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**GUJARAT METALLIC  
COAL & COKE LIMITED**

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**21st Annual Report  
2013-2014**

# Gujarat Metallic Coal & Coke Limited

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<b>BOARD OF DIRECTORS</b>	Mr. Dinesh Chandra Bajoria, <i>Chairman &amp; Managing Director</i> Mr. Sajjan Kumar Tailor (Appointed on 15.05.2014) Dr. Raj Narayan Yadav (Appointed on 17.11.2014) Mr. Rajiv Chamaria (upto 15.05.2014) Mr. Hironmoy Chatterjee (upto 14.08.2014) Mr. Sunil Ranjan Sarkar (upto 17.11.2014)
<b>COMPANY SECRETARY</b>	Mr. Gopal Sharma
<b>CORPORATE IDENTIFICATION NUMBER</b>	L24298WB1992PLC054815
<b>REGISTERED OFFICE</b>	155, Lenin Sarani, 4th Floor, Room no.402 Kolkata – 700013 Phone & Fax : 033-2215 5899 Email : info@gujaratmetallic.com Website : www.gujaratmetallic.com
<b>AUDITORS</b>	M/s. N. C. Banerjee & Co. (Chartered Accountants) 2, Ganesh Chandra Avenue, Room No. 9, 1st Floor Kolkata - 700013
<b>BANKERS</b>	HDFC Bank Ltd. Bank of Baroda
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	Niche Technologies Private Limited D-511, Bagree Market, 5th Floor, 71, B.R.B. Basu Road, Kolkata - 700001 Phone : 033-2235 7270 / 7271 Fax No. +91-33-2215 6823 Email : nichetechpl@nichetechpl.com

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NOTICE is hereby given that the 21st Annual General Meeting of the Members of Gujarat Metallic Coal & Coke Ltd will be held at the Club Ecovista, Ecospace (Business Park), Plot No. 2F/11, New Town Rajarhat, Kolkata – 700 156 on Tuesday, 30th December, 2014 at 10.00 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 September, 2014 and Statement of Profit & Loss for the year ended as on that date and the Reports of the Auditors' and Directors' thereon.
2. To appoint Auditors and to fix their remuneration. In this connection, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution :  
"RESOLVED THAT M/s. N. C. Banerjee & Co., Chartered Accountants, (Registration no. 302081E) be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of next Annual General Meeting on the remuneration to be fixed by the Board of Directors in consultation with the Auditors."

**SPECIALBUSINESS :**

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Sajjan Kumar Tailor (DIN 02022077), who has been appointed as an Additional Director on 15th May, 2014 pursuant to Section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to 31st March, 2019."
4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-  
"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Raj Narayan Yadav (DIN 06778731), who has been appointed as an Additional Director on 17th November, 2014 pursuant to Section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to 31st March, 2019."
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :  
"RESOLVED THAT consent of the Company be and is hereby accorded to the Board of Directors (the Board) in terms of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, to mortgage or create charge/lien on all or any of the immovable/movable properties of the Company wheresoever situated, present and future and the whole or substantially the whole of the undertaking/s of the Company together with power to take over management of the business and concern of the Company in certain events, to or in favour of Lenders or their Agent/s or Trustee/s, if any from whom financial assistances are/would be availed by the Company to secure amounts lent and advanced/ agreed to be lent and advanced to the Company by them either severally or jointly upto a limit of Rs. 100 crore (Rupees One Hundred crores only).  
"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and things as may be necessary for giving effect to the aforesaid resolution."

By Order of the Board  
For **Gujarat Metallic Coal & Coke Ltd**

**Gopal Sharma**  
Company Secretary

Place : Kolkata  
Date : 29th November, 2014

**NOTES :**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday 22nd December,2014 to Tuesday,30th December,2014 (both days inclusive) for the purpose of this Annual general Meeting.
4. Members desiring any information on the Accounts at the Annual General Meeting 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 meeting.
5. Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956, the Company has transferred the unclaimed/ un-encashed dividends for the financial year 2005-06 to "The Investor Education & Protection Fund" (IEPF) established by the Central Government
6. Members are requested to bring their copy of the Annual Report to the meeting place.
7. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility of voting through electronic means, as an alternate, to enable them to cast their votes electronically and the business may be transacted through e-voting services provided by National Securities Depository Ltd. (NSDL).

**Instruction and other information relating to e-voting are as under:**

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):**
- i. Open the e-mail and also open PDF file attached with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for evoting. Please note that the password is an initial password.
  - ii. Open the internet browser and type the following URL: <https://www.evoting.nsd.com>.
  - iii. Click on Shareholder – Login.
  - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
  - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
  - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
  - vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
  - viii. Select "EVEN" (E-Voting Event Number) of Gujarat Metallic Coal & Coke Ltd. which is 101447. Now you are ready for e-voting as Cast Vote page opens.
  - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - x. Upon confirmation, the message "Vote cast Successfully" will be displayed.
  - xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
  - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG

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format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to skghosh\_1938@yahoo.in with a copy marked to evoting@nsdl.co.in.

- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com)

**B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):**

- i. Initial password is provided in the enclosed attendance slip: EVEN (E-Voting Event Number), user ID and password.  
ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

**C. Other Instructions :**

- i. The e-voting period commences on Wednesday, 24th December, 2014 at 10.00 a.m. (IST) and ends on Friday, 26th December, 2014 at 5.00 p.m. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Cut Off Date of 14.11.2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The voting right of shareholder shall be in proportion to their shares of the paid up equity share capital of the Company as on Cut off date of 14.11.2014.
- iii. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 14.11.2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- iv. Mr. Samir Kumar Ghosh, Company Secretary (CP No: 2018), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- v. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- vi. The results declared along with the Scrutinizer's report shall be placed on the Company's website [www.gujaratmetallic.com](http://www.gujaratmetallic.com) and on the website of NSDL [www.evoting.nsd.com](http://www.evoting.nsd.com) within two days of the passing of the resolutions at the AGM of the Company on 30.12.2014 and communicated to BSE Ltd., where the shares of the Company are listed.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 3 AND 4**

The Board of Directors of the Company pursuant to the provisions of Section 161(1) of the Act, appointed Mr. Sajjan Kumar Tailor and Dr. Raj Narayan Yadav as Additional Directors of the Company with effect from 15.05.2014 and 17.11.2014, respectively and they would hold office up to the date of the ensuing Annual General Meeting.

Mr. Sajjan Kumar Tailor and Dr. Raj Narayan Yadav, being eligible, offered themselves for appointment as an Independent Directors and had given requisite declaration about their independence. Accordingly, the Board is of the opinion that Mr. Sajjan Kumar Tailor and Dr. Raj Narayan Yadav are persons of integrity and possesses relevant expertise and experience and fulfills the other criteria of independence as per Section 149(6) of the Act.

The Company has received a notice in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Sajjan Kumar Tailor and Dr. Raj Narayan Yadav for the office of Directors of the Company.

Mr. Sajjan Kumar Tailor is a B.Sc and has good managerial skill and has experience of about 30 years in public relation and liaisoning at various levels.

Dr Raj Narayan Yadav has a Ph.D in Geology from Banaras Hindu University (BHU) and has more than 15 years of experience in coking coal mining and also mineral and hydrocarbon exploration activities.

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

Mr. Sajjan Kumar Tailor and Dr. Raj Narayan Yadav, being an appointee and their relatives to the extent of their shareholding in the Company, if any may be deemed to be concerned or interested, financially or otherwise in passing of the Resolution at Item No. 3 and Item No. 4, respectively.

Save and except the above, none of the other Directors and Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise in passing of the Resolution at Item No. 3 and Item No. 4.

Accordingly, the Board recommends your consent for the resolution at Item No. 3 and Item No. 4.

**ITEM NO. 5**

Section 180 (1) (a) of the Companies Act, 2013 requires that consent of the Company by way of a Special Resolution be obtained in relation to certain powers exercised by the Board of the Company. It is accordingly proposed to obtain members' approval by way of a Special Resolution authorizing the Board to create mortgage/ charge or security on its immovable/ movable assets upto a limit of Rs. 100 crore in favour of its Lenders.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 5.

By Order of the Board  
For Gujarat Metallic Coal & Coke Ltd

Place : Kolkata  
Date : 29th November, 2014

**Gopal Sharma**  
Company Secretary

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

<b>Name of the Director</b>	Mr. Sajjan Kumar Tailor	Dr. Raj Narayan Yadav
<b>Date of Birth</b>	09.12.1959	07.05.1963
<b>Date of appointment</b>	15.05.2014	17.11.2014
<b>Qualifications</b>	B.Sc	M.Sc, Ph.D in geology
<b>Expertise in specific functional areas</b>	Public relation and liasoning and organization Skill	Mining and Exploration Activities
<b>Directorship in other Public Limited Companies</b>	Nil	Nil
<b>Chairmanship/Membership of Committees in other Public Limited Companies</b>	Nil	Nil
<b>No. of Shares held</b>	Nil	Nil

To  
The Members,

Your Directors present 21st Annual Report and the Audited Financial Results of the Company for the year ended on 30th September, 2014.

**FINANCIAL RESULTS/HIGHLIGHTS**

Followings are the highlights of the performance of the Company for the year ended 30th September, 2014. (₹ in lacs)

<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
Total Income	22794.05	41115.54
Less: Expenditure	22762.20	41091.37
Net Profit before Tax	31.85	24.17
Less : Provision for Tax	0.91	(0.07)
Profit after Tax (PAT)	30.94	24.24
Balance brought forward	82.58	58.34
Profit available for appropriation	113.52	82.58
Balance carried to Balance Sheet	113.52	82.58

**REVIEW OF OPERATIONS**

During the year under review, the Company has earned total income of ₹ 22794.05 lacs as against ₹ 41115.54 lacs in the previous year. The net profit during the year was ₹ 30.94 lacs as against ₹ 24.24 lacs in the previous year.

Steel industry, which is the prime consumer of the coking coal and metcoke continued to be in its bear phase during the year under review resulting in lower sales volumes. However, the Company is cautiously optimistic about the performance of the Company in near future.

**DIVIDEND**

In order to conserve the resources, your directors do not recommend any dividend for the year under review.

**LISTING**

The equity shares of the Company are listed at the BSE Limited (BSE). The Company has paid the Listing Fees to BSE upto the year 2014-15.

**SUBSIDIARY COMPANY**

The Company has a Subsidiary viz. Happy Mining Pty Ltd, Australia and Sub-subsidiary Avondale Resources Pty Ltd, Australia. The Financial Statements and other Reports of these subsidiaries are not attached to this Annual Report pursuant to a general exemption granted under Circular no. 2/2011 dated 8th February 2011 of Ministry of Corporate Affairs. The relevant information of these subsidiaries as required by the said Circular of the Ministry of Corporate Affairs has been provided in this Annual Report.

**CORPORATE GOVERNANCE**

As required under Clause 49 of the Listing Agreement with the Stock Exchange, a report on the Corporate Governance along with Certificate of the Auditors and a Report on Management Discussion and Analysis are annexed and forms part of this Annual Report.

**DIRECTORS**

Mr. Rajiv Chamarla, Mr. Hironmoy Chatterjee and Mr. Sunil Ranjan Sarker resigned from the Board w.e.f. 15th May, 2014, 14th August, 2014 and 17th November, 2014 respectively. The Board records its appreciation for the services rendered by them during their tenure in the Company.

The Board has appointed Mr. Sajjan Kumar Tailor and Dr. Raj Narayan Yadav as Additional Directors designated as Independent Directors w.e.f. 15th May, 2014 and 17th November, 2014 respectively and they hold office upto the date of the ensuing

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Annual General Meeting. It is proposed to appoint them as Independent Directors at the ensuing Annual General Meeting for a five year period upto 31st March, 2019.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) In the preparation of the annual accounts for the year ended as at 30th September, 2014 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 year under review and of the profits of the Company for the year ended on that date;
- 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 year ended on 30th September, 2014 on a 'going concern' basis.

**AUDITORS**

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

**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 year 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 being no manufacturing activities carried.

Foreign exchange earning and outgo

- a) Foreign Exchange earning : Nil                      b) Foreign Exchange outgo : Nil

**PARTICULARS OF EMPLOYEES**

There was no employee who has drawn salaries and 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 the 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

**S. K. Tailor**

**R. N. Yadav**

*(Directors)*

Place : Kolkata

Date : 29th November 2014

**1. PHILOSOPHY OF CORPORATE GOVERNANCE**

The Company believes in functioning in a transparent manner with basic philosophy being to enhance shareholders value keeping in mind the needs and interest of other stakeholders, such as customer, Employee and community at large. The Company firmly believes that good Corporate Governance is the foundation of corporate excellence.

Over the years your company has complied with the principles of corporate governance emphasizing on transparency and integrity. These have helped the Company to enhance stakeholders’ value accountability. The clause 49 of the Listing Agreement with the Stock Exchange deals with Code of Corporate Governance. The details of compliances made by the company are as follows:

**2. BOARD OF DIRECTORS**

Composition and category

The Board of Directors of the Company consists of persons with professional expertise. As on 30th September, 2014, the constitution of the Board was:

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

The composition of the Board of Directors as at 30th September, 2014 and also the number of other Directorship or Board Committees of which he is a member/chairman on is as under:

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
Mr. Sunil Ranjan Sarker (Resigned on 17.11.2014)	Non-Executive/ Independent	Nil	Nil	Nil
Mr. Sajjan Kumar Tailor (Appointed on 15.05.2014)	Non-Executive/ Independent	Nil	Nil	Nil

**Notes :**

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 year ended as at 30th September,2014, 11(Eleven) meetings were held by the Board of Directors. These meetings were held on 4th November, 2013, 29th November, 2013, 11th December, 2013, 24th January,2014, 3rd February, 2014, 14th February, 2014, 19th March, 2014, 15th May, 2014, 14th August, 2014, 5th September, 2014 and 30th September, 2014.

The attendance of the Directors at the Board Meetings held during the year ended 30th September, 2014 and the last Annual General Meeting held on 30th December, 2013.

Director	No. of meetings held during their tenure	No. of Board meetings attended	Attendance at Last AGM
Mr. Dinesh Chandra Bajoria	11	11	No
Mr. Rajiv Chamaria	7	3	No

Director	No. of meetings held during their tenure	No. of Board meetings attended	Attendance at Last AGM
Mr. Hironmoy Chatterjee	8	3	No
Mr. Sunil Ranjan Sarker	11	11	Yes
Mr. Sajjan Kumar Tailor	4	4	NA

#### Other provisions of the Board

The other provisions of the Board with regard to the minimum no. of meetings (4 meetings) in a year with a maximum time gap of four months between any two meeting and also the minimum information to be placed before the Board as prescribed in clause 49 of the Listing Agreement 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.

### 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 as at 30th September, 2014 is as follows:

1. Mr. Sunil Ranjan Sarker (Independent, Chairman)
2. Mr. Sajjan Kumar Tailor (Independent) (Appointed on 15.05.2014)
3. Mr. Dinesh Chandra Bajoria (Non-Independent)

The Company Secretary acts as Secretary to the Committee.

#### Meetings and Attendance

During the year ended on 30th September, 2014, 4(Four) meetings were held on 29th November, 2013, 14th February, 2014, 15th May, 2014 and 14th August, 2014.

The attendance of the Audit Committee Members is as follows :

Name of the Member	Meetings Held during their Tenure	Meeting attended
Mr. Dinesh Chandra Bajoria	4	4
Mr. Sajjan Kumar Tailor (Appointed on 15.05.2014)	1	1
Mr. Rajiv Chamaria (Resigned on 15.05.2014)	3	3
Mr. Hironmoy Chatterjee (Resigned on 14.08.2014)	3	3
Mr. Sunil Ranjan Sarker (Resigned on 17.11.2014)	1	1

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

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

During the year ended on 30th September, 2014, no compensation either in form of remuneration, sitting fees or otherwise was paid to the executive and non-Executive Directors.

**(c) Share Transfer Committee**

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

The Committee consists of following members as on 30.09.2014: -

1. Mr. Dinesh Chandra Bajoria (Chairman)
2. Mr. Sunil Ranjan Sarker

**Meetings and Attendance**

During the year ended on 30th September,2014, No meeting of share transfer committee was held.

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

The followings are the members of the Shareholders'/ Investors' Grievance Committee as on 30th September, 2014.

1. Mr. Sunil Ranjan Sarker (Chairman) - Non-executive
2. Mr. Dinesh Chandra Bajoria - Executive
3. Mr. Hironmoy Chatterjee (Resigned on 14.08.2014) - Non-executive

**Meetings and Attendance**

During the year ended on 30th September,2014, 4(Four) meetings were held on 29th November, 2013, 14th February, 2014, 15th May, 2014 and 14th August, 2014.

The attendance of the Shareholders'/Investors' Grievance committee is as follows:

Name of the Member	Meetings Held during their Tenure	Meeting attended
Mr. Sunil Ranjan Sarker	4	4
Mr. Dinesh Chandra Bajoria	4	4
Mr. Hironmoy Chatterjee (Resigned on 14.08.2014)	3	3

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 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 year under review, no complaints were received from the investors. There was no complaint pending for resolution at the end of the year.

#### 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 year.

#### 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 special Resolution passed
2012-2013	20th AGM	On 30th December,2013 at 10.30 a.m. at Gyan Manch, 11,Pretoria Street, Kolkata – 700071.	Yes
2011-2012	19th AGM	On 29th December, 2012 at 10.00 a.m. at Somany Conference Hall, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata – 700001.	No
2010-2011	18th AGM	On 23rd December,2011 at 10.15 a.m. at Somany Conference Hall, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata – 700001	No

b) Postal Ballot : No Resolution was required to be passed by postal ballot.

#### 5. SUBSIDIARY COMPANY

The company has one wholly owned subsidiary incorporated in Australia viz-Happy Mining Pty Ltd and one sub-subsidiary, Avondale Resources Pty Ltd, Australia as on 30th September, 2014.The Company is adequately represented on the Board of subsidiaries.The financial performance of the Subsidiaries is discussed by the Board at its meeting and details of Investment made and minutes of unlisted subsidiaries are placed before the Company's Board.

#### 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. 24 forming part of the Accounts for the year ended on 30th September, 2014.

b) Securities and Exchange Board of India vide letter dated 4th October,2013 has imposed a penalty of Rs.1 Lac on the Company for non-compliance of SEBI(SAST) regulation and SEBI(PIT) regulations in the matter of transaction in Equity shares of Arvind International Ltd. Save as above, there has not been any 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 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/EK Din in vernacular language and are also displayed in the Company's website www.gujaratmetallic.com

The Company has not made presentation to the institutional investors or analysts.

**8. GENERAL SHAREHOLDERS' INFORMATION**

## a) Annual General Meeting:

Date and Time : Tuesday, 30th December, 2014 at 10 A.M.  
Venue : Club Ecovista, Ecospace (Business Park), Plot No. 2F/11,  
New Town Rajarhat, Kolkata – 700 156

b) Financial Year : 1st October, 2013 to 30th September, 2014.  
(12-month period)

## c) Book Closure Date : Monday, 22nd December, 2014 to Tuesday, 30th December 2014

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

e) Listing : BSE Ltd.  
P J Towers, Dalal Street, Fort, Mumbai-400001

## f) Listing Fees : Annual Listing Fees for the year 2014-15 have been paid.

## g) Stock Code : (BSE) 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 2013-2014. ISIN of Equity Shares : INE146F01020

i) **Market Price Data :**

The Market Price of the Equity Shares of the Company at the BSE Ltd. during year ended on 30th September, 2014 is given below :

Month	High	Low	Month	High	Low
October 2013	20.85	17.10	April 2014	28.05	21.55
November 2013	20.90	16.60	May 2014	35.15	23.65
December 2013	39.50	20.00	June 2014	39.90	30.05
January 2014	35.25	23.00	July 2014	36.80	29.05
February 2014	23.70	21.30	August 2014	36.35	27.55
March 2014	27.40	20.10	September 2014	54.10	29.00

j) **Share Price/Sensex Performance :**

Financial period	30.09.2013	30.09.2014	% Change
BSE Sensex (Closing)	19379	26630	37.42
Share price ( Closing)	19	38.50	102.63

Note :

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

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

Niche Technologies Pvt. Ltd.  
D-511, Bagree Market  
71, BRB Basu Road, Kolkata - 700001  
Phones : +91-33-22357270/7271  
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 September, 2014**

Category	No. of Shares	% of Holding
Promoters & Promoter Group	683303	34.50
Financial Institution, Banks, Mutual Funds etc.	Nil	Nil
FII's	Nil	Nil
Indian public (including bodies Corporate)	1231260	62.16
NRI/OCBs	12030	0.61
Clearing Members & others	54065	2.73
<b>Total</b>	<b>1980658</b>	<b>100.00</b>

n) **Distribution of Shareholding as on 30th September 2014 :**

Shareholding Range	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1 – 500	6410	95.32	463825	23.42
501 – 1000	163	2.42	120786	6.10
1001 – 5000	121	1.80	237000	11.97
5001 – 10000	13	0.19	94295	4.76
10001 – 50000	11	0.16	257966	13.02
50001 – 100000	3	0.05	206355	10.42
100001 and above	4	0.06	600431	30.31
Total	6725	100.00	1980658	100.00

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

1977384 equity shares constituting 99.83% of the Shares capital has been held in dematerialized form as on 30th September, 2014. The Equity Shares of Company are actively traded at 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  
155, Lenin Sarani, 4th Floor, Room No. 402, Kolkata - 700013  
Tel and Fax No. 033 2215 5899  
Email : info@gujaratmetallic.com, Website : www.gujaratmetallic.com

r) **Address of Subsidiary**

1. Happy Mining Pty Ltd.  
96, Cahors Road, Padstow, NSW 2211, Australia
2. Avondale Resources Pty Ltd  
96, Cahors Road, Padstow, NSW 2211, Australia

s) Any query on Financial statement and company's performance etc. may be sent to investor@gujaratmetallic.com or addressed to the Company.

**9. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

The auditor Certificate on corporate governance as required by clause 49 of the listing agreement is annexed to this report.

For and on behalf of the Board

Place : Kolkata  
Dated : 29th November, 2014

**S. K. Tailor**  
*Director*

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## **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE CODE**

**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, (hereinafter referred to as the Company), for the year ended on 30th September, 2014, 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 30th September, 2014.

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)  
**(A. Paul)**  
*Partner*  
Membership No. 06490

Place : Kolkata  
Dated : 29.11. 2014

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## MANAGING DIRECTOR (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

I, Dinesh Chandra Bajoria, Managing Director and 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 September, 2014 and Statement of Profit & Loss , and all its notes on accounts, as well as the cash flow statement and the Director's Report for the year ended on that date.
- 2) Based on our 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 our 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 year presented in this report and are in compliance with the existing accounting standards and/or applicable laws and regulations.
- 4) To the best of our knowledge and belief, no transactions entered into by the company during the aforesaid year 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 year 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. all deficiencies 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;
  - iii. all significant changes in internal controls during the year covered by this report, if any;
  - iv. all significant changes in accounting policies during the year , if any and that the same have been disclosed in the notes to the financial statements;
  - v. 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.
- 7) I further declare that all board members and senior management personnel have affirmed compliance with the code of conduct during the year under review.

Place : Kolkata  
Dated : 14th November, 2014

**Mr. Dinesh Chandra Bajoria**  
*(Managing Director)*  
*also as a Chief Financial Officer*

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company is engaged in trading of coal and coke. Metallurgical 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 is mainly consumed in Steel industry, Cement industry, furnaces for small castings and gas producers among others.

### OPPORTUNITIES & THREATS

Thrust on development of infrastructure and manufacturing has helped steel demand in the country to grow in the long run. These, in turn will cause steel demand to increase. Coking Coal and Iron Ore are prime ingredients for production of steel. Hence, it can be understood that the demand for coking coal is due to increase further in the coming years.

Coke is also extensively used in the Foundries, Ferro Alloys, Steel and Chemicals industries. The Company foresees good scope in coke business.

Global Demand for coking coal is expected to increase over the next five years at a CAGR of 3.6 percent which further provides an excellent opportunity for the Company to grow further. Although, fluctuation in demand in global steel industry or increase in use of other mode of steel Industry i.e. Electric ARC furnace by steel industry might act as a threat to the met coke Industry.

### RISKS & CONCERNS

The most important risk factors that affect the coke industry is that it is positively correlated with steel industry. The prospect of your Company is expected to be brighter due to economic and industrial growth in the country, since the demand of steel would increase. The adverse market conditions like global recession, eurozone crisis and severe competition from old and established players are the main concerns of the Company. The latest issue of dumping of met Coke by Chinese Manufacturers is a concern for the Company.

### OUTLOOK

Though the current outlook of coke industry is weak due to weak economic environment, the demand of coke in the year to come is expected to increase due to continuing Industrialization and growth in the steel sector in the country. The biggest opportunity lies in the growing middle class in India and its burgeoning demand. Also indiscriminate dumping by Chinese Coke Manufacturers is a cause of grave concern.

### HUMAN RESOURCES

During the year, 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 report of Internal auditors are submitted to the Management and Audit Committee, which further review the adequacy of the Internal Control System. The Internal control system are supplemented by an extensive programme of internal audits, review by management, guidelines and procedures.

### DISCUSSION ON FINANCIAL 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.

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To the members of Gujarat Metallic Coal & Coke Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of Gujarat Metallic Coal & Coke Limited ("the Company"), which comprise the Balance Sheet as at September 30, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements, as mentioned in the Note 1(B) attached with the Accounts that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances 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 the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at September 30, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on September 30, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on September 30, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place : Kolkata  
Date : 29th November, 2014

For **N. C. Banerjee & Co.**  
*Chartered Accountants*  
Firm Regn. No.302081E  
**A. Paul**  
*Partner*  
Membership No. 06490

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT Gujarat Metallic Coal & Coke Limited

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Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Gujarat Metallic Coal & Coke limited for the year ended September 30, 2014.

- (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 year 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 year 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 year. 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 year 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 September, 2014 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 (₹ 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 September, 2014 and the Company has not incurred cash losses in the financial year 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 defaulted in repayment of dues to bank in respect of Bill Discounting and Letter of Credit facilities as mentioned here in below :

Nature of Dues	Amount (₹ in Crores)	Period of Default
Bill Discounting Credit facility	7.18	Since 09.10.2013
Letter of Credit facility	9.98	Since 30.12.2013

- (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 year 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 year covered by our audit report, the Company has not issued any debenture.
- (XX) During the year 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  
Firm Regn. No.302081E

**A. Paul**  
Partner

Membership No. 06490

Place : Kolkata  
Date : 29th November, 2014

**BALANCE SHEET**

as at 30th September, 2014

Gujarat Metallic Coal &amp; Coke Limited

	Notes	As at 30th September, 2014	As at 30th September, 2013
(₹ in '000)			
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	198,066	198,066
Reserves & Surplus	3	<u>12,842</u>	<u>9,748</u>
		<b>210,908</b>	<b>207,814</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	4	233	233
Long Term Provisions	5	<u>143</u>	<u>120</u>
		<b>376</b>	<b>353</b>
<b>Current Liabilities</b>			
Short Term Borrowings	6	172,729	75,947
Trade Payables	7	4,265,999	4,561,109
Other Current Liabilities	8	4,734	10,055
Short Term Provisions	9	<u>3,335</u>	<u>1,603</u>
		<b>4,446,797</b>	<b>4,648,714</b>
<b>TOTAL</b>		<b><u>4,658,081</u></b>	<b><u>4,856,881</u></b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Tangible Fixed Assets	10	789	752
Non-Current Investment	11	512,000	512,000
Long Term Loans and Advances	12	<u>195</u>	<u>195</u>
		<b>512,984</b>	<b>512,947</b>
<b>Current Assets</b>			
Inventories	13	258,803	153,176
Trade Receivables	14	3,604,589	2,990,577
Cash and Cash Equivalents	15	2,605	7,281
Short Term Loans and Advances	16	<u>279,100</u>	<u>1,192,900</u>
		<b>4,145,097</b>	<b>4,343,934</b>
<b>TOTAL</b>		<b><u>4,658,081</u></b>	<b><u>4,856,881</u></b>
Significant Accounting Policies & Notes to Financial Statements	1 to 33		

As per our attached report of even date

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

Chartered Accountants

(Firm Regn. No. 302081E)

**A. Paul**

Partner

Membership No.06490

Place : Kolkata

Dated : 29th November, 2014

For and on behalf of the Board of Directors

**Gopal Sharma**  
(Company Secretary)**S.K.Tailor**  
(Director)**R.N.Yadav**  
(Director)

**STATEMENT OF PROFIT & LOSS**  
for the year ended 30th September, 2014

Annual Report 2013-14

(₹ in '000)			
	Notes	Year ended 30th September, 2014	Year ended 30th September, 2013
<b>INCOME</b>			
Revenue from Operations	17	2,277,703	4,039,677
Other Income	18	1,702	71,877
		<u>2,279,405</u>	<u>4,111,554</u>
<b>EXPENDITURE</b>			
Purchases of Stock-in-Trade		2,350,074	3,901,048
Changes in Inventories of Stock-in-Trade	19	(105,627)	179,765
Employee Benefits Expense	20	1,174	1,140
Finance Costs	21	27,442	25,343
Depreciation	10	26	20
Other Expenses	22	3,131	1,821
		<u>2,276,220</u>	<u>4,109,137</u>
<b>Profit before Tax</b>		3,185	2,417
<b>Tax Expenses</b>			
Current Tax (Minimum Alternate Tax)		607	461
Tax for Earlier Years		91	-
Deferred Tax		-	(7)
MAT Credit Entitlement		(607)	(461)
<b>Profit after Tax</b>		<u>3,094</u>	<u>2,424</u>
Basic & Diluted Earnings per Equity Share (in ₹.)	23	1.56	1.22
[Face value- ₹100/- per share]			
Significant Accounting Policies & Notes to Financial Statements	1 to 33		

As per our attached report of even date

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

Chartered Accountants

(Firm Regn. No. 302081E)

**A. Paul**

Partner

Membership No.06490

Place : Kolkata

Dated : 29th November, 2014

For and on behalf of the Board of Directors

**Gopal Sharma**  
(Company Secretary)

**S.K.Tailor**  
(Director)

**R.N.Yadav**  
(Director)

**CASH FLOW STATEMENT**  
for the year ended 30th September, 2014

Gujarat Metallic Coal & Coke Limited

	(₹ in '000)	
	Year ended 30th September, 2014	Year ended 30th September, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax	3,185	2,418
<b>Adjustments for :</b>		
Depreciation/Amortisation	26	27
Interest Expenses	27,442	25,343
Profit on sale of Investments	-	(70,408)
Interest Income	(1,702)	(847)
<b>Operating Profit before working Capital Changes</b>	<b>28,951</b>	<b>(43,467)</b>
<b>Adjustment for :</b>		
(Increase)/Decrease in Inventories	(105,627)	179,765
(Increase)/Decrease/ in Trade & Other Receivables	292,046	(3,057,710)
Increase/(Decrease) in Trade & Other Payables	(300,408)	2,696,375
<b>Cash generated from operations</b>	<b>(85,038)</b>	<b>(225,037)</b>
Direct Taxes Paid / Refunds	9,383	(1,531)
<b>Net cash flow from Operating Activities</b>	<b>(75,655)</b>	<b>(226,568)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale of Investments	-	177,312
Purchase of Fixed Assets	(63)	-
Interest Received	1,702	847
<b>Net cash flow from Investing Activities</b>	<b>1,639</b>	<b>178,159</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Increase in Short Term Borrowings	96,782	74,993
Interest Paid	(27,442)	(25,343)
<b>Net cash flow from Financing Activities</b>	<b>69,340</b>	<b>49,650</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(4,676)</b>	<b>1,241</b>
Opening Balance of Cash & Cash Equivalents	7,281	6,040
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>2,605</b>	<b>7,281</b>

As per our attached report of even date

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

Chartered Accountants

(Firm Regn. No. 302081E)

**A. Paul**

Partner

Membership No.06490

Place : Kolkata

Dated : 29th November, 2014

For and on behalf of the Board of Directors

**Gopal Sharma**  
(Company Secretary)

**S.K.Tailor**  
(Director)

**R.N.Yadav**  
(Director)

**1. (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 amount of revenues and expenses during the reporting period and the reported amount of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**iii) Fixed Assets**

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

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

**viii) Foreign Exchange Transactions**

Transactions involving foreign exchange are normally recorded at the exchange rates prevailing on the date of the transaction. Exchange differences arising on settlement of transactions or on reporting monetary items of the Company at the rate different from those at which they were initially recorded during the 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) Taxation**

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 asset is recognized only if there is a reasonable/virtual certainty that the

- same will be realized and are reviewed for the appropriateness of its carrying values at each balance sheet date.
- Tax on Distributed Profit is provided in accordance with the provision of Section 115-O of the Income Tax Act, 1961 and guidance note on 'Accounting for Corporate Dividend Tax'.
- 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 year end as per actuarial confirmation.
- xi) **Amortisation**
- Preliminary and share/debenture issue expenses are amortized over the 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 the Statement of Profit and Loss 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 year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share, net profit after tax for the period and the weighted average number of shares outstanding during the year are adjusted with the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as at the beginning of the year, unless they have been issued at a later date.
- 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 adequately disclosed.
- xv) **Provisions, Contingent Liabilities & Contingent Assets**
- Provision is made when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. 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**

In accordance with General Circular No.08/2014 dated 04.04.2014 No.1/19/2013-CL-V issued by the Ministry of Corporate Affairs the financial statements (and documents required to be attached thereto), Auditor's Report and Board's Report in respect of financial year that commence earlier than 1st April, 2014 shall be governed by the relevant provisions/schedules/rules of the Companies Act,1956 and that in respect of financial year commencing on or after 1st April,2014 the provisions of the new Act shall apply.

		(₹ in '000)		
		As at 30th September, 2014	As at 30th September, 2013	
<b>NOTE – 2 : SHARE CAPITAL</b>				
<b>Authorised :</b>				
20,00,000 (Previous year 20,00,000) Equity Shares of ₹100/- each		200,000	200,000	
<b>Issued,Subscribed and Paid-up :</b>				
19,80,658 (Previous year 19,80,658)Equity Shares of ₹100/- each fully paid up		198,066	198,066	
		<b>198,066</b>	<b>198,066</b>	
<b>2.1</b> The reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:				
Equity Shares at the beginning of the year		1,980,658	1,980,658	
Equity Shares at the end of the year		<b>1,980,658</b>	<b>1,980,658</b>	
<b>2.2</b> The Details of shareholders holding more than 5% shares in the Company :				
Name of Shareholders	As at 30th September, 2014		As at 30th September, 2013	
	No of Shares	% held	No of Shares	% held
Ruchika Trade Link Pvt. Ltd.	217,237	10.97	217,237	10.97
Gaurav Vinimay Pvt. Ltd.	152,108	7.68	152,108	7.68
Arvind Bajoria	117,126	5.91	117,126	5.91
Dinesh Chandra Bajoria	113,960	5.75	113,960	5.75
		As at 30th September, 2014	As at 30th September, 2013	
<b>NOTE – 3 : RESERVES AND SURPLUS</b>				
<b>Capital Reserve</b>				
As per last Balance Sheet		1,490	1,490	
<b>Surplus in Statement of Profit &amp; Loss</b>				
As per last Balance Sheet		8,258	5,834	
Add:Profit for the year		3,094	2,424	
		<b>11,352</b>	<b>8,258</b>	
<b>TOTAL</b>		<b>12,842</b>	<b>9,748</b>	
<b>NOTE – 4 : DEFERRED TAX LIABILITIES (NET)</b>				
<b>Deferred Tax Liabilities</b>				
On account of Depreciation on Fixed Assets		233	233	
		<b>233</b>	<b>233</b>	

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Gujarat Metallic Coal & Coke Limited

(₹ in '000)

	As at 30th September, 2014	As at 30th September, 2013
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### NOTE – 5 : LONG TERM PROVISIONS

Provision for Gratuity	102	85
Provision for Leave Encashment	41	35
	<u>143</u>	<u>120</u>

### NOTE – 6 : SHORT TERM BORROWINGS

#### Secured

Loan Repayable on Demand from Bank	1,099	1,007
Bill Discounting and Letter of Credit Facilities from Bank	171,630	74,940
	<u>172,729</u>	<u>75,947</u>

6.1 Loan repayable on demand from Bank of Baroda is secured by way of lien against term deposits with bank.

6.2 Bill Discounting and Letter of Credit Facilities from Lakshmi Vilas Bank Ltd. are secured by following securities :-

- Secured by exclusive charge on hypothecation on stocks, book-debts & other current assets of the Company, both present and future.
- Personal guarantee of Mr. Dinesh Chandra Bajoria, Chairman & Managing Director of the Company.

### NOTE – 7 : TRADE PAYABLES

For Goods	4,265,861	4,560,831
For Others	138	278
	<u>4,265,999</u>	<u>4,561,109</u>

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

### NOTE – 8 : OTHER CURRENT LIABILITIES

Unclaimed Dividends	-	13
Other Payables	4,734	10,042
	<u>4,734</u>	<u>10,055</u>

### NOTE – 9 : SHORT TERM PROVISIONS

Provisions for Income Tax	3,335	1,603
	<u>3,335</u>	<u>1,603</u>

### NOTE -10 : TANGIBLE FIXED ASSETS

Particulars of Assets	Gross-Block			Depreciation			Net-Block		
	As on 01.10.2013	Addition/ Adjustment	As on 30.09.2014	As on 01.10.2013	For the Year	Adjustment for Impairment	As on 30.09.2014	As on 30.09.2014	As on 30.09.2013
Building	718	-	718	65	11	-	76	642	653
Office Equipments	140	22	162	83	7	-	90	72	57
Computer	-	41	41	-	6	-	6	35	-
Furniture & Fixtures	26	-	26	21	2	-	23	3	5
Vehicles	734	-	734	697	-	-	697	37	37
<b>TOTAL</b>	<b>1,618</b>	<b>63</b>	<b>1,681</b>	<b>866</b>	<b>26</b>	<b>-</b>	<b>892</b>	<b>789</b>	<b>752</b>
Previous year	1,836	(218)	1,618	1,057	20	(211)	866	752	779

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

Annual Report 2013-14

<b>NOTE – 11 : NON-CURRENT INVESTMENTS</b>				
( ₹ in '000)				
Particulars	Face Value (₹)	No. of Shares*	As at 30th September, 2014	As at 30th September, 2013
<b>Long term, Non Trade</b>				
<b>Quoted Equity Shares, Fully paid-up</b>				
Arvind International Ltd.	10	477,250 (477,250)	6,458	6,458
			<u>6,458</u>	<u>6,458</u>
<b>Unquoted Equity Shares, Fully Paid-up In Wholly owned Foreign Subsidiary</b>				
Happy Mining Pty Ltd.	N.A	9,800,000 (9,800,000)	380,202	380,202
<b>In Others</b>				
Kaizen Organics Pvt 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 (4,04,500)	6,045	6,045
Shri Brishab Sinha Construction Pvt Ltd	10	9,000 (9,000)	360	360
Narottamka Commodities Pvt Ltd.	10,000	515 (515)	1,030	1,030
Satellite Mercantiles Pvt Ltd.	10	353,500 (353,500)	116,655	116,655
* Previous year figure are in bracket.			<u>505,542</u>	<u>505,542</u>
<b>TOTAL</b>			<u><b>512,000</b></u>	<u><b>512,000</b></u>
Aggregate Book Value of Quoted Investments			6,458	6,458
Aggregate Market value of Quoted Investments			1,594	3,293
Aggregate Book Value of Unquoted Investments			505,542	505,542
			<b>As at 30th September, 2014</b>	<b>As at 30th September, 2013</b>
<b>NOTE – 12 : LONG TERM LOANS AND ADVANCES</b>				
(Unsecured, Considered good )				
Deposits with Government and Other authorities			<u>195</u>	<u>195</u>
			<u><b>195</b></u>	<u><b>195</b></u>
<b>NOTE – 13 : INVENTORIES</b>				
Stock-in-Trade [Refer Note No.1(vi)]			<u>258,803</u>	<u>153,176</u>
			<u><b>258,803</b></u>	<u><b>153,176</b></u>
<b>NOTE – 14 : TRADE RECEIVABLE*</b>				
(Unsecured, Considered good )				
Debts outstanding for a period exceeding six months			2,048,839	2,507,158
Other Debts			<u>1,555,750</u>	<u>483,419</u>
			<u><b>3,604,589</b></u>	<u><b>2,990,577</b></u>
* Refer Note No.24				

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

Gujarat Metallic Coal &amp; Coke Limited

	(₹ in '000)	
	As at 30th September, 2014	As at 30th September, 2013
<b>NOTE – 15 : CASH &amp; CASH EQUIVALENTS</b>		
Balance with Banks:		
in Current Accounts	969	4,270
in Dividend Accounts	-	13
in Term Deposit Accounts	1,358	1,270
Cash on hand	278	1,728
	<u>2,605</u>	<u>7,281</u>
<b>NOTE – 16 : SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered good )		
Loans and Advances:		
- to Related parties*	6,971	7,043
- to Others	260,505	1,169,995
Advance Tax & Tax Deducted at Source	2,670	12,053
MAT Credit Entitlement	3,591	1,950
Taxes and Duties recoverable /adjustable	5,363	1,859
	<u>279,100</u>	<u>1,192,900</u>
* Refer Note No.24		
<b>NOTE – 17 : REVENUE FROM OPERATIONS</b>		
Sale of Coal & Coke	647,965	4,039,677
Sale of Cloth	1,548	-
Sale of Shares	1,628,190	-
	<u>2,277,703</u>	<u>4,039,677</u>
<b>NOTE – 18 : OTHER INCOME</b>		
Interest Income	569	847
(TDS ₹ 57 thousand, Previous Year ₹ 85 thousand)		
Interest on Income Tax Refund	1,133	-
Profit on sale of Investments	-	70,407
Gain on Foreign Exchange Fluctuation	-	392
Sundry Balances Written Back (Net)	-	231
	<u>1,702</u>	<u>71,877</u>
<b>NOTE – 19 : CHANGES IN INVENTORIES OF STOCK-IN-TRADE</b>		
Closing Stocks	258,803	153,176
Less : Opening Stocks	153,176	332,941
	<u>105,627</u>	<u>(179,765)</u>
<b>NOTE – 20 : EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Bonus	1,158	1,114
Provision / Payment for Gratuity	16	26
	<u>1,174</u>	<u>1,140</u>

(₹ in '000)		
	Year ended 30th September, 2014	Year ended 30th September, 2013
<b>NOTE – 21 : FINANCE COSTS</b>		
Interest Expenses	27,442	25,343
	<u>27,442</u>	<u>25,343</u>
<b>NOTE – 22 : OTHER EXPENSES</b>		
Rent	300	161
Rates & Taxes	297	121
Insurance Expenses	48	31
Advertisement Expenses	130	145
Labour /Screening Charges	761	406
Professional & Service Charges	416	21
Communication Expenses	71	82
Travelling & Conveyance	332	205
Miscellaneous Expenses	740	606
Loss on Impairment of fixed Assets	-	7
Auditors Remuneration		
- For Audit Fees	28	28
- For Tax Audit Fees	8	8
	<u>3,131</u>	<u>1,821</u>
	<b>Year ended 30th September, 2014</b>	<b>Year ended 30th September, 2013</b>
<b>NOTE – 23 : EARNINGS PER SHARE</b>		
Net Profit as per Statement of Profit and Loss (₹ in '000)	3,094	2,424
Weighted average number of equity shares outstanding during the year	1,980,658	1,980,658
Basic and Diluted Earning per share (in ₹ )	1.56	1.22

**NOTE – 24 : RELATED PARTY DISCLOSURES**

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

**NOTE – 24.1 : List of Related parties where control exists and Related parties with whom transactions have taken place and relationship :**

Name of Related party	Relationship
Happy Mining Pty Ltd.	Subsidiary
Avondale Resources Pty Ltd.	Sub-Subsidiary
Mr. Dinesh Chandra Bajoria - Chairman & Mg. Director	Key management personnel
Mrs.Kanta Bajoria	Relative of key management personnel
Aparna Polyflex Pvt Ltd.	Enterprises in which key management personnel has significant influence
Ruchika Tradelink Pvt Ltd.	Enterprises in which key management personnel has significant influence
Arvind Industries	Enterprises in which key management personnel has significant influence

	Year ended 30th September, 2014	Year ended 30th September, 2013
<b>NOTE – 24.2 : Transactions with Related Parties</b>		
(i) <b>Sales of Goods</b>		
Enterprises in which key management personnel has significant influence	204,664	1,004,591
(ii) <b>Purchases of Goods</b>		
Enterprises in which key management personnel has significant influence	152,329	525,332
(iii) <b>Investments /(Remittance on Capital Reduction)</b>		
Subsidiary	-	177,312
(iv) <b>Advances given/(Refunded)</b>		
Enterprises in which key management personnel has significant influence	(57)	-
		(₹ in '000)
	Year ended 30th September, 2014	Year ended 30th September, 2013

**NOTE – 24.3 : Amounts due from Related Parties :**

Enterprises in which key management personnel has significant influence

- Included in Sundry debtors	685,491	498,830
- Included in Loans & Advances	6,971	7,028
Relative of key management personnel		
- Included in Loans & Advances	-	15

**NOTE – 25 : CONTINGENT LIABILITIES AND COMMITMENTS**

Disputed dues involved in two income tax demands under appeal - ₹270 thousand (Previous year - ₹.270 thousand). The management is of view that the outcome of the appeal would be favourable to the company, hence no provision has been made against these income tax demands.

**NOTE – 26.1 : Earning in Foreign Currency**

Profit arising on reduction of Investment in subsidiary

- 70,408

**NOTE – 26.2 : Expenditure in Foreign Currency**

Travelling Exp.

- 160

**NOTE – 27 :** Since the Company has only two employees, the accrued liability for employees' retirement benefits viz. gratuity and leave encashment at the end of the financial year has been determined by the Company on a rational basis. the estimated provision has been confirmed by the actuary.

**NOTE – 28 :** "Short Term Borrowings" includes Overdue Bill Discounting & Letter of Credit facilities amounting to ₹ 17.16 Crores availed from Lakshmi Villas Bank Ltd. that could not be paid by the Company on due dates and outstanding as on Balance Sheet date.

However, the Bank has agreed to restructure the said overdue Credit facilities into Term Loan facility to the extent of ₹ 15 Crores, repayable in 22 quarterly installment, commencing from December, 2014 with applicable interest rate of 12% p.a.

- NOTE – 29 :** The indicators of impairment listed in paragraph 8 to 10 of Accounting Standard (AS-28) "Impairment of Assets" issued by the ICAI have been examined by the management and on such examination it has been found that none of the indicators are present in case of the company's assets. A formal estimate of the recoverable amount has not been made, as there is no indication of a potential impairment loss.
- NOTE – 30 :** In the opinion of the Board of Directors and to the best of their knowledge and belief, the value on realisation of current assets, loans and advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
- NOTE – 31 :** There are no amounts due and outstanding to be credited to Investors Education and Protection Fund as at 30th September, 2014.
- NOTE – 32 :** 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 Accounting Standard (AS-27) issued by the Institute of Chartered Accountants of India.
- NOTE – 33 :** Previous year's figures have been regrouped/ reclassified wherever found necessary.

**STATEMENT PURSUANT TO GENERAL EXEMPTION UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES**

(₹ in '000)

Name of the Subsidiary	Happy Mining Pty Ltd.	Avondale Resources Pty Ltd.
Country of Incorporation	Australia	Australia
Capital	560,168	171
Reserves	(259,087)	2
Total Assets	304,729	173
Total Liabilities	3,648	-
Details of Investment (other than investment in Subsidiary)	436	-
Turnover	11	-
Profit/(Loss) before Taxation	(250,105)	(1,123)
Provision for Taxation	-	-
Profit/ (Loss) after Taxation	(250,105)	(1,123)
Proposed Dividend	-	-
Reporting Currency	AUD	AUD
Exchange Rate	56.54	56.54

# INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Gujarat Metallic Coal & Coke Limited

To the Board of Directors of Gujarat Metallic Coal & Coke Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Gujarat Metallic Coal & Coke Limited (“the Company”), and its two foreign subsidiaries (together referred to as the ‘Group’) as at September 30, 2014, comprising of the consolidated Balance Sheet as at September 30, 2014; the consolidated Statement of Profit & Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management’s Responsibility for the Consolidated Financial Statements

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

## Auditor’s Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

## Opinion

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

- a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at September 30, 2014;
- b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

## Other Matter

We did not audit the financial statement of these two subsidiaries whose financial statements reflect total assets of Rs. 304902 thousand as at June 30, 2014 and total revenue of Rs. 11 thousand and net cash outflows of Rs. 293 thousand for the period ended on that date (Refer Note No.32 of the consolidated financial statements). The financial statement of these subsidiaries have been audited by other auditors whose reports have been furnished to us, and our opinion, so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of other auditors.

For **N. C. Banerjee & Co.**  
Chartered Accountants  
Firm Regn. No. : 302081E  
**A Paul**  
(Partner)  
Membership No. 06490

Place: Kolkata  
Dated : 29th November, 2014

**CONSOLIDATED BALANCE SHEET**

as at 30th September, 2014

Annual Report 2013-14

(₹ in '000)			
	Notes	As at 30th September, 2014	As at 30th September, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	198,066	198,066
Reserves & Surplus	3	98,418	184,123
		<u>296,484</u>	<u>382,189</u>
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	4	233	232
Long Term Provisions	5	143	120
		<u>376</u>	<u>352</u>
<b>Current Liabilities</b>			
Short Term Borrowings	6	172,729	75,947
Trade Payables	7	4,269,646	4,562,515
Other Current Liabilities	8	4,734	10,066
Short Term Provisions	9	3,335	1,603
		<u>4,450,444</u>	<u>4,650,131</u>
<b>TOTAL</b>		<u><u>4,747,304</u></u>	<u><u>5,032,672</u></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Tangible Fixed Assets	10	789	753
Goodwill on Consolidation		167,592	167,832
Non-Current Investment	11	132,234	140,716
Long Term Loans and Advances	12	209,945	77,377
		<u>510,560</u>	<u>386,678</u>
<b>Current Assets</b>			
Inventories	13	258,803	153,176
Trade Receivables	14	3,604,589	2,990,577
Cash and Cash Equivalents	15	3,256	8,225
Short Term Loans and Advances	16	370,096	1,494,016
		<u>4,236,744</u>	<u>4,645,994</u>
<b>TOTAL</b>		<u><u>4,747,304</u></u>	<u><u>5,032,672</u></u>
Significant Accounting Policies & Notes to Financial Statements	1 to 33		

As per our attached report of even date

For **N. C. Banerjee & Co.**Chartered Accountants  
(Firm Regn. No. 302081E)**A. Paul**  
Partner

Membership No.06490

Place : Kolkata

Dated : 29th November, 2014

For and on behalf of the Board of Directors

**Gopal Sharma**  
(Company Secretary)**S.K.Tailor**  
(Director)**R.N.Yadav**  
(Director)

**CONSOLIDATED STATEMENT OF PROFIT & LOSS**  
for the year ended 30th September, 2014

Gujarat Metallic Coal & Coke Limited

(₹ in '000)			
	Notes	Year ended 30th September, 2014	Year ended 30th September, 2013
<b>INCOME</b>			
Revenue from Operations	17	2,277,703	4,039,677
Other Income	18	1,713	326,198
		<u>2,279,416</u>	<u>4,365,875</u>
<b>EXPENDITURE</b>			
Purchases of Stock-in-Trade		2,350,074	3,901,048
Changes in Inventories of Stock-in-Trade	19	(105,627)	179,765
Employee Benefits Expense	20	4,038	2,309
Finance Costs	21	27,442	30,969
Depreciation	10	26	36
Other Expenses	22	88,490	3,700
		<u>2,364,443</u>	<u>4,117,827</u>
<b>Profit before Tax</b>		(85,027)	248,048
<b>Tax Expenses</b>			
Current Tax (Minimum Alternate Tax)		607	1,794
Tax for Earlier Years		91	
Deferred Tax		-	4,653
MAT Credit Entitlement		(607)	(461)
<b>Profit after Tax</b>		<u>(85,118)</u>	<u>242,062</u>
Basic & Diluted Earnings per Equity Share (in ₹)	23	(42.98)	122.21
[Face value - ₹ 100/- per share]			
Significant Accounting Policies & Notes to Financial Statements	1 to 33		

As per our attached report of even date

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

Chartered Accountants

(Firm Regn. No. 302081E)

**A. Paul**

Partner

Membership No.06490

Place : Kolkata

Dated : 29th November, 2014

For and on behalf of the Board of Directors

**Gopal Sharma**  
(Company Secretary)

**S.K.Tailor**  
(Director)

**R.N.Yadav**  
(Director)

**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 30th September, 2014

Annual Report 2013-14

	(₹ in '000)	
	Year ended 30th September, 2014	Year ended 30th September, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	(85,027)	248,048
<b>Adjustments for :</b>		
Depreciation/Amortisation	26	74
Interest Expenses	27,442	30,969
Provision for diminution in value of Investments	914	70
Net Loss/(Profit) on sale of Investments	772	(128,796)
Profit on sale of Oil Tenement	-	(195,790)
Interest Income	(1,713)	(989)
<b>Operating Profit before working Capital Changes</b>	<b>(57,586)</b>	<b>(46,414)</b>
<b>Adjustment for :</b>		
(Increase)/Decrease in Inventories	(105,627)	179,765
(Increase)/Decrease/ in Trade & Other Receivables	370,965	(3,332,182)
Increase/(Decrease) in Trade & Other Payables	(298,177)	2,696,443
<b>Cash generated from operations</b>	<b>(90,425)</b>	<b>(502,388)</b>
Direct Taxes Paid / Refunds	8,016	(1,791)
<b>Net cash flow from Operating Activities</b>	<b>(82,409)</b>	<b>(504,179)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(212)	(8,609)
Sale of Investments	7,008	391,101
Sale of Oil Tenement	-	195,790
Addition to Assets	(63)	(10,581)
Interest Received	1,713	989
<b>Net cash flow from Investing Activities</b>	<b>8,446</b>	<b>568,690</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net Proceeds to Share Capital / Reserves	(346)	(39,163)
Increase/(Decrease) in Borrowings	96,782	(5,635)
Interest Paid	(27,442)	(30,969)
<b>Net cash flow from Financing Activities</b>	<b>68,994</b>	<b>(75,767)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(4,969)</b>	<b>(11,256)</b>
Opening Balance of Cash & Cash Equivalents	8,225	19,481
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>3,256</b>	<b>8,225</b>

As per our attached report of even date

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

Chartered Accountants

(Firm Regn. No. 302081E)

**A. Paul**

Partner

Membership No.06490

Place : Kolkata

Dated : 29th November, 2014

For and on behalf of the Board of Directors

**Gopal Sharma**  
(Company Secretary)

**S.K.Tailor**  
(Director)

**R.N.Yadav**  
(Director)

**NOTE -1 : SIGNIFICANT ACCOUNTING POLICIES****i) Accounting Conventions :**

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

**ii) Principles of Consolidation :**

The accounts of subsidiaries have been consolidated with the parent Company's accounts in accordance with Accounting Standard-21 on "Consolidated Financial Statements" as notified under the Companies (Accounting Standard) Rules, 2006.

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

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

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

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

**iii) Use of Estimates :**

The preparation of the 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 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 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.

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

**ix) Foreign 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.

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

**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 year end as per actuarial confirmation.

**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 Statement of Profit and Loss 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 year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted with the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed to have been converted as at the beginning of the year, 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 is disclosed.

**xvi) 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.

(₹ in '000)

	As at 30th September, 2014	As at 30th September, 2013
<b>NOTE – 2 : SHARE CAPITAL</b>		
<b>Authorised :</b>		
20,00,000 (Previous year 20,00,000) Equity Shares of ₹ 100/- each	200,000	200,000
<b>Issued,Subscribed and Paid-up :</b>		
19,80,658 (Previous year 19,80,658) Equity Shares of ₹ 100/- each fully paid up	198,066	198,066
	<u>198,066</u>	<u>198,066</u>
<b>2.1</b> The reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year :		
Equity Shares at the beginning of the year	1,980,658	1,980,658
Equity Shares at the end of the year	<u>1,980,658</u>	<u>1,980,658</u>
<b>2.2</b> The Details of shareholders holding more than 5% shares in the Company :		
	<b>As at 30th September, 2014</b>	<b>As at 30th September, 2013</b>
<b>Name of Shareholders</b>	<b>No of Shares</b>	<b>% held</b>
	<b>No of Shares</b>	<b>% held</b>
Ruchika Trade Link Pvt. Ltd.	217,237	10.97
Gaurav Vinimay Pvt. Ltd.	152,108	7.68
Arvind Bajoria	117,126	5.91
Dinesh Chandra Bajoria	113,960	5.75
	<b>As at 30th September, 2014</b>	<b>As at 30th September, 2013</b>
<b>NOTE – 3 : RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	1,490	1,490
<b>Surplus in Statement of Profit &amp; Loss</b>		
As per last Balance Sheet	29,676	(212,385)
Add:Profit/(Loss) for the year	(85,118)	242,062
	<u>(55,442)</u>	<u>29,677</u>
<b>Foreign Currency Translation Reserve</b>	152,370	152,956
<b>TOTAL</b>	<u>98,418</u>	<u>184,123</u>
<b>NOTE – 4 : DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
On account of Depreciation on Fixed Assets	233	232
	<u>233</u>	<u>232</u>
<b>NOTE – 5 : LONG TERM PROVISIONS</b>		
Provision for Gratuity	102	85
Provision for Leave Encashment	41	35
	<u>143</u>	<u>120</u>
<b>NOTE – 6 : SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Loan Repayable on Demand from Bank	1,099	1,007
Bill Discounting and Letter of Credit Facilities from Bank	171,630	74,940
	<u>172,729</u>	<u>75,947</u>

(₹ in '000)

	As at 30th September, 2014	As at 30th September, 2013
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6.1 Loan repayable on demand from Bank of Baroda is secured by way of lien against term deposits with bank.

6.2 Bill Discounting and Letter of Credit Facilities from Lakshmi Vilas Bank Ltd. are secured by following securities :

- Secured by exclusive charge on hypothecation on Stocks, Book-debts & other current assets of the Company, both present and future.
- Personal guarantee of Mr. Dinesh Chandra Bajoria, Chairman & Managing Director of the Company.

**NOTE – 7 : TRADE PAYABLES**

For Goods	4,265,860	4,560,831
For Others	3,786	1,684
	<u>4,269,646</u>	<u>4,562,515</u>

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

**NOTE – 8 : OTHER CURRENT LIABILITIES**

Unclaimed Dividends	-	13
Other Payables	4,734	10,053
	<u>4,734</u>	<u>10,066</u>

**NOTE – 9 : SHORT TERM PROVISIONS**

Provision for Income Tax	3,335	1,604
	<u>3,335</u>	<u>1,604</u>

**NOTE -10 : TANGIBLE FIXED ASSETS**

(₹ in '000)

Particulars of Assets	Gross-Block			Depreciation			Net-Block		
	As on 01.10.2013	Addition/ Adjustment	As on 30.09.2014	As on 01.10.2013	For the Year	Adjustment for Impairment	As on 30.09.2014	As on 30.09.2014	As on 30.09.2013
Building	718	-	718	65	12	-	77	641	653
Office Equipments	140	-	140	83	6	-	89	51	57
Computer	-	41	41	-	6	-	6	35	-
Furniture & Fixtures	26	-	26	21	2	-	23	3	5
Vehicles	734	-	734	697	-	-	697	37	37
<b>TOTAL</b>	<b>1,618</b>	<b>41</b>	<b>1,659</b>	<b>866</b>	<b>26</b>	<b>-</b>	<b>892</b>	<b>767</b>	<b>752</b>
Previous Year	1,898	(280)	1,618	1,103	36	(273)	866	752	795

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

Gujarat Metallic Coal &amp; Coke Limited

**NOTE – 11 : NON-CURRENT INVESTMENTS**

(₹ in '000)

Particulars	Face Value (₹)	No. of Shares*	As at 30th September, 2014	As at 30th September, 2013
<b>Long term, Non Trade</b>				
<b>Quoted Equity Shares, Fully paid-up</b>				
Arvind International Ltd.	10	477,250 (477,250)	6,458	6,458
Wollongong Coal Ltd.	N.A	189,771 ( - )	212	-
Shree Minerals Ltd.	N.A	50,000 (50,000)	224	308
			<u>6,894</u>	<u>6,766</u>
<b>Unquoted Equity Shares, Fully Paid-up In Others</b>				
Kaizen Organics Pvt Ltd.	10	33,750 (33,750)	1,150	1,150
Aparna Polyflex Pvt Ltd.	10	9980 (9,980)	100	100
Arvind Coir Foam Pvt Ltd.	10	404,500 (4,04,500)	6,045	6,045
Shri Brishab Sinha Construction Pvt Ltd	10	9,000 (9,000)	360	360
Narottamka Commodities Pvt Ltd.	10,000	515 (515)	1,030	1,030
Satellite Mercantiles Pvt Ltd.	10	353,500 (353,500)	116,655	116,655
<b>In Mutual Fund</b>			-	<u>8,610</u>
* Previous year figure are in bracket.			<u>125,340</u>	<u>133,950</u>
<b>TOTAL</b>			<u>132,234</u>	<u>140,716</u>
Aggregate Book Value of Quoted Investments			6,894	6,766
Aggregate Market Value of Quoted Investments			2,030	3,601
Aggregate Book Value of Unquoted Investments			125,340	133,950

 As at 30th  
September, 2014

 As at 30th  
September, 2013

**NOTE – 12 : LONG TERM LOANS AND ADVANCES**

(Unsecured, Considered good )

Loans and Advances:

- to Related parties*	-	2
- to Others	209,750	3,222
Deposits with Government and Other authorities	195	195
Others Receivables	-	73,958
	<u>209,945</u>	<u>77,377</u>

\* Refer Note No.24

**NOTE – 13 : INVENTORIES**

Stock-in-Trade [Refer Note No.1(vii)]	<u>258,803</u>	<u>153,176</u>
	<u>258,803</u>	<u>153,176</u>

(₹ in '000)		
	As at 30th September, 2014	As at 30th September, 2013
<b>NOTE – 14 : TRADE RECEIVABLE*</b>		
(Unsecured, Considered good )		
Debts outstanding for a period exceeding six months	2,048,839	2,507,158
Other Debts	1,555,750	483,419
	<u>3,604,589</u>	<u>2,990,577</u>
* Refer Note No.24		
<b>NOTE – 15 : CASH &amp; CASH EQUIVALENTS</b>		
Balance with Banks:		
in Current Accounts	1,620	5,215
in Dividend Accounts	-	13
in Term Deposit Accounts	1,358	1,269
Cash on hand	278	1,728
	<u>3,256</u>	<u>8,225</u>
<b>NOTE – 16 : SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered good )		
Loans and Advances:		
- to Related parties*	6,971	7,043
- to Others	351,501	1,472,478
Advance Tax & Tax Deducted at Source	2,670	10,686
MAT Credit Entitlement	3,591	1,950
Taxes and Duties recoverable /adjustable	5,363	1,859
	<u>370,096</u>	<u>1,494,016</u>
* Refer Note No.24		
	Year ended 30th September, 2014	Year ended 30th September, 2013
<b>NOTE – 17 : REVENUE FROM OPERATIONS</b>		
Sale of Coal & Coke	647,965	4,039,677
Sale of Cloth	1,548	-
Sale of Shares	1,628,190	-
	<u>2,277,703</u>	<u>4,039,677</u>
<b>NOTE – 18 : OTHER INCOME</b>		
Interest Income	580	989
(TDS ₹ 57 thousand Previous year ₹ 85 thousand)		
Interest on Income Tax Refund	1,133	
Profit on sale of Investments	-	128,796
Profit on sale of Oil Tenement	-	195,790
Gain on Foreign Exchange Fluctuation	-	392
Sundry Balances Written Back (Net)	-	231
	<u>1,713</u>	<u>326,198</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

Gujarat Metallic Coal &amp; Coke Limited

	(₹ in '000)	
	Year ended 30th September, 2014	Year ended 30th September, 2013
<b>NOTE – 19 : CHANGES IN INVENTORIES OF STOCK-IN-TRADE</b>		
Closing Stocks	258,803	153,176
Less : Opening Stocks	153,176	332,941
	<u>105,627</u>	<u>(179,765)</u>
<b>NOTE – 20 : EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Bonus	4,022	2,283
Provision / Payment for Gratuity	16	26
	<u>4,038</u>	<u>2,309</u>
<b>NOTE – 21 : FINANCE COSTS</b>		
Interest Expenses	27,442	30,969
	<u>27,442</u>	<u>30,969</u>
<b>NOTE – 22 : OTHER EXPENSES</b>		
Rent	300	161
Rates & Taxes	383	829
Insurance Expenses	49	31
Advertisement Expenses	130	145
Labour /Screening Charges	761	405
Professional & Service Charges	2,478	21
Communication Expenses	122	128
Travelling & Conveyance	335	205
Miscellaneous Expenses	757	623
Bad Debts Written off	81,453	-
Loss on Impairment of fixed Assets	-	7
Foreign exchange Loss	-	910
Loss on sale of Investments	772	-
Provision for diminution in value of Investments	914	70
Preliminary Expenses Written Off	-	31
Auditors Remuneration		
- For Audit Fees	28	126
- For Tax Audit Fees	8	8
	<u>88,490</u>	<u>3,700</u>
<b>NOTE – 23 : EARNINGS PER SHARE</b>		
Net Profit/(Loss) as per Statement of Profit and Loss (₹ in '000)	(85,119)	242,061
Weighted average number of equity shares outstanding during the year	1,980,658	1,980,658
Basic and Diluted Earning per share (in ₹)	(42.98)	122.21

**NOTE – 24 : RALATED PARTY DISCLOSURES**

(₹ in '000)

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

**NOTE – 24.1 : List of Related parties where contol exists and related parties with whome transactions have taken place and relationship :**

<b>Name of Related party</b>	<b>Relationship</b>
Happy Mining Pty Ltd.	Subsidiary
Avondale Resources Pty Ltd.	Sub-Subsidiary
Mr.Dinesh Chandra Bajoria -Chairman & Mg.Director	Key management personnel
Mr. Rajat Sharma-Director of subsidiary	Key management personnel
Mrs. Kanta Bajoria	Relative of key management personnel
Aparna Polyflex Pvt Ltd.	Enterprises in which key management personnel has significant influence
Ruchika Tradelink Pvt Ltd.	Enterprises in which key management personnel has significant influence
Arvind Industries	Enterprises in which key management personnel has significant influence

	<b>Year ended 30th September, 2014</b>	<b>Year ended 30th September, 2013</b>
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**NOTE – 24.2 : Transactions with Related Parties :**

(i) <b>Sales of Goods</b>		
Enterprises in which key management personnel has significant influence	204,664	1,004,591
(ii) <b>Purchases of Goods</b>		
Enterprises in which key management personnel has significant influence	153,827	525,332
(iii) <b>Advances given/(Refunded)</b>		
Enterprises in which key management personnel has significant influence	-	-
(iv) <b>Remiuneration to director of subsidiary</b>	1,350	1,119

**NOTE – 24.3 : Amounts due from Related Parties :**

Enterprises in which key management personnel has significant influence

- Included in Sundry debtors	683,992	498,830
- Included in Loans & Advances	6,971	7,028
Relative of key management personnel		
- Included in Loans & Advances	-	15

**NOTE – 25 : CONTINGENT LIABILITIES AND COMMITMENTS**

Disputed dues involved in two income tax demands under appeal - ₹ 270 thousand (Previous year - ₹ 270 thousand). The management is of view that the outcome of the appeal would be favourable to the company, hence no provision has been made against these income tax demands. The subsidiary Companies has no such liability.

**NOTE – 26 :** Since the Company has only two employees, the accrued liability for employees' retirement benefits viz. gratuity and leave encashment at the end of the financial year has been determined by the Company on a rational basis. the estimated provision has been confirmed by the actuary.

**NOTE – 27 :** "Short Term Borrowings" includes Overdue Bill Discounting & Letter of Credit facilities amounting to ₹ 17.16 Crores availed from Lakshmi Villas Bank Ltd. that could not be paid by the Company on due dates and outstanding as on Balance Sheet date.

However, the Bank has agreed to restructure the said overdue Credit facilities into Term Loan facility to the extent of ₹ 15 Crores, repayable in 22 quarterly installment, commencing from December, 2014 with applicable interest rate of 12% p.a.

**NOTE – 28 :** The indicators of impairment listed in paragraph 8 to 10 of Accounting Standard (AS-28) "Impairment of Assets" issued by the ICAI have been examined by the management and on such examination it has been found that none of the indicators are present in case of the Company's assets. A formal estimate of the recoverable amount has not been made, as there is no indication of a potential impairment loss.

**NOTE – 29 :** In the opinion of the Board of Directors and to the best of their knowledge and belief, the value on realisation of current assets, loans and advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

**NOTE – 30 :** There are no amounts due and outstanding to be credited to Investors Education and Protection Fund as at 30th September, 2014.

**NOTE – 31 :** 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 Accounting Standard (AS-27) issued by the Institute of Chartered Accountants of India.

**NOTE – 32 :** The Consolidated financial statements of the previous financial year comprises the accounts of parent company M/s. Gujarat Metallic Coal & Coke Ltd. for twelve months period ended 30th September, 2013 and of subsidiary M/s. Happy Mining Pty Ltd. for twelve months period ended 31st March, 2013 and sub-subsidiary M/s. Avondale Resources Pty Ltd for twelve months period ended 31st March, 2013. The Consolidated financial statements of the current financial year comprises the accounts of parent Company M/s. Gujarat Metallic Coal & Coke Ltd. for twelve months period ended 30th September, 2014 and of subsidiary M/s. Happy Mining Pty Ltd for fifteen months period ended 30th June, 2014 and sub-subsidiary M/s. Avondale Resources Pty Ltd for fifteen months period ended 30th June, 2014. In view of this previous year's figures are not as such directly comparable with current year's figures.

**NOTE – 33 :** Previous year's figures have been regrouped/reclassified wherever found necessary.

*If undelivered please return to :*

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