

GUJARAT NRE COKE LIMITED

Abridged Annual Report 2010–11

Corporate Information

BOARD OF DIRECTORS

(As on 15th July, 2011)

Mr. Girdharilal Jagatramka	<i>Chairman Emeritus</i>
Mr. Arun Kumar Jagatramka	<i>Chairman & Managing Director</i>
Mrs. Mona Jagatramka	<i>Director</i>
Mr. Subodh Kumar Agrawal	<i>Director</i>
Mr. Chinubhai R Shah	<i>Director</i>
Dr. Basudeb Sen	<i>Director</i>
Dr. Mahendra Kumar Loyalka	<i>Director</i>
Mr. Murari Sananguly	<i>Director</i>

CHIEF FINANCIAL OFFICER

Mr. P. R. Kannan

COMPANY SECRETARY

Mr. Manoj K Shah

AUDITORS

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

SOLICITORS & ADVOCATES

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

BANKERS

State Bank of India
Bank of Baroda
ING Vysya Bank Ltd.
Standard Chartered Bank
Axis Bank Ltd.
ICICI Bank Ltd.
Tamilnad Mercantile Bank Ltd.

REGISTERED OFFICE

22, Camac Street,
Block - C, 5th Floor,
Kolkata - 700 016, India
Phone : +91-33-22891471 to 1475
Fax : +91-33-22891470
Email : info@gujaratnre.com
Website : www.gujaratnre.com

WORKS

COKE

- 1) Village Dharampur, Khambhalia, Jamnagar, Gujarat, India
- 2) Village Lunva, Bhachau, Kutch, Gujarat, India
- 3) Road No. 16, 1st Cross, KIADB, Belur Industrial Area, Dharwad, Karnataka - 580 011, India

STEEL

Village Lunva, Bhachau,
Kutch, Gujarat, India

REGISTRAR & SHARE TRANSFER AGENT

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

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

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Notice

TO THE SHAREHOLDERS,

Notice is hereby given that the Twenty-Fourth Annual General Meeting of the Shareholders (including Shareholders holding "B" Equity Shares) of **GUJARAT NRE COKE LIMITED** will be held on **Friday, the 30th day of September, 2011 at 11.30 am** at Kalamandir, 48, Shakespeare Sarani, Kolkata 700 017 to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March' 2011 and the Profit & Loss Account for the financial year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares and on "B" Equity Shares of the Company.
3. To appoint a Director in place of Dr Basudeb Sen, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr Chinubhai R Shah, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration. In this connection, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. N. C. Banerjee & Co., Chartered Accountants, (Registration No. 302081E) be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, to conduct the audit for the financial year 2011-12 at such remuneration as may be determined by the Board of Directors in consultation with the Auditors."

Special Business :

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

Payment of Incentive/Commission to Non Executive Directors

"RESOLVED THAT in supersession to the resolution passed by the shareholders at the 23rd Annual General Meeting held on 10th September 2010 and pursuant to Article no 89 of the Articles of Association of the Company and as per the provisions of Sections 198, 309, 310 as well as other applicable provisions of the Companies Act, 1956, the Company be and is hereby authorized to pay to its Non-Executive Directors on an annualized/financial year wise basis (to be paid during the next financial year), for a period of 5 years commencing from 1st April 2011, such remuneration comprising of incentive/commission, to be equally divided amongst them and that the aggregate incentive/commission payable to them in respect of any financial year shall

- a) Not exceed 1% of the Net Profits (computed as per the provisions of Section 198, 349 and 350 of the Companies Act, 1956) for net profits earned upto Rs. 200 crores during any corresponding financial year; and
- b) Where net profits earned during any corresponding financial year exceed Rs. 200 crores, they shall be entitled

to an aggregate incentive/commission as computed in clause (a) above plus incentive/commission not exceeding 0.5% of net profits, in respect of net profits earned beyond Rs.200 crores."

"RESOLVED FURTHER THAT the Board of Directors (including any Committee of the Board) be and is hereby authorized to take such steps and actions as may be deemed necessary or expedient in order to give effect to the aforesaid resolution(s)."

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

Re appointment of Mr Arun Kumar Jagatramka as Chairman & Managing Director

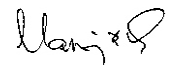
"RESOLVED THAT pursuant to provisions of Sections 198, 269, 309, 310 and all other applicable provisions of the Companies Act, 1956 (Act) read with Schedule XIII to the said Act, including any amendment, modification or re-enactment thereof, approval of the Company be and is hereby accorded to the reappointment of Mr Arun Kumar Jagatramka as the Chairman & Managing Director of the Company for a period of 5 (five) years with effect from 28th day of March 2012 upon terms and conditions including remuneration as briefly set out in the Explanatory Statement annexed to the notice convening this meeting, which shall be deemed to be a part hereof, with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall also include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions and/or remuneration and other benefits, from time to time, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits in any financial year during the aforesaid term of office of Chairman & Managing Director, the remuneration payable to him by way of salary, allowances, commission and perquisites and other benefits shall not without the approval of Central Government (if required) exceed the limits prescribed under Schedule XIII or other applicable provisions of the Companies Act, 1956 including any amendment, modification or re-enactment thereof."

"RESOLVED FURTHER THAT the Board be and is hereby authorised 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 reappointment as it may in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any Director(s) and/or Officer(s) of the Company to give effect to this Resolution."

By Order of the Board

For **GUJARAT NRE COKE LIMITED**



Manoj K Shah
Company Secretary

Place : Kolkata

Dated : the 15th day of July, 2011.

Notice (contd.)

NOTES:

1. A SHAREHOLDER (INCLUDING SHAREHOLDER HOLDING "B" EQUITY SHARE) ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND ON HIS/HER BEHALF AND TO VOTE ONLY ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY COMPLETED, STAMPED AND LODGED WITH THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING. A COPY OF THE PROXY FORM IS ANNEXED HEREWITH.
2. The Register of Members and the Share Transfer Books of the Company for Equity Shares (including "B" Equity Shares) will remain closed from Wednesday, the 21st day of September, 2011 to Friday, the 30th day of September, 2011 (both days inclusive).
3. The Dividend, as recommended by the Board, if declared for Equity Shares and/or "B" Equity Shares will be paid after 30th September, 2011 to those members or their mandates :
 - a) whose names appear as Beneficial Owners (including Beneficial owners of "B" Equity Shares, if any) as at the beginning of the business hours on 21st day of September, 2011 (day of commencement of book closure) in the list of Beneficial Owners to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of Equity Shares (including "B" Equity Shares, if any) held in electronic form;
 - and
 - b) whose names appear as Shareholders (including Shareholders holding "B" Equity Shares, if any) in the Register of Members of the Company on 30th day of September, 2011 (day of conclusion of book closure) after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Share Transfer Agents of the Company on or before 20th day of September, 2011.
4. Shareholders desiring any information on the accounts for the year ended 31st March, 2011 are requested to write to the Company at least ten days in advance, so as to enable the management to keep the information ready at the meeting.
5. Shareholders are requested to bring the admission slip(s) along with their copy of Annual Report to the meeting.
6. Any change of address of any shareholder holding shares in physical segment (including shareholder holding "B" Equity Shares in physical segment), may please be notified to the Registrar and Share Transfer Agent of the Company quoting their registered folio well before the book closing date to enable the Company to send their dividend at the correct address.
7. Shareholders are informed that Dividend which remains unclaimed / un-encashed over a period of 7 (Seven) years, is required to be transferred, as per the provisions of Section 205A of the Companies Act, 1956, by the Company to "The Investor Education & Protection Fund", constituted by the Central Government under Section 205C of the Companies Act, 1956.

Accordingly, unclaimed / un-encashed dividend for the financial year 2003-2004 – Final Dividend (year ending on 30th September, 2004) and 2004-06 (1st interim), both these dividends declared on 8.1.2005 respectively as well as unclaimed / un-encashed dividend for the financial year 2003-04 – Final Dividend of FCGL Industries Ltd (since merged with the Company) would be transferred to the said Fund during January/February 2012. It may please be noted that once the unclaimed / un-encashed dividend is transferred to "The Investor Education & Protection Fund", as aforesaid, no claim shall lie in respect of such amount by the shareholder.

Hence, the shareholders who have not encashed their dividend warrants for the abovementioned dividends and / or there after, are requested to immediately forward the same to the Company for revalidation or seek issue of duplicate warrant(s) by writing to the Company's Registrar & Share Transfer Agent.
8. Members who are desirous of getting the Notice and/or documents, covered under Section 219 read with Section 53 of the Companies Act, 1956, by electronic mode are requested to update their email id with respective Depository Participant where shares are held in electronic mode and to the Share Department of the company/ Registrar & Share Transfer Agent where shares are held in Physical form.
9. Shareholders (including Shareholders holding "B" Equity Shares) desirous of having a complete text of Annual Report 2010-11 may write to us at investor@gujaratnre.com or at the registered office of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

The Shareholders of the company at the 23rd Annual General Meeting held on 10th September 2010 had passed a resolution authorizing the Board of Directors for payment of remuneration and/or commission to Non-Executive Directors on an annualized basis not exceeding 1% of the net profits of the Company to be equally divided amongst them provided the company makes a net profit of a minimum of Rs. 100 crores in the corresponding year. As the members are aware, the Board of Directors of the Company is immensely benefited by the presence of Non Executive Directors. The prevalent Corporate Governance Norms calls for greater participation, involvement and commitment from these Non Executive Directors. In order to recognize the efforts of these Non-Executive Directors and to bring their remuneration in line with the

general trend prevalent in Indian corporate houses as well as commensurate with the time devoted vis a vis the contributions made by them, the Board of Directors at their meeting held on 15th July 2011 had decided to seek the approval of the members towards revision of payment of such remuneration comprising of incentive/commission for a period of 5 (five) consecutive financial years commencing from 1st April 2011, in supersession to the resolution passed by the shareholders on 10th September 2010 and as described in the resolution proposed under item no 6 of the notice.

The Non-Executive Directors of the Company are not entitled to any remuneration apart from sitting fees for attending the meetings of the Board or its Committees. The Non-Executive Directors other than Mrs Mona Jagatramka are however, entitled to receive stock options issued under Employee Stock Options Schemes of the Company. The outstanding options held by the Non Executive Directors are provided in an Annexure to Directors Report annexed hereto.

Notice (contd.)

All the Directors of the Company including Mr Arun Kumar Jagatramka being spouse of Mrs Mona Jagatramka are concerned or interested in the passing of this resolution to the extent of incentive/commission receivable by them on annualized/financial year basis.

Item No. 7

Mr Arun Kumar Jagatramka is a Chartered Accountant with an all India 1st rank and a gold medallist. He has an industrial experience of more than a decade in the business of production and trade of metcoke and coking coal, besides a prior experience in management consultancy and merchant banking. Under his able guidance, Gujarat NRE Coke, listed in 1994, has become the largest independent producer of Met Coke in India, the only Indian entity to own and operate coking coal mine overseas thereby moving backward into coal mining in Australia and forward into steel making, coupled with wind energy and waste heat power generation in India. A visionary of rare distinction, he has spearheaded the move by establishing Gujarat NRE Coking Coal Ltd. in 2004, a company involved in mining operations in Australia. Gujarat NRE Coking Coal Ltd. owns and operates NRE No. 1 colliery and NRE Wongawilli Colliery in Wollongong currently. In a space of just a few years, the Company under his chairmanship has acquired mines bearing world class hard coking coal resources in excess of 650 million metric tonnes.

Mr Arun Kumar Jagatramka was reappointed as Vice Chairman & Managing Director of the Company by shareholders at the 20th Annual General Meeting held on 28th September 2007 for a period of 5 years with effect from 28th March 2007 (he was re-designated as Chairman & Managing Director by the Board at its meeting held on 27th June, 2009) and accordingly, his current term of office would expire on 27th March 2012.

Mr Arun Kumar Jagatramka was appointed as Vice Chairman & Managing Director of Gujarat NRE Mineral Resources Ltd by its shareholders for a period of 5 years w.e.f. 2nd June 2008. He does not draw any remuneration from this company. He has been re-designated as Chairman & Managing Director of the said Company from 16th April, 2010.

The Board of Directors of the company upon the recommendation of Remuneration/ Compensation Committee and considering his aforesaid profile, has decided to re-appoint Mr Arun Kumar Jagatramka as Chairman & Managing Director of the Company for a further period of 5 (five) years with effect from 28th March 2012 pursuant to the provisions of Sections 269, 198, 309, 310 and other applicable provisions of the Companies Act, 1956 (hereinafter referred to as "the Act") subject to the approval of the shareholders at this Annual General Meeting.

Brief particulars of the terms of reappointment of and remuneration payable to Mr Arun Kumar Jagatramka as Chairman & Managing Director of the company are as under -

"SALARY

Rs.20,00,000/- (Rupees Twenty lacs only) per month.

PERQUISITES & ALLOWANCES

The Chairman & Managing Director shall be entitled to Perquisites and Allowances as classified into three categories, A, B & C as follows :

CATEGORY A

- a) Housing : The Company will provide furnished residential accommodation together with reimbursement of expenses

and/or allowances for utilization of gas, electricity, water, furnishings and repairs etc.

- b) Medical reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- c) Leave Travel Concession : For self and family once in a year incurred in accordance with rules of the company.
- d) Club fees : Fees of two clubs including life membership fees.
- e) Personal Accident Insurance : For an amount, the premium of which shall not exceed Rs.50,000 per annum.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961, or any rules there-under or any statutory modification(s) or re-enactment thereof; and in the absence of any such Rules, the perquisites and allowances shall be valued at cost.

For the purpose of Category A, family means the spouse, dependent children and dependent parents of the Chairman & Managing Director.

CATEGORY B

The Chairman & Managing Director shall be eligible to the following perquisites which shall not be included for the purpose of computation of his overall ceiling of remuneration.

- a) The company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and
- c) Encashment of leave at the end of the tenure.

CATEGORY C

Provisions of Car for use on company's business and telephone at residence as well as mobile Phones shall be reimbursed and not considered as perquisites.

PERFORMANCE INCENTIVE

In addition to the salary, perquisites and allowances, Chairman & Managing Director shall be entitled to an incentive/commission commencing from the financial year of his appointment i.e 2011-12 on an annual/financial year basis (to be paid during the next financial year) and such payment shall

- a) Not exceed 1% of the Net Profits (computed as per the provisions of Section 198, 349 and 350 of the Companies Act, 1956) for net profits earned upto Rs. 200 crores during any corresponding financial year; and
- b) Where net profits earned during any corresponding financial year exceed Rs. 200 crores, he shall be entitled to an aggregate incentive/commission as computed in clause (a) above plus incentive/commission not exceeding 0.5% of net profits, in respect of net profits earned beyond Rs.200 crores."

ASSIGNMENT OF EMPLOYER-EMPLOYEE INSURANCE POLICIES

The Chairman & Managing Director shall also be entitled to the assignment of 7 (seven) Employer-Employee Insurance Policies taken by the Company covering him as per following details, having

Notice (contd.)

an aggregate present surrender value of Rs. 4,88,17,628.48 (the total premium paid including premium payable till 31.3.2012 in

respect of all 7 policies aggregates to Rs.12,38,60,000/-) to be assigned any time during the proposed tenure of his reappointment.”

Sr.	Policy No(s)	Name of the Insurer	Sum Assured (Rs.)	Surrender Value (Rs.)	Maturity Date
1	577273361	Life Insurance Corpn. of India	5,00,00,000	1,73,88,000.00	04.03.2028
2	577273345	-do-	4,75,00,000	2,37,97,500.00	04.03.2023
3	577273695	-do-	25,00,000	12,52,500.00	04.04.2023
4	U-002443306	Tata AIG Life Insurance Co Ltd	15,00,00,000	15,88,732.38	18.03.2062
5	U-002443270	-do-	15,00,00,000	16,01,081.86	18.03.2062
6	U-002443296	-do-	15,00,00,000	15,88,732.38	18.03.2062
7	U-002443283	-do-	15,00,00,000	16,01,081.86	18.03.2062
		Total	70,00,00,000	4,88,17,628.48	

The Board shall have the liberty to alter or vary the aforesaid terms and conditions of the reappointment and/or payment of remuneration of Mr Arun Kumar Jagatramka, from time to time during the aforesaid tenure of his reappointment. However, the maximum remuneration payable to Mr Arun Kumar Jagatramka in respect of any financial year or his remuneration in the event of absence or inadequacy of profits in any financial year i.e his salary, allowance and perquisites etc. would be subject to the provisions of Schedule XIII to the Act including the limits prescribed thereto.

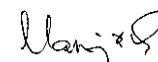
The Chairman & Managing Director shall not be liable to retire by rotation and he shall not be entitled to any sitting fees for attending any meetings of the Board or any Committee during his proposed tenure as Chairman & Managing Director of the Company.

The above may be read and treated as an abstract of the terms of re-appointment of Mr Arun Kumar Jagatramka under Section 302 of the Act. The details of disclosures of Directorship etc. as per Clause 49 of Listing Agreement with Stock Exchange are provided in the Annexure to this notice.

Mr Arun Kumar Jagatramka and Mrs Mona Jagatramka, his spouse are concerned and interested in passing of this resolution which pertains to his reappointment and payment of remuneration as aforesaid. No other Director is directly or indirectly interested or concerned in this resolution.

The Board recommends passing of the resolution as carried under item no 7 of the notice for your approval.

By Order of the Board
For **GUJARAT NRE COKE LIMITED**



Manoj K Shah
Company Secretary

Place : Kolkata
Dated : the 15th day of July, 2011.

(Annexure to the Notice)

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

Name of the Director	Mr Arun Kumar Jagatramka	Dr Basudeb Sen	Mr Chinubhai R Shah
Date of Birth	12-12-1961	16-06-1948	04-06-1937
Date of Appointment	20-05-1993	18-12-2003	18-12-2003
Qualifications	B. Com (Hons), C.A.	M. A. (Economics), Ph. D. (Indian Statistical Institute)	M. A., LL. M. (Gold Medalist), FCS, DLP, DTP.
Expertise in specific functional areas	Manufacturing, Trading, Mining, Finance, Accounts & Taxation	Professional Experience in commercial banking, corporate governance, sustainability, strategic planning, risk management system, investment portfolio management & credit/project appraisal.	Management Expert with vast experience in Corporate Laws, Taxes, Business Management etc.

Notice (contd.)

Directorship in other Companies	<ol style="list-style-type: none"> 1. Bhachau Traders Pvt Ltd 2. Bajrang Bali Coke Industries Ltd 3. Bulli Coke Ltd 4. Critical Mass Multilink Ltd 5. FCGL Investments Ltd 6. Gouriputra Consultants Pvt Ltd 7. Gujarat NRE Energy Resources Ltd 8. Gujarat NRE Mineral Resources Ltd 9. Huntervalley Coal Pvt Ltd 10. Khambhalia Traders Pvt Ltd 11. Malgudi Investments Ltd 12. Mangal Crystal Coke Pvt Ltd 13. Manor Dealcom Pvt Ltd 14. Matangi Traders & Investors P. Ltd 15. Mahanidhi Vyapaar Pvt Ltd 16. NRE Metcoke Ltd 17. Russell Vale Traders Pvt Ltd 18. Wonga Traders Pvt Ltd 19. Gujarat NRE Ltd. 20. Gujarat NRE Coking Coal Ltd 21. Gujarat NRE Resources NL 22. Gujarat NRE Coal (NSW) Pty Ltd 23. Gujarat NRE Properties Pty Ltd 24. Southbulli Holdings Pty Ltd 25. Wonga Coal Pty Ltd 26. Gujarat NRE India Pty Ltd 27. Gujarat NRE Oil Ltd 28. Pike River Coal Ltd 29. Shree Minerals Ltd 30. Port Kembla Coal Terminal Ltd 31. Wollongong Hawks 32. Gujarat NRE FCGL Pty Ltd 33. NRE Resources Pty Ltd 	<ol style="list-style-type: none"> 1. Dhunseri Petrochem & Tea Ltd 2. Himadri Chemicals & Industries Ltd. 3. ITC Ltd 4. Mahanagar Gas Limited. 5. Srei Venture Capital Ltd. 6. Sumedha Fiscal Services Ltd 	<ol style="list-style-type: none"> 1. Abellon Clean Energy Limited 2. Adani Power Ltd 3. Apollo Hospitals International Ltd. 4. Arman Lease & Finance Ltd., 5. Cadila Pharmaceuticals Ltd 6. Doshion Ltd 7. Gulmohar Greens Golf & Country Club Ltd 8. G.S.E.C. Ltd 9. Meghamani Finchem Ltd 10. Meghamani Organics Ltd 11. Nirma Limited 12. Saline Area Utilisation Enterprise Ltd 13. Shilp Gravures Ltd
Chairmanship/Member ship of Committees in other Companies	<p>Chairman of Management Committee of Gujarat NRE Mineral Resources Ltd. and Member of Audit Committee & Share Transfer Committee of Gujarat NRE Mineral Resources Ltd</p>	<p>Member of Compensation, Sustainability & Investor Services Committees of ITC Ltd., Chairman of both Audit Committee & Remuneration Committee of Mahanagar Gas Ltd</p> <p>Member of Remuneration Committee of Srei Venture Capital Ltd</p> <p>Chairman of Remuneration & Corporate Governance Committee & Member of Audit, Shareholder Grievance & Share Transfer Committees of Dhunseri Petrochem & Tea Ltd.</p>	<p>Member Audit Committee & Chairman -Shareholders Committee of Arman Lease & Finance Ltd</p> <p>Chairman Audit Committee of Shilp Gravures Ltd</p> <p>Member Audit Committee & Chairman of Shareholder Committee of Meghamani Organics Ltd</p> <p>Chairman Audit Committee of Cadila Pharmaceuticals Ltd</p> <p>Chairman Audit & Member of Shareholder Committee of Adani Power Ltd</p>
Shareholdings as on 31st March' 2011	1,28,11,512 Equity Shares and 12,81,151 "B" Equity Shares	35000 Equity Shares and 3500 "B" Equity Shares	50000 Equity Shares and 5000 "B" Equity Shares

Directors' Report

To
The Members,

Your Directors have pleasure in presenting the Twenty-Fourth Annual Report and the Audited Financial Results on the business and operations of your Company for the financial year ended on March 31, 2011.

FINANCIAL RESULTS/HIGHLIGHTS

	Rs. in crores	
	2010-11	2009-10
Income from Operations	325.96	246.98
<i>Less : Interest</i>	151.08	126.14
<i>Less : Depreciation</i>	50.44	46.47
Profit before Tax	124.44	74.37
<i>Less : Provision for Taxation</i>	21.79	22.50
Profit after Tax	102.65	51.87
<i>Add : Balance brought forward</i>	5.95	80.39
Amount available for appropriation	108.60	132.26
<i>Less : Appropriations</i>		
Transferred to General Reserve	0.00	5.00
Dividend and Dividend Tax for earlier year	0.00	0.50
Proposed dividend on equity shares	57.73	55.29
Corporate Tax on Dividend	9.37	9.27
Debenture Redemption Reserve	18.75	56.25
Balance carried to Balance Sheet	22.75	5.95

REVIEW OF OPERATIONS

The steel industry witnessed recovery during the financial year 2010-11. Consequently, coking coal and met coke being major raw material for steel industry and market, also witnessed consolidation with rise in prices. The Company reported higher income from operations amounting to Rs.325.96 Crores during the financial year ended 31st March, 2011 as compared to Rs 246.98 Crores during the previous year as a consequence of better realizations and a continuous focus on cost management during the year under review. Consequently, the net profit after tax earned during the financial year ended 31st March, 2011 was higher at Rs. 102.65 crores as compared to Rs. 51.87 crores during the previous year.

DIVIDEND

The Directors are pleased to recommend a dividend of Re.1/- per Equity Share of Rs.10 each and Re.1/- per "B" Equity Share of Rs.10 each respectively for the year ended March 31, 2011. While there is no change in rate of dividend as compared to previous year, the total payout will amount to Rs.67.10 crores (with dividend tax) as compared to Rs.64.56 crores (with dividend tax) for the previous year.

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

In terms of Sections 205A & 205C of the Companies Act, 1956, the company had transferred during the year under review, a sum of Rs. 5,99,015.50 (Rupees Five lacs, Ninety nine thousand fifteen and paise fifty only) and Rs.7,56,351.93 (Rupees Seven lacs, Fifty six thousand, three hundred fifty one and paise ninety three only) to the Investor Education & Protection Fund created by the Central Government towards dividend for the years 2002-03 & 2003-04 (1st interim) respectively, since these dividend remained unclaimed for a period of 7 years.

ISSUE OF EQUITY

The Company allotted 4,98,19,421 "B" Equity Shares of Rs.10 each on 10th May, 2010 pursuant to a bonus issue in the ratio of 1 "B" Equity Share of Rs. 10 each for every 10 Equity Shares held.

The Company also allotted 1,00,044 Equity Shares of Rs.10 each at a premium of Rs.34.64 per share and 10,004 "B" Equity Shares of Rs. 10 each as bonus shares during the year under review, upon conversion of 1 (one) Zero Coupon Unsecured Foreign Currency Convertible Bonds (FCCBs) of USD 100000 each issued in 2006.

The Company also allotted 85,50,000 Equity Shares of Rs.10 each at a premium of Rs.55.78 per share and 8,55,000 "B" Equity Shares of Rs. 10 each as bonus shares upon conversion of warrants by promoters/promoter group companies. The Company further allotted 4,26,795 Equity Shares of Rs.10 each at a premium of Rs. 13.86 per share and 42,679 "B" Equity Shares of Rs. 10 each as bonus shares upon conversion of Options issued under Employee Stock Option Scheme, 2005 and 1,27,300 Equity Shares of Rs. 10 each at a premium of Rs.8.05 per share and 12,730 "B" Equity Shares of Rs. 10 each as bonus shares upon conversion of Options issued under 2nd tranche of GNCL Employee Stock Options Scheme 2007.

QUALIFIED INSTITUTIONAL PLACEMENT

The Company made a Qualified Institutional Placement (hereinafter referred to as QIP) comprising of 11% Secured Redeemable Non convertible Debentures (NCDs) amounting Rs. 250 crores along with 2,08,00,000 Warrants at a conversion price of Rs.120 each to Qualified Institutional Buyers during the year under review to raise funds for capex and general corporate purposes.

NON-CONVERTIBLE DEBENTURES

During the year under review, the company redeemed Non-Convertible Secured Redeemable Debentures (NCDs) for an amount of Rs. 150 crores issued to Axis Bank Ltd. The NCDs outstanding at the end of the year under review aggregated to Rs. 400 crores comprising of QIP issue of NCDs amounting Rs.250 crores and NCD issued to LIC and nationalised banks in the previous year(s) amounting to Rs. 150 crores.

STATUS OF FCCBs

Your Directors are pleased to inform that 1% Unsecured Foreign Currency Convertible Bonds (FCCBs) of USD 55 million were fully converted by its holders before its due date of redemption.

Further, at the year end, bonds worth USD 17.40 million remain outstanding out of the Unsecured Zero Coupon FCCBs of USD 60 million issued in 2006 and due for redemption in 2011. However,

Directors' Report (contd.)

subsequent to the close of the year under review, the Company has received notices and it has since converted all the outstanding bonds worth USD 17.40 million on 8th April, 2011.

LISTING

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

BUSINESS PLANS

Coking Coal and Metcoke are commodities which are in high demand globally. We at Gujarat NRE believe in investing in our capacities and to take advantage of any upside in the market due to increased demand and supply mismatch. The Metcoke producing capacity of the company in India is presently at 1.43 MTPA which is planned for increase to 4 MTPA in another 4-5 years at an investment of around Rs. 800 crores. Similarly, there are plans to ramp up production of coking coal in Australia mines to 6 MTPA by 2015 from existing production levels of around 1.55 MTPA, at an additional investment of around AUD 400 million.

The company is in the process of commissioning its first waste heat power plant of 15 MW out of the total 60 MW waste heat power generation facilities being built near its coke plants. This only reiterates the company's commitment to the environment, having already invested in 87.5 MW power generating capacity through wind mills.

SUBSIDIARIES

The consolidated financial statements presented by the company include the financial information of the subsidiaries prepared in accordance with the applicable accounting standard. The Ministry of Corporate Affairs vide its circular no 2/2011 dated 8th February 2011 has granted a general exemption under Section 212(8) of the Companies Act 1956, from attaching the Balance Sheet, Profit & Loss Account and other documents of the subsidiary companies to the balance sheet of any company upon compliance of certain conditions. As the company is in compliance with these conditions, the Balance Sheet, Profit & Loss Account and other documents of the subsidiaries are not attached to this Annual Reports & Accounts. However, the annual accounts of the subsidiary companies and related detailed information shall be made available to the shareholders of the company and its subsidiaries seeking such information at any point of time. The annual accounts of the subsidiary companies are also available at the Registered office of the Company during the working hours and also at the respective offices of the Subsidiary companies.

FINANCIAL OBLIGATIONS

The Company has been regular in the payment of interest and/or repayment of loans to financial institutions and/or banks or in meeting its other financial obligations during the year under review.

CORPORATE GOVERNANCE

Your Company continues to be committed to Good Corporate Governance aligned with best-of-breed practices. A Report on 'Corporate Governance' as on 31st March, 2011 in accordance with the provisions of Clause 49 to the Listing Agreement is annexed hereto. The same has been certified by the Statutory Auditors of the Company. A Report on Management Discussions & Analysis is also annexed hereto and forms a part of this Report.

Chairman & Managing Director (CEO) and Chief Financial Officer (CFO) have certified to the Board with regard to the financial statements and other matters as required by clause 49 of the listing agreement and the said certificate is also annexed to this Annual Report.

EMPLOYEE STOCK OPTION SCHEME

With a view to remain a preferred employer, Stock Options were granted to the Directors/Employees of the Company/its subsidiaries under Employee Stock Options Scheme 2005 and GNCL Employee Stock Options Scheme 2007 during the financial years 2006-07 and 2007-08 respectively. The Directors further granted 32,14,000 options on 9.7.2010 under 3rd Tranche of GNCL Employee Stock Option Scheme, 2007.

The Options under Employee Stock Option Scheme 2005 got vested on 20th January, 2010. The eligible employees/Directors exercised 10,58,224 options under this scheme till the end of the year under review.

As required by clause 12 of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999, the disclosures with regard to Stock Options in respect of both Employee Stock Option Scheme, 2005 and GNCL Employee Stock Option Scheme 2007 as on 31st March, 2011 are given in an Annexure to this report.

DIRECTORS

Dr Basudeb Sen and Mr Chinubhai R Shah, Directors of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment in terms of the Articles of Association of the Company.

The present tenure of Chairman & Managing Director, Mr Arun Kumar Jagatramka would expire on 27th March 2012. It is proposed to reappoint him as Chairman & Managing Director for a period of 5 years w e f 28th March 2012 and a resolution seeking the approval of shareholders in this regard is included in the notice of 24th Annual General Meeting.

Mr Rajendra Prasad Jain resigned from the post of Executive Director with effect from 21st October 2010 due to health reasons.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

Directors' Report (contd.)

- ii) Selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year under review and of the profit of the Company for the year ended on that date;
- iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud or other irregularities; and
- iv) prepared the annual accounts on a 'going concern basis'."

AUDITORS

M/s. N. C. Banerjee & Co., Chartered Accountants, the Statutory Auditors hold office upto the forthcoming Annual General Meeting of the Company and are eligible for reappointment to audit the Accounts of the Company for the financial year 2011-12. As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has received written confirmation from M/s. N C Banerjee & Co., that their re-appointment as Auditors, if made, would be in conformity within the limits prescribed in the said section and that they are not disqualified from being appointed as the Auditors of the Company within the meaning of Section 226 of the said Act.

AUDITORS' REPORT

The observations of the Auditors in their Report read with relevant notes on the accounts, as annexed are self-explanatory and need no elaboration.

PUBLIC DEPOSITS

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

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

The information on Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956,

read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 forms a part of this Report as an Annexure. However, as permitted by Section 219(1)(b)(iv) of the Act, this Annual Report is being sent to all the members of the Company excluding the said Annexure.

PARTICULARS OF EMPLOYEES

The information on Particulars of employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 forms a part of this Report as an Annexure. However, as permitted by Section 219(1) (b)(iv) of the Companies Act, 1956 this Annual Report is being sent to all the members of the Company excluding the said Annexure.

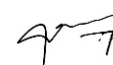
PERSONNEL / INDUSTRIAL RELATIONS

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

APPRECIATION

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

For and on behalf of the Board



Place : Kolkata
Date : 15th day of July, 2011

Arun Kumar Jagatramka
Chairman & Managing Director

Annexure forming part of the Directors' Report

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

Sr	Particulars	Employee Stock Option Scheme, 2005	GNCL Employee Stock Option Scheme, 2007 1st Tranche	GNCL Employee Stock Option Scheme, 2007 2nd Tranche	GNCL Employee Stock Option Scheme, 2007 3rd Tranche
1	Total number of options under the Plan	14,95,000 Options (includes 6,10,371 options also entitled to receive 61,037 "B" Equity Shares as bonus shares) (Initial options issued - 11,15,000 plus bonus option issued - 3,80,000)	33,90,800 Options (includes 27,77,600 options also entitled to receive 2,77,760 "B" Equity Shares as bonus shares) (Initial options issued - 25,06,000 plus bonus options issued - 8,84,800)	4,26,600 Options (includes 3,65,400 options also entitled to receive 36,540 "B" Equity Shares as bonus shares) (Initial options issued - 3,09,000 plus bonus options issued - 1,17,600)	32,14,000 Options
2	Options Granted during the year	Nil	Nil	Nil	The above mentioned options were granted on 9.7.2010.
3	Pricing Formula	Options have been granted at the closing market price of the shares of the Company on NSE on the day immediately preceding the date of grant of the options, i.e. Rs.33.40 per share. Price of all options granted under the Scheme was adjusted to Rs.23.86 per share on account of bonus issue in 2008. Consequent upon a further bonus issue of "B" Equity Shares in 2010, the price was not adjusted but 6,10,371 options outstanding at that time were entitled to receive 61,037 "B" Equity Shares as bonus shares free of cost in the ratio of every 10 options into 10 Equity Shares.	Options have been granted on 02.06.2007 at the closing market price of the shares of the Company on NSE on the day immediately preceding the date of grant of the options i.e. Rs.60.20 per share. Price of all options under the Scheme was adjusted to Rs.43 per share on account of bonus issue in 2008. All options were repriced at Rs.18.05 per share as per Note given below. Consequent upon a further bonus issue of "B" Equity Shares in 2010, the price was not adjusted but 27,77,600 options outstanding at that time were entitled to receive 2,77,760 "B" Equity Shares as bonus shares free of cost in the ratio of every 10 options into 10 equity shares	Options have been granted on 19.01.2008 at Rs.120 per share at a discount to the market price on a day immediately preceding the date of grant of options to make it lucrative to the employees. Price of all options under the Scheme was adjusted to Rs.85.72 per share on account of bonus issue in 2008. All options were repriced at Rs.18.05 per share as per Note given below. Consequent upon a further bonus issue of "B" Equity Shares in 2010, the price was not adjusted but 3,65,400 options outstanding at that time were entitled to receive 36,540 "B" Equity Shares as bonus shares free of cost in the ratio of 1 "B" Equity Share upon conversion of 10 options into 10 equity shares.	Options has been granted on 9.7.2010 at the closing market price of the shares of the Company on NSE on the day immediately preceding the date of grant of options i.e. Rs.63.05 per share.
4	Options Vested (as on March 31, 2011)	12,41,800 Options (includes 6,10,371 options also entitled to receive 61,037 "B" Equity Shares as bonus shares)	25,200 Options (these options are also entitled to receive 2,520 "B" Equity Shares as bonus shares).	1,72,200 Options (these options are also entitled to receive 17,220 "B" Equity Shares as bonus shares).	Nil
5	Options Exercised during the year	4,26,795 Options (Previous year 6,31,429 Options were exercised).	Not yet Exercised	127,300 Options (Previous year - Nil).	Not applicable
6	Total number of shares arising as a result of exercise of options	4,26,795 Equity Shares & 42,679 "B" Equity Shares	Not Applicable	1,27,300 Equity Shares and 12,730 "B" Equity Shares	Not applicable
7	Options lapsed/forfeited during the year	Nil (options lapsed till Prev. Yr.-2,53,200)	1,03,600 Options (options lapsed till Prev. Year 6,13,200)	37,800 Options (Options lapsed till Prev. Year 61,200)	93,000 Options
8	Variation of terms of options upto March 31, 2011	Nil	Nil	Nil	Nil
9	Money realized by exercise of options during the year	Rs.1,01,83,328.70	Nil	Rs.22,97,765/-	Nil

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

Sr	Particulars	Employee Stock Option Scheme, 2005	GNCL Employee Stock Option Scheme, 2007 1st Tranche	GNCL Employee Stock Option Scheme, 2007 2nd Tranche	GNCL Employee Stock Option Scheme, 2007 3rd Tranche
10	Total number of options in force at the end of the year	1,83,576 Options (these options are also entitled to receive 18,357 "B" Equity Shares as bonus shares).	26,74,000 Options (these options are also entitled to receive 2,67,400 "B" Equity Shares as bonus shares).	200,300 Options (these options are also entitled to receive 20,030 "B" Equity Shares as bonus shares)	31,21,000 Options
11	Employee wise details of options granted to: i) Senior Managerial Personnel ii) Employees holding 5% or more of the total number of options granted during the year iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	List given below. Options to Directors given in Corporate Governance Report Nil Nil	List given below. Options to Directors given in Corporate Governance Report Nil Nil	List given below. Options to Directors given in Corporate Governance Report Nil Nil	List given below. Options to Directors given in Corporate Governance Report Nil Nil
12	Diluted Earnings Per Share (EPS) pursuant to issue of shares on the exercise of option calculated in accordance with Accounting Standard (AS) 20	Rs.1.82	Not Applicable	Rs.1.82	Not Applicable
13	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options. The impact of this difference on profits and on EPS of the Company.	Not Applicable	The Company has calculated Employee Compensation Costs on the basis of Intrinsic Value Method and has amortized Rs. 11,615,444.81 for the year ended 31st March, 2011 for 2007 Scheme 1st & 2nd Tranche respectively. However, had the company followed Fair Value Method for calculating Employee Compensation Costs, such costs for the year would have been lower by Rs. 20,96,752 and the Profit after tax higher by the like amount and its impact on Basic as well as Diluted EPS would have been negligible.		Not Applicable
14	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock on the grant date.	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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

Sr	Particulars	Employee Stock Option Scheme, 2005	GNCL Employee Stock Option Scheme, 2007 1st Tranche	GNCL Employee Stock Option Scheme, 2007 2nd Tranche	GNCL Employee Stock Option Scheme, 2007 3rd Tranche
15	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the weighted average information.	The fair value of options is estimated using Black Scholes Option Pricing Model after applying the following key assumptions i) Risk free interest rate - 6.3% ii) expected life - 2.1 years iii) expected volatility - 73% iv) expected dividends - 3% v) the price of the underlying share in market at the time of option/grant - the market price (i.e. closing price at NSE) on the day immediately preceding the day of grant i.e. Rs. 33.40 per share.	The fair value of options is estimated using Black Scholes Option Pricing Model after applying the following key assumptions i) Risk free interest rate 6.23% ii) expected life - 10 Years iii) expected volatility 84% iv) expected dividends - 3% v) the price of the underlying share in market at the time of option/grant - the market price (i.e. closing price at NSE) on the day immediately preceding the day of grant i.e. Rs.60.20 per share.	The fair value of options is estimated using Black Scholes Option Pricing Model after applying the following key assumptions i) Risk free interest rate 6.23% ii) expected life - 10 Years iii) expected volatility 84% iv) expected dividends - 3% v) the price of the underlying share in market at the time of option/grant - the market price (i.e. closing price at NSE) on the day immediately preceding the day of grant i.e. Rs. 139.15 per share.	The fair value of options is estimated using Black Scholes Option Pricing Model after applying the following key assumptions i) Risk free interest rate 8.0907 % ii) expected life - 10 Years iii) expected volatility 85% iv) expected dividends 2% v) the price of the underlying share in market at the time of option/grant - the market price (i.e. closing price at NSE) on the day immediately preceding the day of grant i.e. Rs.63.05 per share ..

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

List of employee wise details of Options Granted to Senior Managerial Personnel and outstanding as on 31.3.2011

Sr	Name of the Senior Managerial Personnel	Options granted under GNCL Employee Stock Option Scheme, 2007 1st Tranche		Options granted under GNCL Employee Stock Option Scheme, 2007 2nd Tranche		Options granted under GNCL Employee Stock Option Scheme, 2007 3rd Tranche	
		Equity Shares	"B" Equity Shares (As Bonus Shares)	Equity Shares	"B" Equity Shares (As Bonus Shares)	Equity Shares	"B" Equity Shares (As Bonus Shares)
1	Mr. P. R. Kannan	42000	4200	-	-	27,000	-
2	Mr. P. K. Agrawal	42000	4200	-	-	27,000	-
3	Mr Sunil Maskara	-	-	46200	4620	27,000	-
4	Mr. D. R. Sabherwal	42000	4200	-	-	24,000	-
5	Mr. B. Ramaprasad	-	-	29400	2940	15,000	-
6	Mr. S. Balasaria	19600	1960	-	-	9,000	-
7	Mr. B. N. Tiwari	29400	2940	-	-	21,000	-
8	Mr. J. Rajaraman	29400	2940	-	-	21,000	-
9	Mr R K Agarwal	-	-	-	-	21,000	-
10	Mr. M. K. Shah	29400	2940	-	-	21,000	-

NB Options granted to Senior Managerial Personnel under Employee Stock Option Scheme, 2005 have been fully exercised by them.

Report on Corporate Governance

1. Philosophy on Corporate Governance :

Corporate Governance is the system, set of processes, customs, policies, and laws by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the company, such as, the board of directors, management, executives, shareholders and other stakeholders (include employees, suppliers, customers, banks and other lenders, regulators, the environment and the community at large) and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the company objectives are set, performance is monitored and objectives are attained.

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

- Management must have executive freedom to drive the enterprise forward without undue restraints; and

- This freedom of management must be exercised within a framework of effective accountability.

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

A Report in line with the requirement of clause 49 of listing agreement with Stock Exchange for the year ended 31st March, 2011 is given below.

2. Board of Directors:

Composition and category

The Board of Directors of the Company represents an optimal mix of professionalism, knowledge and experience. The Board consists of seven members as follows :

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

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

Name of the Director	Category	No. of other Directorships*	No. of other Board Committee** position as	
			Member	Chairman
Mr. Arun Kumar Jagatramka, <i>Chairman & Managing Director</i>	Promoter Executive	8	1	2
Mrs. Mona Jagatramka	Promoter Non-Executive	5	-	-
Mr. Subodh Kumar Agrawal	Non Executive Independent	1	1	1
Mr. Chinubhai R Shah	Non Executive Independent	13	3	5
Dr. Basudeb Sen	Non Executive Independent	6	7	4
Dr. Mahendra Kumar Loyalka	Non Executive Independent	-	-	-
Mr. Murari Sananguly	Non Executive Independent	-	-	-

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

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

Non-Executive Directors do not have any material pecuniary relationship or transaction with the Company apart from receiving their remuneration.

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

The details of Directors seeking re-appointment at the forthcoming Annual General Meeting as required under Clause 49 of the Listing Agreement are given in the Notice and Directors Report annexed to the Annual Reports & Accounts.

Meetings and Attendance Record of Directors.

Board holds periodic meetings to review and discuss performance of the Company, its future plans, strategies and other pertinent items relating to the Company. Board also reviews inter-alia the information as mentioned in Annexure 1A to clause 49 of the Listing Agreement with Stock Exchange. The Chairman & Managing Director keeps the Board apprised of the overall performance of the Company and about the market of the products of the Company. During the year ended on March 31, 2011, 10 (Ten) Board Meetings were held on April 29, May 22 & 30, July 9, September 10, October 21, November 11, December 14 in 2010 and on February 6 and March 31 in 2011. The last AGM was held on September 10, 2010.

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

Name of the Directors	No. of Board Meetings held	No. of Board Meetings Attended *	Attendance at last AGM held on 10.9.2010
Mr. Arun Kumar Jagatramka	10	10	Yes
Mrs. Mona Jagatramka	10	8	Yes
Mr. Subodh Kumar Agrawal	10	9	Yes
Mr. Chinubhai R Shah	10	6	Yes
Dr. Basudeb Sen	10	9	Yes
Dr. Mahendra Kumar Loyalka	10	8	Yes
Mr. Murari Sananguly	10	6	No
Mr Rajendra Prasad Jain (since resigned)	5	3	Yes

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

Report on Corporate Governance (contd.)

3. Code of Conduct

The Company has a Code of Conduct for all its Board Members and Senior Management Personnel for avoidance of conflict of interest. It has received necessary declarations affirming compliance with it from all of them during the year 1.4.2010 to 31.3.2011. A declaration to this effect, duly signed by the Chairman & Managing Director and Chief Financial Officer of the Company, is given in CEO & CFO's Certificate as annexed hereto and forms a part of this Report.

4. Board Committees:

There were five Board committees (constituted by the Board) namely, Audit Committee, Share Transfer Committee, Shareholders/Investors' Grievance Committee, Remuneration/Compensation Committee and Management Committee during the year under review. The scope of the said Committees and its memberships etc. are given below.

(a) Audit Committee

i) **Terms of Reference.** The terms of reference of the Audit Committee are in conformity with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. These broadly cover the following:

- 1) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) To review and recommend to the Board the appointment, re-appointment and if required, the replacement or removal of statutory auditors and 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, compliance with Stock Exchanges and legal requirements and any related party transactions etc.
- 4) To review with the management, external and internal auditors, the adequacy of internal control systems.
- 5) To discuss with the Auditors on the scope and nature of Audit and also to have Post Audit discussion to ascertain any area of concern.
- 6) To review the Company's financial and risk management policies.
- 7) To review the financial statements, in particular, the investment made by the unlisted subsidiary company and all significant transactions entered into by the subsidiary company.
- 8) To review the minutes of the Board meetings of unlisted subsidiary companies along with a statement of significant transactions and arrangements it has entered into, if any.
- 9) To review the statement of material related party transactions.
- 10) To undertake such other matters as may be delegated by the Board from time to time.

ii) Composition

The present composition of the Audit Committee is as follows:

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

All the members of the Committee are Non-Executive Independent Directors. Mr. Subodh Kumar Agrawal, is a qualified Chartered Accountant. Dr. Basudeb Sen, Mr. Chinubhai R Shah and Dr Mahendra Kumar Loyalka are other Directors possessing extensive experience. The Company Secretary acts as the Secretary to this Committee.

iii) Meetings and Attendance

During the financial year ended on March 31, 2011, four meetings of Audit Committee were held on May 29, July 9 and November 11 in 2010 and on February 6 in 2011.

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

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

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

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

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

(b) Share Transfer Committee

The Committee at present consists of the following members :

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

The Committee meets at regular intervals as per requirements, to approve transfers, transmissions, and issue of duplicate share certificates, etc. The Company Secretary acts as the Secretary to this Committee. During the year under review, 15 meetings were held and the attendance of the committee members in these meetings were as follows :

Name(s)	Held	Attended*
Dr. Basudeb Sen	15	14
Mr. Subodh Kumar Agrawal	15	15
Dr. Mahendra Kumar Loyalka	15	04
Mr Pawan Kumar Agrawal	15	14

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

(c) Shareholders'/Investors' Grievance Committee

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

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

The Committee looks into the redressal of shareholders' and investors' complaints like transfer of shares, nonreceipt of Annual Reports & Accounts, non-receipt of declared dividends etc. The Committee met 4 times during

Report on Corporate Governance (contd.)

the year under review and the attendance of the committee members in these meetings were as follows :

Name(s)	Held	Attended*
Mr. Subodh Kumar Agrawal	4	4
Dr. Mahendra Kumar Loyalka	4	2
Dr Basudeb Sen	4	3

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

Mr. Manoj K Shah, Company Secretary has been designated as the Compliance Officer by the Board and assigned with the responsibilities of overseeing shareholders'/investors' grievances under the supervision of the Committee. He also acts as the Secretary to this Committee. There were no complaints which remained pending at the beginning of the year and out of 134 complaints received during the year ended 31st March, 2011, 134 complaints were redressed and no complaint was pending as on 31st March, 2011.

(d) Remuneration/Compensation Committee.

The Committee consists of following members :

- i. Dr. Mahendra Kumar Loyalka, Committee Chairman
- ii. Mr. Subodh Kumar Agrawal, Director
- iii. Mr. Arun Kumar Jagatramka, CMD

iv. Dr. Basudeb Sen, Director

v. Mr. Murari Sananguly, Director

The terms of reference is to consider and approve the remuneration payable to the managerial person(s), including Managing Director and/or Whole time Directors of the Company, as prescribed under the Companies Act, 1956 and/or rules under the Act. The Committee aims to attract and retain talent to strengthen the Company's human resource pool. The Company is committed to make full disclosures regarding its payment to all directors. Apart from sitting fees for attending Board and Committee meetings, the Company did not pay any other remuneration to the non-executive directors during the year under review. The Company Secretary acts as the Secretary to this Committee. The attendance at the meeting of the Committee during the year under review is as follows:

Name(s)	Held	Attended*
Dr Mahendra Kumar Loyalka	02	01
Mr. Subodh Kumar Agrawal	02	02
Mr Arun Kumar Jagatramka	02	01
Dr Basudeb Sen	02	01
Mr. Murari Sananguly	02	01

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

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

Name of the Directors	Salary (Rs.)	Perquisite (Rs.)	Commission (Rs.)	Contribution to PF (Rs.)	Total (Rs.)	Service Contract/ Notice Period/ Severance Fees
Mr. Arun Kumar Jagatramka	1,20,00,000	29,71,036	0.00	14,40,000	1,64,11,036	As per Service Contract
Mr. Rajendra Prasad Jain (since resigned)	24,18,928	0.00	0.00	1,44,232	25,63,180	As per Service Contract

(ii) Details of sitting fees paid to the Non-Executive Directors for the year ended March 31, 2011 along with shares/convertible instruments held by them are given in the following Table:

Name of the Director	Equity Shares & "B" Equity Shares held	Sitting Fees Paid * (Rs.)	Commission Paid (Rs.)	Service Contract/ Notice Period/ Severance Fees
Mrs. Mona Jagatramka	58,55,007 Equity Share & 5,85,500 "B" Equity Shares	1,40,000	Nil	Retire by Rotation
Mr. Subodh Kumar Agrawal	35,000 Equity Shares & 3,500 "B" Equity Shares	5,60,000	Nil	Retire by Rotation
Mr. Chinubhai R Shah	50,000 Equity Shares & 5,000 "B" Equity Shares	1,40,000	Nil	Retire by Rotation
Dr. Basudeb Sen	35,000 Equity Shares & 3,500 "B" Equity Shares	4,20,000	Nil	Retire by Rotation
Dr. Mahendra Kumar Loyalka	36,120 Equity Shares & 3,612 "B" Equity Shares	2,50,000	Nil	Retire by Rotation
Mr. Murari Sananguly	37,440 Equity Shares & 3,744 "B" Equity Shares	1,10,000	Nil	Retire by Rotation

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

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

(iii) Details of Outstanding Stock Options held by Directors, if any, as on 31st March 2011 and whether issued at a discount as well as the period over which accrued and over which exercisable are given in the following Tables :

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

Name of the Director	Options Outstanding as on 31.3.2011	Whether issued at a discount	Period over which Accrued	Period over which exercisable
Mr Subodh Kumar Agrawal	70,000	No	On or After 1st June' 2022	1.6.2022 to 31.5.2025
Mr. Chinubhai R Shah	70,000	No	On or After 1st June' 2013	1.6.2013 to 31.5.2016
Dr. Basudeb Sen	70,000	No	- do -	- do -
Dr. Mahendra Kumar Loyalka	70,000	No	- do -	- do -
Mr. Murari Sananguly	70,000	No	- do -	- do -

Report on Corporate Governance (contd.)

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

Name of the Director	Options Outstanding as on 31.3.2011	Whether issued at a discount	Period over which Accrued	Period over which exercisable
Mr Subodh Kumar Agrawal	20,000	No	On or after 9.7.2013	9.7.13 - 8.7.16
	20,000	No	On or after 9.7.2014	9.7.14 - 8.7.17
	20,000	No	On or after 9.7.2015	9.7.15 - 8.7.18
Mr. Chinubhai R Shah	20,000	No	On or after 9.7.2013	9.7.13 - 8.7.16
	20,000	No	On or after 9.7.2014	9.7.14 - 8.7.17
	20,000	No	On or after 9.7.2015	9.7.15 - 8.7.18
Dr. Basudeb Sen	20,000	No	On or after 9.7.2013	9.7.13 - 8.7.16
	20,000	No	On or after 9.7.2014	9.7.14 - 8.7.17
	20,000	No	On or after 9.7.2015	9.7.15 - 8.7.18
Dr. Mahendra Kumar Loyalka	20,000	No	On or after 9.7.2013	9.7.13 - 8.7.16
	20,000	No	On or after 9.7.2014	9.7.14 - 8.7.17
	20,000	No	On or after 9.7.2015	9.7.15 - 8.7.18
Mr. Murari Sananguly	20,000	No	On or after 9.7.2013	9.7.13 - 8.7.16
	20,000	No	On or after 9.7.2014	9.7.14 - 8.7.17
	20,000	No	On or after 9.7.2015	9.7.15 - 8.7.18

(iv) Other Remuneration :

The shareholders of the Company at the AGM held on 10th September, 2010 had approved the payment of remuneration to all the non-executive directors not exceeding 1% of the net profits of the company to be equally divided among them on an annualized basis for a period of 5 years commencing from 1st April, 2010 provided that the Company makes a net profit of not less than Rs.100 crores during the corresponding year. Besides the above, no other pecuniary relationship or transactions vis-a-vis the Company exists with the non-Executive Directors. No such remuneration/commission was paid during the year under review.

(e) Management Committee

Management Committee consists of the following members:

- i. Mr. Arun Kumar Jagatramka, CMD Committee Chairman
- ii. Mr. Subodh Kumar Agrawal, Director

iii. Mr. P. R. Kannan, Chief Financial Officer,

iv. Mr. Pawan Kumar Agrawal, Senior Vice President

The term of reference of the committee is allotment of shares on conversion of FCCBs, Warrants, ESOP etc., and to borrow other than by issue of Debenture(s) and to give Loan(s) and Advance(s) as well as to invest funds of the company on the basis of limits prescribed by the Board etc. subject to guidelines and control of the Board. The Company Secretary acts as the Secretary to this Committee. The committee met 17 times during the year under review. The attendance at the meeting of the Committee members were as follows :

Name(s)	Held	Attended*
Mr. Arun Kumar Jagatramka	17	17
Mr. Subodh Kumar Agrawal	17	17
Mr. P. R. Kannan	17	17
Mr. Pawan Kumar Agrawal	17	17

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

5. General Body Meetings:

a) The details of last 3 Annual General Meetings :

Year	Meeting	Location	Date	Time	Special Resolution, if any
2009-10	23rd AGM	Kala Mandir, 48, Shakespeare Sarani, Kolkata 700 017	10.09.2010	11.30 A.M.	Yes
2008-09	22nd AGM	Ghanshyam Das Birla Sabhagar 29, Ashutosh Choudhury Avenue, Kolkata 700 019	19.09.2009	11.45 AM	No
2007-08	21st AGM	Kala Mandir, 48, Shakespeare Sarani, Kolkata 700 017	17.09.2008	11.45 AM	Yes

b) Postal Ballot : Three Special Resolutions were passed by the members during the financial year ended 31st March, 2011 through Postal Ballot as per results declared on 13th day of December, 2010. Mr. S. K. Ghosh, Practicing Company Secretary, duly appointed by the Board as Scrutinizer, conducted this Postal Ballot exercise and the details of voting pattern as per report submitted by him to the Chairman is as follows :

Sr No.	Subject Matter of Resolutions	No of valid postal ballot forms received	Votes in favour of the resolution	Votes against the resolution	% of votes in favour	No. of invalid postal ballot forms received
1	Issuance of Securities (including Foreign Currency Convertible Bonds) for an amount not exceeding USD 200 million or INR 1000 crores which ever is higher.	583	24,34,79,798	1,35,07,541	94.74	61
2	Issue of 6 crore Convertible Warrants to Promoter/ Promoter Group Companies on Private Placement/ Preferential Basis.	583	25,56,93,638	12,58,721	99.51	61
3	To make investment/ loan and/or give guarantee/ security in excess of limits under Section 372A of the Companies Act, 1956.	583	25,68,62,106	84,411	99.97	61

Report on Corporate Governance (contd.)

6. Subsidiaries:

The Company has two Indian Subsidiaries i.e. Manor Dealcom Pvt. Ltd and Huntervalley Coal Pvt. Ltd. and nine Australian Subsidiaries (including sub-subsidiaries) i.e. Gujarat NRE Ltd., Gujarat NRE Coking Coal Ltd., Gujarat NRE Coal (NSW) Pty Ltd., Gujarat NRE Resources NL, Gujarat NRE FCGL Pty Ltd., Gujarat NRE Properties Pty Ltd., Wonga Coal Pty Ltd., Gujarat NRE India Pty Ltd. and Southbulli Holdings Pty Ltd as on 31st March, 2011. The Company is adequately represented on the Board of Subsidiaries. The financial performance of the Subsidiaries is discussed by the Board at its meeting and the details of investment made and minutes of unlisted subsidiaries are placed before the Company's Board.

7. Disclosures:

a) **Materially significant Related Party Transactions** - The Company has not entered into any transactions of material nature, with its promoters, Directors or the Management, its Subsidiaries or with Director's relatives, etc. that may have potential conflict with its interest at large, other than those in the normal course of business. The transactions undertaken during the year have been disclosed in Note No. 11 of Schedule No. 18B forming part of the Accounts for the year ended March 31, 2011. The Company's major related party transactions are generally with its Subsidiaries and Group Associates. The related party transactions are entered into based on consideration of various business exigencies, synergy in operations, optimization of market share, profitability, legal requirements, liquidity and capital resources of Subsidiaries/ Associates. All related party transactions are negotiated at arms length basis and in the interest of the Company.

b) **Details of Compliance** - The Company is regular in complying with the requirements of the regulatory authorities on the matters relating to the Capital market and no penalties/strictures have been imposed on the Company by Stock Exchange or SEBI or any regulatory authority, during last three years.

c) **Whistle Blower Policy** - The Company has a Whistle Blower Policy and appropriate mechanism in place. Employees can directly report to the top most management (including Chairman & Managing Director and/or the members of the Board/Audit Committee) any concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. Management on its turn is responsible for establishing a fearless atmosphere where reporting employee doesn't fear being harassed, demoted or retaliated or threatened in any way and simultaneously receiving, investigating and acting upon complaints and concerns regarding actual/ possible violation of Code of Conduct or an event that could affect the business and/or reputation of the Company and/or its Subsidiaries or its Associates. No personnel had been denied access to the audit committee.

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

8. Means of Communication:

a) The quarterly, half yearly and yearly financial results of the Company as taken on record and approved by the Board of Directors are published in leading newspapers such as Economic Times (English) in its All India editions and Dainik Statesman (Bengali) in its West Bengal edition.

b) The quarterly, half yearly and yearly financial results are also sent immediately upon conclusion of the meeting approving them, to the Stock Exchange(s) on which the Company's shares are listed.

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

d) The Management Discussion and Analysis forms a part of this Annual Report.

e) The quarterly, half yearly and yearly results, press releases and relevant presentations of the Company are displayed in the company's website at www.gujaratnre.com.

9. General Shareholders' Information:

a) Annual General Meeting :

Date and Time : Friday, 30th September, 2011
at 11.30 am.

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

b) **Financial Year** : 12 months from 1st April, 2010 to
31st March, 2011

c) **Book Closure Date** : Wednesday, 21st September, 2011 to
Friday, 30th September, 2011.
(Both days included).

d) **Dividend Payment Date** : After AGM date and on or
before 28th October 2011.

e) **Particulars in respect of Unclaimed dividends declared by the Company for the financial year 2003-04 (2nd interim) and thereafter is given in the following Table:**

Financial year	Date of declaration of Dividend	Last date of claiming unpaid Dividend
2003-04 (2nd Interim)	27.07.2004	26.07.2011
2003-04 (Final)	08.01.2005	07.01.2012
2004-06 (1st Interim)	08.01.2005	07.01.2012
2004-06 (2nd Interim)	13.07.2005	12.07.2012
2004-06 (3rd Interim)	29.10.2005	28.10.2012
2004-06 (Final)	03.07.2006	02.07.2013
2006-07 (Final)	28.09.2007	27.09.2014
2007-08 (Final)	17.09.2008	16.09.2015
2008-09 (Final)	19.09.2009	18.09.2016
2009-10 (Final)	10.09.2010	09.09.2017

f) Listing of Equity Shares on Stock Exchanges :

(i) Bombay Stock Exchange Ltd.

P J Towers, Dalal Street, Fort, Mumbai 400001

(ii) National Stock Exchange of India Ltd.

Exchange Plaza, Bandra Kurla Complex, Bandra (E),
Mumbai 400051

g) Listing Fees:

Annual Listing Fees for the year 2011-2012 have been paid to both the Stock Exchanges. The Company has also paid the Annual Custody Fees to both the Depositories for the year 2011-12.

Report on Corporate Governance (contd.)

h) Depositories:

- i) National Securities Depository Ltd.
Trade World, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai - 400013.
- ii) Central Depository Services (India) Ltd.
P J Towers, 17th Floor, Dalal Street, Fort,
Mumbai 400001.

i) Stock Codes:

Equity Shares :

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

“B” Equity Shares (DVR Shares) :

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

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

Series	Non-convertible Debentures	Stock Id at BSE	Stock Code at BSE	ISIN No. at NSDL
2nd	11.9% NCD's of Rs. 10 lac each	GUJNRE07029	946074	INE110D07044
4th	12.5% NCD's of Rs. 10 lac each	GNCL30MAY9A	946143	INE110D07069
5th	12.5% NCD's of Rs. 10 lac each	GNCL30 MAY9B	946144	INE110D07077
6th	12.5% NCD's of Rs. 10 lac each	GNCL30MAY9C	946145	INE110D07085
7th	12.5% NCD's of Rs. 10 lac each	GNCL30MAY9D	946146	INE110D07093
8th	12.5% NCD's of Rs. 10 lac each	GNCL30MAY9E	946147	INE110D07101
9th	12.5% NCD's of Rs. 10 lac each	GUJNRE09039	946071	INE110D07119

Warrants issued under Qualified Institutional Placement

ISIN no of Warrants INE110D13018
Stock Code at BSE W1-GUJNRECOKE
Stock Code at NSE W1-GUJNRECOKE

j) Market Price Data:

The Market Price of the Equity Shares of the Company during 2010-11 is given in the table below:

Equity Shares

Months	BSE		NSE	
	High	Low	High	Low
April 2010	93.10	81.50	93.50	82.10
May 2010	91.00	55.40	91.90	55.25
June 2010	70.00	55.35	67.20	55.50
July 2010	65.75	60.85	65.80	60.80
August 2010	62.85	54.55	63.00	54.50
September 2010	66.80	55.40	66.90	55.25
October 2010	68.90	60.20	69.00	60.30
November 2010	65.00	51.05	64.90	51.10
December 2010	66.45	53.80	66.70	53.20
January 2011	72.00	56.10	72.20	58.10
February 2011	59.10	41.00	59.10	41.00
March 2011	53.00	42.90	53.00	40.05

“B” Equity Shares (DVR Shares)

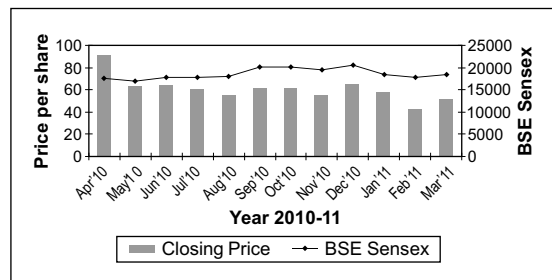
Months	BSE		NSE	
	High	Low	High	Low
April 2010	NA	NA	NA	NA
May 2010	55.00	31.10	68.00	29.80
June 2010	43.00	34.00	43.25	34.15
July 2010	44.20	37.20	43.90	37.30
August 2010	44.00	38.30	44.10	38.30
September 2010	44.45	38.10	44.95	38.00
October 2010	44.20	39.85	44.40	39.20
November 2010	43.00	32.00	43.00	30.15
December 2010	39.45	33.00	41.00	31.35
January 2011	40.70	32.00	41.00	32.00
February 2011	36.00	22.75	33.80	22.80
March 2011	30.40	23.80	32.00	23.75

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

- 2. “B” Equity Shares were listed at Stock Exchanges from 26th May 2010.

Warrants & NCD's — There is hardly any trading in listed warrants & NCD's of the Company. Therefore, month-wise market prices of warrants & NCD's are not available.

k) Share Price Performance for Equity Shares as compared to BSE Sensex during 2010-11:



l) Registrar and Share Transfer Agents:

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

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

n) Share Transfer System:

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

Report on Corporate Governance (contd.)

holding so as to enable them to update their records and to send all notices, corporate communications and Dividend Payments etc. to the beneficial owners of shares.

The average time taken for process of share transfer requests including dispatch of share certificates etc. is 15 to

20 days. Physical shares received for dematerialisation are processed and computerised within a period of ten to twelve days from the date of receipt, provided they are found in order in every respect. Bad deliveries are immediately returned to the respective Depository Participant under advice to the Shareholders.

o) Shareholding Pattern as on 31st March 2011 are given in the following Table:

Equity Shares -

Category	No. of Shares	% of Holding
Promoters & Promoter Group	24,10,14,701	47.50
Financial Institutions, Banks, Mutual Funds, etc.	24,47,089	0.48
FII's	14,38,11,962	28.34
Indian Public (incl. Private Corporate Bodies)	11,21,37,995	22.10
NRIs/OCBs	50,58,616	1.00
Clearing Members & others	29,27,991	0.58
Total	50,73,98,354	100.00

"B" Equity Shares (DVR Shares) -

Category	No. of Shares	% of Holding
Promoters & Promoter Group	2,41,01,468	47.50
Financial Institutions, Banks, Mutual Funds, etc.	1,53,465	0.30
FII's	73,22,543	14.43
Indian Public (incl. Private Corporate Bodies)	1,83,36,418	36.14
NRIs/OCBs	6,16,752	1.22
Clearing Members & others	2,09,188	0.41
Total	5,07,39,834	100.00

p) Distribution of Shareholding as on 31st March 2011 are given in the following Table :

Equity Shares

Shareholding Range	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1 - 500	153204	81.98	2,34,37,124	4.61
501 - 1000	17444	9.34	1,31,86,250	2.60
1001 - 5000	13537	7.24	2,84,15,965	5.60
5001 - 10000	1560	0.84	1,07,17,652	2.11
10001 - 50000	900	0.48	1,77,87,318	3.51
50001 - 100000	82	0.04	58,26,190	1.15
100001 - and above	145	0.08	40,80,27,855	80.42
Total	186872	100.00	50,73,98,354	100.00

"B" Equity Shares (DVR Shares) -

Shareholding Range	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1 - 500	144384	97.93	53,22,828	10.49
501 - 1000	1596	1.08	11,27,933	2.22
1001 - 5000	1169	0.79	23,81,244	4.69
5001 - 10000	134	0.09	9,30,028	1.83
10001 - 50000	102	0.07	22,19,904	4.38
50001 - 100000	18	0.01	11,98,389	2.36
100001 - and above	37	0.03	3,75,59,508	74.03
Total	147440	100.00	5,07,39,834	100.00

Report on Corporate Governance (contd.)

q) Dematerialisation of Shares and Liquidity:

Approximately 99.29% of the Company's Equity Shares and approximately 98.31% of Company's "B" Equity Shares have been dematerialised as on March 31, 2011 respectively. The Equity Shares and the "B" Equity Shares of Company are both actively traded in Stock Exchanges and are permitted to be traded only in dematerialised form.

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

The outstanding convertible bonds, warrants and ESOS as on 31st March, 2011 are as under:

- 174 Nos. of Zero Coupon Unsecured FCCB due 2011 with an issue value of US\$ 100000 each. If all the bonds are converted into equity shares at its conversion price, then the Share Capital of the Company will increase by around 1,74,07,795 Equity shares of Rs. 10/- each and by around 17,40,779 "B" Equity Shares of Rs.10 each.
- 2,08,00,000 Warrants of Rs.120 each issued under Qualified Institutional Placement with option to the warrant holder to get allotment of 1 Equity Share in lieu of each warrant. The warrant holders have the right to exercise the option for conversion of warrants latest by 28th April, 2015. If all the aforesaid warrants are converted then the Share Capital of the Company will increase by 2,08,00,000 Equity Shares of Rs. 10 each and by around 20,80,000 "B" Equity Shares of Rs. 10 each.
- 6,00,00,000 Warrants of Rs. 62.50 each issued on preferential basis to Promoter/ Promoter Group Companies with option to the warrant holder to get allotment of 1 Equity Share in lieu of every warrant. The warrant holders have the right to exercise the option for conversion of warrants latest by 26th June, 2012. If all aforesaid warrants are converted then the Share Capital of the Company will increase by around 6,00,00,000 Equity Shares of Rs. 10/- each.
- The status on outstanding options under Employee Stock Option Schemes has already been provided in an Annexure to the Directors Report.

s) Plant Location:

Coke Plant(s)

1. Vill. : Dharampur, P.O. Khambhalia
Dist.: Jamnagar, Gujarat
Pin: 361 305
2. Vill. : Lunva, Taluka-Bhachau
Dist: Kutch, Gujarat
Pin. : 370 140
3. Road No. 16, 1st Cross, KIADB,
Belur Industrial Area, Dharwad,
Karnataka
Pin. : 580 011

Steel Plant(s)

Vill. : Lunva, Taluka-Bhachau
Dist: Kutch, Gujarat
Pin. : 370 140

t) Address of Subsidiaries

Manor Dealcom Private Ltd

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

Huntervalley Coal Private Ltd

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

Gujarat NRE Ltd.

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

Gujarat NRE Coking Coal Ltd.

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

Gujarat NRE Coal (NSW) Pty Ltd.

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

Gujarat NRE Resources NL

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

Gujarat NRE FCGL Pty. Ltd.

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

Gujarat NRE Properties Pty. Ltd.

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

Wonga Coal Pty Ltd.

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

Gujarat NRE India Pty. Ltd.

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

Southbulli Holdings Pty Ltd.

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

u) Address for Correspondence :

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


v) Queries :

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

10. Auditor's Certificate on Corporate Governance

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

For and on behalf of the Board



Place : Kolkata
Dated : 15th day of July' 2011

Arun Kumar Jagatramka
Chairman & Managing Director

Management Discussion & Analysis

INDUSTRY STRUCTURE & DEVELOPMENTS

ECONOMY

As per latest reports, emerging markets are forging ahead in the current world order, in contrast to advanced economies. China's output is projected to average just short of 10% in 2011-12, thanks to its strong domestic demand. The International Monetary Fund (IMF) has projected that the Indian economy would expand by 8.2 percent in 2011, unchanged from its growth forecast made in April while Brazil, Indonesia and South Africa will also continue strong. Other emerging economies, such as Mexico, Turkey and Poland, are also contributing with higher rates of growth.

The Central Statistical Organisation (CSO) has pointed out that India's GDP at factor cost at constant prices registered an increase of 8.5 percent in the year 2010-11. This revised estimate of 8.5 percent growth for GDP in 2010-11 is only a shade below the advance estimates that had pegged GDP growth for 2010-11 at 8.6 percent. This slight dip in overall GDP growth can be attributed to weaker performance in sectors such as 'mining and quarrying', 'manufacturing', 'trade, hotels, transport and communication' and 'financing, insurance, real estate and business services' than anticipated earlier.

While the Indian economy has geared up to race ahead during 2011-12, it is going to be challenged by the hurdles of large scale corruption, inflationary pressures, volatility in global markets due to increase in crude oil prices etc. These have been cause of concern during the last one year, underscoring the need for further fiscal and monetary interventions by the RBI. In 2010, the Indian economy rebounded robustly from the global financial crisis - largely because of strong domestic demand and such feats need to be re-performed to keep the growth on track.

WORLD COKING COAL AND METALLURGICAL COKE INDUSTRY

Coking Coal market has remained relatively stable for a large part of last year with the only exception to the period post January 2011. The quarterly contracted price of hard coking coal remained at around \$225 per tonne mark for almost the entire of 2010. This price was substantially higher from the price prevalent in 2009 and was primarily due to the increased demand of coking coal due to restarting of many steel mills in Europe and increased steel production in China and the rest of Asia. Severe short supply of coking coal has been the major concern of steel industry world wide. The supply scarcity became critical early this year due to the floods in Queensland in Australia. Queensland constitutes about 80% of coking coal exports from Australia, the major supplier of coking coal to the world. The floods have resulted in a steep rise in prices of coking coal to as high as \$330 per tonne earlier this year, and despite the floods having receded and most mines back in normal production, the prices for the July - September quarter have also settled much higher at around \$310 - \$315 per tonne. This only shows that global demand is on the rise, while supply has not been able to match the same. This supply demand imbalance is expected to continue for a while thereby implying that the world is expected to face severe shortage of prime hard coking coal in the near future.

Metallurgical Coke being a derivative of Coking Coal naturally follows the same trend as that of coking coal. The world is presently in the eye of a shortfall of met coke. With global steel production set to rise further, primarily being led by increased production in China and India, the demand for met coke is bound to be much higher. This

severe demand supply disequilibrium has already been reflected in the spiralling prices, with price rising to around \$540 per tonne in early 2011.

DOMESTIC COKING COAL & MET COKE INDUSTRY

India has acute shortage of premium quality hard coking coal and even the available metallurgical coal is of inferior quality which can be used mostly as a blender with imported superior quality coking coal. Consequently the bulk of India's requirement of hard coking coal is met through imports, with Australia accounting for over 80% of India's import requirement. India imported around 35 MT of coking coal in 2010, which is expected to rise to around 45 MT this year and further increase to reach around 150 MT by the end of this decade in 2020.

India has been one of the major importers of met coke in the world. The scarcity of coking coal has many a time resulted in steel makers buying met coke directly from the market to keep their blast furnaces burning. Hence the shortage of coking coal translates into supply constraints in met coke in India as well. It is a fact without any doubt that coking coal and metcoke are going to be critical and most sought after commodities particularly for India, in the years to come.

INDIAN STEEL INDUSTRY

The Indian steel sector has experienced a roller coaster ride of late wherein it has witnessed a significant spurt in demand due to expanding oil and gas sector, large infrastructure spending coupled with growth in housing, consumer durables and auto sectors. India became the fourth largest producer of crude steel in the world in 2010 as against the eighth position in 2003 and is expected to become the second largest producer of crude steel in the world by 2015. As per World Steel Association (WSA), India was the fourth largest producer of crude steel during January - September 2010 producing 50.1 million tonnes (MT) crude steel during the period. Currently, with the government's increased emphasis on infrastructure, it is believed that the sector is poised for significant growth over medium to long term. As a matter of fact, India's per capita steel consumption continues to be low at 46 kg as against the global average of 198 kg. Thus, this further strengthens the belief that the potential ahead for India to raise its steel consumption is very high.

During the year 2010, steel consumption in India grew by 9.6% and in 2011, it is expected to grow by around 13%. Growing steel consumption indicates healthy economic growth. The major steel consuming segments such as auto, consumer durables, capital goods, power and construction have reported incremental growth during 2010-11 and the projected investment in infrastructure during the 11th plan period is expected to be substantial. Based on these parameters and the large potential for consumption in the rural sector, it is expected that the demand for steel in India will continue to grow during the next decade.

The steel industry is responding by installation of additional capacities. India is expected to add around 30 MT in next two years and is expected to become a net exporter of steel by 2013.

We, at Gujarat NRE are poised to meet this incremental demand and production by Indian steel industry and accordingly, we are in the process of setting up additional capacities for producing met coke while simultaneously increasing production at our coking coal mines in Australia to ensure uninterrupted supply to our metcoke plants in India as well as coking coal supply to the world in general

Management Discussion & Analysis (contd.)

OPPORTUNITIES & THREATS

The increasing demand of steel worldwide with BRIC (Brazil, Russia, India, China) countries steadily increasing steel production has caused a severe shortfall of coking coal and met coke world wide. The supply situation has further worsened with no new good coking coal mines having started production which can considerably cater to this increased demand. Though this has been a cause of major concern for the steel producers, however, all these factors attribute to a brighter future for met coke as well as coking coal producers.

Scarcity in availability of met coke globally, which may be attributed to a variety of factors, viz., drastic reduction in Chinese exports, increased demand from new steel plants, etc have provided a good opportunity for growth to the global met coke industry. Many new steel plants that have come up in South East Asia and also in India that do not have a captive met coke plant, which further provides an excellent opportunity for merchant coke producers in India and elsewhere to expand and grow.

However, China being the largest consumer of both coking coal and met coke plays a critical role in determining its global demand and supply and consequently, the prices of both. Therefore, any major shift in policy by China may pose a threat to the industry. Most of the global steel plants use blast furnace route for manufacturing steel and in the process create huge demand for coking coal. Fluctuations in demand in global steel industry or increase in use of other mode of steel making i.e. Electric Arc Furnace by Steel Industry might act as a threat to the met coke and coking coal industry.

COMPANY'S PERFORMANCE

The income from operations of the Company was higher at Rs. 325.96 crores in the year under review as compared to Rs.246.98 crores during the previous year and consequently, the net profit during the year under review was also reported higher at Rs. 102.65 crores as compared to Rs. 51.87 crores during the previous year. Accordingly, the Basic & Diluted earnings per share of the Company were reported higher at Rs.1.85 and Rs.1.82 respectively, for the year under review as compared to Rs.0.98 and Rs.0.93 during the previous year.

SEGMENT WISE PERFORMANCE & OUTLOOK

Coal & Coke

Coking coal and Coke Segment has been at the core of the operations of the Company contributing around 80% of the total turnover during the year under review. Net Sales/Income from this segment for the year under review amounted to Rs. 1296.81 crores as compared to Rs.1111.55 crores in the previous year.

Steel

Steel Segment contributes around 20% to the total turnover. It achieved a turnover of Rs. 300.06 crores during the year under review as compared to Rs.292.08 crores during previous year.

The Company is generating power through its Wind Turbines and is in the process of setting up co-generation power plant to produce electricity from waste heat. This helps the Company to reduce its power costs and ensures regular supply of clean power to its production facilities.

Outlook

Metallurgical coke is an important part of the iron and steel-making process because it provides the carbon and heat required to chemically reduce iron ore in blast furnaces to molten pig iron. The world coke consumption was 357 million tonnes in 2001, which has grown to around 600 million tonnes in 2010. In North America and Europe coke production has declined and the shortage is projected to exceed more than 12 million tonnes annually over the next 20 years. In UK and France each, a shortage of two million TPA has been estimated. Other European countries are also shutting capacity and the subsequent coke-manufacturing capacities are being relocated in Asian countries.

China used to export up to 15 million tonnes annually till 2008 that got reduced drastically to a meagre over ½ million tonne in 2009 and just over 3 million tonnes in 2010. Hence the world faces an acute shortage of met coke. With shortage of coking coal in the market, steel makers have also opted to buy met coke directly from merchant coke producers to keep their blast furnaces burning. The world is today staring at an acute shortage of met coke when the world coke trade would reach to the level of 30 MTPA (approximately by 2012). The void created by the absence of supply of Chinese coke is hard to fill and it is everybody's guess how the shortage of 12 MTPA of Chinese coke would be met by then. Prices are sure to rise further in future as an eminent outcome of shortage.

RISKS & CONCERNS

Typically, the Company's business, operating results, cash flows and financial well-being are subject to various risks and uncertainties including, without limitation, those set forth below. Any of these risks has the potential of causing the actual operating results in future to vary materially from the current results or from anticipated future results.

- a) **Commodity Price Risk** : The Company is exposed to the risk of price fluctuations on raw materials and finished goods. However, considering the normal correlation in the prices of raw material i.e coking coal and finished good i.e. met coke, this risk gets reduced/adjusted over a period of time.
- b) **Production Risk** : Coking coal, the critical raw material required for manufacture of met coke is in short supply internationally resulting in uncertainty in its availability and consequently, its prices. Timely availability of raw material at reasonable prices is therefore, critical for survival in this industry. The Company's strategy of backward integration by acquiring coking coal mines in Australia helps in minimising the effect of volatility in prices and secures availability of premium quality hard coking coal.
- c) **Forex Risk** : The Company has a policy to hedge its foreign exchange risk within the defined parameters. As imports (raw materials etc) exceed exports, the Company suitably hedges the differential from time to time to appropriately manage the currency risk.
- d) **Risk from Natural Calamities**: Any act of nature detrimental to the smooth functioning of the mining of Coking coal in Australia as well as production of metallurgical coke in India, can adversely affect the performance of the Company.

Management Discussion & Analysis (contd.)

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

The Company has in place adequate system of Internal Controls. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorised use or losses, compliance with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with best global practices in these areas as well.

The internal control system is supplemented by extensive internal audits carried out by Internal Audit Cell supported by external auditors by preparing Annual Audit Plans and conducting extensive reviews covering financial, operational and compliance controls. The Audit Committee of the Board of Directors periodically reviews the adequacy and effectiveness of Company's control and also analyses the Internal Audit Reports and suggests ways to improve the existing Controls. The Company has strong Management Information System which is an integral part of control mechanism.

HUMAN RESOURCES

Your company considers its people at its most important resource. All employees of Gujarat NRE are considered leaders and encouraged to take responsibility to do their best that they can while

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

CAUTIONARY STATEMENT

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

Auditors' Certificate on Corporate Governance

To the Members of

Gujarat NRE Coke Limited

We have examined the compliance of conditions of Corporate Governance by Gujarat NRE Coke Limited for the year ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

As required by the guidance note issued by the Institute of Chartered Accountants of India, we state that as per the records maintained, there were no investors' complaints remaining unattended/pending for more than 30 days as at 31st March 2011.

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

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



A. Paul
Partner

Dated : 15th day of July, 2011
Place : Kolkata

(Membership No. 06490)

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

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

- 1) We have reviewed the Financial Statements and the Cash Flow Statements for the year ended 31st March 2011 and to the best of our knowledge and belief :
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulation.
- 2) To the best of our knowledge and belief, no transactions have been entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, any deficiencies in the design or operation of such internal controls of which we are aware and the steps that have already been taken or proposed to be taken to rectify these deficiencies.
- 4) We have disclosed based on our most recent evaluation, wherever applicable, to the Company's Auditors and the Audit Committee that -
 - a. there has not been any significant change in internal control over financial reporting during the year under reference;
 - b. there has not been any significant change in the accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - c. we are not aware of any instance during the year of any significant fraud with involvement therein of the management or any employee having a significant role in the company's internal control system over financial reporting.
- 5) We further declare that all board members and senior management personnel have affirmed compliance with the Code of Conduct (since its adoption) during the year under review.



A K Jagatramka
Chairman &
Managing Director



P R Kannan
Chief
Financial Officer

Place : Kolkata
Date : 15th July' 2011

Auditors' Report on Abridged Accounts

To the members of
Gujarat NRE Coke Ltd.

We have examined the attached abridged Balance Sheet of Gujarat NRE Coke Ltd. ('the Company') as at March 31, 2011, the related abridged Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date together with the abridged notes thereon. These abridged financial statements have been prepared by the Company pursuant to the Rule 7A of the Companies (Central Government's) Rules and Forms, 1956 and are based on the financial statements of the Company for the year ended March 31, 2011 prepared in accordance with Schedule VI of the Companies Act 1956 and is

covered by our report dated 15th July, 2011 to the members of the Company which is attached herewith.

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



Place : Kolkata
Date : 15th July, 2011

A. Paul
(Partner)
Membership No. 06490

Auditors' Report

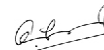
To the members of

Gujarat NRE Coke Ltd.

1. We have audited the attached Balance Sheet of Gujarat NRE Coke Limited as at March 31, 2011 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable;
- (e) On the basis of written representations received from the directors as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies in schedule 18 and notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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



A. Paul
(Partner)

Place : Kolkata
Dated : 15th July, 2011

Membership No. 06490

Annexure referred to in paragraph 3 of our report of even date to the members of Gujarat NRE Coke Ltd. for the year ended 31st March 2011.

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

Auditors' Report (contd.)

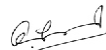
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- (viii) The Central Government has not prescribed rules for maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for Metallurgical coke business. The cost records are maintained for steel plants as per rules. We have broadly reviewed the accounts and records of the steel plant in this connection and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of such records.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, in our opinion, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues with appropriate authorities during the year under review.
- The Central Government has not prescribed the amount of cess for Rehabilitation Revival fund payable under section 441 A of the Companies act, 1956.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Sales Tax, wealth Tax, Service Tax, Custom duty and Excise duty were in arrear as at 31st March, 2011, for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of Dues	Amount (Rs./Crores)	Period to which the amount Relates	Forum where disputes are pending
Income Tax Act, 1961	Regular Assessment	3.52	2005-06	Income Tax Appellate Tribunal, Kolkata
-Do-	-Do-	0.57	2006-07	Commissioner of Income Tax (Appeals), Kolkata
-Do-	-Do-	0.33	2007-08	Commissioner of Income Tax (Appeals), Kolkata
Finance Act, 1994 (Act 32 of 1994)	Service Tax	0.06	Oct'07-Mar'08	Custom, Excise and Service Tax Appellate Tribunal, Ahmedabad

- (x) The Company does not have accumulated losses at the year ended 31st March, 2011 and has not incurred cash losses during the year under review and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its banks or to any financial institutions or debenture holders.
- (xii) According to the explanations given to us and based on the information available, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund / nidhi / mutual benefit fund / society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. The investments have been held by the company in its own name except to the extent of exemption granted under section 49 of the Companies Act, 1956
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions, on the basis of which the Company has given guarantees for loans taken by the subsidiary companies from banks or financial institutions, are not as such prima facie prejudicial to the interests of the Company.
- (xvi) In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of account, the term loans were applied for the purpose for which such loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- (xviii) The Company had allotted shares consequent upon conversion of warrants allotted on preferential basis to a company covered in Register maintained under Section 301 of the Companies Act, 1956 during the year. The Price at which these shares have been issued has been determined as per Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000, which in our opinion is not prejudicial to the interest of the Company.
- (xix) According to the information and explanations given to us, the company issued secured non-convertible debentures during the year (Refer note no. B- 4 (a) of schedule 18)
- (xx) The company has not raised any money by public issues during the year under review.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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



A. Paul
(Partner)

Place : Kolkata
Dated : 15th July, 2011

Membership No. 06490

Abridged Balance Sheet as at 31st March, 2011

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

(Rs.in Crores)

	As at 31.03.2011		As at 31.03.2010	
SOURCES OF FUNDS				
(1) Shareholders' Funds				
(a) Capital				
(i) Equity & "B" Equity Share Capital	558.14		498.19	
(ii) Deposit against Share Warrants	104.15	662.29	14.05	512.24
(b) Reserves & Surplus				
(i) Capital Reserve	51.12		51.12	
(ii) Surplus in Profit and Loss Account	22.75		5.95	
(iii) Share Premium Reserve	387.05		388.03	
(iv) General Reserve	251.26		251.26	
(v) Foreign Currency Monetary Item Translation Difference Account	-		1.94	
(vi) Debenture Redemption Reserve	162.50		143.75	
(vii) Employee Stock Option Outstanding	8.30	882.98	9.90	851.95
(2) Foreign Currency Convertible Bonds		77.71		79.00
(3) Loan Funds				
Secured Loans		1,305.27		1,237.23
Un-Secured Loans		180.03		129.30
(4) Deferred Tax Liability		164.05		145.95
Total of (1) to (4)		3,272.33		2,955.67
APPLICATION OF FUNDS				
(1) Fixed Assets				
(i) Net Block (Original cost less depreciation)	943.36		849.96	
(ii) Capital Work-in-Progress	139.29	1,082.65	143.15	993.11
(2) Investments				
(a) Investment in Subsidiary companies (In Equity)				
(i) Quoted (Market Value- Nil, P.Y- Nil)	-		-	
(ii) Unquoted	676.80	676.80	665.81	665.81
(b) Others (In Equity & Mutual Fund)				
(i) Quoted (Market Value- Rs. 238.10 Crores, P.Y- Rs. 262.76 Crores)	55.66		56.84	
(ii) Unquoted	15.83	71.49	10.83	67.67
(3) (a) Current Assets, Loans and Advances				
(i) Inventories	1,052.93		831.94	
(ii) Sundry Debtors	158.21		441.73	
(iii) Cash & Bank Balances	84.15		143.32	
(iv) Loans and Advances				
-To others	807.64		544.13	
	2,102.93		1,961.12	
(b) Less: Current Liabilities and Provisions				
(i) Liabilities	482.48		558.63	
(ii) Provisions	185.37		181.53	
	667.85		740.16	
Net Current Assets (a) - (b)		1,435.08		1,220.96
(4) Miscellaneous Expenditure		6.31		8.12
[To the Extent not written off or adjusted]				
Total of (1) to (4)		3,272.33		2,955.67
Refer Notes forming part of the Abridged Accounts				

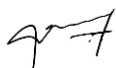
Compiled from the Audited Accounts of the Company referred to in our Report dated 15th July, 2011

For **N. C. BANERJEE & CO.**
Chartered Accountants
Firm's Registration Number - 302081E

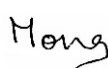
For and on behalf of the Board



A. Paul
Partner
Membership No. 06490
Place : Kolkata
Dated : 15th July' 2011.



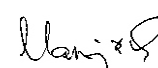
A K Jagatramka
Chairman &
Managing Director



M Jagatramka
Director



P R Kannan
Chief Financial Officer



Manoj K Shah
Company Secretary

Abridged Profit & Loss Account for the year ended 31st March, 2011

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

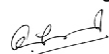
(Rs.in Crores)

	For the year ended 31.03.2011		For the year ended 31.03.2010	
I INCOME				
-Sales		1,594.71		1,401.86
-Dividend		-		-
-Interest		7.88		8.97
-Other Income		76.76		65.63
Total (I)		1,679.35		1,476.46
II EXPENDITURE				
-Cost of goods sold				
(i) Opening Stock	825.78		949.44	
(ii) Purchases	1,348.64		916.60	
	2,174.42		1,866.04	
Less : Closing Stock	1,046.37		825.78	
Add : Change in Excise Duty on Stock	0.70		0.43	
		1,128.75		1,040.69
-Manufacturing Expenses		82.22		57.93
-Selling and Distribution Expenses		60.49		43.94
-Payment to and Provision for Employees		42.41		35.84
-Managerial Remuneration		2.06		2.20
-Interest		151.08		126.14
-Depreciation		50.44		46.47
-Auditor's remuneration		0.12		0.07
-Other Expenses		37.34		48.81
Total (II)		1,554.91		1,402.09
III Profit before Taxation (I - II)		124.44		74.37
IV Provision for Taxation				
-Current Tax	24.81		12.89	
-Deferred Tax	18.10		22.25	
-MAT Credit Entitlement	(21.19)		(12.64)	
-Tax for Earlier Years	0.07	21.79	-	22.50
V Profit after Tax		102.65		51.87
Balance of Profit brought forward from previous year		5.95		80.39
		108.60		132.26
VI Proposed Dividend (Including Dividend tax)	67.10		64.47	
Earlier Year Dividend (Including Dividend tax)	-	67.10	0.59	65.06
VII Transfer to Reserve				
-General Reserve	-		5.00	
-Debenture Redemption Reserve	18.75	18.75	56.25	61.25
Balance Carried to Balance Sheet		22.75		5.95
Earnings per Equity & "B" Equity Share (in Rs.)				
(Face Value of Rs.10 per Share)				
Basic		1.85		0.98
Diluted		1.82		0.93
Refer Notes forming part of the Abridged Accounts				

Compiled from the Audited Accounts of the Company referred to in our Report dated 15th July,2011

For **N. C. BANERJEE & CO.**
Chartered Accountants
Firm's Registration Number - 302081E

For and on behalf of the Board

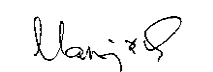


A. Paul
Partner
Membership No. 06490
Place : Kolkata
Dated : 15th July' 2011.


A K Jagatramka
Chairman &
Managing Director


M Jagatramka
Director


P R Kannan
Chief Financial Officer


Manoj K Shah
Company Secretary

Notes to Abridged Financial Statements

1. All amounts in the financial statements are presented in Rupees Crores, unless otherwise stated. The note numbers appeared in the "[]" are as they appear in the complete set of Financial Statements. These abridged financial statements have been prepared in accordance with the requirements of Rule 7A of the Companies (Central Government's) General Rules & Forms, 1956 and clause 32 of the Listing Agreement. These abridged financial statements have been prepared on the basis of the complete set of financial statements for the year ended March 31, 2011.
2. **[B2]Contingent liabilities not provided for in respect of:**
 - a. Letter of Credits outstanding for purchase of materials aggregating to Rs. 50.92 crores (Previous Year- Rs. 162.75 crores).
 - b. Outstanding Bank Guarantees and Counter / Corporate Guarantees given on behalf of subsidiary/associates companies aggregating to Rs. 1550.55 crores (Previous Year - Rs. 886.06 crores).
 - c. Capital commitments - Rs. 137.17 crores (Previous Year - Rs. 164.64 crores).
 - d. Bills discounted with banks aggregating to Rs. 32.41 crores (Previous Year - Rs. 40.62 crores).
 - e. Duty on account of Advance Authorisation against Export Obligation is Rs. 1.03 crores. (Previous Year - Rs. 1.61 crores).
 - f. Disputed amount involved in three income-tax demands under appeal - Rs. 4.42 crores (Previous Year - Rs. 4.09 crores). 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.
 - g. A demand raised by the Service tax department of Rs. 0.06 crores (Previous Year Rs. 0.06 crores), against which company has filed an appeal to the jurisdiction authorities.
3. **[B5]**In accordance with Accounting Standard 22,"Accounting for Taxes on Income", the provision for net deferred tax liability as at date of the Balance Sheet as shown below has been provided in the books.

(Rs. in Crores)

	Current Year	Previous Year
Deferred Tax Liabilities		
Deferred Tax Liability on account of Depreciation	5.32	16.92
Total Deferred Tax Liabilities	5.32	16.92
Deferred Tax Assets		
Unabsorbed Depreciation and carry forward loss for set off	(12.77)	(5.54)
Long Term Capital Loss carry forward for set off	(0.32)	0.20
Deferred Revenue Expenditure carried forward for set off	-	(0.80)
Employees compensation carried forward	0.04	0.56
Gratuity & Leave Encashment	0.27	0.25
Total Deferred Tax Assets	(12.78)	(5.33)
Net Deferred Tax Liability charged to Profit & Loss Account	18.10	22.25
Opening Balance	145.95	123.70
Net Deferred Tax Liabilities at Year end	164.05	145.95

4. **[B6]**Greenearth Resources & Projects Limited (formerly known as Austral Coke & Projects Limited) had filed a defamation suit in Hon'ble Bombay High Court against the Company for Rs.600 Crores. The Company had also filed Civil Suit in Hon'ble Calcutta High Court against Greenearth Resources & Projects Limited, all its Directors, its merchant bankers and Auditors and others claiming for loss of damages worth Rs.4761 crores. Management is confident that outcome of the defamation suit filed by the Greenearth Resources & Projects Limited would be in favour of the company.
5. **[B7]Particulars of Managerial remuneration:**
The remuneration paid to the Chairman & Managing Director and Executive Director* of the company during the Year is Rs. 1.90 crores (Previous Year-Rs. 2.05 crore), detailed as under:

(Rs. in Crores)

	Current Year	Previous Year
Salary	1.44	1.54
Contribution to Provident Fund	0.16	0.17
Other Perquisites	0.30	0.34
Total	1.90	2.05

Notes to Abridged Financial Statements (contd.)

Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 and calculation of Director's commission:

(Rs. in Crores)

	Current Year	Previous Year
Profit before tax as per Profit & Loss Account	124.44	74.37
Add: Managing and Executive Directors* Remuneration & Commission	1.90	2.05
Directors fees	0.16	0.15
	126.50	76.57
Add./Less) : Loss/(Profit) on sale of Investments	(70.87)	(8.35)
Add./Less) : Loss/(Profit) on Sale of Assets	(0.01)	0.03
Net Profit available for Managerial Remunerations as per Section 198 of the Companies Act, 1956	55.62	68.25
a) Maximum permissible remuneration to Managing and Executive Directors* under Section 198 of the Companies Act, 1956. @ 7.80% (pro rata)* of the profits computed as above	4.34	6.83
Commission Payable	-	-
b) Maximum permissible managerial remuneration to non-executive Directors under section 198 of the Companies Act, 1956 @ 1%	0.56	0.68
Commission Payable	-	-

* Part of the year till 21st October' 2010.

Remuneration paid is within the limits prescribed under Schedule XIII to The Companies Act, 1956.

6. [B9]The details of amounts outstanding to Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act), based on the available information with the company are as under:

Sr. No.	Particulars	As at 31st March'11	As at 31st March'10
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payment under the MSMED Act	-	-
4	Payment made beyond the appointed day during the Year	-	-
5	Interest due and payable for the Year of delay other then (3) above	-	-
6	Interest accrued remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding Years	-	-

7. [B10]Segment Information

a. Primary Segment Reporting (by Business Segment):

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

(Rs. in Crores)

Particulars	2010-11			2009-10		
	Coal & Coke	Steel	Total	Coal & Coke	Steel	Total
Segment Revenue (Net Sales/Income from segment)						
External Sales	1296.81	297.90	1594.71	1111.55	290.31	1401.86
Inter-Segment Revenue	-	2.16	2.16	-	1.77	1.77
	1296.81	300.06	1596.87	1111.55	292.08	1403.63
Less: Inter Segment Revenue	-	2.16	2.16	-	1.77	1.77
Total Segment Revenue	1296.81	297.90	1594.71	1111.55	290.31	1401.86
Segment Results						
Profit before Tax & Interest	200.34	14.78	215.12	124.44	42.41	167.85
Add:- Other Un-allocable Income Net of Expenditure			60.40			32.66
Less:- Interest Expense			151.08			126.14
Less:- Provision for Tax			21.79			22.50
Net Profit (After Tax)			102.65			51.87

Notes to Abridged Financial Statements (contd.)

(Rs. in Crores)

Particulars	2010-11			2009-10		
	Coal & Coke	Steel	Total	Coal & Coke	Steel	Total
Assets						
Segment Assets*	2165.86	577.94	2743.80	1968.31	580.32	2548.63
Un-allocable Assets			1190.06			1139.10
Total Assets			3933.86			3687.73
Liabilities						
Segment Liabilities	397.92	71.82	469.74	495.72	61.08	556.80
Un-allocable Liabilities			198.10			174.65
Total Liabilities			667.84			731.45
*including captive windmills of	7.44	393.64		8.04	418.82	
Capital Expenditure	132.85	5.85		82.74	11.54	
Non Cash Expenses						
- Depreciation & Amortization	20.71	29.32		16.83	29.29	

b. Secondary Segment Reporting (by Geographical demarcation):

(Rs. in Crores)

Particulars	2010-11			2009-10		
	India	Rest of the World	Total	India	Rest of the World	Total
Segment Revenue	1253.69	341.02	1594.71	1401.86	–	1401.86
Segment Assets	2743.80	–	2743.80	2548.63	–	2548.63
Capital Expenditure	138.70	–	138.70	94.28	–	94.28

8. [B12]The company uses forward contracts to hedge its risks associated with foreign currencies relating to foreign currency liabilities. The company does not use forward contracts for speculative purpose.

(Rs. in Crores)

	As on 31st March 2011	As on 31st March 2010
a) Forward Contracts outstanding for hedging currency risks		
– Loans	–	22.92
– Payable	130.41	290.66
b) Foreign Currency Exposures that have not been hedged		
– Loans including accrued interest	100.28	235.97
– Payable	243.06	135.29

9. [B13]Exchange difference Gain/ (Loss) of Rs. (0.03) Crores (Previous Year Rs. 0.58 Crores) in respect of unexpired period of forward cover contracts will be recognised in the Profit & Loss accounts in subsequent year.

10. [B14]Foreign Currency Convertible Bonds (FCCB)

The Company issued 600, Zero Coupon Unsecured Foreign Currency Convertible Bonds (FCCB) of US\$ 100,000 each aggregating US\$ 60 Million at par on 11th April, 2006. These bonds are convertible into equity shares of the Company at the option of bondholders at a price of Rs. 44.64 per share, If not converted then they are redeemable on 12th April, 2011 at 139.36% of the face value.

As on 31.03.2011, 426 Bonds has been converted into 3,18,98,284 equity shares leaving balance of 174 bond as on 31.03.2011. Subsequently, these bonds have also been converted and consequently 1,74,07,793 Equity Shares & 17,40,778 "B" Equity Shares have been allotted on 8th April 2011. With these conversions, all the FCCB's have been fully converted.

Notes to Abridged Financial Statements (contd.)

11. [B15]The Earnings Per Share as per Accounting Standard (AS)- 20 are as under:

Particulars	At 31.03.2011 Basic & Diluted EPS	At 31.03.2010 Basic & Diluted EPS
Earnings		
Net Profit for the Year (Rs. / Crores)	102.65	51.87
Add: Interest on FCCB (Rs. / Crores)	–	0.01
Earnings for Diluted EPS (Rs. / Crores)	102.65	51.88
Shares		
Number of shares at the beginning of the Year	498,194,215	471,919,538
Add: Share Allotted against Share Warrants	8,550,000	20,450,000
Add: "B" Equity Shares Issued as Bonus shares	50,739,834	–
Add : Conversion of FCCB in shares	100,044	5,193,248
Add: Share Allotted against ESOS	554,095	631,429
Total number of shares outstanding at the end of the Year	558,138,188	498,194,215
Weighted average number of shares outstanding during the Year (for Basic EPS)	554,582,402	479,471,607
Add: Number of shares arising out of exercise of option of outstanding Share Warrants that have dilutive effect on the EPS	2,080,000	8,550,000
Add: Number of shares arising out of conversion of outstanding FCCB that have dilutive effect on the EPS	5,558,439	17,507,841
Add: Number of Shares arising out of exercise of option of Employee Stock Option Scheme	1,275,496	3,753,371
Weighted average number of shares outstanding during the Year (for Diluted EPS)	563,496,337	509,282,819
Earning per share :		
– Basic (Rs.)	1.85	0.98*
– Diluted (Rs.)	1.82	0.93*

* Adjusted EPS for Bonus Issues as per Accounting Standard- 20.

In the above statement, paid up Equity & Earning Per Share include both Equity Shares & "B" Equity Shares since both class of shares are pari-passu in all respect except for voting rights.

12. [B16]Secured Non-Convertible Debentures:

- 11.90% Secured Redeemable Non Convertible Debentures of Rs. 100.00 Crores (Previous Year Rs. 100.00 Crores) are redeemable at par in 4 equal annual installments commencing from 07th February 2012.
- 11.00% Secured Redeemable Non Convertible Debentures of Rs. 250.00 Crores (Previous Year Nil) are redeemable at par in 8 equal half yearly installments commencing from 29th April 2013.
- 12.50% Secured Redeemable Non Convertible Debentures of
 - Rs. 10.00 Crores (Previous Year 10.00 Crores) are redeemable at par in 4 equal annual installments commencing from 30th May 2012,
 - Rs. 10.00 Crores (Previous Year 10.00 Crores) are redeemable at par on 30th May 2012,
 - Rs. 10.00 Crores (Previous Year 10.00 Crores) are redeemable at par on 30th May 2013,
 - Rs. 10.00 Crores (Previous Year 10.00 Crores) are redeemable at par on 30th May 2014,
 - Rs. 10.00 Crores (Previous Year 10.00 Crores) are redeemable at par on 30th May 2015

13. [B19]For the Convenience of operations, Bajrang Bali Coke Industries Ltd has appointed the Company as 'Operator' to operate and manage their plants at Bhachau Gujarat w.e.f. 1st April 2010 as per terms of an agreement dated 1st April 2010. Pursuant to the said agreement and supplementary agreement dated 28th March, 2011 the Company has given an interest free Security Deposit of Rs. 30 Crores to Bajrang Bali Coke Industries Ltd. Consequently, additional capacity of 90,000 MT per annum of Metallurgical Coke has been available to the company.

Notes to Abridged Financial Statements (contd.)

14. [B23]Additional information Pursuant to the provision of Part II of Schedule VI of the Companies Act, 1956 to the extent applicable to the Company :

A) Particulars of Capacity and Production

Description	Units	Installed Capacity		Actual Production	
		2010-11	2009-10	2010-11	2009-10
Metallurgical Coke	M.T.	1,434,000 [#]	1,130,000 [#]	666,003 [*]	704,904 [*]
Rolled & Alloy Steel Products	M.T.	311,000	311,000	97,579	105,895
Electricity Power (Windmill)	KWH/LACS	7,665	7,665	1,212 ^{**}	1,483 ^{**}

installed capacity includes capacity of Bharat NRE Coke Limited Plant at Dharward, Karnataka; NRE Metcoke Limited Plant at Bhachau, Gujarat & Bajrang Bali Coke Industries Ltd Plant at Bhachau, Gujarat, operated by the company as "operator".

* includes Conversion for others Nil (Previous Year 8025 MT)

** includes 842.36 Lacs KWH units (Previous Year 999.04 Lacs KWH) captively used for own consumptions.

Note: Weighted Average capacity utilisation based on weighted average installed capacity

Metallurgical Coke - 51.59% (Previous Year 68.41 %)

Rolled & Alloy Steel Products - 31.38% (Previous Year 26.06 %)

Electricity Power - Windmill 15.81 % (Previous Year 19.35 %)

B) Particulars of Stocks and Sales

Description	Units	Stocks				Sales	
		Opening		Closing		2010-11	2009-10
		2010-11	2009-10	2010-11	2009-10		
Metallurgical Coke	M.T.	286,061	308,430	292,965	286,061	713,483	745,473
	Rs./Crores	500.61	555.19	527.34	500.61	1,213.51	957.54
Coal	M.T.	342,929	326,356	492,484	342,929	239,483	241,017
	Rs./Crores	296.93	375.31	483.36	296.93	83.29	152.60
Coal in Process	M.T.	5,361	4,634	7,037	5,361	-	-
	Rs./Crores	6.40	5.79	8.89	6.40	-	-
Billets & Ingots	M.T.	1,576	1,714	2,682	1,576	1,288	440
	Rs./Crores	3.83	4.05	7.27	3.83	3.35	1.04
Rolled Products	M.T.	3,045	1,800	3,526	3,045	94,404	101,082
	Rs./Crores	7.78	4.53	11.83	7.78	281.79	268.69
Sponge Iron	M.T.	493	611	2,163	493	-	-
	Rs./Crores	0.74	0.84	4.24	0.74	-	-
M.S.Scrap	M.T.	5,314	2,466	1,570	5,314	953	2,440
	Rs./Crores	9.49	3.73	3.43	9.49	2.21	5.11
Electricity	KWH/Lacs	-	-	-	-	369	541
	Rs./Crores	-	-	-	-	10.56	15.47
TOTAL	Rs./Crores	825.78	949.44	1,046.36	825.78	1,594.71	1,400.45

C) Particulars of Raw Materials Consumed

Description	Current Year		Previous Year	
	Quantity M.T.	Value Rs./Crores	Quantity M.T.	Value Rs./Crores
Coal	935,298 [*]	732.86	920,464	659.41
Sponge Iron,	31,736	56.86	41,150	56.63
M.S .Scrap	76,782	149.02	80,166	116.90
Stores & Spares Parts consumed and Included under various heads of revenue expenditure		45.81		18.95

* In addition, 44,253 MT of Coal, valued at Rs. 38.09 Crores used for captive purposes.

D) Purchase of Goods:

Description	Current Year		Previous Year	
	Quantity M.T.	Value Rs./Crores	Quantity M.T.	Value Rs./Crores
Metallurgical Coke	74,896	118.87	26,224	21.60

Notes to Abridged Financial Statements (contd.)

E) Other Additional Information

	Current Year	Previous Year
	Rs./Crores	Rs./Crores
i) Expenditure in foreign currency -		
- Travelling	0.63	0.60
- Interest	3.73	3.88
- Professional & Consultancy Fees	0.01	2.77
ii) CIF value of imports - Raw Materials - Coking Coal	956.85	705.68
- M.S. Scrap	87.83	54.69
- Capital Goods	1.91	0.33
iii) Earning in Foreign Exchange		
-FOB value of exports	321.58	-
-Interest on Loan to subsidiaries	-	0.26

iv) Value of imported / indigenous raw materials consumed

	Current Year		Previous Year	
	Rs./Crores	%	Rs./Crores	%
(a) Coal				
Imported	723.00	98.65	652.98	99.02
Indigenous	9.86	1.35	6.43	0.98
	732.86	100.00	659.41	100.00
(b) Sponge Iron				
Imported	-	-	-	-
Indigenous	56.86	100.00	56.63	100.00
	56.86	100.00	56.63	100.00
(c) MS. Scrap				
Imported	142.47	95.60	116.54	99.69
Indigenous	6.55	4.40	0.36	0.31
	149.02	100.00	116.90	100.00
(d) Stores and spares parts				
Imported	0.05	0.11	0.19	1.00
Indigenous	45.76	99.89	18.76	99.00
	45.81	100.00	18.95	100.00

F) Remittance in Foreign Currency on account of Dividend

The Company has paid dividend in respect of shares held by Non-resident on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non-Resident External Account (NRE A/c). The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remitted in this respect is given herein below:

(Rs. in Crores)

	Current Year	Previous Year
A. Number of Non-Resident Shareholders	2583	2146
B. Number of Equity & "B" Equity Shares held by them	43,94,223	37,04,984
C. (i) Amount of Dividend Paid (Gross)	0.44	0.37
Tax deducted at Source	NIL	NIL
(ii) Year to which dividend relates	2009-10	2008-09

15. Key Financial Ratios

	For the Year Ended	
	31.03.2011	31.03.2010
a) Total Income / Total Assets	0.51	0.50
b) PBIT /Capital Employed	0.09	0.07
c) Return on Net Worth %	6.67	3.82
d) Net Profit / Total Income %	6.11	3.51

16. [B24] Previous Year figures have been regrouped / rearranged wherever considered necessary.

Balance Sheet Abstract and Business Profile

Information pursuant to part IV of schedule VI of the Companies Act,1956

Balance sheet abstract and company's general business profile

I. Registration Details	
Registration No.	40098
State Code No.	021
Balance Sheet Date	31-Mar-11
II. Capital raised during the year	(Rs. in thousand)
Public Issue	N I L
Rights Issue	N I L
Bonus Issue	507,399
Private Placement	92,041 #
# Includes Conversion of Foreign Currency Convertible Bonds of Rs. 1,000 thousand	
III. Position of Mobilisation and Deployment of Funds	
Total Liabilities	39,401,838
Total Assets	39,401,838
Source of Fund	
Paid-up Capital	5,581,382
Deposit Against Share Warrants	1,041,500
Reserve & Surplus	8,829,819
Foreign Currency Convertible Bonds	777,084
Secured Loans	13,052,650
Un-Secured Loans	1,800,309
Deferred Tax Liability	1,640,515
Application of Fund	
Net Fixed Assets	9,433,608
Capital Work in Progress	1,392,887
Investments	7,482,940
Net Current Assets/(Liabilities)	14,350,684
Miscellaneous Expenditure	63,140
IV. Performance of Company	
Turnover (Including other Income)	16,793,508
Total Expenditure	15,549,195
Profit/(Loss) before Tax	1,244,313
Profit /(Loss) after Tax	1,026,443
Earning Per Share (Basic) in Rs.	1.85
Earning Per Share (Diluted) in Rs.	1.82
Dividend	10%
V. Generic Names of Principal Products/Services of the Company (as per monetary terms)	
Product Description	Item Code No.(ITC Code)
Coke	2704 00 30
TMT Bar	7213 10 90
Coking Coal	2701 19 10

In terms of our report of even date annexed hereto

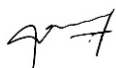
For **N. C. BANERJEE & CO.**
Chartered Accountants
Firm's Registration Number - 302081E

For and on behalf of the Board

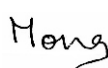


A. Paul
Partner

Membership No. 06490
Place : Kolkata
Dated : 15th July' 2011.



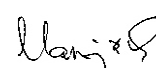
A K Jagatramka
Chairman &
Managing Director



M Jagatramka
Director



P R Kannan
Chief Financial Officer



Manoj K Shah
Company Secretary

Cash Flow Statement for the year ended 31st March, 2011

(Rs. in crores)

	For the Year ended 31-Mar-2011	For the Year ended 31-Mar-2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	124.44	74.37
Adjustments for:		
Depreciation / Other non cash items	50.52	50.50
Interest Paid / Payable	151.08	126.14
Other Income	(5.89)	(57.29)
Loss/(Profit) on Sale / Discard of Fixed Assets	(0.01)	0.03
Loss/(Profit) on Sale of Investment	(70.87)	(8.35)
Employee Stock Option - Compensation	1.16	1.65
Interest Received / Receivable	(7.88)	(8.97)
Operating Profit before working Capital Changes	242.55	178.08
Adjustments for:		
Trade & Other Receivables	34.18	(324.10)
Inventories	(221.00)	126.71
Trade Payables	(86.80)	(120.67)
Cash Generated from Operations	(31.07)	(139.98)
Direct Taxes Paid / Refunds	(17.46)	(8.86)
Cash Generated from Operating Activities	(48.53)	(148.84)
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Fixed Assets	(140.26)	(94.99)
Sale of Fixed Assets	0.30	0.14
Addition to Investments	(101.80)	-
Sale of Investments	157.87	81.68
Interest Received	7.88	8.97
Dividend / Misc Income	5.89	57.29
Net Cash Flow from Investing Activities	(70.12)	53.09
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds to Share Capital / Reserves	43.42	128.94
Deposit against Share Warrant	104.15	14.06
Increase in Long / Short term borrowing	116.00	159.08
Interest Paid	(139.99)	(124.72)
Dividend & Dividend Tax Paid	(64.10)	(55.51)
Net Cash Flow from Financing Activities	59.48	121.85
Net Increase / (Decrease) in Cash & Cash Equivalents	(59.17)	26.10
Cash & Cash Equivalents (Opening Balance)	143.32	117.22
Cash & Cash Equivalents (Closing Balance)*	84.15	143.32

* Includes Dividend Account of Rs. 2.19 Crores (Previous year Rs. 1.82 Crores)


In terms of our report of even date annexed hereto

For **N. C. BANERJEE & CO.**
Chartered Accountants
Firm's Registration Number - 302081E

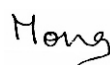
For and on behalf of the Board



A. Paul
Partner
Membership No. 06490
Place : Kolkata
Dated : 15th July' 2011.



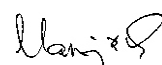
A K Jagatramka
Chairman &
Managing Director



M Jagatramka
Director



P R Kannan
Chief Financial Officer



Manoj K Shah
Company Secretary

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

Name of the Subsidiary Company	(Rs. In Crores)										
	Hunter Valley Coal Pvt. Ltd.	Manor Dealcom Pvt Ltd	Gujarat NRE Ltd	Gujarat NRE Coal (NSW) Pty Ltd.	Gujarat NRE Coking Coal Ltd.	Wonga Coal Pty Ltd	Gujarat NRE Resources NL	Gujarat NRE FCGL Pty Ltd	South Bulli Holdings Pty Ltd.	Gujarat NRE India Pty. Ltd.	Gujarat NRE Properties Pty. Ltd.
1. Country of Incorporation	India	India	Australia	Australia	Australia	Australia	Australia	Australia	Australia	Australia	Australia
2. Financial Year of the subsidiary ended on	31.03.11	31.03.11	31.03.11	31.03.11	31.03.11	31.03.11	31.03.11	31.03.11	31.03.11	31.03.11	31.03.11
3. Company's Interest											
i) Equity Shares											
a) Number of Shares (Face Value Rs. 100 each) Fully Paid up	20,592,850	19,051,150	87,474,689	2,000,000	990,892,658	71,903,274	251,603,872	170,022,500	5,005,000	1,000,000	810,000
b) % of Share held by Gujarat NRE Coke Ltd and its Subsidiaries	100.00%	100.00%	100.00%	100.00%	68.79%	100.00%	100%	100.00%	100.00%	100.00%	100.00%
ii) Preference Shares											
a) Number of Shares (Face Value Rs. 100 each) Fully Paid up											
b) % Share held by Gujarat NRE Coke Ltd and its Subsidiaries											
4. Aggregate amount of Profit/(Losses) of the Subsidiary, so far as they concern members of Gujarat NRE Coke Ltd											
i) For the Financial Year of Subsidiary											
a) Dealt with in the accounts of the Holding company	-	-	-	-	-	-	-	-	-	-	-
b) Not dealt with in the accounts of the Holding company	0.00	0.00	(16.59)	(0.00)	(1.84)	(0.18)	(0.69)	58.82	(0.00)	(0.00)	(0.08)
ii) For the previous Financial Years of the Subsidiary since it became the holding Company's Subsidiary											
a) Dealt with in the accounts of the Holding company	-	-	-	-	-	-	-	-	-	-	-
b) Not dealt with in the accounts of the Holding company	0.04	0.04	(13.79)	(0.03)	(55.03)	(1.70)	5.57	2.89	(0.01)	(0.01)	(0.26)
5. Changes in the interest of Gujarat NRE Coke Ltd between the end of the subsidiary's financial year and 31st March, 2010											
Number of shares acquired											
Material changes between the end of the subsidiary's financial year and 31st March, 2010											
a) Fixed assets (net additions)											
b) Investments (Net)											
c) Moneys lent by the subsidiary											
d) Moneys borrowed by the subsidiary company other than for meeting current liabilities											

Notes:

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

Particulars of Subsidiary Companies issued under section 212 (8) of the Companies Act, 1956 for the financial year 2010-11 are as follows :-
(Rs. In Crores)

Name of the Subsidiary Company	Hunter Valley Coal Pvt Ltd		Manor Dealcom Pvt Ltd		Gujarat NRE Ltd		Gujarat NRE Coal(NSW) Pty Ltd.		Gujarat NRE Coking Coal Ltd.		Wonga Coal Pty Ltd.		Gujarat NRE Resources NL		Gujarat NRE FCGL Pty Ltd.		South Bulli Holdings Pty Ltd.		Gujarat NRE India Pty. Ltd.		Gujarat NRE Properties Pty. Ltd.		
	INR	INR	AUS	INR	AUS	INR	AUS	INR	AUS	INR	AUS	INR	AUS	INR	AUS	INR	AUS	INR	AUS	INR	AUS	INR	AUS
(a) Share Capital (Equity and Preference)	2,0593	1,9051	7,3041	341,2493	0.0020	0.0922	56,2238	2,599,4212	7,1903	331,3662	5,0458	232,5401	1,58	72,83	0.5005	23,07	0.0010	0.05	0.08	3,73			
(b) Reserve & Surplus (net of debit balance of profit & loss account)	201,9331	187,6523	(0,8050)	(45,7211)	(0,0009)	(0,0414)	(1,1916)	(101,9648)	(0,0520)	(3,0116)	0,1876	7,0942	3,39	140,26	0,0081	0,37	(0,0003)	(0,01)	(0,01)	(0,96)			
(c) Total Assets	248,2964	234,4099	12,4851	574,5508	0,0011	0,0508	77,1000	3,527,7500	7,1383	328,3547	5,3437	244,7300	15,99	726,84	0,5121	23,60	0,0007	0,03	0,86	39,09			
(d) Total Liabilities	44,3040	44,8524	5,9859	279,0226	-	-	22,0692	1,030,2946	-	-	0,1103	5,1000	11,02	513,76	0,0035	0,16	0,0000	0,00	0,79	36,32			
(e) Details of Investment (excluding investments in the subsidiary companies)																							
- Equity / Preference Shares	246,2770	234,3593	1,5305	69,5613	-	-	0,4244	19,2891	-	-	4,9422	227,6245	-	-	-	-	-	-	-	-	-	-	-
- Government Securities																							
- Bonds/ Mutual Funds Units																							
(f) Turnover	0,0101	0,0087	0,2491	12,6350	-	-	7,6624	327,7269	-	-	17,68	744,68	-	-	-	-	-	-	-	0,00	0,00	0,00	0,00
(g) Profit/(Loss) Before Taxation	0,0032	0,0020	(0,5076)	(19,8725)	(0,0000)	(0,0017)	(1,8651)	(81,2487)	(0,0062)	(0,2650)	(0,0010)	(0,0414)	4,46	173,56	(0,0000)	(0,00)	(0,0000)	(0,0020)	(0,01)	(0,25)			
(h) Provision for Taxation	0,0012	0,0007	(0,0703)	(3,2848)	(0,0000)	(0,0005)	(1,6820)	(78,5808)	(0,0019)	(0,0865)	0,0206	0,9634	1,88	88,06	(0,0000)	(0,00)	(0,0000)	(0,0006)	(0,00)	(0,17)			
(i) Profit/ (Loss) after Taxation	0,0021	0,0013	(0,4373)	(16,5877)	(0,0000)	(0,0012)	(0,1831)	(2,6679)	(0,0043)	(0,1785)	(0,0216)	(1,0048)	2,58	85,51	(0,0000)	(0,0010)	(0,0000)	(0,0014)	(0,00)	(0,08)			
(j) Proposed Dividend (including Corporate Dividend Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Auditor's Report on Abridged Consolidated Accounts

To the members of
Gujarat NRE Coke Ltd.

We have examined the attached abridged Consolidated Balance Sheet of Gujarat NRE Coke Ltd. (the Parent Company) as at March 31, 2011 and the related abridged Consolidated Profit and Loss Account for the year ended on that date annexed thereto and the Consolidated Cash Flow Statement for the year ended on that date together with the abridged notes thereon. These abridged consolidated financial statements have been prepared by the Company pursuant to the Rule 7A of the Companies (Central Government's) Rules and Forms, 1956 and are based on the consolidated financial statements of the Company for the year ended March 31, 2011 prepared in accordance with Schedule VI of the Companies Act 1956 and is covered by our report dated July 15th, 2011 to the members of the Company which is attached herewith.

For **N. C. Banerjee & Co.**
Chartered Accountants
Firm's Registration Number 302081E

A. Paul
(Partner)
Membership No. 06490

Place : Kolkata
Date : July 15, 2011

Abridged Consolidated Balance Sheet as at 31st March, 2011

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

(Rs. in Crores)

	As at 31.03.2011		As at 31.03.2010	
SOURCES OF FUNDS				
(1) Shareholders' Funds				
(a) Capital				
(i) Equity & "B" Equity Share Capital	558.14		498.19	
(ii) Deposit against Share Warrants	104.15	662.29	14.06	512.25
(b) Reserves & Surplus				
(i) Capital Reserve	51.12		51.12	
(ii) Surplus in Profit and Loss Account	(33.58)		(56.90)	
(iii) Share Premium Reserve	387.05		388.03	
(iv) General Reserve	251.80		248.71	
(v) Foreign Currency Monetary Item Translation Reserve	-		1.94	
(vi) Debenture Redemption Reserve	162.50		143.75	
(vii) Foreign Currency Translation Reserve	(21.62)		64.86	
(viii) Equity Conversion Bond Reserve	7.57		9.88	
(ix) Employee Stock Option Outstanding	37.58		34.18	
(x) Restoration Guarantee Reserve	48.26	890.68	65.46	951.03
(c) Minority Interest		825.89		476.42
(2) Foreign Currency Convertible Bonds		77.71		79.00
(3) Bonds		32.35		29.03
(4) Loans Funds				
(i) Secured Loans		2,527.47		1,824.99
(ii) Unsecured Loans		180.03		132.09
(5) Deferred Tax Liability		155.18		143.74
Total of (1) to (5)		5,351.60		4,148.55
APPLICATION OF FUNDS				
(1) Fixed Assets				
(i) Net Block (Original cost less depreciation)	2,861.70		2,398.66	
(ii) Capital Work-in-Progress	391.13	3,252.83	321.67	2,720.33
(2) Investments				
(a) Investment in Subsidiary Companies (in Equity)				
(i) -Quoted (Market value - Nil, P.Y. Nil)	-		-	
(ii) -Unquoted	-		-	
(b) Others (in Equity & Mutual Funds)				
(i) -Quoted [M.V. - Rs.129.32 Crores (P.Y.-Rs. 124.28 Crores)]	108.40		113.86	
(ii) -Unquoted	423.32	531.72	262.19	376.05
(3) (a) Current Assets, Loans and Advances				
(i) Inventories	1,106.58		894.55	
(ii) Sundry Debtors	261.72		449.48	
(iii) Cash & Bank Balances	457.46		162.87	
(iv) Loans and Advances				
-To others	723.32		453.00	
	2,549.08		1,959.90	
(b) Less:Current Liabilities and Provisions				
(i) Liabilities	815.67		769.85	
(ii) Provisions	231.91		201.37	
	1,047.57		971.22	
Net Current Assets (a) - (b)		1,501.50		988.68
(4) Miscellaneous Expenditure		65.55		63.49
[To the Extent not written off or adjusted]				
Total of (1) to (4)		5,351.60		4,148.55
Refer Notes forming part of the Consolidated Abridged Accounts				


Compiled from the Audited Consolidated Accounts of the Company referred to in our Report dated 15th July '2011

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

Chartered Accountants

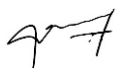
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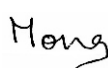


A. Paul
Partner

Membership No. 06490
Place : Kolkata
Dated : 15th July' 2011.



A K Jagatramka
Chairman &
Managing Director



M Jagatramka
Director



P R Kannan
Chief Financial Officer



Manoj K Shah
Company Secretary

Abridged Consolidated Profit & Loss Account for the year ended 31st March, 2011

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


(Rs. in Crores)

	For the year ended 31.03.2011		For the year ended 31.03.2010	
I INCOME				
– Sales		1,812.63		1,439.93
– Dividend		–		0.08
– Interest		9.21		13.02
– Other Income		181.77		197.74
Total (I)		2,003.61		1,650.77
II EXPENDITURE				
Cost of Goods Sold				
(i) Opening Stock	873.02		994.65	
(ii) Purchases	607.39		391.92	
	1,480.41		1,386.57	
Less: Closing Stock	1,076.11		873.02	
Add : Change in Excise Duty on Stock	0.70	405.00	0.43	513.97
– Manufacturing Expenses		305.39		190.37
– Selling and Distribution Expenses		349.41		282.10
– Payment to and Provision for Employee		215.30		201.61
– Managerial Remuneration		3.20		4.25
– Interest		221.61		155.89
– Depreciation		217.33		138.08
– Auditor's remuneration		1.29		0.78
– Other Expenses		98.06		115.69
– Exceptional Items		23.62		–
Total (II)		1,840.21		1,602.74
III Profit before Taxation (I - II)		163.40		48.03
IV Provision For Taxation				
– Current Tax	31.70		31.65	
– Deferred Tax	18.10		22.25	
– MAT Credit Entitlement	(21.19)		(12.64)	
– Tax for Earlier Years	0.07	28.68	–	41.26
V Profit after Tax		134.72		6.77
Less: Minority Interest		26.37		(10.11)
Add: Share in Profit of Associates		0.82		3.52
		109.17		20.40
Balance of Profit / (Loss) brought forward from previous year		(56.90)		49.01
		52.27		69.41
VI Proposed Dividend (Including Dividend tax)	67.10		64.47	
Dividend for Earlier Year (Including Dividend Tax)	–	67.10	0.59	65.06
VII Transfer to Reserve				
– General Reserve		–	5.00	
– Debenture Redemption Reserve	18.75	18.75	56.25	61.25
Balance Carried to Balance Sheet		(33.58)		(56.90)
Earnings per Equity & "B" Equity Share (in Rs.) (Face Value of Rs.10 per Share)				
Basic		1.97		0.39
Diluted		1.94		0.36
Refer Notes forming part of the Consolidated Abridged Accounts				

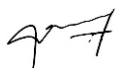
Compiled from the Audited Consolidated Accounts of the Company referred to in our Report dated 15th July '2011

For **N. C. BANERJEE & CO.**
Chartered Accountants
Firm's Registration Number - 302081E

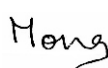
For and on behalf of the Board



A. Paul
Partner
Membership No. 06490
Place : Kolkata
Dated : 15th July' 2011.



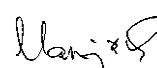
A K Jagatramka
Chairman &
Managing Director



M Jagatramka
Director



P R Kannan
Chief Financial Officer



Manoj K Shah
Company Secretary

Notes to Abridged Consolidated Financial Statements

All amounts in the Abridged consolidated financial statements are presented in Rupees Crores, unless otherwise stated. The note numbers appeared in the “[]” are as they appear in the complete set of Consolidated Financial Statements. These abridged consolidated financial statements have been prepared in accordance with the requirements of Rule 7A of the Companies (Central Government’s) General Rules & Forms, 1956 and clause 32 of the Listing Agreement. These abridged consolidated financial statements have been prepared on the basis of the complete set of consolidated financial statements for the year ended March 31, 2011.

A. SIGNIFICANT ACCOUNTING POLICIES

i) Accounting Conventions

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

ii) Principles of Consolidation

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

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

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

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

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

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

iii) Use of estimates

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

iv) Revenue Recognition

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

- a. In respect of Sales : When the significant risks and rewards of ownership of goods have been passed on to the buyer, which generally coincides with delivery / shipment of goods to customers.

- b. In respect of Interest Income : On time proportion basis taking into account the amount outstanding and the rate applicable.

- c. In respect of Service Income : When the services are performed as per contract.

- d. In respect of Dividend Income : When right to receive payment is established.

- e. In respect of Insurance Claims : On Settlement of Claims

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

v) Fixed Assets

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

vi) Depreciation on Fixed Assets

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

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

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

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

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

vii) Inventories

1. Inventories are valued as under:

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

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

2. Inventories are valued on FIFO basis.

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

Notes to Abridged Consolidated Financial Statements (contd.)

viii) Investments

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

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

ix) Foreign Exchange Transactions

a. Initial Recognition:

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

b. Conversion

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

Foreign Currency Convertible Bonds (FCCBs) are treated as fully convertible into equity shares

c. Exchange differences

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

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

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

x) Provisions, Contingent Liabilities and Contingent Assets

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

xi) Borrowing Costs

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

xii) Taxation

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

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

Deferred Tax Assets are recognized only if there is reasonable

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

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

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

Foreign Companies recognize tax liabilities and assets as per their rules and regulations.

xiii) Employee Benefits

a) Short Term & Post Employment Benefits

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

b) Employee Stock Option Scheme (ESOS)

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

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

xiv) Indirect Taxes

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

In Foreign Subsidiaries

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

xv) Miscellaneous Expenditures

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

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

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

The Deferred Restoration Guarantee, after deducting the change in liability, is amortised on a straight line basis over the life of the mine lease.

Notes to Abridged Consolidated Financial Statements (contd.)

xvi) Impairment of Assets

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

xvii) Research and development

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

xviii) Earning per share (EPS)

The basic earning per share ("EPS") is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted with the effects of all dilutive potential equity shares. The dilutive potential equity shares are

deemed converted as of the beginning of the period, unless they have been issued at a later date.

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

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

xx) Minority Interest

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

xxi) Segment Reporting

a) Identification of Segments :

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

b) Allocation of Common Costs:

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

B. NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

1 [B3] Contingent liabilities not provided for in respect of:

For Parent Company (Gujarat NRE Coke Ltd.):

Letter of Credits outstanding for purchase of materials aggregating to Rs. 50.92 crores (Previous Year Rs. 162.75 crores)

Outstanding Bank Guarantees and Counter/Corporate Guarantees given on behalf of Associate companies aggregating to Rs. 10.93 crores (Previous Year Rs. 12.71 crores)

Capital commitments - Rs. 137.17 crores (Previous Year - Rs. 164.64 crores)

Bills discounted with banks aggregating to Rs. 32.41 crores (Previous Year Rs. 40.62 crores).

Duty on account of Advance Authorisation against Export obligation is Rs. 1.03 crores (Previous Year Rs. 1.61 Crores)

Disputed dues involved in three income-tax demands under appeal - Rs. 4.42 crores (Previous Year - Rs. 4.09 crores). 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.

A demand raised by the Service tax department of Rs. 0.06 crores (Previous Year Rs.0.06 Crores), against which company has filed an appeal to the jurisdiction authorities.

For Subsidiaries:

State Bank of India bank guarantees of Rs.2.80 Crores (Previous year Rs.2.51 Crores.) and Rs.4.67 Crores (Previous Year Rs. 4.19 Crores) have been provided to The Sydney Catchment Authority & NBL (National Basketball League) respectively.

Guarantee to NBL was provided as a corporate support to the Wollongong Hawks.

A bank guarantee has been provided to the Department of Primary Industries in respect of the restoration liability for NRE No. 1 mine for Rs. 26.43 Crores (Previous Year Rs. 23.72 Crores) The restoration liability for this has been accounted at its present value in the Group's financial statements.

The Group has provided Rs. 187.63 Crores (Previous Year Rs.168.39 Crores.) as a bank guarantee to the Department of Primary Industries. The amount is for rehabilitation of the new NRE Wongawilli (previously known as Eloura mine) purchased from BHP Billiton by the subsidiary Gujarat NRE FCGL Pty. Ltd. This restoration liability guarantee is large due to the large area of land of the mine site. This estimated rehabilitation will be reviewed by the company within two years and may result in a decrease in the said liability. The restoration liability has been accounted at its present value in the Group's financial statements.

State Bank of India's bank guarantees of Rs.4.20 Crores (Previous Year Rs.3.77 Crores) have been provided to Supreme Court of NSW for Claim against and by Williams & Ors ("Williams Proceedings") which will be cancelled in due course due to settlement with Belpac Pty Ltd/ LM and others.

The Group has provided Rs. 0.23 Crores. (Previous Year Nil) as a bank guarantee to the Rail Corp in relation to 33 KV high voltage electrification project at NRE wongawilli mine.

Capital Commitment Rs. 458.95 Crores (Previous Year - Rs. 260.07 Crores)

2. [B7]Segment Information

a. Primary Segment Reporting (by Business Segment) :

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

Notes to Abridged Consolidated Financial Statements (contd.)

(Rs. in Crores)

Particulars	2010-11				2009-10			
	Coal & Coke	Steel	Mining	Total	Coal & Coke	Steel	Mining	Total
Segment Revenue (Net Sales/Income from segment)								
External Sales	1296.81	297.90	217.92	1812.63	1111.55	290.31	38.78	1440.64
Inter-Segment Revenue		2.16	720.99	723.15		1.77	523.98	525.75
	1296.81	300.06	938.91	2535.78	1111.55	292.08	562.76	1966.39
Less: Inter Segment Revenue		2.16	720.99	723.15		1.77	523.98	525.75
Total Segment Revenue	1296.81	297.90	217.92	1812.63	1111.55	290.31	38.78	1440.64
Segment Results								
Profit before Tax & Interest	252.07	14.78	6.30	273.15	123.67	44.18	-122.44	45.41
Add:- Other Un-allocable Income				111.86				158.52
Net of Expenditure				221.61				155.89
Less:- Interest Expense				28.68				41.26
Less:- Provision for Tax								
Net Profit (After Tax)				134.72				6.78
Assets								
Segment Assets*	2185.09	577.94	2507.60	5270.63	1968.31	580.32	1808.16	4356.79
Un-allocable Assets				1063.00				699.50
Total Assets				6333.63				5056.29
Liabilities								
Segment Liabilities	397.92	71.82	375.16	844.90	495.72	61.08	239.26	796.06
Un-allocable Liabilities				202.68				175.16
Total Liabilities				1047.58				971.22
*including captive windmills of	7.44	393.64	-		8.04	418.82	-	
Capital Expenditure	132.85	5.85	588.02		82.74	11.54	508.62	
Non Cash Expenses								
- Depreciation & Amortization	20.71	29.32	168.07		16.83	29.29	92.83	

b. Secondary Segment Reporting (by Geographical demarcation):

(Rs. in Crores)

Particulars	2010-11			2009-10		
	India	Rest of the World	Total	India	Rest of the World	Total
Segment Revenue	1253.69	558.94	1812.63	1401.86	38.78	1440.64
Segment Assets	2763.03	2507.60	5270.63	2548.63	1808.16	4356.79
Capital Expenditure	138.70	588.02	726.72	94.28	508.62	602.90

3. [B9] Foreign Currency Convertible Bonds (FCCB)

For Parents Company

The Company issued 600, Zero Coupon Unsecured Foreign Currency Convertible Bonds (FCCB) of US\$ 100,000 each aggregating US\$ 60 Million at par on 11th April, 2006. These bonds are convertible into equity shares of the Company at the option of bondholders at a price of Rs. 44.64 per share, If not converted then they are redeemable on 12th April, 2011 at 139.36% of the face value.

As on 31.03.2011, 426 Bonds has been converted into 3,18,98,284 equity shares leaving balance of 174 bond as on 31.03.2011. Subsequently, these bonds have also been converted and consequently 1,74,07,793 Equity Shares & 17,40,778 "B" Equity Shares have been allotted on 8th April 2011. With these conversions, all the FCCB's have been fully converted.

For Subsidiary Company

Gujarat NRE Coking Coal Ltd. has issued 200 8 % Convertible 20 years bond aggregating Rs. 32.35 Crores (Previous Year Rs. 29.03 Crores.).

4. [B10] Secured Non-Convertible Debentures:

- 11.90% Secured Redeemable Non Convertible Debentures of Rs. 100.00 Crores (Previous Year Rs. 100.00 Crores) are redeemable at par in 4 equal annual installments commencing from 07th February 2012
- 11.00% Secured Redeemable Non Convertible Debentures of Rs. 250.00 Crores (Previous Year Nil) are redeemable at par in 8 equal half yearly installments commencing from 29th April 2013.
- 12.50% Secured Redeemable Non Convertible Debentures of
 - Rs. 10.00 Crores (Previous Year Rs.10 Crores) are redeemable at par in 4 equal annual installments commencing from 30th May 2012,
 - Rs. 10.00 Crores (Previous Year Rs.10 Crores) are redeemable at par on 30th May 2012,
 - Rs. 10.00 Crores (Previous Year Rs.10 Crores) are redeemable at par on 30th May 2013,
 - Rs. 10.00 Crores (Previous Year Rs.10 Crores) are redeemable at par on 30th May 2014,
 - Rs. 10.00 Crores (Previous Year Rs.10 Crores) are redeemable at par on 30th May 2015.

Notes to Abridged Consolidated Financial Statements (contd.)

5. [B11] The Earnings Per Share as per Accounting Standard (AS)- 20 are as under:

Particulars	At 31.03.2011 Basic & Diluted EPS	At 31.03.2010 Basic & Diluted EPS
Earnings		
Net Profit for the Year (Rs. / Crores)	109.17	20.41
Add: Interest on FCCB (Rs. / Crores)	–	0.01
Earnings for Diluted EPS (Rs. / Crores)	109.17	20.42
Shares		
Number of shares at the beginning of the Year	498,194,215	471,919,538
Add: Share Allotted against Share Warrants	8,550,000	20,450,000
Add: "B" Equity Shares Issued as Bonus shares	50,739,834	–
Add : Conversion of FCCB in shares	100,044	5,193,248
Add: Share Allotted against ESOS	554,095	631,429
Total number of shares outstanding at the end of the Year	558,138,188	498,194,215
Weighted average number of shares outstanding during the Year (for Basic EPS)	554,582,402	479,471,607
Add: Number of shares arising out of exercise of option of outstanding Share Warrants that have dilutive effect on the EPS	2,080,000	8,550,000
Add: Number of shares arising out of conversion of outstanding FCCB that have dilutive effect on the EPS	5,558,439	17,507,841
Add: Number of Shares arising out of exercise of option of Employee Stock Option Scheme	1,275,496	3,753,371
Weighted average number of shares outstanding during the Year (for Diluted EPS)	563,496,337	509,282,819
Earning per share :		
– Basic (Rs.)	1.97	0.39*
– Diluted (Rs.)	1.94	0.36*

* Adjusted EPS for Bonus Issues as per Accounting Standard-20.

In the above statement, paid up Equity & Earning Per Share include both Equity Shares & "B" Equity Shares since both class of shares are pari-passu in all respect except for voting rights.

6. [B13(a)] Investment in Pike River Coal Ltd. were reviewed after the November 2010 of underground blast in the mine, followed by shut down and closure of mine. Directors after review and assessment of the situation have determined that carrying value of the investment in Pike Coal Limited is impaired and has been accordingly recognised in accounts at reduced impaired value for the year ended 31 March 2011. The impairment loss has been charged in Consolidated Profit & Loss Account as Extra Ordinary item. Should the ongoing issues with Pike River Coal Limited indicate further impairment – for example should the prospective sale of the mine not proceed or the bid for sale comes at a very low price, then impairment loss to that extent would be recognised further to the maximum of carrying value at 31 March 2011 amounting to Rs. 67.09 Crores for the Group.

The directors valuation of the Pike River Coal Limited investment is based on published information in the November 2010 shareholder briefing, assuming long term hard coking coal price of USD140 and resource of 58.5 Million Tonnes.

7. [B14] Figures pertaining to the Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

8. Key Financial Ratio for the year ended

	31.03.2011	31.03.2010
a) Total Income / Total Assets	0.38	0.40
b) PBIT/ Capital Employed	0.07	0.05
c) Return on Net Worth %	9.06	0.48
d) Net Profit / Total Income %	6.72	0.41

9. [B15] Previous Year figures have been regrouped / rearranged wherever considered necessary.

Consolidated Cash Flow Statement for the year ended 31st March, 2011

(Rs. in Crores)

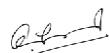
	For the year ended 31-Mar-2011	For the year ended 31-Mar-2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	163.40	48.03
Adjustments for:		
Depreciation / Other non cash items	218.59	143.34
Interest Paid / Payable	221.61	155.89
Other Income	(111.88)	(184.82)
Loss/(Profit) on Sale / Discard of Fixed Assets	0.16	0.04
Loss/(Profit) on Sale of Investment	(68.80)	(3.51)
Employee Stock Option - Compensation debited to Profit and Loss A/c	1.16	1.65
Interest Received / Receivable	(9.21)	(13.02)
Extra Ordinary Item	23.62	-
Operating Profit before working Capital Changes	438.65	147.60
Adjustments for:		
Trade & Other Receivables	(68.38)	(330.26)
Inventories	(212.03)	117.55
Trade Payables	45.35	(9.03)
Cash Generated from Operations	203.59	(74.14)
Direct Taxes Paid / Refunds	(26.55)	(5.62)
Cash Flow from Operating Activities	177.04	(79.76)
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Fixed Assets	(750.29)	(830.19)
Sale of Fixed Assets	0.30	260.68
Addition to Investments	(174.55)	(171.14)
Sale of Investments	60.91	177.01
Interest Received	9.21	13.02
Dividend / Misc Income	111.88	184.82
Net Cash Flow from Investing Activities	(742.54)	(365.80)
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds to Share Capital / Reserves	274.51	233.15
Deposit against Share Warrant	104.15	14.06
Increase in Long / Short term borrowing	753.31	482.40
Interest Paid	(203.30)	(150.91)
Dividend & Dividend Tax Paid	(64.10)	(55.51)
Miscellaneous Expenditure	(4.48)	(38.31)
Net Cash Flow from Financing Activities	860.09	484.88
Net Increase / (Decrease) in Cash & Cash Equivalents	294.59	39.32
Cash & Cash Equivalents (Opening Balance)	162.87	123.55
Cash & Cash Equivalents (Closing Balance)*	457.46	162.87

* Includes Dividend Accounts of Rs. 2.19 Crores (Previous year Rs. 1.82 Crores)

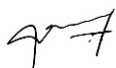
In terms of our report of even date annexed hereto

For **N. C. BANERJEE & CO.**
Chartered Accountants
Firm's Registration Number - 302081E

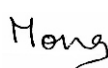
For and on behalf of the Board



A. Paul
Partner
Membership No. 06490
Place : Kolkata
Dated : 15th July' 2011.



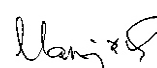
A K Jagatramka
Chairman &
Managing Director



M Jagatramka
Director



P R Kannan
Chief Financial Officer



Manoj K Shah
Company Secretary



GUJARAT NRE COKE LIMITED

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

ATTENDANCE SLIP

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

I hereby record my presence at the 24th Annual General Meeting of the Company to be held at Kala Mandir, 48, Shakespeare Sarani, Kolkata-700 017 on Friday, September 30, 2011 at 11.30 AM.

Name of the Proxy*

(IN BLOCK LETTERS)

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

Signature of the Shareholder/Proxy

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

Note: Please bring the copy of this Annual Report 2010-11 to the Meeting Hall



GUJARAT NRE COKE LIMITED

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

PROXY FORM

I/We.....of.....in the district
of.....being a shareholder(s) of GUJARAT NRE COKE LIMITED, hereby
appoint.....of.....
in the district of.....failing
him/her.....of.....in
the district of.....as my/our proxy to vote for me/us and on my/our behalf at the
24th Annual General Meeting of the Company to be held at Kala Mandir, 48, Shakespeare Sarani, Kolkata-700 017 on Friday,
September 30, 2011 at 11.30 AM and at any adjournment thereof.

As witness my/our hand(s) this..... day of.....2011

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

No. of Equity Shares held.....

No. of "B" Equity Shares held.....

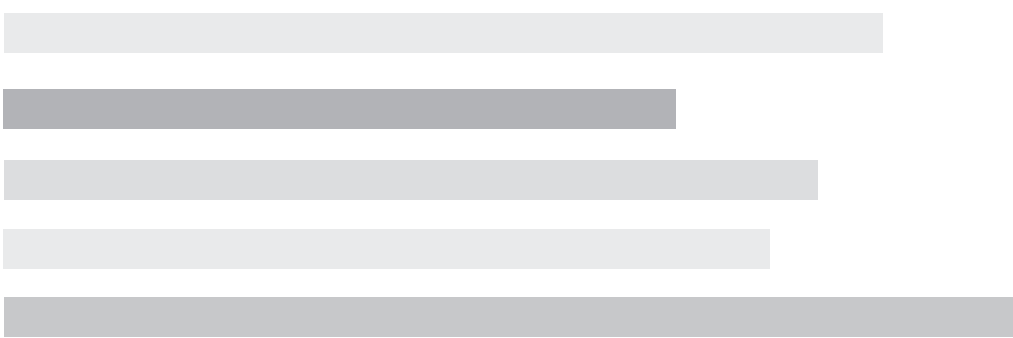
Total No. of Shares held.....

Affix Rupee
One
Revenue
Stamp

Signature

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

BOOK POST



If undelivered, please return to :

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