



**AUROMA COKE LIMITED**

**REPORT  
AND  
ACCOUNTS  
2010**

**SEVENTEETH ANNUAL REPORT**  
**2009-2010**

**Board of Directors**

Mr. Vimal Kumar Tulsyan  
Mr. Rajiv Tulsyan  
Mr. Sanjeev Tulsyan  
Mr. Prashant Tulsyan  
Mr. Binod Kumar Singh  
Mr. Nawal Kishore Singh  
Mr. Alok Sawa  
Mr. Swapan De Choudhury

**Company Secretary**

Mr. N. K. Taparia

**Auditors**

Agarwal Khemka & Associates  
*Chartered Accountants*

**Registered Office**

Shanti Niketan Building, Suit No. 706  
8, Camac Street, Kolkata - 700 017

**Banker**

State Bank of India

**Registrars & Share Transfer Agents**

Niche Technologies Pvt. Ltd.  
71, B. R. B. Basu Road  
D-511, Bagree Market, Kolkata - 700 001  
Phone : 033-2234 3576, Fax : 033-2215 6823



## Notice

**NOTICE** is hereby given that the 17th Annual General Meeting of the Members of Auroma Coke Limited will be held at the Registered Office of the company at Suite no. 706, Shanti Niketan Building, 8 Camac Street, Kolkata-700017 on Thursday, 30th September, 2010 at 12.00 noon to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010, the Profit & Loss Account for the year ended on that date and Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Alok Sawa who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Swapan De Choudhury who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until conclusion of next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

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

5. 'RESOLVED THAT pursuant to Section 198, 269 read with schedule XIII of the Companies Act, 1956, Mr. Sanjeev Tulsyan be and is hereby re-appointed as Whole Time Director of the Company w.e.f. 1.04.2010 for a period of 5 years upto 31.3.2015 on the following terms and conditions :
  1. Basic Salary Rs. 45,000/- P.M. (Scale 45,000-1,000-50,000)
  2. House Rent Allowance Rs. 22,500/- P.M.
  3. Education Allowance Rs. 1,000/- P.M.
  4. Transport Allowance Rs. 1,000/- P.M.
  5. Perquisites : The following perquisites shall be allowed subject to ceiling of annual salary.
    - i. Housing I : The expenditure by company on hiring unfurnished accommodation will be subject to following ceilings \_
      - a. Bombay, Kolkata, Delhi and Chennai - Sixty percent of the salary over and above ten percent payable by him.
      - b. Other places - Fifty percent of the salary over and above ten percent by him.
    - ii. Housing II : In case, the company owns the accommodation. It shall deduct ten percent of the salary.
    - iii. Housing III : In case the company provides no accommodation, he shall be entitled to house rent allowance @ 50% of the salary.
    - iv. Medical Reimbursement : Reimbursement of medical expenses actually incurred for self and family shall be subject to a ceiling of one month's salary in a year of three months salary over a period of three years.
    - v. Leave travel concession : Once in a year incurred in accordance with any rules specified by the company.
    - vi. Club Fees : Fees of Clubs subject to maximum of two Clubs. This will not include admission and life membership fees
    - vii. Personal Accident insurance : Premium not to exceed Rs. 1000/- per annum.
    - c) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable will not half a month's salary for each completed year of service subject to a ceiling of Rs. 500000/-
    - d) Provision of Car for use in Company's business and telephone at residence will not be considered as perquisite. Personal long distance calls and use of car for private purposes shall be billed by the company.

By Order of the Board

Date : 31st July, 2010  
Place : Kolkata

**N. K. Taparia**  
Company Secretary



## NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME FOR COMMENCEMENT OF THE MEETING.**
- An explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 relating to special business to be transacted at the meeting is appended hereto.
- Corporate Members intending to send their authorised representative to attend the Annual General Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- Members are requested to bring Attendance Slip along with their copy of Annual Report to the Meeting.
- Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio no. in the attendance slip for attending the Annual General Meeting.
- In case of Joint Holders attending the Meeting, only such joint holder whose name appears first in the order of names will be entitled to vote.
- Register of members and share transfer books of the Company shall remain closed from Monday 20th September 2009 to Thursday, 30th September 2008. (Both days inclusive).
- Members are requested to notify immediately to the Company about the change in their addresses along with PIN Code Number, if any.
- The Company has paid the listing fee up to year 2010-11 to the Bombay Stock Exchange Limited.

### **Explanatory Statement Pursuant To Section 173 (2) of The Companies Act, 1956 in respect to the Special Business**

#### **Item No. 5**

The Board of Directors of the Company had re-appointed Mr. Sanjeev Tulsyan as whole-time Director under the provisions of Section 198 and 269 read with Schedule XIII of the Companies Act, 1956 subject to the approval of the shareholders of the Company.

Hence, your consent is sought for the approval of the appointment of Mr. Sanjeev Tulsyan as whole-time Director of the Company.

Mr. Vimal Kumar Tulsyan, Mr. Rajiv Tulsyan, Mr. Prashant Tulsyan and Mr. Sanjeev Tulsyan, directors of the Company are interested in passing of this resolution. None of the other directors are interested or concerned in passing of this resolution.

This may be treated as Notice under Section 302 of the Companies Act, 1956.

Date : 31st July, 2010  
Place : Kolkata

By Order of the Board  
**N. K. Taparia**  
Company Secretary

#### **Information about the Directors who are proposed to be appointed/re-appointed.**

*(as required under clause 49 of the listing agreement)*

Name of Director/Category	Date of Birth	Qualification	Functional Area	Other Directorship	No. of shares held
a) Mr. Sanjeev Tulsyan (Non-Independent, Executive)	26.5.1964	B.Com.	Business Administration	1. ACM Fuels Ltd. 2. SRS Hotel Pvt. Ltd. 3. Auroma Coke Manufacturers Pvt. Ltd.	113982
b) Mr. Swapan De Choudhury (Independent, Non-Executive)	15.07.1941	a) B.S.C. (Mining) b) A.I.S.M.	Mining (Technical)	1. Vishwakarma Techno Pvt. Ltd.	Nil
c) Mr. Alok Sawa (Independent, Non-Executive)	12.12.1972	B.Com.	Legal	1. Dolphin Residency Pvt. Ltd.	Nil



## Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 17th Annual Report of the Company for the year ended on 31st March, 2010.

### FINANCIAL RESULT

The financial performance of the Company for the financial year ended March 31, 2010 is summarized below :

Particulars	(Rs. in lacs)	
	Financial Year 2009-10	Financial Year 2008-09
Total Income	5222.41	6516.03
Total Expenditure	5031.79	6316.94
Profit before Depreciation and Interest	190.62	199.09
Less : Interest	64.83	153.52
Less : Depreciation	65.10	61.83
<b>Profit before Tax</b>	<b>60.69</b>	<b>39.38</b>
Provision for Income Tax	19.00	14.40
Provision for Income Tax (Earlier Year)	-	2.34
Deferred Tax (Net of Assets) provided/(written back)	(0.14)	(7.79)
<b>Profit after Tax</b>	<b>41.84</b>	<b>30.43</b>
Surplus brought forward from previous year	298.43	268.00
<b>Balance Carried over to Balance Sheet</b>	<b>340.26</b>	<b>298.43</b>

### DIVIDEND

The Board has decided to plough back the entire profit generated during the year to conserve resources for future needs.

### DIRECTORS

Mr. Sanjeev Tulsyan has been re-appointed as whole-time Director of the Company w.e.f. 1.4.2010 for a period of 5 years up to 31.3.2015 subject to the confirmation by the shareholders of the Company at the general meeting.

Mr. Alok Sawa and Mr. Swapan De Choudhury, retire by rotation and offers themselves for re-appointment.

### AUDITORS AND AUDITOR'S REPORT

M/s Agarwal Khemka & Associates, Chartered Accountants, Statutory Auditors of the Company, hold the office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The Report of the Auditors read with significant accounting policies and notes on the accounts as annexed are self explanatory and therefore need no further explanations by the Board in this Report.

### PARTICULARS OF EMPLOYEES

The relations with employees and workers at all levels were harmonious during the year. During the year, no employee of the Company was in receipt of remuneration exceeding the sum prescribed under Section 217 (2A) of the Companies Act, 1956. Hence, furnishing of particulars under the Companies (Particulars of Employees) Rules, 1975 is not required.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are as follows :

- |                           |  |
|---------------------------|--|
| A. Conservation of Energy | <p>The Coke Ovens are designed in such a way that Considerable amount of energy is saved.</p> <p>The products of the Company are not covered by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988. Hence Form "A" is not applicable.</p> |
|---------------------------|--|





## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### a) INDUSTRY STRUCTURE AND DEVELOPMENT

The domestic coal & coke industry faces huge competition from the international market, mainly from China and Australia, since the quality of their coal is better than the indigenous coal. The domestic industry is facing shortage of suitable raw coal mainly due to insufficient production of quality coal and vulnerable Govt. policies. Many companies and major pig iron/steel producers have installed coke oven plants based on the imported coal.

On the other hand the timely availability of imported coal & coke at reasonable prices is also a problem as the international market is highly volatile and the supply may be limited at times. Many iron and steel industry have come up in the near by areas increasing the demand of metallurgical coal and coke.

The main coal and coke consuming industries are iron and steel plants, power plants, cement plants, sponge iron plants, chemical plants etc.

### b) OPPORTUNITIES AND THREATS

#### OPPORTUNITIES

1. Many blast furnaces/mini blast furnaces have already been installed and are under installation in the eastern part of India, which require metallurgical coke, a product manufactured by our Company, as their major raw material.
2. The Company has entered into a Fuel Supply Agreement (FSA) with its major coal supplier Company viz., Bharat Coking Coal Limited (BCCL) for supply of 1,60,000 M.T. per annum of raw coking coal, which would ensure better availability of raw material at notified prices.
3. The Company will be in an advantageous position whenever there is a shortage of coking coal or coke in the domestic/ international market or the cost of imported coking coal/coke increases.
4. Since majority of Indian coal content high ash, the Company has chances of getting orders for supply of washed coal as very few coal washeries like that of ours are available in the region.

#### THREATS

1. The Company mainly procures coking coal from CIL/BCCL, PSUs under the Govt. of India. The distribution and pricing of such raw coal, is jointly controlled by the policies of the Govt. of India and CIL/BCCL. Since the sales policies adopted by the coal companies are subject to change at any point of time and there are matters always sub-judice before the different courts of law in the country, an element of uncertainty always remains with regard to the cost and availability of sufficient and suitable raw coal. The quality and quantity of raw material supplied by CIL/BCCL also varies considerably.
2. Since the international market is highly volatile, any reduction in the value of imported coal and coke may adversely affect the performance of the Company.

### c) RISK & CONCERN

As discussed above under the head 'threats', since the Company is not getting sufficient and suitable raw coal against its linked quota from CIL/BCCL, the Company is finding it difficult to improve the performance substantially. Also any increase in the cost of raw coal by CIL/BCCL may adversely affect the performance of the Company. Any reduction in the cost of imported coal/coke, may also affect the performance of the Company.

### d) FINANCIAL PERFORMANCE

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

### e) INTERNAL CONTROL SYSTEM

The company has an adequate internal control system including suitable monitoring and procedures commensurate with its size and the nature of the business. The internal control system provide for all documented policies, guidelines, and authorization and approval procedures. The Company has also internal audit in place, which carries out audits at suitable intervals.

### f) HUMAN RESOURCES

In the current business scenario, the need of human resource development is being felt as never before. The corporate of late started recognizing the importance of relationship with its human force. Given the above context, the importance of human resources is amply recognized by your Company. The least employee turnover ratio of your Company manifests the employees' satisfaction.

### g) CAUTIONARY NOTE

Statement in this report describing the Company's objectives, projections, estimates, expectations and predictions may be forward looking statements. Actual results could differ materially from those expressed or implied due to variations in prices of raw materials, pricing in the company's principal markets, changes in government regulations, tax regimes, economic developments within India and other incidental factors.



## CORPORATE GOVERNANCE REPORT

### INTRODUCTION

Corporate governance is a multi-faceted subject and based on principles of integrity, fairness, equity, transparency, accountability, and commitment to values. It is Company's firm belief that good Corporate Governance is the back bone of the entire business organization and is a key to success of business. We believe that, a sound governance process is imperative for two reasons :

1. To protect the stakeholders' interest and to ensure that no stakeholder benefits at the expenses of others.
2. Board of Directors remains committed towards this end.

"Auroma" has been practicing the principles of good Corporate Governance over the years and recognizes that good Corporate Governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of the shareholders. Your Company's philosophy envisages an attainment of highest level of the transparency, accountability, and equity in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, lenders, Government and the society at large.

Keeping in view the Company's size, complexity, operations, corporate traditions and in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, the report containing the details of governance systems and processes at "Auroma Coke Limited" is as under :

### 1. BOARD OF DIRECTORS

#### A. Composition of Board

The Board of the Company has well structured with adequate blend of professional and independent Directors. The Board of Directors of the Company consists of eight directors, four of whom are independent. The Board in all has a balance of three executive and five non-executive directors.

Following is the Board of Directors of the Company as on 31.3.2010.

Name	Category
1. Mr. Vimal Kumar Tulsyan	Chairman (Non - Executive), Promoter
2. Mr. Rajiv Tulsyan	Managing Director, Promoter
3. Mr. Sanjeev Tulsyan	Executive Director, Promoter
4. Mr. Prashant Tulsyan	Executive Director, Promoter
5. Mr. Binod Kumar Singh	Non - Executive, Independent
6. Mr. Nawal Kishore Singh	Non - Executive, Independent
7. Mr. Alok Sawa	Non - Executive, Independent
8. Mr. Swapan De Choudhury	Non - Executive, Independent

#### B. Attendance of each director at the Board Meetings and last Annual General Meeting

Name of the Director	Category	Attendance		No. of Directorship in public limited companies
		Board Meetings	Last AGM	
Mr. Vimal Kumar Tulsyan	Non - Executive, Non - Independent	7	Y	1
Mr. Sanjeev Tulsyan	Executive, Non - Independent	7	Y	1
Mr. Rajiv Tulsyan	Executive, Non - Independent	7	N	1
Mr. Prashant Tulsyan	Executive, Non - Independent	7	Y	1
Mr. Binod Kumar Singh	Non - Executive, Independent	4	N	Nil
Mr. Nawal Kishore Singh	Non - Executive, Independent	4	N	Nil
Mr. Alok Sawa	Non - Executive, Independent	3	N	Nil
Mr. Swapan De Choudhury	Non - Executive, Independent	3	N	Nil

### 2. CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The Code of Business Conduct and Ethics as adopted by Board of Directors is equally applicable to all the Board Members whether executive or non executive and to the members of senior Management. This code is comprehensive enough and adopted for the effective and responsible conduct of the operations of the Company and to reflect the responsiveness towards the shareholders and other stakeholders of the Company. Compliance to the above code is expected to be both in letters and in spirit.





The Code has been circulated to all the Board Members and to the senior management personnel of the Company and the compliance of the same has been affirmed by them annually.

### 3. Committees of the Board

The Board has constituted committees of Directors to deal with matters which need quick decisions and timely monitoring of the activities falling within the terms of reference. The Board Committees are as follows :

#### A. Audit Committee :

##### Composition

The Audit Committee of the Board comprises three Non-Executive Directors, namely,

Mr. Binod Kumar Singh	Chairman
Mr. Nawal Kishore Singh	Member
Mr. V. K. Tulsyan	Member

All the members of the Audit Committee possess financial/accounting knowledge. The Company Secretary of the Company acts as the secretary to the Audit Committee.

##### Objectives

The Audit committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing, and reporting practices of the Company and its compliance with the legal and regulatory requirements. The committee's purpose is to :

- Oversee the accounting and financial reporting process of the Company,
- Make arrangement of the Audit of the Company's Financial Statements,
- Recommend appointment of the Statutory Auditors,
- Check the performances of the Internal Auditor, and
- Prepare the Company's Risk management Policies.

##### Terms of Reference

The role and terms of reference of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. Following are some of brief terms of reference :

- Overseeing of Company's financial reporting process and disclosure of its financials information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the Board about appointment, re-appointment, and if required the replacement or removal of the Statutory Auditor, and fixation of audit fees.
- Reviewing the financial statements with management before submission to the Board for approval focusing primarily on the crucial points under consideration.
- Reviewing the Internal Control System and internal Audit results.
- Review with the management, quarterly financial statements of the accounts.
- Reviewing with the management, performance of statutory auditors and internal auditors.
- Reviewing the adequacy of internal audit function.
- To review the matters reported under Whistle Blower Policy.

Name of the Member	Category	No. of Meetings attended
Mr. Binod Kumar Singh	Independent	4
Mr. Nawal Kishore Singh	Independent	4
Mr. V. K. Tulsyan	Non-Independent	4

#### B. Remuneration Committee

The remuneration committee of the Board comprises three Directors, namely,

Shri Binod Kumar Singh	Chairman
Shri N. K. Singh	Member
Shri V. K. Tulsyan	Member

##### Terms of Reference

The remuneration committee has been constituted to recommend/review and approve the remuneration of the Managing Director, Whole Time Directors, Non-Executive Directors and Senior Management Personnel, based on their performance and defined assessment criteria and subject to the consent of the shareholders as per provisions of the Companies Act, 1956.