



AUROMA COKE LIMITED

**REPORT
AND
ACCOUNTS
2011**

EIGHTEENTH ANNUAL REPORT

2010-2011

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

REGISTERED OFFICE

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

AUDITORS

Agarwal Khemka & Associates
Chartered Accountants

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

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Notice

NOTICE is hereby given that the 18th Annual General Meeting of the Members of Auroma Coke Limited will be held at the Registered Office at Suite no. 706, Shanti Niketan Building, 8 Camac Street, Kolkata-700017 on Friday, 30th September, 2011 at 11.30 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2011, 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. Binod Kumar Singh who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajiv Tulsyan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Prasant Tulsyan who retires by rotation and being eligible, offers himself for re-appointment.
5. 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

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

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and all other applicable provisions of the Companies Act 1956 read with Schedule XIII to the said Act, approval of the Company be and is hereby accorded to the re-appointment of Mr. Rajiv Tulsyan as the Managing Director of the Company with effect from 01.01.2011 for a period of five years upto 31.12.2015 upon terms and conditions including remuneration as briefly set out in the explanatory statement, with liberty to the Board of Directors (hereinafter referred to as the Board which expression shall include any committee of the Board) to alter and vary the terms and conditions including remuneration and other benefits, from time to time, subject to the same not exceeding the limit specified under Schedule XIII to the Companies Act 1956 or any statutory modification or re-enactment thereof.

“RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profit in any financial year during the aforesaid term of office, the remuneration payable to him shall not without the approval of the central government exceed the limits prescribed under Schedule XIII or other applicable provisions of the Companies Act 1956 including any amendment, modification or re-enactment thereof.”

“RESOLVED FURTHER THAT THE Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents, agreements, etc. as may be required with the power to settle all questions, difficulties and doubts that may arise in regard to the said reappointment as it may in its sole discretion deem fit and to delegate all or any of its powers herein conferred to any Director(s) and or officer(s) of the Company to give effect to this resolution.”

Date : 1st September 2011
Place : Kolkata

By Order of the Board
Rajiv Tulsyan
Managing Director



NOTES

1. **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 schedule time for commencement of the meeting.**
2. 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.
3. 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.
4. Members are requested to bring Attendance Slip along with their copy of Annual Report to the Meeting.
5. 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 Annual General Meeting.
6. 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.
7. Register of members and share transfer books of the Company shall remain closed from Monday 26th September 2011 to Friday, 30th September 2011. (Both days inclusive).
8. Members are requested to notify immediately to the Company about the change in their addresses along with PIN Code Number, if any.

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

Item No. 6

Upon the completion of the term of Mr. Rajiv Tulsyan, Managing Director, the Board of Directors of the Company had re-appointed him as Managing Director of the company upon the following terms and conditions and remuneration payable to him:

- (a) Date of Appointment : 01.01.2011
- (b) Tenure : Five years
- (c) Remuneration : As under

Salary

- a) Basic Salary : Rs. 43,000/- per month
- b) Allowances : Rs. 26500/- per month

Perquisites

Mr. Rajiv Tulsyan shall be entitled to Perquisites and Allowances as classified in the following categories

Category A

- a) Housing : The Company will provide furnished residential accommodation together with reimbursement of expenses or allowances for gas, electricity, water, furnishings and repairs.
- b) Medical reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- c) Leave Travel Concession : For self and family once in a year incurred in accordance with the rules of the Company.
- d) Club Fees : Fees of two clubs

The said perquisites shall be evaluated as per the provisions of the Income Tax Act 1961 or any rules framed thereunder, and in absence of such rules or provisions, the perquisites shall be valued at cost.

For the purpose of Category A, family means the spouse, dependant children and dependants parents.



Category B

Mr. Rajiv Tulsyan shall be eligible to the following perquisites which shall not be included for the purpose of computation of his overall ceiling of remuneration :-

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

Category C

Provision of Car for official purposes and telephone at residence shall be reimbursed and shall not be considered as perquisites.

Disclosure of Interest of Directors : Mr. Vimal Kumar Tulsyan, Mr. Sanjeev Tulsyan, Mr. Rajiv Tulsyan and Mr. Prasant Tulsyan are concerned or interested in passing of this Resolution. None of the other Directors are concerned or interested in passing of this Resolution.

Date : 1st September 2011
Place : Kolkata

By Order of the Board
Rajiv Tulsyan
Managing Director

Information about the Directors who are proposed to be appointed / re-appointed. (as required under clause 49 of the listing agreement)

Name of the Director	Mr. Rajiv Tulsyan	Mr. Binod Kumar Singh	Mr. Prasant Tulsyan
Date of Birth	20.02.1963	14.01.1962	15.04.1971
Experience in specific functional area and qualification	26 years of experience in coal & coke industry	Rich experience in legal matters related with the corporate affairs.	20 years of experience in coal & coke industry
Directorship held in other public limited companies	ACM Fuels Ltd.	None	None
Membership of committees in other public limited companies	None	None	None
No. of shares held in the Company	52800	Nil	154800



Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 18th Annual Report of the Company for the year ended on 31st March 2011.

Financial Result :

The Financial performance of the company for the financial year ended March 31, 2011 is summarized below.

(Rs. In lacs)

	Financial Year 2010-11	Financial Year 2009-10
Total Income	5075.08	5222.41
Total Expenditure	4749.99	5031.79
Profit before Depreciation and Interest	325.09	190.62
Less: Interest	177.66	64.83
Less : Depreciation	66.50	65.10
Profit before Tax	80.93	60.69
Provision for Income Tax	26.40	19.00
Deferred Tax (Net of Assets) provided/ (written back)	(3.49)	(0.14)
Profit after Tax	58.02	41.84
Surplus brought forward from previous year	340.26	298.43
Balance Carried over to Balance Sheet	398.28	340.26

OPERATION

During the year under review, the Company's total sales had declined to Rs. 4631.10 lacs as against Rs. 5196.17 lacs recorded in the previous year. However, due to improved realization in coal & coke, the Company has been able to achieve PBIDT Rs. 325.09 lacs as against Rs. 190.62 lacs, **an increase of 70% over the previous year**. Profit After Tax (PAT) for the year was Rs. 58.02 lacs as against 41.84 lacs during previous year, **an increase of 39% over the previous year**.

DIVIDEND

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

DIRECTORS

The tenure of Mr. Rajiv Tulsyan, Managing Director had ended on 31.12.2010 and he has been re-appointed by the Board as Managing Director for a period of five years w.e.f. 01.01.2011.

Mr. Rajiv Tulsyan, Mr. Prasant Tulsyan and Mr. Binod Kumar Singh, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS AND AUDITORS' 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 their re-appointment as Statutory Auditors.

The company has received letter from M/s Agarwal Khemka & Associates, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956 and that they are not disqualified from being appointed as Statutory Auditors.

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 explanation by the Board in this Report.

PARTICULARS OF EMPLOYEES

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 read with the Companies (Particulars of Employees) Rules, 1975, as amended. Hence, disclosure of particulars of employees are not applicable.



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

The Company has no particulars to disclose 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.

Foreign exchange earning and outgo

Foreign exchange earning - Nil

Foreign exchange outgo - Rs. 397.19 lacs

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed that :

- a. In the preparation of the annual accounts for the financial year ended 31st March, 2011, the applicable accounting standards, had been followed and there is no material departure from the same;
- b. That your directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 financial year March 31, 2011 and the profit of the Company for the year ended on that date.
- c. That your directors have taken proper and sufficient care for the maintenance of adequate 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. Your directors had prepared the annual accounts of the company on a "Going Concern" basis.

LISTING

The Company's equity shares are listed at the Bombay Stock Exchange Ltd. and the Company is regular in payment of the listing fees to the Stock Exchange.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange in India, Management's Discussion and Analysis Report for the year under review, is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under clause 49 of the Listing Agreement along with the requisites Certificate from the Auditors of the Company is attached and form part of the Annual Report.

ACKNOWLEDGEMENT

Your Directors would like to place on record their appreciation for assistance and co-operation received from the Financial Institutions, Banks, Government Authorities, Customers, Vendors and members during the year under review. Your Directors also wish to express their deep sense of appreciation for the committed services by the Executives, Staff, and Workers of the Company. The Directors also place on record their sincere thanks to the Shareholders for their continued support, co-operation and confidence in the Management of the Company.

Date: 1st September 2011
Place: Kolkata

For and on behalf of the Board
V. K. Tulsyan
(Chairman)



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

With the Government's increased emphasis on infrastructure, it is believed that the Indian Steel sector is poised for significant growth over medium to long term. As a matter of fact, India's per capita steel consumption continues to be low at 46 kg as against the global average of 198 kg. Due to the increase production in the Indian Steel sector and additions of new capacities to cater the infrastructure needs of the country, the demand for coking coal, a critical input in steel making, is on the rise, while supply has not been able to match the same. This supply-demand imbalance is expected to continue for a while thereby implying that shortage of prime hard coking coal in the near future.

Metallurgical Coke being a derivative of Coking Coal naturally follows the same trend as that of coking coal. With global steel production set to rise further, primarily being led by increased production in China and India, the demand for met coke is bound to be much higher. India has acute shortage of premium quality hard coking coal and even the available metallurgical coal is of inferior quality which can be used mostly as a blender with imported superior quality coking coal. Consequently the bulk of India's requirement of hard coking coal is met through imports, with Australia accounting for substantial part of the India's import requirement.

India has been one of the major importers of met coke in the world. The scarcity of coking coal has many a time resulted in steel makers buying met coke directly from the market to keep their blast furnaces burning. Hence the shortage of coking coal translates into supply constraints in met coke in India as well. Hence, the coking coal and met coke are going to be critical and most sought after commodities in the Steel sector world wide.

OPPORTUNITIES & THREATS

The increasing demand of steel in the country has caused a severe shortfall of coking coal and met coke. This augurs well for the met coke as well as coking coal producers. However, China being the largest consumer of both coking coal and met coke plays a critical role in determining its global demand and supply and consequently, the prices of both. Therefore, any major shift in policy by China may pose a threat to the industry. Most of the Indian steel plants use blast furnace route for manufacturing steel and in the process creates huge demand for coking coal. Any variation in the steel making i.e. Electric Arc Furnace by Steel Industry might act as threat to the met coke and coking coal industry. The Company procures its coking coal requirements mainly from Coal India Ltd. and as such its availability and prices are vulnerable to Govt. policies. This may adversely impact the cost of raw materials for the Company.

RISK & CONCERN

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.

FINANCIAL PERFORMANCE

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

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.

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.

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 is 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 31.3.2011.

<u>Name</u>	<u>Category</u>
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 K Tulsyan	Non Executive, Non Independent	6	Y	1
Mr. Sanjeev K Tulsyan	Executive, Non Independent	6	Y	1
Mr. Rajiv Tulsyan	Executive, Non Independent	6	N	1
Mr. Prashant Tulsyan	Executive, Non Independent	6	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	4	N.A	Nil
Mr. Swapan De Choudhury	Non Executive, independent	6	N.A.	1

Number and the dates of the Board Meetings held during 2010-11

6 (Six) Board Meetings were held during the Financial Year 2010-11 on 15.05.2010, 31.07.2010, 30.09.2010, 03.11.2010, 31.12.2010 and 14.02.2011.