



# **AUROMA COKE LIMITED**

**11th ANNUAL REPORT 2003-2004**

## **BOARD OF DIRECTORS**

VIMAL KUMAR TULSYAN

*Chairman cum Managing Director*

PUNIT JAIN

BINOD KUMAR SINGH

NAWAL KISHORE SINGH

VIBHA TULSYAN

SANJEEV KUMAR TULSYAN

*Whole Time Director*

RAJIV TULSYAN

*Whole Time Director*

PRASHANT TULSYAN

*Whole Time Director*

## **COMMITTEES**

### **Share Holders' Committee**

Vibha Tulsyan, *Chairman*

Rajiv Tulsyan

Prashant Tulsyan

### **Audit Committee**

Punit Jain, *Chairman*

Binod Kumar Singh

Nawal Kishore Singh

### **Remuneration Committee**

Binod Kumar Singh, *Chairman*

Punit Jain

Nawal Kishore Singh

### **Secretary and Compliance Officer**

Vimal Kumar Taparia

### **Registered Office**

4, Synagogue Street Room No. 302

Kolkata - 700 001

### **Administrative Office**

210, Shanti Bhawan, Bank More,

Dhanbad - 826 001

### **Works**

G. T. Road, Govindpur

Dhanbad - 828109

### **Auditors**

A. K. More & Company

30, Jadunath Dey Road,

Kolkata - 700 012

### **Bankers**

Bank of India

## **CONTENTS**

Notice.....	2	Auditors' Report.....	10
Directors' Report.....	3	Balance Sheet.....	13
Management Discussion.....	5	Profit & Loss A/C.....	14
Corporate Governance.....	5	Notes to the accounts.....	22
		Balance Sheet Abstract.....	27
		Cash Flow Statement.....	28

**NOTICE** is hereby given that the 11<sup>th</sup> Annual General Meeting of the members of Auroma Coke Limited will be held at the Registered Office at 4, Synagogue Street, Room No. 302, Kolkata - 700001, on Thursday, 30<sup>th</sup> September, 2004 at 11 A.M. to transact the following business:

**Ordinary Business**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2004 and Profit & Loss Account for the year ended on that date and Report of the Directors and Auditors.
2. To appoint a Director in place of Shri Rajiv Tulsyan who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

**Special Business**

4. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution :-

"RESOLVED THAT Mr. Binod Kumar Singh be and is hereby appointed as Director of the Company whose office shall be liable to retire by rotation under the provisions of the Companies Act, 1956."

5. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution :-

"RESOLVED THAT Mr. Punit Jain be and is hereby appointed as Director of the Company whose office shall be liable to retire by rotation under the provisions of the Companies Act, 1956."

6. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution :-

"RESOLVED THAT Mr. Nawal Kishore Singh be and is hereby appointed as a Director of the Company whose office shall be liable to retire by rotation under the provisions of the Companies Act, 1956."

7. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution :-

"RESOLVED THAT Mrs. Vibha Tulsyan be and is hereby appointed as Director of the Company whose office shall be liable to retire by rotation under the provisions of the Companies Act, 1956."

8. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution :-

"RESOLVED THAT consent under Section 293 (1) (d) of the Companies Act, 1956 be and is hereby accorded to the Board of Directors of the Company (the Board) to borrow from time to time from banks / bodies corporate / other lenders {(hereinafter referred to as lender(s))} any sum including fund or non-fund based where the monies to be borrowed, together with the monies already borrowed by the Company (apart from temporary loans obtained from the companies / Bankers in the ordinary course of business) may exceed the aggregate of paid-up capital and free reserves, that is to say, reserves not set apart for any specific purposes so, however that the monies so borrowed shall not exceed a sum of Rs. 50 crore only."

By Order of the Board  
For AUROMA COKE LTD.

Date : 30<sup>th</sup> July, 2004  
Place : Kolkata

Vimal Taparia  
Secretary

Certified to be true copy

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME FOR COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 is annexed hereto.
3. Register of members and share transfer books of the Company shall remain closed from Thursday, 23<sup>rd</sup> September 2004 to Thursday, 30<sup>th</sup> September 2004 (both days inclusive).
4. Members are requested to notify immediately to the Company about the change in their addresses along with PIN Code Number.
5. Members are requested to bring their copy of Annual Report at the meeting.
6. The Company has paid the listing fee for the year 2004-2005 to the Kolkata and Mumbai Stock Exchange, for 2002-03 to Ahmedabad Stock Exchange and up to the year 1999-2000 to the Jaipur Stock Exchange where the equity shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.For item No. 4 to 7

In order to broad base the Board and to comply with the legislative requirements, the Board at its meeting held on 30.9.2003 has appointed Mr. Binod Kumar Singh, Mr. Punit Jain, Mr. Nawal Kishore Singh and Mrs. Vibha Tulsyan as additional directors to hold office upto the date of ensuing Annual General Meeting.

The Company has received individual notices from shareholders along with the requisite deposits proposing the candidature of Mr. Binod Kumar Singh, Mr. Punit Jain, Mr. Nawal Kishore Singh and Mrs. Vibha Tulsyan for the office of Director of the Company.

Mr. Binod Kumar Singh aged 42 years is B.Com. and LLB. He possesses sound knowledge in legal matters. He is also associated with other business activities. Mr. B. K. Singh does not hold directorship in any other company nor does he own any equity share of the Company.

Mr. Punit Jain, aged 30 years is B. Com., ACA., ACS and AICWA. He has good knowledge and experience in accountancy and taxation. Mr. Punit Jain does not hold directorship in any other company nor does he own any equity share of the Company.

Mr. Nawal Kishore Singh aged 29 years is B.Com. He is associated with coal and coke business. Mr. N. K. Singh does not hold directorship in any other company nor does he own any equity share of the Company.

Mrs. Vibha Tulsyan aged 28 years is B.Com. Mrs. Vibha Tulsyan does not hold directorship in any other company nor does she own any equity share of the Company.

**Directors' Interest:** - Mr. Binod Kumar Singh, Mr. Punit Jain, Mr. Nawal Kishore Singh and Mrs. Vibha Tulsyan are interested in the respective resolutions as they relate to their own appointment.

Mr. Vimal Kumar Tulsyan, Mr. Sanjeev K Tulsyan, Mr. Rajiv Tulsyan and Mr. Prashant Tulsyan all being relative, are interested in the appointment of Mrs. Vibha Tulsyan.

For item No. 8

Your Company needs to borrow from time to time monies for its working capital requirements or other purposes. The borrowing may exceed the aggregates of its paid-up capital and free reserves. The Board seeks your consent under section 293 (1) (d) of the Companies Act, 1956 to borrow upto a limit of Rs. 50 crores only.

None of the Directors of the Company is concerned or interested in the resolution.

By Order of the Board

Date: -30<sup>th</sup> July, 2004  
Place: - Kolkata

Vimal Taparia  
Secretary

Certified to be true copy

## DIRECTORS' REPORT

Yours Directors have pleasure in presenting the 11<sup>th</sup> Annual Report of the Company with the audited statement of the Accounts for the year ended 31<sup>st</sup> March 2004.

### Financial Result

	2003-04	Rs. in lacs 2002-03
Profit before Depreciation and Interest	219.22	153.29
Interest	85.59	73.45
Depreciation	31.00	29.86
Profit before Tax	102.63	49.98
Investment allowance written back	—	1.78
Less: Income Tax for earlier year	0.03	—
Provision for Tax (MAT)	8.00	4.10
Provision for Deferred Tax	37.38	19.78
Profit after Tax for the year	57.22	27.88
Add: Credit/ (Debit) balance in Profit & Loss		
Account brought forward	7.41	(20.47)
Remaining credit balance		
Carried over to Balance Sheet	64.63	7.42

### Operations

The Company has posted all round improvement in its performance during the year. The turnover during the year was Rs. 3752 lacs, an increase of 49% over the corresponding year ended 31<sup>st</sup> March, 2004. The net profit before tax (PBT) has more than doubled from Rs. 49.98 lacs to Rs. 102.63 lacs.

The Board is hopeful that the present scenario in coal and coke would prevail for a longer period as the boom in steel industry; prime consumer of coking coal is expected to continue.

### Dividend

The Board has decided to plough back the entire profit generated during the year as the funds shall be better utilized by the Company, enhancing the shareholders value.

### Allotment money in arrear

Your Company calls upon all erring shareholders to pay the allotment money immediately payable on their respective shareholding. In the interest of the shareholders, your Directors have waived the interest chargeable on delayed payment of allotment money.

### Directors

Mr. Rajiv Tulsyan retires by rotation and being eligible offers for re-appointment.

Mr. Alok Sawa and Mr. M. L. Sawa have resigned from the Board on 30.9.2003.

Mr. Binod Kumar Singh, Mr. Punit Jain, Mr. Nawal Kishore Singh and Mrs. Vibha Tulsyan were inducted in the Board as additional Directors with effect from 30.9.2003. The Company has received Notices under Section 257 of the Companies Act, 1956 from shareholders proposing the candidature of Mr. Binod Kumar Singh, Mr. Punit Jain, Mr. Nawal Kishore Singh and Mrs. Vibha Tulsyan respectively as Director.

### Auditors

The observations of the Auditors in their Report on Accounts read with the relevant notes are self-explanatory.

Messrs A. K. More & Co., statutory auditors, hold office up to the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re appointment.

### Employees

The relations with employees and workers at all levels were harmonious during the year resulting in high level of performance.

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 does not arise.

### Conservation of energy and technology absorption and foreign exchange earning and outgo

Conservation of Energy - The Coke Ovens are designed in such a way that considerable amount of energy is saved.

### Technology Absorption

#### Research and Development

The Company has not carried out any research and development activities during the year.

Technology absorption, adoption and innovation

The present technology used in manufacture is indigenous.

**Foreign Exchange**

No foreign exchange earning and outgo took place during the year.

**Directors' responsibility statement**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed that:

- i) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2004, the applicable accounting standards have been followed;
- ii) 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 and the profit & loss of the company for the year under review;
- iii) That your directors have taken proper care and sufficient care for the 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;
- iv) Your directors had prepared the annual accounts on a going concern basis.

**Management Discussion and Analysis Report**

Pursuant to clause 49 of the Listing Agreement, a management discussion and analysis report is annexed hereto.

**Corporate Governance**

A report on the corporate governance along with the Auditors' statement on its compliance is annexed hereto.

**Acknowledgement**

The management is grateful to its Bankers, customers, suppliers, and shareholders for their continued assistance and co-operation.

The Directors also wish to place on record the concerted efforts and co-operation by all employees and workmen.

For and on of the Board

Date: 30<sup>th</sup> July, 2004  
Place: - Kolkata

V. K. Tulsyan  
(Chairman cum Managing Director)

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Development

In 2003-04, the coal and coke industry showed signs of improvement.

Availability of raw-material: - The raw coal, a prime raw material continued to be a scarce commodity and the industry resorted to import of the same. The cost of imported coal rose sharply. Hence, the raw coal will play a crucial role in future profitability in coal and coke manufacturing units.

Simultaneously, the demand of coking coal as well is also expected to rise. But due to volatile market conditions the situation remains unpredictable. In spite of such odds the company expects to maintain the tempo

### Outlook

The future of low ash metallurgical coke (LAMC) and washed coal looks good.

Your Company expects to achieve a turnover of Rs. 50 crores. The profitability is also expected to rise accordingly.

### Financial Performance

Your Company has posted impressive results at all levels during the financial year 2003-04. The sales were up robust by 49% at Rs. 37.52 crores. The Profit before Tax and Profit after tax were up by whopping 105% at Rs. 102.63 lacs and Rs. 57.22 lacs respectively.

### 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. Your Company provides employment to over 125 persons, directly or indirectly.

### 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

Your Company has been practicing the principles of good Corporate Governance over the years.

The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency.

#### 1. Board of Directors

The Board of Directors of the Company comprised of eight directors as on 31.3.2004.

1. Shri Vimal K Tulsyan	Chairman cum Managing Director
2. Shri Sanjeev K Tulsyan	Executive
3. Shri Rajiv Tulsyan	Executive
4. Shri Prashant Tulsyan	Executive
5. Shri B. K. Singh	Non Executive, independent
6. Shri Punit Jain	Non Executive, independent
7. Shri N. K. Singh	Non Executive, independent
8. Smt. Vibha Tulsyan	Non Executive, independent

#### Attendance of each director at the Board Meetings and last AGM

Eight Board Meetings were held during the Financial Year 2003-04. The last A.G.M. of the Company was held on 30.9.2003.







Details of remuneration paid/payable to directors for the year ended 31<sup>st</sup> March, 2004.

<u>Name</u>	<u>Salary</u>
Shri Vimal K Tulsyan	300000/-
Shri Rajiv Tulsyan	288000/-
Shri Sanjeev K Tulsyan	288000/-
Shri Prashant Tulsyan	288000/-

#### 4. Shareholders' Committee

In compliance with the Corporate Governance Code, the Company has reconstituted the share transfer committee as Share Holders' Committee. Following is the composition of the Committee:-

##### Name

Smt. Vibha Tulsyan - Chairman  
Shri Rajiv Tulsyan  
Shri Prashant Tulsyan

Mr. Vimal Kumar Taparia, Secretary acts as Compliance Officer.

##### Investors' grievances

All the complaints have been solved to the satisfaction of the complainants. However, there is one case of non-issue of share certificates to an NRI shareholder which is pending due to non-receipt of FIRC certificate from the shareholder/ collecting Banker.

All valid requests for share transfer received during the year 2003-2004 have been acted upon by the Company and no such transfer is pending.

#### 5. General Body Meetings

##### Information about last three Annual General Meetings.

Date of AGM, location and time:-

30.9.2003 at registered office – 4, Synagogue Street, Kolkata – 700001 at 11 AM  
30.9.2002 at registered office – 4, Synagogue Street, Kolkata – 700001 at 11 AM  
28.9.2001 at registered office – 4, Synagogue Street, Kolkata – 700001 at 11 AM

##### Special resolution through postal ballot

Neither at the last AGM nor at the ensuing AGM to be held on 30.9.2004 special resolution was passed/ proposed to be passed through postal ballot.

#### 6. Disclosures

No transaction of material nature that may have potential conflict with the interests of the Company at large has been executed/ entered with promoters, directors or management and their relatives etc. The Register of contracts containing transactions in which Directors are interested is placed before the Board regularly.

##### Non-compliances/ penalty or strictures

The Stock Exchange, Mumbai and the Calcutta Stock Exchange have suspended the securities of the Company from trading for non-compliance of the listing agreement. During the year, the Company has complied with the all listing provisions except dematerialization of securities. The Company has applied to NSDL and CDSL for admission of its securities in depository. However, the application could not be proceeded due to non-receipt of listing confirmation letter from the Calcutta Stock Exchange. The Company has received listing confirmation letters from stock exchanges at Mumbai, Ahmedabad and Jaipur.

#### 7. Means of Communication

The Company has no practice to send the half yearly report to the shareholders.

The Un-audited quarterly Financial Results are generally published in Dainik Lipi or Kalantar in vernacular language and in Financial Express or Asian Age in English, all published from Kolkata.

The Company has no website.

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