



# GUJARAT NRE COKE LIMITED

REGISTERED OFFICE : 22, CAMAC STREET, BLOCK-C, 5<sup>TH</sup> FLOOR, KOLKATA - 700 016  
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CIN: L51909WB1986PLC040098; WEBSITE : [www.gujaratnre.com](http://www.gujaratnre.com)

24<sup>th</sup> March 2017

Dear Shareholder(s),

**Sub: A sincere attempt to chalk out a durable and successful revival plan**

I have always regarded it my duty and privilege to maintain the operations at Gujarat NRE Coke Ltd. transparent, and to keep you updated on the same. The continued challenges faced by the steel industry, and the commodities market, have extended the downturn being experienced by the company.

I have always viewed upholding the interest of the shareholders and stakeholders as our foremost obligation. As on date more than 1000 workers and 300 staff members are directly employed by the Company across its plants and offices, while indirect employment is quadrupled through its vendors, dealers and suppliers. It is important to the Company that it tries to sustain their livelihood and not allow anybody to disturb the same. Under such circumstances, I feel that continuing with various litigations and proceedings in different Courts hampers the normal functioning due to the underlying uncertainty and is not beneficial from a broader perspective.

The outlook of the met coke industry is much more positive today than in the last few years. The Anti-Dumping Duty on the import of met coke from China, already imposed by the Government of India will remain in force for next five years, providing a safety net for the operations of the Company. The recessionary impact of demonetisation felt between November and February is gradually fading away with the demand for coke reviving once more.

Gujarat NRE remains confident of its future given the strong infra push of the Union Budget 2017, and with the expected growth in steel sector, met coke demand is expected to remain high. The current operating margins for coke makers is comfortable and is expected to improve further with subsequent growth in coke demand. Hence, I feel that if we could



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resolve our legal issues and provide a certainty to our future, keeping in mind our size and standing in the coke industry, we can take advantage of the conducive market conditions.

Thus to continue with our ongoing operations, production and sales from our plants in Gujarat and Karnataka, so that our going concern value is not jeopardised, and we are in a position to benefit from the market that is ready to soar once again, we felt that it would be prudent to take recourse to the new Insolvency and Bankruptcy Code introduced by the Government for the quick resolution of cases similar to ours. We have, therefore filed the necessary application with the National Company Law Tribunal (NCLT) for the initiation of Corporate Insolvency Resolution Process (CIRP). This action is a sincere effort to chalk out a durable and successful revival plan in consultation with our bankers.

This is not the end of the road, but a resolute effort to come out of a crisis. The process does not disturb the going concern status and during this period our operations would continue in the normal course—business as usual, while the production would also be ramped up to service the growing coke demand. I am confident that post the exercise, the Company would be a much fit and nimble entity, capable of running its operations efficiently and meeting all its dues and obligations, and thus in a position to achieve newer heights of success.

I am positive that our efforts for revival of the Company will bear profitable fruits. And as always, I am grateful and happy for your continued support, and that of the bankers for an early and favourable resolution of the matter.

Yours sincerely

Arun Kumar Jagatramka  
Chairman and Managing Director