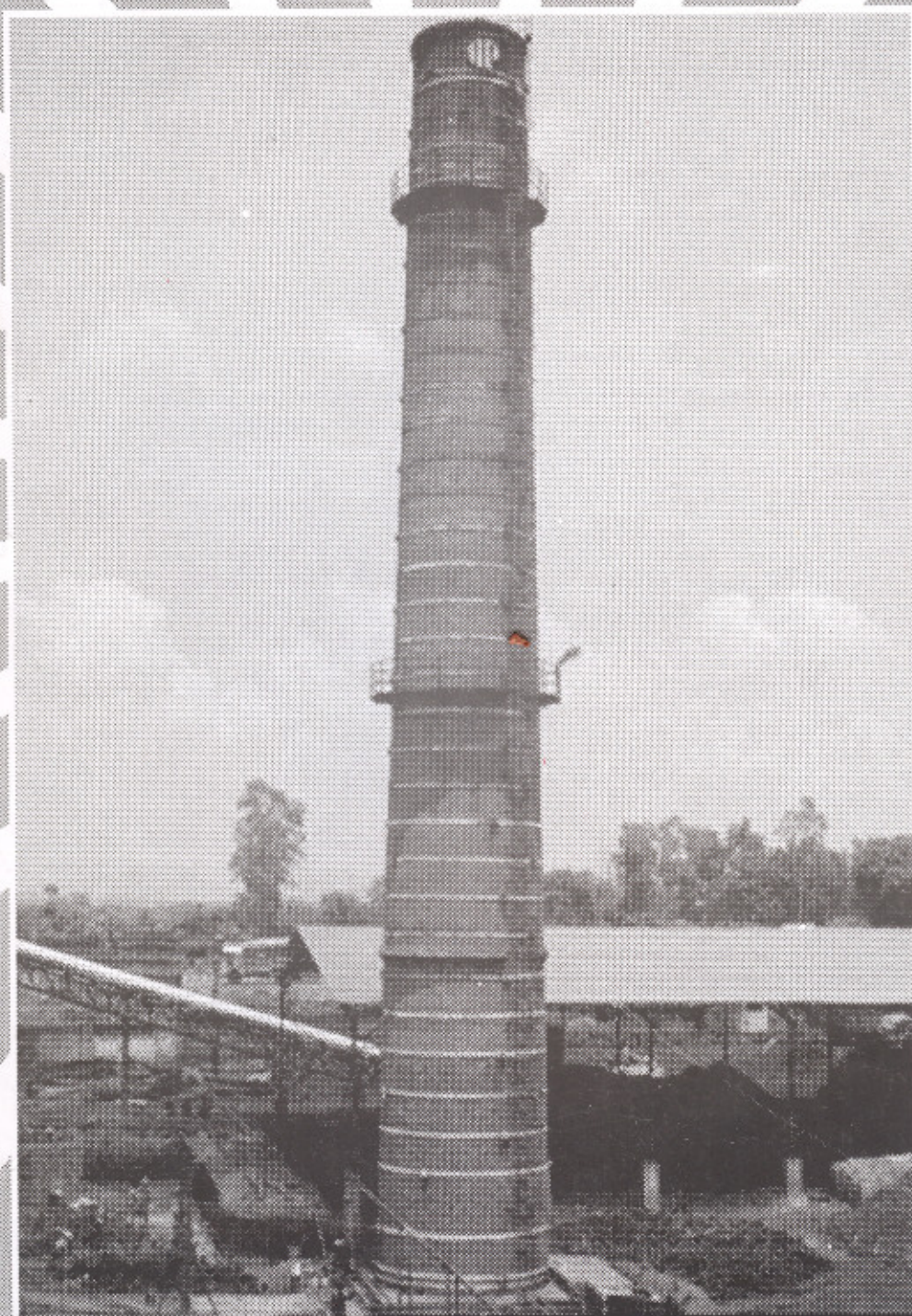




AUROMA COKE LIMITED



15th ANNUAL REPORT 2007-2008

Board of Directors

Vimal Kumar Tulsyan	Chairman
Rajeev Kumar Tulsyan	Managing Director
Sanjeev Kumar Tulsyan	Whole Time Director
Prashant Kumar Tulsyan	Whole Time Director
Nawal Kishore Singh	Non - Executive Director
Binod Singh	Non - Executive Director

Board Committees:**Audit Committee**

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

Shareholders'/Investors Grievance Committee

Shri Binod Kumar Singh	Chairman
Shri Rajiv Tulsyan	Member
Shri Prashant Tulsyan	Member

Remuneration Committee

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

Works At:

G.T.Road,
Po.: Govindpur- 828109.
Dist: Dhanbad (Jharkhand)

Company Secretary

Nirmal Taparia

Auditors

Agarwal Khemka & Associates
30, Jadunath Dey Road,
Anupam Tower, Kolkata-700 012.

Bankers

State Bank of India,
Spl. Commercial Branch
Dhanbad - 826 001

Registered Office

Suit No. 706,
Shantiniketan estate,
8, Camac Street, Kolkata 700 017

Administrative Office

210, Shanti Bhawan, Bank More, Dhanbad
Jharkhand - 826 001

Registrar & Share Transfer Agent

M/s Niche Technologies Private Limited
71, B. R. Bash Road, D-511, Bagree Market
Kolkata-700 001
(Phone- 033-22343576, Fax: 033-22156823)

Company Identification Number

CIN : L23101WB1993PLC060154

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AUROMA COKE LIMITED

NOTICE TO MEMBERS

NOTICE is hereby given that the 15th 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 Tuesday, 29th September, 2008 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 2008, 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. Prashant Tulsyan who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Binod Kr. Singh who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and to pass, if thought fit, with or without modification(s), the following resolutions as an Ordinary Resolution.

"RESOLVED THAT M/s Agarwal Khemka & Associates, Chartered Accountants, be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting of the Company until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors."

Special Business

To pass, with or without modification, the following resolution as a Special Resolution

5. "RESOLVED THAT PURSUANT to the provisions of the Companies Act, 1956 as amended from time to time, Securities Contract Regulation Act and the rules framed there under, listing agreement, and all other laws and rules and regulations, the consent of the Company be and is hereby given to the Board to de-list all the equity shares of the company as listed with the Stock Exchanges viz. a) The Calcutta Stock Exchange Association Limited, b) The Ahmedabad Stock Exchange Limited and C) the Jaipur Stock Exchange Limited.

"RESOLVED FURTHER THAT the shares of the Company shall be continued to remain listed at the Bombay Stock Exchange Limited."

"RESOLVED FURTHER THAT any of the Director or Secretary of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things and to execute all documents or writings as may be necessary proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

To pass, with or without modification, the following resolution as an Ordinary Resolution

6. RESOLVED THAT pursuant to the provisions of section 198, 269, 309, and 311 and other applicable provisions, if any, of the Companies Act, 1956 read with schedule XIII as amended, the company hereby approves the appointment of Shri Prashant Tulsyan as the Whole Time Director of the company, subject to the approval of the shareholders of the company, for the period of Five Years with effect from



01.04.2008 to 31.03.2013 on such remuneration as set out in the explanatory statement annexed hereto with authority to the Board of the Directors / Remuneration Committee to revise the same from time to time during the tenure of the appointment.

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to sign and execute such papers, documents, deeds, instruments, and to do such acts, matters and deeds as may be necessary for appointment of Mr. Prashant Tulsyan as whole time Directors of the company"

7. "RESOLVED THAT pursuant to the provisions of Section 269, 198, 309 read with Schedule XIII and other applicable provisions of the Companies Act 1956, the Company hereby approves the following alterations in remuneration payable to Mr. Sanjeev Kumar Tulsyan, whole-time Director of the Company w.e.f. 1st April 2008, in case of absence or inadequacy of profits in any year, as set out here

Particulars	Present	Proposed
Basic	Rs. 16,000/-(p.m.)	Rs. 27,000/-(p.m.) (Scale: 27000-1000-30000)
HRA(50% of Salary)	Rs. 8,000/-(p.m.)	Rs. 13,500/-(p.m.)
Entertainment Allowance	Rs. 1,000/-(p.m.)	Rs. 2,500/-(p.m.)
Transport Allowance	Rs. 1,000/-(p.m.)	Rs. 1,000/-(p.m.)

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to sign and execute such papers, documents, deeds, instruments and to do such acts, matters and deeds as may be necessary for giving effect to this resolution"

8. "RESOLVED THAT pursuant to the provisions of Section 269, 198, 309 read with Schedule XIII and other applicable provisions of the Companies Act 1956, the Company hereby approves the following alterations in remuneration payable to Mr. Rajiv Tulsyan, Managing Director of the Company w.e.f. 1st April 2008 in case of absence or inadequacy of profits in any year, as set out here

Particulars	Present	Proposed
Basic	Rs. 16,000/-	Rs. 27,000/- (Scale: 27000-1000-30000)
H.R.A(50% of Salary)	Rs. 8,000/-	Rs. 13,500/-
Entertainment Allowances	Rs. 2,000/-	Rs. 2,500/-
Transporting Allowance	Rs. 1,000/-	Rs. 1,000/-

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to sign and execute such papers, documents, deeds, instruments and to do such acts, matters and deeds as may be necessary for giving effect to this resolution"

The changes as specified in item no. 7 & 8 have been set out in the resolution. Other part of their agreement not specifically modified, remain unchanged. All the Directors except Mr. Binod Kumar Singh and Mr. Nawal Kishore Singh may be deemed to be interested in the said resolution.

Date: 22nd June 2008.

Place: Kolkata

By Order of the Board

N. K. Taparia

(Company Secretary)

**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 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. Corporate Members intending to send their Authorised representative to attend the A.G.M. are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Members are requested to bring Attendance Slip along with their copy of Annual Report to the Meeting.
4. 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 A.G.M.
5. 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.
6. Register of members and share transfer books of the Company shall remain closed from Monday 22nd September 2008 to Tuesday, 29th September 2008. (Both days inclusive).
7. Non Resident Indian Members are requested to inform the Company's Registrar and Transfer Agents, M/s Niche Technologies Private Limited, immediately of:
 - 1) Change in their Residential status on return to India for permanent settlement.
 - 2) Particulars of their Bank Account maintained in India with complete name, branch, account type, account number, and address of the Bank with Pin Code Number, if not furnished earlier.
8. Members are requested to notify immediately to the Company about the change in their addresses along with PIN Code Number, if any.
9. The Company has paid the listing fee up to year 2008-09 to The Calcutta Stock Exchange Association Ltd., Bombay Stock Exchange Limited. The Listing Fees to the Ahmedabad and Jaipur stock exchanges has been paid up to 2007-08.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The Following Explanatory Statements sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 5

It has been noticed that there was no trading in the equity shares of the Company listed at the stock exchanges at Kolkata, Ahmedabad and Jaipur and hence, it makes no sense to remain listed at the said stock exchanges.

Further, the equity shares of the Company are listed and traded at the Bombay Stock Exchange Limited. The shareholders and investing community at any corner of the country can trade in the equity shares of the Company with members of the Bombay Stock Exchange Ltd., which has nation wide terminals.



Therefore, your Directors propose for voluntary de-listing of the equity shares of the company from the stock exchanges at Kolkata, Ahmedabad and Jaipur.

The Directors recommend the resolution for your approval as special resolution.

None of the Directors of the Company are concerned or interested in passing of this resolution.

Item No. 6

The Board of Directors of the Company at the meeting held on 31st March 2008 has re-appointed, subject to the approval of the members, Mr. Prashant Tulsyan as whole-time Director of the Company w.e.f. 01.04.2008 for a period of 5 years when his present term expired on 31.03.2008.

Mr. Prashant Tulsyan will receive following remuneration during his tenure on the terms and conditions, including expressly the remuneration and perquisites payable to him as Whole Time Director and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, as set out here:

- 1) Basic Salary : Rs. 26000/- p.m. (Scale: 26000-1000-30000)
- 2) House Rent Allowance : Rs. 13000/- p.m. (being 50% of the Basic Salary)
- 3) Entertainment Allowance : Rs. 3000/- 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 the following Ceilings -
 - (a) Bombay, Kolkata, Delhi and Madras- 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 payable 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.

Explanation: The expenditure incurred by the company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall however be subject to a ceiling of ten percent of 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 or three month's 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. 2,000 per annum.

Explanation: 'A' Family means the spouse, the dependent children and dependent parents.

- 6) Contribution to provident fund, superannuation Fund or annuity 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.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to sign and execute such papers, documents, deeds, instruments and to do such acts, matters and deeds as may be necessary for appointment of Mr. Prashant Tulsyan as whole-time Director of the company."

The Resolution may be treated as an abstract under Section 302 of the Act.

Mr. Vimal Kumar Tulsyan, Mr. Sanjeev Kumar Tulsyan and Mr. Rajiv Tulsyan, being relatives may be deemed to be interested in passing of the resolution. None of the other directors are concerned or interested in the resolution.

The Board recommends the resolution for approval of the members.

Item No. 7 & 8

The Board of Directors of the Company at the meeting held on 31st March 2008 has increased the remuneration payable to Mr. Sanjeev Kumar Tulsyan, whole time Director and Mr. Rajiv Tulsyan, Managing Director w.e.f. 01.04.2008 considering the remuneration prevailing in the industry and subject to the approval of the shareholders. Other part of their agreement not specifically modified, remains unchanged.

The Resolutions may be treated as an abstract under Section 302 of the Act.

All the Directors except Mr. Binod Kumar Singh and Mr. Nawal Kishore Singh are interested in the said resolution.

Board recommends the resolution for approval of the members.

Date: 22nd June 2008

Place: Kolkata

By Order of the Board

N. K. Taparua

(Company Secretary)

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 15th Annual Report of the Company for the year ended on 31st March 2008.

Financial Result:

The Financial performance of the company for the financial year ended March 31, 2008 is summarised below.

	For the year Ended 31.03.2008	For the year Ended 31.03.2007
		(Rs. In lacs)
Profit before Depreciation and Interest	179.52	133.54
Interest	84.64	69.50
Depreciation	51.22	48.67
Profit before Tax	43.66	15.37
Provision for Income Tax	16.00	3.67
Provision for Fringe Benefit Tax	0.90	0.90
Provision for Income Tax for earlier year	0.18	0.85
Deferred Tax (Net of Assets) provided/(written back)	(3.16)	(1.31)
Profit after Tax	29.75	11.26
Surplus brought forward from previous year	238.25	226.98
Balance Carried over to Balance Sheet	268.00	238.25

Results of Operation:

The Company has achieved sales of Rs. 3888.76 lacs as against Rs. 3115.97 in the previous year, reflecting a growth of 24%. The Profit before Tax was Rs. 43.66 lacs as against Rs. 15.37 lacs recorded in the previous year. The Profit after Tax was Rs. 29.75 lacs as against Rs. 11.26 lacs recorded in the previous year, registering an considerable growth.

Dividend

The Board has decided to plough back the entire profit generated during the year to conserve resources, enhancing the overall shareholders value, keeping in view the company's need for capital for its growth plans and the intent to finance such plans through internal accruals to the maximum.

Future Plans:**New Project:**

During the year, the company has decided to set up a, latest new Coke Oven Plant adjacent to the existing plant with an installed capacity of 1,20,000 MTPA with total project cost of Rs. 30 Crores.

Allotment money in arrear

Your Company has called upon all erring shareholders to pay the allotment money along with interest immediately on their respective shareholding to avoid forfeiture of shares. A separate Notice for payment of allotment money cum forfeiture has already been mailed to them.

**Directors**

In terms of Article 44 of the Articles of Association of the company, Mr. Prashant Tulsyan and Mr. Binod Kumar Singh, Directors, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting. Sri Prashant Tulsyan has been re-appointed as a Whole time Director w.e.f. 01.04.2008 for a period of 5 years by the Board on the terms as set out in the resolution proposed to be approved by the shareholders. The Board also approved the an increase in remuneration w.e.f. 01.04.2008 of Sri Rajeev Tulsyan and of Sri Sanjeev Kumar Tulsyan by considering the activities of the company. Full Details have been given in the notice and its explanatory statements.

Listing

The equity shares of the Company are listed at the Stock Exchanges at Mumbai, Kolkata, Ahmedabad and Jaipur. The ISIN of the equity shares of your company is **INE662I01012**. The shares of the Company have been admitted with National Securities Depository Limited (NSDL) and we are taking steps to admit the shares of the Company with CDSL also.

Auditors & 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 the 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 for such reappointment within the meaning of section 226 of the said Act.

The notes of accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

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.

Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo

The Particulars relating to energy conservation, 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

The Coke Ovens are designed in such a way that Considerable amount of energy is saved.

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**Technology absorption, adoption and innovation**

The present technology used in manufacture is Indigenous. The Company has not carried out any research and development activities during the



year. A new plant is proposed to be set up by using latest technology developed by C.F.R.I.

**C. Foreign Exchange Earning and
And Outgo:**

No foreign exchange earning and outgo took place

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:

- i) In the preparation of the annual accounts for the financial year ended 31st March, 2008, the applicable accounting standards, read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there is no material departure from the same;
- ii) 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, 2008 and the profit & loss of the company for the year ended on that date.
- iii) That your directors have taken proper 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; and
- iv) Your directors have 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 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 Company is committed to maintain the highest standards of Corporate Governance. The Directors adhered to the requirements set out by the Securities and Exchange Board of India as regards to the Corporate Governance Practices and have implemented all the all the stipulations prescribed. The Company has implemented several best corporate governance practices as prevalent globally.

The report on Corporate Governance as stipulated under clause 49 of the Listing Agreement along with the requisites Certificate of from the Auditor 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: 22nd June 2008
Place: Kolkata

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

(Chairman)



Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules; 1988.

A. 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 & Australia, since the inherent quality of their coal is better than the indigenous coal. During the last year the coal and coke industry remained volatile. The domestic industry is facing acute shortage of suitable raw coal mainly due to insufficient production and vulnerable Govt. policies. Further many major pig iron / steel producers have installed their captive coke oven plant based on the imported coal to reduce their input costs.

On the other hand prices of the imported Coal & Coke have increased almost 2-3 times and supply is also very limited. The Rupee has also started devaluating against Dollar. Further there are several iron and steel industry which has come up or are coming up in near future, which should increase the demand of metallurgical coal and coke. The main coal and coke consuming industries are power plants, cement plants, sponge iron plants, chemical plants, iron and steel plants, which utilizes indigenous coal to some extent. The quality of most of the indigenous coal is not up to the mark and contains very high ash % causing more pollution. The ash content can be reduced by beneficiation / washing of coal. The pollution control norms are becoming more stringent day by day. The company will greatly benefit from these facts as the demand of washed coal will tremendously increase. The company is therefore hopeful of improving its performance significantly in future.

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 would be requiring metallurgical coke, a product manufactured by our company, as their major raw material.
2. The Company is having a long-term linkage of coking coal to the tune of 17850 Metric Tons / month from BCCL / CIL collieries.
3. The Company will be in an advantageous position whenever there is a shortage of coking coal / coke in the domestic / international market and / or increase in cost of imported coking coal.
4. The Govt. is strongly emphasizing on use of low ash washed coal instead of high ash ROM coal as a pollution control measure since the quality of majority of Indian coal is poor. This has enhanced company's chances of getting orders for supply of washed coal as very few coal washeries like that of our company 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-judiced before the different courts of law in the country, an element of uncertainty always remains with regard to the costing and availability of sufficient and suitable raw coal.



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. Your Company provides employment to approx 80 persons, directly or indirectly.

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 in India and some of the best practices followed internationally on Corporate Governance, 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 present strength of the Board is of 6 Directors. Mr. Vimal Kumar Tulsyan is a non-executive Chairman. The Board of Directors of the Company consists of six directors, two of whom are independent. The Board in all has a balance of three executive and three non-executive directors.

Following is the Board of Directors of the Company as on 31.3.2008.

<u>Name</u>	<u>Category</u>
1. Mr. Vimal K 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

B. Attendance of each director at the Board Meetings and last AGM: 8(eight) Board Meetings were held during the Financial Year 2007-08. The last A.G.M. of the Company was held on 29.09.2007.

Name of the Director	Category	----- Attendance -----		No. of Directorship in other companies
		Board Meetings	last AGM	
Mr. Vimal K Tulsyan	Non Executive	8	Y	1
Mr. Sanjeev K Tulsyan	Executive	8	Y	3
Mr. Rajiv Tulsyan	Executive	8	Y	1
Mr. Prashant Tulsyan	Executive	8	Y	1
Mr. Binod Kumar Singh	Non Executive, independent	4	Y	Nil
Mr. Nawal Kishore Singh	Non Executive, independent	4	N	Nil

**Number and the dates of the Board Meetings held during 2007-08**

8 (Eight) Board Meetings were held during the Financial Year 2007-08 on 20.5.2007, 31.05.2007, 30.07.2007, 29.09.2007, 06.11.2007, 31.01.2008, 13.2.2008 and 31.3.2008.

C. Information about the Directors to be re-appointed

Name of the Director	Mr. Prashant Tulsyan	Mr. Binod Kumar Singh
Date of Birth	15.04.1971	14.01.1962
Experience in specific functional area and qualification	B.Com. having 15 years of experience in coal and coke industry covering entire gamut of activities relating to coal and coke.	M.Com, LLB Rich experience in legal matters related with the Companies Act, and other related Act, in India.
Directorship held in other public companies	Vini Iron & Steel Udyog Ltd.	None
Membership of committees in other public limited companies	None	None
No. of shares held in the company	154800	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 members and Senior Management Personnel 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 of the Company and the compliance of the same has been affirmed by them annually

A declaration signed by the Managing Director of the Company is given below:-

DECLARATION

I, Rajiv Tulsyan, Managing Director of Auroma Coke Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the code of conduct of the company for the year ended March 31, 2008.

Rajiv Tulsyan
(Managing Director)

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

- a) Oversee the accounting and financial reporting process of the Company,
- b) Make arrangement of the Audit of the Company's Financial Statements,
- c) Appoint, and maintain the Independence and Performances of the Statutory Auditors,
- d) Check the performances of the Internal Auditor, and
- e) 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.

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

The Committee met 4-times during the year 2007-08 on 25/04/2007, 14/07/2007, 14/10/2007 and 13/01/2008.

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

B. Remuneration Committee

Composition: The remuneration committee of the Board comprises three independent 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.



Meeting: There were two meeting of the Remuneration Committee which was attended by Mr. Binod Kumar Singh and Mr. Nawal Kishore Singh.

Details of remuneration paid/payable to the directors for the year ended 31st March 2008.

<u>Name</u>	<u>Salary (in Rs.)</u>
Shri Rajiv Tulsyan	Rs. 3, 06,000/-
Shri Sanjeev K Tulsyan	Rs. 3, 15,000/-
Shri Prashant Tulsyan	Rs. 3, 12,000/-

C. Shareholders'/Investors Grievance Committee

Composition: The Company's Shareholders'/Investors' Grievance committee (the committee) of the Board comprises of 3 Directors, namely,

<u>Name</u>	
Shri Binod Kumar Singh	Chairman
Shri Rajiv Tulsyan	Member
Shri Prashant Tulsyan	Member

Mr. N. K. Taparia, Secretary, acts as Compliance Officer.

Objectives:

The Committee monitors and redresses the complaints of the shareholders relating to share transfer, non-receipt of Annual Report, and other related grievances. The committee oversees the performance of the Registrar and Transfer Agent of the Company, and recommends measures for overall improvement in the quality of investor services.

Investor Grievance Redressal

Number of complaint received and resolved to the satisfaction of investors during the year under review. There were no outstanding complaints pending for redressal as on March 31, 2008. All valid requests for share transfer received during the year under review have been acted upon and no such requests for transfer were pending as on March 31, 2008.

4. General Body Meetings:

A. Annual General Meeting: Location, date, and time of the Annual General Meeting held during the preceding 3 years and the Special Resolution passed thereat are as follows:

YEAR	Location	Date & Time	Special Resolution Passed
2006-07	Suite No. 706, Shanti Niketan Building, 8 Camac Street, Kolkata-700017	September 29, 2007 at 11.00 a.m.	1. for commencement of business under section 149-2A 2. for issue of securities to persons other than shareholders under section 81(A)
2005-06	Suite No. 706, Shanti Niketan Building, 8 Camac Street, Kolkata-700017	September 26, 2006 at 11.00 a.m.	No special resolution was passed
2004-05	Suite No. 706, Shanti Niketan Building, 8 Camac Street, Kolkata-700017	September 30, 2005 at 11.00 a.m.	1. For commencement of business under section 149-2A

**B. Special Resolution passed through Postal Ballot:**

Neither at the last AGM nor at the ensuing AGM to be held on 29.09.2008 any special resolution was passed/ proposed to be passed through postal ballot.

5. Disclosures:

A. Related Party 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. Attention of the members is drawn towards the disclosures of transactions with the related parties as detailed in Notes on Accounts-Schedule 23, forming part of the Annual Report.

All related party transactions are negotiated on arm's length basis and intended to further the Interest of the Company.

B. Non-compliances/ penalty or strictures: There has been no instance of non compliance by the Company on any matter related to Capital Market during the last three years and hence no penalty or strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authority.

C. Compliances of the corporate governance: The Company has complied with not only the mandatory compliances of the corporate governance but also has complied with the non-mandatory compliance of the corporate governance in respect of:

- a) **Remuneration Committee:** The Company has constituted a remuneration Committee to review the remuneration of the Managing Director and Whole-time Directors and other senior management personnel on the basis of their performance and according to the criteria agreed by the company.
- b) **Whistle Blower Policy:** The Company has set up a whistle blower policy whereby the employees are free to report to the management of the Company any unethical behavior, fraud or violation of the law, rules, code of conduct to their immediate management concerned. All such reports are reviewed by the audit committee from time to time. The victimization of the person reporting violations shall not be allowed and confidentiality of such reports will be maintained and such persons shall not be subjected to any discriminatory practices.

6. Means of Communication:

A timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end:-

- a) The company's quarterly / yearly results in the format prescribed by the Stock Exchange in India are approved and taken on record by the Board within the stipulated frame and are send immediately to all Stock Exchanges on which the company's equity shares are listed.
- b) Quarterly un - audited 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.
- c) Annual Report containing, inter-alia, Audited Annual Accounts, Director's Report, Auditor's Report and other important informations are circulated to the members and others entitled thereto. The Management Discussion & Analysis Report forms part of the Annual Report.
- d) The company has designated the following email-ids exclusively for investor servicing info@auroma.in



- e) The company has no web site and the Company has not made any presentations to institutional investors or to the Financial Institution or to any other analysts.
- f) The company has no practice to send the quarterly reports to the shareholders.

7. General Shareholders Information:

- **Date, time and Venue of AGM** : Monday, September 29th, 2008 at 11 a.m.
at Suite No. 706, Shanti Niketan
8, Camac Street, Kolkata-700017.
- **Book Closure Period** : Monday, September 22, 2008 to Monday, September 29,
2008, (Both days inclusive)
- **Dividend payment date** : The Board has not recommended the payment of dividend.
- **Listing on Stock Exchanges and stock code** : Kolkata, Mumbai, Ahmedabad and Jaipur
(Not allotted), (06412), (699), (not allotted)
- **ISIN no of the Company** : **INE662I01012**
- **Stock Market Data** : No trading has been reported in the equity shares of the
Company during 2007-08
- **Registrar and Transfer Agents** : M/s Niche Technologies Pvt. Ltd.
71, B. R. Basu Road
D-511, Bagree Market
Kolkata-700 001
(Phone- 033-22343576, Fax: 033-22156823)
- **Plant Location** : G. T. Road, Govindpur, PO - KG Ashram,
Dhanbad 828109
- **Investor correspondence** : Investor correspondence may be addressed to:-
Company Secretary
Auroma Coke Limited
Suite No.706, Shanti Niketan Building,
8, Camac Street,
Kolkata - 700017
- **Share Transfer System:**

Presently, Shares lodged with the Company or Share Transfer Agent for transfer are processed and registered within a period of 10 to 15 days from the date of receipt, provided all documents are complete, proper and valid in all respects. The Board has delegated the authority for approving transfer; transmission etc. of the Company's securities to the Managing Director and / or Company's Secretary. In this regard, the Share Transfer cum investor Grievance Committee meets every fortnight to approve the transfers. A Summary of transfer / transmission of securities of the Company so approved by Managing Director or Company Secretary is placed at every Board Meeting.



• **Shareholding Pattern as on 31.3.2008**

Category	No. of shares	% to total shares
Promoters	1106382	14.72
Mutual Fund	350000	4.65
NRI's	188300	2.51
Others Indian Nationals and Domestic Companies	5871118	78.12
Total	7515800	100.00

• **Shareholding Pattern by Size as on 31.03.2008**

Number of Shares	No. of Shares Holders	% to Total Shares Holding	Total no. of shares	% of Holding in Total Sharing
1-500	297	27.94	143206	1.91
501-1000	504	47.41	431500	5.74
1001-5000	197	18.53	553900	7.37
5001-10000	13	01.22	111500	1.48
10001-50000	17	01.60	472800	6.29
50001-100000	12	01.13	958800	12.76
100001-Above	23	02.17	4844094	64.45
Total	1063	100.00	7515800	100.00

• **Dematerialization of Shares :**

The Securities and Exchange Board of India (SEBI) has included company's scrip in compulsory demat settlement for all type of investors. Thus the dealing in company's equity share can be in demat form only. To facilitate the holding and trading of securities in electronic form, your company has established connectivity with the National Securities Depository Ltd. (NSDL) and are in process to establish the connectivity with Central Depository Services (India) Limited. At present, investors can dematerialise their equity shares with NSDL. As on March 31, 2008, a total of 8, 90,982 no. of equity shares comprising 11.85 % of the total equity capital of the company have been dematerialised.

• **Outstanding GDRs / ADRs / Warrants and Convertible Bonds, Conversion Date and likely impact on equity:**

The company has never issued GDRs / ADRs / Warrants or any convertible instruments likely to have impact on equity of the company.

For and on behalf of the Board

Date : 22nd June 2008
Place : Kolkata

V.K. Tulsyan
(Chairman)



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Members
Auroma Coke Limited

We have examined the compliance of conditions of Corporate Governance by Auroma Coke Limited for the year ended 31st March 2008 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us, and based on the representations made by the Directors and Management, we certify that the company has complied with the conditions of corporate governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

On the basis of share transfer register and other records produced before us, we state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the shareholders' Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company

Date: 22nd June 2008
Place : Kolkata

For AGARWAL KHEMKA & ASSOCIATES
Chartered Accountants

A. K. Agarwal)
PROPRIETOR
Membership No. 52791



Auroma Coke Limited

Auditor's Report, Financial Statements and Notes on Accounts
For The Financial year 2007-08

Auditors:
Agarwal Khemka & Associates
Chartered Accountants



*To The Members Of
Auroma Coke Limited*

1. We have audited the attached Balance Sheet of Auroma Coke Limited, as at 31st March, 2008 and also the Profit and Loss Account, Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order on the basis of information and explanations given to us during the course of audit.
4. Further, to our comments in the Annexure referred to above, we report that :
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account, Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representation received from the directors as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March'2008.
 - (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
 - (c) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

For: **AGARWAL KHEMKA & ASSOCIATES**
Chartered Accountants

A. K. Agarwal
PROPRIETOR

Place : Kolkata
Dated : This 22nd day of June, 2008

Membership No.: 52791

**Referred to in paragraph 3 of our report of even date.**

- (a) We have been informed that the Company is in the process of preparing fixed assets register. No substantial part of fixed asset has been disposed off during the year.
- (b) We have been informed that the management has conducted physical verification of finished goods, raw materials, spare parts and construction work in progress at the year end and no material discrepancies have been noticed on such verification as compared to book records. The procedures followed for such verification are reasonable in relation to the size of the Company and the nature of its business. The company is maintaining proper records of inventory.
- (c) The company has taken unsecured loans from a company which is covered in the register maintained under section 301 of the Act. The total amount involved in the transaction was Rs. 11 lacs which was repaid during the year except interest accrued amounting to Rs. 14,703/-. The rate of interest and other terms and conditions of such loans were not prima-facie prejudicial to the interest of the Company. There was no stipulation regarding repayment of principal and interest and they were payable on demand.
- (d) The company has not granted any loans secured or unsecured to companies which are covered in the register maintained under section 301 of the Act.
- (e) In our opinion there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any continuing failure to correct major weaknesses in internal control system.
- (f) The particulars of contracts or arrangements referred to in section 301 of the Act have been so entered in the register maintained under that section. The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, wherever available.
- (g) We have been informed that the Company has not accepted any deposits from public, share holders or others as defined under Section 58A of the Companies Act, 1956 during the year.
- (h) The Company has appointed a firm of Chartered Accountants to conduct the internal audit periodically which is considered to be adequate and commensurate with the size and nature of its present activities.
- (i) We have been informed that the company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, Employees State Insurance, income tax, sales tax, wealth tax, custom duty, service tax, excise duty, cess and any other statutory dues with the appropriate authorities, wherever applicable, except with minor delays. In respect of sales tax dues there are no arrears of outstanding liabilities as at the end of the year for a period of more than six months from the date they became payable except Rs. 2.36 lacs.
- (j) The company does not have any accumulated losses at the end of the financial year. The company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.



- (k) The company has not defaulted in repayment of dues to any bank/financial institutions. The company has not raised any amount by way of Debenture from bank or financial institution.
- (l) In respect of investment in shares, securities, debentures and other investments, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other securities have been held by the company, in its own name except to the extent of the exemption, if any, granted under section 49 of the Act;
- (m) The company has not granted any loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities or any guarantee.
- (n) The company has given guarantee for loans taken by others from financial institutions/financiers, the terms and conditions whereof are not prejudicial to the interest of the company.
- (o) No term loan was raised during the year.
- (p) According to the information and explanations given to us, no funds raised on short term basis by the Company during the year under audit have been used for long term investment.
- (q) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act during the year.
- (r) During the year, the company has not raised any amount by public issues.
- (s) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.
- (t) The other provisions of the said Order are not applicable in case of this Company.

For: **AGARWAL KHEMKA & ASSOCIATES**
Chartered Accountants

A. K. Agarwal
PROPRIETOR

Membership No.: 52791

Place : Kolkata

Dated : This 22nd day of June, 2008

**Balance Sheet as at 31st March, 2008.**

	Schedule	As at 31st March, 2008		As at 31st March, 2007
		Rs.		Rs.
I. SOURCES OF FUNDS				
(1) Shareholders' Funds:				
[a] Share Capital	1	66031000	65452000	
[b] Reserves & Surplus	2	27118831	24150776	89602776
(2) Share Application Money		89100000		43800000
(3) Loan Funds:				
[a] Secured Loans	3	110089970	115090826	
[b] Unsecured Loans	4	6697406	253423	115344249
(4) Deferred Tax Liability(Net) :	5	10291000		10607000
TOTAL :		<u>309328207</u>	<u>259354025</u>	
II. APPLICATION OF FUNDS				
(1) Fixed Assets:	6			
[a] Gross Block		103860405	96475032	
[b] Less: Depreciation to date		37949688	33083226	
[c] Net Block		65910717	63391806	
[d] Cap. Work in progress		8348208	2773316	66165122
(2) Investments:	7	100,000		NIL
(3) Current Assets, Loans & Advances :				
[a] Inventories	8	92957075	69033907	
[b] Sundry Debtors	9	55403994	24779960	
[c] Cash & Bank Balances	10	11581405	33985673	
[d] Loans & Advances	11	91158083	70937423	
		<u>251100557</u>	<u>198736963</u>	
Less : Current Liabilities and Provisions				
[a] Current Liabilities	12	16089275	5548060	
[b] Provisions	13	42000	NIL	
		<u>16131275</u>	<u>5548060</u>	
(4) Net Current Assets:		234969282		193188903
TOTAL :		<u>309328207</u>	<u>259354025</u>	

**III. Significant Accounting policies
and notes on accounts**

23

Schedules referred to above form an integral part of the Balance Sheet.

SIGNED IN TERMS OF OUR REPORT OF EVEN DATE

FOR AGARWAL KHEMKA & ASSOCIATES
Chartered Accountants.A. K. Agarwal
PROPRIETOR
Membership No.52791FOR AND ON BEHALF OF
BOARD OF DIRECTORSRajiv Tulsyan
(Managing Director)S. K. Tulsyan
(Whole Time Director)N. K. Tapania
(Secretary)

**AUROMA COKE LIMITED****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED, 31.03.2008.**

	Schedule	31st, March 2008 Rs.	31st, March 2007 Rs.
<u>INCOME</u>			
Sales (Including other related income)	14	388876434	311597219
VAT Setoff on Opening Stock		----	2370852
Other Income	15	217887	1229185
Increase/(Decrease) in Stock	16	(36323869)	29581437
TOTAL :		352770452	344778693
<u>EXPENDITURE</u>			
Raw Materials Consumed	17	261633490	291602925
Purchase of Finished / Trading goods		18470127	1893795
Employees Cost	18	5406028	3466782
Manufacturing Expenses	19	25707701	15792111
Other Expenses	20	23600490	18668910
Finance Cost	21	8464441	6949758
Depreciation (Refer note no. 6 of sch. 23) [including Rs. 5712/- (NIL) for earlier years]	6	5121704	4867461
TOTAL :		348403981	343241742
<u>Profit before income tax</u>		4366471	1536951
<u>Less: Income Tax (for the year)</u>		1600000	367000
Fringe Benefit Tax		90000	90000
Income Tax for earlier year		17901	84510
Deferred Tax (Net of Assets) Provided /(Written Back)		(316000)	(131000)
Profit after tax effect		2974570	1126441
Balance brought forward from last year		23825190	22698749
Balance Carried over to Balance Sheet		26799760	23825190
 Basic & Diluted Earnings per Equity Share of Rs. 10/- each	 23 (10)	 0.40	 0.15
 Significant Accounting policies and notes on accounts.	 23		

Schedules referred to above form an integral part of the Profit & Loss A/c.

SIGNED IN TERMS OF OUR REPORT OF EVEN DATE**FOR AGARWAL KHEMKA & ASSOCIATES**

Chartered Accountants.

A. K. Agarwal

PROPRIETOR

Membership No.52791

Place : KOLKATA

Dated : This 22nd day of June, 2008

**FOR AND ON BEHALF OF
BOARD OF DIRECTORS**Rajiv Tulsyan
(Managing Director)S. K. Tulsyan
(Whole Time Director)N. K. Taparia
(Secretary)

**SCHEDULES TO THE ACCOUNTS**

	As at 31st March, 2008 Rs.	As at 31st March, 2007 Rs.
<u>SCHEDULE - 1 : SHARE CAPITAL</u>		
<u>AUTHORISED</u>		
90,00,000 Equity Shares of Rs.10/- each	<u>90000000</u>	<u>90000000</u>
<u>Issued, Subscribed and Paid up :</u>		
75,15,800 Equity Shares of Rs.10/- each out of which 1,00,000 Equity Shares of Rs.10/- each have been issued to erstwhile partners of Auroma Coke Manufacturers for a consideration other than Cash, 5,00,000 Equity Shares of Rs.10/- each have been issued as Bonus Share by capitalising Revaluation Reserves	 75158000	 75158000
Less: Share Allotment Money unpaid (other than directors)	 9127000 <u>66031000</u>	 9706000 <u>65452000</u>

SCHEDULE - 2 : RESERVES AND SURPLUS

<u>Capital Reserves :</u>				
Revaluation Reserve (b/f)	325586		332867	
Less: To Profit & Loss A/c.(Depreciation)	5676		7281	
On disposal of assets	<u>839</u>	319071	<u>NIL</u>	325586
<u>Revenue Reserves</u>				
Bal. in Profit & Loss A/c	 26799760 <u>27118831</u>		 23825190 <u>24150776</u>	



	As at 31st March, 2008 Rs.	As at 31st March, 2007 Rs.
<u>SCHEDULE - 3 : SECURED LOANS :</u>		
<u>(A). From State Bank of India:</u>		
(a) Cash credit account	96165884	98597126
(b) Term Loan	13202473	15002921
(All the above facilities are secured against hypothecation of entire inventory and receivables. They are further secured by present and future fixed assets of the company including equitable mortgage of land and building, landed property, personal guarantee of four directors of the company and corporate guarantee of 3 companies.)		
<u>(B) Dues under H.P agreement</u>	721269	1489115
(Secured by hypothecation of Car)		
Interest Accrued	344	1664
	<u>110089970</u>	<u>115090826</u>
<u>SCHEDULE - 4 : UNSECURED LOANS :</u>		
From Bodies Corporate	6697406	253423
(including interest due)		
	<u>6697406</u>	<u>253423</u>
<u>SCHEDULE - 5 : DEFERRED TAX LIABILITY (NET)</u>		
<u>(A) Liabilities due to Timing difference :</u>		
(a) Depreciation	10662000	10793000
	<u>10662000</u>	<u>10793000</u>
<u>(B) Assets due to Timing difference :</u>		
Revenue Expenses	371000	186000
	<u>371000</u>	<u>186000</u>
<u>(C) Net liability (A-B)</u>	<u>10291000</u>	<u>10607000</u>

SCHEDULE -8

FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK	
	Cost as at	Additions	Sale/disposal	Cost as at	Balance	For the	Adj.	Balance	Balance
	31-3-2007	during	during	31-3-2008	as on	year	during	as on	as on
		the year	the year		31-03-2007		the year	31-03-2008	31-03-2008
LAND	3497265	2297622	0	5794887	0	0	0	0	5794887
SHED & BUILDINGS	4446433	108616	0	4555049	1061287	128624	0	1189911	3365138
PLANT AND MACHINERY	83000694	2630297	234191	85396800	30703287	4298759	191254	34810792	50586008
FURNITURE & FIXTURES	74983	780	0	75763	34682	4753	0	39435	36328
COMPUTER	495678	117188	74275	538591	288079	80497	69664	298912	239679
VEHICLES	4959979	2539336	0	7499315	995891	614747	0	1610638	5888677
TOTAL :	96475032	7693839	308466	103860405	33083226	5127380	260918	37949688	65910717
PREVIOUS YEAR	94312912	2434219	272099	96475032	28335575	4874742	127091	33083226	63391806
CAPITAL WORK IN PROGRESS (Including pre-operative exp.)								8348208	2773316

- NOTES :
- [1] The land is held in the name of erstwhile Partnership Firm Auroma Coke Manufacturers and is yet to be registered in the name of the Company. The company has applied for registration to the authorities in terms of section 575 of the Companies Act'1956 but the effect is yet to be given by the authorities concerned.
 - [2] Vehicles includes car Rs. 25,82,573/- (Rs. 25,25,469/-) acquired under hire purchase agreement.
 - [3] Additions during the year includes Rs. NIL (Nil) preoperative expenses. Details required to be disclosed under Part - II of schedule - VI to the Companies Act, 1956 have been disclosed vide Schedule - 22 attached to the accounts.

SCHEDULE - 7 : INVESTMENTS

Long Term: Other than trade (At Cost)

Unquoted

10000 (NIL) units of SBI Mutual - Infrastructure Fund
[NAV Rs. 107300/- (NIL)]

As at 31st
March, 2008
Rs.

As at 31st
March, 2007
Rs.

100000
100000

NIL
NIL

SCHEDULE - 8 : INVENTORIES:

(a) Raw Materials
(b) Finished Goods
(c) Loose Tools & Spares

84212466
8567098
177511

23395173
44890967
747767

92957075

69033907

SCHEDULE - 9 : SUNDRY DEBTORS:

(Unsecured ; considered good)

Outstanding for a period exceeding six months

Others

[including due from A C M Fuels Ltd., Rs. 4,67,685/- (NIL)
a company under the same management | max. balance
outstanding during the year Rs. 10.02 lacs (Rs. 9.08 lacs)]

2393683
53010311
55403994

4881461
19898499
24779960

SCHEDULE - 10 : CASH AND BANK BALANCES:

Cash in hand (as per books & certified)

Balance with scheduled banks:

In Current A/c (Refer Note No. 5 of Schedule No. 23)

In Fixed Deposit A/c

[Under lien with Bank]

1067728

2159890

9960016

26647645

553661

5178138

11581405

33985673

SCHEDULE - 11: LOANS AND ADVANCES:

Advances (Unsecured, considered good)

(Recoverable in cash or in kind or
for value to be received)

Advance for Capital Goods

Prepaid Expenses

Advance for Raw Materials

[including paid to A C M Fuels Ltd., Rs. NIL (NIL) a company
under the same management | max. balance
outstanding during the year Rs. 24.82 (Rs. 2.56) lacs]

Other Advances/Receivables

Security Deposits

T.D.S. Refundable

Excess Service Tax Deposited

VAT Receivable

Advance Income Tax & TDS Excess paid

Taxes Paid

Less : Provision for Income Tax Payable

3208377
145424
68834192

2358491
171826
51998031

1877156
11550657

808464
11151408

31284

644

915993

1817882

7378158

6516037

5517000

1861158

3917000

2599037

Advance Fringe Benefit Tax Excess paid

Taxes Paid

Less : Provision for FBT Payable

Other Receivables

(Represents unbilled amount, held in/as stock)

181000

178000

3000

2764482

91158083

70937423

**AUROMA COKE LIMITED**

	As at 31st March, 2008 Rs.	As at 31st March, 2007 Rs.
<u>SCHEDULE - 12 : CURRENT LIABILITIES:</u>		
Advance from Customers	5991471	1208319
Sundry Creditors for goods and expenses	9510155	4186455
Sundry Creditors for Capital Goods	135	129583
Others	587514	23703
	<u>16089275</u>	<u>5548060</u>

SCHEDULE - 13: PROVISIONS:

For Fringe Benefit tax	268000		
Less : Paid	<u>226000</u>	42000	----
		<u>42000</u>	<u>----</u>

SCHEDULE - 14 : SALES AND OTHER RELATED TURNOVER:

Clean Coal	26037320	179445458
Hard Coke	222563796	75057308
Middling/ Rejects	33951070	43882807
Slurry	2365579	9757777
Unusable Coal	-----	201323
Raw Coal / Slurry [39321.070 (1070.580) MT]	88960120	2911384
Sale of Delivery Order [494 (200) MT]	1052540	341162
Conversion Charges (Refer Note No. 3 of Schedule - 23)	3541909	-----
Commission Earned (Refer Note No. 3 of Schedule - 23)	4294500	-----
Revenue from Construction Contract (Refer Note No. 3 of Schedule - 23)	6109600	-----
	<u>388876434</u>	<u>311597219</u>

SCHEDULE - 15 : OTHER INCOME:

Hire Charges of Dumper	30627	22949
Interest (Gross) [T.D.S Rs. 21,234/- (Rs. 1,65,974/-)]	87051	290811
Sundry Balances written off (Net)	2350	785687
Refund of Sales Tax relating to earlier years	-----	126113
Freight Recovered (Net)	97859	3625
	<u>217887</u>	<u>1229185</u>

SCHEDULE - 16 INCREASE / (DECREASE) IN STOCK:

Closing Stock of Finished goods	8567098	44890967
Less : Opening Stock of Finished Goods:	44890967	15309530
Increase/ (Decrease) in Stock	<u>(36323869)</u>	<u>29581437</u>

SCHEDULE - 17 : RAW MATERIAL CONSUMED:

Opening Stock	23395173	45295191
Purchases	301023646	252582663
Transporting Charges (including related expenses)	15269982	12817498
Other Expenses	269805	-----
Colliery Expenses	5887350	4428150
	345845956	315123502
Less : Closing Stock	84212466	23395173
Used for heating ovens	0	125404
	<u>261633490</u>	<u>291602925</u>

**AUROMA COKE LIMITED**

	As at 31st March, 2008 Rs.	As at 31st March, 2007 Rs.
<u>SCHEDULE - 18: EMPLOYEES' COST:</u>		
Wages	1118798	702110
Labour Charges for Construction Contract	1142499	----
Salaries	2635810	2472201
Bonus	315365	90923
Contribution to ESI	19949	19315
Gratuity	22106	76028
Leave Wages & Salary	151501	106205
	<u>5406028</u>	<u>3466782</u>
<u>SCHEDULE - 19: MANUFACTURING AND OTHER OPERATIONAL EXPENSES:</u>		
Carriage Inward	97331	33094
Chemical Consumed	638685	1037615
Coal Handling Expenses (Including payloader hire charges)	107100	1388825
Coal screening, picking & stacking charges	2193700	2529875
Coal Processing Charges	27683	----
Hard Coke Breaking & Sizing Charges	1306500	1015560
Materials used for Construction Activity	4578237	----
Payloader Running & Maint. Exp.	2177213	2139301
Dumper/Tractor Running & Maint. Expenses	1591565	447297
Oven Cleaning Charges	761400	702300
Water Procurement Expenses	253750	342750
Stores Consumed	2023054	772170
Iron Materials (net of scrap sales)	2753959	1514426
Material used for heating ovens	----	125404
Lease Rent	1555263	----
Testing & Laboratory Expenses	194607	40810
Generator Running & Maintenance Expenses	4090502	3001173
Power Charges	1357152	701511
	<u>25707701</u>	<u>15792111</u>
<u>SCHEDULE - 20: OTHER COSTS & EXPENSES</u>		
Insurance Premium	185697	206431
Telephone Charges	386266	445521
Vehicle Running & Maintenance Expenses	541484	534314
Sales Tax/VAT (Including Rs. NIL (Rs. 53253/-) for earlier years)	13497461	12029469
Commission on Sales	1292967	603609
Loading & Unloading Expenses	716540	719700
Electricity Charges	41955	36337
Legal & Professional, Consultancy Charges	395827	491048
Staff & Labour Welfare Expenses	41673	60932
Xerox Charges	5554	10334
Donation	50200	26000
Advertisement	134045	171737
Travelling & Conveyance	326358	133361
Printing & Stationery	84024	141344
Bank Charges & Commission	774207	988072
Office Expenses	25214	17155
Loss on Non-lifting of Material	227917	5000
Pollution Fees	47750	7750
Security Charges	618527	368274
Stock Exchange Listing Fees	593000	53000
Quality Rebate & Discount allowed	501024	46890
<u>Repairs & Maintenance</u>		
a) To Machineries	1693713	403261
b) To Building	338651	509416
c) To Others	192494	174961
News Paper & Periodicals	8740	19599
Demat charges	583	-----
Pollution Testing Fees	10000	-----
Service Tax (Net)	446264	64498
	<u>23178135</u>	<u>18268013</u>

**AUROMA COKE LIMITED**

	As at 31st March, 2008	As at 31st March, 2007
B/F	Rs.	Rs.
	23178135	18268013
Rent, Rates & Taxes	95322	35690
Postage & Courier Charges	35275	31626
Weighment Charges	158440	128790
Subscription & Membership	16400	13495
Application & Registration Charges	7054	32448
Filing Fees	3000	3000
Miscellaneous Expenses	53712	36754
Loss on Disposal / Discard of fixed assets (Net)	31109	95008
Prior Period Adjustments (Net)	2043	4086
<u>Auditors' remuneration:</u>		
Audit Fees	20000	20000
	23600490	18668910

SCHEDULE - 21: FINANCE COST

Interest on Fixed Loans	2128162	1280898
On others (including premium on FCNR loan)	6336279	5668860
	8464441	6949758

SCHEDULE - 22:**Pre-operative Expenses allocated to Fixed assets**

Pollution Control Fees	----	20000
Salary	180000	----
Travelling & Conveyance	----	957
Telephone Charges	4875	2026
Vehicle Running & Maintenance	----	1017
	184875	24000
Add: B/F from previous year	43110	19110
Carried over to next year	227985	43110

**SCHEDULE - 23 - NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008.****[1] Significant Accounting Policies****(a) Accounting Concept**

The company generally follows the mercantile system of accounting and recognises revenue on accrual basis, except sale of scrap and insignificant items/amounts, which are accounted for on cash basis. The accounts are prepared on historical cost basis and as a going concern concept. The accounting policies not referred to otherwise are consistent with generally accepted accounting principles.

(b) Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties, taxes and incidental expenses related to acquisition and installation. In respect of major projects involving construction, related pre-operative expenses, including finance cost on borrowed funds attributable to acquisition of fixed assets for the period upto the date of commencement of commercial production is capitalised. In case of revaluation, acquisition cost is replaced with revalued figures.

(c) Investments

Investments are classified as long-term and current investments. Long term investments are stated at cost less permanent diminution in value of such investments.

(d) Depreciation

Depreciation on fixed assets is provided under straight line method at the rates and in the manner prescribed under the Companies Act'1956. Assets acquired / disposed off during the year is depreciated with reference to the month of addition / disposal. Assets under construction / installation are not depreciated. Assets used during construction of the project are depreciated and such depreciation forms part of the pre-operative cost. Annual depreciation on written up value due to revaluation of assets is charged to revaluation reserve account proportionately to the extent of balance held in the account.

(e) Retirement Benefits

The company is not covered by Employee's Provident Fund Act and there is no scheme of Provident fund in vogue. Liability for gratuity is provided on actual basis, computed on the tenure of the service of the eligible employees as at the end of the year, in terms of paragraph 52 of Accounting Standard 15 (Revised) issued by The Institute of Chartered Accountants of India, in view of few numbers of employees eligible for gratuity at present.

(f) Inventories

Raw materials are valued at lower of yearly weighted average cost (including related acquisition cost) or market prices. Cost of interdivisional transfer of goods has been taken as per policy enumerated in paragraph (i) below. Stock of such material, and consequential finished goods at balance sheet date, are valued taking the said transfer price and any unrealised profit on such transaction is eliminated while valuing the stock.

Rejects, Middling, Slurry are valued at estimated realisable value. Other finished goods are valued at lower of weighted average cost or market / estimated realisable value. Cost includes material cost, labour and appropriate systematic allocation of fixed and variable production overheads on actual basis, based on estimated production facilities used by different divisions.

Stock in transit, spares and stores etc. are valued at actual cost of purchase including related expenses. Scrap, being not material in amount, is not accounted for.

Contract work in progress is valued at lower of amount expected to be realised / attributable allocable cost incurred, less contract revenue recognized as revenue till the valuation date.

(g) Proposed Dividend

Dividend as proposed by the directors is provided in the books of account, pending approval at the Annual General Meeting.



(h) Foreign Exchange Transactions:

Foreign exchange transactions are accounted for at the exchange rates prevailing on the date of transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing at the Balance sheet date. In case of FCNR loan where they are covered by forward contract, they are restated at that rate and premium, if any, is allocated over the tenure of loan.

(i) Inter-Division transfer:

Interdivisional transfer of goods as independent marketable products of separate divisions for captive consumption are assigned value at lower of cost of production (wherever feasible) and estimated net realizable value. This accounting treatment has no impact on the profit of the company. Such transactions are neither included in turnover nor in consumption of materials, except for valuation purposes.

(j) Sales:

Sales are inclusive of all taxes less returns. In respect of service tax the same is not included in turnover if collected over and above the agreed charges. Taxes paid under composition scheme

(k) Accounting of Construction Contracts:

The company follows percentage completion method measured with reference to the various factors, including surveys of work performed, completion of the physical proportion of the contract work etc. Losses for contracts are fully accounted for as and when incurred/recognised.

(l) Purchases:

Purchases are accounted for net of MODVAT / CENVAT/VAT/Set off of taxes as applicable.

(m) Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised. Other borrowing costs are expensed out.

(n) MODVAT / CENVAT/VAT/Set off of taxes:

Any set off / credit of taxes is adjusted against purchase cost of that item / goods if relates to current year. Adjustment of prior year is accounted for in profit & loss account separately.

(o) Contingent Liabilities:

Contingent liabilities are not provided for and are disclosed in notes attached to the accounts.

(p) Impairment of Assets:

Loss / gain on impairment of assets is recognised in accounts after reviewing net selling price / value in use and net carrying amount of individual assets (if independently generating cash flow) and cash generating units at each Balance Sheet date.

(q) Taxes on Income / Fringe Benefit:

Current income tax and Fringe Benefit tax is determined in accordance with the provisions of the Income Tax Act, 1961, as the amount of tax payable to the taxation authorities in respect of taxable income for the year.

Deferred tax is accounted for under the liability method, subject to the consideration of prudence for deferred tax assets, at the current rate of tax, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are offset if they are governed by same taxing laws.

[2] Contingent Liabilities:

No provision has been made in respect of following contingent liabilities:-

- (a) Sales Tax demand for the year 2005-06 (Net of payments) against which the company has preferred appeals and the case remanded back to the authorities for re-considerstion: Rs. 2.44 lacs (Rs. 2.44 lacs).



- (b) Estimated value of contracts of capital nature not provided (net of advances) : Rs. 78.49 lacs (Rs. 88.46 lacs).
- (c) Unexpired Bank Guarantees outstanding: Rs. 34.84 lacs (Rs. 90 lacs).
- (d) Guarantees given on behalf of others to financiers Rs. 34.38 lacs (Rs. 61.09 lacs).
- (e) Guarantees given on behalf of the company by others: Rs. NIL (Rs. 65 lacs).

[3] Sales / Turnover:

- (a) Includes revenue recognised but actual bill yet to be raised in respect of:
 - (i) Contractual activity, calculated in terms of Accounting Standard 7, Rs. 61.10 lacs (NIL),
 - (ii) Conversion charges, in respect of finished goods held at the end of the year but yet to be dispatched Rs. 1.39 lacs (NIL).
- (b) Excludes service tax realised and deposited with the authorities on receipt of commission earned Rs. 5.31 lacs (NIL).

[4] As per information available with the company there are no dues payable to any small scale industrial undertaking as at 31-03-2008.

[5] Bank confirmation in respect of some of the accounts was not produced for verification by the Auditors. Balance in such accounts was Rs. 0.07 lacs (NIL)

[6] Gross depreciation for the current year is Rs. 51,27,380/- (Rs. 48,74,742/-) out of which Rs. 5,676/- (Rs. 7,281/-) has been transferred to revaluation reserve.

[7] The amount payable to micro, small and medium enterprises, to the extent identified on the basis of information available, are as follow:-

- | | |
|--|-------------------------|
| (i) Principal amount outstanding as on 31-03-08: | Rs. NIL (Rs. 0.41 lacs) |
| (ii) Interest due on outstanding amount as on 31-03-08: | Rs. Nil (Rs. Nil) |
| (iii) Interest paid during the year: | Rs. Nil (Rs. Nil) |
| (iv) Interest due and payable for the delay in making payment beyond the due date of payment : | Rs. Nil (Rs. Nil) |
| (No payment made beyond due date to SME sector, wherever they were stipulated) | |

[8] Disclosures in accordance with Accounting Standard 7 (Revised):-

- | | |
|--|----------------------|
| a. Contract revenue recognised during the year:
(on the basis of allocable cost incurred) | Rs. 61.10 lacs (NIL) |
| b. Contract costs incurred and recognized profits (less recognized
Losses up to the end of the year) (excluding advances) | Rs. 61.10 lacs (NIL) |
| c. Advances received | Rs. 34.84 lacs (NIL) |
| d. Gross amount due from customers for contract work | Rs. 61.10 lacs (NIL) |
| e. Gross amount due to customers for contract work | Rs. NIL (NIL) |

[9] Balance confirmation certificate in respect of sundry parties has not been received from the parties in some cases.

**[10] Earning per share:**

Earning per share has been computed as under :-

	<u>2007-08</u>	<u>2006-07</u>
(a) Profit after taxation (Rs.)	2974570	1126441
(b) Weighted Average number of equity shares used as denominator for calculating EPS	7515800	7515800
(c) Basic and diluted earnings per share of Rs. 10/-		
(i) Before extraordinary items (Rs.)	0.40	0.15
(ii) After extraordinary items (Rs.)	0.40	0.15

[11] Additional information required by the Part II of Schedule VI of the Companies Act, 1956. (These information have been certified by the management and relied upon by the auditors):-**(A) Particulars of Raw Materials Consumed:(Indigenous)**

	<u>2007-2008</u>		<u>2006-2007</u>	
	<u>Qty. (M.T)</u>	<u>Value (Rs.)</u>	<u>Qty. (M.T)</u>	<u>Value (Rs.)</u>
<u>Own A/c</u>				
Coal, slurry, middling/rejects	1,33,886	26,16,33,490	1,65,192	29,16,02,925
Chemicals		6,38,685		10,37,615
<u>Conversion A/c</u>				
Coal, slurry etc	8,084	-----	NIL	-----

- Notes:** (1) Quantity of coal, slurry etc. includes interdivisional transfer out of own production amounting to 49,194.300 MT (29,390.000 M.T). The relative assigned value has been eliminated as per guidance issued by The Institute of Chartered Accountants of India.
- (2) Consumption of Raw Coal, slurry etc. is accounted on estimated basis as per practice and convention prevailing in the industry.
- (3) NIL (60 M.T) used for heating ovens are not included in above quantities.
- (B) The company has not imported any raw materials, stores etc.
- (C) Earning in foreign currency : NIL (NIL).
- (D) Expenditure in foreign currency : Rs. NIL (Rs. 29.88 lacs) for interest and premium on FCNR loan from State Bank of India.
- (E) Remuneration to Directors and Managing Director u/s 198 of Companies Act, 1956.

	<u>2007-2008</u>	<u>2006-2007</u>
	Rs.	Rs.
(i) Salary	9,33,000/-	9,00,000/-
(ii) Perquisites	NIL	NIL

11 (F) Particulars of Capacity, Production, Stock & Sales of Finished Goods:

	2007-2008										2006-2007					
	Hard Coke		Clean coal		Mid./Rej.		Slurry		Coal/DO		Hard Coke		Clean coal		Mid./Rej.	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
(i) Licensed Capacity	N.A		N.A		N.A		N.A		N.A		N.A		N.A		N.A	
(ii) Installed Capacity	Not yet determined		Not yet determined		Not yet determined		Not yet determined		Not yet determined		Not yet determined		Not yet determined		Not yet determined	
(iii) Production																
Own A/c	45720.040	---	29211.000	---	28206.000	---	10453.000	---	---	---	24202.440	---	66460.000	---	46975.000	---
Conversion A/c	5667.990	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
(iv) Purchases	666.040	2442381	0	---	0	---	0	---	7593.890	16027746	68.395	306543	0	---	0	---
(v) Opening Stock	426.055	1250483	13032.710	41945777	874.780	1109692	480.010	585015	---	---	2886.705	6911542	742.520	2114550	5404.020	4765628
(vi) Closing Stock	1866.915	8567098	0.000	---	0.000	---	0.000	---	---	---	426.055	1250483	13032.710	41945777	874.780	1109692
(vii) Sales	44945.220	222563796	5860.090	26037320	25034.090	33951070	2149.020	2365579	(Refer Schedule 14)		26731.485	75057308	47211.810	179445458	40374.240	43882807
(viii) Inter divisional transfer for captive consumption	0.000	---	36383.620	---	4046.690	---	8763.990	---					6940.000	---	11130.000	---

Notes:

(1) All quantities are in metric tonne.

(2) The production and consequently stock is accounted for on estimate basis as per practice and convention prevailing in the industry.


[12] Related party transactions:-

The company has identified all related parties and details of transactions are given below. No amounts have been written off or written back during the year in respect of debts due from or to related parties.

(a) Name of Key management personnel

- (i) Mr. Vimal K. Tulsyan
- (ii) Mr. Rajiv Tulsyan
- (iii) Mr. Sanjeev K. Tulsyan
- (iv) Mr. Prashant Tulsyan

(b) Name of associates / companies:

- (i) ACM Fuels Ltd.
- (ii) Vini Iron & Steel Udyog Ltd.
- (iii) Auroma Coke Manufacturers Pvt. Ltd.

(c) Relatives of key management

- (i) V.K.Tulsyan & Ors. (HUF)

(Rs. In lacs)

	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Purchase of goods	552.65 (562.10)	----- (-----)	----- (-----)	552.65 (562.10)
Sale of goods	43.61 (12.01)	----- (-----)	----- (-----)	43.61 (12.01)
Receiving of services	9.49 (52.02)	9.33 (9.00)	0.18 (0.18)	19.00 (61.20)
Finance (including loans and Equity contributions in cash or in Kind	111.00 (0.44)	----- (-----)	----- (-----)	111.00 (0.44)
Guarantees taken	2810 (2810)	----- (-----)	----- (-----)	2810 (2810)
Guarantees and collaterals Given	61.09 (61.09)	----- (-----)	----- (-----)	61.09 (61.09)
Interest Paid	0.19 (-----)	----- (-----)	----- (-----)	0.19 (-----)

- [13]** The Company has reviewed its individual assets and cash generating units for impairment in terms of Accounting Standard 28 issued by The Institute of Chartered Accountants of India, and none of them were found to be materially impaired.
- [14]** The company has identified that it has no reportable segments as revenue from the construction activity and commission business is less than 10 % of its total revenue.
- [15]** Previous year's figures have been regrouped / reconsidered wherever appropriate to make them comparable with the current years' figures and have been indicated in brackets.



AUROMA COKE LIMITED

Balance Sheet Abstract and Company's General Business Profile :

I Registration No.	60154
State Code	21
Balance Sheet Date	31/03/08

II Capital raised during the year (Amount in thousand rupees)

Public Issue	NIL	Right Issue :	NIL
Bonus Issue	NIL	Private Placement :	NIL

III. Position of Mobilization and deployment of funds : (Amount in Thousand Rupees)

Total Liabilities	325459	Total Assets	325459
<u>Sources of funds :-</u>		<u>Application of Fund :-</u>	
Paid-up Capital	66031	Net Fixed Assets	74259
Reserves & Surplus	27119	Investments	100
Share Application Money	89100	Net Current assets	234969
Secured Loans	110090	Miscellaneous Expenditure	Nil
Unsecured Loans	6697		
Deferred Tax	10291		

IV. Performance of Company (Amount in thousand rupees)

Total Income	389094	Total Expenditure	384728
Profit/Loss before Tax	4366	Profit/Loss after Tax	2975
Earning per share (Rs.)	0.40	Dividend Rate	Nil

V. Generic Names of Principal products, services of the Company :

(i) Item Code No.	270400.03
Product Description	Hard Coke of Coal
(ii) Item Code No.	9993009
Product Description	Clean Coking Coal
(iii) Item Code No.	9993009
Product Description	Middling/Rejects/Slurry

**FOR AND ON BEHALF OF
BOARD OF DIRECTORS**

**Rajiv Tulsyan
(Managing Director)**

**S. K. Tulsyan
(Whole Time Director)**

Place : KOLKATA

Dated : This 22nd day of June, 2008

**N. K. Talaria
(Secretary)**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008**

	2007-08 Rs.	2006-07 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and Extraordinary Items	4,366,471	1,536,951
Adjustments for :		
Depreciation	5,121,704	4,867,461
Interest (Net)	8,377,390	6,658,947
Loss / (Profit) on sale of Assets	31,109	95,008
Operating Profit before Working Capital Changes	17,896,674	13,158,367
Adjustments for :		
Trade and Other Receivables	(50,844,694)	(1,726,852)
Inventories	(23,923,168)	(8,402,410)
Trade Payables	10,583,215	(16,661,669)
Cash Generated from Operations	(46,287,973)	(13,632,564)
Income tax / Fringe Benefit tax	(1,707,901)	(541,510)
NET CASH FROM OPERATING ACTIVITIES	(47,995,874)	(14,174,074)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets/Capital	(13,268,731)	(4,179,437)
Advances/Capital Expenditure		
Proceeds from sale of fixed assets (Net)	15,600	50,000
Dividend Earned	-	-
Interest Earned	87,051	290,811
Proceeds from sale of Investments	(100,000)	-
NET CASH USED IN INVESTING ACTIVITIES	(13,266,080)	(3,838,626)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of Share Capital/Share allotment money (net)	579,000	2,016,000
Interest Paid	(8,464,441)	(6,949,758)
Advance Against Shares	45,300,000	43,800,000
Increase in H.P loans	(769,166)	706,132
Increase in Cash Credit / FCNR	(2,431,242)	(10,198,628)
Increase in Term Loan	(1,800,448)	15,002,921
Increase in Unsecured Loans	6,443,983	(3,909,531)
NET CASH USED IN FINANCING ACTIVITIES	38,857,686	40,467,136
Net Increase/(Decrease) in Cash and Cash Equivalents	(22,404,268)	22,454,436
Cash and Cash Equivalents (Opening Balance)	33,985,673	11,531,237
Cash and Cash Equivalents (Closing Balance)	11,581,405	33,985,673

Notes: 1. Figures in brackets after operating profit before working capital changes represent cash outflows.

2. Previous year's figures regrouped / reconsidered wherever appropriate to make them comparable.

SIGNED IN TERMS OF OUR REPORT OF EVEN DATE

**FOR AND ON BEHALF OF
BOARD OF DIRECTORS**

FOR AGARWAL KHEMKA & ASSOCIATES

Chartered Accountants.

A. K. Agarwal
PROPRIETOR
Membership No.52791

Rajiv Tulsyan
(Managing Director)

Place : KOLKATA
Dated : This 22nd day of June, 2008

S. K. Tulsyan
(Whole Time Director)

N. K. Taparua
(Secretary)



AUROMA COKE LIMITED

Suite No. 706, Shanti Niketan Building
8, Camac Street, Kolkata - 700017

PROXY FORM

Regd. Folio No.

I/We

Of in the district of being

a member/members of AUROMA COKE LIMITED hereby appoint

of in the district of

or failing him of

In the district of , as my/our proxy to vote for me/us on my/our
behalf at the **15th ANNUAL GENERAL MEETING** of the Company to be held on **Monday the
29th September, 2008** at 11.00 AM at Suit No. 706, Shanti Niketan Building, 8 Camac Street,
Kolkata - 700017 and at any adjournment thereof.

Signed this day of 2008

Signature

Affix Rs. 1/-
Revenue
Stamp

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited
at the Registered Office of the company, not less than 48, hours before the Schedule time of the meeting.

AUROMA COKE LIMITED

Suite No. 706, Shanti Niketan Building
8, Camac Street, Kolkata - 700017

ATTENDANCE SLIP

15th Annual General Meeting

Regd. Folio No.

I certify that I am a registered Shareholder/Proxy for the registered Shareholder of the Company.
I hereby record my presence at the **15th ANNUAL GENERAL MEETING** of the Company
at 11.00 A.M. on Monday, the 29th September, 2008 at Suit No. 706, Shanti Niketan Building, 8
Camac Street, Kolkata - 700017

Member's/Proxy name in BLOCK Letters

Member's/Proxy Signature

(To be signed at the time of handing over this slip)

Note : Please fill in this attendance slip and hand it over at ENTRANCE OF THE MEETING HALL.

TEAR HERE

