

# **Gujarat Metallic Coal & Coke Limited**

(Formerly Known as Arvind Chemicals Limited)

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**2010-2011**

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<b>BOARD OF DIRECTORS</b>	Mr. Dinesh Chandra Bajoria, <i>Chairman cum Managing Director</i> Mrs. Kanta Bajoria Mr. Rajiv Chamaria Mr. Hironmoy Chatterjee
COMPANY SECRETARY	Mr. Gopal Sharma
REGISTERED OFFICE	15, Ganesh Chandra Avenue, 2nd Floor, Kolkata - 700013 Phone : 033-32573873, Fax : 033 2211 8014 Email : info@gujaratmetallic.com Website : www.gujaratmetallic.com
AUDITORS	M/s. N. C. Banerjee & Co. (Chartered Accountants) 2, Ganesh Chandra Avenue Kolkata - 700013
BANKERS	1. Indusind Bank Ltd. 2. HDFC Bank Ltd. 3. Bank of Baroda 4. Federal Bank Ltd.
REGISTRAR & SHARE TRANSFER AGENT	Niche Technologies Private Limited D-511, Bagree Market, 5th Floor, 71, B. R. B. Basu Road, Kolkata - 700001 Phone : 033-2235 7270 / 7271 Fax : +91-33-2215 6823 Email : nichetechpl@nichetechpl.com

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## NOTICE

Gujarat Metallic Coal & Coke Limited

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NOTICE is hereby given that the 18th Annual General Meeting of the members of Gujarat Metallic Coal & Coke Ltd (formerly known as Arvind Chemicals Ltd.) will be held at Somany Conference Hall, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata - 700001, on Friday, 23rd December, 2011 at 10.15 A.M. to transact the following business :

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 30th June, 2011 and the Profit and Loss Account for the 15 (fifteen) months period ended on that date together with the Reports of the auditors and directors thereon.
2. To appoint a Director in place of Mrs. Kanta Bajoria, who retires by rotation, and being eligible, offers herself for re-appointment.
3. To appoint Auditors of the Company 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 appointed as 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 at such remuneration as may be determined by the Board of Directors in consultation with the Auditors.”

### **SPECIAL BUSINESS :**

4. To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution :

“RESOLVED THAT Mr. Rajiv Chamaria, who as appointed by the Board of Directors as an additional Director of the Company with effect from 07.04.2011 and who holds office up to the date of the ensuing annual General Meeting in terms of Section 260 of the Companies act, 1956 and in respect of whom the Company has received a notice from a member under section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, whose office shall be liable to retire by rotation in terms of Section 255 of the Companies Act, 1956.”

5. To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution :

“RESOLVED THAT Mr. Hironmoy Chatterjee, who as appointed by the Board of Directors as an additional Director of the Company with effect from 30.04.2011 and who holds office up to the date of the ensuing annual General Meeting in terms of Section 260 of the Companies act, 1956 and in respect of whom the Company has received a notice from a member under section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, whose office shall be liable to retire by rotation in terms of Section 255 of the Companies Act, 1956.”

By Order of the Board

**For Gujarat Metallic Coal & Coke Ltd**

Place : Kolkata

Date : 14th November, 2011

**Gopal Sharma**  
*Company Secretary*

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**NOTES :**

1. **A MEMBER ENTILED TO ATTEND AND VOTE AT THE MEETING IS ENTILED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DULY COMPLETED, STAMPED AND LODGED WITH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED HEREWITH.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 16th December 2011 to Friday, 23rd December 2011. (Both days inclusive).
3. The Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956 regarding the special business is annexed.
4. Members, who are holding shares in identical order of names in more than one folio, are requested to write to the Company enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio.
5. Members desiring any information on the Accounts at the Annual General Meetings are requested to write to the Company at least ten days in advance, so as to enable the Company to keep the information ready at the meetings.
6. Members are requested to bring the admission slips along with their copies of the report and Accounts to the meeting.
7. Any change of address of the members may please be notified to the Registrars and Share Transfer Agent of the Company quoting their registered folio.

By Order of the Board

For **GUJARAT METALLIC COAL & COKE LTD**

Place : Kolkata  
Date : 14th November, 2011

**Gopal Sharma**  
*Company Secretary*

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

**Item No.4**

Mr. Rajiv Chamaria was appointed as an Additional Director of the Company by the Board of Directors with effect from 07.04.2011, pursuant to Section 260 of the Companies Act, 1956 read with Article 93 of the Articles of Association of the Company. Mr. Rajiv Chamaria holds office upto the date of ensuing Annual General Meeting. The Company has received a notice from a member alongwith requisite deposit of Rs. 500/- proposing the candidature of Mr. Rajiv Chamaria for the office of Director.

The Board of Directors accordingly recommends passing of the Resolution for the appointment of Mr. Rajiv Chamaria as a Director of the Company. Apart from Mr. Rajiv Chamaria, none of the other directors of the Company is interested or concerned in the said resolution.

**Item No.5**

Mr. Hironmoy Chatterjee was appointed by Board of Directors as an Additional Director of the Company with effect from 30.04.2011, pursuant to section 260 of the Companies Act, 1956 read with Article 93 of the Articles of Association of the Company. Mr. Hironmoy Chatterjee holds office upto the date of ensuing Annual General Meeting. The Company has received a notice from a member alongwith requisite deposit of Rs.500/-, proposing the candidature of Mr. Hironmoy Chatterjee for the office of Director.

The Board of Directors accordingly recommends passing of the Resolution for the appointment of Mr. Hironmoy Chatterjee as a Director of the Company. Apart from Mr. Hironmoy Chatterjee, none of the other directors of the Company is interested or concerned in the said resolution.

By Order of the Board

For **Gujarat Metallic Coal & Coke Ltd**

Place : Kolkata

Date : 14th November, 2011

**Gopal Sharma**

*Company Secretary*

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

Name of the Director	Mrs. Kanta Bajoria	Mr. Rajiv Chamaria	Mr. Hironmoy Chatterjee
Date of Birth	08.09.1952	06.06.1965	10.09.1955
Date of appointment	29.09.2009	07.04.2011	30.04.2011
Qualifications	Senior Secondary	B.Com	B.Com
Expertise in specific functional areas	Business and Administration	Business with wide experience	Business and Administration
Directorship in other Public Limited Companies	Nil	1. Tasati Tea Ltd. 2. Supriya Tea Ltd. 3. RNT Finance Ltd. 4. Subir Udyog Ltd. 5. Mas Manors Development Ltd. 6. Arvind International Ltd.	Nil
Chairmanship/Membership of Committees in other Public Limited Companies	Nil	1. Chairman-Audit Committee of Arvind International Ltd. 2. Member-Share Transfer Committee of Arvind International Ltd.	Nil
No. of shares held	39192	Nil	Nil

## DIRECTORS' REPORT

Annual Report 2010-11

To  
The Members,

Your Directors present the 18th Annual Report and the Audited financial results of the Company for the Fifteen-month period ended on 30th June 2011.

### FINANCIAL RESULTS/HIGHLIGHTS

Followings are the highlights of the performance of the Company during the period ended as at 30th June 2011.

(Rs. in Lacs)

	Fifteen months ended 30.06.2011	Year ended 31.03.2010
<b>Total Income</b>	298.66	13413.78
Less : Expenditure	271.65	13339.57
<b>Income from Operations</b>	27.01	74.21
Less : Interest	4.08	49.85
Less : Depreciation	0.72	1.02
<b>Net Profit before Tax</b>	22.21	23.34
Less : Provision for Tax	(1.09)	0.75
<b>Profit after Tax (PAT)</b>	23.30	22.59
Add : Balance brought forward	105.83	83.24
Balance carried to Balance Sheet	129.13	105.83

The current financial year consist of 15-months, hence is not Comparable with the previous financial year.

### OPERATIONS

During the period under review, the total income of the company has drastically fallen due to general economic slowdown and in the steel sector in particular. The steel sector is the prime mover of the business activities in coal & coke sector. However, your company has been able to maintain the profitability. The outlook of the business of coal & coke remains challenging in view of the continued economic uncertainty world wide.

### DIVIDEND

In order to conserve the resources, your directors do not recommend any dividend for the period ended on 30th June 2011.

### SUBSIDIARY COMPANY

The company has one foreign subsidiary namely Happy Mining Pty Ltd. incorporated in Australia. The Balance Sheet, Profit & Loss Account, Report of the Board of Directors and report of the Auditors and other statements relating to the subsidiary as required under the provisions of Section 212 of the Companies Act, 1956, are attached herewith.

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## **CORPORATE GOVERNANCE**

Your Company has complied with all mandatory provisions of Corporate Governance, as stipulated under the listing Agreement with the Stock Exchanges as at 30th June 2011. A separate report on Corporate Governance along with Certificate of Auditor confirming the compliance is annexed hereto and forms a part of this Annual Report.

## **CHANGE OF NAME**

During the period under review, the name of the Company has been Changed from Arvind Chemicals Ltd. to Gujarat Metallic Coal & Coke Ltd. and has received fresh certificate of Incorporation consequent to change of name dated 31st January, 2011 from the Registrar of Companies, West Bengal.

## **SHARE CAPITAL**

During the period under review, the Company has consolidated the nominal value of its equity shares from Rs. 10/- per share to Rs. 100/- per share.

## **MANAGEMENT DISCUSSION & ANALYSIS**

Management Discussion and Analysis report for the period under review, as stipulated under clause 49 of the Listing Agreement is presented in a separate section of this Annual report.

## **DIRECTORS**

Mrs. Kanta Bajoria, Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment.

Mr. Saurabh Poddar and Mr. Rajesh Kumar Agrawal has resigned from the Board w.e.f 07.04.2011 and 30.04.2011 respectively. The Board places on record its appreciation for the contribution made by them during their tenure as Director of the Company.

Mr. Rajiv Chamaria and Mr. Hironmoy Chatterjee have been appointed as an Additional Directors of the Company on 07.04.2011 and 30.04.2011 respectively. Notices under section 257 of the Companies Act, 1956 alongwith requisite deposit has been received from member(s) of the Company proposing their candidature as Directors of the Company. Accordingly, resolutions towards their appointment as Directors has been included in the notice of this Annual General Meeting.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that :

- a) In the preparation of annual accounts for the fifteen-months ended 30th June 2011 the applicable accounting standards had been followed and that no material departures have been made from the same.
- b) The Directors had selected such accounting policies and practices 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 period under review and of the profit of the Company for the period ended on that date;

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- c) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) The Directors had prepared the annual accounts for the fifteen-months ended on 30th June, 2011 on a 'going concern' basis.

#### **AUDITORS**

M/s N. C. Banerjee & Co., Chartered Accountants, who are statutory Auditors of the company hold office upto the forthcoming Annual General Meeting of the Company and are eligible for reappointment. 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 with the limits prescribed in the said section and that they are not disqualified from being appointed as the auditors of the Company under the Companies Act, 1956.

#### **AUDITORS' REPORT**

The observations of the Auditors in their reports read with relevant notes on the accounts, as annexed are self-explanatory and needs no further 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 period under review.

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

The provisions of Section 217(1) (e) read with read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption are not applicable to the Company as there was no manufacturing activity carried out by the company during period under review.

##### Foreign Exchange Earning and Outgo

- a) Foreign Exchange earning : Rs. 92.92 lacs
- b) Foreign Exchange outgo : Rs. Nil

#### **PARTICULARS OF EMPLOYEES**

There was no employee who has drawn salary and/or remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956, therefore the statement containing particulars of Employees in terms of the said provisions of Act is not applicable to our company.

#### **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation and acknowledgement of the support and co-operation extended by the customers, suppliers, bankers, financial institutions, investors, media, Government and their agencies.

For and on behalf of the Board

Place : Kolkata  
Date : 14th November, 2011

**Dinesh Chandra Bajoria**  
*Chairman Cum Managing Director*



## REPORT ON CORPORATE GOVERNANCE

Gujarat Metallic Coal & Coke Limited

### 1. Philosophy of Corporate Governance :

The Company believes that Corporate Governance is a systematic process by which companies are directed and controlled keeping in mind the long-term interest of the stakeholders. It firmly believes that good Corporate Governance is the foundation of corporate excellence. A report as per clause 49 of the Listing Agreement with the Stock Exchange for the 15 months period ended 30th June, 2011 is given below :

### 2. Board of Directors :

#### Composition and category

The Board of Directors of the Company consists of persons with professional expertise. The present constitution of the Board comprises of :

- One Promoter, Executive Director
- One Promoter, Non Executive Director
- Two Independent, Non Executive Directors

The following table indicates the composition of the board of directors and other directorships/ memberships of the committees held by them.

Name of the Director	Category	No. of other Directorships in public Limited Companies	No. of other Board/ Committee position as	
			Member	Chairman
Mr. Dinesh Chandra Bajoria	Executive Chairman Non-Independent	Nil	Nil	Nil
Mrs. Kanta Bajoria	Non-Executive Non-Independent	Nil	Nil	Nil
Mr. Rajiv Chamaria	Non-Executive/ Independent	6	1	1
Mr. Hironmoy Chatterjee	Non-Executive/ Independent	Nil	Nil	Nil

1. *Directorship in Foreign Companies, Private Limited Companies and Companies covered under section 25 of the Companies Act, 1956 have not been considered.*
2. *Only the positions held in other Committees, such as audit, remuneration and shareholders' grievance committee in Indian Public Limited Companies have been considered.*

#### Meetings and Attendance of Directors

During the period of Fifteen months ended 30th June 2011, 17 (Seventeen) meetings were held by the Board of Directors. These meetings were held on 9th April, 2010, 29th May, 2010, 26th July, 2010, 30th July, 2010, 25th August, 2010, 10th September, 2010, 13th November, 2010, 19th November, 2010, 24th November, 2010, 10th December, 2010, 12th February, 2011, 8th March, 2011, 23rd March, 2011, 7th April, 2011, 30th April, 2011, 17th May, 2011 and on 13th June, 2011.

The following table indicates the no. of board meetings attended by the directors and also attendance at the last annual general meeting.

Director	No. of meetings held during the tenure	No. of board meetings attended	Attendance at Last AGM
Mr. Dinesh Chandra Bajoria	17	16	No
Mrs. Kanta Bajoria	17	10	No
Mr. Saurabh Poddar (Resigned on 07.04.2011)	13	2	No
Mr. Rajesh Kumar Agrawal (Resigned on 30.4.2011)	15	11	Yes
Mr. Rajiv Chamaria (Appointed on 07.04.2011)	4	3	NA
Mr. Hironmoy Chatterjee (Appointed on 30.04.2011)	3	2	NA

#### Other provisions of the Board :

The other provisions applicable to the Board of Directors such as minimum no. of meetings (4 meetings) in a year with a maximum time gap of four months between any two meeting, minimum information to be placed before the Board as prescribed in clause 49 of the Listing Agreement etc. have been complied with. The Board reviews from time to time compliance report of all laws & regulations applicable to the Company, as well as the steps taken by company to rectify instances of non-compliances if any.

### 3. Board Committees :

#### (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 points :
- 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 about the appointment, re-appointment and if required the replacement or removal of statutory auditors and fixation of their remuneration.
  - 3) To review with the management, the financial statements before submission to the Board, focusing primarily on Management Discussion and Analysis, Director's Responsibility Statement which forms part of the Director's Report, accounting policies, compliance with accounting standards, compliance with Stock Exchange and legal requirements and any related party transactions etc.

- 4) To review with the management, external and internal auditors, the adequacy of internal controls systems & internal audit reports, if any, on internal control weaknesses.
- 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) A statement of material related party transactions, if any.
- 8) To undertake such other matters as may be delegated by the Board from time to time.

**ii) Composition :**

The composition of the Audit Committee is as follows :

1. Mr. Rajiv Chamaria (Independent, Chairman)
2. Mr. Hironmoy Chatterjee (Independent)
3. Mr. Dinesh Chandra Bajoria (Non-Independent)
4. Mr. Rajesh Kumar Agrawal (Non-Independent) (Resigned w.e.f 30.04.2011)
5. Mr. Saurabh Poddar (Independent)(Resigned w.e.f. 07.04.2011)

The Company Secretary acts as Secretary to the Committee.

**iii) Meetings and Attendance**

During the period of 15 months ended on 30th June, 2011, 5(Five) meetings were held on 29th May, 2010, 30th July 2010, 13th, November, 2010, 12th February, 2011 and 30th April, 2011.

The attendance of the Audit Committee Members is as follows :

<b>Name of the Member</b>	<b>Meetings Held</b>	<b>Meetings Attended</b>
Mr. Dinesh Chandra Bajoria	5	5
Mr. Rajiv Chamaria (Appointed on 07.04.2011)	1	1
Mr. Rajesh Kumar Agrawal (Resigned on 30.04.2011)	4	4
Mr. Saurabh Poddar (Resigned on 07.04.2011)	4	2

The Statutory Auditors also attends the meeting whenever invited. The minutes of the meetings of Audit Committee are also placed before the Board and discussed.

**(b) Directors' remuneration and disclosure :**

During the fifteen-month period ended on 30th June, 2011, no compensation either in form of remuneration, sitting fees or otherwise was paid to any executive or non-Executive Directors of the Company.

**(c) Share Transfer Committee :**

The Share Transfer Committee meets at regular intervals to approve transfers, transmissions, and issue of duplicate share certificates, etc. as required.

The Committee consists of following members as on 30.06.2011 :

1. Mr. Dinesh Chandra Bajoria (Chairman)
2. Mrs. Kanta Bajoria
3. Mr. Rajiv Chamaria (Appointed on 07.04.2011)
4. Mr. Rajesh Kumar Agrawal (Resigned on 30.04.2011)

**Meetings and Attendance**

During the period of 15 months ended on 30th June 2011, no meeting of share transfer committee was held as no transfer or other requirests were received.

**(d) Shareholders'/Investors' Grievance committee :**

The Committee looks into the redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. The Committee met 5 times during the period under review.

The followings are the members of the Shareholders'/ Investors' Grievance Committee as on 30th June, 2011.

<b>Name of the Member</b>	<b>Category</b>
Mrs. Kanta Bajoria (Chairman)	Non-Executive
Mr. Dinesh Chandra Bajoria	Executive
Mr. Hironmoy Chatterjee (Appointed on 30.4.2011)	Non-Executive
Mr. Rajesh Kumar Agrawal(Resigned on 30.4.2011)	Non-Executive

The Company Secretary has been designated as the Compliance Officer by the Board and assigned with the responsibilities of overseeing shareholders'/investors' grievances under the supervision of the Committee. During the period under review, no complaint was received from the investors. There was no complaint pending for resolution at the end of the period.

During the period of 15 months ended on 30th June 2011, 5(Five) meetings of the committee were held on 29th May 2010, 30th July 2010, 13th November 2010, 12th February 2011 and 30th April, 2011.

**Code of Conduct**

The Company has adopted a Code of Conduct which was made applicable to all its Directors, whether executive or non-executive and all Senior Management Personnel of the Company. All Board members and senior management personnel have affirmed compliance with the Company's code of conduct during the period of 15 months ended on 30 June 2011. A declaration to the effect that all Board members and senior management personnel have complied with the Company's code of conduct during the period under review

and duly signed by Mr. Dinesh Chandra Bajoria, Managing Director and CFO of the Company is annexed and forms part of this Report.

#### Risk Management

The company has laid down procedures to inform Board of Directors about the risk assessment and minimization procedures.

#### 4. General Body Meetings :

##### a) The details of Annual General Meetings held in last 3 years :

Year	Meeting	Date, Time and Location	Whether any special Resolution passed
2009-2010	17th AGM	On 25th September, 2010 at 11.00 a.m. at Jhajharia Committee Room, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata - 700001	No
2008-2009	16th AGM	On 29th September, 2009 at 11.00 a.m. at Jhajharia Committee Room, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata - 700001	Yes
2006-2008	15th AGM	On 2nd August, 2008 at 10.00 a.m. at Jhajharia Committee Room, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata - 700001	Yes

b) **Postal Ballot** : Three special Resolutions were passed by members during the period ended 30th June, 2011 through postal ballot as per result declared on 10th January, 2011. Mr Babulal Patni, Practicing Company Secretary duly appointed by the Board as Scrutinizer, conducted this postal ballot exercise and the details of voting as per report submitted by him to the Chairman are as follows :

Sr. No.	Subject matter of Resolutions	No of Valid postal ballot recd.	Votes in favour	Votes against	% of votes in favour	No. of invalid postal forms recd.
1.	Alternation of object Clause of memorandum of association	34	65,89,107	0	100.00	0
2.	Change of name of the company to Gujarat Metallic Coal & Coke Ltd.	34	65,89,107	0	100.00	0
3.	Consolidation of nominal value of shares from Rs.10/- to Rs. 100/- per share	34	65,86,007	3400	99.95	0

**5. Subsidiary Company :**

The company has one wholly owned subsidiary incorporated in Australia viz-Happy Mining Pty Ltd. This subsidiary was incorporated on 9th December 2008. Your company has subscribed 10,000,000 equity shares of its wholly owned subsidiary company viz, Happy Mining Pty Ltd.

**6. Disclosures :**

## a) Disclosures on materially significant related party transactions:

The Company has not entered into any transactions of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. The transactions undertaken during the period have been disclosed in Note no. 7B of Schedule 14B forming part of the Accounts for the fifteen-month period ended on 30th June, 2011.

## b) There are no instances of non-compliance by the Company on the matters relating to capital market and no penalties/strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority, during the last three years.

## c) The Company duly complied with all the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchange. However, the Company has not adopted the non-mandatory requirements defined therein.

**7. Means of Communication :**

The quarterly and the annual financial results are published in Financial Express in English and Arthik Lipi in vernacular language and are also displayed in the Company's website [www.gujaratmetallic.com](http://www.gujaratmetallic.com) as well as submitted to the Bombay Stock Exchange.

**8. General Shareholders' Information :**a) **Annual General Meeting :**

**Date and Time** : Friday, 23rd December, 2011 at 10.15 A.M.

**Venue** : Somany Conference Hall  
15B, Hemanta Basu Sarani,  
2nd Floor, Kolkata - 700001

b) **Financial Year** : 1st April, 2010 to 30th June 2011 (15 month period)

c) **Book Closure Date** : Friday, 16th December, 2011 to  
Friday, 23rd December, 2011

d) **Dividend Payment Date** : No dividend is recommended by the Board

e) **Listing of Equity Shares on** : (i) Bombay Stock Exchange Ltd.  
P J Towers, Dalal Street, Fort, Mumbai - 400001

f) **Listing Fees :**

Annual Listing Fees for the year 2011-12 have been paid.

**g) Stock Code :**

<u>Stock Exchanges</u>	<u>Stock Code</u>
Bombay Stock Exchange Ltd.	531881(GMETCOAL)

**h) Depositories :****a) National Securities Depository Ltd.**

Trade World, Kamala Mills Compound, Lower Parel, Mumbai - 400013

**b) Central Depository Services (India) Ltd.**

P J Towers, 16th Floor, Dalal Street, Fort, Mumbai - 400001

The Company has paid the Annual Custodian Fees to both the Depositories for the year 2011-2012.

ISIN of Equity Shares : INE146F01020

**i) Market Price Data :**

The Market Price of the Equity Shares of the Company during the 15 (fifteen) months period ended on 30th June 2011 are given below :

Months	BSE	
	High	Low
April 2010	14.25	12.16
May 2010	12.39	9.53
June 2010	12.90	9.25
July 2010	11.49	9.72
August 2010	10.15	8.66
September 2010	9.40	8.41
October 2010	10.80	6.80
November 2010	10.15	6.90
December 2010	9.00	6.17
January 2011	8.63	6.01
February 2011	8.89	4.99
March 2011	67.91	6.02
April 2011	61.70	55.45
May 2011	65.00	50.00
June 2011	82.75	58.10

**Note :**

- The above data have been taken from website of the Bombay Stock Exchange Ltd.

2. The above share price data upto 3rd March 2011 were for the Shares of Nominal value of Rs.10/- . Thereafter, the share price data were for the shares of nominal value of Rs.100/-.

**j) Share Price Performance :**

Financial Period	% change in Share Price	% Change in BSE Sensex
April 2010 - June 2011	-35.57	7.52

**k) Registrar and Share Transfer Agents :**

Niche Technologies Pvt. Ltd.  
D-511, Bagree Market  
71, BRB Basu Road  
Kolkata - 700001  
Phones : +91-33-22357271/7270  
Fax : +91-33-22156823  
E-mail : nichetechpl@nichetechpl.com

**l) Share Transfer System :**

Shares sent for transfer in physical form are registered and returned by our Registrars and share transfer agents in about 15 to 20 days of receipt of the documents, provided the documents are found in order. Shares under objection are returned within two weeks. The RTA of the Company periodically receives from the Depository, the beneficial holding so as to enable them to update their records and to send all corporate communications to the beneficial owners of the shares. The share transfer committee considers the transfer proposal as and when required depending upon the requirements.

**m) Shareholding Pattern as on 30th June 2011**

Category	No. of Shares	% of Holding
Promoters & Promoter Group	710237	35.859
Public Shareholding – Institutions & Non-Institutions	1270421	64.141
Shares held by Custodians and against which Depository Receipts have been issued	Nil	Nil
<b>Total</b>	<b>1980658</b>	<b>100.00</b>



**n) Distribution of Shareholding as on 30th June 2011**

Shareholding Range	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 – 500	7603	96.4603	507068	25.6010
501 – 1000	152	1.9284	114465	5.7791
1001 – 5000	101	1.2814	199107	10.0526
5001 – 10000	11	0.1396	76770	3.8760
10001 – 50000	7	0.0888	151506	7.6493
50001 – 100000	4	0.0507	331311	16.7273
100001 and above	4	0.0507	600431	30.3147
<b>Total</b>	<b>7882</b>	<b>100.00</b>	<b>1980658</b>	<b>100.00</b>

**O) Dematerialization of Shares and Liquidity :**

1975082 equity shares constituting 99.72% of the Shares capital has been held in dematerialized form as on 30th June, 2011. The Equity Shares of Company are actively traded in the Bombay Stock Exchange Ltd.

**p) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion date and likely impact on equity : Nil****q) Address for correspondence :**

**Gujarat Metallic Coal & Coke Limited**  
 15, Ganesh Chandra Avenue  
 2nd Floor, Kolkata - 700013  
 Tel : +91 33 22368504, Fax: +91 33 22118014  
 Email : [info@gujaratmetallic.com](mailto:info@gujaratmetallic.com)  
 Website: [www.gujaratmetallic.com](http://www.gujaratmetallic.com)

**r) Address of Subsidiary**

Happy Mining Pty Ltd.  
 Unit 4, 53 Underwood Road  
 Home Bush, NSW 2140  
 Australia

For and on behalf of the Board

Place : Kolkata  
 Dated : 14th November, 2011

**Dinesh Chandra Bajoria**  
 Chairman Cum Managing Director

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## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of  
Gujarat Metallic Coal & Coke Ltd**

We have examined the compliance of conditions of Corporate Governance by Gujarat Metallic Coal & Coke Ltd, ( herein after referred to as the Company), for the fifteen-month period ended on 30<sup>th</sup> June 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the conditions of the Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of the 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 the representation made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above-mentioned Listing Agreement.

As required by the guidance note issued by the Institute of Chartered Accountants of India, we have to state that as per record maintained by the Company and produced for our examination, there was no Investors' complaints remaining pending as at 30<sup>th</sup> June, 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*  
Regn No 0302081E

**B. Basu**  
*Partner*

Membership No. 12748

Place: Kolkata  
Dated : 14.11. 2011

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

I, Dinesh Chandra Bajoria, Chairman & Managing Directors and also as Chief Financial Officer of Gujarat Metallic Coal & Coke Limited, to the best of my knowledge and belief, certify that :

- 1) I have reviewed the Balance Sheet as at 30th June, 2011 and Profit & Loss Account, and all its schedules and notes on accounts, as well as the cash flow statement and the Director's Report for the period ended on that date.
- 2) Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or does not contain any statements that might be misleading.
- 3) Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the period presented in this report and are in compliance with the existing accounting standards and/or applicable laws and regulations.
- 4) To the best of my knowledge and belief, no transactions entered into by the company during the aforesaid period are fraudulent, illegal or volatile of the company's code of conduct.
- 5) I am responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the company, and I have
  - i. Evaluated the effectiveness of the company's disclosure, controls and procedures over financial reporting; and
  - ii. Disclosed in this report any change in company's internal control over financial reporting that occurred during the company's most recent accounting period that may have materially affected, or is reasonably likely to affect, its internal control over financial reporting.
- 6) I have disclosed based on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the Board of Directors -
  - i. Evaluated the effectiveness of the company's disclosure, controls and procedures over financial reporting; and
  - ii. Disclosed in this report any change in company's internal control over financial reporting that occurred during the company's most recent accounting period that may have materially affected, or is reasonably likely to affect, its internal control over financial reporting.
- 7) I have disclosed based on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company's Board of Directors -
  - i. deficiencies, if any in the design or operation of internal controls, which could adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors, any material weakness in internal control over financial reporting including any corrective actions with regard to such deficiencies, if any;
  - ii. all significant changes in internal controls during the period covered by this report, if any;
  - iii. all significant changes in accounting policies during the period, if any and that the same have been disclosed in the notes to the financial statements;
  - iv. no instances of significant fraud of which I am aware, involving management or other employees who have significant role in the company's internal controls.
- 8) I further declare that all board members and senior management personnel have affirmed compliance with the code of conduct (since its adoption) during the period under review.

**Dinesh Chandra Bajoria**

Place : Kolkata  
Date : 14th November, 2011

Chairman & Managing Director  
(Also as Chief Financial Officer)

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## MANAGEMENT DISCUSSIONS AND ANALYSIS

The Company is engaged in trading of coal and coke. Coke being a derivative of coking coal is the main source of heat and is also the reducing agent required to facilitate the conversion of metallurgical ores into metal during the smelting process. Coke has a huge demand in Steel industry, Cement industry, pit furnaces for small castings and gas producers among others. Coke has a huge demand globally and also in India, which is on the rise considering the fact that there is a global shift of Steel making from the developed to the developing countries and India is fast emerging as the chosen destination.

### OPPORTUNITIES & THREATS

The demand for coke is increasing due to sustained growth of steel and infrastructure industry in the Country. Coke is extensively used in the Foundries, Ferro Alloys, Steel and Chemicals industries. The Company foresees great scope in coke Business.

During the period under review, Demand for met coke is huge in the international Market. There is shortage of met coke in the international market. With the global steel production set to rise further, the demand for coke expected to rise further. Day by day new players are entering the market and thus has made the market more competitive. However, Your Company is fully prepared to face competition from all the new players. The company is countering this threat by negotiations with the suppliers and adopting sound marketing strategies.

### RISKS & CONCERNS

The most important risk factors that affect the coke industry is that it is directly linked with steel industry. Hence, the prospect of the company is directly linked to the performance of the steel industries. The adverse market conditions and severe competition in the coke industries are the main concerns of the Company.

### OUTLOOK

The demand of coke is expected to be strong due to continuing Industrialization and growth in the Steel Sector in the country.

The coke prices are expected to remain stable due to various restriction imposed by China by way of export taxes and other measures. Further there is a considerable thrust on the development of infrastructure facilities by the Government, which is likely to give a boost to the overall economy.

### HUMAN RESOURCES

During the period, the Company maintained harmonious and cordial relations with its employees. The company has taken steps to create a sense of belongingness in the minds of the employees, which in turn initiates them to give their maximum contribution while gearing them to face the challenges in the competitive business environment and to achieve the desired goals.

### INTERNAL CONTROL SYSTEMS

The company has developed adequate internal control system commensurate to its size and business. The reports of internal auditors are submitted to the Management and audit Committee, which further review the adequacy of the internal control system. The Internal control systems are supplemented by an extensive programme of internal audits, review by management, guidelines and procedures.

### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance has been discussed in the Directors' report.

### CAUTIONARY STATEMENT

The report may contain statements that the Company believes are or may be considered to be "forward looking statement" that describes our objectives, plan or goals. All these forward looking statements are subject to certain risks and uncertainties including but not limited to Government action, economic development, risks inherent in the Company's growth strategy and other factors that could cause the actual results to differ materially from those contemplated by the relevant forward looking statements.

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

Gujarat Metallic Coal & Coke Limited

		(Rs.in '000)
<b>Name of the Subsidiary Company</b>	<b>Happy Mining Pty Ltd.</b>	
1. Financial Year of the subsidiary ended on		31.03.2011
2. Holding Company's Interest		
Equity Shares of AU\$ 1each		
(a) Number of Shares Fully paid		10,000,000
(b) % Share held by the company directly or through its subsidiaries		100%
3. Net aggregate amount of Profit/(Losses) of the Subsidiary, so far as they concern members of the company		
(i) For the Financial Year of subsidiary		
(a) Dealt with in the accounts of the company		Nil
(b) Not dealt with in the accounts of the company		(639)
(ii) For the previous Financial Years of the subsidiary since it became the subsidiary		
(a) Dealt with in the accounts of the company		Nil
(b) Not dealt with in the accounts of the Holding company		(751)
4. Details of changes, if any between the end of financial year of the Subsidiary and end of the financial year of the Holding Company in respect of following matters :		
a) Holding Company's interest :		Nil
b) Subsidiary's fixed assets :		Nil
c) Subsidiary's investments :		Nil
d) The moneys lent by subsidiary :		Nil
e) The moneys borrowed by subsidiary for any purpose other than that of meeting current liabilities :		Nil

## AUDITORS' REPORT

Annual Report 2010-11

To the members of Gujarat Metallic Coal & Coke Limited

We have audited the attached Balance Sheet of Gujarat Metallic Coal & Coke Limited as at 30th June, 2011 and also the annexed Profit and Loss Account and the Cash Flow Statement of the Company for the period ended on that date. 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards required 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.

As required 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.

Further to our comments in the Annexure referred to above, we report that:

- I. 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 ;
- II. 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 ;
- III. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- IV. In our opinion, the Balance Sheet, Profit & Loss Account and the 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;
- V. On the basis of written representations received from the directors, as on 30th June, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th June, 2011 from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956;
- VI. In our opinion and to the best of our information and according to the information and explanations given to us, the said accounts read together with the significant accounting policies in schedule 14 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:
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 30th June, 2011;
  - b) In the case of the Profit and Loss Account, of the profit for the period ended on that date; and
  - c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

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

Place : Kolkata

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**Annexure referred to in paragraph 3 of our Report of even date to the members of Gujarat Metallic Coal & Coke Limited for the period ended 30th June, 2011.**

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The fixed assets have been physically verified by the management during the period in a phased manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the period the company has not disposed off any of its fixed assets.
- (II) (a) The inventories have been physically verified by the management at reasonable intervals during the period. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, 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) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory and discrepancies noticed on physical verification as compared to book records were not material and have been properly dealt with in the books of account.
- (III) The Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties except current account transactions covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (a),(b), (c),(d),(e),(f) & (g) of clause (iii) of paragraph 4 of the Order are not applicable to the Company.
- (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, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (V) (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) According to the information and explanations given to us, we are of the opinion that the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs.5 lacs in respect of each party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (VI) The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956
- (VII) As explained to us, the company has an adequate internal audit system commensurate with the size of the company and the nature of its business.
- (VIII) According to the information and explanation given to us, maintenance of cost records have not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 for the business carried on by the company.
- (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 with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues to the extent applicable to it. There is no undisputed amounts payable as at 30th June, 2011 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there were no dues in respect of income tax, sales tax, wealth tax, service tax, custom duty and 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. in '000)	Period to which the amount relates	Forum where the dispute is pending
I.Tax Act, 1961	Income Tax	263	FY:2005-06	CIT (Appeals)
I.Tax Act,1961	Income Tax	7	FY:2004-05	DC Circle-2

- (X) The Company has no accumulated losses as at 30th June 2011 and the Company has not incurred any cash losses in the financial period covered by our audit report 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 financial institutions, banks or debenture holders.
- (XII) The Company has not granted any 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 or a nidhi / mutual benefit fund /society.
- (XIV) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the company in its own name.
- (XV) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (XVI) According to the information and explanations given to us, the Company has not taken any term loan during the period under review.
- (XVII) According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we are of opinion that no funds raised on short term basis have been used for long term investment.
- (XVIII) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (XIX) During the period covered by our audit report, the company has not issued any debenture.
- (XX) During the period covered by our audit report, the company has not raised any money by way of public issue.
- (XXI) Based on the audit procedures and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

**B. Basu**  
Partner

Place : Kolkata



**BALANCE SHEET**  
as at 30th June, 2011

Gujarat Metallic Coal & Coke Limited

		(Rs. in '000)	
	<u>Schedules</u>	<u>As at 30th June, 2011</u>	<u>As at 31st March, 2010</u>
<b>SOURCES OF FUNDS :</b>			
<b>Shareholders' Fund</b>			
Share Capital	1	198,066	198,066
Reserves & Surplus	2	14,403	12,073
<b>Deferred Tax Liability</b>		246	259
		<b>212,715</b>	<b>210,398</b>
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets</b>			
Gross Block	3	1,836	1,806
Less : Depreciation		1,010	938
Net Block		826	868
<b>Investments</b>	4	343,306	346,658
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	5	521,561	1,169,152
Sundry Debtors	6	524,242	28,382
Cash & Bank Balances	7	3,019	3,011
Loans & Advances	8	162,819	136,945
		<b>1,211,641</b>	<b>1,337,490</b>
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	9	1,342,208	1,474,197
Provisions	10	850	421
<b>Net Current Assets</b>		<b>(131,417)</b>	<b>(137,128)</b>
		<b>212,715</b>	<b>210,398</b>

Significant Accounting Policies &  
Notes on Accounts 14  
Balance Sheet Abstract and Business Profile 15  
Schedules referred to above form integral part of the Balance Sheet

As per our attached report of even date

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

*Chartered Accountants*

**B. Basu**

Partner

Membership No. 12748

Place : Kolkata

Date : 14th November, 2011

**Gopal Sharma**

*(Company Secretary)*

**Kanta Bajoria**

*(Director)*

**D. C. Bajoria**

*(Chairman cum Mg. Director)*

**PROFIT & LOSS ACCOUNT**  
for the period ended 30th June, 2011

Annual Report 2010-11

		(Rs. in '000)	
	<u>Schedules</u>	<u>Period ended 30th June, 2011</u>	<u>Year ended 31st March, 2010</u>
<b>INCOME</b>			
Sales		667,244	275,479
Other Income	11	10,213	2,899
Increase/(decrease) in Stocks	12	(647,591)	1,063,000
		<b>29,866</b>	<b>1,341,378</b>
<b>EXPENSES</b>			
Purchases		23,367	1,330,751
Administrative & Other Expenses	13	3,798	3,206
<b>INCOME FROM OPERATIONS</b>		<b>2,701</b>	<b>7,421</b>
Interest Paid		408	4,985
Depreciation	3	72	102
<b>Profit before Tax</b>		<b>2,221</b>	<b>2,334</b>
Provision for Taxation :			
Current Tax (Minimum Alternate Tax)		426	370
MAT Credit Entitlement		(412)	(259)
Deferred Tax		(13)	(41)
MAT Credit Entitlement for Earlier Year		(101)	-
Earlier Years Tax		(9)	5
<b>Profit after Tax</b>		<b>2,330</b>	<b>2,259</b>
Balance brought forward		10,583	8,324
<b>Balance carried to Balance Sheet</b>		<b>12,913</b>	<b>10,583</b>
Basic and Diluted Earning per share (in Rs.)			
[Face value Rs.100/- per share]		1.18	1.14
Significant Accounting Policies & Notes on Accounts			
	14		
Schedules referred to above form integral part of the Profit & Loss Account			

As per our attached report of even date

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

*Chartered Accountants*

**B. Basu**

Partner

Membership No. 12748

Place : Kolkata

Date : 14th November, 2011

**Gopal Sharma**  
(Company Secretary)

**Kanta Bajoria**  
(Director)

**D. C. Bajoria**  
(Chairman cum Mg. Director)

**CASH FLOW STATEMENT**  
for the period ended 30th June, 2011

Gujarat Metallic Coal & Coke Limited

	Period ended 30th June, 2011	(Rs. in '000) Year ended 31st March, 2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax	2,221	2,334
<b>Adjustments for :</b>		
Depreciation	72	102
Interest Expenses	408	4,985
Profit on Sale of Investments	(7,004)	-
Interest Income	(3,209)	(2,899)
<b>Operating Profit before working Capital Changes</b>	<b>(7,512)</b>	<b>4,522</b>
<b>Adjustment for :</b>		
(Increase)/Decrease in Inventories	647,591	(1,062,834)
(Increase)/Decrease/ in Trade & Other Receivables	(543,155)	(12,456)
Increase/(Decrease) in Trade & Other Payable	(131,977)	1,057,815
<b>Cash generated from operations</b>	<b>(35,053)</b>	<b>(12,953)</b>
Direct Taxes Paid / Refunds	1,783	(731)
<b>Net cash flow from Operating Activities</b>	<b>(33,270)</b>	<b>(13,684)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale of Investments	12,856	2,389
Purchase of Investments	(2,500)	-
Purchase of Fixed Assets	(30)	-
(Increase)/Decrease in Loans	20,151	13,001
Interest Received	3,209	2,899
<b>Net cash flow from Investing Activities</b>	<b>33,686</b>	<b>18,289</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES :</b>		
Interest Paid	(408)	(4,985)
<b>Net cash flow from Financing Activities</b>	<b>(408)</b>	<b>(4,985)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>8</b>	<b>(380)</b>
Opening Balance of Cash & Cash Equivalents	3,011	3,391
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>3,019</b>	<b>3,011</b>

As per our attached report of even date

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

Chartered Accountants

**B. Basu**

Partner

Membership No. 12748

Place : Kolkata

Date : 14th November, 2011

**Gopal Sharma**

(Company Secretary)

**Kanta Bajoria**

(Director)

**D. C. Bajoria**

(Chairman cum Mg. Director)

## SCHEDULES TO THE ACCOUNTS

Annual Report 2010-11

	(Rs. in '000)	
	As at 30th June, 2011	
	As at 31st March, 2010	
<b>SCHEDULE – 1 : SHARE CAPITAL</b>		
<b>Authorised :</b>		
20,00,000 Equity Shares of Rs.100/- each (Previous year 200,00,000 Equity Shares of Rs. 10/- each)	<b>200,000</b>	<b>200,000</b>
<b>Issued Subscribed &amp; Paid up :</b>		
19,80,658 Equity Shares of Rs.100/- each fully paid-up (Previous year 1,98,06,584 Equity Shares of Rs. 10/- each fully paid-up)	198,066	198,066
	<b>198,066</b>	<b>198,066</b>

Out of the above :

10,24,368 (Previous Year 102,43,684) Equity Shares were issued to the shareholders of erstwhile Arvind Commodities Limited pursuant to the scheme of arrangement sanctioned by Honbl'e High Court at Calcutta

5,000 (Previous year 50,000) Equity Shares were issued for consideration other than cash

6,60,060 (Previous year 66,00,600) Equity Shares were issued as fully paid bonus shares by way of capitalisation of free reserves

**Note :** The number of shares in current period as mentioned above are subsequent to consolidation of nominal value from Rs. 10/- each to Rs. 100/- each.

### SCHEDULE – 2 : RESERVES & SURPLUS

Capital Subsidy	11	11
Capital Reserve	1,479	1,479
Profit & Loss Account	12,913	10,583
	<b>14,403</b>	<b>12,073</b>

### SCHEDULE – 3 : FIXED ASSETS

Particulars of Assets	Gross Block			Depreciation			Net Block	
	As on 01.04.2010	Additions During the Period	As on 30.06.2011	As on 01.04.2010	For the Period	As on 30.06.2011	As on 30.06.2011	As on 31.03.2010
Building	719	–	719	24	15	39	680	695
D.G.Set	70	–	70	36	4	40	30	34
Furniture & Fixture	25	–	25	15	2	17	8	10
Computer	188	30	218	171	18	189	29	17
Motor Vehicle	734	–	734	669	29	698	36	65
Air Conditioner	42	–	42	10	2	12	30	32
Office Equipments	28	–	28	13	2	15	13	15
<b>Total</b>	<b>1,806</b>	<b>30</b>	<b>1,836</b>	<b>938</b>	<b>72</b>	<b>1,010</b>	<b>826</b>	<b>868</b>
Previous Year	1,806	–	1,806	836	102	938	868	970

**SCHEDULES TO THE ACCOUNTS (Contd.)**

Gujarat Metallic Coal &amp; Coke Limited

**SCHEDULE – 4 : INVESTMENTS (AT COST)**

	Face Value (Rs.)	No. of Shares	As at 30th June, 2011	(Rs. in '000) As at 31st March, 2010
<b>Long Term (Non Trade)</b>				
<b>Quoted (Equity)</b>				
Arvind International Ltd.	10	39,250 (415,135)	545	4,598
Interstate Oil Carriers Ltd	10	– (119,000)	–	1,799
<b>Unquoted (Equity)</b>				
<b>In Wholly owned Foreign Subsidiary</b>				
Happy Mining Pty Ltd.		10,000,000 (10,000,000)	334,076	334,076
<b>In Others</b>				
Kaizen Organics Private Ltd.	10	33,750 (33,750)	1,150	1,150
Aparna Polyflex Pvt Ltd.	10	9,980 (9,980)	100	100
Arvind Coir Foam Pvt Ltd.	10	404,500 (3,54,500)	6,045	3,545
Shri Brishab Sinha Construction Pvt Ltd	10	9,000 (9,000)	360	360
Narottamka Commodities Pvt Ltd.	10	515,000 (5,15,000)	1,030	1,030
			<b>343,306</b>	<b>346,658</b>
Aggregate Book Value of Quoted Investments			545	6,397
Aggregate Book Value of Un-Quoted Investments			342,761	340,261
			<b>343,306</b>	<b>346,658</b>
Aggregate Market Value of Quoted Investments			418	3,966

**SCHEDULES TO THE ACCOUNTS** (Contd.)

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	<u>As at 30th June, 2011</u>	<u>As at 31st March, 2010</u>
(Rs. in '000)		
<b>SCHEDULE – 5 : INVENTORIES</b>		
Coal & Coke	519,058	1,165,162
Others	2,503	3,990
	<u><b>521,561</b></u>	<u><b>1,169,152</b></u>
<b>SCHEDULE – 6 : SUNDRY DEBTORS*</b> (Unsecured, considered good)		
Debts outstanding for a period exceeding six months	49,005	27,244
Other Debts	475,237	1,138
	<u><b>524,242</b></u>	<u><b>28,382</b></u>
* Refer Note B-7C of Schedule 14		
<b>SCHEDULE – 7 : CASH &amp; BANK BALANCES</b>		
Cash in hand	406	858
Balances with Scheduled Banks		
In Current accounts	2,491	2,037
In Term Deposit account	109	103
In Dividend accounts	13	13
	<u><b>3,019</b></u>	<u><b>3,011</b></u>
<b>SCHEDULE – 8 : LOANS &amp; ADVANCES</b> (Unsecured, considered good)		
Loans	3,982	24,132
Advances recoverable in cash or in kind*	101,056	62,788
Advance Tax & Tax Deducted at Source	2,269	4,052
MAT Credit Entitlement	772	259
Deposits with Government & Other Authorities	202	202
VAT Input Recoverable	54,538	45,512
	<u><b>162,819</b></u>	<u><b>136,945</b></u>

\* Refer Note B-7C of Schedule 14

**SCHEDULES TO THE ACCOUNTS (Contd.)**

Gujarat Metallic Coal &amp; Coke Limited

	(Rs. in '000)	
	<u>As at 30th June, 2011</u>	<u>As at 31st March, 2010</u>
<b>SCHEDULE – 9 : CURRENT LIABILITIES*</b>		
Sundry Creditors :		
- For Goods	1,290,323	1,402,807
- For Expenses	356	142
Advance from Customers	1,374	2,072
Other Advances payable	12,300	65,925
Other Liabilities	37,842	3,238
Unclaimed Dividend	13	13
	<u><b>1,342,208</b></u>	<u><b>1,474,197</b></u>
* Refer Note B-7D of Schedule 14		
<b>SCHEDULE – 10 : PROVISIONS</b>		
Provision for Taxation	786	370
Provision for Gratuity & Leave	64	51
	<u><b>850</b></u>	<u><b>421</b></u>
	<u>Period ended</u>	<u>Year ended</u>
	<u>30th June, 2011</u>	<u>31st March, 2010</u>
<b>SCHEDULE – 11 : OTHER INCOME</b>		
Interest (Gross)	3,209	2,899
(TDS-Rs.228 thousand Previous Year Rs.288 thousand)		
Profit on Sale of long term non trade Investments	7,004	–
	<u><b>10,213</b></u>	<u><b>2,899</b></u>
<b>SCHEDULE – 12 : INCREASE/(DECREASE) IN STOCKS</b>		
Closing Stocks	521,561	1,169,152
Less : Opening Stocks	1,169,152	106,152
	<u><b>(647,591)</b></u>	<u><b>1,063,000</b></u>

**SCHEDULES TO THE ACCOUNTS** (Contd.)

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	(Rs. in '000)	
	<u>Period ended 30th June, 2011</u>	<u>Year ended 31st March, 2010</u>
<b>SCHEDULE – 13 : ADMINISTRATIVE &amp; OTHER EXP.</b>		
Salaries and Bonus	1,084	925
Provision / Payment for Gratuity	13	8
Repairs to others	102	38
Screening Charges	–	695
Auditors Remuneration :		
- Statutory Audit fees	28	27
- Tax audit Fees	8	8
Rent	67	29
Rates & Taxes	54	59
Security Transaction Tax	16	129
Insurance Charges	20	11
Filing Fees	6	4
Listing Fees	510	97
Electricity Charges	–	24
Carriage out-ward Expenses	750	–
Communication Expenses	492	174
Bank & Finance Charges	18	248
Professional, Legal & Service Charges	293	286
Advertisement & Sales promotion Expenses	107	64
Printing & Stationery	133	11
Travelling & Conveyance	38	17
Foreign Exchange Fluctuation loss	30	–
Sundry Balances Written Off	–	350
Miscellaneous Expenses	29	2
	<u><b>3,798</b></u>	<u><b>3,206</b></u>



**SCHEDULE -14 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES :****i) Accounting Conventions :**

The financial statements are prepared under historical cost conventions and as a going concern basis following the accrual basis of accounting and in accordance with the generally accepted accounting principles (GAAP) in India and in compliance with the provisions of the Companies Act, 1956.

**ii) Use of Estimates :**

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

**iii) Fixed Assets :**

Fixed assets are stated at cost. The cost of fixed assets comprises its purchase price, cost of construction, cost of borrowings and other cost directly attributable to bring the assets at its working conditions and location for its intended use.

**iv) Depreciation :**

Depreciation on fixed assets is provided on straight-line method (SLM) at the rates and in the manner prescribed in Schedule XIV of the companies Act, 1956.

**v) Investments :**

Long term Investments are stated at cost. Provision is made when diminution in the value of such investments is considered permanent in nature. Current Investments are valued at lower of cost and market/fair value.

**vi) Inventories :**

Inventories are valued at cost or net realizable value, whichever is lower. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and conditions. Cost is determined on FIFO basis. Any shortage / surplus found on physical verification of inventories are adjusted in the accounts as found appropriate.

**vii) Revenue Recognition :**

- |    |                                |   |   |
|----|--------------------------------|---|---|
| a. | In respect of sales            | : | When the significant risks and rewards of ownership of goods are transferred to customers |
| b. | In respect of service income   | : | When the services are performed as per contract.  |
| c. | In respect of interest income  | : | On time proportion basis taking into account the amount outstanding.                      |
| d. | In respect of dividend income  | : | When right to receive payment is established.   |
| e. | In respect of insurance claims | : | On Settlement of Claims.  |

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**SCHEDULE -14 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)**
**viii) Foreign Exchange Transactions :**

Transactions involving foreign exchange are normally recorded at the exchange rates prevailing on the date of the transactions. 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 period, or reported in previous financial statement, are recognized as income or expenses in the period in which they arise except in case where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

**ix) Taxes on Income :**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred Tax resulting from timing difference between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.

Deferred Tax assets are recognized only if there is a reasonable certainty that the same will be realized and are reviewed for the appropriateness of their carrying values at each balance sheet date.

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

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

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

**xi) Miscellaneous Expenditure :**

Preliminary and share/debenture issue expenses are amortized over a period of five years.

**xii) Impairment of assets :**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to assess whether there is any indication of any asset being impaired. An asset is treated as impaired when the carrying value of asset exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the period in which an asset is identified as impaired. The impairment loss, if any, in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**xiii) Earning per share (EPS) :**

The basic earning per share ("EPS") is computed by dividing the net profit after tax for the period by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, net profit after tax for the period and the weighted average number of shares outstanding during the period 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.

**SCHEDULE -14 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)**

- xiv) Prior Period Adjustments, Extra-ordinary Items and Changes in Accounting Policies :**  
Prior period adjustments, extraordinary items and changes in accounting policies, if any having material impact on the financial affairs of the Company is disclosed.
- xv) Provisions, Contingent Liabilities & Contingent Assets :**  
Provision is made when there is a legal or constructive obligation as a result of past event and it is possible that a future sacrifice of economic benefits will be required to settle the obligation. Contingent Liabilities are not recognized but are disclosed by way of notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**B. NOTES ON ACCOUNTS :**

- Contingent liability not provided for in respect of disputed income tax demand of Rs.263 thousand (Previous year Rs.263 thousand) for financial year 2005-06 and Rs.7 thousand (Previous year Rs.7 thousand) for financial year 2004-05 for which an appeal has been preferred.
- Earning in Foreign exchange Rs.9,292 thousand (previous year Rs. Nil)
- The Company has not received any information from any of its suppliers/creditors as to their status of being a micro, small and medium enterprise as defined in the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED). Hence the Company is not in a position to furnish the information as required to disclose under Schedule VI of the Companies Act, 1956, and the Micro, Small & Medium Enterprises Development Act, 2006.
- Since the company has few employees, the accrued liability for employees' retirement benefits viz. gratuity and leave encashment at the end of the financial period has been determined by the company on a rational basis on the assumption that such benefits are payable to all employees at the period end.
- In accordance with the Accounting Standard 22 "Accounting for Taxation on Income", the provision for net deferred tax liability as at the date of the Balance Sheet as shown below has been provided in the accounts.

(Rs. in '000)

Descriptions	Current Period	Previous Year
<b>Deferred Tax Liability</b>		
- On account of depreciation on fixed assets	250	268
	<b>250</b>	<b>268</b>
<b>Deferred Tax Asset</b>		
- On account of gratuity	4	9
	<b>4</b>	<b>9</b>
Net Deferred Tax Liability/(Asset) at the end of the period/year	246	259
Net Deferred Tax Liability/(Asset) at beginning of the period/year	259	300
Net Deferred Tax Debited/(Credited) to Profit & Loss A/C.	<b>(13)</b>	<b>(41)</b>

**SCHEDULE -14 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)****6. Earning per Share (EPS) :** (Rs. in '000)

Descriptions	Current Period	Previous Year
Profit after tax (Rs.in'000)	2,330	2,259
Number of equity shares at the beginning of the period/year	198,06,584	1,98,06,584
Less : Number of equity shares reduced on consolidation of face value from Rs.10/- to Rs.100/-	178,25,926	–
Number of equity shares of Rs.100/- each (previous year Rs.10/- each) at the end of the period/year	19,80,658	1,98,06,584
Weighted average number of equity shares outstanding during the period/year	19,80,658	1,98,06,584
Basic & Diluted Earning Per Share of Rs.100/- each (in Rs.)	1.18	1.14*

\* Adjusted for consolidation of nominal value of shares

**7. Related party disclosures, as required by Accounting Standard (AS-18), are given below :****A. Particulars of Related Parties :****i) Wholly Owned Foreign Subsidiary**

Happy Mining Pty Limited

**ii) Key Management personnel :**

Mr. Dinesh Chandra Bajoria - Chairman cum Mg.Director

**iii) Relatives of key management personnel**

Mr.Ramesh Chandra Bajoria

Mrs. Sharda Devi Bajoria

**iv) Enterprises in which key management personnel has significant influence**

1. Aparna Polyflex Pvt. Ltd. 2. Ruchika Tradelink Pvt. Ltd. 3. Arvind Industries

**B. Transactions with Related Parties**

(Rs.in'000)

Particulars of Transactions	Current Period	Previous Year
<b>(i) Sales of Goods/Services</b>		
- Enterprises in which key management personnel has significant influence	61,594	2,301
<b>(ii) Purchase of Good/Services</b>		
- Enterprises in which key management personnel has significant influence	–	20,566
<b>(iii) Advances given/(Refunded)</b>		
- Key management personnel	–	(243)
- Enterprises in which key management personnel has significant influence	29,100	–

**SCHEDULE -14 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)**

Particulars of Transactions	Current Period	Previous Year
<b>(iv) Advances Received/(Refunded)</b>		
- Key management personnel	(15)	40
- Relatives of key management personnel	(185)	1,835

**C. Amounts due from related parties : (Rs. in '000)**

	Current Period		Previous Year	
	Outstanding Balance at preiod end	Maxm. Bal. During the preiod	Outstanding Balance at year end	Maxm. balance during the year
Enterprises in which key management personnel has significant influence				
- included in sundry debtors	25,922	25,922	1,128	2,188
- included in Loans & advances	36,122	37,857	7,023	7,023
Relative of key management personnel				
- included in loans & advances	30	30	30	30

**D. Amounts due to related parties : (Rs. in '000)**

	Current Period	Previous Year
Enterprises in which key management personnel has significant influence		
- included in current liabilities	75	78,647
Key Management Personnel		
- included in current liabilities	25	40
Relatives of key management personnel		
- included in current liabilities	1,070	1,255

**SCHEDULE -14 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)****8. Additional information pursuant to the provisions of part II of Schedule VI of the Companies Act. 1956 to the extent applicable :****A) Quantitative Information in respect of principal items of goods traded****(Rs. in '000)**

Product (Unit)	Current Period		Previous Year	
	Quantity	Amount	Quantity	Amount
<b>Coal/Coke (In MT)</b>				
Opening Stock	60,590	11,65,162	14,669	26,277
Add : purchases	46,575	18,630	1,22,881	13,21,035
Less : Stones from Processes	–		54,858	
Less : Sales*	80,382	6,57,922	22,102	1,66,943
Closing Stock	26,783	5,19,058	60,590	11,65,162
<b>Shares (In Nos.)</b>				
Opening Stock	–	–	40,23,898	79,874
Add : purchases	–	–	43,000	1,158
Less : Sales	–	–	40,66,898	1,03,868
<b>Coir Sheet (In Pcs.)</b>				
Purchases	–	–	6,668	4,568
Sales	–	–	6,668	4,668
<b>Others</b>				
Opening Stock		3,990		–
Add : purchases		4,737		3,990
Less : Sales		9,322		–
Closing Stock		2,503		3,990

\* Sales include shortage of 34 MT (previous year - Nil) during the period.

9. The Company is primarily engaged in the business of trading in coal and coke within India. Hence there is no reportable segment as envisaged in AS -17 issued by the Institute of Chartered Accountants of India (ICAI).
10. Previous year figures have been regrouped /rearranged wherever found necessary.

**SCHEDULE -15 : BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

Additional information pursuant to part iv of schedule vi of the companies act, 1956 (Rs. in '000)

<b>I. Registration Details</b>	
Registration No.	L24298WB1992PLC054815
State Code	21
Balance Sheet Date	30.06.2011
<b>II. Capital raised during the year</b>	
Public Issue	NIL
Rights Issue	NIL
Private Placement	NIL
Bonus Issue	NIL
<b>III. Position of Mobilisation and Deployment of Funds</b>	
Total Liabilities	1,555,773
Total Assets	1,555,773
<b>Sources of Funds</b>	
Paid up capital	198,066
Reserves & Surplus	14,403
Secured Loans	NIL
Unsecured Loans	NIL
Deferred Tax Liability	246
<b>Application of Funds</b>	
Net Fixed Assets	826
Investments	343,306
Net Current Assets/(Liabilities)	(131,417)
Misc. Expenditure	NIL
Accumulated Losses	NIL
<b>IV. Performance of Company</b>	
Turnover (Including other income)	677,457
Total Expenditure	675,236
Profit/(Loss) before Tax	2,221
Profit after Tax	2,330
Earnings per Shares (in Rs.)	1.18
Dividend Rate	NIL
<b>V. Generic names of Principal Products/ Services of the Company (as per monetary terms)</b>	
<u>Product Description</u>	<u>Item Code No. (ITC Code)</u>
Coke	27040030

As per our attached report of even date

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

Partner

Membership No. 12748

Place : Kolkata

Date : 14th November, 2011

**Gopal Sharma***(Company Secretary)***Kanta Bajoria***(Director)***D. C. Bajoria***(Chairman cum Mg. Director)*

## CONSOLIDATED AUDITORS' REPORT

Annual Report 2010-11

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### Auditors' Report to the Board of Directors of the Gujarat Metallic Coal & Coke Limited (Formerly Arvind Chemicals Limited) on the consolidated financial statements of Gujarat Metallic Coal & Coke Limited and its subsidiary

1. We have audited the attached Consolidated Balance Sheet of Gujarat Metallic Coal & Coke Limited ("the Company") and its Foreign subsidiary Happy Mining Pty Ltd. (collectively referred to as the "the Group") as at June 30, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the period ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement, in all respects, in accordance with an identified financial reporting framework. 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 statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statement of subsidiary whose financial statements reflect total assets of Rs.46.72 crores as at March 31, 2011 and total revenue of Rs.0.09 crores and net cash outflows of Rs.1.74 crores for the year ended on that date. The financial statement of subsidiary company Happy Mining Pty Ltd has been audited by other auditors whose report has been furnished to us, and our opinion, so far as it relates to the accounts of the subsidiary, is based on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21- "Consolidated Financial Statements" and Accounting Standard 23- "Accounting for Investment in Associates in Consolidated Financial Statements " as prescribed by the Companies (Accounting Standards) Rules, 2006.
5. We further report that on the basis of the information and on consideration of the audit reports on audited financial statements of Gujarat Metallic Coal & Coke Limited and its subsidiary Happy Mining Pty Limited, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at June 30, 2011;
  - (ii) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operation of the Group for the period ended on that date; and
  - (iii) in the case of Consolidated Cash Flow Statement, of the consolidated Cash Flows of the Group for the period ended on that date.

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

**B. Basu**  
Partner

Membership No.12748

Place : Kolkata  
Date : 14th November, 2011



**CONSOLIDATED BALANCE SHEET**  
as at 30th June, 2011

Gujarat Metallic Coal & Coke Limited

		(Rs. in '000)	
	<u>Schedules</u>	<u>As at 30th June, 2011</u>	<u>As at 31st March, 2010</u>
<b>SOURCES OF FUNDS :</b>			
<b>Shareholders' Fund</b>			
Share Capital	1	198,066	198,066
Reserves & Surplus	2	133,214	83,666
		<u><b>331,280</b></u>	<u><b>281,732</b></u>
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets</b>			
Gross Block	3	1,890	1,860
Less : Depreciation		1,038	952
Net Block		<u>852</u>	<u>908</u>
<b>Investments</b>	4	454,200	395,098
<b>Deferred Tax Assets</b>		443	91
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	5	521,561	1,169,152
Sundry Debtors	6	524,242	28,382
Cash & Bank Balances	7	8,893	26,264
Loans & Advances	8	164,362	136,945
		<u><b>1,219,058</b></u>	<u><b>1,360,743</b></u>
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	9	1,342,441	1,474,711
Provisions	10	850	421
<b>Net Current Assets</b>		<u><b>(124,233)</b></u>	<u><b>(114,389)</b></u>
<b>Miscellaneous Expenditure</b>	11	18	24
		<u><b>331,280</b></u>	<u><b>281,732</b></u>

Significant Accounting Policies &  
Notes on Accounts

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Schedules referred to above form integral part of the Balance Sheet

As per our attached report of even date

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

*Chartered Accountants*

**B. Basu**

Partner

Membership No. 12748

Place : Kolkata

Date : 14th November, 2011

**Gopal Sharma**  
*(Company Secretary)*

**Kanta Bajoria**  
*(Director)*

**D. C. Bajoria**  
*(Chairman cum Mg. Director)*

**CONSOLIDATED PROFIT & LOSS ACCOUNT**  
for the period ended 30th June, 2011

Annual Report 2010-11

		(Rs. in '000)	
	<u>Schedules</u>	<u>Period ended 30th June, 2011</u>	<u>Year ended 31st March, 2010</u>
<b>INCOME</b>			
Sales		667,244	275,479
Other Income	12	11,119	3,619
Increase/(decrease) in Stocks	13	(647,591)	1,063,000
		<u><b>30,772</b></u>	<u><b>1,342,098</b></u>
<b>EXPENSES</b>			
Purchases		23,367	1,330,751
Administrative & Other Expenses	14	5,627	4,494
<b>INCOME FROM OPERATIONS</b>		<u><b>1,778</b></u>	<u><b>6,853</b></u>
Interest Paid		408	4,985
Depreciation	3	85	111
<b>Profit before Tax</b>		<u><b>1,285</b></u>	<u><b>1,757</b></u>
Provision for Taxation			
Current Tax (Minimum Alternate Tax)		426	370
MAT Credit Entitlement		(412)	(259)
Deferred Tax		(310)	(211)
MAT Credit Entitlement for Earlier Year		(101)	–
Earlier Years Tax		(9)	5
<b>Profit after Tax</b>		<u><b>1,691</b></u>	<u><b>1,852</b></u>
Balance brought forward		9,832	7,980
<b>Balance carried to Balance Sheet</b>		<u><b>11,523</b></u>	<u><b>9,832</b></u>
Basic and Diluted Earning per share (in Rs.) [Face value Rs.100/- per share]			
Significant Accounting Policies & Notes on Accounts	15		
Schedules referred to above form integral part of the Profit & Loss Account			

As per our attached report of even date

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

*Chartered Accountants*

**B. Basu**

Partner

Membership No. 12748

Place : Kolkata

Date : 14th November, 2011

**Gopal Sharma**  
(Company Secretary)

**Kanta Bajoria**  
(Director)

**D. C. Bajoria**  
(Chairman cum Mg. Director)

**CONSOLIDATED CASH FLOW STATEMENT**  
for the period ended 30th June, 2011

Gujarat Metallic Coal & Coke Limited

	Period ended 30th June, 2011	Year ended 31st March, 2010
		(Rs. in '000)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax	1,284	1,757
<b>Adjustments for :</b>		
Depreciation/Other Non Cash Items	94	283
Interest Expenses	409	4,985
Interest Income	(4,114)	(3,618)
Profit on sale of Investments	(7,005)	-
<b>Operating Profit before working Capital Changes</b>	<b>(9,332)</b>	<b>3,407</b>
<b>Adjustment for :</b>		
(Increase)/Decrease in Inventories	647,591	(1,063,001)
(Increase)/Decrease/ in Trade & Other Receivables	(544,697)	(12,429)
Increase/(Decrease) in Trade & Other Payable	(132,257)	1,053,706
<b>Cash generated from operations</b>	<b>(38,695)</b>	<b>(18,317)</b>
Direct Taxes Paid / Refunds	1,742	(741)
<b>Net cash flow from Operating Activities</b>	<b>(36,953)</b>	<b>(19,058)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Investments	(64,954)	(30,727)
Sale of Investments	12,856	2,389
Purchase of Fixed Assets	(30)	-
(Increase)/Decrease in Loans	20,151	13,001
Interest Received	4,114	3,619
<b>Net cash flow from Investing Activities</b>	<b>(27,863)</b>	<b>(11,718)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES :</b>		
Foreign currency Translation reserves	47,853	23,797
Interest Paid	(409)	(4,985)
<b>Net cash flow from Financing Activities</b>	<b>47,444</b>	<b>18,812</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(17,372)</b>	<b>(11,964)</b>
Opening Balance of Cash & Cash Equivalents	26,264	38,228
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>8,892</b>	<b>26,264</b>

As per our attached report of even date

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

Chartered Accountants

**B. Basu**

Partner

Membership No. 12748

Place : Kolkata

Date : 14th November, 2011

**Gopal Sharma**  
(Company Secretary)

**Kanta Bajoria**  
(Director)

**D. C. Bajoria**  
(Chairman cum Mg. Director)

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

Annual Report 2010-11

	(Rs. in '000)	
	As at 30th June, 2011	
	As at 31st March, 2010	
<b>SCHEDULE – 1 : SHARE CAPITAL</b>		
<b>Authorised :</b>		
20,00,000 Equity Shares of Rs.100/- each (Previous year 200,00,000 Equity Shares of Rs. 10/- each)	<b>200,000</b>	<b>200,000</b>
<b>Issued Subscribed &amp; Paid up :</b>		
19,80,658 Equity Shares of Rs.100/- each fully paid-up (Previous year 198,06,584 equity shares of Rs.10/- each fully paid up)	198,066	198,066
	<b>198,066</b>	<b>198,066</b>

Out of the above

10,24,368 (Previous Year 102,43,684) Equity Shares were issued to the shareholders of erstwhile Arvind Commodities Limited pursuant to the scheme of arrangement sanctioned by Honbl'e High Court at Calcutta

5,000 (Previous year 50,000) Equity Shares were issued for consideration other than cash

6,60,060 (Previous year 66,00,600) Equity Shares were issued as fully paid bonus shares by way of capitalisation of free reserves

**Note :** The number of shares in current period as mentioned above are subsequent to consolidation of nominal value from Rs. 10/- each to Rs. 100/- each.

### SCHEDULE – 2 : RESERVES & SURPLUS

Capital Subsidy	11	11
Capital Reserve	1,479	1,479
Profit & Loss Account	11,523	9,832
Foreign Currency Translation Reserve	120,201	72,344
	<b>133,214</b>	<b>83,666</b>

### SCHEDULE – 3 : FIXED ASSETS

Particulars of Assets	Gross Block			Depreciation			Net Block	
	As on 01.04.2010	Additions During the Period	As on 30.06.2011	As on 01.04.2010	For the Period	As on 30.06.2011	As on 30.06.2011	As on 31.03.2010
Building	719	–	719	24	15	39	680	695
D. G. Set	70	–	70	36	4	40	30	34
Furniture & Fixture	26	–	26	16	2	18	8	10
Computer	241	30	271	184	32	216	55	57
Motor Vehicle	733	–	733	668	29	697	36	65
Air Conditioner	42	–	42	10	2	12	30	32
Office Equipments	29	–	29	14	2	16	13	15
<b>Total</b>	<b>1,860</b>	<b>30</b>	<b>1,890</b>	<b>952</b>	<b>86</b>	<b>1,038</b>	<b>852</b>	<b>908</b>
Previous Year	1,855	–	1,855	840	111	951	904	1,015

**SCHEDULES TO THE  
CONSOLIDATED ACCOUNTS** (Contd.)

Gujarat Metallic Coal & Coke Limited

**SCHEDULE – 4 : INVESTMENTS (AT COST)**

	Face Value (Rs.)	No. of Shares	As at 30th June, 2011	(Rs. in '000) As at 31st March, 2010
<b>Long Term (Non Trade)</b>				
<b>Quoted (Equity)</b>				
Arvind International Ltd.	10	39,250 (415,135)	545	4,598
Interstate Oil Carriers Ltd	10	– (119,000)	–	1,799
Gujarat NRE Coking Coal Ltd.	N.A.	33,519,750 (32,969,550)	444,515	382,109
Shree Minerals Ltd.	N.A.	50,000 (50,000)	455	407
<b>Unquoted (Equity)</b>				
Kaizen Organics Private Ltd.	10	33,750 (33,750)	1,150	1,150
Aparna Polyflex Pvt. Ltd.	10	9,980 (9,980)	100	100
Arvind Coir Foam Pvt. Ltd.	10	404,500 (3,54,500)	6,045	3,545
Shri Brishab Sinha Construction Pvt. Ltd.	40	9,000 (9,000)	360	360
Narottamka Commodities Pvt. Ltd.	10	515,000 (5,15,000)	1,030	1,030
			<b>454,200</b>	<b>395,098</b>
Aggregate Book Value of Quoted Investments			445,515	388,913
Aggregate Book Value of Un-quoted Investments			8,685	6,185
			<b>454,200</b>	<b>395,098</b>
Aggregate Market Value of Quoted Investments			907,350	942,460

**SCHEDULES TO THE  
CONSOLIDATED ACCOUNTS (Contd.)**

Annual Report 2010-11

	<u>As at 30th June, 2011</u>	<u>As at 31st March, 2010</u>
		(Rs. in '000)
<b>SCHEDULE – 5 : INVENTORIES</b>		
Coal & Coke	519,058	1,165,162
Others	2,503	3,990
	<u><b>521,561</b></u>	<u><b>1,169,152</b></u>
<b>SCHEDULE – 6 : SUNDRY DEBTORS</b> (Unsecured, considered good)		
Debts outstanding for a period exceeding six months	49,005	27,244
Other Debts	475,237	1,138
	<u><b>524,242</b></u>	<u><b>28,382</b></u>
<b>SCHEDULE – 7 : CASH &amp; BANK BALANCES</b>		
Cash in hand	406	858
Balances with scheduled Banks		
In Current accounts	2,491	2,037
In Term Deposit accounts	109	103
In Dividend accounts	13	13
Balances with Non Scheduled Banks		
In Current accounts	5,874	23,253
	<u><b>8,893</b></u>	<u><b>26,264</b></u>
<b>SCHEDULE – 8 : LOANS &amp; ADVANCES</b> (Unsecured, considered good)		
Loans	3,982	24,132
Advances recoverable in cash or in kind	102,599	62,788
Advance Tax & Tax Deducted at Source	2,269	4,052
MAT Credit Entitlement	772	259
Deposits with Government & Other Authorities	202	202
VAT Input Recoverable	54,538	45,512
	<u><b>164,362</b></u>	<u><b>136,945</b></u>

**SCHEDULES TO THE  
CONSOLIDATED ACCOUNTS** (Contd.)

Gujarat Metallic Coal & Coke Limited

	As at 30th June, 2011	As at 31st March, 2010
		(Rs. in '000)
<b>SCHEDULE – 9 : CURRENT LIABILITIES</b>		
Sundry Creditors :		
– For Goods	1,290,322	1,402,807
– For Expenses	590	610
Advance from Customers	1,374	2,072
Other Advances Payable	12,300	65,925
Other Liabilities	37,842	3,284
Unclaimed Dividend	13	13
	<b>1,342,441</b>	<b>1,474,711</b>
<b>SCHEDULE – 10 : PROVISIONS</b>		
Provision for Taxation	786	370
Provision for Gratuity & Leave	64	51
	<b>850</b>	<b>421</b>
<b>SCHEDULE – 11 : MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted)		
Preliminary Expenses	18	24
	<b>18</b>	<b>24</b>
	Period ended 30th June, 2011	Year ended 31st March, 2010
<b>SCHEDULE – 12 : OTHER INCOME</b>		
Interest (Gross) (TDS - Rs.228 thousand Previous Year Rs.288 thousand)	4,114	3,619
Profit on sale of long term non trade Investments	7,005	–
	<b>11,119</b>	<b>3,619</b>

**SCHEDULES TO THE  
CONSOLIDATED ACCOUNTS (Contd.)**

Annual Report 2010-11

	(Rs. in '000)	
	<u>Period ended 30th June, 2011</u>	<u>Year ended 31st March, 2010</u>
<b>SCHEDULE – 13 : INCREASE/(DECREASE) IN STOCKS</b>		
Closing Stocks	521,561	1,169,152
Less : Opening Stocks	1,169,152	106,152
	<u><b>(647,591)</b></u>	<u><b>1,063,000</b></u>
 <b>SCHEDULE – 14 : ADMINISTRATIVE &amp; OTHER EXP.</b>		
Salaries and Bonus	1,943	1,547
Provision / Payment for Gratuity	13	8
Repairs to others	102	38
Screening Charges	–	695
Auditors Remuneration :		
- Statutory Audit fees	60	58
- Tax audit Fees	8	8
Rent	67	29
Rates & Taxes	54	59
Security Transaction Tax	16	129
Insurance Charges	20	11
Filing Fees	6	4
Listing Fees	510	97
Electricity Charges	–	24
Carriage out-ward Expenses	750	–
Communication Expenses	492	174
Bank & Finance Charges	18	248
Professional, Legal & Service Charges	449	410
Advertisement & Sales promotion expenses	107	64
Printing & Stationery	133	11
Travelling & Conveyance	38	17
Foreign Exchange Fluctuation loss	30	–
Sundry Balances Written Off	–	350
Preliminary Expenses written off	9	8
Miscellaneous Expenses	802	505
	<u><b>5,627</b></u>	<u><b>4,494</b></u>



## **SCHEDULES TO THE CONSOLIDATED ACCOUNTS (Contd.)**

Gujarat Metallic Coal & Coke Limited

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### **SCHEDULE - 15 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

#### **A. SIGNIFICANT ACCOUNTING POLICIES :**

i) **Accounting Conventions :**

The financial statements are prepared under historical cost conventions and as a going concern basis following the accrual basis of accounting and in accordance with the generally accepted accounting principles (GAAP) in India and in compliance with the provisions of the Companies Act, 1956.

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

The Balance Sheet and Profit & Loss Account of the foreign subsidiary has been recast as per Part-I & II of Schedule VI of the Companies Act, 1956 as far as possible and the foreign currency has been converted as per Accounting Standard-11.

ii) **Principles of Consolidation :**

The accounts of subsidiary 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.

Foreign subsidiary is 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 period.

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

iv) **Fixed Assets :**

Fixed assets are stated at cost. The cost of fixed assets comprises its purchase price, cost of

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS (Contd.)

Annual Report 2010-11

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### SCHEDULE - 15 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)

construction, cost of borrowings and other cost directly attributable to bring the assets at its working conditions and location for its intended use.

v) **Depreciation :**

Depreciation on fixed assets of Parent company is provided on straight-line method (SLM) at the rates and in the manner prescribed in Schedule XIV of the companies Act, 1956.

vi) **Investments :**

Long term Investments of Parent Company are stated at cost. Provision is made when diminution in the value of such investments is considered permanent in nature. Current Investments are valued at lower of cost and market/fair value.

In case of foreign subsidiary, investments in shares are valued at cost. Cost is compared with market value at year end and if there is any diminution in value of shares, a provision for diminution is made.

vii) **Inventories :**

Inventories are valued at cost or net realizable value, whichever is lower. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and conditions. Cost is determined on FIFO basis. Any shortage / surplus found on physical verification of inventories are adjusted in the accounts as found appropriate.

viii) **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 transferred to customers.
- b. In respect of service income : When the services are performed as per contract.
- c. In respect of interest income : On time proportion basis taking into account the amount outstanding and the rate applicable.
- d. In respect of dividend income : When right to receive payment is established.
- e. In respect of insurance claims : On Settlement of Claims.

ix) **Foreign Exchange Transactions :**

Transactions involving foreign exchange are normally recorded at the exchange rates prevailing on the date of the transactions. 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 period, or reported in previous financial statement, are recognized as income or expenses in the period in which they arise except in case where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

x) **Taxes on Income :**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

## **SCHEDULES TO THE CONSOLIDATED ACCOUNTS (Contd.)**

Gujarat Metallic Coal & Coke Limited

### **SCHEDULE - 15 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)**

Deferred Tax, resulting from timing difference between taxable and accounting income, is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.

Deferred Tax assets are recognized only when there is a reasonable certainty that the same will be realized and are reviewed for the appropriateness of their carrying values at each balance sheet date.

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

Foreign subsidiary recognize tax liabilities and assets as per their local regulations & laws, which are almost in the above same line.

**xi) Employee's short term & Post employment benefits:**

Employee benefits of short-term nature are recognized as expense as and when it accrues.

Post employment benefits are recognized as expenses on accrual basis at period end.

**xii) Miscellaneous Expenditure:**

Preliminary and share/debenture issue expenses are amortized over a period of five years.

**xiii) Impairment of assets :**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to assess whether there is any indication of any asset being impaired. An asset is treated as impaired when the carrying value of asset exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the period in which an asset is identified as impaired. The impairment loss, if any, in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**xiv) Earning per share (EPS) :**

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

**xv) Prior Period Adjustments, Extra-ordinary Items and Changes in Accounting Policies :**

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

**xvi) Provisions, Contingent Liabilities & Contingent Assets :**

Provision is made when there is a legal or constructive obligation as a result of a past event and it is possible that a future sacrifice of economic benefits will be required to settle the obligation. Contingent Liabilities are not recognized but are disclosed by way of notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS (Contd.)

Annual Report 2010-11

### SCHEDULE - 15 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)

#### B. NOTES ON ACCOUNTS :

- Contingent liability not provided for in respect of disputed income tax demand of Rs.263 thousand for financial year 2005-06 and Rs.7 thousand for financial year 2004-05 for which an appeal has been preferred. The subsidiary company has no such liability.
- The Company has not received any information from any of its suppliers/creditors as to their status of being a micro, small and medium enterprise as defined in the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED). Hence the Company is not in a position to furnish the information as required to disclose under Schedule VI of the Companies Act, 1956, and the Micro, Small & Medium Enterprises Development Act, 2006.
- Since the company has few employees, the accrued liability for employees' retirement benefits viz. gratuity and leave encashment at the end of the financial period has been determined by the company on a rational basis on the assumption that such benefits are payable to all employees at the period end.
- The fixed assets of subsidiary company comprises the value of computer shown as Plant and Equipment on which depreciation has been provided on straight-line method (SLM) basis over the period of 4 years.
- In accordance with the Accounting Standard applicable for Parent and subsidiary company the provision for net deferred tax liability of Rs.246 thousands and deferred tax asset of Rs.689 thousands, net deferred tax asset of Rs.443 thousands as at the date of the Balance Sheet has been provided for in the accounts.
- Earning per Share (EPS) :** (Rs. in '000)

Descriptions	Current Year	Previous Year
Profit after tax (Rs. in '000)	1,691	1,852
Number of equity shares at the beginning of the period/year	198,06,584	1,98,06,584
Less : Number of equity shares reduced on consolidation of face value from Rs.10/- to Rs.100/-	178,25,926	-
Number of equity shares of Rs.100/- each (previous year Rs.10/- each) at the end of the period/year	19,80,658	1,98,06,584
Weighted average number of equity shares outstanding during the period/year	19,80,658	1,98,06,584
Basic & Diluted Earning Per Share of Rs.100/- each (in Rs.)	0.85	0.94*

\* Adjusted for consolidation of nominal value of shares

**SCHEDULES TO THE  
CONSOLIDATED ACCOUNTS** (Contd.)

Gujarat Metallic Coal & Coke Limited

**SCHEDULE - 15 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS** (Contd.)

7. Related party disclosures, as required by Accounting Standard (AS-18), are given below :

**A. Particulars of Related Parties :**

**i) Key Management personnel :**

Mr. Dinesh Chandra Bajoria- Chairman cum Mg. Director  
Mr. Rajat Sharma – Director of subsidiary

**ii) Relatives of key management personnel**

Mr. Ramesh Chandra Bajoria  
Mrs. Sharda Devi Bajoria

**iii) Enterprises in which key management personnel has significant influence**

1. Aparna Polyflex Pvt Ltd.
2. Ruchika Tradelink Pvt Ltd.
3. Arvind Industries

**B. Transactions with Related Parties**

(Rs. in '000)

Particulars of Transactions	Current Period	Previous Year
<b>(i) Sales of Goods/Services</b>		
- Enterprises in which key management personnel has significant influence	61,594	2,301
<b>(ii) Purchase of Good/Services</b>		
- Enterprises in which key management personnel has significant influence	–	20,566
<b>(iii) Advances given / (Refunded)</b>		
- Key management personnel	–	(243)
- Enterprises in which key management personnel has significant influence	29,100	–
<b>(iv) Advances Received / (Refunded)</b>		
- Key management personnel	(15)	40
- Relatives of key management personnel	(185)	1,835
<b>(v) Remuneration to director of subsidiary</b>	859	622

**SCHEDULES TO THE  
CONSOLIDATED ACCOUNTS** (Contd.)

Annual Report 2010-11

**SCHEDULE - 15 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS** (Contd.)

**C. Amounts due from related parties :** (Rs. in '000)

	Current Period		Previous Year	
	Outstanding Balance at period end	Maxm. Bal. During the period	Outstanding Balance at year end	Maxm. Bal. During the year
Enterprises in which key management personnel has significant influence				
- included in sundry debtors	25,922	25,922	1,128	2,188
- included in Loans & advances	36,122	37,857	7,023	7,023
Relative of key management personnel				
- included in loans & advances	30	30	30	30

**D. Amounts due to related parties :** (Rs. in '000)

	Current Period	Previous Year
Enterprises in which key management personnel has significant influence		
- included in current liabilities	75	78,647
Key Management Personnel		
- included in current liabilities	25	40
Relatives of key management personnel		
- included in current liabilities	1,070	1,255

8. The Company is primarily engaged in the business of trading in coal and coke and the entire business is within India. Hence there is no reportable segment as envisaged in AS -17 issued by the Institute of Chartered Accountants of India (ICAI).
9. The Consolidated Financial Statements of the previous accounting period comprises the accounts of subsidiary for nine months period ended on 31st March, 2010 and the consolidated financial statements of the current period comprises the accounts of parent company for fifteen months period ended 30th June, 2011 and the accounts of subsidiary for twelve months period ended 31st March, 2011. In view of this previous year's figures are not as such comparable with current period's figures.
10. Previous year figures have been regrouped /rearranged wherever found necessary.

## DIRECTORS' REPORT

Happy Mining Pty Ltd.

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Your director presents his report on the company for the year ended 31 March, 2011.

### **Director**

The name of director in office at any time during or since the end of the year is : Rajat Sharma

### **Operating results**

The Company reported a net (loss) of \$(15,245.62) during the year after income tax benefit of \$6,533.70.

### **Principal activities**

The principal activity of the company during the year consisted of investment in shares. No significant change in the nature of activity occurred during the year.

### **Dividends**

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

### **Options**

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

### **Indemnification of Directors and Officers**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

### **No leave or proceedings**

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

### **Likely developments**

Information on likely developments in the entity's operations in future financial years and the expected results of those operations has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the company.

### **Auditor Independence**

#### *Non Audit Services*

Amount due and payable by the company to Gokani & Associates in which auditor is a partner for :

Company secretarial	275
Accounting and taxation services	3365
	<u>3640</u>

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

All non-audit services have been reviewed by the Board to ensure that these services do not impact on the impartiality and objectivity of the auditor.

The non-audit services provided do not undermine the general principles relating to auditor independence as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

The ratio of non-audit fee to audit fee is at a level that would not impact the impartiality and objectivity of the auditor.

There were no known conflict of interest situations or any circumstances arising out of a relationship between the company and the auditor which may impact on auditor independence.

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

Signed in accordance with a resolution of the Board of Directors

**R. Sharma**

*Director*

Dated this 30 June, 2011

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## DIRECTOR' DECLARATION

The director of the company declares that :

1. The financial statements, comprising income statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, are in accordance with the Corporations Act, 2001 and;
  - a. comply with Accounting Standards, and the Corporations Regulations 2001; and
  - b. give a true and fair view of the company's financial position as at 31 March, 2011 and of the performance for the year ended on that date;
2. In the director's opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

**R. Sharma**

*Director*

Dated this 30 June, 2011

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## AUDITOR'S INDEPENDENCE DECLARATION

I Kantilal Ratanshi Gokani being auditor of Happy Mining Pty Ltd declare that to the best of my knowledge and belief, during the year ended 31 March, 2011 there have been :

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

*Signed by* KANTILAL RATANSHI GOKANI

of 96 Cahors Road, PADSTOW NSW 221 1

Dated this 30 June, 2011

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## INDEPENDENT AUDIT REPORT

To members of Happy Mining Pty Ltd

*Report on the Financial Report*

I have audited the accompanying financial report of Happy Mining Pty Ltd, which comprises the balance sheet as at 31 March 2011, income statement, statement of change in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the director's declaration of the company at the year's end or from time to time during the financial year.

*Director's Responsibility for the Financial Report*

The director of the company is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in financial report.



The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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

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

*Independence*

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

*Audit opinion*

In my opinion :

- a) the financial report of Happy Mining Pty Ltd is in accordance with the Corporations Act 2001, including –
  - i. giving a true and fair view of the company's financial position as at 31 March 2011, and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting standards (including the Australian Accounting Interpretations) and the Corporations Act 2001; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**Kantilal Ratanshi Gokani**

30th June, 2011

96 Cahors Road, PADSTOW NSW 221 1

**INCOME STATEMENT** for the year ended 31st March, 2011

	Note	9 Month to 31-Mar-10 \$	12 Month to 31-Mar-11 \$
Revenue		17,375.90	21,075.64
Less : Expenses	2	(31,314.20)	(42,854.96)
<b>(Loss) before income tax</b>		<b>(13,938.30)</b>	<b>(21,779.32)</b>
Income tax benefit	3	4,181.60	6,533.70
<b>(Loss) after income tax</b>		<b>(9,756.70)</b>	<b>(15,245.62)</b>

The above income statement should be read in conjunction with the accompanying notes.

## BALANCE SHEET as at 31st March, 2011

Annual Report 2010-11

	Note	9 Month to 31-Mar-10 \$	12 Month to 31-Mar-11 \$
<b>CURRENT ASSETS</b>			
Cash assets and cash equivalent		572,031.59	129,236.12
Other debtors		–	33,407.00
GST Receivable		–	528.00
Deferred tax benefit		8,630.00	15,163.70
<b>TOTAL CURRENT ASSETS</b>		<b>580,661.59</b>	<b>178,334.82</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		877.75	581.50
Investment in shares	4	9,409,979.51	9,790,301.25
Establishment cost	5	600.00	400.00
<b>TOTAL NON-CURRENT ASSETS</b>		<b>9,411,457.26</b>	<b>9,791,282.75</b>
<b>TOTAL ASSETS</b>		<b>9,992,118.85</b>	<b>9,969,617.57</b>
<b>CURRENT LIABILITIES</b>			
Accrued expenses		11,150.00	5,000.00
GST Payable		1,105.66	–
<b>TOTAL CURRENT LIABILITIES</b>		<b>12,255.66</b>	<b>5,000.00</b>
<b>TOTAL LIABILITIES</b>		<b>12,255.66</b>	<b>5,000.00</b>
<b>NET ASSETS</b>		<b>9,979,863.19</b>	<b>9,964,617.57</b>
<b>EQUITY</b>			
Contributed capital	6	10,000,000.00	10,000,000.00
Accumulated (loss)		(20,136.81)	(35,382.43)
<b>TOTAL EQUITY</b>		<b>9,979,863.19</b>	<b>9,964,617.57</b>

The above statement should be read in conjunction with the accompanying notes.

## STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2011

	Issued Capital \$	Accumulated (Loss) \$	Total Equity \$
<b>At 31 March 2010</b>	10,000,000.00	(20,136.81)	9,979,863.19
(Loss) for the year		(15,245.62)	(15,245.62)
<b>At 31 March 2011</b>	<b>10,000,000.00</b>	<b>(35,382.43)</b>	<b>9,964,617.57</b>

The above statement should be read in conjunction with the accompanying notes.

**CASH FLOW STATEMENT**  
for the year ended 31st March, 2011

Happy Mining Pty Ltd.

	Note	9 Month to 31-Mar-10 \$	12 Month to 31-Mar-11 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net cash flow used by operating activities	8	(5,430.94)	(62,473.73)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for shares		(332,602.81)	(380,321.74)
Net cash used in investing activities		(332,602.81)	(380,321.74)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from share issue		-	-
Net cash provided by financing activities		-	-
Net increase (decrease) in cash in hand		(338,033.75)	(442,795.47)
Cash at beginning of the year		910,065.34	572,031.59
Cash at the end of the year		572,031.59	129,236.12

The above statement should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended 31st March, 2011

**NOTE - 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the company.

The report has been prepared in accordance the measurement requirements of International Financial Reporting Standards and in accordance with accounting policies as set out below.

*Compliance with IFRS* – Compliance with Australian Accounting Standards ensure that the financial report of Happy Mining Pty Ltd as an individual entity complies with International Financial Reporting Standards (IFRS).

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

The concept of accruals accounting has been adopted in the preparation of the financial report.

The accounting policies have been consistently applied, unless otherwise stated.

**a. Income Tax**

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

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

Deferred tax for unused tax loss is recognized only if it is possible that future taxable amount is recoverable to utilize the loss.

**b. Property, Plant and Equipment**

Plant and equipment is measured on the cost basis. The carrying amount of plant and equipment is reviewed by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employed and subsequent disposal. The expected cash flows have not been discounted to present values in determining the amounts.

**c. Cash and equivalents**

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

**d. Revenue**

Revenue from sale of goods (if any) is recognized in the income statement when the significant risks and rewards of ownership have been transferred to customers. There was no such revenue during the year.

Interest revenue (if any) is recognized on a proportional basis taking into account the interest rates applicable to the financial assets.

**e. Goods and Services Tax (GST)**

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

Receivables and payables in the Balance Sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as a current asset or liability in the Balance Sheet.

**f. Impairment of Assets**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

**g. Investment in shares**

Shares are valued at cost. Cost is compared with market value at year end and if there is any diminution in value of shares, a provision for diminution is made.

**NOTES TO THE ACCOUNTS** (Contd.)

Happy Mining Pty Ltd.

	<b>9 Month to 31-Mar-10</b>	<b>12 Month to 31-Mar-11</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE - 2 : REVENUE</b>		
Administrative and finance	30,364.20	41,904.96
Audit fee	750.00	750.00
Establishment cost written off	200.00	200.00
	<u><b>31,314.20</b></u>	<u><b>42,854.96</b></u>

**NOTE - 3 : INCOME TAX**

No income tax is payable during the year due to losses.

Deferred tax benefit of \$15,163.70 at the current company tax rate of 30% in relation to unrecouped tax losses has been included as an asset.

**NOTE - 4 : INVESTMENTS**

	<b>No.</b>	<b>Cost</b>	<b>Price 31/3/11</b>	<b>Market Value</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>
Gujarat NRE Coking Coal	33519750	9,780,301	0.595	19,944,251.25
Shree Minerals	50000	10,000	0.205	10,250.00
		<u><b>9,790,301</b></u>		<u><b>19,954,501.25</b></u>

The shares have been shown at cost.

**NOTE - 5 : ESTABLISHMENT COST**

Establishment cost at 1.4.10	600.00
Less : Establishment cost written off	<u>(200.00)</u>
Establishment cost carried forward	<u><b>400.00</b></u>

**NOTE - 6 : CONTRIBUTED CAPITAL**

	<b>31/3/2010</b>	<b>31/3/2011</b>
<b>Ordinary shares</b> (10,000,000 shares)		
Issued and paid up capital	<b>10,000,000</b>	<b>10,000,000</b>

**NOTES TO THE ACCOUNTS** (Contd.)

Annual Report 2010-11

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	<b>12 Month to 31-Mar-11 \$</b>
<b>NOTE - 7 : REMUNERATION AND RETIREMENT BENEFITS</b>	
Remuneration paid or payable to directors is as follows :	
Rajat Sharma	<b>20,000.00</b>
Name of director who held during the financial year is : Rajat Sharma	
<b>NOTE - 8 : RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH LOSS FROM ORDINARY ACTIVITIES AFTER INCOME TAX</b>	
(Loss) from ordinary activities after income tax	(15,245.62)
Non cash flow items :	
Depreciation	296.25
Establishment expenses written off	200.00
(Increase) in provision of deferred tax benefit	(6,533.70)
(Decrease)/Increase in trade payables	(7,255.66)
(Increase)/Decrease in receivables	(33,935.00)
<b>Cash flow from operations</b>	<b><u>(62,473.73)</u></b>
<b>NOTE - 9 : AUDITOR'S REMUNERATION</b>	
Amount due and receivable for :	
the audit of the financial reports of the company	750.00
Other Services – Company Secretarial	275.00
Accounting and Taxation	3,365.00

## AUDITORS' CERTIFICATE

Happy Mining Pty Ltd.

To

The Board of Directors

**Gujarat Metallic Coal & Coke Ltd.**

Happy Mining Pty Ltd. (herein after referred to as "HMPL"), a wholly owned foreign subsidiary of Gujarat Metallic Coal & Coke Ltd. (herein after referred to as "GMCC"), was incorporated with Australian Securities and Investments Commission on 9th day of December, 2008.

The attached audited statement of accounts of the Company (HMPL) for the year ended on 31st March, 2011 drawn as per Australian Laws comprising of financial statements together with Directors' Report, Independent Auditors' Report and Notes to accounts were audited by Mr. Kantilal Ratanshi Gokani of 96 Cahors Road, Padstow, NSW 2211. These statements of accounts have been forwarded by HPML for attaching with the audited accounts of holding company Gujarat Metallic Coal & Coke Ltd (GMCC) in India.

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

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

The recast audited accounts of HMPL have been drawn in accordance with Part-I & Part II of Schedule VI of the Companies Act, 1956 in the manner possible. For the purpose of these recasting, the Australian dollars have been converted in Indian rupee in accordance with the applicable exchange rate as required by AS-11.

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

On the basis of the said audited statement of accounts and according to the information and explanations given to us, we are of opinion that the accounts of HMPL for the year ended 31st March, 2011 have been properly recast as far as possible, in accordance with the requirements of Schedule-VI of the Companies Act, 1956.

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

**B.Basu**  
*(Partner)*

Place : Kolkata

Date : 14th November, 2011

Membership No.12748

**BALANCE SHEET**  
as at 31st March, 2011

Annual Report 2010-11

(Rs. in '000)			
	<u>Schedules</u>	<u>As at 31st March, 2011</u>	<u>As at 31st March, 2010</u>
<b>SOURCES OF FUNDS :</b>			
<b>Shareholder's Funds</b>			
Share Capital	1	467,200	419,300
		<u>467,200</u>	<u>419,300</u>
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets</b>			
Gross Block		54	54
Less : Depreciation		27	14
Net Block		<u>27</u>	<u>40</u>
<b>Investments</b>	2	444,970	382,516
<b>Current Assets, Loans and Advances</b>			
Cash & Bank Balances	3	5,874	23,253
Loans and Advances	4	1,542	-
		<u>7,416</u>	<u>23,253</u>
Less : Current Liabilities	5	234	514
<b>Net Current Assets</b>		<u>7,182</u>	<u>22,739</u>
<b>Deferred Tax Asset</b>		689	351
<b>Miscellaneous Expenditure</b>	6	18	24
<b>Profit &amp; Loss Account</b>		1,390	751
<b>Foreign Currency Translation Reserve</b>		12,924	12,879
		<u>467,200</u>	<u>419,300</u>
Significant Accounting Policies & Notes on Accounts	8		
Schedules referred to above form integral part of the Balance Sheet			

As per our attached certificate of even date to the Board of Directors of Gujarat Metallic Coal & Coke Ltd.

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

**B. Basu**  
*Partner*  
Membership No. 12748  
Place : Kolkata  
Date : 14th November, 2011

For and on Behalf of the Board of  
Directors of Gujarat Metallic Coal & Coke Ltd.

**Kanta Bajoria**  
*Director*

**D. C. Bajoria**  
*Chairman cum  
Managing Director*



**PROFIT AND LOSS ACCOUNT**  
for the year ended 31st March, 2011

Happy Mining Pty Ltd.

				(Rs. in '000)	
				<u>Year ended</u>	<u>Period ended</u>
				<u>31st March, 2011</u>	<u>31st March, 2010</u>
<u>Schedules</u>					
<b>INCOME</b>					
Interest Received				905	720
				<u>905</u>	<u>720</u>
<b>EXPENDITURE</b>					
Depreciation				13	9
Administrative & Other expenses	7			1,828	1,288
				<u>1,841</u>	<u>1,297</u>
<b>Profit/(Loss) before Tax</b>				<b>(936)</b>	<b>(577)</b>
Provision for Taxation					
Current Tax				-	-
Deferred Tax				(297)	(170)
<b>Profit/(Loss) after Tax</b>				<b>(639)</b>	<b>(407)</b>
Balance brought forward				(751)	(344)
<b>Balance carried to Balance Sheet</b>				<b>(1,390)</b>	<b>(751)</b>

Significant Accounting Policies & Notes on Accounts 8

Schedules referred to above form integral part of the Profit & Loss Account

As per our attached certificate of even date to the Board of Directors of Gujarat Metallic Coal & Coke Ltd.

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

**B. Basu**  
*Partner*  
Membership No. 12748  
Place : Kolkata  
Date : 14th November, 2011

For and on Behalf of the Board of  
Directors of Gujarat Metallic Coal & Coke Ltd.

**Kanta Bajoria**  
*Director*

**D. C. Bajoria**  
*Chairman cum*  
*Managing Director*

## CASH FLOW STATEMENT for the year ended 31st March, 2011

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	(Rs. in '000)	
	Year ended 31st March, 2011	Period ended 31st March, 2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	(936)	(577)
<b>Adjustments for :</b>		
Depreciation	13	9
Preliminary Expenses written off	9	8
Interest Income	(905)	(720)
<b>Operating Profit before Working Capital Changes</b>	<b>(1,819)</b>	<b>(1,280)</b>
<b>Adjustment for :</b>		
(Increase)/Decrease/in Trade & Other Receivables	(1,542)	28
Increase/(Decrease) in Trade & Other Payable	(280)	(4,110)
<b>Cash generated from operations</b>	<b>(3,641)</b>	<b>(5,362)</b>
Direct Taxes Paid / Refunds	(41)	-
<b>Net cash flow from Operating Activities</b>	<b>(3,682)</b>	<b>(5,362)</b>
<b>B. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Purchase of Investments	(62,454)	(30,727)
Interest Received	905	720
<b>Net cash flow from Investing Activities</b>	<b>(61,549)</b>	<b>(30,007)</b>
<b>C. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Proceeds from Share Capital issue	47,900	25,500
Increase/(Decrease) in Foreign Currency Translation Reserve	(48)	(1,715)
<b>Net cash flow from Financing Activities</b>	<b>47,852</b>	<b>23,785</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(17,379)</b>	<b>(11,584)</b>
Opening Balance of Cash & Cash Equivalents	23,253	34,837
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>5,874</b>	<b>23,253</b>

As per our attached certificate of even date to the Board of Directors of Gujarat Metallic Coal & Coke Ltd.

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

**B. Basu**  
Partner  
Membership No. 12748  
Place : Kolkata  
Date : 14th November, 2011

For and on Behalf of the Board of  
Directors of Gujarat Metallic Coal & Coke Ltd.

**Kanta Bajoria**  
Director

**D. C. Bajoria**  
Chairman cum  
Managing Director

## SCHEDULES TO THE ACCOUNTS

Happy Mining Pty Ltd.

	(Rs. in '000)	
	<u>As at 31st March, 2011</u>	<u>As at 31st March, 2010</u>
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
<b>Authorised</b>		
100,00,000 (Previous period 100,00,000) Equity Shares of AU\$ 1each	467,200	419,300
	<u>467,200</u>	<u>419,300</u>
<b>Issued, Subscribed and Paid-up</b>		
100,00,000 (Previous period 100,00,000) Equity Shares of AU\$ 1each	467,200	419,300
	<u>467,200</u>	<u>419,300</u>
<b>SCHEDULE - 2 : INVESTMENTS (LONG TERM)</b>		
<b>Quoted (Non trade)</b>		
335,19,750 (Previous period 329,69,550) Equity Shares of Gujarat NRE Coking Coal Ltd.	444,515	382,109
50,000 (Previous period 50,000) Equity Shares of Shree Minerals Ltd.	455	407
	<u>444,970</u>	<u>382,516</u>
Aggregate Market Value of Quoted Investments	906,932	938,494
<b>SCHEDULE - 3 : CASH &amp; BANK BALANCES</b>		
Balances with Non scheduled banks		
In Current Accounts	5,874	23,253
	<u>5,874</u>	<u>23,253</u>
<b>SCHEDULE - 4 : LOANS AND ADVANCES (Unsecured, considered good)</b>		
Advances recoverable in cash or in kind or for value to be received or adjusted	1,542	-
	<u>1,542</u>	<u>-</u>
<b>SCHEDULE - 5 : CURRENT LIABILITIES</b>		
Accrued Expenses	234	468
GST Payable	-	46
	<u>234</u>	<u>514</u>

## SCHEDULES TO THE ACCOUNTS (Contd.)

Annual Report 2010-11

	As at 31st March, 2011	As at 31st March, 2010
		(Rs. in '000)
<b>SCHEDULE - 6 : MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Preliminary Expenses	18	24
	<b>18</b>	<b>24</b>
	<b>Year ended</b>	<b>Period ended</b>
	<b>31st March, 2011</b>	<b>31st March, 2010</b>
<b>SCHEDULE - 7 : ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Auditor's Remuneration	32	31
Salaries & Bonus	859	622
Professional & Legal Fees	156	124
Miscellaneous Expenses	772	503
Preliminary Expenses written off	9	8
	<b>1,828</b>	<b>1,288</b>

### SCHEDULE - 8 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES :

##### a. Basis of preparation

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

The Balance Sheet and Profit & Loss Account has been recast as per Part-I & II of Schedule VI of the Companies Act, 1956 as far as possible and the foreign currency has been converted as per Accounting Standard-11.

##### **Reporting Basis and Conventions**

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

##### b. Income tax

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

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

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

##### c. Property, Plant and Equipment

Plant and equipment is measured on the cost basis. The carrying amount of plant and equipment is reviewed

by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employed and subsequent disposal. The expected cash flows have not been discounted to present values in determining the amounts.

**d. Cash and equivalents**

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

**e. Revenue**

Revenue from sale of goods (if any) is recognized in the income statement when the significant risks and rewards of ownership have been transferred to customers.

Interest revenue (if any) is recognized on a proportional basis taking into account the interest rates applicable to the financial assets.

**f. Goods and Services Tax (GST)**

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

Receivables and payables in the Balance Sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Tax Office (ATO) is included as a current asset or liability in the Balance Sheet

**g. Impairment of Assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

**h. Investment in shares**

Shares are valued at cost. Cost is compared with market value at year end and if there is any diminution in value of shares, a provision for diminution is made.

**i. Amortisation**

Preliminary expenses are amortised over the period of five years.

**2. NOTES TO THE ACCOUNTS :**

**i. Income Tax**

No income tax is payable during the year due to losses. Deferred tax benefit of Rs.689 thousand in relation to unrecouped tax losses has been included as an asset.

**ii. Fixed Assets**

Fixed assets comprise of only value of computer. Depreciation has been provided on SLM basis over the period of 4 years in the audited statement of Accounts of the company.

**iii. Remuneration and Retirement benefits**

Remuneration paid or payable to director is Rs.859 thousand (Previous period Rs.622 thousand).

Names of director who held office during the financial year is Mr. Rajat Sharma

**iv. Related Party transactions**

The only shareholder is Gujarat Metallic Coal & Coke Ltd (Formerly Arvind Chemicals Ltd), a company in India.

There was no transaction with related parties other than those mentioned in 2(iii) above.

**v. Previous year's figures have been regrouped/rearranged wherever found necessary. Previous Period comprise for a period of nine months ended 31st March, 2010, hence Current year's figures are not as such comparable with previous period's figures.**

# GUJARAT METALLIC COAL & COKE LIMITED

Regd. Off. : 15, Ganesh Chandra Avenue, Kolkata - 700 013

## ATTENDANCE SLIP

- 1, Full Name of Share holder / Proxy .....
- 2, Registered Folio No. .... No. of Shares.....
- 3, If proxy, full name of Shareholder.....

I hereby record my presence at the 18th Annual General Meeting of the Company to be held at the Somani Conference Hall, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata - 700 001 on Friday, 23rd December, 2011 at 10.15 A.M.

*(Signature of the Shareholder / Proxy)*

### IMPORTANT

The attendance slip must be handed over at the entrance of the Meeting Hall



# GUJARAT METALLIC COAL & COKE LIMITED

Regd. Off. : 15, Ganesh Chandra Avenue, Kolkata - 700 013

## PROXY FORM

Registered Folio No. .... No. of Shares .....

I/We ..... of.....

being a member(s) of GUJARAT METALLIC COAL & COKE LIMITED, hereby appoint.....

of..... of

failing him ..... of.....

as my/our proxy to attend and vote for me/us and on my/our behalf at the 18th Annual General Meeting of the Company to be held on Friday, the 23rd December, 2011 at 10.15 A.M. and at any adjournment thereof.

Signed this ..... day of ....., 2011.

Signature(s) of the Shareholder(s) .....

Affix Revenue Stamp Re. 1/-
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**Note : The proxy in order to be effective, must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding of the aforesaid meeting. The Proxy need not be a member of the Company.**

**BOOK POST**

*If undelivered please return to :*

**GUJARAT METALLIC COAL & COKE LIMITED**

15, Ganesh Chandra Avenue, 2nd Floor

Kolkata - 700 013