

ENNORE COKE LIMITED ANNUAL REPORT 2011-2012

BOARD OF DIRECTORS

Mr. Ganesan Natarajan - Whole Time Director
Mr. R. Ramakrishnan - Director
Mr. Rajeev Agarwal - Director
Mrs. Uma Karthikeyan - Director
Mr. M. Aravind Subramaniam - Director

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

K. Rajagopal

AUDITORS

M/s. Sreedhar, Suresh & Rajagopalan
Chartered Accountants
Chennai

BANKERS

Union Bank of India, IFB, Chennai - 600 034
State Bank of India, Overseas Branch, Kolkata - 700 001
State Bank of Hyderabad, IFB, Chennai - 600 001
Allahabad Bank, International Branch, Chennai - 600 002
Axis Bank Ltd., Haldia, West Bengal - 721 602
Indian Overseas Bank, Cathedral Branch,
Chennai - 600 002

REGISTERED OFFICE

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

REGISTRAR

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

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NOTICE OF TWENTY SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY SEVENTH ANNUAL GENERAL MEETING OF ENNORE COKE LIMITED WILL BE HELD ON WEDNESDAY, THE 26th SEPTEMBER, 2012 AT 10.15 A. M. AT MINI HALL, SRI 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, 2012 and the Profit and Loss Account of the Company for the year ended March 31, 2012, together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in the place of Mr. Rajeev Agarwal who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration –

RESOLVED THAT pursuant to the provisions of Section 224 (1) of the Companies Act, 1956, M/s. Sreedhar Suresh & Rajagopalan, Chartered Accountants (Firm Regn. No. 003957S), Chennai be and are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the 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.

Place : Chennai
Date : 13th August, 2012

**By Order of the
Board of Directors**

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

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself and the proxy need not be a member of the Company. Proxy to be valid should be deposited with the Company not later than forty eight hours before the time for holding the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed on Wednesday the 26th Day of September, 2012.
3. Members/Proxies should bring their Attendance Slip duly completed for attending the meeting. The signature on the attendance slip should match with the signature(s) registered with the Company. Members holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification.
4. Members are requested to intimate any change in addresses, if any, immediately to the Company at its Registered Office.
5. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956, will be available for inspection of the members at the venue of the Annual General Meeting.
6. The Register of Contracts maintained under Section 301 of the Companies Act, 1956, will be available for inspection of the members at the Registered Office of the Company.
7. Members are requested to bring their copies of Annual Report to the meeting. The Attendance slips duly completed should be handed over at the entrance of the meeting hall.

Place : Chennai
Date : 13th August, 2012

**By order of the
Board of Directors**

Registered Office: K. RAJAGOPAL
Ennore Coke Ltd. Company Secretary & CFO
3rd Floor, Egmore Benefit
Society Building,
No. 25, Flowers Road,
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DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

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

Profile of the Director seeking re-appointment

Mr. Rajeev Agarwal

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

He was appointed as an Additional Director of the Company on 16th January, 2006.

He is not a Member of any of the Committees of the Board of Directors of the Company.

He holds 71,816 shares in the Company.

Directors' Report

Your Directors have pleasure in presenting the Twenty Seventh Annual Report together with the accounts of your Company for the year ended March 31, 2012.

FINANCIAL HIGHLIGHTS

(Rupees in Lacs)

Particulars	2011-2012	2010-2011
Revenue	63793.83	68597.12
Profit before Interest, Depreciation and Tax	4314.09	65247.04
Interest & Finance Charges	2330.41	2860.35
Depreciation	1499.63	946.83
Provision for Tax	200.16	267.86
Deferred Tax	82.18	(10.73)
Net Profit for the year	201.71	485.04
Accumulated Profit Brought forward from Balance Sheet	1419.79	934.74
Total Distributable profit	1621.50	1419.79
Dividend	Nil	Nil
Dividend Tax	Nil	Nil
Profit Carried over to the Balance Sheet	1621.50	1419.79

OPERATIONS & FUTURE PROSPECTS

As stated in the earlier years Directors' Report, the Company had commissioned the Coke Oven Batteries in the year 2010. Further, as stated in the Letter of Offer, the Company had successfully commissioned and commenced power production during August, 2011.

To improve the output of the coke it has been decided to redesign the ovens. After extensive review and introspection it has been decided to replace the existing oven batteries to cater to the new techniques of production.

The Company has halted operation of the plant and the after implementation of new facilities the power production will recommence.

From the third quarter of 2012-13 the Company hopes to commence power production.

Your Company is constantly pursuing the goal of reaching half a million tonnes of production and is hopeful of achieving a good part of the same in 2012-13.

Your Company is also planning to commence exports to Pakistan.

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 2012, 99.24% 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 REVIEW

During the year your Company has carried out trading in coal and coke, especially, lumpy coke, where the margins were high even though the receivable duration was beyond banking sanctions and norms. The market was not buoyant throughout the year and it resulted in a lesser turnover compared to last year.

However your Company had taken all steps to reduce the cost and neutralise that effect.

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, 1975.

DIRECTORS

Mr. Rajeev Agarwal, retires by rotation at the ensuing Annual General Meeting, being eligible, offers himself for re-appointment.

During the year, Mrs. Vathsala Ranganathan, Managing Director retired from the Board of Directors of the Company with effect from 2nd March, 2012.

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. R. Anantha Rama Krishnan and Mr. V. Kannan resigned from the Board of Directors of the Company with effect from 7th March, 2012.

The Board wishes to place on record appreciation of the services rendered by Mr. R. Anantha Rama Krishnan & Mr. V. Kannan.

PARTICULARS OF EMPLOYEES:

As required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the name and other particulars of the employees is set out in Annexure-1 to this Report.

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) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts 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 2" to this Report.

AUDITORS

M/s. Sreedhar, Suresh & Rajagopalan, Chartered Accountants, Chennai, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment.

Audit Report and Explanation under Section 217(3) of the Companies Act, 1956

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

Point 5(e) of 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 (vii) of the 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 (viii) of the Annexure to the Auditors' Report

The Company is in the process of regulating all statutory remittances to the concerned department. A significant level of taxes have been paid subsequently.

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 the 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 2012

Sd/-
Whole-time Director

Sd/-
Director

ANNEXURE - 1 TO THE DIRECTORS' REPORT

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, and forming part of the Directors Report for the year ended March 31, 2012

Employee Name	Designation	Qualification	Age	Joining Date	Experience (in years)	Gross Remuneration (Rs. P.M.)	Previous Employment and Designation
Mr. Anupam Mittal*	Chief Executive Officer	B.Tech (Metallurgical)	54	1 st July, 2011	28	5,40,870/-	Jindal Steel and Power Ltd. Business Head (Middle East)

Notes : Remuneration comprises basic Salary, Allowances and taxable value of perquisites.

None of the employees is related to any Director of the Company.

None of the employees owns more than 2% of the outstanding shares of the Company as on March 31, 2012

* resigned wef 15th May, 2012.

ANNEXURE - 2 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

	2011-12	2010-11
(a) Expenditure in Foreign Currency		
Travel	42,30,831	18,05,890
(b) Value of Imports (CIF basis)		
Raw Material	-	27,27,20,617
Traded Goods	5,20,54,177	74,94,69,105
	35,20,54,177	102,21,89,722
(c) Earnings in Foreign Exchange		
Export Sale	1,36,21,405	1,42,54,60,133
Remittance of Dividends	Nil	Nil

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Company Overview and Areas of Business in Future

Your Company plans to reach a production capacity of half million tonnes per annum during 2012-13. It has already identified new units and those will be in operations soon. Markets in Orissa, Dhanbad will 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. Further, the advent of revenue from Power generation in 2012-13 will be an added advantage.

Economic scenario Industry structure and Development

The annual dependence on imports is expected to be around 27 Million MT. In India only weak type of Coking Coal is available. In the current scenario the prices of Coking Coal from Australia is touching new peak. 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 at competitive prices because of volume and also has finalised storage spaces in ports equidistant from the various production facilities of the Company so that the cost of transportation is optimised. 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 and development is inevitable. This applies to the Indian scenario also. In 2011-12 the coal and coke industry in particular did not do well partly because of the government policy on iron ore and partly due to the weakening Rupee against dollar. But 2012-13 things have started looking up and the steel plants have also started to outsource their requirements. 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.

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 costs are

expected to come down. Further, this will also help Government and Entrepreneurs to set up Coke Industries near rivers.

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 ports 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 and pilferage needs to be controlled at the downloading point.

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)

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.

Board of Directors

The Board of Directors comprises of Whole time director and 4 non-executive directors.

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

Name of the Director	Category	Attendance Particulars		No. of other Directorships, Committee Memberships / Chairmanships		
		Board Meetings attended	Attendance at last AGM	Other Directorship	Committee Membership	Committee Chairmanship
G. Natarajan	WTD	1	Yes	2	–	–
R. Ramakrishnan	NED, ID	6	Yes	3	2	1
M. Aravind Subramaniam	NED, ID	5	Yes	–	–	–
Uma Karthikeyan	NED, ID	3	No	2	1	–
Rajeev Agarwal	NED, ID	0	No	1	–	–

NED - Non - Executive Director, ID- Independent Director, WTD- Whole Time Director

- i) None of the Directors on the Board is a member in more than 10 mandatory committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement) across all companies in which he / she is a Director.
- ii) The independent Directors have confirmed that they satisfy the criteria of independence as stipulated in the amended clause 49 of the Listing Agreement.

Membership Term

The Board periodically recommends the shareholders about re-appointments as per statute. 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 the retiring members for re-appointment upon completion of their term.

Compensation Policy

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

Board meetings held during the year

During the year 2011- 12, Six Board Meetings were held on 24th May, 2011, 13th August, 2011, 23rd September, 2011, 12th November, 2011, 14th February, 2012 and 28th March, 2012.

Committees of the Board

The Board has 4 Committees viz., Audit Committee, Share Transfer and Investors Grievance Committee, Remuneration and Compensation Committee and Borrowing Committee.

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

During the year, Five Audit Committee meetings were held on 24th May, 2011, 13th August, 2011, 12th November, 2011, 14th February, 2012 and 28th March, 2012.

The attendances of Audit Committee Meetings were as follows:

S. No.	Name of the Director	Designation	Audit Committee Meeting attended during 2011-12
1	R. Ramakrishnan	Chairman	5
2	M. Aravind Subramaniam	Member	4
3	Uma Karthikeyan	Member	3
4	R. Anantha Rama Krishnan*	Member	4

* - resigned with effect from 7th March, 2012.

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 and Roles of audit committee:

1. The regulations governing the committee are:

1. The Committee should have a minimum of three directors. Two-thirds of the members of audit committee shall be independent directors. All of them shall be non-executive directors who are financially literate and at least one director shall have financial and accounting knowledge.
2. The Committee shall meet periodically, as it deems fit, and in any case, have at least four

meetings in a financial year of the Company and not more than four months shall elapse between two such meetings.

3. The quorum of the meeting of the committee shall be either two members or one third of the total number of members of the audit committee whichever is higher provided that at least two independent directors shall be present in the meeting
4. The Committee shall invite such executives, as it considers appropriate (and particularly the head of the finance function), but at times it may also meet without the presence of any executives of the company.
5. All regulations pertaining to the meetings of the committees of the board as contained in the Articles of Association of the company in so far as they are not repugnant to the context and meeting of the provisions contained herein, shall mutatis-mutandis, apply to the meetings of this committee.
6. The minutes of the committee meetings shall be placed before the board and shall be noted by the directors.
7. The Company Secretary shall act as the secretary to the committee.

2. Powers of the Audit Committee.

1. To investigate into any matter in relation to the items specified in section 292A of the Companies Act, 1956 or in the reference made to it by the board and for this purpose the committee shall have full access to information contained in the records of the company.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure the attendance of outsiders with relevant expertise, if it considers necessary.

3. Role of Committee

1. Oversight of company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the board the appointment, re-appointment and if required, the removal of the statutory auditor, fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 2. Changes, if any, in accounting policies and practices and reasons for the same
 3. Major accounting entries involving estimates based on the exercise of judgment by management
 4. Significant adjustments made in the financial statements arising out of audit findings
 5. Compliance with listing and other legal requirements relating to financial statements
 6. Disclosure of any related party transactions
 7. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems
8. Reviewing the adequacy of internal audit function, if any, 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.
9. Discussion with internal auditors any significant findings and follow up there on.
10. 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.

11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
15. The recommendations of the audit committee on financial management including the audit report shall be binding on the board. In case the board does not accept the recommendations of the committee it shall record the reasons therefore and communicate such reasons to the shareholders.

4. Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

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 judgment 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.

Remuneration and Compensation Committee:

The Remuneration and Compensation Committee has been constituted to recommend / review the remuneration package of the Managing Director &

Whole-time Director taking into account their qualification, experience, expertise, contribution and the prevailing levels of remuneration in companies of corresponding size and stature.

During the year, the Remuneration & Compensation Committee was not required to meet since the remuneration of the Managing Director and Whole time Director was not revised.

Details of Remuneration paid to Executive Directors during the year :

Name	Salary & Allowance (in Rs.)
Vathsala Ranganathan *	16,50,000
Ganesan Natarajan	44,21,280

* retired with effect from 2nd March, 2012.

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

Details of Sitting fees paid during the year :

Name	Sitting fees (in Rs.)
R. Ramakrishnan	85,000
M. Aravind Subramaniam	85,000
Uma Karthikeyan	20,000
Rajeev Agarwal	0
R. Anantha Rama Krishnan *	90,000
V. Kannan *	30,000

*-resigned with effect from 7th March, 2012

Share Transfer and Investors Grievance Committee

The Company has not received any complaints during the year 2011-12 from shareholders and investors.

During the year, Share Transfer and Investors Grievance Committee meeting held on 24th May, 2011, 13th August, 2011, 24th September, 2011, 12th November, 2011 and 14th February, 2012.

The attendance of Share Transfer and Investors' Grievance Committee meeting were as follows :

S. No.	Name of the Member	Nature of Membership	No.of Meetings attended
1.	R. Anantha Rama Krishnan *	Chairman	5
2.	M. Aravind Subramaniam	Member	4
3.	Uma Karthikeyan	Member	1

*- resigned with effect from 7th March, 2012

ENNORE COKE LIMITED

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 and Investor Grievance Committee.

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
2011	Sri Krishna Gana Sabha, Mini Hall, 20, Maharajapuram Santhanam Road, T. Nagar, Chennai - 600 017,	23-09-2011	10.15 A.M.	Yes
2010	Narada Gana Sabha, Mini Hall, 314, TTK Road, Chennai - 600 018.	24-09-2010	10.15 A.M.	Yes
2009	Narada Gana Sabha, Mini Hall, 314, TTK Road, Chennai - 600 018.	22-09-2009	10.30 A.M.	Yes

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

Date of AGM	Particulars
23.09.2011	Alteration of Article s of Association of the Company to enable participation of the Board of Directors of the Company to attend the Board Meetings through video conferencing as allowed by the Ministry of Corporate Affairs has vide General Circular No. 28 of 2011 dated 20th May, 2011.
24.09.2010	Revision in the remuneration of Mr. G Natarajan - Whole Time Director & CEO of the company with effect from 01st July 2010, pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956.
2.09.2009	<p>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).</p> <p>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 - 700 001 on behalf of M/s. Wellman Coke India Limited.</p> <p>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 variation in remuneration of Mr. G. Natarajan - Whole Time Director & CEO of the company with effect from 01st August 2009.</p>

Postal Ballot during current year (FY 2011-12) :

(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 372 A of the Companies Act, 1956, seeking confirmation/ratification of the shareholders for the Corporate Guarantee issued by the Board of Directors in favour of M/s Axis Bank Ltd, Hong Kong Branch for an amount not exceeding USD 10 Million on behalf of M/s. Iaegeer Minerals Inc. (IMI) USA	24-05-2011	08-08-2011
2.	Special Resolution under Section 372 A of the Companies Act, 1956 seeking confirmation/ratification of the shareholders for the Corporate Guarantee issued by the Board of Directors in favour of M/s State Bank of India, Overseas Branch, Kolkatta for an amount not exceeding Rs. 70 Crores on behalf of M/s. Wellman Coke India Limited.	24-05-2011	08-08-2011

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

(i) Resolution approved on 08.08.2011 :

Particulars	No.of Postal Ballots forms	No.of votes	% of the total votes
Total Postal Ballot forms received	66	10513588	100
Invalid Postal Ballot forms	0	0	0
Postal Ballot forms with assent	63	10503372	99.9028
Postal Ballot forms with dissent		10216	0.0971

The above resolution was carried with requisite majority.

(C) Person who conducted the Postal Ballot Exercise :

At the Board meeting held on 24.05.2011 Mrs. B. Chandra, Practicing Company Secretary, A2 Happy Home Apartment, No 9, 4th Main Road, United India Colony, Kodambakkam, Chennai 600024, was appointed as Scrutinizer for conducting the Postal Ballot.

(D) Procedure adopted for Postal Ballot :

- ◆ Mrs. B. Chandra, Practicing Company Secretary was appointed as Scrutinizer.
- ◆ Postal Ballot forms along with prepaid business reply envelope were posted to the members whose names appeared on the Register of Members/List of Beneficiaries on cut off date.
- ◆ Particulars of all the Postal Ballot forms received from the members were 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 the particulars shareholders who had sent the Postal Ballot forms were confirmed with 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 2010-2011) :

(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 & 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 M/s. Reed Shriram Minerals Inc. (RSMI) USA as mentioned in the Notice dated 15.11.2010	15-11-2010	10-01-2011

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

(i) Resolution approved on 10.01.2011 :

Particulars	No.of Postal Ballots forms	No.of votes	% of the total warrants
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	0,1095%

The above resolution was carried with requisite majority.

C) Person who conducted the Postal Ballot Exercise

At the Board meeting held on 15.11.2010 Mrs. B. Chandra, Practicing Company Secretary, A2 Happy Home Apartment, No 9, 4th Main Road, United India Colony, Kodambakkam, Chennai 600 024, was appointed as scrutinizer for conducting the postal ballot.

(D) Procedure adopted for Postal Ballot :

- ◆ Mrs. B. Chandra, Practicing Company Secretary was appointed as Scrutinizer.
- ◆ Postal Ballot forms along with prepaid business reply envelope were posted to the members whose names appeared on the Register of Members/List of Beneficiaries on cut off date.
- ◆ Particulars of all the Postal Ballot forms received from the members were 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 the particulars shareholders who had sent the Postal Ballot forms were confirmed with 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.

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 Mr. G. Natarajan, Whole time Director is forming part of the report.

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.

Other disclosures

- a) The Company has significant Related Party transactions during the year of material nature with the promoters, directors or the management or their subsidiaries or relatives, etc., potentially conflicting with Company's interest at large. Related Party transactions are disclosed in the notes to Accounts forming part of this Annual Report.
- b) As per Clause 49(V) of the Listing Agreement, the Whole-time 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, 2012 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.
- e) The Company has submitted the compliance report in the prescribed format to the stock exchanges for all the four quarters ended 30th June 2011, 30th September 2011, 31st December 2011 and 31st March 2012. 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, 2012 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.
- f) Details of information on appointment of new / re-appointment of directors.
- g) 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 Seventh Annual General Meeting.

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.

Means of Communication

- a) Un-audited quarterly results are published in the pro-forma prescribed by Stock Exchanges, in English newspapers and Tamil newspapers in Trinity Mirror and Makkal Kural.
- b) As the Company publishes the Audited Annual Results within the stipulated period of 60 days from the close of the financial year as required by the Listing Agreement with Stock Exchanges.
- c) The annual financial results of the Company are also communicated in the prescribed pro-forma to Stock Exchange and also published in the newspapers.
- d) The financials results are displayed on the Company's website www.ennorecoke.com.

Green Initiative

In support of the Green Initiative undertaken by the Ministry of Corporate Affairs, the Company had during the year sent communication to all the shareholders of the Company requesting the shareholders to register their e mail address with the Company for supporting the Go Green Initiative. The Company has not made much progress as not many shareholders have opted for this mode of communication.

As a responsible citizen, your Company strongly urges you to support the Green Initiative by giving positive consent by registering / updating your email addresses with the Depository Participants or the Registrar and Share Transfer Agents for receiving soft copies of various communications including Annual Reports.

General Information for Shareholders:

- | | |
|---|---|
| (i) Registered Office | 3 rd Floor, Egmore Benefit Society Building,
No. 25, Flowers Road, Kilpauk,
Chennai - 600 084 |
| (ii) Date, Time and Venue of the Annual General Meeting | 26 th September, 2012, 10.15 A.M.
Mini Hall, Sri Krishna Gana Sabha
20, Maharajapuram Santhanam Road
T. Nagar, Chennai - 600 017 |
| (iii) Financial year | 1 st April to 31 st March |
| (iv) Results for Quarter ending | Will be published on or before : |
| - June 30, 2012 | : August 14, 2012 |
| - September 30, 2012 | : November 14, 2012 |
| - December 31, 2012 | : February 14, 2013 |
| - March 31, 2013 | : May 30, 2013 |
| (v) Date of Book Closure | : September 26, 2012 |
| (vi) Dividend payment date | : No dividend proposed |
| (vii) Listing on Stock Exchange : | |
| | <ul style="list-style-type: none"> ◆ The Company's Equity shares are listed on the Bombay Stock Exchange Ltd
Scrip Code : 512369
ISIN : INE755H01016 ◆ The Company's Equity shares are traded in Group "B" Category in the Bombay Stock Exchange Ltd ◆ The Company has paid Listing Fees for the year 2012- 2013 to the Bombay Stock Exchange Ltd. |

Market Price Data:

Monthly Share Price (in Rupees)

Month and Year	BSE	
	High	Low
April 2011	73.00	55.10
May 2011	65.00	55.15
June 2011	61.90	52.00
July 2011	62.00	46.50
Aug. 2011	51.80	27.10
Sep. 2011	40.00	27.90
Oct. 2011	36.00	27.30
Nov. 2011	31.65	22.00
Dec. 2011	28.45	21.55
Jan. 2012	37.95	22.10
Feb. 2012	35.90	25.60
Mar. 2012	30.10	21.70

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 - 600 002.
 PH : 044 - 2846 0084 / 0395
 Fax : 044 - 2846 0129
 Email: cameo@cameoindia.com
 www.cameoindia.com
 SEBI Registration Number: INR000003753

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.

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.

Distribution of Shareholding by Size Class as on 31st March 2012

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
10 - 5000	2151	75.3151	347657	3476570	2.2429
5001 - 10000	292	10.2240	246305	2463050	1.5890
10001 - 20000	161	5.6372	247862	2478620	1.5991
20001 - 30000	59	2.0658	146882	1468820	0.9476
30001 - 40000	39	1.3655	140539	1405390	0.9067
40001 - 50000	27	0.9453	130620	1306200	0.8427
50001 - 100000	50	1.7507	361625	3616250	2.3330
100001 - And Above	77	2.6960	13878510	138785100	89.5387
Total :	2856	100.0000	15500000	155000000	100.0000

Pattern of Shareholding as on 31 March, 2012

Category	No. of Shares	% of shareholding
Promoters	10583508	68.28
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	1443551	9.31
Corporate Bodies - 1000 shares & below	20393	0.13
Indian Public - 1000 shares & above	3001079	19.36
Indian Public - 1000 shares & below	449132	2.90
Others	2337	0.02
Total	15500000	100.00

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.

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 2012, about 99.24% of shares were held in dematerialized form.

Non-Mandatory requirements:

- Remuneration committee : Refer point 4 of this report.

WHISTLE BLOWER POLICY

Pursuant to the non mandatory requirements of the Listing Agreement, the Company has established a whistle blower mechanism to provide an avenue to raise concerns. In line with the Company's commitment to the high standards of ethical, moral and legal business conduct and its commitment to open communication, a whistle blower policy is framed. The audit committee is also vested with the power to review functioning of the "Whistle Blower" mechanism.

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 : 22nd May, 2012

G. NATARAJAN
Whole-time Director

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 2012, as envisaged in Clause 49 of the Listing Agreement with Stock Exchange.

Place : Chennai
Date : 13th August, 2012

G. NATARAJAN
Whole-time 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, 2012, 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.

For **Sreedhar, Suresh & Rajagopalan**
Chartered Accountants
Firm Registration No: 003957S

Place : Chennai
Date : 13th August, 2012

S. Subramaniam
Partner
Membership No. 25433

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, 2012, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto (collectively referred as the 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (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. Attention is drawn to:
 - (a) Note 11 of Notes to Financial Statements relating to 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 by the company in January 2009 and subsequent approval of merger of Ennore Power and Coke Private Limited with the company, 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.
 - (b) Note No 26 of Notes to Financial Statements regarding non availability of confirmation of balances relating to certain Trade Receivables, Trade Payables, Loans and Advances, Unsecured Loans payable, Fixed deposit with Banks and Stocks lying with third parties.

5. We report that, 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 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:

Other income for the year ended 31 March 2012 includes net revenue aggregating to Rs.68,23,734/- arising on account of sales and purchases of goods with certain parties where certain information including confirmations were not made available. Had such confirmations and information were made available, these sales and purchases would have been included under the respective heads. However this treatment does not have any impact on the profits of the company.

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, 2012;
- 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 **Sreedhar, Suresh & Rajagopalan**
Chartered Accountants
Firm Registration No: 003957S

S.Subramaniam

Place : Chennai

Partner

Date : May 22, 2012

Membership No. 25433

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, 2012.

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) Verification of inventory (except stock of coke lying with a third party for a sum of Rs.3,16,28,838/- and Stock of Coal at Kandla Port for a sum of Rs 2,21,65,909/-) have been conducted at reasonable intervals by the management.
- (b) The procedures of physical verification of inventory lying at multi locations followed by the management are reasonable but require to be strengthened, considering 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 granted unsecured loans to two companies covered in the register maintained under section 301 of the Act. The maximum amount involved during the year is Rs.6,76,34,521/- and the year-end balance of such loans Rs 69,22,059/-
- (b) In our opinion the unsecured loans were granted without any stipulations with regard to the repayment of principal and interest , we are unable to comment on whether the rate of interest, repayment terms with regard to the principal and the interest are prima facie prejudicial to the interest of the Company.
- (c) In respect of the regularity on the repayment of principal and interest of the above unsecured loans, we are unable to comment as to whether the repayment of principal amount and the payment of interest is as stipulated , as no terms of repayment have been stipulated.
- (d) Reporting on whether the above unsecured loans are overdue does not arise as no terms of repayment have been stipulated.
- (e) The Company has taken a unsecured loan from a company which is covered in the register maintained under section 301 of the Act. The maximum amount outstanding during the year was Rs.1,46,44,06,472/-and year-end balance is Rs 1,31,57,00,059/-.
- (f) In respect of the above loans taken the rate of interest is not prejudicial to the company.
- (g) In respect of the above loans 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 stated earlier.
- (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 did not carry out any internal audit during the year.*
- (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 towards income-tax, sales-tax, service-tax, custom duty, excise duty, cess and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been delays in large number of cases.*
- (b) *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:*
- (xv) In our opinion and according to the information given to us, the terms and conditions on which the Company has given guarantees for loans taken by related parties for a sum of Rs 202,74,65,000/- from banks, are not prima facie prejudicial to the interest of the Company.
- (xvi) In our opinion, the Company has not availed new term loans. Accordingly the provisions of clause 4(xvi) of the Order are not applicable.

Name of the Statute	Nature of dues	Amount in Rs	Period to which it relates	Due Date	Date of payment
West Bengal VAT Act	Works Contract tax	23,08,866/-	2009-10	Various	-
		343,221/- 1,08,252/-	2010-11 2011-12		
Income Tax Act	Tax Deducted at source	1,86,159/-	A.Y 2012-13	Various	-
Income Tax Act	Tax on regular Assessment	1,44,849/-	A.Y 2009-10	19.12.2011	-
	Self Asst Tax	3,87,59,363/-	A.Y 2011-12	30.09.2011	-
	Advance tax Advance Tax	13,46,250/- 26,92,500/-	A.Y 2012-13 A.Y 2012-13	15.06.2011 15.09.2011	- -

- (c) 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.
- (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 **Sreedhar, Suresh & Rajagopalan**
Chartered Accountants
Firm Registration No: 003957S

S. Subramaniam

Place : Chennai
Date : May 22, 2012

Partner
Membership No. 25433

BALANCE SHEET AS AT 31 MARCH 2012

		in Rupees	
	Note No.	As at March 31, 2012	As at March 31, 2011
I. EQUITY AND LIABILITIES			
1) Shareholder's Funds			
a) Share Capital	1	15,50,00,000	15,50,00,000
b) Reserves and Surplus	2	35,39,85,468	33,38,14,789
c) Money received against share warrants		-	-
2) Share application money pending allotment			
		-	-
3) Non-Current Liabilities			
a) Long-term borrowings	3	19,47,31,026	27,24,02,009
b) Deferred tax liabilities (Net)	4	1,79,21,477	97,03,784
c) Other Long term liabilities	5	117,41,16,060	2,76,57,60,576
d) Long term provisions	6	4,05,07,844	34,00,925
4) Current Liabilities			
a) Short-term borrowings	7	158,21,14,821	172,24,57,223
b) Trade payables	8	312,12,67,250	5,06,66,661
c) Other current liabilities	9	12,69,94,587	12,96,50,960
d) Short-term provisions	10	97,81,378	2,78,54,669
		<u>677,64,19,911</u>	<u>547,07,11,596</u>
II. Assets			
1) Non-current assets			
a) Fixed assets			
(i) Tangible assets	11	106,81,35,182	59,02,41,599
(ii) Intangible assets			
(iii) Capital work-in-progress		21,15,207	60,78,06,548
(iv) Intangible assets under development			
b) Non-current investments	12	-	-
c) Deferred tax assets (net)		-	-
d) Long term loans and advances	13	23,10,400	27,55,579
e) Other non-current assets	14	59,01,14,647	201,48,75,151
2) Current assets			
a) Current investments	12	-	-
b) Inventories	15	66,41,28,956	125,71,16,464
c) Trade receivables	16	381,07,92,532	54,43,19,084
d) Cash and cash equivalents	17	26,85,93,984	36,41,28,714
e) Short-term loans and advances	18	28,26,83,666	5,43,35,795
f) Other current assets	19	8,75,45,337	3,51,32,662
		<u>677,64,19,911</u>	<u>547,07,11,596</u>

Significant Accounting Policies
Notes to Financial Statements

1 to 40

As per our report attached
For **Sreedhar, Suresh & Rajagopalan**
Chartered Accountants
Firm Registration No. 003957S
S. SUBRAMANIAM
Partner
M. No. 025433
Place : Chennai
Date : 22.05.2012

Sd/-
Whole-time Director

For and on behalf of the Board of Directors

Sd/-
Director
Sd/-
Company Secretary & CFO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2012

in Rupees

	Note No.	Year ended March 31, 2012	Year ended March 31, 2011
I. Revenue from operations	20	632,74,54,253	658,99,81,550
II. Other Income	21	5,19,29,581	26,97,30,818
III. TOTAL REVENUE (I +II)		637,93,83,834	685,97,12,368
IV. Expenses:			
Cost of materials consumed	22	76,27,57,878	87,50,98,664
Purchase of Stock-in-Trade		469,53,68,933	546,96,84,170
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		15,01,89,620	(39,49,61,826)
Employee benefit expense	23	4,02,38,520	3,83,86,283
Financial costs	24	23,30,41,032	28,60,34,872
Depreciation and amortization expense	11	14,99,63,383	9,46,83,238
Other expenses	25	29,93,09,692	41,65,69,099
Total Expenses		633,08,69,058	678,54,94,500
V. Profit before exceptional and extraordinary items and tax		4,85,14,776	7,42,17,868
VI. Exceptional Items			
- Prior Period Expenses		1,10,550	-
VII. Profit before extraordinary items and tax (V - VI)		4,84,04,226	7,42,17,868
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		4,84,04,226	7,42,17,868
X. Tax expense:			
1) Current tax		89,80,000	2,67,86,164
2) Income Tax - Earlier Years (Net)		1,10,35,853	-
3) Deferred tax		82,17,693	(10,73,000)
XI. Profit/ (Loss) for the period from continuing operations		2,01,70,680	4,85,04,704
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		2,01,70,680	4,85,04,704
XVI. Earning per equity share:			
1) Basic		1.30	3.13
2) Diluted		1.30	3.13

Significant Accounting Policies
Notes on Financial Statements

1 to 40

As per our report attached
For **Sreedhar, Suresh & Rajagopalan**
Chartered Accountants
Firm Registration No. 003957S
S. SUBRAMANIAM
Partner
M. No. 025433
Place : Chennai
Date : 22.05.2012

Sd/-
Whole-time Director

For and on behalf of the Board of Directors

Sd/-
Director

Sd/-
Company Secretary & CFO

NOTES TO THE ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

General information

- a) The revised Schedule VI has been notified under the Companies Act 1956 and has become applicable to the company for the year ended March 31, 2012 for preparation and presentation of the financial statements. Accordingly, the financial statements have been prepared and presented as per the revised Schedule VI. The figures of previous year also have been re-classified and regrouped wherever considered necessary to confirm with the figures in accordance with the requirements applicable for the current year
- b) All amounts in the financial statements are presented in rupees, except as otherwise stated.

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 commenced the commercial production of Metallurgical Coke during 2009-2010. In the month of August 2011, the company commissioned a Co-Generation power plant of 12MW capacity at Haldia. The Company shares were acquired by Haldia Coke and Chemicals Private Limited in 2010-11 and presently its shareholding is 60.86%. Consequent to the above Ennore Coke Limited is a subsidiary company of Haldia Coke and Chemicals Private Limited.

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 on-going 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.

e) Revenue recognition

Revenues comprise of income from sale of manufactured, traded goods and power. Revenue

NOTES TO THE ACCOUNTS (Contd.)**SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

from sale of manufactured and traded goods is recognized at the point of despatch 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. Revenue from sale of power is recognised on the basis of actual power sold and billed as per the terms of power purchase agreement entered into with the State Electricity Board.

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

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.

In case of items, which are covered by forward exchange contracts, the difference between the year-end rate and the rate on the date of the contract is accounted for as income/expense over the life of the contract. Profit or loss on cancellation of forward contracts is recognised as income/expense in the Statement of Profit and Loss of the year, in which they are cancelled. 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 Compensated absences.

- **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 performed by an independent actuary using the 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

NOTES TO THE ACCOUNTS (Contd.)**SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. SHARE CAPITAL

PARTICULARS	31-Mar-12	31-Mar-11
Authorised		
1,60,00,000 Equity Shares of Rs.10/- each		
(Previous year 1,60,00,000 Equity Shares of Rs.10/- each)	16,00,00,000	16,00,00,000
Issued, Subscribed and Fully Paid-up		
1,55,00,000 Equity Shares of Rs.10/- each	15,50,00,000	15,50,00,000
(Previous year 1,55,00,000 Equity Shares of Rs.10/- each)		
	15,50,00,000	15,50,00,000

A) DETAILS OF SHAREHOLDING MORE THAN 5% SHARES IN THE COMPANY

Equity Shares of Rs.10/- Each

PARTICULARS	31-MAR-12		31-MAR-11	
	NO OF SHARES	% OF HOLDING	NO OF SHARES	% OF HOLDING
Haldia Coke & Chemicals Private Ltd.	94,34,000	60.86%	94,34,000	60.86%

B) TERMS/RIGHTS ATTACHED TO EQUITY SHARES

The company is presently having one class of equity shares having a par value of Rs. 10/- per share. Every Equity shareholder is entitled to one vote per share.

In the event of winding up of the company, the Equity Shareholders will be entitled to receive the assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

C) EMPLOYEES STOCK OPTION SCHEME

In the Annual General Meeting held on September 15, 2008, the Company had obtained the assent of the shareholders 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.

2. RESERVES AND SURPLUS

PARTICULARS	31-Mar-12	31-Mar-11
Capital Reserve	6,54,85,898	6,54,85,898
Securities Premium	12,63,49,737	12,63,49,737
Profit and Loss account		
Opening Balance	14,19,79,154	9,34,74,450
Add: Profit for the year	2,01,70,680	4,85,04,704
Closing Balance	16,21,49,833	14,19,79,154
Total	35,39,85,468	33,38,14,789

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

3. LONG TERM BORROWINGS

PARTICULARS	31-Mar-12	31-Mar-11
Secured		
Loan From Banks		
- Term Loans	17,01,37,717	26,96,04,337
- Accrued Interest and Due	31,35,050	27,97,672
Unsecured		
Loan From Others		
- Loan From Related Party	2,14,58,259	
Total	19,47,31,026	27,24,02,009

Term Loans 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 charge on entire fixed assets of the company, both present and future, at the Alichak, Haldia on paripassu basis between consortium banks.
- ii. Extension of First charge on entire current assets of the company, both present and future, on paripassu basis between consortium banks.
- iii. Unconditional irrevocable personal guarantee given by Mrs. Vathsala Ranganathan, former Managing Director and Mr. Ganesan Natarajan, Whole Time Director and Corporate guarantee given by Haldia Coke & Chemicals Pvt Ltd, the holding company

4. DEFERRED TAX LIABILITY (NET)

PARTICULARS	31-Mar-12	31-Mar-11
Difference between book value and tax written down value of fixed assets	(1,87,01,576)	(1,06,73,430)
Provisions	7,80,099	9,69,646
Deferred Tax Liability (Net)	(1,79,21,477)	(97,03,784)

5. OTHER LONG TERM LIABILITIES

PARTICULARS	31-Mar-12	31-Mar-11
Trade Payables	59,79,18,224	200,19,91,120
Due to Related Party	57,60,68,412	76,21,55,298
Other Payables	1,29,424	16,14,158
Total	117,41,16,060	276,57,60,576

NOTES TO THE FINANCIAL STATEMENTS (Contd.)**6. LONG TERM PROVISIONS**

PARTICULARS	31-Mar-12	31-Mar-11
Provision for Taxes	3,89,04,849	15,50,347
Provision for Employees benefits - Gratuity	16,02,995	18,50,578
Total	4,05,07,844	34,00,925

7. SHORT TERM BORROWINGS

PARTICULARS	31-Mar-12	31-Mar-11
Secured		
Loan from Banks	7,60,07,036	10,43,30,576
Loan from Others	14,20,282	50,93,601
Unsecured		
Loan from Related Party	129,42,41,800	102,01,43,423
Loan from Others	21,04,45,703	59,28,89,623
Total	158,21,14,821	172,24,57,223

7. A) 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 -
- First charge on entire current assets of the company, both present and future, on paripassu basis between consortium banks.
 - Extension of first charge on entire fixed assets of the company, both present and future, at the Alichak, Haldia on paripassu basis between consortium banks.
 - Unconditional irrevocable personal guarantee given by Mrs. Vathsala Ranganathan, former Managing Director and Mr. Ganesan Natarajan, Whole Time Director and Corporate guarantee given by Haldia Coke & Chemicals Pvt Ltd, the holding company
7. B) Loan from others is secured by first charge on the specific equipment financed to the Company.

8. TRADE PAYABLES

PARTICULARS	31-Mar-12	31-Mar-11
Dues to Related Parties	160,93,12,997	-
Dues to Micro, Small and Medium Enterprises*	-	-
Others	151,19,54,253	5,06,66,661
Total	312,12,67,250	5,06,66,661

* Based on the information available with the management, there are no amounts due to Micro, Small and Medium Enterprises, which has been relied upon by the auditors.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

9. OTHER CURRENT LIABILITIES

PARTICULARS	31-Mar-12	31-Mar-11
Current Maturities of Long Term Debt	9,81,00,000	9,81,00,000
Advance Received From Customers	1,06,16,142	51,000
Other Payables - Expenses	26,27,477	1,79,82,206
Other Payables - Taxes	1,27,26,485	1,05,86,057
Other Payables	29,24,483	29,31,697
Total	12,69,94,587	12,96,50,960

10. SHORT TERM PROVISIONS

PARTICULARS	31-Mar-12	31-Mar-11
Provision for Employees Benefits	8,01,378	10,68,505
Provision for Taxes	89,80,000	2,67,86,164
Total	97,81,378	2,78,54,669

12. CURRENT AND NON-CURRENT INVESTMENTS

PARTICULARS	31-Mar-12	31-Mar-11
12. A. NON-CURRENT INVESTMENTS	-	-
12.B.CURRENT INVESTMENTS	-	-

13. LONG-TERM LOANS AND ADVANCES

PARTICULARS	31-Mar-12	31-Mar-11
Unsecured, considered good		
Rental Advance	13,10,400	9,95,400
Other Long-term Loans & advances	10,00,000	17,60,179
Total	23,10,400	27,55,579

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

11 Tangible Assets

in Rupees

Description	Gross block - at cost			Depreciation / Amortisation				Net Block		
	As at April 1, 2011	Additions	Disposal	As at March 31, 2012	Upto April 1, 2011	For the year	On disposal	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
Leasehold land	2,46,37,289			2,46,37,289	5,76,290	2,93,260		8,69,550	2,37,67,739	2,40,60,999
Leasehold improvements	15,58,528			15,58,528	10,17,728	1,82,693		12,00,421	3,58,107	5,40,800
Building	3,25,86,653	49,34,803		3,75,21,456	40,57,494	32,96,805		73,54,299	3,01,67,157	2,85,29,159
Plant and machinery	66,20,77,491	62,21,71,865		128,42,49,356	13,55,57,791	14,38,15,990		27,93,73,781	100,48,75,575	52,65,19,700
Furniture and fixtures	18,61,812	2,65,098		21,26,910	6,88,884	2,83,971		9,72,855	11,54,055	11,72,928
Office equipment	77,15,637	3,98,937		81,14,574	19,74,322	8,42,121		28,16,443	52,98,131	57,41,315
Computer and accessories	30,61,963	1,24,783	68,952	31,17,794	16,37,147	6,02,582	30,432	22,09,297	9,08,497	14,24,816
Vehicles	41,07,582			41,07,582	18,55,700	6,45,961		25,01,661	16,05,921	22,51,882
Total	73,76,06,955	62,78,95,486	68,952	136,54,33,489	14,73,65,356	14,99,63,383	30,432	29,72,98,307	106,81,35,182	59,02,41,599
Capital work-in-progress									21,15,207	60,78,06,548
Previous year	72,02,07,921	1,74,28,154	29,120	73,76,06,955	5,26,91,064	9,46,83,238	8,946	14,73,65,356	119,80,48,147	126,34,81,544

• Plant & Machinery includes Power Plant at Haldia capitalised during the year.

• Gross block of the Company includes Leasehold land of Rs 2,46,37,289 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.

• Depreciation on leasehold land represents amortisation of leasehold premium over the lease period. It includes prior period amount of Rs. 3,410/- relating to earlier year.

• Opening Depreciation reserve figures for certain items of fixed assets have been re-grouped, wherever necessary.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

14. OTHER NON-CURRENT ASSETS

PARTICULARS	31-Mar-12	31-Mar-11
Unsecured, considered good		
Long Term Trade Receivables	55,65,26,496	1,97,86,74,576
Security Deposits	83,48,588	1,03,59,249
Other Advances	2,52,39,563	2,58,41,326
Total	59,01,14,647	2,01,48,75,151

15. INVENTORIES

PARTICULARS	31-Mar-12	31-Mar-11
Raw Materials and Traded Goods*	2,36,83,271	45,99,97,479
Finished Goods*	64,04,45,685	79,06,35,305
Work-in-progress	-	64,83,680
Total	66,41,28,956	1,25,71,16,464

* Includes Materials-in-transit of Rs. 35,77,211/- (Previous year Rs. 4,55,13,581)

16. TRADE RECEIVABLES

PARTICULARS	31-Mar-12	31-Mar-11
Unsecured, considered good		
- Receivables over Six Months *	96,17,28,942	6,28,69,458
- Other Receivables@	284,90,63,590	48,14,49,626
Total	381,07,92,532	54,43,19,084

* Includes dues from Related party Rs. 29,58,86,162/- (Previous year - Nil)

@ Includes dues from Related Party Rs.30,41,52,555/- (Previous year - Rs. 30,46,37,500/-)

17. CASH AND CASH EQUIVALENTS

PARTICULARS	31-Mar-12	31-Mar-11
Cash-in-Hand	1,74,471	2,37,715
Balance with Banks		
- On Current A/c	1,31,29,450	18,81,99,856
- On Deposit A/c	4,43,85,895	4,49,80,864
- Margin Money	21,09,04,168	13,07,10,279
Total	26,85,93,984	36,41,28,714

NOTES TO THE FINANCIAL STATEMENTS (Contd.)**18. SHORT TERM LOANS AND ADVANCES**

PARTICULARS	31-Mar-12	31-Mar-11
Unsecured, considered good		
Loans and Advances to Employees	10,10,772	9,84,425
Loans and Advances to Related Party	69,22,059	5,33,51,370
Loans and Advances to Others	27,47,50,835	-
Total	28,26,83,666	5,43,35,795

19. OTHER CURRENT ASSETS

PARTICULARS	31-Mar-12	31-Mar-11
Other Current Assets	1,64,24,933	99,45,701
Deposits/ Balances with Government Authorities	7,11,20,404	2,51,86,961
Total	8,75,45,337	3,51,32,662

20. REVENUE FROM OPERATIONS

PARTICULARS	31-Mar-12	31-Mar-11
Sale of products-Coal	298,71,71,711	139,50,36,673
Sale of products-Coke	334,73,28,507	519,52,82,623
Sale of power Less rebate	34,23,697	-
Total	633,79,23,915	659,03,19,296
Less: Excise Duty	1,04,69,662	3,37,746
Net Sales	632,74,54,253	658,99,81,550

21. OTHER INCOME

PARTICULARS	31-Mar-12	31-Mar-11
Interest Income	3,99,23,629	4,90,33,176
Gain on Foreign exchange / Forward contract	-	1,54,05,479
Agency Income	68,23,734	12,93,45,310
Profit on Sale of Fixed Assets	15,533	-
Insurance Claims received	49,75,000	-
Provisions written back	3,57,165	-
Others	63,800	50,33,496
Sundry balances written off	(1,37,17,347)	-
Sundry balances written back	1,34,88,067	-
Commission Received	-	7,09,13,357
Total	5,19,29,581	26,97,30,818

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

22. COST OF MATERIALS CONSUMED/ PURCHASE OF TRADED GOODS/ CHANGES IN FINISHED GOODS

PARTICULARS	31-Mar-12	31-Mar-11
Raw Material & WIP		
Opening Stock	46,64,81,159	19,66,07,893
Add: Purchases	31,99,59,990	114,49,71,930
Less: Closing Stock	2,36,83,271	46,64,81,159
Consumption	76,27,57,878	87,50,98,664
Traded Goods		
Purchases	475,65,18,369	546,96,84,170
Less: Trade Discount	6,11,49,436	
Purchase of Traded Goods	469,53,68,933	546,96,84,170
(Increase)/ Decrease in Finished Goods		
Opening Stock - Finished Goods	79,06,35,305	39,56,73,479
Less: Closing Stock - Finished Goods	64,04,45,685	79,06,35,305
(Increase)/ Decrease in Finished Goods	15,01,89,620	(39,49,61,826)

23. EMPLOYEE BENEFIT EXPENSES

PARTICULARS	31-Mar-12	31-Mar-11
Salary, Gratuity and Leave Encashment	3,80,33,407	3,60,59,376
Contribution to Provident Fund	19,88,743	21,42,413
Administration & Other Charges	2,16,370	1,84,494
Total	4,02,38,520	3,83,86,283

24. FINANCE COSTS

PARTICULARS	31-Mar-12	31-Mar-11
Interest on Term Loans	5,01,49,381	5,64,54,912
Interest on Cash Credit	1,99,27,090	1,76,96,549
Interest to Banks - Others	24,65,538	47,86,372
Interest to Others	6,16,52,218	5,67,12,226
Finance Charges	9,88,46,805	15,03,84,813
Total	23,30,41,032	28,60,34,872

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

25. OTHER EXPENSES

PARTICULARS	31-Mar-12	31-Mar-11
Manufacturing Expenses		
Freight and Forwarding Charges	3,61,40,663	11,09,72,561
Conversion Charges	-	4,96,91,296
Contract Services	1,58,92,226	2,10,83,355
Power & Fuel	10,67,412	15,01,865
Repairs & Maintenance	1,37,68,535	2,28,76,362
Other Manufacturing Expenses	3,21,37,205	5,23,61,059
Sub-total	9,90,06,041	25,84,86,498
Administrative Expenses		
Rent	5,88,94,708	76,17,449
Rates & Taxes	19,10,894	1,44,61,642
Insurance	50,32,680	82,56,204
Electricity Charges	56,54,821	46,68,909
Advertisement Expenses	7,29,050	60,20,818
Travelling & Conveyance	1,64,01,985	2,36,78,464
Repairs & Maintenance	15,60,398	17,13,593
Printing & Stationery	4,81,533	8,10,444
Postage & Courier	1,21,857	4,32,146
Communication Expenses	14,18,774	20,13,549
Audit Fees & Expenses	24,87,720	21,64,282
Legal and Professional Charges	1 30 93 234	1,21,54,011
Bad Debts written off	3,91,70,387	97,14,919
Loss on Sale of Fixed Asset	4,053	19,174
Loss on Foreign Exchange	3,21,51,078	-
Other Administrative Expenses	2,11,90,479	6,43,56,997
Sub-total	20 03 03 651	15,80,82,601
Total	29,93,09,692	41,65,69,099

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

26. CONFIRMATION OF BALANCES

The Company has not obtained confirmation of balances in respect of

- a) Fixed Deposit with State Bank of India, Kolkata amounting to **Rs. 2,46,00,000/-**
- b) Trade Receivables amounting to **Rs. 216,68,83,545/-**
- c) Loans & Advances amounting to **Rs. 9 46 77 886 /-**
- d) Trade Payables amounting to **Rs. 210,98,72,477/-**
- e) Unsecured Loans payable amounting to **Rs. 4,18,65,985/-**
- f) Stock lying with third party sent for conversion—**Rs 3,16,28, 838/-**

Pending receipt of confirmation and reconciliation of balances, no adjustments have been carried out to the carrying values of the above amounts for the year ended 31 March 2012. In the opinion of the Management, the amounts stated in the Balance Sheet are fully realisable/ payable.

27. TAXATION

- a) Provision for Income Tax of Rs. 89,80,000/- made for the year represents Minimum Alternate Tax payable under the provisions of Section 115 JB of the Income Tax Act.
- b) Income Tax return for the previous financial year ended 31 March 2011 has not been filed as on 31 March 2012. The tax due and the interest payable u/s 234 A/234 B/234 C has been provided upto 31 March 2012.
- c) Provision for Tax – Earlier years (Net)

31.03.2009 -	Rs	1,44,849/-
31.03.2011 -	Rs	1,19,73,836/-
Less : reversal of excess provision	Rs	10,82,832/-
Balance	Rs	1,10,35,853/-

in Rupees

	As at	As at
	March 31, 2012	March 31, 2011

28. CONTINGENT LIABILITIES

1. a. Guarantees issued by the Company on behalf of the related parties	202,74,65,000	1,17,81,816
b. Guarantees issued by the Company on behalf of others	21,15,684	21,15,684
2. Letters of Credit issued by Banks and outstanding	4,99,40,800	—
3. Excise duty payable for export of Coke cleared under Bond	1,35,08,244	—
4. Penalty notice issued by Income Tax Department and contested – A.Y. 2009-10	Not quantifiable	—
5. Demand Notice issued for payment of Tax deducted at source	30,97,952	—

29. COMMITMENTS

Estimated amount of contracts remaining to be executed on capital and not provided for	—	—
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NOTES TO THE FINANCIAL STATEMENTS (Contd.)

in Rupees

	As at March 31, 2012	As at March 31, 2011
30. PAYMENT TO AUDITOR		
Statutory Audit	10,00,000	11,40,000
Certification and Other Services	13,57,035	4,10,000
Total	<u>23,57,035</u>	<u>15,50,000</u>
31. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)		
Travelling Expenses	42,30,831	18,05,890
32. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)		
Export Sale	1,36,21,405	142,54,60,133
33. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF:		
Raw materials	-	27,27,20,617
Traded Goods	35,20,54,177	74,94,69,105

	As at March 31, 2012	As at March 31, 2011
34. VALUE OF RAW MATERIALS (COAL) CONSUMED DURING THE YEAR:		
Imported	-	14,09,32,076
Indigenous	75,62,74,198	74,06,50,268
Total	<u>75,62,74,198</u>	<u>88,15,82,344</u>

35. 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 11 of Notes to Financial Statements which is non-cancellable lease.

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods as at March 31, 2012

	As at March 31, 2012	As at March 31, 2011
Not Later than one year	58,629	55,837
Later than one year not later than five years	2,65,334	2,52,699
Later than five years	6,91,42,522	6,92,13,787

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

in Rupees

	As at March 31, 2012	As at March 31, 2011
36. GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS		
For determining the gratuity/leave encashment liability of the Company, the following actuarial assumptions were used:		
Discount Rate	8.50%	8.25%
Salary escalation rate	6.00%	6.00%
Attrition rate	2.00%	2.00%
Expected rate of return on Plan Assets	Unfunded	Unfunded
Gratuity		
Changes in the present value of the obligation (PVO) – Reconciliation of opening and closing balances:		
PVO as at the beginning of the period	13,56,781	6,91,880
Interest Cost	1,15,326	57,080
Current service cost	4,54,879	5,84,369
Past service cost - (non-vested benefits)	–	–
Past service cost - (vested benefits)	–	–
Benefits paid	(25,702)	–
Actuarial loss/(gain) on obligation	(6,84,087)	23,452
PVO as at the end of the period	12,17,197	13,56,781
Actuarial gain / loss recognised		
Actuarial gain / (loss) for the period - Obligation	(6,84,087)	23,452
Actuarial gain / (loss) for the period- Plan Assets	–	–
Total (gain) / loss for the period	(6,84,087)	23,452
Actuarial (gain) / loss recognized in the period	(6,84,087)	23,452
Unrecognized actuarial (gain) / loss at the end of the year	(6,84,087)	23,452
Amounts recognized in the Balance Sheet and related analysis		
Present value of the obligation	12,17,197	13,56,781
Fair value of plan assets	–	–
Difference	12,17,197	13,56,781
Liability recognized in the balance sheet	12,17,197	13,56,781
Expenses recognized in the statement of profit and loss:		
Current service cost	4,54,879	5,84,369
Interest Cost	1,15,326	57,080
Expected return on plan assets	–	–
Net actuarial (gain)/loss recognised in the year	(6,84,087)	23,452
Past service cost - non-vested benefits	–	–
Past service cost - vested benefits	–	–
Expenses recognized in the statement of profit and loss	(1,13,882)	6,64,901

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

in Rupees

	As at March 31, 2012	As at March 31, 2011
36. GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS (Contd.)		
Movements in the liability recognized in the Balance sheet		
Opening net liability	13,56,781	6,91,880
Expense as above	(1,13,882)	6,64,901
Contribution paid	(25,702)	-
Closing net liability	12,17,197	13,56,781
Amount for the current period		
Present Value of obligation	12,17,197	13,56,781
Plan Assets	-	-
Surplus (Deficit)	(12,17,197)	(13,56,781)
Experience adjustments on plan liabilities -(loss)/gain	(6,84,087)	23,452
Experience adjustments on plan assets -(loss)/gain	-	-
37. EARNINGS PER SHARE		
Net Profit after Taxes (Rs.)	2,01,70,680	4,85,04,704
Nominal Value Per Share (Rs.)	10	10
Weighted Average Number of Equity Shares	1,55,00,000	1,55,00,000
Earnings per Share - Basic and Diluted (Rs.)	1.30	3.13
38. RELATED PARTY DISCLOSURES		
1. Holding Company	Haldia Coke and Chemicals Private Limited	
2. Key Managerial Personnel	1. Mrs. Vathsala Ranganathan (Managing Director) (Up to March 02, 2012) 2. Mr. Ganesan Natarajan (Whole Time Director)	
3. Fellow Subsidiaries	Wellman Coke India Limited Tiger American Minerals Inc., USA (formerly Reed Shriram Minerals Inc., USA) laeger Minerals Inc., USA (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 Letwind Limited Shriram SEPL Composites Limited Blackstone Group Technologies Private Limited Leitner Shriram Manufacturing Limited Orient Green Power Company Limited Chem Projects Consulting Private Limited Blackgold Chemicals Private Limited Premier Energy and Infrastructure Limited Theta Management Consultancy Private Ltd EMAS Engineers & Contractors Private Limited.	

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

5. Transactions with Related Parties

	Holding Company		Fellow Subsidiaries		Parties referred in note 38(2) & (4) above	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Sale of goods	-	-	43,86,17,393	11,51,20,798	-	-
Purchase of goods	376,93,97,703	107,53,30,626	4,44,29,700	33,67,44,501	-	114,24,10,742
Loans received	120,85,07,771	121,08,55,450	-	-	7,18,96,165	-
Loans repaid	96,86,10,965	18,95,00,000	-	-	2,20,00,000	34,50,74,341
Expense reimbursed to	-	16,45,424	5,000	-	-	10,27,831
Expense reimbursed by	1,72,835	-	7,45,997	-	27,68,758	32,72,106
Interest paid	6,16,52,218	5,23,97,046	-	-	-	7,71 09 074
Interest Received	-	-	-	-	34,66,854	-
Capital - Contract (Billing)	-	-	-	-	2,11,21,228	-
Remuneration	-	-	-	-	65,34,720	63,04,120
Guarantee issued	-	-	66,15,65,000	66,97,50,000	-	-
Guarantee Extinguished	-	-	(2,38,50,000)	-	-	-
Balance outstanding as at the year-end date						
Unsecured loans Received	131,57,00,059	101,91,43,423	-	-	-	-
Loans & Advances made	-	-	-	-	69,22,059	-
Sundry debtors	-	-	60,00,38,717	30,46,37,500	-	-
Sundry creditors	144,27,95,396	120,06,05,351	16,65,17,601	15,68,06,144	57,60,68,412	76,21,55,298
Guarantees given and Outstanding	-	-	202,74,65,000	138,97,50,000	-	-

Details of Material Related Party Transactions

Particulars	Relationship	As at 31-12-2012	As at 31-12-2011
TRANSACTIONS DURING THE YEAR			
Sale of Goods			
Wellman Coke (India) Limited	Fellow Subsidiary	43,86,17,393	11,51,20,798
Purchase of Goods			
Haldia Coke and Chemicals Pvt Ltd	Holding Company	376,93,97,703	107,53,30,626
Wellman Coke (India) Limited	Fellow Subsidiary	4,44,29,700	33,67,44,501
Shriram EPC Limited	Key Managerial Personnel	-	114,24,10,742
Loans Received			
Haldia Coke and Chemicals Pvt Ltd	Holding Company	120,85,07,771	121,08,55,450
EMAS Engineers & Contracts Pvt Ltd	Key Managerial Personnel	4,80,00,000	-
Premier Energy and Infrastructure Ltd	Key Managerial Personnel	1,88,96,165	-
Shriram Auto Finance	Key Managerial Personnel	50,00,000	-

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

in Rupees

Particulars	Relationship	As at 31-12-2012	As at 31-12-2011
Loans Repaid			
Haldia Coke and Chemicals Pvt Ltd	Holding Company	96,86,10,965	18,95,00,000
EMAS Engineers & Contracts Pvt Ltd	Key Managerial Personnel	1,70,00,000	–
Shriram Auto Finance	Key Managerial Personnel	50,00,000	–
Shriram Letwind Limited	Key Managerial Personnel	–	6,25,00,000
Shriram EPC Limited	Key Managerial Personnel	–	28,25,74,341
Expenses Reimbursed to			
Haldia Coke and Chemicals Pvt Ltd	Holding Company	–	16,45,424
Wellman Coke (India) Limited	Fellow Subsidiary	5,000	–
Shriram EPC Limited	Key Managerial Personnel	–	10,27,831
Expenses Reimbursed by			
Haldia Coke and Chemicals Pvt Ltd	Holding Company	1,72,835	–
Wellman Coke (India) Limited	Fellow Subsidiary	7,45,997	–
Shriram EPC Limited	Key Managerial Personnel	27,68,758	32,72,106
Interest Paid			
Haldia Coke and Chemicals Pvt Ltd	Holding Company	6,16,52,218	5,23,97,046
Shriram Letwind Limited	Key Managerial Personnel	–	43,15,180
Shriram EPC Limited	Key Managerial Personnel	–	7,27,93,894
Interest Received			
EMAS Engineers & Contracts Pvt Ltd	Key Managerial Personnel	34,66,854	–
Capital - Contract			
Shriram EPC Limited	Key Managerial Personnel	2,11,21,228	–
Remuneration			
Ganesan Natarajan	Key Managerial Personnel	47,39,520	43,45,720
Vathsala Ranganathan	Key Managerial Personnel	17,95,200	19,58,400
Guarantees Issued			
Wellman Coke (India) Limited	Fellow Subsidiary	15,00,00,000	66,97,50,000
laeger Minerals Inc, USA	Fellow Subsidiary	51,15,65,000	–
Guarantees Extinguished			
Wellman Coke (India) Limited	Fellow Subsidiary	(2,38,50,000)	–
BALANCES OUTSTANDING AT THE YEAR END			
Unsecured Loans			
Haldia Coke and Chemicals Pvt Ltd	Holding Company	131,57,00,059	101,91,43,423

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

in Rupees

Particulars	Relationship	As at 31-12-2012	As at 31-12-2011
Loans & Advances			
EMAS Engineers & Contracts Pvt Ltd	Key Managerial Personnel	69,22,059	–
Sundry Debtors			
Wellman Coke (India) Limited	Fellow Subsidiary	60,00,38,717	30,46,37,500
Sundry Creditors			
Haldia Coke and Chemicals Pvt Ltd	Holding Company	144,27,95,396	120,06,05,351
Wellman Coke (India) Limited	Fellow Subsidiary	16,65,17,601	15,68,06,144
Shriram EPC Limited	Key Managerial Personnel	57,60,68,412	76,21,55,298
Guarantees Outstanding			
Wellman Coke (India) Limited	Fellow Subsidiary	151,59,00,000	138,97,50,000
laeger Minerals Inc, USA	Fellow Subsidiary	51,15,65,000	–
6. Debts due from the same Management			
Wellman Coke India Limited		60,00,38,717	30,46,37,500

39. 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:

Name of the Company	Maximum Amount due	Outstanding as on 31 March 2012
Emas Engineers & Contractors Private Ltd	4,87,38,356	69,22,059
Premier Energy & Infrastructure Ltd	1,88,96,165	Nil

- Investments by Loan in the shares of the Company as on 31 March 2011: Nil.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)**40. SEGMENT REPORTING**

The Company is engaged in the business of manufacturing and trading of coke/coal and generation of power, which as per Accounting Standard 17 on "Segment Reporting" are considered to be different reportable business segment.

The Company is operating in India which is considered as a single geographical segment.

PARTICULARS	COKE	POWER	OTHERS	TOTAL
REVENUE				
External Sales	633,08,92,587	34,23,697	4,50,67,550	637,93,83,834
Inter segment Sales	—	—	—	—
TOTAL REVENUE	633,08,92,587	34,23,697	4,50,67,550	637,93,83,834
RESULTS				
Segment Results	37,06,72,858	(6,51,90,938)	(2,40,36,661)	28,14,45,259
Interest & Finance Charges	9,48,94,431	3,47,04,426	10,34,42,175	23,30,41,032
TOTAL PROFIT BEFORE TAX				4,84,04,226
Income Taxes				2,82,33,546
TOTAL PROFIT AFTER TAX				2,01,70,680
CAPITAL EMPLOYED				
Segment Assets	712,99,09,216	55,22,88,275	35,13,38,884	803,35,36,375
Segment Liabilities	(649,91,04,448)	(17,47,86,266)	(8,23,58,516)	(675,62,49,230)
TOTAL CAPITAL EMPLOYED	63,08,04,777	37,75,02,009	26,89,80,368	127,72,87,145

As per our report attached
For **Sreedhar, Suresh & Rajagopalan**
Chartered Accountants
Firm Registration No. 003957S
S. SUBRAMANIAM
Partner
M. No. 025433
Place : Chennai
Date : 22.05.2012

Sd/-
Whole-time Director

For and on behalf of the Board of Directors

Sd/-
Director
Sd/-
Company Secretary & CFO

Cash Flow Statement for the year ended 31 March 2012

in Rupees

	Year ended 31st March 2012	Year ended 31st March 2011
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	4,84,04,226	7,42,17,868
Profit before tax from discontinuing operations		
Profit before tax	4,84,04,226	7,42,17,868
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ Amortisation	14,99,63,383	9,46,83,238
Interest Expense	15,06,28,095	16,98,43,361
Loss on Sale of Asset	4,053	19,174
Provision for Gratuity and Leave encashment	(1,53,388)	17,33,406
Profit on Sale of Fixed Asset	(15,533)	
Liabilities no longer required written back	(2,03,777)	
Sundry Balances Written Back	(8,53,552)	
Interest Income	(3,99,23,629)	(4,90,33,176)
Bad Debts	3,91,70,388	97,14,919
Operating Profit before working capital changes	34,70,20,265	30,11,78,789
Movements in working capital:		
Increase/ (Decrease) in Trade Payables	307,14,54,141	276,11,92,581
Increase/ (Decrease) in Long Term Provisions	3,72,46,503	
Increase/ (Decrease) in Short Term Provisions	(3,77,14,018)	
Increase/ (Decrease) in Other Current Liabilities	(26,56,373)	
Increase/ (Decrease) in Other Long term Liabilities	(159,16,44,518)	
Decrease/ (Increase) in Trade Receivables	(330,56,44,490)	(332,10,23,137)
Decrease/ (Increase) in Inventories	59,29,87,508	(66,48,35,092)
Decrease/ (Increase) in Long Term Loans & Advances	4,45,179	(5,14,41,832)
Decrease/ (Increase) in Short Term Loans & Advances	(22,83,47,871)	
Decrease/ (Increase) in Other Current Assets	(5,20,56,404)	
Decrease/ (Increase) in Other non-Current Assets	142,47,60,504	
Cash Generated from/ (used in) operations	25,58,50,426	(97,49,28,691)
Direct Taxes Paid (Net of Refunds)	(16,11,346)	(4,47,00,616)
Net Cash Flow From/ (Used in) operating Activities (A)	25,42,39,080	(101,96,29,307)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including intangible assets, CWIP and	(2,21,35,193)	(2,92,70,015)
Proceeds from sale of fixed assets	50,000	1,000
Margin Money Deposit	(7,88,07,761)	17,38,06,471
Interest Received	3,99,23,629	4,54,75,162
Net Cash Flow From/ (Used in) Investing Activities (B)	(6,09,69,325)	19,00,12,618
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayments) from Long-term borrowings	(7,80,08,361)	(12,27,95,663)
Proceeds/ (Repayments) from short-term borrowings	(14,03,42,401)	118,63,93,622
Interest Paid	(14,92,61,475)	(17,70,48,073)
Net Cash Flow From/ (Used in) Financing Activities (C)	(36,76,12,238)	88,65,49,886
Net Increase/ (decrease) in cash and cash equivalents (A+B+C)	(17,43,42,482)	5,69,33,197
Cash and Cash equivalents at the beginning of the year	19,13,18,427	13,43,85,230
Cash and Cash equivalents at the end of the year	1,69,75,945	19,13,18,427
NOTE:		
Cash and Cash equivalents as per Balance Sheet	26,85,93,984	36,41,28,714
Less: Margin Money treated as investment	25,16,18,039	17,28,10,287
Cash and Cash equivalents as Cash Flow Statement	1,69,75,945	19,13,18,427

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

As per our report attached

For **Sreedhar, Suresh & Rajagopalan**

Chartered Accountants

Firm Registration No. 003957S

S. SUBRAMANIAM

Partner

M. No. 025433

Place : Chennai

Date : 22.05.2012

Sd/-
Whole-time Director

For and on behalf of the Board of Directors

Sd/-
Director

Sd/-
Company Secretary & CFO

