

ENNORE COKE LIMITED ANNUAL REPORT 2010-2011

BOARD OF DIRECTORS

Mrs. Vathsala Ranganathan - Managing Director
Mr. Ganesan Natarajan - Whole Time Director
Mr. R. Ramakrishnan - Director
Mr. Rajeev Agarwal - Director
Mrs. Uma Karthikeyan - Director
Mr. R. Anantha Ramakrishnan - Director (w.e.f. 25th April 2011)
Mr. V. Kannan - Director (w.e.f. 25th April 2011)
Mr. M. Aravind Subramaniam - Director (w.e.f. 25th April 2011)

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

K. Rajagopal

AUDITORS

M/s. Walker, Chandio & 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
Indian Overseas Bank, Cathedral Branch,
Chennai - 600 002

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 OF TWENTY SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY SIXTH ANNUAL GENERAL MEETING OF ENNORE COKE LIMITED WILL BE HELD AT FRIDAY, THE 23RD SEPTEMBER 2011 AT 10.15 A. M. AT MINI HALL, KRISHNA GANA SABHA, 20, MAHARAJAPURAM SANTHANAM ROAD, T. NAGAR, CHENNAI-600 017, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 and the Profit and Loss Account of the Company for the year ended March 31, 2011, together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in the place of Mrs. Uma Karthikeyan who retires by rotation and being eligible offers herself for reappointment.
3. To appoint a Director in the place of Mr. R. Ramakrishnan who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

RESOLVED THAT pursuant the provisions of Section 224(1) of the Companies Act, 1956. M/s. Walker Chandiok and Co, Chartered Accountants, Chennai be and are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed on this behalf by the Board of Directors of the Company.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution, of which notice has been received from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose the name of Mr. R. Anantha Rama Krishnan as a Director of the Company liable to retire by rotation.

RESOLVED THAT Mr. R. Anantha Rama Krishnan be and is hereby appointed as a Director of the Company, liable to retire by rotation.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution, of which notice has been received from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose the name of Mr. M. Aravind Subramaniam as a Director of the Company liable to retire by rotation.

RESOLVED THAT Mr. M. Aravind Subramaniam be and is hereby appointed as a Director of the Company, liable to retire by rotation.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution, of which notice has been received from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose the name of Mr. V. Kannan as a Director of the Company liable to retire by rotation.

RESOLVED THAT Mr. V. Kannan be and is hereby appointed as a Director of the Company, liable to retire by rotation.

8. To consider and if thought fit to pass with or without modification the following resolution as a SPECIAL RESOLUTION

RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the consent(s) or permission(s) as may be required in this regard, consent of the Members of the Company be and is hereby accorded for altering the Articles of Association of the Company as mentioned below:

RESOLVED THAT Article 2(d) be added after the existing Article 2(c) of the Articles of Association of the Company

2(d) "Electronic Mode" means Video Conference Facility - audio visual electronic communication facility implemented by the Company which enables the Directors of the Company to participate effectively in the Board Meetings of the Company.

RESOLVED THAT Article 112 (A) be added after the existing Article 112 of the Articles of Association of the Company

112 (A) The Directors may also participate in the Board meeting through electronic mode and their presence through electronic mode will be counted as personally present for the purpose of forming minimum Quorum for the Board meeting as required under Section 287 of the Companies Act, 1956.

Provided, every Director of the Company must attend in person, at least one meeting of the Board of Directors of the Company subject to provision of Section 283 (1) (g) of the Companies Act, 1956.

Date : 13th August, 2011

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
Company Secretary

Notes :

1. The relative explanatory statement pursuant to Section 173(2) of the Companies Act 1956 in respect of Special Business under items 5, 6, 7 & 8 and as set out above is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself and such proxy need not be a member of the Company. The proxy form duly completed must be returned so as to reach the registered office of the Company not less than 48 hours before the time of commencement of the aforesaid meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 19-09-2011 to Friday the 23-09-2011 (both days inclusive).
4. Members / Proxies should bring their Attendance Slip duly completed for attending the meeting. The signature in the

Attendance Slip should match with signature(s) registered with Company. Members holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification.

5. As an economic measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of Annual Report to the meeting.

Date : 13th August, 2011**By order of the Board of Directors**

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K. RAJAGOPAL
Company Secretary

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE TWENTY SIXTH ANNUAL GENERAL MEETING OF THE COMPANY AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.**Item No. 5**

Mr. R. Anantha Rama Krishnan was appointed as Additional Director on 25th April, 2011. In terms of Section 260 of the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting.

Notice under Section 257 of the Companies Act, 1956, along with a deposit of Rs.500/- as required under this section has been received from a member proposing the appointment of Mr. R. Anantha Rama Krishnan as a Director of the Company liable to retire by rotation.

Your Directors recommend the resolution for approval of the members.

Except Mr. R. Anantha Rama Krishnan, no other Director is concerned or interested in this resolution.

Item No. 6

Mr. M. Aravind Subramaniam was appointed as Additional Director on 25th April, 2011. In terms of Section 260 of the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting.

Notice under Section 257 of the Companies Act, 1956, along with a deposit of Rs.500/- as required under this section has been received from a member proposing the appointment of Mr. M. Aravind Subramaniam as a Director of the Company liable to retire by rotation.

Your Directors recommend the resolution for approval of the members.

Except Mr.M. Aravind Subramaniam, no other Director is concerned or interested in this resolution.

Item No 7

Mr. V. Kannan was appointed as Additional Director on 25th April, 2011. In terms of Section 260 of the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting.

Notice under Section 257 of the Companies Act, 1956, along with a deposit of Rs.500/- as required under this section has been received from a member proposing the appointment of Mr. V. Kannan as a Director of the Company liable to retire by rotation.

Your Directors recommend the resolution for approval of the members.

Except Mr. V. Kannan and Mrs Vathsala Ranganathan, Managing Director no other Director, is concerned or interested in this resolution.

Item No. 8

The Ministry of Corporate Affairs has vide General Circular No. 28 of 2011 dated 20th May, 2011 allowed participation of Directors of the Company at the Board Meetings through Electronic Mode. To give effect to this and also in line with the said Circular the Articles of Association of the Company is required to be amended to incorporate provisions to enable the Directors to participate in the meeting of the Board of Directors by electronic mode. Accordingly common Article 2 (d) in line with the above is being inserted in the Articles of Association of the Company.

The Ministry of Corporate Affairs vide the abovementioned Circular has further clarified that the participation of Directors at the meetings of the Board through electronic mode will also be counted as personally present for the purpose of

ascertaining Quorum as required under Section 287 of the Companies Act, 1956. Accordingly Article 112 (A) in line with the above is being inserted in the Articles of Association of the Company.

Considering the advantages for the Directors of the Company to participate at the Board Meetings through electronic mode, it has been decided by the Board of Directors at their Meeting held on 24th May, 2011 to alter the Articles of Association of the Company to suitably incorporate provisions for such participation as stated above subject to the approval of the Shareholders.

Your Directors recommend the resolution under Item No. 8 for adoption by the Members.

None of the Directors are in any way deemed to be concerned or interested in the above Special Resolution.

By order of the Board of Directors

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Kilpauk, Chennai - 600 084

K. RAJAGOPAL
Company Secretary

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to Clause 49 (IV)(G) of the Listing Agreement)

Mrs. Uma Karthikeyan

She is a Chartered Accountant by profession 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 Media 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 is serving as a Director of the Company since 16th January, 2006

She is a member in the following committee.

- | | |
|---|----------|
| 1. Audit Committee | - Member |
| 2. Share Transfer & Investor
Grievance Committee | - Member |
| 3. Remuneration / Compensation
Committee | - Member |
| 4. Borrowing Committee | - Member |

She holds NIL shares in the Company.

Mr. R. Ramakrishnan,

He holds a B.Com, M.A (Economics) by qualification. He had joined Indian Express Group of Newspapers in 1965 and rose to become the Chief Executive. He was appointed as Sheriff of Madras in 1974-75. He was elected in Rajya Sabha as a member of Indian Parliament in 1980 and was member of several Parliamentary Committees including prestigious COPU (Committee of Public Undertakings, Joint Select committee of Chit Funds). He was a member of Press Council of India, Coffee Board of India for two years each. He was appointed to Rajaji Institute of Public Affairs and Administration of Governing Council Member by the President of India. He was Chairman of Sir C.P.Ramaswamy Aiyar

Educational Trust and Madras Race Club. He is currently committee member of Madras Race Club and Bangalore Turf Club.

He is serving as a Director of the Company since 31st October, 2008

He is a Member of the following Committees:

- | | |
|---|------------|
| 1. Audit Committee | - Chairman |
| 2. Remuneration /Compensation Committee | - Member |

He holds NIL shares in the Company.

Mr. R. Anantha Rama Krishnan

He holds a Bachelor's Degree in Science and a Master's Degree in Business Administration..

He has 25 years of rich experience in various Industries and especially Financial Services Sector both in India and in abroad.

He has worked for several popular industrial houses including Shriram Transport Finance Co Ltd, First Leasing Co Ltd to name a few. He has also served companies in Oman and has practiced as an Approved Financial Consultant in Dubai, United Arab Emirates.

He is serving as an Additional Director of the Company since 25th April, 2011

He is a Member of the following Committees:

- | | |
|---|------------|
| 1. Share Transfer & Investor
Grievance Committee | - Chairman |
| 2. Audit Committee | - Member |
| 3. Remuneration / Compensation Committee | - Member |
| 4. Borrowing Committee | - Member |

He holds 1,000 shares in the Company.

Mr. M. Aravind Subramaniam

Mr. M. Aravind Subramaniam is an Advocate by profession. He is also holds Masters in Public Administration and is a Post Graduate Diploma holder in Personnel Management and Industrial Relations from the Madras School of Social Works.

He completed Law in the year 1986 and enrolled in 1987. His areas of specialization to name a few includes, Company Law, FIPB Approvals, Project Financing, Contracts, General Law, Banking Law, Arbitration, Constitutional Law, Criminal Law, etc.,

He has an experience of nearly 20 years at the Bar Council. He is also a member in the Editorial Committee of Tamil Nadu Law Journal Notes - a leading Law journal in Tamil Nadu.

He is serving as an Additional Director of the Company since 25th April, 2011

He is a Member of the following Committees:

- | | |
|--|----------|
| 1. Audit Committee | - Member |
| 2. Share Transfer & Investor Grievance Committee | - Member |
| 3. Borrowing Committee | - Member |

He holds NIL shares in the Company.

Mr. V. Kannan

He holds a Bachelor's Degree in Commerce and a Master's Degree in Business Administration from Madras University

He started his career in Shriram Investment Limited in Chennai, as Branch Manager responsible for business development in the field of lease finance facility and hire purchase for commercial vehicles.

He has a rich experience in the field of lease finance facility and hire purchase for commercial vehicles.

He then joined Global Powertech Equipments Limited (GPT) in the year 1989 as a Director. In GPT he carried out the overall responsibilities of the commercial areas of the Company as well as overseeing the 7.5 MW plant at Vandavasi.

He has also initiated expansion of business in to non-conventional power generation through biomass.

He also holds directorships in various other unlisted companies.

He is serving as an Additional Director of the Company since 25th April, 2011

He is a Member of the following Committees:

- | | |
|--|----------|
| 1. Borrowing Committee | - Member |
| 2. Remuneration / Compensation Committee | - Member |

He holds NIL shares in the Company.

Date : 13th August, 2011

By order of the Board of Directors

Registered Office:

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3rd Floor, Egmore Benefit Society Building,
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K. RAJAGOPAL
Company Secretary

GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs has taken "Green Initiative in Corporate Governance" by allowing paperless compliance by the companies and has issued circulars stating that the service of Notice or documents including Annual Reports can be sent by e-mail to its members. To support this Green Initiative of the Government in full measure, members who have not registered their e-mail address, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with RTA of the Company.

Directors' Report

Your Directors have pleasure in presenting the Twenty Sixth Annual Report together with the accounts of your Company for the year ended March 31, 2011.

FINANCIAL HIGHLIGHTS

Particulars	Rupees in Lacs	
	2010-2011	2009-2010
Revenue	68597.12	38896.27
Profit before Interest, Depreciation and Tax	4340.06	3141.73
Interest & Finance Charges	2651.06	1212.50
Depreciation	946.83	514.75
Provision for Tax	267.86	383.41
Deferred Tax	(10.73)	107.11
Net Profit for the year	485.04	923.95
Accumulated Profit Brought forward		
From Balance Sheet	934.74	10.78
Total Distributable profit	1419.79	934.74
Dividend	Nil	Nil
Dividend Tax	Nil	Nil
Profit Carried over to the Balance Sheet	1419.79	934.74

OPERATIONS & FUTURE PROSPECTS

During the year, your Company completed the full implementation of the coke project with all the 6 batteries being operational. Concurrently the implementation of the power project was carried out in full swing and with the "flu gas" emanating from all the six batteries. The last mile testing of power project was put into action. All the operative parameters relating to velocity and temperature of the "flu gas" at various random points have been satisfactory.

The power plant is expected to be operational from October 2011 and in this connection, the company

has already signed the Power Purchase Agreement with the West Bengal State Electricity Board.

Your Company is on the constant look out for opportunities to laterally expand on capacity and hopes to achieve a Gross capacity of Half a million tonnes of coke during the forthcoming years through conversion arrangement with similar units as also your Company is concentrating on the export market.

DEPOSITORY SYSTEM

Your Company's Equity Shares are available in dematerialised form through National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). As at 31st March 2011, 98.46% of the Equity Shares of the Company were held in demat form.

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 clocked an overall operative capacity of approx 3,00,000 MT per annum. During the year, your Company has also carried out trading in coal and coke to keep in touch with the pace of the market which was volatile throughout the year. Your Company also made significant exports to United State of America, Turkey and Pakistan during the year.

On the domestic front your Company continued its direct supplies to end users like Tata Steel, IDCOL etc. This has helped your Company to scale a turnover of Rs 685.97 Crores for the financial year 2010-11 from Rs 388.96 Crores in 2009-10 an increase of 76%.

DIVIDEND

Considering the significant expansion plans of your Company which require substantial investments, the Board of Directors think it prudent not to recommend declaration of dividend for the year.

DEPOSITS

The Company has not accepted any deposits either from the shareholders or public within the meaning of The Companies (Acceptance of Deposits) Rules, 1977.

DIRECTORS

Mrs. Uma Karthikeyan and Mr. R. Ramakrishnan retire by rotation at the ensuing Annual General Meeting, being eligible, offer themselves for re-appointment.

Mrs. Vathsala Ranganathan was appointed as Managing Director of the Company under Section 198, 269, 309, 310 of the Companies Act, 1956 for a period of five years from 1st August, 2008 to 31st July, 2013. Mr. Ganesan Natarajan was appointed as the Whole Time Director of the Company under Section 198, 269, 309, 310 of the Companies Act, 1956 for a period of five years from 1st August, 2008 to 31st July, 2013.

During the year, Mr. M.R. Rajagopal and Mr. M. Amjad Shariff resigned from the Board of Directors of the Company with effect from 14th February, 2011.

Mr. R. Anantha Rama Krishnan, Mr. M. Aravind Subramaniam and Mr. V. Kannan were appointed as Additional Directors of the Company with effect from 25th April, 2011 and they hold office up to the conclusion of the ensuing Annual General Meeting of the Company.

PARTICULARS OF EMPLOYEES:

As required under the provisions of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 particulars of employees are not required to be set out in the Report since there are no employees who are covered under the above mentioned provisions and rules.

Having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors'

Responsibility Statement, it is hereby confirmed that:

- (i) in the presentation of the annual accounts for the year ended 31st March 2011, the applicable accounting standards read with the requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same ;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2011 and of the profit of the Company for the year ended on that date ;
- (iii) the 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 together irregularities ; and
- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

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 Agreement entered into with the Stock Exchange. A report on Corporate Governance along with a certificate from the Auditors forms a part of this Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS 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 provided as "Annexure A " to this Report.

AUDITORS AND AUDITORS' REPORT

M/s. Walker, Chandiook & Co., Chartered Accountants, Chennai, the Statutory Auditors of the Company hold office until 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 5(a) & (b) of the Audit Report and Point No. (iv) of Annexure to the Auditors' Report

With reference to the Auditors qualification relating to other income, the Company has initiated a process to address the issue of confirmation / information by refining the documentation procedures and strengthening the internal control measures through implementation of integrated ERP system. With respect to pending confirmation and reconciliation, the Company is in the process of obtaining such balance confirmations from parties with significant balances that are due from / receivable by the Company and performing reconciliation wherever required. In the opinion of the management, there will not be any impact on profit on completion of above process.

Point No (iii) (f) & (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 ongoing financial 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.

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 : 13th August 2011

VATHSALA RANGANATHAN
Managing Director

R. RAMAKRISHNAN
Director

ANNEXURE - A ANNEXURE TO THE DIRECTORS' REPORT

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the (Companies Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo

A. CONSERVATION OF ENERGY

The Company has implemented non recovery coke oven facility of capacity 1,30,000 MT per annum and is in the verge of integrating it with 12MW waste heat power generation facility at Haldia. The coke making facility through non recovery coke oven technology and generation of electricity using the waste heat from waste gases of the coke ovens would contribute towards reduction of emissions of clean gases to atmosphere when compared with By Product recovery type coke making facility and production of the same power through a base technology of conventional coal based thermal power plant.

1. The coke making process when integrated with Co- generation power plant facility qualifies as a Clean Development Mechanism under KYOTO PROTOCOL of United Nations Frame Work.
2. Energy saving through installation of Energy Saving motor
3. By replacing existing street lights by Light Emitting Diod (LED) types.

B. TECHNOLOGY ABSORPTION

1. Specific Areas in which R&D is carried out by the Company

The Company has not carried out any specific R&D activities

2. Benefits derived as a result of above R&D

The Company has not carried out any R&D activities hence the question of receiving benefits does not arise

3. Future Plan of action

Under process of implementation

4. Expenditure on R & D - NIL

C. FOREIGN EXCHANGE EARNINGS AND OUT GO

	2010-11	2009-10
(a) Expenditure in Foreign Currency		
Travel	1,805,890	1,101,145
(b) Value of Imports (CIF basis)		
Raw Material	272,720,617	226,448,484
Traded Goods	749,469,105	85,474,300
	<u>1,022,189,722</u>	<u>311,922,784</u>
(c) Earnings in Foreign Exchange		
Export Sale	1,425,460,133	63,049,444
Remittance of Dividends	Nil	Nil

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Company Overview and Areas of Business in Future

Your Company proposes to attain a Production capacity of half million tonnes per annum during 2011-12. It has already put a process in place for identifying units for lateral capacity augmentation through conversion. Markets in Orissa, Dhanbad are to be tapped. Your Company is also exploring possibilities of strategic partnership with International Coke Players and also your Company has identified storage space at various Ports so as to buy coking coal in bulk quantity taking advantage of value and quantity discount. During the coming years your Company will focus on Exports to Pakistan, Turkey and Europe. Further, the Advent of revenue from Power generation in 2011-12 will be an added advantage

Economic scenario Industry structure and Development

Indian Coking Coal production is in the range of 10 Million MT per annum including mining block. The annual dependence on Imports is expected to be around 27 Million MT. In India only weak type of Coking Coal is available. Accordingly nearly about 85% of the Imports happens from Australia. In the current scenario, the prices of Coking Coal from Australia is touching new peak.

Australian Miners now finalise prices on quarterly basis rather than on an annual contract basis. But the volatility of the prices might drive the Australian miners into monthly contract in future. Coking Coal is a challenge because of size and volume. In the prevailing circumstances the company has taken steps to stock adequate quantity of the Coking Coal at a competitive prices because of volume and also finalised storage spaces in Ports equidistant from our various production facilities of the company so that the cost of transportation is optimised.

Coke plants cluster in and around Orissa, Dhanbad and Gujarat. It is estimated that the deficit of Coking Coal in 2015 will be 25 Million MT per annum

Future of Coke Industry

In any Developing economy Infrastructure development is inevitable. This applies to the Indian scenario also. Steel Industry is bound to flourish. This leads to possibility of International Coke players coming forward for strategic partnership with Indian Coke Manufacturers.

Challenges of Coke industry

The Government of India has already taken steps to improve infrastructural conditions in India. In particular, Dredging of ports have become top priority. Because of this, the material is downloaded at another nearby

port which leads to increased Transportation cost. Similarly, the Government is in the process of dredging the wide Rivers so that the Transportation are expected to come down. Further, this will also help Government and Entrepreneurs to set up Coke Industries near Rivers leading to Regional Developments Ports also need to be increased.

In the Existing Ports, Berthing facilities needs to enhanced and regulated. Increase In railway Rakes is another area which is being addressed. When Iron Ore exports dipped, the number of Rakes coming into the Port carrying Iron Ore also dipped and consequently the Port authorities found it extremely difficult to allot Railway rakes for outward movement to transport materials which have been downloaded at that port. Further, Internal Logistics cost needs also to be controlled as also pilferage at the downloading point.

Chinese exports have not picked up even after the Olympics in 2008. In such a scenario, the Indian Coke Industry should rise to the accession and fill up that vacuum.

To sum up, Steel plant to make partnership with Coke Plants along with mines in Australia or USA.

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) Multi-Coal blending facilities needed to use multiple coal blends which leads to reduction in coal cost
- e) Export potential and huge domestic demand

STRENGTHS

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

WEAKNESS

- a) Possibility of statutory levies in future
- b) Scarcity and/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) Strategy of China on pricing and Export

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 (MD), Whole Time Director cum Chief Executive Officer (WTD) and five Non-executive Directors (NED).

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

Name of the Director	Category	Attendance Particulars		No. of other Directorships, Committee Memberships / Chairmanships		
		Board Meetings attended	Attendance at last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Vathsala Ranganathan	MD	4	Yes	6	-	-
Rajeev Agarwal	NED, ID*	-	No	2	-	-
Uma Karthikeyan	NED, ID*	3	Yes	1	1	-
G. Natarajan	WTD	2	Yes	1	-	-
R. Ramakrishnan	NED, ID*	4	Yes	3	-	1
Amjad Shariff **	NED	1	No	3	-	-
M.R. Rajagopal **	NED, ID*	1	No	1	-	-

*ID - Independent Director, **resigned with effect from 14th February 2011

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).

Board meetings held during the year

During the year 2010-2011, four Board Meetings were held on 21st May 2010, 03rd August 2010, 15th November 2010 and 14th February 2011.

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 term.

Compensation Policy

The Remuneration and Compensation 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.

Committees of the Board

The Board functions both as a full Board and through Committees. The Board has constituted 4 Committees Viz., Audit Committee, Borrowing Committee, Remuneration and Compensation Committee, and Shareholders and Investors Grievance Committee.

The Board of Directors at their meeting held on 14th February, 2011 approved for the merger of the Compensation Committee and Remuneration Committee and the resultant committee was named and styled as the Remuneration and Compensation Committee.

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 current year, four Audit Committee meetings were held on 21st May 2010, 03rd August 2010, 15th November 2010 and 14th February 2011.

The composition and attendance of Audit Committee meeting were as follows

S. No.	Name of the Director	Designation	Meeting Held	Meeting Attended
1	R Ramakrishnan	Chairman	4	4
2	M. R. Rajagopal*	Member	4	1
3	Uma Karthikeyan	Member	4	4
4	Rajeev Agarwal	Member	4	-

*resigned with effect from 14th February 2011

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 and Compensation Committee

During the year, Board of Directors at their meeting held on 14th February 2011 merged the Remuneration and Compensation Committee of the Board of Directors and the resultant Committee was named and styled as Remuneration and Compensation Committee.

The Remuneration and Compensation Committee has been constituted to recommend/review the remuneration package of the Managing Director and 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 3rd August 2010.

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

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

*resigned with effect from 14th February 2011

All the members of the Remuneration and Compensation Committee are Independent and Non-Executive Directors.

Details of Remuneration paid to Executive Directors during the year:

Name	Salary & Allowance (in Rs.)
Vathsala Ranganathan	1,958,400
Ganesan Natarajan	4,345,720

No remuneration has been paid during the year for Non-Executive Directors.

Details of Sitting fees paid during the year for Non - Executive Directors are given below.

Name	Sitting fees (in Rs.)
Mr. R. Ramakrishnan	40,000
Mrs. Uma Karthikeyan	30,000
Mr. M. Amjad Shariff	10,000
Mr. M.R. Rajagopal	10,000

5) Shareholders and Investors Grievance Committee

The Company has not received any complaints during the year 2010-2011 from shareholders.

During the year, Shareholders / Investors Grievance Committee meeting held on 21st May 2010, 03rd August 2010, 15th November 2010 and 14th February 2011.

The attendance of Shareholders' / Investors' Grievance Committee meeting is as

Sl. No.	Name of the Member	Nature of Membership	No. Meetings Held	No. of Meetings attended
1.	Mrs. Uma Karthikeyan	Chairman	4	4
2.	Mr. M.R. Rajagopal *	Member	4	4
3.	Mr. Rajeev Agarwal	Member	4	Nil

*resigned with effect from 14th February, 2011

Mr. K.Rajagopal is the Company Secretary and Compliance officer of the Company.

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
2010	Narada Gana Sabha, Mini Hall, 314, TTK Road, Chennai - 600 018	24 th September 2010	10.15 A.M.	Yes
2009	Narada Gana Sabha, Mini Hall, 314, TTK Road, Chennai - 600 018	22 nd September 2009	10.30 A.M	Yes
2008	Tunga International Pvt. Ltd., B/11, MIDC Central Road, Andheri East, Mumbai - 400 093.	15 th September 2008	11.00 A.M	Yes

ENNORE COKE LIMITED

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

Date of AGM	Particulars
24 th September 2010.	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 01 st July 2010.
22 nd September 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. Ganesan Natarajan - Whole Time Director & CEO of the company with effect from 01 st August 2009.
15 th September 2008	Under Section 81(1A) of the Companies Act, 1956, to grant, issue, offer and allot Employees Stock Option Scheme 2008 to the employees of the Company to the extent of 775000 equity shares. Under Section 81(1A) of the Companies Act, 1956, to grant, issue, offer and allot Employees Stock Option Scheme 2008 to the employees & Directors of Subsidiary Companies to the extent of 775000 equity shares. Under Sections 198,269, 309 & 310 read with Schedule XIII, for appointment of Mr. Ganesan Natarajan as Whole Time Director & Chief Executive Officer for five years. Under Sections 198,269, 309 & 310 read with Schedule XIII, for appointment of Mrs. Vathsala Ranganathan as Managing Director for five years.

Postal Ballot during current year (FY 2010-11) :

(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 295 and Section 372 A of the Companies Act, 1956, for issuing Corporate Guarantee in favour of M/s. Export-Import Bank of India, World Trade Centre Complex, Mumbai, on behalf of Tiger American Minerals Inc., USA (formerly Reed Shriram Minerals Inc., USA) as mentioned in the Notice dated 15th November 2010	15 th November 2010	10 th January 2011

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

(i) Resolution approved on 10th January 2011:

Particulars	No. of Postal Ballots forms	No. of votes	% of the total votes
Total Postal Ballot forms received	63	1,04,15,431	100.00
Invalid Postal Ballot forms	3	3,250	In significant
Postal Ballot forms with assent	49	1,04,00,779	99.89
Postal Ballot forms with dissent	11	11,402	0.11

The above resolution was carried with requisite majority.

(C) Person who conducted the postal ballot exercise:

At the Board meeting held on 15th November 2010, B. Chandra, Practicing Company Secretary, was appointed as scrutinizer for conducting the postal ballot.

(D) Procedure adopted for Postal Ballot:

- B. Chandra, Practicing Company Secretary was 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 of date was sent to the Scrutinizer.
- Particulars of all the postal ballot forms received for 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 only 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.

Postal Ballot during previous year (FY 2009-10) :

(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 81(1A) of the Companies Act, 1956 to create, offer, issue and allot shares for the benefit of the employees, as defined in the SEBI Guidelines including the Managing Director and Whole-Time Director/s, under the "ENNORE COKE Employees Stock Option Scheme 2009"	11 th November 2009	25 th January 2010

(B) Details of voting pattern of the postal ballot were as follows:

(i) Resolution approved on 25th January 2010.

Particulars	No.of Postal Ballots forms	No.of votes	% of the total votes
Total Postal Ballot forms received	97	6355919	100.00
Invalid Postal Ballot forms	1	300	In significant
Postal Ballot forms with assent	92	6354899	99.98 %
Postal Ballot forms with dissent	4	720	0.02 %

The above resolution was carried with requisite majority.

(C) Person who conducted the Postal Ballot Exercise

At the Board meeting held on 29th October 2009, Vinod Venugopal, a Practicing Company Secretary, was appointed as scrutinizer for conducting the postal ballot

(D) Procedure adopted for Postal Ballot

- Mr. Vinod Venugopal, Practicing Company Secretary, was 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 of date was sent to the Scrutinizer.
- Particulars of all the postal ballot forms received for 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 only 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, 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, 2011 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 relating to corporate governance.

The Company has submitted the compliance report in the prescribed format to the stock exchanges for all the four quarters ended 30th June 2010, 30th September 2010, 31st December 2010 and 31st March 2011. 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 13th August 2011 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 Sixth 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.

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

11) Means of Communication

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

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.

12) General Information for Shareholders:

- (i) Registered Office No. 25, Flowers Road, III Floor, Egmore, Chennai - 600 084
- (ii) Date, Time and Venue of the Annual General Meeting 23rd September, 2011 at 10.15 A.M. at Krishna Gana Sabha, Mini Hall, 20, Maharajapuram Santhanam Road, T. Nagar, Chennai - 600 017
- (iii) Financial year 1st April to 31st March
- (iv) Results for Quarter ending
 - June 30, 2011 : August 13, 2011
 - September 30, 2011 : November 14, 2011
 - December 31, 2011 : February 14, 2011
 - March 31, 2012 : May 31, 2012
- (v) Date of Book Closure : 19th day of September 2011 to 23rd day of September 2011 (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
 - The 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 Exchange where the Company's equity shares are listed.

13) Market Price Data:

Monthly Share Price (in Rupees)

Month and Year	BSE	
	High	Low
April 2010	107.80	85.00
May 2010	94.00	73.05
June 2010	108.00	84.05
July 2010	99.80	91.10
Aug. 2010	113.80	92.50
Sep. 2010	114.30	97.20
Oct. 2010	155.95	101.00
Nov. 2010	139.00	95.00
Dec. 2010	109.00	76.15
Jan. 2011	100.00	69.00
Feb. 2011	86.15	61.00
Mar. 2011	72.00	54.00

14) 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

15) 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.

16) 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.

17) Distribution of Shareholding by Size Class as on 31st March 2011

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
0001 - 5000	2043	75.9197	331,465	3,314,650	2.1384
5001 - 10000	253	9.4017	211,862	2,118,620	1.3668
10001 - 20000	146	5.4254	234,749	2,347,490	1.5145
20001 - 30000	59	2.1924	147,607	1,476,070	0.9523
30001 - 40000	27	1.0033	97,298	972,980	0.6277
40001 - 50000	32	1.1891	155,372	1,553,720	1.0024
50001 - 100000	44	1.635	328,169	3,281,690	2.1172
100001 - And Above	87	3.2329	13,993,478	139,934,780	90.2805
Total	2691	100.0000	15,500,000	155,000,000	100.0000

18) Pattern of Shareholding as on 31 March, 2011

Category	No. of Shares	% of shareholding
Promoters	9,554,000	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	1,912,537	12.34
Corporate Bodies - 1000 shares & below	137,226	0.89
Indian Public - 1000 shares & above	2,255,659	22.32
Indian Public - 1000 shares & below	1,243,336	2.63
Others	297,242	0.19
Total	15,500,000	100.00

19) 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.

20) 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 2011, about 98.46% of shares were held in dematerialized form.

CERTIFICATE PURSUANT TO CLAUSE 49 (V) OF THE LISTING AGREEMENT

We hereby certify that;

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2011 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps that have been taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) that there have been no instances of significant fraud which we have become aware of wherein there is involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Chennai
Date : 24th May 2011

VATHSALA RANGANATHAN
Managing Director

MR. K. RAJAGOPAL
Chief Financial Officer

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 2011, as envisaged in Clause 49 of the Listing Agreement with Stock Exchange.

Place : Chennai
Date : 13th August, 2011

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 of conditions of Corporate Governance by Ennore Coke Limited (the "Company") for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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. 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.

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.

Place: Chennai
Date: 13th August, 2011

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

per **Sumesh E S**
Partner
Membership No. 206931

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, 2011, 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. *Except as explained in the paragraph 5, 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 (Auditors' 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 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. (a) *We report that other income for the year ended 31 March 2011 include net revenue aggregating to Rs. 129,345,310, arising on account of sales / purchases of goods with certain parties. However, as certain information including confirmations was not made available for our audit, we could not perform adequate audit procedures in respect of the above and other associated items of costs and related assets and liabilities. Had we been able to perform necessary audit procedures on the above transactions, matters might have come to our attention indicating that adjustments, if any, might be necessary to the financial statements.*
- (b) *We report that the Company is in the process of obtaining confirmations and performing reconciliation in respect of receivables from / payables, including unsecured loans to certain parties aggregating to Rs. 17,153,377 and Rs. 524,429,150 respectively as of 31 March 2011. Pending outcome of this process, no adjustments were made to the carrying values of these amounts for the year ended 31 March 2011.*
6. Further to our comments in the annexure referred to above, we report that:
 - (a) *Except as explained in the paragraph 5, 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 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 *subject to paragraph 5*, 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, 2011;
- 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 **Sumesh E S**

Place : Chennai

Partner

Date : 24th May 2011

Membership No. 206931

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, 2011.

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.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (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 loan from two companies covered in the register maintained under section 301 of the Act. The maximum amount outstanding during the year was Rs. 1,291,825,494 and the year-end balance was Rs 1,019,143,423
- (f) In respect of loans taken, the rate of interest and other terms and conditions have not been stipulated and *hence we are unable to comment upon the rate of interest and other terms and conditions is as stipulated.*
- (g) In respect of the above loan taken, the terms of 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 and services *except for certain transactions that referred to in paragraph 5(a) of Auditors' report.*
- (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 and there have been significant delays in large number of cases.* Undisputed amounts payable in respect thereof, which were *outstanding, at the year end for a period of more than six months from the date they became payable* are as follows

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Due date	Date of Payment
West Bengal VAT Act	Works contract Tax	2,308,871	2009-2010	Various dates	-
		121,066	2010-2011		-
Income tax act	Tax Deducted at source	239,269	2010-2011	Various dates	-

- (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) In our opinion, the Company has not defaulted in repayment of dues to a financial institution, bank or to debenture holders during the year.

- (xii) 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 others 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 **Sumesh E S**

Place : Chennai
Date : 24th May 2011

Partner
Membership No.206931

BALANCE SHEET

in Rupees

	Schedule	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' funds			
Capital	1	155,000,000	155,000,000
Reserves and surplus	2	333,814,788	285,310,084
Loan funds			
Secured loans	3	479,926,186	591,670,692
Unsecured loans	4	1,612,033,046	443,895,292
Deferred tax liability (net) (refer note 16 of schedule 19)		9,703,784	10,776,784
		<u>2,590,477,804</u>	<u>1,486,652,852</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	737,606,955	720,207,921
Less: Depreciation/Amortisation		147,365,356	52,691,064
Net block		590,241,599	667,516,857
Capital work-in-progress		607,806,548	595,964,687
Current assets, Loans and advances			
Inventories	6	1,257,116,464	592,281,372
Sundry debtors	7	4,392,331,012	1,081,022,794
Cash and bank balances	8	362,013,030	481,001,980
Other current assets	9	7,483,371	3,925,357
Loans and advances	10	175,192,401	121,634,885
		<u>6,194,136,278</u>	<u>2,279,866,388</u>
Less : Current Liabilities and Provisions			
Liabilities	11	4,780,873,189	2,019,680,600
Provisions	12	20,833,432	37,014,480
		<u>4,801,706,621</u>	<u>2,056,695,080</u>
Net current assets		<u>1,392,429,657</u>	<u>223,171,308</u>
		<u>2,590,477,804</u>	<u>1,486,652,852</u>
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, Chandio & Co**
Chartered Accountants

For and on behalf of the Board of Directors

per SUMESH E S
Partner

VATHSALA RANGANATHAN
Managing Director

R RAMAKRISHNAN
Director

Place : Chennai
Date : 24th May 2011

Place: Chennai
Date : 24th May 2011

K RAJAGOPAL
Company Secretary

PROFIT AND LOSS ACCOUNT*in Rupees*

	Schedule	Year ended March 31, 2011	Year ended March 31, 2010
INCOME			
Income from operations	13	6,660,894,907	3,869,146,401
Other income	14	198,817,461	20,481,170
		<u>6,859,712,368</u>	<u>3,889,627,571</u>
EXPENDITURE			
Cost of materials	15	5,949,821,008	3,362,633,904
Employee cost	16	38,280,433	24,060,510
Operating and other expenses	17	437,603,295	188,758,613
Interest and finance charges	18	265,106,526	121,250,835
Depreciation/Amortisation	5	94,683,238	51,475,466
		<u>6,785,494,500</u>	<u>3,748,179,328</u>
Profit before tax		74,217,868	141,448,243
Provision for tax			
- Current tax		26,786,164	38,341,000
- Deferred tax		(1,073,000)	10,711,646
Profit after tax		<u>48,504,704</u>	<u>92,395,597</u>
Balance brought forward from previous year		93,474,450	1,078,853
Balance carried to Balance Sheet		<u>141,979,154</u>	<u>93,474,450</u>
Earnings per share - Basic and Diluted		3.13	5.96
(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, Chandiok & Co**
Chartered Accountants

per SUMESH E S
Partner

Place : Chennai
Date : 24th May 2011

For and on behalf of the Board of Directors

VATHSALA RANGANATHAN
Managing Director

Place: Chennai
Date : 24th May 2011

R RAMAKRISHNAN
Director

K RAJAGOPAL
Company Secretary

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

in Rupees

	As at March 31, 2011	As at March 31, 2010
Schedule 1: Capital		
Authorised :		
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 Fully Paid-up :		
15,500,000 (Previous year: 15,500,000) Equity shares of Rs 10 each (60.87% (Previous year: nil) of the above shares are held by Haldia Coke and Chemicals Private Limited)	155,000,000	155,000,000
	<u>155,000,000</u>	<u>155,000,000</u>
Schedule 2: Reserves & surplus		
Profit & Loss Account	141,979,154	93,474,450
Capital Reserve	65,485,898	65,485,897
Securities Premium	126,349,736	126,349,737
	<u>333,814,788</u>	<u>285,310,084</u>
Schedule 3: Secured loans		
Loans from Banks		
- Term loans	367,704,337	490,500,000
- Line of credit	22,519,301	22,832,881
- Cash credit	81,811,275	70,613,044
Loans from others	5,093,601	2,739,713
Interest accrued and due	2,797,672	4,985,054
(refer note 18 of schedule 19)	<u>479,926,186</u>	<u>591,670,692</u>
Schedule 4: Unsecured loans		
Loan from Related Party	966,746,377	345,074,341
Others	581,483,048	30,000,000
Interest Accrued and Due	63,803,621	68,820,951
	<u>1,612,033,046</u>	<u>443,895,292</u>

Amount repayable within a year is Rs. 645,286,669 : (Previous year Rs.98,820,951)

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Schedule 5: Fixed assets

in Rupees

Description	Gross block - at cost			Depreciation / Amortisation				Net Block		
	As at April 1, 2010	Additions	Disposal	As at March 31, 2011	Upto April 1, 2010	For the year	On disposal	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Tangibles assets										
Leasehold land*	24,637,289	-	-	24,637,289	289,850	286,440	-	576,290	24,060,999	24,347,439
Leasehold improvements	1,558,528	-	-	1,558,528	692,438	325,290	-	1,017,728	540,800	866,090
Building	24,604,191	7,982,462	-	32,586,653	1,508,093	2,549,401	-	4,057,494	28,529,159	23,096,098
Plant and machinery	658,756,357	3,321,134	-	662,077,491	47,857,873	87,700,193	-	135,558,066	526,519,425	610,898,484
Furniture and fixtures	1,308,795	553,017	-	1,861,812	490,995	197,889	-	688,884	1,172,928	817,800
Office equipment	6,962,013	782,744	29,120	7,715,637	880,754	1,084,107	8,946	1,955,915	5,759,722	6,081,259
Computer and accessories	2,328,748	733,215	-	3,061,963	942,873	712,406	-	1,655,279	1,406,684	1,385,875
Vehicles	52,000	4,055,582	-	4,107,582	28,188	1,827,512	-	1,855,700	2,251,882	23,812
Total	720,207,921	17,428,154	29,120	737,606,955	52,691,064	94,683,238	8,946	147,365,356	590,241,599	667,516,857
Capital work-in-progress**									607,806,548	595,964,687
Previous year	31,774,414	688,433,507	-	720,207,921	1,215,598	51,475,466	-	52,691,064	1,198,048,147	1,263,481,544

* Refer note 5 of Schedule 19

** Refer note 9 of Schedule 19

ENNORE COKE LIMITED**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS (Contd.)***in Rupees*

	As at March 31, 2011	As at March 31, 2010
Schedule 6: Inventories		
Raw materials and traded goods*	757,446,347	198,180,571
Work in progress	6,483,680	-
Finished goods	493,186,437	394,100,801
	<u>1,257,116,464</u>	<u>592,281,372</u>
* includes material in transit of Rs.45,513,581; (Previous year Rs. 45,891,696)		
Schedule 7: Sundry debtors (Unsecured, considered good)		
Debts outstanding for a period exceeding six months	539,338,168	-
Others	3,852,992,844	1,081,022,794
	<u>4,392,331,012</u>	<u>1,081,022,794</u>
Debts due from companies under the same management (refer note 19 of schedule 19)	544,491,072	-
Schedule 8: Cash and bank balances		
Cash on Hand	237,715	12,209
Balances with Scheduled Banks:		
- in current accounts	188,199,856	133,314,964
- in deposit account*	173,575,459	347,674,807
* includes margin money Rs. 172,810,279 ; (Previous year Rs. 346,616,750)	<u>362,013,030</u>	<u>481,001,980</u>
Schedule 9: Other current assets		
Interest Accrued on Deposits	7,483,371	3,925,357
	<u>7,483,371</u>	<u>3,925,357</u>
Schedule 10: Loans and advances (Unsecured, considered good)		
Advances recoverable in cash or kind for value to be received	162,069,068	111,198,628
Deposits	13,123,333	10,436,257
	<u>175,192,401</u>	<u>121,634,885</u>
Schedule 11: Liabilities		
Sundry Creditors		
- Due to micro and small enterprises*	-	-
- Due to capital creditors	-	237,364,179
- Due to other creditors	4,765,967,913	1,755,159,652
Other current liabilities	14,905,276	27,156,769
	<u>4,780,873,189</u>	<u>2,019,680,600</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 12: Provisions		
Gratuity	1,356,781	691,880
Leave Encashment	1,562,302	493,797
Provision for tax (Net of Advance Tax Rs. 48,763,162; Previous year Rs.4,062,544)	17,914,349	35,828,803
	<u>20,833,432</u>	<u>37,014,480</u>

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS (Contd.)*in Rupees*

	Year ended March 31, 2011	Year ended March 31, 2010
Schedule 13: Income from operations		
Revenue from manufacturing activities	1,186,701,901	141,139,269
Less: Excise duty (applicable from March 2011)	337,746	-
	<u>1,186,364,155</u>	<u>141,139,269</u>
Revenue from trading activities	5,403,617,395	3,728,007,132
Agency income	70,913,357	-
	<u>6,660,894,907</u>	<u>3,869,146,401</u>
Schedule 14: Other income		
Interest income	49,033,176	4,710,941
(Tax deducted at source Rs. 2,883,456, (Previous year: Rs. 465,163))		
Profit on foreign exchange forward contract	10,563,086	-
Exchange gain, net	4,842,393	-
Miscellaneous income	134,378,806	15,770,229
	<u>198,817,461</u>	<u>20,481,170</u>
Schedule 15: Cost of materials		
Raw materials and traded goods		
Opening stock	198,180,571	325,836,833
Add: Purchases	6,614,656,100	3,629,078,443
Less: Closing stock	757,446,347	198,180,571
	<u>6,055,390,324</u>	<u>3,756,734,705</u>
(Increase)/Decrease in stock		
Opening stock		
- Work in Progress	-	-
- Finished Goods	394,100,801	-
	<u>394,100,801</u>	<u>-</u>
Less: Closing stock		
- Work in Progress	6,483,680	-
- Finished Goods	493,186,437	394,100,801
	<u>499,670,117</u>	<u>394,100,801</u>
	<u>(105,569,316)</u>	<u>(394,100,801)</u>
	<u>5,949,821,008</u>	<u>3,362,633,904</u>
Schedule 16: Employee Cost		
Salaries, wages and bonus	34,244,535	22,234,863
Contribution to provident and other funds	2,302,492	1,301,952
Gratuity and leave encashment	1,733,406	523,695
	<u>38,280,433</u>	<u>24,060,510</u>

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

in Rupees

	Year ended March 31, 2011	Year ended March 31, 2010
Schedule 17: Operating and other expenses		
Freight and forwarding charges	187,176,293	76,570,663
Conversion charges	49,691,296	7,383,234
Contract services	21,083,355	15,168,584
Travelling expense	23,982,688	13,488,524
Advertising expenses	6,020,818	12,261,073
Repairs and maintenance		
- Machinery	23,963,044	6,079,442
- Others	172,778	132,839
Legal and professional charges	14,144,724	8,500,193
Rent	7,617,449	4,118,732
Insurance	8,256,204	2,495,435
Rates and taxes	14,666,574	3,680,330
Power and fuel	14,683,869	9,778,952
Bad debts	9,714,919	-
Bank charges	16,895,486	5,220,503
Loss on sale of assets	19,174	-
Other expenses	39,514,624	23,880,109
	437,603,295	188,758,613
Schedule 18: Interest and finance charges		
Interest to banks	76,545,307	19,784,068
Interest to others	93,298,054	73,810,404
Finance charges	95,263,165	27,656,363
	265,106,526	121,250,835

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

All amounts in the financial statements are presented in Rupees except per share data and as otherwise stated. Figures of previous year have been reclassified wherever considered necessary to conform to the figures presented in the current year.

2) Company overview

Ennore Coke Limited ('the Company') is an entity whose equity shares are listed in the Bombay Stock Exchange Limited (BSE). The Company is engaged in the activity of manufacturing and trading of Metallurgical Coke. The installed capacity of Non-Recovery coke oven plant at Haldia, West Bengal is 130,000 TPA. The Company has commenced the commercial production of Metallurgical Coke during 2009-2010. The 12MW Co-Generation power plant at Haldia, is under construction and is expected to commence production early 2011-2012. In the current year, pursuant to the group re-structuring, the Company shares has been acquired by Haldia Coke and Chemicals Private Limited to the extent of 60.87%. Consequent to the above acquisitions, Ennore Coke Limited is subsidiary company of Haldia Coke and Chemicals Private Limited.

3) 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 and depreciation

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.

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.

d) 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.

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Schedule 19: Notes to Financial Statements

e) Revenue recognition

Revenues comprise of income from sale of manufactured and traded goods. Revenue is recognized at the point of dispatch of goods to customers which generally coincides with 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.

Income from interest on deposits is recognised on time proportion basis taking into account the amount outstanding and the applicable rate of interest.

Agency income is recognised on identifying the buyer and concluding the transaction as per terms of agreement.

f) Inventories

Inventories are valued at lower of cost and net realisable 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. Cost is determined on weighted average basis.

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

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

g) Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange difference arising on foreign exchange transactions during the year are recognized in the profit and loss account of the year.

h) Employee benefits

Employee benefits provided by the Company include contributions to Provident fund, Gratuity benefits and Leave encashment.

● 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.

● Leave encashment

Liability in respect of leave encashment becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of leave encashment becoming due or expected to be availed more than one year after the Balance Sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the Projected Unit Credit Method.

i) Income taxes

Provision for tax for the year comprises current income tax and deferred tax. Provision for current income tax is made based on the estimated tax liability in accordance with the relevant tax rates and tax laws.

Current tax is payable on taxable profits, which differ from profit or loss in the financial statements. Current tax is computed based on tax rates and tax laws

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Schedule 19: Notes to Financial Statements

that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year 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 recognized 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 realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

j) 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.

k) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are

adjusted for the effects of all dilutive potential equity shares. 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.

l) Provisions, contingent liabilities and contingent assets

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statements.

m) 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

4) Contingent liabilities

Particulars	As at March 31, 2011	As at March 31, 2010
Guarantees to Bankers on behalf of Related party	1,389,750,000	720,000,000

5) Leasehold land

Gross block of the Company includes Leasehold land of Rs 24,637,289 registered in the name of erstwhile company Ennore Power and Coke Private Limited (EPCPL)

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, consortium banks and the Hon'ble High Court of Madras. Under the scheme, the Company shall be entitled to apply for the necessary approvals from concerned authorities to own and operate the undertakings of EPCPL.

The Company has filed an application for title change, subsequent to the amalgamation, with HDA (Haldia Development Authority) which is pending approval.

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, 2011	Year ended March 31, 2010
Rs.		
(a) Directors' Remuneration*		
Basic Salary	3,542,000	2,760,000
Contribution to Provident Fund	425,040	331,200
Other Allowance	2,337,080	2,240,000
	<u>6,304,120</u>	<u>5,331,200</u>
* As the future liability for gratuity and leave encashment 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	1,140,000	1,140,000
Certification and other services	410,000	410,000
	<u>1,550,000</u>	<u>1,550,000</u>
(c) Expenditure in foreign Currency		
Travelling expenses	1,805,890	1,101,145
(d) Value of imports (CIF basis)		
Raw Material	272,720,617	226,448,484
Traded Goods	749,469,105	85,474,300
	<u>1,022,189,722</u>	<u>311,922,784</u>
(e) Earnings in Foreign Exchange		
Export Sale	1,425,460,133	63,049,444

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Schedule 19: Notes to Financial Statements

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.

B. Traded products:

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

2010-2011

	Opening Stock		Purchases		Closing Stock	
	MT	Rs.	MT	Rs.	MT	Rs.
Coal	2,196	20,362,961	139,158	1,716,845,037	28,225	356,133,701
Coke	2,320	30,154,930	202,109	3,797,326,208	16,259	297,448,868
Total		50,517,891		5,514,171,245		653,582,569

2009-2010

	Opening Stock		Purchases		Closing Stock	
	MT	Rs.	MT	Rs.	MT	Rs.
Coal	30,532	325,836,833	118,708	1,122,268,938	2,196	20,362,961
Coke	-	-	152,833	2,029,430,435	2,320	30,154,930
Total		325,836,833		3,151,699,373		50,517,891

C. Manufacturing:

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

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Produced (MT)	69,122	33,220
Sold (MT)	64,888	11,724
Sale Value (Rs.)	1,186,364,155	141,139,269
Closing Stock (MT)	25,730	21,496

D. Value of Raw Material consumed during the year:

	Year ended March 31, 2011			Year ended March 31, 2010		
	MT	Rs.	%	MT	Rs.	%
Coal						
Indigenous	83,807	1,025,450,254	77%	33,161	250,930,586	76%
Imported	11,733	140,932,076	23%	7,087	78,785,804	24%
Total	95,540	1,166,382,330	100%	40,248	329,716,390	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.

	Year ended March 31, 2011	Year ended March 31, 2010
Finance and other charges	-	46,062,720
Total	-	46,062,720

10) Operating lease

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 5 of Schedule 19, which is non-cancellable lease. During the year, the Company has incurred total rent of Rs.7,617,449 (Previous year - Rs. 4,118,732).

The total of future minimum lease payments under non cancellable operating leases for each of the following periods as at March 31, 2011

	As at March 31, 2011	As at March 31, 2010
(i) Not later than one year;	55,837	53,178
(ii) Later than one year and not later than five years	252,699	240,666
(iii) Later than five years	69,213,787	69,281,657

11) Employee Benefits

For determining the gratuity / leave encashment liability of the Company, the following actuarial assumptions were used:

Principi Al Actuarial Assumptions	March 31, 2011	March 31, 2010
Discount Rate	8.25%	8.00%
Salary escalation rate	6.00%	6.00%
Attrition rate	2.00%	5.00%
Expected rate of return on Plan Assets	Unfunded	Unfunded

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Schedule 19: Notes to Financial Statements

Gratuity

	March 31, 2011	March 31, 2010
Changes in the present value of the obligation (PVO) - reconciliation of opening and closing balances		
PVO as at the beginning of the period	691,880	661,982
Interest Cost	57,080	52,959
Current service cost	584,369	486,052
Past service cost - (non vested benefits)	-	-
Past service cost - (vested benefits)	-	-
Benefits paid	-	-
Actuarial loss/(gain) on obligation	23,452	(509,113)
PVO as at the end of the period	1,356,781	691,880
Actuarial gain / loss recognized		
Actuarial gain / (loss) for the period - Obligation	23,452	(509,113)
Actuarial gain / (loss) for the period- Plan Assets	-	-
Total (gain) / loss for the period	23,452	(509,113)
Actuarial (gain) / loss recognized in the period	23,452	(509,113)
Unrecognized actuarial (gain) / loss at the end of the year	-	-
Amounts recognized in the Balance Sheet and related analysis		
Present value of the obligation	1,356,781	691,880
Fair value of plan assets	-	-
Difference	1,356,781	691,880
Liability recognized in the balance sheet	1,356,781	691,880
Expenses recognized in the statement of profit and loss		
Current service cost	584,369	486,052
Interest Cost	57,080	52,959
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	23,452	(509,113)
Past service cost - non-vested benefits	-	-
Past service cost - vested benefits	-	-
Expenses recognized in the statement of profit and loss	664,901	29,898

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Schedule 19: Notes to Financial Statements

	March 31, 2011	March 31, 2010
Movements in the liability recognized in the Balance Sheet		
Opening net liability	691,880	661,982
Expense as above	664,901	29,898
Contribution paid	-	-
Closing net liability	1,356,781	691,880

Amount for the current period		
Present Value of obligation	1,356,781	691,880
Plan Assets	-	-
Surplus (Deficit)	(1,356,781)	(691,880)
Experience adjustments on plan liabilities -(loss)/gain	(44,253)	509,113
Experience adjustments on plan assets - (loss)/gain	-	-

12) Earnings per Share

	Year ended March 31, 2011	Year ended March 31, 2010
Net Profit after Taxes	Rs. 48,504,704	Rs. 92,395,597
Nominal Value Per Share (Rs.)	Rs. 10	Rs. 10
Weighted Average Number of Equity Shares	15,500,000	15,500,000
Earnings per Share - Basic and Diluted	Rs. 3.13	Rs .5.96

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Schedule 19: Notes to Financial Statements

13) Related Party Disclosures

- | | |
|--|--|
| 1. Holding Company | Haldia Coke and Chemicals Private Limited
(from July 2010) |
| 2. Key Managerial Personnel | 1. Mrs.Vathsala Ranganathan (Managing Director)
2. Mr. Ganesan Natarajan (Whole Time Director) |
| 3. Fellow Subsidiaries | Wellman Coke India Limited
Tiger American Minerals Inc., USA (from July 2010)
(formerly Reed Shriram Minerals Inc., USA)
laeger Minerals Inc., USA (from July 2010)
(formerly Shriram minerals Inc., USA) |
| 4. Enterprises over which person in (2) above
are able to exercise significant influence. | Shriram EPC Limited
Shriram Auto Finance, partnership firm
Shriram Auto Finance LLP
Hamon Shriram Cottrell Private Limited
Shriram SEPL Composites Limited
Haldia Coke and Chemicals Private Limited (upto June 2010)
Blackstone Group Technologies Private Limited
Leitner Shriram Manufacturing Limited
Orient Green Power Company Limited
Chem Projects Consulting Private Limited
Bharath Coal Chemicals Limited
Blackgold Chemicals Private Limited
Premier Energy and Infrastructure Limited
Theta Management Consultancy Private Ltd |

5. Transactions with Related Parties

	Holding Company		Fellow Subsidiaries		Parties referred in note 13(4) above	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
Sale of goods	-	-	115,120,798	-	-	403,040,903
Purchase of goods	1,075,330,626	-	336,744,501	-	1,142,410,742	896,428,517
Loans received	1,210,855,450	-	-	-	-	36,420,000
Loans repaid	189,500,000	-	-	-	345,074,341	339,251,890
Expense reimbursed to	1,645,424	-	-	-	10,27,831	7,444,262
Expense reimbursed by	-	-	-	-	32,72,106	-
Interest paid	52,397,046	-	-	-	77,109,074	72,373,919
Capital - Contract (Billing)	-	-	-	-	-	95,665,394
Guarantee issued	-	-	669,750,000	-	-	720,000,000

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Schedule 19: Notes to Financial Statements

	Holding Company		Fellow Subsidiaries		Parties referred in note 13(4) above	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
Balance Outstanding as at the year end						
Unsecured loans	1,019,143,423	-		-	-	413,895,292
Sundry debtors	-	-	544,491,072	-	-	-
Sundry creditors	1,200,605,351	-	396,659,716	-	762,155,298	723,753,929
Guarantee Outstanding (given)	-	-	1,389,750,000	-	-	720,000,000

For transactions with Key Managerial Personnel refer note 7(a) and note 18(a)(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 31 March 2011: Nil.

15) 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.

16) Deferred taxes

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

Particulars	As at March 31, 2011	As at March 31, 2010
Difference between books and tax written down value of fixed assets	(10,673,430)	(11,179,795)
Provisions	969,646	403,011
Deferred Tax Liability	(9,703,784)	(10,776,784)

SCHEDULE FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Schedule 19: Notes to Financial Statements

17) 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.

18) Secured loan:

(a) Term Loan and Working Capital facilities including Cash Credit facilities with State Bank of India, State Bank of Hyderabad, Union Bank of India and Indian Overseas Bank(collectively consortium banks) are secured by charges -

- i. First paripassu charge on all immovable properties, both present and future, at the plant at Mouza Alichak, Haldia.
- ii. First paripassu charge by way of hypothecation of the entire movables including movable plant & machinery, machinery spares, tools and accessories and other current assets.
- iii. Second paripassu 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 given by Mrs.Vathsala Ranganathan, Managing Director and Mr. Ganesan Natarajan, Whole Time Director and Corporate guarantee by Shriram Auto Finance (Partnership Firm).

(b) Loan from others are secured by first charge on the specific equipment financed to the Company.

19) Debts due from companies under the same management

	As at March 31, 2011	As at March 31, 2010
Sundry debtors		
Wellman Coke India Limited	544,491,072	-

For and on behalf of the Board of Directors

VATHSALA RANGANATHAN
Managing Director

R. RAMAKRISHNAN
Director

Place : Chennai
Date : 24th May 2011

K RAJAGOPAL
Company Secretary

Cash Flow Statement

in Rupees

	Year ended 31st March 2011	Year ended 31st March 2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	74,217,868	141,448,243
Adjustment for:		
Depreciation/Amortisation	94,683,238	51,475,466
Interest expense	169,843,360	93,594,472
Loss on sale of asset	19,174	-
Provision for gratuity and leave encashment	1,733,406	523,695
Interest income	(49,033,176)	(4,710,941)
Bad debts	9,714,919	-
Operating profit before working capital changes	301,178,789	282,330,935
Adjustments for:		
(Increase)/Decrease in inventories	(664,835,092)	(266,444,539)
(Increase)/Decrease in sundry debtors	(3,321,023,137)	(799,629,207)
(Increase)/Decrease in loans and advances	(53,557,516)	177,627,263
Increase/(Decrease) in current liabilities	2,761,192,589	1,090,415,050
Cash generated from/(used in) operating activities	(977,044,367)	484,299,502
Taxes paid	(44,700,616)	(4,062,542)
Net cash generated from/(used in) operating activities	(1,021,744,983)	480,236,960
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work in progress)	(29,270,015)	(85,204,750)
Proceeds from sale of fixed asset	1,000	-
Movement in margin money deposit	173,806,471	(326,616,750)
Interest received	45,475,162	808,860
Net cash generated from/(used in) investing activities	190,012,618	(411,012,640)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings from banks	67,900,000	-
Repayment of long term borrowings to banks	(190,695,663)	-
Proceeds from short term borrowings from banks	11,198,231	60,952,762
Repayment of short term borrowings to banks	(313,580)	-
Proceeds from short term borrowings from others	703,638,134	30,000,000
Repayment of short term borrowings to others	(149,801,198)	-
Proceeds from short term borrowings from related party (net)	621,672,035	-
Repayment of short term borrowings from related party (net)	-	(3,800,008)
Interest paid to banks	(78,732,689)	(18,246,843)
Interest paid to others	(98,315,384)	(4,989,453)
Net cash generated from financing activities	886,549,886	63,916,458
Net cash flows during the year (A+B+C)	54,817,521	133,140,778
Cash and cash equivalents as at the beginning of the year	134,385,230	1,244,452
Cash and cash equivalents as at the end of the year	189,202,751	134,385,230
Note:		
Cash and cash equivalents as per Balance Sheet	362,013,030	481,001,980
Less: Margin money deposit treated as investment	172,810,279	346,616,750
Cash and cash equivalents as per Cash flow statement	189,202,751	134,385,230

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 **SUMESH E S**
Partner

VATHSALA RANGANATHAN
Managing Director

R RAMAKRISHNAN
Director

Place : Chennai
Date : 24th May 2011

Place: Chennai
Date : 24th May 2011

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

R. RAMAKRISHNAN
 Director

Place : Chennai
 Date : 24th May 2011

