			
Cash and Cash Equivalents	8	268,805	66
Short Term Loans and Advances	9	1,706,457	65,075
		1,975,262	65,141
		1,984,322	105,026

Significant Accounting Policies & Notes to Financial Statements

1 to 11

As per our attached certificate of even date to the Board of Directors of Gujarat NRE Mineral Resources Ltd.

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

For and on Behalf of the Board of Directors
of Gujarat NRE Mineral Resources Ltd.

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

A.K. Jagatramka
Director

P.K. Agrawal
Director

STATEMENT OF PROFIT AND LOSS for the period ended 31st December, 2012

(₹ in '000)

Particulars	Notes	Period Ended 31.12.2012	Year Ended 31.03.2012
INCOME			
Interest Income		—	704
Profit from sale of Investments		1,828,820	—
		<u>1,828,820</u>	<u>704</u>
EXPENDITURE			
Other Expenses	10	248,207	293
		<u>248,207</u>	<u>293</u>
Profit before Tax		1,580,613	411
Income Tax Expense		488,332	-
Profit after Tax		1,092,281	411

Significant Accounting Policies & Notes to Financial Statements

1 to 11

As per our attached certificate of even date to the Board of Directors of Gujarat NRE Mineral Resources Ltd.

For N.C. Banerjee & Co.
Chartered Accountants

**For and on Behalf of the Board of Directors
of Gujarat NRE Mineral Resources Ltd.**

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

A.K. Jagatramka
Director

P.K. Agrawal
Director

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31st December, 2012

Note 1: SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of preparation

The financial report has been prepared in accordance with the measurement requirements of International Financial Reporting Standards and in Compliance with Australian Accounting Standards to ensure that the financial report of NRE Resources Pty Ltd as an individual entity complies with International Financial Reporting Standards (IFRS).

The Balance Sheet and the Statement of Profit & Loss have been recast as per revised Schedule VI of the Companies Act, 1956 and foreign currency has been converted in Indian rupee as per Accounting Standard-11.

Reporting Basis and Conventions

The financial report has been prepared on accrual basis and is based on historical costs basis. The accounting policies have been consistently applied, unless otherwise stated.

b. Income tax

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax asset for unrecouped tax loss is recognised only if it is probable that future taxable amount is recoverable to utilise the loss.

c. Cash and equivalents

For the purposes of cash flows, cash includes cash on hand and deposits held on call with banks or financial institutions.

d. Revenue

Revenue is recognized at the fair value of consideration received or receivable. Amount disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

e. Investment

Non-current Investments are stated at cost.

f. Goods and Services Tax (GST)

Revenues, expenses and assets are recognized net of the amount of GST except where the GST is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognized as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated inclusive of GST. The cash flows are included in the Statement of Cash flows on a gross basis.

g. Impairment of Assets

At each reporting date, the company reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, any excess of the assets carrying value over its recoverable value is expensed to profit and loss.

2 SHARE CAPITAL

(₹ in'000)

Particulars	As at 31.12.2012	As at 31.03.2012
Authorised		
20,00,000 (Previous year 20,00,000) Equity Shares of AU\$ 1each	115,280	107,440
Issued,Subscribed and Paid-up		
20,00,000 (Previous year 20,00,000) Equity Shares of AU\$ 1each	115,280	107,440
	<u>115,280</u>	<u>107,440</u>

2.1 The Only Shareholder is Gujarat NRE Mineral Resources Limited,a company incorporated in India, holding 100% of the Issued,Subscribed and Paid-up capital of the company.

3 RESERVES AND SURPLUS

(₹ in'000)

Particulars	As at 31.12.2012	As at 31.03.2012
Statement of Profit and Loss		
As per last Balance Sheet	63	(348)
Add: Profit for the period	1,092,281	411
	<u>1,092,344</u>	<u>63</u>
Foreign Currency Translation Reserve	(2,445)	(2,681)
	<u>1,089,899</u>	<u>(2,618)</u>

4 TRADE PAYABLES

Accrued Expenses	536	204
	<u>536</u>	<u>204</u>

5 OTHER CURRENT LIABILITIES

Loan from Gujarat NRE Mineral Resources Ltd.	265,144	—
Loan from Gujarat NRE Coking Coal Ltd.	25,131	—
	<u>290,275</u>	<u>—</u>

6 SHORT TERM PROVISIONS

Provision for Income Tax	488,332	—
	<u>488,332</u>	<u>—</u>

7 NON-CURRENT INVESTMENTS (LONG TERM)

Quoted Equity Shares, fully paid up		
8,95,000 (Previous year Nil) Ordinary Shares in Gujarat NRE Coking Coal Ltd.	9,060	—
Unquoted Equity Shares,fully paid up		
Nil (Previous year 7,60,000) Ordinary Shares in Gujarat NRE Oil Ltd.	—	39,885
	<u>9,060</u>	<u>39,885</u>
Market value of Quoted Investments	8,557	—

8 CASH AND CASH EQUIVALENTS

(₹ in'000)

Particulars	As at 31.12.2012	As at 31.03.2012
Balances with banks		
In Current Accounts	48	66
In Term Deposit Account	268,757	—
	<u>268,805</u>	<u>66</u>

9 SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good)		
Loans and advances to Related Parties (Refer Note No.11)		
Gujarat NRE Oil Ltd.	—	2,099
Gujarat NRE Wonga Pty Ltd	—	62,976
Gujarat NRE Ltd	461,843	—
Wonga Coal Pty Ltd	11,084	—
Gujarat NRE India Pty Ltd	1,233,502	—
Others		
GST Receivable	28	—
	<u>1,706,457</u>	<u>65,075</u>

NRE RESOURCES PTY LIMITED

10 OTHER EXPENSES

(₹ in'000)

Particulars	Period Ended 31.12.2012	Year Ended 31.03.2012
Auditor's Remuneration	140	101
Bank Charges	4	2
Rates and Taxes	39	92
Professional & Legal Fees	242,681	98
Foreign Exchange Loss	5,343	—
	<u>248,207</u>	<u>293</u>

11 RELATED PARTY TRANSACTIONS

- 11.1 The Company received AUD 1,200,000 from Gujarat NRE Wonga Pty Ltd as refund of advance given in the previous year. At the end of reporting period the balance outstanding is Nil.
- 11.2 The Company received a short term loan amounting to AUD 11,300,000 from its parent Company Gujarat NRE Mineral Resources

Limited, a company incorporated in India. At the end of reporting period the balance outstanding was AUD 4,600,000.

- 11.3 The company made an advance of AUD 8,212,000 to Gujarat NRE Limited, a company incorporated in Australia. At the end of reporting period the balance outstanding was AUD 8,212,000
- 11.4 The company made an advance of AUD 36,572,000 to Wonga Coal Pty Ltd, a company incorporated in Australia. At the end of the reporting period the balance outstanding was AUD 197,080.
- 11.5 The Company received a short term loan of AUD 10,108,000 from Gujarat NRE Coking Coal Ltd, a company incorporated in Australia. At the end of reporting period the balance outstanding was AUD 435,994.
- 11.6 The Company made an advance of AUD 21,932,820 to Gujarat NRE India Pty Ltd, a company incorporated in Australia. At the end of the reporting period the balance outstanding was AUD 21,932,820.
- 11.7 The company purchased 895,000 Shares @0.18 Cents of Gujarat NRE Coking Coal Limited, a company incorporated and listed at ASX, in Australia. At the end of the reporting period the company hold 0.07% of Gujarat NRE Coking Coal Ltd.

Statement pursuant to Section 212 of the Companies Act, 1956, relating to the subsidiary company (₹ in '000)

Name of the Subsidiary Company	NRE Resources Pty Ltd.
1. Financial Year of the subsidiary ended on	31.12.2012
2. Holding Company's interest	
(i) Equity Shares of AU\$ 1 each	
(a) Number of Shares fully paid	2,000,000
(b) % Share held by the Company directly or through its subsidiaries	100%
3. Net aggregate of Profit/(Loss) of the Subsidiary, so far as they concern members of the Company	
(i) For the Financial Year of the Subsidiary	
(a) Dealt with to the accounts of the Company	Nil
(b) Not dealt with in the accounts of the Company	1,092,281
(ii) For the previous Financial Years of the Subsidiary since it became the subsidiary	
(a) Dealt with in the accounts of the Company	Nil
(b) Not dealt with in the accounts of the Company	63
4. Details of changes, if any between the end of financial year of the Subsidiary and the end of financial year of the Holding company in respect of following matter	
(a) Holding Company's Interest	Nil
(b) Subsidiary's fixed assets	Nil
(c) Subsidiary's Investments	Nil
(d) The moneys lent by Subsidiary	Nil
(e) The moneys borrowed by Subsidiary for any purpose other than that of meeting current liabilities.	Nil



GUJARAT NRE MINERAL RESOURCES 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

Email :

I hereby record my presence at the 20th Annual General Meeting of the Company to be held at Gyan Manch, 11, Pretoria Street, Kolkata - 700 071 on Friday, 28th day of June 2013 at 11.30 A.M.

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 MINERAL RESOURCES 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 MINERAL RESOURCES 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 20th Annual General Meeting of the Company to be held at Gyan Manch, 11, Pretoria Street, Kolkata - 700 071 on
Friday, 28th day of June 2013 at 11.30 A.M. 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.....

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.

BOOK POST

If undelivered, please return to :

Bigshare Services Pvt. Ltd.

(Unit : Gujarat NRE Mineral Resources Ltd.)

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

Saki Naka, Andheri (E)

Mumbai - 400 072