

BOARD OF DIRECTORS

Mrs. Vathsala Ranganathan - Managing Director
Mr. Ganesan Natarajan - Whole Time Director & CEO
Mr. R. Ramakrishnan - Director
Mr. M. Amjad Shariff - Director
Mr. Rajeev Agarwal - Director
Mrs. Uma Karthikeyan - Director
Mr. M. R. Rajagopal - Director

**COMPANY SECRETARY &
CHIEF FINANCIAL OFFICER**

K. Rajagopal

AUDITORS

M/s. Walker, Chandiook & Co
Chartered Accountants
Chennai

BANKERS

Union Bank of India, IFB, Chennai - 600034
State Bank of India, Overseas Branch, Kolkata - 700001
State Bank of Hyderabad, IFB, Chennai - 600001
Allahabad Bank, IFB, Chennai - 600002
Axis Bank Ltd., Haldia, West Bengal - 721602
HDFC Bank, R.A.Puram, Chennai - 600028

REGISTERED OFFICE

3rd Floor, Egmore Benefit Society Building,
No. 25, Flowers Road,
Kilpauk, Chennai - 600 084

REGISTRARS

Cameo Corporate Services Ltd
Subramaniam Building
#1, Club House Road,
Chennai - 600 002.

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY FIFTH ANNUAL GENERAL MEETING OF ENNORE COKE LIMITED WILL BE HELD AT FRIDAY, THE 24TH SEPTEMBER 2010 AT 10.15 A. M. AT NARADA GANA SABHA, MINI HALL, 314, TTK ROAD, CHENNAI - 600 018, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010 and the Profit and Loss Account of the company for the year ended March 31st 2010, together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in the place of Mr. Rajeev Agarwal who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in the place of Mrs. Uma Karthikeyan who retires by rotation and being eligible offers herself for reappointment.
4. To appoint Auditors and fix their remuneration - M/s. Walker, Chandiook and Co, Chartered Accountants, Chennai retires at the ensuing Annual General Meeting and are eligible for re-appointment.

RESOLVED THAT M/s. Walker, Chandiook and Co, Chartered Accountants, Firm Registration No. 001076N, Chennai be and are hereby reappointed as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed in this behalf by the Board of Directors of the Company.

SPECIAL BUISNESS

5. To consider and if thought fit to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment there of, for the time being in force), and subject to the approval of the Central Government, if required, consent of the Company be and is hereby accorded to the Board of Directors for revision in the remuneration of Mr. Ganesan Natarajan - Whole Time Director & CEO of

the company with effect from 01st July 2010 as detailed below:

Rs.

Particulars	Per Month	Per Annum
	Revised	Revised
Salary	221,000	2,652,000
PF Company Contribution @ 12%	26,520	318,240
HRA	110,500	1,326,000
Special and Other Allowances	37,232	446,780
TOTAL CTC	395,252	4,743,020

RESOLVED FURTHER THAT all other terms and conditions as approved by the Board of Directors at their meeting held on 31st July 2008 and confirmed by the Shareholders at their twenty third Annual General Meeting held on 15th September 2008 shall remain unaltered.

Notwithstanding anything in this part, where in any financial year during the currency in tenure of the Whole Time Director, the Company has no profit or its profits are inadequate, the above remuneration excluding the commission shall be paid to Mr. Ganesan Natarajan, Whole Time Director and CEO, as minimum remuneration subject to the provisions of Schedule XIII of the Companies Act, 1956.

Date : 03rd August, 2010

By order of the Board of Directors

Registered Office:

Ennore Coke Ltd.
3rd Floor, Egmore Benefit Society Building,
No. 25, Flowers Road,
Kilpauk, Chennai - 600 084

K. RAJAGOPAL

CFO & COMPANY SECRETARY

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself and the proxy need not be a member of the company Proxy to be valid should be deposited with the company not later than forty eight hours before the time of commencement of the meeting.

2. The relative explanatory statement pursuant to Section 173(2) of the Companies Act 1956 in respect of Special Business under items 5 and as set out above is annexed hereto.
3. The Register of Members and share Transfer Books of the Company will remain closed from Monday the 20th September 2010 to Friday the 24th September 2010 (both days inclusive).
4. Members are requested to intimate any change in addresses, if any immediately to the Company at its Registered Office.

5. Members are requested to bring their copies of Annual Report to the meeting. The Attendance slips duly completed should be handed over at the entrance of the meeting hall.

Date : 03rd August, 2010 **By order of the Board of Directors**

Registered Office: **K. RAJAGOPAL**
Ennore Coke Ltd. **CFO & COMPANY SECRETARY**
3rd Floor, Egmore Benefit
Society Building,
No. 25, Flowers Road,
Kilpauk, Chennai - 600 084

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE FIFTH ANNUAL GENERAL MEETING OF THE COMPANY AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 5

Mr. Ganesan Natarajan was appointed as Additional Director and Whole Time Director & CEO of the Company at the Board Meeting held on 31st July 2008 on a remuneration of Rs. 24 lacs per annum and the same was approved by the shareholders at the twenty third Annual General Meeting of the Company held on 15th September 2008.

The remuneration of Mr. Ganesan Natarajan was further revised and increased to Rs. 36 lacs per annum from Rs.24 lacs per annum which was approved by the shareholders at their meeting held on 22nd September 2009.

Considering the further increase in volume of business and overall business responsibilities of Mr. Ganesan Natarajan, it has been decided to revise the remuneration from the present salary of Rs. 36 lacs p. a. to Rs.47 lacs p.a. effective from 1st July 2010 which was approved by the Board of Directors at their meeting held on 03rd August 2010. The increase in remuneration requires the approval of the shareholders under Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, of the

Companies Act, 1956 and the approval of the Central Government if required.

Accordingly, a special resolution is placed before the shareholders for their approval.

Except Mr. Ganesan Natarajan, no other Director is concerned or interested in this resolution.

The explanation together with the accompanying notice should be treated as an abstract of the terms of Mr. Ganesan Natarajan and Memorandum of interest under Section 302 of the Companies Act, 1956.

By order of the Board of Directors

Registered Office: **K. RAJAGOPAL**
Ennore Coke Ltd. **CFO & COMPANY SECRETARY**
3rd Floor, Egmore Benefit
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No. 25, Flowers Road,
Kilpauk, Chennai - 600 084

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING
(Pursuant to Clause 49 (IV)(G) of the Listing Agreement)

Mr. RAJEEV AGRAWAL

Rajeev Agarwal is a Practicing Chartered Accountant having more than 27 years of experience in Finance and Taxation. He is running a firm which has a large clientele base which includes lots of software companies. He holds 89315 shares of the Company.

Mrs. UMA KARTHIKEYAN

She is a young and a dynamic Chartered Accountant and comes with a fund of experience working in companies like Marico India Limited and Henkel India Limited. She is an Executive Director of Sanra Software Ltd and has more than 6 years of professional experience in Taxation, Financial Consulting, Corporate Finance, Company Law and SEBI Matters. She has developed innovative financial planning strategies for business development. She holds Nil shares in this Company.

Directors' Report

Your Directors have pleasure in presenting the Twenty Fifth Annual Report together with the accounts of your Company for the year ended March 31, 2010.

FINANCIAL HIGHLIGHTS

Particulars	Rupees in Lacs	
	2009-2010	2008-2009
Revenue	38,895.64	10,106.40
Profit before Interest, Depreciation and Tax	3,189.11	148.88
Interest & Finance Charges	1,259.87	115.34
Depreciation	514.75	9.91
Provision for Tax	383.41	15.51
Deferred Tax	107.11	0.30
Net Profit for the year	923.95	7.81
Accumulated Profit Brought forward From Balance Sheet	10.78	2.97
Total Distributable profit	934.74	10.78
Dividend	Nil	Nil
Dividend Tax	Nil	Nil
Profit Carried over to the Balance Sheet	934.74	10.78

OPERATIONS & FUTURE PROSPECTS

During the year, your company commenced commercial production at Haldia in Battery no 1 and 2 during April 2009 equivalent to one third of the coke capacity. We are happy to state that the output parameters matched with the best in the Industry. In October 2009 Batteries 3 and 4 were commissioned augmenting another one third of the total coke capacity. Concurrently the Implementation of the Power Project was carried out in full swing and the Power plant is expected to be operational by the Third Quarter of 2010 as also Batteries 5 and 6. Further the operating capacities of your company galloped laterally to nearly 4,00,000 M.T. by end of the March 2010. This was possible through identification of units whose manufacturing capacities and process synergized evenly with that of your company.

During the year your company also carried out trading in Coal and Coke to keep in touch with the pulse of the

Market which was volatile through out the year This has helped the company to scale a Turnover of Rs 388.95 Crores during 2009-10 from Rs 101.06 Crores in 2008-09 (an increase of 385 %). As on date your company has operating capacities in four states and Marketing activities in Seven States. Your Company is on the constant lookout for opportunities to laterally expand on capacity and hopes to achieve a Gross Capacity of Half a Million tonnes of coke during the forthcoming year.

Your Company hopes to focus on Exports during the forthcoming year. It has already signed annual Contracts for exports with Natural Resources Singapore, Mitsubishi Corporation Japan, Severstal Steel Inc USA as also continue the ongoing Export Orders with Pakistan and Durban.

On the Domestic Front, Your Company has successfully commenced supply to Tata Steel, IDCOL, Tata Metalicks as also foundries at Belguam and Coimbatore.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and outlook of the company and its business is given in the Management Discussion and Analysis report, which forms a part of this report.

BUSINESS PERFORMANCE REVIEW

During the year your company continued the Implementation of Co generation Power Plant of 12mw capacity at Haldia as also continue the implementation of the coke project. The Coke project has now commenced operation on two thirds of its capacity and is expected to achieve full capacity by the forthcoming year. Your Company has already signed a Power Purchase agreement with West Bengal State Electricity Board. On the Basis of performance and operating Capacity the State Bank of India Consortium enhanced the Working Capital limits to Rs. 175 Crores. Your Company has successfully started utilizing four more third party manufacturing units in the states of Gujarat/ West Bengal/Orissa/Jharkhand.

During the year, your Company had carried out significant volume of Exports to Pakistan and Durban as also USA. Your Company has also commenced direct supplies to end users prominent amongst them are Tata Metalicks, Tata Steels, IDCOL Kalinga, Narasingh Ispat, Maheswari Ispat as also foundries at Coimbatore and Belguam.

Opportunity

- a) Fully Integrated Coke and Power Plant means no input cost for power
- b) Low Transmission Cost
- c) Stamp Charging technique to improve yield
- d) Export potential

STRENGTHS

- a) Lateral Expansion of capacity reduces the per unit cost
- b) Environment friendly Technology
- c) Possibility of Incentives from Government
- d) Minimum Inventory holding time because of utilizing external capacities

WEAKNESS

- Possibility of statutory levies in future
- Scarcity or increase in price of Raw Material

THREATS

- a) Change in Govt Policy affecting the price and availability of Raw Material and Finished Goods
- b) Recession
- c) Currency Fluctuation
- d) China likely to dump again

CORPORATE GOVERNANCE

Your company is in compliance with the requirements and disclosures with respect to the Code of Corporate Governance as required under Clause 49 of the listing agreements with the stock exchanges. A report on Corporate Governance along with a certificate from the Auditors forms a part of this report.

DIRECTORS

Mr. Rajeev Agarwal and Mrs. Uma Karthikeyan retires by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Subsidiary Status

During the year under review, M/s. Haldia Coke and Chemicals Pvt. Ltd., have acquired the holding of M/s. Shriram EPC Ltd., and M/s. Shriram Auto Finance, Chennai in our Company through an Inter - se transfer of shares amongst group (under Regulation 3(1)(e)(i) of the Takeover Regulations) and currently holds 60.86 % of the paid up capital of our Company.

Haldia Coke is an integrated merchant met coke producer with met coke plants and captive coking coal mines. Haldia Coke owns an 80,000 metric ton per annum capacity met coke plant at Nergundi in Orissa through its wholly owned subsidiary Wellman Coke Ltd. In addition, Haldia Coke owns a 130,000 metric ton per annum capacity met coke plant and a by-product power plant at Haldia in West Bengal.

Haldia Coke also holds two coking coal mines in West Virginia and Arkansas, USA with combined production capacity of 423,000 ton per annum and extractable reserves of 25 million MT.

Thus, by virtue of the above, your Company has become a subsidiary of M/s. Haldia Coke and Chemicals Pvt. Ltd., Chennai, during June 2010.

COMMITTEES OF THE BOARD**Audit Committee**

The company has constituted an Audit Committee as per the provisions of the Companies Amendment Act, 2000 and under Section 292 A of the Companies Act, 1956. The present members of the Committees are:

Chairman : Mr. R. Ramakrishnan

Members : Mrs. Uma Karthikeyan
Mr. M.R. Rajagopal
Mr. Rajeev Agarwal

The Committee has met so far four times during the year.

PARTICULARS OF EMPLOYEES

As required under the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees or set out in the Annexure I to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. That they had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 of the company for that period;

3. That they had 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
4. That they had prepared the annual accounts on a going concern basis.

AUDITORS

M/s. Walker Chandiook & Co., Chartered Accountants, Chennai, the Statutory Auditors of the Company retires at the ensuing Annual General Meeting and are eligible for reappointment.

Audit report and EXPLANATION UNDER SECTION 217 (3) of the Companies Act, 1956

The Auditors' Report is self explanatory and does not require any further comments under Section 217 (3) of the Companies Act, 1956, except that :

Point no (iii) (f) & (iii) (g) of Annexure to the Auditors' Report

The transactions between two companies covered under Section 301 of the Companies Act, 1956 are an internal arrangement between these two companies, hence no other terms has been stipulated. However, necessary disclosures have been given by the directors under Section 299(3) of the Companies Act, 1956 which have

been duly recorded in the register maintained by the Company and taken on record by the Board of Directors.

Point no (vii) of Annexure to the Auditors' Report

The Company is in the process of expanding the scope and coverage of the Internal audit system in the current year.

Point no (ix)(a) of Annexure to the Auditors' Report

The Company is in the process of regulating all statutory remittances to the concerned department.

Point no.xi of Annexure to the Auditors' Report

The term loan amounting to Rs.24,525,000 has been repaid to the bank by 30th June 2010 and there is no dues payable to any financial institution or debenture holders as on the date of this report.

APPRECIATION & ACKNOWLEDGEMENTS

The Directors wish to thank all the bankers for their continued assistance and support. The Directors also wish to thank the Shareholders of the Company for their continued support even in this global recession. Further the Directors also wish to thank the customers and suppliers for their continued cooperation and support. The Directors further wish to place on record their appreciation of employees at all levels for their commitment and their contribution.

On behalf of the board
For ENNORE COKE LIMITED

Place : Chennai
Date : 03rd August 2010

VATHSALA RANGANATHAN
Managing Director

M.R. RAJAGOPAL
Director

Annexure to the Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956, read with the companies (particulars of employees) Rules, 1975, and forming part of the directors' report for the year ended March 31, 2010

Employee Name	Designation	qualification	Age	Joining Date	Experience (years)	Gross Remuneration (Rs.)	Previous Employment & designation
Mr. Ganesan Natarajan	Whole Time Director, President & CEO	B. E. (Mech.)	42	22.09.2007	20	3,329,600	Partner, Shiv Ganesh Marbels, Chennai

CORPORATE GOVERNANCE REPORT

(As required by Clause 49 of the Listing Agreement with Stock Exchanges)

1. Company's Philosophy on Corporate Governance

Ennore Coke's Philosophy on Corporate governance enshrines the attainment of the highest level of transparency, integrity, accountability of the management and equity in all facets of its operations and in all interactions with its stakeholders including shareholders, employees, the Government, lenders and all others concerned.

The Company is committed to values and ethical business conduct and a high degree of transparency in the area of corporate governance. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

2. Board of Directors

The Board of Directors comprises of Managing Director, Whole time director (Chief Executive Officer) apart from 5 non-executive directors including a director nominated by the Promoters.

Board meetings held during the year

During the year 2009-2010, five Board Meetings were held on 27/05/2009, 29/07/2009, 18/08/2009, 29/10/2009 and 30/01/2010.

The composition of Directors, attendance at the Board Meetings during the year and the last Annual General Meeting and also number of other directorships and committee memberships are given below:

Name of the Director	Category of Directorship	Date of appointment	No. Board Meetings attended	Attendance at last AGM	No. of other Directorship	No. of Membership (M)/ Chairmanship (C) in other Board Committees
Mrs. Vathsala Ranganathan	Managing Director	Appointed as Managing Director w.e.f. 31-07-2008	5	No	6	1(C)
Mr. Amjad Shariff	Non-Executive Director	16-01-2006	5	No	3	NIL
Mr. M.R. Rajagopal	Non Executive & Independent Director	16-01-2006	1	No	1	4(M) & 1(C)
Mr. Rajeev Agarwal	Non Executive & Independent Director	16-01-2006	0	No	2	2(C) & 1(M)

Committees of the Board

The Board functions both as a full Board and through Committees. The Board and Committees meets at regular intervals. The Board has constituted 5 Committees Viz., Audit Committee, Borrowing Committee, Compensation Committee, Remuneration Committee and Shareholders'/ Investors' Grievance Committee.

Membership Term

The Board recommends the shareholders about re-appointments as per statute and the provisions of the Companies Act, 1956 requires the retirement of one third of the Board Members (who are liable to retire by rotation) to retire every year and qualifies them for retiring members for re-appointment, upon completion of their terms.

Compensation Policy

The Remuneration committee determines and recommends to the Board, the compensation payable to the Executive Directors. All board-level compensation will be approved by the shareholders and separately disclosed in the financial statements.

Name of the Director	Category of Directorship	Date of appointment	No. Board Meetings attended	Attendance at last AGM	No. of other Directorship	No. of Membership (M)/ Chairmanship (C) in other Board Committees
Mrs. Uma Karthikeyan	Non Executive & Independent Director	16-01-2006	3	Yes	1	5 (M)
Mr Ganesan Natarajan	Director and Chief Executive Officer (Whole time director)	31-07-2008	3	Yes	2	Nil
Mr. R. Ramakrishnan	Non Executive & Independent Director	31-10-2008	5	Yes	3	1(M) & 1(C)

None of the Directors on the Board is a member in more than 10 committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement) across all companies in which he / she is a Director.

The independent Directors have confirmed that they satisfy the criteria of independence as stipulated in the clause 49 of the listing agreement.

3. Audit Committee

Pursuant to the provision of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, the Company constituted an Audit Committee consisting of three members. All the members of the Audit Committee are independent and non-executive Directors.

During the year, four Audit Committee meetings were held on 27/05/2009, 29/07/2009, 29/10/2009 and 30/01/2010.

The Composition and Attendance of Audit Committee meeting:

S. No.	Name of the Director	Designation	Audit committee meeting held during 2009-10	
			Held	Attended
1	Mr. R. Ramakrishnan	Chairman	4	4
2	Mr. M. R. Rajagopal	Member	4	1
3	Mrs. Uma Karthikeyan	Member	4	4
4	Mr. Rajeev Agarwal	Member	4	Nil

The Audit Committee is vested with the following powers as per the terms of reference as prescribed under clause 49 of the Listing Agreement with Stock Exchange and Section 292A of the Companies Act,

1956, besides other terms as may be referred to by the Board of Directors from time to time.

Powers:

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary

Terms of Reference:

The function of the Audit Committee includes the following

- (i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (ii) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- (iii) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices.

- Major accounting entries based on exercise of judgement by the management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements
 - Concerning financial statements.
 - Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the company at large.
- (iv) Reviewing with the management, performance of statutory and internal auditors, the adequacy of internal control systems.
- (v) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (vi) Discussions with internal auditors on any significant findings and follow up thereon.
- (vii) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (viii) Discussions with external auditors before the audit commences regarding nature and scope of the audit as well as to have post-audit discussion to ascertain any area of concern.
- (ix) Reviewing the company's financial and risk management policies.
- (x) To look into the reasons for substantial defaults, if any in the payment to shareholders (in case of non-payment of declared dividends) and creditors.
- (xi) To discuss with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the half-yearly and annual financial statements before submission to the Board.
- (xii) To ensure compliance of internal control systems.

4. Remuneration Committee:

The Remuneration committee has been constituted to recommend / review the remuneration package of the Managing Director, Whole-time Director taking into account their qualification, experience, expertise, contribution and the prevailing levels of remuneration in companies of corresponding size and stature.

During the year, one meeting was held on 12/08/2009.

The composition and attendance of Remuneration committee meeting is given below:

S. No	Name of the Member	Nature of Membership	No. Meetings Held	No.of Meetings attended
1.	Mr. M.R. Rajagopal	Chairman	1	1
2.	Mrs. Uma Karthikeyan	Member	1	1
3.	Mr. Rajeev Agarwal	Member	1	NIL

All the members of the Remuneration Committee are independent and non executive Directors.

Details of Remuneration paid to Executive Directors during the year:

Name	Salary & Allowance (in Rs.)
Mrs. Vathsala Ranganathan - Managing Director	19,58,400/-
Mr. Ganesan Natarajan - Wholetime Director	33,72,800/-

For Non-Executive Directors no remuneration has been paid during the year.

Details of Sitting fees paid during the year

Name	Sitting fees (in Rs.)
Mr. M. Amjad Shariff	40000
Mr. R. Ramakrishnan	40000
Mrs. Uma Karthikeyan	20000

5. Shareholders'/Investors' Grievance Committee

The Company has not received any complaints during the year 2009-2010 from shareholders and investors. During the year, one meeting of the Shareholders' / Investors' Grievance Committee held on 27/05/2009. The composition and attendance of Shareholders' / Investors' Grievance Committee meeting is given below:

S. No No.	Name of the Member	Nature of Membership	No. Meetings Held	No.of Meetings attended
1.	Mr. M.R. Rajagopal	Chairman	1	1
2.	Mrs. Uma Karthikeyan	Member	1	1
3.	Mr. Rajeev Agarwal	Member	1	NIL

The committee oversees and reviews all matters connected with securities transfers. The committee also looks into redressing of shareholders' complaints on transfer of shares, non-receipt of annual report, non-receipt of declared dividends etc. The committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services. The Board of Directors has delegated the power of approving transfer of securities to the Share Transfer Committee.

6. General Body Meetings

Details of Previous three Annual General Meetings held are provided below:

Year	Location	Date	Time	Special Resolutions passed in the AGM by the Shareholders
2009	Narada Gana Sabha, Mini Hall, 314, TTK Road, Chennai - 600 018	22/09/2009	10.30 A.M.	Yes
2008	Tunga International Pvt Ltd., B/11, MIDC Central Road, Andheri East, Mumbai - 400 093	15/09/2008	11.00 A.M	Yes
2007	Rivoli Hotels Pvt Ltd., Sakinaka Junction, Andheri East, Mumbai - 400 093.	30/08/2007	11.00 A.M	NIL

The details of Special resolutions passed during last three Annual General Meeting:

Date of AGM	Particulars
22/09/2009	Under Section 372A of the Companies Act, 1956 to invest in equity Shares of M/s. Wellman Coke India Ltd., Kolkatta, to the extent of Rs.2.53 crores (Rupees Two Crore Fifty Three Lakhs Only). Under Section 372 A, of the Companies Act, 1956, the Corporate Guarantee issued for an amount of Rs.43 Crores (Rupees Forty three Crores only) totaling to Rs. 72 crores (Rupees Seventy two Crores only) in favour of State Bank of India, Overseas Branch, Kolkata - 700001 on behalf of M/s. Wellman Coke India Limited. Under Section 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956, the consent of the Company was accorded to the Board of Directors for revision in remuneration of Mr. G. Natarajan - Whole Time Director & CEO of the company with effect from 01st August 2009.

Postal Ballot during previous year (FY 2008-09) :

(A) The details of Special resolutions passed through postal ballot are given below:

Sl. No.	Subject matter of the resolution	Date of the Notice	Date of shareholder approval
1.	Special Resolution under Section 61 & 106 of the Companies Act, 1956 for cancellation of warrants issued to the shareholders in terms of Letter of Offer dated 10th January 2007	13/05/2008	18/06/2008
2.	Special Resolution under Section 17, 146 of the Companies Act, 1956 and subject to the confirmation of the Company Law Board, for shifting of the Registered Office of the Company from 48-50, 3rd Floor, Surve Services Premises, Sonawalla Cross Road - I, Goregaon (E), Mumbai - 400063, the "State of Maharashtra" to No.11/3, Ground Floor, Dhanammal Street, Chetput, Chennai - 600 031, State of Tamil Nadu	31/07/2008	13/09/2008

(B) Details of Voting Pattern of the Postal Ballot was as follows:

(i) Resolution approved on June 18, 2008:

Particulars	No. of Postal Ballots forms	No. of Warrants	% of the total Warrants
Total Postal Ballot forms received	6	28,279,066	94.26
Invalid Postal Ballot forms	Nil	-	-
Postal Ballot forms with assent	3	28,237,656	94.12
Postal Ballot forms with dissent	3	41,410	0.14

(ii) Resolution approved on September 13, 2008:

Particulars	No. of Postal Ballots forms	No. of shares	% of the total shares
Total Postal Ballot forms received	44	5,513,034	35.57
Invalid Postal Ballot forms	05	800	0.01
Postal Ballot forms with assent	37	5,511,634	35.55
Postal Ballot forms with dissent	2	600	0.01

Both the resolutions were carried with requisite majority.

(C) Person who conducted the Postal Ballot Exercise

At the Board Meeting held on May 13, 2008 and July 31, 2008, M/s S.S. Rauthan & Associates, Company Secretaries were appointed as scrutinizer for conducting the postal ballot.

(D) Procedure adopted for Postal Ballot

- M/s S S Rauthan & Associates, Company Secretaries were appointed as Scrutinizer.
- Postal Ballot forms along with prepaid business reply envelope posted to its members whose name(s) appeared on the Register of Members/list of beneficiaries on cut off date was sent to the Scrutinizer.
- Particulars of all the postal ballot forms received from the members have been entered in a register separately maintained for the purpose.
- The postal ballot forms were kept under the safe custody of Scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- The ballot boxes were opened in the presence of Scrutinizer and confirmed the share holding with the Register of Members of the Company / list of beneficiaries.
- After the scrutiny, all the postal ballot forms and other related papers/ registers and records for safe custody were returned to the Company Secretary, who was authorized by the board to supervise the postal ballot process.

7. Code of conduct

The Board has laid down a "Code of Conduct" (Code) for all the Board members and the senior management of the Company. A declaration to this effect signed by Mrs. Vathsala Ranganathan - Managing Director is forming part of the report.

8. Prevention of insider trading

The Company has framed a code of conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all Directors / Officers /designated employees. The code ensures the prevention of dealing in Company's shares by persons having access to unpublished price sensitive information.

9. Other disclosures

- a) The Company has significant Related Party transactions during the year of material nature with the promoters, directors or the management or

their subsidiaries or relatives, etc., potentially conflicting with Company's interest at large. Related Party transactions are disclosed in the notes to Accounts forming part of this Annual Report.

- b) As per Clause 49(V) of the Listing Agreement, the Chief Executive Officer, Managing Director and Chief Financial Officer certified to the Board on their review of financial statements and cash flow statements for the financial year ended March 31, 2010 in the form prescribed by Clause 49 of the Listing Agreement which is annexed.
- c) There were no instances of non compliance on any matter relating to capital market, during last three years.
- d) The Company has complied with all Mandatory requirements of the Clause 49 of the listing agreement.

The Company has submitted the compliance report in the prescribed format to the stock exchange for all the four quarters ended 30th June 2009, 30th September 2009, 31st December 2009 and 31st March 2010. The statutory auditors have certified that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the listing agreement with the stock exchanges. The said certificate vide their report dated 2nd August, 2010 is annexed to the Directors' Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Tamil Nadu, Chennai, along with the Annual Report.

- e) Details of information on appointment of new / re-appointment of directors.

A brief resume, nature of expertise in specific functional areas, number of equity shares held in the company by the Director or for other person on a beneficial basis, names of companies in which the person already holds directorship, membership of committees of the Board and relationship with other directors, forms part of the Notice convening the Twenty Fifth Annual General Meeting.

10. Risk Management

The Company has laid down procedures to inform board members about the risk assessment and minimization procedures. The board periodically

discusses the significant business risks identified by the management and the mitigation process being taken up. A detailed note on risk identification and mitigation is included in the Management Discussion and Analysis, annexed to the Directors' Report.

11. Information relating to Subsidiary Company

At the Board Meeting held on 31st January 2009 a proposal for scheme of amalgamation in the nature of merger of M/s. Ennore Power & Coke Private Ltd., with M/s. Ennore Coke Limited was approved by the Board under Sec. 391 & 394 of the Companies Act, 1956.

The Company had obtained the approval of Hon'ble High Court of Madras on 06th August 2009 sanctioning the Scheme of Amalgamation.

12. Means of Communication

a) Un-audited quarterly results are published in the pro-forma prescribed by Stock Exchanges, in

English newspapers and Tamil newspapers in Trinity Mirror and Makkal Kural.

b) As the Company publishes the audited annual results within the stipulated period of two months from the close of the financial year as required by the Listing Agreement with Stock Exchanges, the unaudited results for the last quarter of the financial year are not published.

c) The annual financial results of the Company are also communicated in the prescribed pro-forma to Stock Exchange and also published in the newspapers.

d) The financials results are not displayed on the Company's website www.ennorecoke.com as of now. It was informed that the website of the Company is under major revamp and hence the same is under construction.

13. General Information for Shareholders:

- | | |
|---|---|
| (i) Registered office | No. 25, Flowers Road, III Flower, Egmore, Chennai - 600 064 |
| (ii) Date, Time and Venue of the Annual General Meeting | 24th September, 2010, 10.15 A.M. at Naradha Gana Sabha, Mini Hall, 314, TTK Road, Chennai - 600 018 |
| (iii) Financial year | 1st April to 31st March |
| (iv) Results for Quarter ending | Will be published on or before: |
| - June 30, 2010 | : August 15, 2010 |
| - September 30, 2010 | : November 15, 2010 |
| - December 31, 2010 | : February 15, 2010 |
| - March 31, 2011 | : May 31, 2011 |
| (v) Date of Book Closure | : 20th day of September 2010 (Monday) to 24th day of September 2010 (Friday) (both days inclusive) |
| (vi) Dividend payment date | : No dividend proposed |
| (vii) Listing on Stock Exchange: | |
| ☞ The Company's Equity Shares are listed on the Bombay Stock Exchange Limited | |
| Scrip Code : 512369 | |
| ISIN : INE755H01016 | |
| ☞ Company's Equity Shares are traded in Group "B" category in Bombay Stock Exchange Limited. | |
| ☞ The Company has paid the Listing Fees for the year 2010-2011 to Stock Exchanges where the Company's equity shares are listed. | |

14. Market Price Data:

Monthly Share Price (in Rupees)

Month and Year	BSE	
	High(Rs.)	Low(Rs.)
April 2009	28.40	11.90
May 2009	31.85	21.00
June 2009	36.00	24.75
July 2009	33.85	22.35
Aug. 2009	36.10	28.30
Sep. 2009	38.90	30.70
Oct. 2009	43.45	33.10
Nov. 2009	53.30	31.50
Dec. 2009	65.00	51.15
Jan. 2010	67.20	54.00
Feb. 2010	65.00	56.05
Mar. 2010	98.30	63.00

15. Registrar and Transfer Agent (RTA)

The Company has appointed Cameo Corporate Services Ltd as Registrar and Transfer Agents, Shareholders / Investors / Depository Participants are requested to send all their documents and communications pertaining to both physical and demat shares to the Registrar at the following address:

Cameo Corporate Services Ltd

Contact Person: Mr. R.D. Ramaswamy
 Subramaniam Building
 #1, Club House Road,
 CHENNAI - 600002.
 PH:044-2846 0084/0395
 Fax:044-2846 0129
 Email: cameo@cameoindia.com
 www.cameoindia.com
 SEBI Registration Number: INR000003753

16. Share Transfer System

Shares lodged in physical form with the RTA are processed and returned, duly transferred within 30 days from the date of receipt, if the documents submitted are in order. In case of shares in electronic form, the transfers are processed by NSDL / CDSL through the respective Depository Participants.

17. Address for Investor Correspondence

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address or any other query relating to shares please write to Registrar and Transfer Agent, Cameo Corporate Services Limited and Mr. K.Rajagopal, Company Secretary of the Company.

18. Distribution of Shareholding by Size Class as on 31 March 2010

No. of Shares (Rs. 10/- each)	Number of Shareholders	%	Value of Shares	%
Up to 5000	1998	75.00	3491780	2.25
5001-10000	279	10.47	2406310	1.55
10001-20000	128	4.80	1993640	1.29
20001-30000	61	2.29	1571910	1.01
30001-40000	41	1.54	1498090	0.97
40001-50000	29	1.09	1386920	0.89
50001-100000	53	1.99	3999320	2.58
100001 & above	75	2.82	138652030	89.45
Total	2664	100.00	155000000	100.00

19. Pattern of Shareholding as on 31 March, 2010

Category	No. of Shares	% of shareholding
Promoters	9554000	61.64
FII	NIL	NIL
Mutual Funds	NIL	NIL
Indian Financial Institutions / Govt. Cos.	NIL	NIL
Banks	NIL	NIL
Insurance Companies	NIL	NIL
Corporate Bodies - 1000 shares & above	1416428	9.13
Corporate Bodies - 1000 shares & below	22936	0.16
Indian Public - 1000 shares & above	3260313	21.03
Indian Public - 1000 shares & below	412733	2.64
Others	833590	5.37

20. Nomination Facility

The shareholders may avail of the nomination facility under Section 109A of the Companies Act 1956. The nomination form (Form 2B) along with instructions, will be provided to the members on request. In case the members wish to avail of this facility, they are requested to write to the Company's Registrar M/s. Cameo Corporate Services Limited.

21. Dematerialisation of Shares

The shares of the Company are compulsorily traded in dematerialized form. The code number allotted by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), to Ennore Coke Limited is : ISIN INE - 755H01016. As on 31st March 2010, about 67.50% of shares were held in dematerialized form.

22. Non-Mandatory requirements:

- Remuneration committee : Refer point 4 of this report
- Whistle Blower Policy : Pursuant to the non mandatory requirements of the listing agreement, the company has established a whistle blower mechanism to provide an avenue to raise concerns. In line with the Company's commitment to the High standards of ethical, moral and legal business conduct and its commitment to open communication, a whistle blower policy is framed. The audit committee is also vested with the power to review functioning of the "Whistle Blower" mechanism.

Managing Director's Certificate on Code of Conduct

To
The Members,
Ennore Coke Limited
Chennai

Dear Sir,

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company.

It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March 2010, as envisaged in Clause 49 of the Listing Agreement with Stock Exchange.

Place : Chennai
Date : August 03, 2010

VATHSALA RANGANATHAN
Managing Director

**Auditors' certificate on compliance with the conditions of
Corporate Governance under Clause 49 of the listing agreement**

To
The Members,
Ennore Coke Limited

We have examined the compliance conditions of Corporate Governance by Ennore Coke Limited (the "Company") for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the Corporate Governance. as stipulated in 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 explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by The Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended/pending for a period exceeding one month.

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.

For **Walker, Chandio & Co**
Chartered Accountants
Firm Registration No. 001076N

Per **Mohan Ramakrishna**
Partner
Membership No. 027628

Place : Chennai
Date : August 03, 2010

AUDITORS' REPORT

To

The Members of **ENNORE COKE LIMITED**

- 1 We have audited the attached Balance Sheet of **Ennore Coke Limited**, (the 'Company') as at March 31, 2010, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto (collectively referred as the 'financial statements'). 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 the 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 (the 'Order') (as amended), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 4 Without qualifying our opinion, we draw your attention to note 4 and note 5 in Schedule 19, relating to the Company's inclusion of the cost of leasehold land amounting to Rs.24,637,289 as part of its fixed assets. This leasehold land, registered in the name of Ennore Power and Coke Private Limited, was included in the Company's books pursuant to the Business transfer agreement in May 2006, 100% investment in the shares in January 2009 and subsequent approval of merger with Ennore Power and Coke Private Limited by the High Court of Madras effective April 01, 2008. The Company has filed an application for transfer of leasehold land to the Company's name upon merger with the relevant authority which is pending approval.
- 5 Further to our comments in paragraph 4 above and our comments in the Annexure referred in paragraph 3 above, we report that:
 - a 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;
 - b 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;
 - c The financial statements dealt with by this report are in agreement with the books of account;
 - d On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
 - e In our opinion and to the best of our information and according to the explanations given to us, the financial statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act and the Rules framed there under and give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:
 - i) the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - ii) the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Walker, Chandiook & Co**
Chartered Accountants
Firm Registration No. 001076N

Per **Mohan Ramakrishna**

Place : Chennai

Partner

Date : 21 May 2010

Membership No. 027628

ANNEXURE TO THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF ENNORE COKE LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. In respect of assets at Haldia manufacturing plant that commenced the operation during the year the asset-wise break up are being compiled.
- (b) Fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification. Also refer note no. 4 in Schedule 19 regarding transfer of leasehold land to the Company's name upon merger.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) Physical verification of inventory (except stocks lying with third parties, confirmations for which have been obtained and stocks in transit) have been conducted at reasonable intervals by the management.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to (d) of the Order are not applicable
- (e) The Company has taken a loan from a company covered in the register maintained under section 301 of the Act. The maximum amount outstanding during the year was Rs. 305,074,342 and the yearend balance was Rs 305,074,342
- (f) *We are not in a position to comment upon the interest and other terms and conditions of the above loan taken by the Company, as these have not been stipulated.*
- (g) In respect of the above loan taken, the terms of interest and repayment have not been stipulated and hence *we are unable to comment as to whether repayment of principal amount and payment of interest is as stipulated.*
- (iv) In our opinion, there is an 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. No services have been rendered by the Company during the year. *Though major weakness had been noticed in the internal control system for the purchase of inventory and for the sale of goods in the previous year but during the year under audit no major weakness has been noticed.*
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) The Company has an internal audit system, *the scope and coverage of which, in our opinion, requires to be further enhanced to be commensurate with its size and the nature of its business.*
- (viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost

records under clause (d) of sub-section (1) of section 209 of the Act, in respect of Company's products. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.

- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have *not been regularly deposited with the appropriate authorities*. No undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) *The Company has defaulted in repayment of dues to banks. The term loan amounting to Rs 24,525,000 became due for repayment on March 31, 2010 has not been repaid.* The Company has no dues payable to a financial institution or debenture holders during the year.
- (xii) In our opinion, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by a Company, which is a related party from banks are not, *prima facie*, prejudicial to the interest of the Company.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which the loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the year covered by our audit.

For Walker, Chandio & Co
Chartered Accountants
Firm Registration No. 001076N

Per Mohan Ramakrishna
Partner
Membership No.027628

Place : Chennai
Date : 21 May 2010

BALANCE SHEET

	Schedule	As at March 31, 2010	in Rupees As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	155,000,000	155,000,000
Reserves and Surplus	2	285,310,084	127,428,590
Loan Funds			
Secured Loans	3	588,930,984	526,440,993
Unsecured Loans	4	443,895,293	348,874,350
Deferred Tax Liability (Net) (Refer note 17 of Schedule 19)		10,776,784	65,138
		1,483,913,145	1,157,809,071
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	720,207,921	31,774,414
Less: Depreciation		52,691,064	1,215,598
Net Block		667,516,857	30,558,816
Capital work - in - progress		595,964,687	1,021,554,471
Investments	6	–	7,317,350
Current Assets, Loans and Advances			
Inventories	7	592,281,372	325,836,833
Sundry Debtors	8	1,081,022,794	281,393,587
Cash and Bank Balances	9	481,001,980	21,244,452
Other Current Assets	10	3,925,358	75,945
Loans and Advances	11	121,597,117	294,255,913
		2,279,828,621	922,806,730
Less: Current Liabilities and Provisions			
Liabilities	12	2,022,420,210	822,253,638
Provisions	13	36,976,810	2,174,658
		2,059,397,020	824,428,296
Net Current Assets		220,431,601	98,378,434
		1,483,913,145	1,157,809,071
Notes to financial statements	19		

The schedule referred to above form an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

For **Walker, Chandiook & Co**
Chartered Accountants

For and on behalf of the Board of Directors

Per **Mohan Ramakrishna**
Partner

VATHSALA RANGANATHAN
Managing Director

GANESAN NATARAJAN
Whole Time Director & CEO

Place : Chennai
Date : 21 May 2010

K RAJAGOPAL
Company Secretary

PROFIT AND LOSS ACCOUNT*in Rupees*

	Schedule	Year ended March 31, 2010	Year ended March 31, 2009
INCOME			
Revenue			
- Trading		3,728,007,132	757,987,105
- Manufacturing		141,139,269	252,520,755
Other Income	14	20,418,416	132,935
		3,889,564,817	1,010,640,795
EXPENDITURE			
Materials	15	3,362,633,904	937,851,480
Employee Cost	16	23,903,827	4,088,064
Operating and Other Expenses	17	184,115,458	53,813,183
Interest	18	125,987,919	11,534,265
Depreciation	5	51,475,466	992,111
		3,748,116,574	1,008,279,103
PROFIT BEFORE TAX		141,448,243	2,361,692
Provision for Taxation			
- Current Income Tax		38,341,000	1,082,832
- Deferred Tax		10,711,646	29,895
- Fringe Benefit Tax		-	467,515
PROFIT AFTER TAX		92,395,597	781,450
Balance Brought Forward		1,078,853	297,403
Balance Carried to Balance Sheet		93,474,450	1,078,853
Earnings Per Share - Basic		5.96	0.05
- Diluted		5.96	0.04

(Refer note 12 of Schedule 19)

Notes to financial statements 19

The schedule referred to above form an integral part of the financial statements.

This is the Profit and Loss account referred to in our report of even date.

For **Walker, Chandio & Co**
Chartered AccountantsPer **Mohan Ramakrishna**
Partner**VATHSALA RANGANATHAN**
Managing Director

For and on behalf of the Board of Directors

GANESAN NATARAJAN
Whole Time Director & CEOPlace : Chennai
Date : 21 May 2010**K RAJAGOPAL**
Company Secretary

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

in Rupees

	As at March 31, 2010	As at March 31, 2009
Schedule 1: Capital		
Authorized		
16,000,000 (Previous year 16,000,000) Equity shares of Rs. 10/- each	160,000,000	160,000,000
	<u>160,000,000</u>	<u>160,000,000</u>
Issued, Subscribed and Paid-up		
15,500,000 (Previous Year 15,500,000) Equity Shares of Rs. 10/- each fully paidup	155,000,000	155,000,000
	<u>155,000,000</u>	<u>155,000,000</u>
Schedule 2: Reserves & Surplus		
Profit & Loss Account	93,474,450	1,078,853
Capital Reserve (refer note 5 of Schedule 19)	65,485,897	-
Securities Premium	126,349,737	126,349,737
	<u>285,310,084</u>	<u>127,428,590</u>
Schedule 3: Secured Loans		
Term Loans from Banks*		
State Bank of India	200,000,000	200,000,000
State Bank of Hyderabad	100,000,000	100,000,000
Union Bank of India	100,000,000	100,000,000
Allahabad Bank	90,500,000	90,500,000
	<u>490,500,000</u>	<u>490,500,000</u>
Others (from Banks)		
Line of Credit - State Bank of India	22,832,881	22,500,000
Cash Credit	70,613,044	9,993,164
Interest Accrued and Due (Refer note 19 of Schedule 19)	4,985,059	3,447,829
	<u>588,930,984</u>	<u>526,440,993</u>
* Amount repayable within a year is Rs. 122,625,000; Previous year Rs. 24,525,000		
Schedule 4: Unsecured Loans**		
Loan from Affiliates	345,074,342	348,874,350
Others	30,000,000	-
Interest Accrued and Due	68,820,951	-
	<u>443,895,293</u>	<u>348,874,350</u>

** Amount repayable within a year is Rs. 375,074,342 : Previous year Rs. 348,874,350/-

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

in Rupees

	As at March 31, 2010	As at March 31, 2009
Schedule 6: Investments		
Investment in Subsidiary		
Long Term, Unquoted, Trade		
100% Equity Shares of Ennore Power and Coke Private Ltd.	-	7,317,350
(Face Value Rs. 10 per Share)		
(Refer note 5 of schedule 19)		
	<u>-</u>	<u>7,317,350</u>
Schedule 7: Inventories		
Raw Materials and Traded Goods*	198,180,571	325,836,833
Finished Goods	394,100,801	-
	<u>592,281,372</u>	<u>325,836,833</u>
* includes material in transit of Rs. 45,891,696; Previous year Rs. Nil.		
Schedule 8: Sundry Debtors		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	-	6,421,876
Others	1,081,022,794	274,971,711
	<u>1,081,022,794</u>	<u>281,393,587</u>
Schedule 9: Cash and Bank Balances		
Cash on Hand	12,209	-
Balances with Scheduled Banks:		
- in Current Accounts	133,314,964	1,244,452
- in Deposit Account (Margin money Rs. 346,616,750; Previous year Rs. 20,000,000)	347,674,807	20,000,000
	<u>481,001,980</u>	<u>21,244,452</u>
Schedule 10: Other Current Assets		
Interest Accrued on Deposits	3,925,358	75,945
	<u>3,925,358</u>	<u>75,945</u>
Schedule 11: Loans and Advances		
(Unsecured, considered good)		
Advance to Suppliers	52,278,694	251,256,313
Other advances recoverable in cash or kind or for value to be received	55,384,325	34,172,551
Deposits	13,934,098	8,827,049
	<u>121,597,117</u>	<u>294,255,913</u>
Schedule 12: Liabilities		
Sundry Creditors		
- Due to Micro and Small enterprises*	-	-
- For Capital Goods	237,364,179	63,417,599
- For Others	1,757,899,267	721,554,497
Other Current Liabilities	27,156,764	37,281,542
	<u>2,022,420,210</u>	<u>822,253,638</u>
* Based on the information available with the management, there are no amounts due to Micro and Small Enterprises which has been relied upon by the auditors.		
Schedule 13: Provisions		
Gratuity and Leave Encashment	1,185,677	661,982
Provision for Tax	35,791,133	1,512,676
(Net of Advance Tax Rs. 4,458,475; Previous year Rs. 395,933)		
	<u>36,976,810</u>	<u>2,174,658</u>

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

in Rupees

	Year ended March 31, 2010	Year ended March 31, 2009
Schedule 14: Other Income		
Interest Received (TDS Rs. 465,163; Previous year Rs. - Nil)	4,658,273	132,935
Others	15,760,143	-
	20,418,416	132,935
Schedule 15: Materials		
Raw Materials and Traded Goods		
Opening Stock	325,836,833	-
Add: Purchases	3,629,078,443	1,263,688,313
Less: Closing Stock	198,180,571	325,836,833
	3,756,734,705	937,851,480
(Increase) / Decrease in Finished goods		
Opening Stock	-	-
Less: Closing Stock	394,100,801	-
	(394,100,801)	-
	3,362,633,904	937,851,480
Schedule 16: Employee Cost		
Salaries, Wages and Bonus	22,212,306	2,430,582
Contribution to Provident Funds	1,167,826	1,000,000
Gratuity and Leave encashment	523,695	657,482
	23,903,827	4,088,064
Schedule 17: Operating and Other Expenses		
Freight and Forwarding Charges	77,641,036	18,638,905
Conversion Charges	7,383,234	20,825,067
Labour Charges	15,168,584	-
Travelling Expense	13,488,524	359,831
Advertising Expense	12,261,073	3,403,351
Repairs and Maintenance		
- Buildings	1,108,028	83,618
- Machinery	4,812,365	634,800
- Others	291,888	53,106
Legal and Professional Charges	6,790,543	2,188,843
Business Promotion Expenses	5,965,082	52,495
Rent	4,624,607	2,578,386
Insurance	2,495,435	-
Rates and Taxes	3,174,455	283,067
Power and Fuel	11,483,961	403,612
Miscellaneous Expenses	17,426,643	4,308,102
	184,115,458	53,813,183
Schedule 18: Interest		
Interest to Bank	19,784,068	-
Interest to Others	106,203,851	11,534,265
	125,987,919	11,534,265

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)**Schedule 19: Notes to Financial Statements****1. Company Overview**

Ennore Coke Limited ('the Company') is an entity whose equity shares are listed in the Bombay Stock Exchange Limited (BSE). The Company's main object is to engage in the activity of manufacture and sale of Metallurgical Coke. During the year, the Company has completed the construction of manufacturing facility of capacity 130,000 TPA of Metallurgical Coke at Haldia, West Bengal and commenced the commercial production in a phased manner. The Co-Generation power plant of 12 MW capacity gross power generation is under construction and expected to commence the production early 2010-2011. In the current year, the Company has used the conversion facilities of third party coke plants for manufacturing of coke and also engaged in trading activities of Coal and Coke.

2. Significant Accounting Policies**A) Basis of Preparation of Financial Statements**

The financial statements are prepared in accordance with Generally Accepted Accounting Principles ("GAAP") applicable in India. GAAP comprises mandatory accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

B) Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures of contingent liabilities as at the date of the financial statements and reported amounts of revenue and expenses for the year.

The key estimates made by the Company in preparing these financial statements comprise provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of assets. Actual results could differ from those estimates.

C) Fixed Assets

Fixed assets are stated at acquisition cost less accumulated depreciation and impairment losses, if any. Cost of acquisition is inclusive of duties, taxes, freight and other directly attributable costs incurred to bring the assets to its working condition for intended use and are net of cenvat credits as applicable.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed as capital work-in-progress.

D) Depreciation and Amortisation

Depreciation on fixed assets is calculated on written down method at the applicable rates specified in Schedule XIV to the Companies Act, 1956. Depreciation for assets purchased / sold during a period is proportionately charged. All assets costing individually Rs 5,000 or below are fully depreciated in the year of acquisition. Lease hold land premium paid is amortised over the lease period on straight line basis.

E) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the term of the lease.

F) Revenue Recognition

Revenues comprise of income from sale of manufactured and traded goods. Revenues are recognized at the point of dispatch of goods to

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)**Schedule 19: Notes to Financial Statements**

customers on the transfer of risks and rewards of ownership of goods. Sales are net of returns, trade discounts, and allowances. Sales exclude excise duty and sales tax.

G) Inventory

Inventory is valued at lower of cost and net realizable value. Cost includes all direct cost and applicable overheads. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Stocks in process are valued at raw material cost plus estimated cost of conversion upto the stage of completion.

Cost is determined on weighted average method basis for the each category under different locations. Raw Material or Traded goods have been categorised based on quality factor (say import or export material, high or low quality)

Variation, if any, detected on physical verification of stocks and obsolete and slow moving stocks are adjusted in the books of account appropriately.

H) Foreign Currency Transactions

- Initial Recognition

Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of the transaction.

- Conversion

Monetary assets and liabilities denominated in foreign currency (other than those against which a forward cover exists) are converted at the rate of exchange prevailing on the date of the balance sheet.

- Exchange Differences

All exchange differences arising on settlement/conversion on foreign currency transactions are included in the profit and loss account in the year in which they arise.

I) Employee Benefits

- Short Term Employee Benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Short term employee benefits, including accumulated compensated absences, at the balance sheet date, are recognised as an expense as per the Company's scheme based on expected obligations on undiscounted basis.

- Defined Contribution Plan - Provident Fund

Employees are entitled to receive benefits under the provident fund, which is a defined contribution plan, in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Both, the employee and the employer make monthly contributions to the plan at a predetermined rate (presently at 12%) of the employees' basic salary. The Company has no further obligations under the plan beyond its monthly contributions.

- Defined Benefit Plan - Gratuity

Employees in India are entitled to benefits under the Payment of Gratuity Act, 1972, a defined benefit retirement plan covering eligible employees of the Company. The Plan provides a lump-sum payment to eligible employees at retirement or on termination of employment. The gratuity benefit conferred by the Company on its employees is equal to or greater than the statutory minimum. The year end gratuity liability is determined based on actuarial valuation using Projected Unit Credit Method.

J) Income Taxes

Tax expense comprises current and deferred taxes. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Schedule 19: Notes to Financial Statements

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

K) Investments

Investments are either classified as current or long-term based on the management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value. Long-term investments are carried at cost and provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

L) Borrowing Cost

Borrowing costs are recognised in the financial statements in accordance with the Accounting Standard -16 of Companies (Accounting Standards) Rules, 2006. Borrowing Costs that are attributable to the acquisition and constructions of qualifying assets are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs of the year are charged to revenue in the period in which they are incurred.

M) Earnings Per Share

In determining Earnings Per Share, the Company considers the net profit after tax and

includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

N) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement.

O) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is the higher of the asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)**Schedule 19: Notes to Financial Statements**

		Rs.	
3.	Particulars	As at March 31, 2010	As at March 31, 2009
a)	Capital Commitments		
	Estimated amounts of Capital Commitments	Nil	180,000,000
b)	Contingent Liabilities		
	Guarantees to Bankers on behalf of Related party	720,000,000	290,000,000

4. Lease hold Land

In April 2006, the Governor of the state of West Bengal, represented by the special officer, Urban Development (T&CP) Department, Government of West Bengal and Chief Executive Officer of Haldia Development Authority (HDA) entered into lease agreement with Ennore Power and Coke Private Limited (EPCPL) for leasing out 25 acres of land for the purpose of building a factory for the manufacture of non-recovery coke oven project at Haldia. The lease period is 90 years. As per the agreement, EPCPL shall not sublet the demised land or any part thereof or assign its leasehold interest or part with the possession of the same without the prior consent in writing from HDA.

During May 2006, pursuant to a Business transfer agreement entered into between EPCPL and Ennore Coke Limited, all the assets including land relating to Coke Oven plant construction were transferred to the Company. However, EPCPL has not obtained the permission from HDA to transfer the leasehold land to the Company.

During January 2009, the Company has invested in 100% of shares of EPCPL and further entered into a scheme of amalgamation of EPCPL from the appointed date of April 01, 2008 duly approved by the shareholders of both the companies and consortium banks, and submitted to the Hon'ble High Court of Madras for sanction u/s 391 and 394 of the Companies Act, 1956 for its approval. Under the scheme, the Company shall be entitled to apply for the necessary approvals from concerned authorities for own and operate the undertakings of the EPCPL.

During the current year, the Company had obtained the approval for the scheme of amalgamation from the Hon'ble High Court of Madras and the same has been given effect in the current year financial statements of the Company.

Gross block of the Company includes Leasehold land of Rs 24,637,289. The Company has filed an application for transfer of leasehold land to the Company's name upon merger with HDA which is pending approval.

5. The Company's wholly owned (100%) subsidiary EPCPL was merged under a scheme of amalgamation from the appointed date of April 01, 2008 duly approved by the shareholders of both the companies, consortium banks and Hon'ble High Court of Madras.

Name of the amalgamated company	M/s Ennore Power and Coke Private Limited (EPCPL)
General nature of business of EPCPL	Manufacture of Metallurgical Coke
Effective date of amalgamation for accounting purposes	1 April 2008
The method of accounting used to reflect the amalgamation	Amalgamation in the nature of Merger (Pooling of interest method)
The value of net assets acquired in excess of amount invested is shown under "Capital Reserve"	Rs. 65,485,897

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Schedule 19: Notes to Financial Statements

6. Employee Stock Option Scheme

In the Annual General Meeting held on September 15, 2008, the Company had obtained the assent of the share holders to issue ESOS (Employee Stock Option Scheme) to the extent of 5% of the paid up Share capital. However, the approval from BSE is yet to be obtained and the Company proposes to make the scheme operative upon getting the approval from BSE.

7. Supplementary Statutory Information

	Year ended March 31, 2010	Year ended March 31, 2009
Rs.		
a. Directors' Remuneration*		
Basic Salary	2,760,000	1,600,000
Contribution to Provident Fund	331,200	192,000
Other Allowance	2,240,000	1,008,000
	<u>5,331,200</u>	<u>2,800,000</u>
* As the future liability for gratuity is provided on actuarial basis for the Company as a whole, the amount pertaining to the directors at the year end is not ascertainable and therefore not included above.		
b. Audit Fee (excluding service tax)		
Statutory Audit	1,120,000	800,000
Certification	430,000	200,000
	<u>1,550,000</u>	<u>1,000,000</u>
c. Expenditure in foreign Currency		
Travel	1,101,145	240,750
d. Value of imports (CIF basis)		
Raw Material	226,448,484	55,248,765
Traded Goods	85,474,300	327,427,365
	<u>311,922,784</u>	<u>382,676,130</u>
e. Earnings in Foreign Exchange		
Export Sale	63,049,444	-

8. Quantitative Details:

A. Licensed / Installed capacity:

The Installed capacity of the Non-Recovery Coke oven plant is 1,30,000 MT per annum. The capacity of co-generation power plant is 12MW and during the year power plant is not ready for commencing the operations.

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)**Schedule 19: Notes to Financial Statements****B. Traded products:**

The details of purchase, closing stock of traded goods including the quantitative details

2009-2010

	Purchases		Closing Stock	
	MT	Rs.	MT	Rs.
Coal	118,708	1,122,268,938	2,196	20,362,961
Coke	152,833	2,029,430,435	2,320	30,154,930
Total		3,151,699,373		50,517,891

2008-2009

	Purchases		Closing Stock	
	MT	Rs.	MT	Rs.
Coal	69,065	895,111,285	30,532	325,836,833
Coke	6,950	111,200,000	-	-
Total		1,006,311,285		325,836,833

C. Manufacturing:

During the year the Company manufactured Coke from its own plant at Haldia and from third party conversion facilities.

Particulars	As at March 31, 2010	As at March 31, 2009
Produced (MT)	33,220	11,370.50
Sold (MT)	11,724	11,370.50
Sale Value (Rs.)	141,139,269	252,520,755
Closing Stock (MT)	21,496	-

D. Value of Raw Material consumed during the year:

	As at March 31, 2010			As at March 31, 2009		
	MT	Rs.	%	MT	Rs.	%
Coal						
Indigenous	33,161	250,930,586	76%	15,800	276,478,569	100%
Imported	7,087	78,785,804	24%	-	-	0%
Total	40,248	329,716,390	100%	15,800	276,478,569	100%

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Schedule 19: Notes to Financial Statements

9. The following expenses related to construction have been directly charged to Capital Work in Progress.

Rs.

	Year ended March 31, 2010	Year ended March 31, 2009
Salaries, wages and other benefits	--	12,909,135
Legal, professional and consultancy	--	3,298,921
Power and fuel	--	593,816
Insurance	--	786,408
Finance and other charges	46,062,720	161,007,137
Others	--	20,869,801
	46,062,720	199,465,218

10. The Company has its office premises under operating lease arrangement which is cancellable at the option of the Company, by providing 3 months prior notice. The Company is incurring lease rent for the leasehold land referred in note 4 of Schedule 19, which is non-cancellable lease. During the year, the Company has incurred Rs. 4,118,732 (Previous year - Rs. 2,578,386).

The total of future minimum lease payments under non cancellable operating leases for each of the following periods as at March 31, 2010:

in Rs.

(i) Not later than one year;	53,178
(ii) Later than one year and not later than five years	240,666
(iii) Later than five years	69,281,657

11. Employee Benefits

Defined Benefit Plan: Gratuity liability is accrued and provided for on the basis of an actuarial valuation made as at March 31, 2010.

PRINCIPAL ACTUARIAL ASSUMPTIONS	March 31, 2010	March 31, 2009
Discount Rate	8.00%	8.00%
Salary escalation rate	6.00%	6.00%
Attrition rate	5.00%	5.00%
Expected rate of return on Plan Assets	Unfunded	Unfunded

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Schedule 19: Notes to Financial Statements

	March 31, 2010	March 31, 2009
CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES		
PVO as at the beginning of the period	661,982	-
Interest Cost	52,959	-
Current service cost	486,052	465,048
Past service cost - (non vested benefits)	-	-
Past service cost - (vested benefits)	-	-
Benefits paid	-	-
Actuarial loss/(gain) on obligation	(509,113)	196,934
PVO as at the end of the period	691,880	661,982
ACTUARIAL GAIN / LOSS RECOGNIZED		
Actuarial gain / (loss) for the period - Obligation	509,113	(196,934)
Actuarial gain / (loss) for the period - Plan Assets	-	-
Total (gain) / loss for the period	(509,113)	196,934
Actuarial (gain) / loss recognized in the period	(509,113)	196,934
Unrecognized actuarial (gain) / loss at the end of the year	-	-
AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSIS		
Present value of the obligation	691,880	661,982
Fair value of plan assets	-	-
Difference	691,880	661,982
Liability recognized in the balance sheet	691,880	661,982
EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:		
Current service cost	486,052	465,048
Interest Cost	52,959	-
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	(509,113)	196,934
Past service cost - non-vested benefits	-	-
Past service cost - vested benefits	-	-
Expenses recognized in the statement of profit and loss	29,898	661,982

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Schedule 19: Notes to Financial Statements

	March 31, 2010	March 31, 2009
MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET		
Opening net liability	661,982	–
Expense as above	29,898	661,982
Contribution paid	–	–
Closing net liability	691,880	661,982

AMOUNT FOR THE CURRENT PERIOD		
Present Value of obligation	691,880	661,982
Plan Assets	–	–
Surplus (Deficit)	(691,880)	(661,982)
Experience adjustments on plan liabilities -(loss)/gain	509,113	(196,934)
Experience adjustments on plan assets -(loss)/gain	–	–

12. Earnings per Share

		Year ended March 31, 2010	Year ended March 31, 2009
Net Profit after Taxes for the year ended March 31, 2010	(A)	Rs. 92,395,597	Rs 781,450
Earnings attributable to Potential Equity Shareholders		–	–
Earnings - Diluted	(B)	Rs. 92,395,597	Rs 781,450
Nominal Value Per Share (Rs.)		Rs 10	Rs 10
No. of Equity Shares		15,500,000	15,500,000
Weighted Average Number of Equity Shares	(C)	15,500,000	15,500,000
Number of Potential Equity Shares		–	30,000,000
Weighted Average Number of Potential Equity Shares		–	6,250,000
Total Weighted Average Number of Equity Shares - Diluted	(D)	15,500,000	21,750,000
Basic Earnings per Share	(A/C)	Rs .5.96	Rs 0.05
Diluted Earnings per Share	(B/D)	Rs. 5.96	Rs 0.04

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Schedule 19: Notes to Financial Statements

	Year ended March 31, 2010	Year ended March 31, 2009
(iii) Enterprises over which person in (2) & (3) above are able to exercise significant influence:		
Sale of Goods	403,040,903	72,864,200
Purchase of Goods	896,428,517	151,274,201
Interest Paid	17,764,846	-
Rendering of Services - Expenses Paid	-	30,433,695
Loans & Advances - Received	220,000	107,900,000
Loans & Advances - Repaid	85,670,250	25,222,244
Guarantees Issued - Outstanding at the year end	720,000,000	290,000,000
Outstanding balance - (Payable)/Receivable	(39,184,469)	121,691,873

For transactions with Key Managerial Personnel refer note 7 (a) and note 19 (iv) of Schedule 19.

14. Disclosures under Listing Agreement

As required by the amendment to Clause 32 of the listing agreement vide SEBI circular no. 2 / 2003 of 10th January, 2003, the following disclosure has been made:

- Loans and advances in the nature of loans to subsidiaries: Nil.
- Loans and advances in the nature of loans to associates: Nil.
- Loans and advances in the nature of loans to firms/companies in which directors are interested: Nil.
- Investments by Loan in the shares of the Company as on 31st March 2010: Nil.

15. Previous year's figures have been reclassified/ regrouped wherever necessary to conform to the classification for the current year. Further the Company has commercial operation in the current year and therefore the numbers for the current year are not directly comparable with those of the previous year.

16. The Company is engaged in the business of manufacturing and trading of coke/coal, which as per Accounting Standard 17 on "Segment Reporting" is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment.

17. Deferred taxes

Components of deferred tax (liability)/assets are as given below:

Rs.

Particulars	As at March 31, 2010	As at March 31, 2009
Difference between books and tax written down value of fixed assets	(11,179,795)	(65,138)
Provisions	403,011	-
Deferred Tax Liability	(10,776,784)	(65,138)

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)**Schedule 19: Notes to Financial Statements**

18. In the opinion of the Board, the current assets, loans and advances have a value on realisation in the ordinary course of business, which atleast equal the amount at which they are stated.
19. Term Loan and Working Capital facilities including Cash Credit facilities with State Bank of India, State Bank of Hyderabad, Union Bank of India and Allahabad Bank (collectively consortium banks) are secured by charges -
- i) First pari passu charge on all immovable properties, both present and future, at the plant at Mouza Alichak, Haldia.
 - ii) First pari passu charge by way of hypothecation of the entire movables including movable plant & machinery, machinery spares, tools and accessories and other current assets.
 - iii) Second pari passu charge by way of hypothecation on the movables (excluding fixed assets) and including operating cash flows, book debts, receivables, commissions and any other revenues, both present and future.
 - iv) Unconditional irrevocable personal guarantee of Mrs. Vatsala Ranganathan, Managing Director and Corporate guarantee by Shriram Auto Finance (Partnership Firm).

For and on behalf of the Board of Directors

VATHSALA RANGANATHAN
Managing Director

GANESAN NATARAJAN
Whole Time Director & CEO

Place : Chennai
Date : 21 May 2010

K RAJAGOPAL
Company Secretary

Cash Flow Statement

	<i>in Rupees</i>	
	Year ended 31st March 2010	Year ended 31st March 2009
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation	141,448,243	2,361,692
Adjustment for: Depreciation	51,475,466	992,111
Interest income	(4,658,272)	(132,935)
Interest expenditure	125,987,919	1,357,905
Operating Profit before Working Capital Changes	314,253,356	4,578,773
Adjustment for: Decrease / (Increase) in Inventories	(266,444,539)	(325,836,833)
Decrease / (Increase) in Sundry Debtors	(799,629,207)	(280,603,587)
Decrease / (Increase) in Loans & Advances	177,574,590	(285,199,428)
(Decrease) / Increase in Current Liabilities	1,090,938,745	718,189,212
Cash generated / (used) from Operations	516,692,945	(168,871,863)
Taxes Paid	(4,062,542)	(15,654)
Net Cash generated / (used) from Operating Activities (A)	(512,630,403)	(168,887,517)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including Capital Work in Progress)	(85,204,750)	(550,382,810)
Investment in Subsidiary	-	(7,317,350)
Movement in Margin Money Deposit	(326,616,750)	(20,000,000)
Interest income	808,860	56,990
Net Cash used in Investing Activities (B)	(411,012,640)	(577,643,170)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings from Banks	-	382,915,024
Proceeds from Short Term Borrowings from Banks	60,952,761	16,745,410
Proceeds from Short Term Borrowings from Others	30,000,000	-
Proceeds from Short Term Borrowings from Affiliates	36,199,992	368,774,350
Repayment of Short Term Borrowings to Affiliates	(40,000,000)	(19,900,000)
Interest Paid	(55,629,738)	(1,365,591)
Net Cash generated in Financing Activities (C)	31,523,015	747,169,193
Net Cash Flows during the year (A+B+C)	133,140,778	638,506
Cash and Cash Equivalents as at the beginning of the year	1,244,452	605,946
Cash and Cash Equivalents as the end of the year	134,385,230	1,244,452
Note:		
Cash and Cash Equivalents as per Balance Sheet	481,001,980	21,244,452
Less: Margin Money Deposit	346,616,750	20,000,000
Cash and Cash Equivalents as per Cash Flow Statement	134,385,230	1,244,452

This is the Cash Flow Statement referred to in our report of even date.

For **Walker, Chandio & Co**
Chartered Accountants

For and on behalf of the Board of Directors

Per **Mohan Ramakrishna**
Partner

VATHSALA RANGANATHAN
Managing Director

GANESAN NATARAJAN
Whole Time Director & CEO

Place : Chennai
Date : 21 May 2010

K RAJAGOPAL
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV TO SCHEDULE VI TO THE COMPANIES ACT 1956

I REGISTRATION DETAILS

Registration no.
 Balance sheet date: State code:
 Date Month Year

II CAPITAL RAISED DURING THE YEAR (Amount Rs.in thousand)

Public issue: Rights issue:
 Bonus issue: Private Placement:

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount Rs.in thousand)

Total liabilities: Total assets:
Source of Funds
 Paid up capital Reserves & surplus
 Secured loans Unsecured loans
 Deferred tax
Application of funds
 Net fixed assets Investments
 Net current assets Misc.expenditure
 Profit and Loss Account

IV PERFORMANCE OF THE COMPANY (Amount Rs. in thousand)

Turnover Total expenditure
 Profit (Loss) before tax Profit (Loss) after tax
 Earnings per share Dividend rate

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (as per monetary terms)

Item code no.
 Product description

For and on behalf of the Board of Directors

VATHSALA RANGANATHAN
 Managing Director

GANESAN NATARAJAN
 Whole Time Director & CEO

Place : Chennai
 Date : 21 May 2010