



**AUROMA COKE LIMITED**

**REPORT  
AND  
ACCOUNTS  
2013**



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## **TWENTIETH ANNUAL REPORT**

### **2012-2013**

#### **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

#### **REGISTRAR & 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 20th Annual General Meeting of the Members of Auroma Coke Limited will be held at its Registered Office at Suite no. 706, Shanti Niketan Building, 8 Camac Street, Kolkata -700 017 on Thursday, 25th July, 2013 at 11.00 A. M. to transact the following business :

### Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2013, Statement of Profit & Loss 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

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-  
“RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and any other applicable provisions, if any of the Companies Act, 1956, the Company hereby approves the appointment of Mr. Prashant Tulsyan as Whole time Director of the Company for a period of two years with effect from 1st April 2013 upto 31st March 2015 on such remuneration as approved by the Board of Directors of the Company at its meeting held on 14th February 2013 and stated in the explanatory statement to this business with liberty to the Board of Directors of the Company (hereinafter referred to as the Board, which expression shall include any Committee of the Board) to alter and vary the terms and conditions and/or remuneration and other benefits, from time to time, subject to the provisions of Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or reenactment thereof.”  
“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and to sign and execute all such agreements, documents, instruments, etc. as may be required with the power to settle all questions, difficulties or doubts that may arise in regard to the said appointment and to delegate all or any of the powers hereinafter conferred to any Director(s) and/or Officer(s) of the Company to give effect to this resolution.”

### 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. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
3. Register of members and share transfer books of the Company shall remain closed from Monday, 22nd July 2013 to Thursday, 25th July 2013. (Both days inclusive).
4. Members are requested to notify immediately to Company about the change in their addresses along with PIN Code Number, if any.
5. The Company has paid the listing fee up to year 2013-14 to the BSE Limited.

Date : 30th May, 2013

Place : Kolkata

By Order of the Board

**Rajiv Tulsyan**

*Managing Director*

### Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

#### Item No. 5

The Board of Directors has re-appointed Mr. Prashant Tulsyan as Whole time Director for a period of two years w.e.f. 1st April, 2013 upto 31st March, 2015 on the remuneration detailed below subject to the approval of the shareholders of the Company.

- |                         |   |
|-------------------------|---|
| 1. Basic Salary         | Rs : 44000/ P.M. (Scale 44000-1000-50000)         |
| 2. House Rent Allowance | Rs : 22000/- P.M. (being 50% of the basic salary) |
| 3. Education Allowance  | Rs : 2000/- P.M.                                  |
| 4. Transport Allowance  | Rs : 3000/- P.M.                                  |



5. Other

- (a) 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 or three months salary over a period of three years.
  - (b) Leave travel concession : Once in a year incurred in accordance with any rules specified by the company.
  - (c) Club Fees : Fees of clubs subject to maximum of two clubs. This will not include admission and life membership fees.
6. Contribution to provident fund, Superannuation Fund or annually fund will not be included in the 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 exceed half a month's salary for each completed year of service subject to a ceiling of **Rs. 5,00,000/-**
7. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company.
8. The appointment can be terminated by either side by giving 3 months notice in writing.
9. In the event of loss, absence or inadequacy of profits, the remuneration aforesaid will also be the minimum remuneration.

This may be treated as an abstract of the terms of the appointment of Mr. Prashant Tulsyan as a Whole time Director pursuant to the provisions of Section 302 of the Companies Act, 1956.

Mr. Prashant Tulsyan is a Commerce graduate and belongs to the Promoter Group. Mr. Prashant Tulsyan has been associated with the Company since its inception and possesses rich experience in the business of coal and coke. His functional responsibilities include legal, finance and general business administration.

Accordingly, the Board recommends approval of the appointment of Mr. Prashant Tulsyan as a Whole-time Director of the Company.

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

**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. Alok Sawa	Mr. Swapan De Choudhury	Mr. Prashant Tulsyan
Date of Birth	12.12.1972	15.07.1941	15.04.1971
Qualification	B.Com.	B.Sc. (Mining), A.I.S.M.	B. Com.
Functional Area	Legal	Mining (Technical)	Business Administration
Other Directorship	Nil	1. ACM Fuels Pvt. Ltd. 2. Dolphin Residency Pvt. Ltd.	1. Presidency Tie-up Pvt. Ltd. 2. Eastern Firebricks Pvt. Ltd. 3. Smart Dealers Pvt. Ltd.
No. of shares held	Nil	Nil	154800

Date : 30th May, 2013

Place : Kolkata

By Order of the Board

**Rajiv Tulsyan**

*Managing Director*



## Directors' Report

Dear Shareholders,

Your Directors present the 20th Annual Report of the Company for the year ended on 31st March, 2013.

### Financial Result

The Financial performance of the Company for the financial year ended March 31, 2013 is summarized below.

(Rs. in lacs)

	Financial Year 2012 -13	Financial Year 2011-12
Total Income	2844.14	3853.23
Total Expenditure	2569.44	3484.89
Profit before Interest and Depreciation	274.70	368.34
Less: Interest	202.22	217.94
Less : Depreciation	69.49	68.15
<b>Profit before Tax</b>	<b>2.99</b>	<b>82.25</b>
Provision for taxes	1.05	34.07
<b>Profit after Tax</b>	<b>1.94</b>	<b>48.18</b>
Surplus brought forward from previous year	446.46	398.28
<b>Balance Carried over to Balance Sheet</b>	<b>448.40</b>	<b>446.46</b>

### REVIEW OF BUSINESS AND PERFORMANCE

During the year under review, Indian economy went through one of its slowest growth in last two decades. The economic activities in the country, metal sector in particular, have been adversely affected due to high interest rates, deteriorating fiscal ratios and uncertain political conditions prevailing in the country. The slow growth in steel industry had impacted both sales and price realization of met coke in India. However, it can only be hoped that the things will move for the better in the coming years.

During the year under review, the Company's total revenue fallen 26% to 2844.14 lacs compared to Rs. 3853.23 lacs recorded in the previous year. Similarly, the Profit after tax fallen 96% to Rs. 1.94 lacs compared to Rs. 48.18 lacs recorded in the previous year.

### DIVIDEND

The Board has decided to plough back the entire profit generated during the year to conserve resources for future requirements. Hence, no dividend is recommended.

### DIRECTORS

The present tenure of Mr. Prashant Tulsyan as Whole time Director expired on 31st March 2013. The Board has re-appointed him as Whole time Director w.e.f. 1st April, 2013 for a period of two years to hold office upto 31st March 2015. Mr. Alok Sawa and Mr. Swapan De Choudhury retire by rotation at the ensuing Annual General Meeting and offer themselves for re-appointment

### LISTING

The equity shares of the Company are listed at the Bombay Stock Exchange (BSE Ltd.). The shares of the Company have been admitted with National Securities Depository Limited (NSDL) and Central Depository Services (CDSL). The ISIN of the equity shares of your company is INE662I01012.

The Company is regular in payment of annual fees and charges to the BSE Ltd., NSDL and CDSL.

### AUDITORS REPORT

The Board offers following explanations on the remarks / qualifications / observations of the auditors in their report.

- The Company is in process of preparing fixed assets register.
- There were few instances of delay in depositing statutory dues as reported in para (k) of the Annexure to the Auditors' Report and the amount involved were insignificant. We further inform that the Company now is regular in depositing all statutory dues.



## **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 Companies (Particulars of Employees) Rules, 1975. Hence, furnishing of particulars of employees 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 during the year current 2012-13 are as follows :

- |                                       |   |
|---------------------------------------|---|
| A. Conservation of Energy :           | The Coke Ovens are designed in such a way that Considerable amount of energy is saved.<br>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. |
| B. Technology Absorption :            | The present technology used in manufacturing process is Indigenous. The Company has not carried out any research and development activities during the year.  |
| C. Foreign Exchange Earning and Outgo | a) Foreign exchange earning Rs. Nil<br>b) Foreign Exchange outgo Rs. 12.02 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, 2013, 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, 2013 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 accounting records 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.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to clause 49 of the Listing Agreement, 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 of 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, Customers and Vendors 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 and confidence in the Management of the Company.

Date : 30th May, 2013  
Place : Kolkata

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



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### a) INDUSTRY STRUCTURE AND DEVELOPMENT

India has acute shortage of premium quality hard coking coal and even the available metallurgical coal is of the inferior quality. Consequently the bulk of the India's requirements of hard coking coal is met through imports. Hence, the domestic coal & coke industry continues to face stiff competition from the international market, mainly from China & Australia, since the quality of their coal is better than the indigenous 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 plant, power plant, cement plant, sponge iron plants, chemical plants etc. Hence, the shortage of coking coal translates into supply constraints in met coke. It is fact without any doubt that coking coal and met coke are going to be critical and most sought after commodities for India, in the years to come.

### b) OPPORTUNITIES AND THREATS

The expected revival of domestic and world economy will create huge demand for infrastructure facilities. This will result in huge demand of steel, cement and consequently for met coke and coking coal. Moreover, the supply situation with no new good coking coal and met coke producing units, looks supportive to the sustainable price improvements.

China being a largest consumer of both coking coal and met coke plays a critical role in determining the global demand and supply and consequently, the prices of the both. Therefore, any major shift in policy by China may pose a threat to the Industry. Moreover, the continuing slowdown in domestic as well as global economy poses great challenge to the demands of coking coal and met coke. Most of the domestic steel plants use blast furnace route for manufacturing steel and in the process creates huge demand for coking coal. Fluctuations in demand in global steel industry or increase in use of other mode of steel making i.e. Electric Arc Furnace by steel industry might act as a threat to the met coke and coking coal industry.

### c) RISK & CONCERN

The Company is exposed to the risk of price fluctuation on raw materials and finished goods. 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.

As discussed before, domestic availability of good quality coking coal is a major concern for the Company. In addition, import of coking coal poses significant risk of exchange rate fluctuation as the rupee continues to slide against US Dollar.

### 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 31.3.2013.

<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	Nil
Mr. Sanjeev K Tulsyan	Executive, Non Independent	6	Y	Nil
Mr. Rajiv Tulsyan	Executive, Non Independent	6	Y	Nil
Mr. Prashant Tulsyan	Executive, Non Independent	6	Y	Nil
Mr. Binod Kumar Singh	Non Executive, independent	5	Y	Nil
Mr. Nawal Kishore Singh	Non Executive, independent	5	Y	Nil
Mr. Alok Sawa	Executive, independent	5	Y	Nil
Mr. Swapan De Choudhury	Non Executive, independent	5	Y	Nil

*Number and the dates of the Board Meetings held during 2012-13*

6 (Six) Board Meetings were held during the Financial Year 2012-13 on 15.05.2012, 14.08.2012, 22.09.2012, 10.11.2012, 12.11.2012 and 14.02.2013.





## 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 decision 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 Independent 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.

The Committee met four times during the year 2012-13 on 15.05.2012, 14.08.2012, 10.11.2012 and 14.02.2013.

Name of member	Category	No. of Meeting attended
Mr. Binod Kumar Singh	Independent	4
Mr. Nawal Kishore Singh	Independent	4
Mr. V. K. Tulsyan	Non-independent	4