

## **ORIENTAL CARBON & CHEMICALS LIMITED**

### **DIRECTORS**

Mr. J.P. Goenka

*Chairman*

Mr. A. Goenka

*Managing Director*

Mr. S.J. Khaitan

Mr. H.C. Taneja

*Whole Time Director*

Mr. O.P. Dubey

Mr. B.B. Tandon

Mr. S.K. Roy

*(Nominee of Life Insurance  
Corporation of India)*

Mr. K. Raghuraman

### **COMPANY SECRETARY**

Mr. R.K. Ghosh

### **STATUTORY AUDITORS**

Singhi & Co.

### **SOLICITORS**

Khaitan & Co.

Khaitan & Partners

### **BANKERS**

State Bank of India

### **REGISTERED OFFICE**

31, Netaji Subhas Road,  
Kolkata - 700 001

### **PLANT**

Plot 3 & 4, Dharuhera Industrial Estate,  
P.O. Dharuhera,  
Distt. Rewari - 122 106  
Haryana

### **WEBSITE**

<http://www.occlindia.com>

## ORIENTAL CARBON & CHEMICALS LIMITED

### Financial Summary for Last 5 Years

(Rs. Lakhs)

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06
<b>Production (Mt)</b>					
Insoluble Sulphur	11,712	10,703	9,391	8,875	7,066
Sulphuric Acid	28,899	24,932	32,785	30,747	32,698
Gross Sales	1,29,44	1,28,98	96,67	69,12	58,28
Net Sales	1,25,71	1,21,83	89,64	64,46	53,91
PBIDT	41,38	16,53	10,16	11,96	10,20
Interest	2,42	3,93	3,28	2,74	1,95
PBDT	38,96	12,60	6,88	9,22	8,25
Profit Before Tax	34,27	8,13	2,49	4,84	4,71
Profit After Tax	29,46	7,63	1,60	4,12	3,84
Dividend % *	40	15	5	10	10
Fob Value of Exports	76,57	64,30	46,16	35,54	28,98
Gross Fixed Assets (Including Capital Work in Progress)	1,21,72	1,01,05	94,85	92,77	92,31
Net Fixed Assets	73,26	57,21	54,53	56,30	58,47
Net Current Assets	44,53	39,60	38,21	34,67	31,91
Share Capital	10,31	10,31	10,07	9,18	9,18
Reserves & Surplus**	81,01	56,37	49,27	47,07	45,25
Net Worth	91,32	66,68	59,34	56,25	54,43
Deferred Tax Provision	6,89	6,39	6,98	7,01	5,45
PBIDT Margin % (over net sales)	32.92	13.57	11.33	18.55	18.92
PBT Margin % (over net sales)	27.26	6.67	2.78	7.51	8.74
Debt Equity Ratio	0.20	0.33	0.42	0.46	0.53
Earning Per Share for the year (Rs./Share)	28.61	7.67	1.76	4.50	4.19
Book Value of Shares (Rs. /Share)	80.09	66.26	61.96	63.13	61.16

\* Includes proposed Dividend 15% for Financial Year 2009-10

\*\* Excluding Revaluation Reserve

## **ORIENTAL CARBON & CHEMICALS LIMITED**

### **NOTICE**

**NOTICE** is hereby given that the Thirtieth Annual General Meeting of the Shareholders of the Company will be held at the Williamson Magor Hall (1st Floor), The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata-700 001 on Friday, the 23rd July, 2010 at 10.30 A.M. to transact the following business :

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2010, the Balance Sheet as at that date, the Auditors' Report thereon and the Directors' Report.
2. To confirm the payments of First and Second Interim Dividends on Equity Shares for the year 2009-2010.
3. To declare Final Dividend on Equity Shares.
4. To appoint a Director in place of Mr J P Goenka who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr K Raghuraman who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Auditors and to authorise the Board to fix their remuneration.

#### **SPECIAL BUSINESS**

To consider and if thought fit to pass, with or without modifications, the following resolutions.

7. **(AS AN ORDINARY RESOLUTION)**

RESOLVED that that the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company to mortgage and/or charge a residential property situated in New Delhi as security in favour of HDFC Limited, The Capital Court, Munirka, Old Palme Marg, New Delhi for Term Loan of Rs.700 lakhs for financing the same asset. on terms and conditions as set out in their Sanction Letter with liberty to the Directors of the Company to create in future any further or other charge on the said assets.

8. **(AS AN ORDINARY RESOLUTION)**

RESOLVED that that the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company to mortgage and/or charge any or all immovable and movable assets of the Company, wherever situate, present and future in favour of State Bank of India, Overseas Branch, Jawahar Vyapar Bhawan, 1, Tolstoy Marg, New Delhi - 110 001 and in favour of Export Import Bank of India, PHD House Sector 31 A, Chandigarh as security for Term Loan of Rs. 4300 Lakhs and Term Loan of Rs.1000 Lakhs respectively for setting up a new Plant for manufacturing Insoluble Sulphur at Mundra SEZ Mundra, Distt, Kutch, Gujarat in terms of the respective Loan Agreements and Sanction Letters such security to rank pari-passu with mortgages and/or charges already created or to be created in future by the Company as may be agreed to between the concerned parties and as may be thought expedient by the Board of Directors.

RESOLVED FURTHER that the mortgages/charges created and /or all agreements/ documents executed and acts done in terms of the above resolution by and with the authority of the Board of Directors be and are hereby confirmed and ratified."

9. **(AS AN ORDINARY RESOLUTION)**

"RESOLVED that in accordance with the applicable provisions of the Companies Act, 1956 and subject to the requisite approval of the Central Government, if required and such other approvals as may be necessary, this Meeting hereby approves the appointment of and remuneration payable to Mr Arvind Goenka, as the Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> October, 2009 on the terms and conditions of appointment and remuneration as set out in the Letter dated 29<sup>th</sup> September, 2009 issued by the Company to Mr. Goenka, a copy whereof is laid on the table and for the purpose of identification initialled by the Chairman hereof with liberty to the Board of Directors to alter or vary the remuneration as may be agreed to between the Board and Mr Goenka even if the remuneration exceeds the limits specified in Schedule XIII to the Companies Act, 1956 or any amendment thereto"

10. **(AS A SPECIAL RESOLUTION)**

"RESOLVED that pursuant to the provisions of Section 314 of the Companies Act, 1956 and subject to the requisite approval of the Central Government if required and such other approvals as may be necessary, consent of the Company be and is hereby accorded to Mr Akshat Goenka, a relative of Mr J P Goenka, Chairman and Mr Arvind Goenka, Managing Director of the Company, holding an office or place of profit under the Company namely that of Executive (Projects) of the Company with effect from 4<sup>th</sup> January, 2010, at a remuneration set out in the letter dated 4<sup>th</sup> January, 2010 ( which is laid on the table and for the purpose of identification initialled by the Chairman hereof) issued by the Company to Mr Akshat Goenka.

Registered Office :  
31, Netaji Subhas Road,  
Kolkata - 700 001  
Dated : 28<sup>th</sup> May, 2010

By Order of the Board

R K GHOSH  
Company Secretary

## **ORIENTAL CARBON & CHEMICALS LIMITED**

### **NOTES :**

1. **A member entitled to attend and vote at the meeting may appoint a proxy to attend and, on poll, to vote instead of himself. A proxy need not be a member of the Company.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 19th July, 2010 to 23rd July, 2010 both days inclusive.
3. The Final Dividend, if sanctioned at the meeting, will be paid on and from 5th August, 2010 to those members whose names appear on the Company's register of members on 23rd July, 2010. In respect of the shares in electronic form, the dividend will be payable on the basis of ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Ltd. for this purpose.
4. Messrs J P Goenka and K Raghuraman are not holding any shares of the Company. Mr Arvind Goenka holds 103600 shares.
5. Dividend for the financial year ended 31<sup>st</sup> March, 2003, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government (IEPF) later this year, pursuant to the provisions of Section 205A of the Companies Act, 1956. Members who have not encashed their dividend warrants for the financial year ended 31<sup>st</sup> March, 2003 are requested to lodge their claims with the Company  
Members are advised that in terms of the provisions of Section 205C of the Companies Act, 1956, once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.
6. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the special business is annexed to this Notice.

### **ANNEXURE TO THE NOTICE**

Explanatory Statement pursuant to Section 173(2) and an Abstract of the Terms and Memorandum of Interest under Section 302 of the Companies Act, 1956.

### **ITEM 7**

The Company has purchased a property situated at Delhi. To part finance this property HDFC Limited has sanctioned a term loan of Rs700 Lacs. As per the Bank's terms of sanction, such credit facilities are to be secured, inter alia, by way of creation of mortgage and/or charge on this property.

Since mortgaging and/or charging of its assets by the Company in favour of the Bank may be considered as disposal of its undertaking, it is desirable to obtain necessary consent of the shareholders of the Company pursuant to Section 293(1)(a) of the Companies Act, 1956 at the ensuing Annual General Meeting. The resolution set out at **item 7** of the annexed Notice is intended for this purpose. Your Directors recommend that the resolution be passed.

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

The documents mentioned in the resolution will be available for inspection of members at the Registered Office of the Company on any working day during the hours of 10.00 A. M. and 12 Noon and will also be available at the meeting.

### **ITEM 8**

The Company is in the process of setting up a new Plant for manufacturing Insoluble Sulphur at Mundra SEZ Mundra, Distt, Kutch, Gujarat with a capacity of 5500 MTPA in Phase-1. To partly finance the Project, the Company has approached State Bank of India, Overseas Branch, Jawahar Vyapar Bhawan, 1, Tolstoy Marg, New Delhi -110 001 and Export Import Bank of India, PHD House Sector 31 A, Chandigarh. State Bank of India and Export Import Bank has sanctioned Term Loan of Rs. 4300 Lakhs and Term Loan of Rs.1000 Lakhs respectively.

As per the Bank's terms of sanction, such credit facilities are to be secured, inter alia, by way of creation of mortgage and/or charge on the Company's movable and immovable assets, both present and future.

Since mortgaging and/or charging of its assets by the Company in favour of the Bank may be considered as disposal of its undertaking, it is desirable to obtain necessary consent of the shareholders of the Company pursuant to Section 293(1)(a) of the Companies Act, 1956 at the ensuing Annual General Meeting. The resolution set out at **item 8** of the annexed Notice is intended for this purpose. Your Directors recommend that the resolution be passed.

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

The documents mentioned in the resolution will be available for inspection of members at the Registered Office of the Company on any working day during the hours of 10.00 A. M. and 12 Noon and will also be available at the meeting.

### **ITEM 9**

The Board of Directors has appointed Mr. Arvind Goenka as the Managing Director of the Company for a period of three years with effect from 1st October, 2009 subject to the approval of the Shareholders, requisite Central Government approval, if required and such other approvals as may be necessary, on remuneration set out in the Letter dated 29<sup>th</sup> September, 2009 issued

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by the Company to Mr Goenka, an abstract of which is given below:

1. During the period of the Agreement and subject to the limits laid down in Section 198 and 309 of the Companies Act, 1956 he shall be entitled to receive the following remuneration:

**I. Salary :**

- Rs.2, 00,000/- per month for the period 1st October, 2009 to 30<sup>th</sup> September, 2010.
- Rs.2, 25,000/- per month for the period 1st October, 2010 to 30<sup>th</sup> September, 2011.
- Rs.2, 50,000/- per month for the period 1st October, 2011 to 30<sup>th</sup> September, 2012

**II. Commission :**

Subject to the overall ceilings laid down in Section 198 and 309 of the Companies Act, 1956, the amount of commission shall not exceed:

- Rs. 24, 00,000/- for the period 1st October, 2009 to 30<sup>th</sup> September, 2010.
- Rs. 27, 00,000/- for the period 1st October, 2010 to 30<sup>th</sup> September, 2011
- Rs. 30, 00,000/- for the period 1st October, 2011 to 30<sup>th</sup> September, 2012

The amount of commission to be paid within the above limit shall be decided by the Board of Directors based on performance parameters viz. meeting financial forecasts, tactical initiatives and strategic achievements in the following proportions :-

- a) 50% for meeting financial forecasts
- b) 25% for tactical initiative
- c) 25% for strategic achievement

**III. Perquisites:**

Perquisites will be restricted to an amount equal to the annual salary. Unless the context otherwise requires, perquisites are classified into the following categories

**CATEGORY 'A'**

(a) Housing : Provision of hired/leased furnished accommodation by the Company or house rent in lieu thereof subject to a ceiling of 60% of salary.

- (b) Other Perquisites :
- (i) Provision of gas, electricity, water and furnishings.
  - (ii) Medical benefits for self, wife and dependent children.
  - (iii) Leave travel concession.
  - (iv) Club fees.
  - (v) Premium for Personal Accident Insurance.

**CATEGORY 'B'**

- (1) Provident Fund, Superannuation Fund or Annuity Fund: The Company's contribution towards Provident Fund, Superannuation Fund or Annuity Fund shall be as per the Rules of the Company in force from time to time. Such contribution will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (2) Gratuity : As per Rules of the Company in force from time to time but not exceeding half a month's salary for each completed year of service and will not be included in the computation of the ceiling on perquisites.
- (3) He shall be entitled to Earned/Privilege leave on full pay and allowance as per Rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

**CATEGORY 'C'**

The Company will provide him with a car and telephone at his residence. However, provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to him.

Notwithstanding anything mentioned above, where in any financial year during the currency of his tenure as the Managing Director, the Company has no profits or its profits are inadequate, the remuneration payable to him in that financial year shall be treated as the minimum remuneration of Mr Goenka.

In the opinion of the Board of Directors of your Company, the remuneration payable to Mr Arvind Goenka is commensurate with his ability, qualification and experience. The resolution set out at **Item 9** of the Notice is intended to obtain your approval to the appointment of Mr Arvind Goenka and payment of remuneration mentioned above to him as Managing Director of the Company with liberty to the Board of Directors to vary the said terms as stated in the annexed resolution.

The said remuneration was recommended by the Remuneration Committee of the Company.

The Board recommends that the said resolution be passed.

Copy of the Letter dated 29<sup>th</sup> September, 2009 issued to Mr. Arvind Goenka will be available for inspection of members at the Registered Office of the Company on any working day of the Company during the hours of 10.00 A.M. to 12 Noon and will also be available at the meeting.

## **ORIENTAL CARBON & CHEMICALS LIMITED**

### **MEMORANDUM OF INTEREST**

Mr Arvind Goenka is the son of Mr J P Goenka, Chairman of the Company. Hence, Mr J P Goenka and Mr Arvind Goenka are deemed to be concerned and/or interested in the above appointment and payment of remuneration.

No other Director of the Company is concerned and/or interested in this Resolution.

The above should also be considered as an Abstract of the Terms of Appointment of Mr. Arvind Goenka as Managing Director of the Company and a Memorandum as to the nature of his interest in his appointment as required under Section 302 of the Companies Act, 1956.

### **ITEM 10**

Mr Akshat Goenka was appointed Executive (Projects) of the Company subject to the approval of shareholders, requisite approval of Central Government, if required and such other approvals as may be necessary, on such terms and conditions as embodied in the letter dated 4<sup>th</sup> January, 2010 issued by the Company to him, the salient points of which are set out below:

(A) Date of Appointment: 4<sup>th</sup> January, 2010.

(B) Basic Salary :

4 <sup>th</sup> January 2010 to 31 <sup>st</sup> July 2010	: Rs. 4,200/- per month
1 <sup>st</sup> August 2010 to 31 <sup>st</sup> March 2011	: Rs. 5,500/- per month
1 <sup>st</sup> April 2011 to 31 <sup>st</sup> March 2012	: Rs. 6,700/- per month
1 <sup>st</sup> April 2012 to 31 <sup>st</sup> March 2013	: Rs. 7,900/- per month

(C) Perquisites : Perquisites and allowances as applicable to his cadre of employees of the Company include the following:

a) House Rent Allowance

4 <sup>th</sup> January 2010 to 31 <sup>st</sup> July 2010	: Rs. 3,300/- per month.
1 <sup>st</sup> August 2010 to 31 <sup>st</sup> March 2013	: Rs. 5,100/- per month

b) Other Allowances

4 <sup>th</sup> January 2010 to 31 <sup>st</sup> July 2010	: Rs.8,150/- per month
1 <sup>st</sup> August 2010 to 31 <sup>st</sup> March 2011	: Rs.11,500/- per month
1 <sup>st</sup> April 2011 to 31 <sup>st</sup> March 2012	: Rs.14,000/- per month
1 <sup>st</sup> April 2012 to 31 <sup>st</sup> March 2013	: Rs.17,000/- per month

c) Leave Travel Allowance

4 <sup>th</sup> January 2010 to 31 <sup>st</sup> July 2010	: Rs. 20,000/- per annum.
1 <sup>st</sup> August 2010 to 31 <sup>st</sup> March 2013	: Rs. 24,000/- per annum.

d) Reimbursement of medical expenses

4 <sup>th</sup> January 2010 to 31 <sup>st</sup> March 2013	: Rs. 15,000/- per annum.
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Mr . Akshat Goenka will be on probation for a period of six months and will be governed by the rules and regulations of the Company.

Mr. Akshat Goenka, aged about 22 years has graduated in Economics and International Relations from the University of Pennsylvania, USA, an Ivy league institution.

As Mr. Akshat Goenka is a relative of Mr. J.P. Goenka, Chairman and Mr Arvind Goenka, Managing Director of the Company within the meaning of The Companies Act, 1956, his appointment is subject to your approval. The Board recommends that the Resolution be passed.

The letter referred to in the Resolution will be available for inspection by the members at the Registered Office of the Company on all its working days between the hours of 10-00 A.M. and 12 Noon and will also be available at the Meeting.

Mr Akshat Goenka is the grandson of Mr J P Goenka, Chairman of the Company and son of Mr Arvind Goenka, Managing Director of the Company. Hence Mr J P Goenka and Mr Arvind Goenka are deemed to be concerned and/or interested in the above appointment and payment of remuneration.

No other Director of the Company is concerned and/or interested in this Resolution.

## ORIENTAL CARBON & CHEMICALS LIMITED

### DIRECTORS' REPORT

#### TO THE MEMBERS

Your Directors hereby present their thirtieth Report together with the Audited Accounts of the Company for the accounting year ended March 31, 2010.

#### 1. FINANCIAL RESULTS

	For the Year ended 31.3.2010	(Rs. Lakhs) For the Year ended 31.3.2009
Profit/(Loss) Before Taxation	3427.21	813.34
Provision for Taxation for Current year*	(481.52)	(50.41)
Profit/(Loss) after Taxation for Current year	2945.69	762.93
Tax Adjustment for earlier years	0.00	0.24
Profit/(Loss) after Taxation for earlier years	2945.69	762.69
Add: Surplus Brought Forward	1494.93	1312.33
Transfer from Capital Reserve Account	0.60	0.60
Amount Available for Appropriation	4441.22	2075.62
Appropriation:		
Interim/Proposed Dividend on Equity Shares	411.84	154.44
Tax on Dividend	69.39	26.25
Transferred to General Reserve	300.00	400.00
Balance Carried to Balance Sheet	3659.99	1494.33

\* Including Rs. 49.65 Lakhs Deferred Tax (Previous year Rs. (59.02) Lakhs.)

#### 2. DIVIDENDS

Your Directors are pleased to recommend Final Dividend of 15% on 10296062 Equity Shares (Rs.1.5 per share of Rs.10 each). The Dividend will absorb Rs.180.09 Lakhs (Inclusive of Dividend Tax of Rs. 25.65 Lakhs). Considering the above, the total dividend for the year will be 40% (Rs.4 per share of Rs.10 each) on 10296062 shares absorbing Rs.481.23 Lakhs (inclusive of Dividend Tax of Rs.69.39 Lakhs).

#### 3. OPERATIONS

##### Insoluble Sulphur

During the year your Company achieved 9% growth in production to 11696 MT as compared to 10703 MT last year. Your Company registered to 27% growth in sales on the back of revival in global demand to 12506 MT against last year sales of 9822 MT. After turbulent and high prices of Raw Material last year, the prices of Raw Material remained relatively stable during the year. The selling price has also reflected this easing of prices. However margin levels remained robust.

##### Sulphuric Acid & Oleums

Production of Sulphuric Acid (Eqvt.) was at 35638 MT which is 8% higher than the last year production of 32970 MT. However Oleum Production was 14 % lower than the last year production. During this year sales of Sulphuric Acid was higher by 17% at 29043 MT and Oleum was at 6731 MT which is in line with the last year sales. Price of Sulphuric Acid remained stable during the current year after recovery from sharp fluctuations during the last year.

#### 4. FUTURE PROSPECTS

##### Insoluble Sulphur

The demand of Insoluble Sulphur has picked up in international as well as the domestic market and the trend is expected to continue.

The debottlenecking exercise has added another 2000 MTPA to the capacity of Insoluble Sulphur. However,

## **ORIENTAL CARBON & CHEMICALS LIMITED**

with addition of new customers/plants and economic revival, the current capacity is already sold out. The work on a new plant for Insoluble Sulphur at SEZ Mundra to increase the capacity by 11000 MTPA in two phases is on track and the first phase for 5500 MT is expected to be completed by 2<sup>nd</sup> quarter of 2011. Land has already been acquired, civil work has commenced and order for long delivery items have been placed.

### **Sulphuric Acid & Oleums**

Economic revival has given a boost to Sulphuric Acid demand and the prices are expected to remain remunerative in the coming year.

#### **5. RESEARCH & DEVELOPMENT**

A fully in-house Research & Development team works on continuous basis to improve the quality of product and its properties. New Grades are also being developed to meet customers varied requirements. Help of accredited independent laboratories is also taken as and when required for studying and evolving critical parameters. Research & Development is fundamental to the Company's efforts to maintain the technical and quality edge for the product.

#### **6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

As required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed to this Report.

#### **7. POLLUTION CONTROL**

Your Company's Plant has all the requisite Pollution Control Equipments and meets all the desired and statutory norms in this regard. The Insoluble Sulphur Units of the Company enjoys ISO 14001-2004 Certification.

#### **8. COST AUDIT**

The Department of Corporate Affairs has approved the appointment of M/s. J K Kabra and Co., Cost Auditors, for conducting Audit in respect of Sulphuric Acid Unit for the year ending March 2011.

#### **9. PUBLIC DEPOSITS**

Fixed deposits from public, outstanding with your Company at the end of the financial year, stood at Rs.1,66,70,000/-. Deposits aggregating Rs.19,58,000/- due for repayment on or before 31st March, 2010 were not claimed by the depositors. Out of these, deposits totaling Rs.78,000/- have since been claimed and settled. Besides this, deposits amounting to Rs.12,95,000/- though fallen due for payment, could not be settled as there is a dispute between the concerned joint depositors and the matter is sub-judice.

#### **10. DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors, based on representation received from operating Management, state that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures in the financial statement;
- ii) the accounting policies have been selected and applied consistently and judgments and estimates have been reasonably and prudently made when required 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 and loss of the Company for that period;
- iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) Annual accounts for the financial year have been prepared on a going concern basis.



## **ORIENTAL CARBON & CHEMICALS LIMITED**

### **11. AUDIT & INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE**

Your Company has a well structured Internal Audit System commensurate with its size and operations. An Audit Committee consisting of three independent non-executive Directors is in place with terms of reference as per the provisions of the Companies Act, 1956 and Listing Agreement with the Stock Exchanges.

The Company also has a Committee of Directors for reviewing shareholders/investors complaints.

### **12. DIRECTORS**

Mr. J.P Goenka and Mr K Raghuraman retire by rotation and, being eligible, offer themselves for re-election. Mr. Arvind Goenka has been appointed by the Board of Directors as the Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> October, 2009 subject to your approval and the requisite approval of the Central Government, if required, and such other approvals as may be necessary.

### **13. AUDITORS AND AUDIT REPORT**

Messrs Singhi & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment. As regards the comments in the Auditors' Report, the relevant notes in the Accounts are self explanatory and may be treated as information/ explanation submitted by the Board as contemplated under Section 217(3) of the Companies Act, 1956.

### **14. CORPORATE GOVERNANCE**

- a) As per the amended Listing Agreement with the Stock Exchanges, a Management Discussion & Analysis, a Report on Corporate Governance together with the Auditors' certificate regarding the Compliance of conditions of Corporate Governance forms part of the Annual Report.
- b) The Board of Directors of the Company has laid down a comprehensive Code of Conduct for all its Board members and senior management personnel which have also been posted on the website of the Company. A certificate by the Managing Director regarding compliance of the code of conduct of the Company is also included in the Annual report.

### **15. PARTICULARS OF EMPLOYEES**

In compliance with the Provision of Section 217(2) (A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, a statement giving the required information relating to the employees is annexed to this report.

### **16. ACKNOWLEDGMENTS**

The Board places on record its appreciation of the support and assistance of various Banks, Government Agencies, Suppliers, valued Customers and the shareholders in particular and looks forward to their continued support. Relations between your Company and its employees remain cordial and the Directors wish to express their appreciation for the co-operation and dedication of all employees of the Company.

By Order of the Board

Place : New Delhi  
Date : 28<sup>th</sup> May, 2010

J.P. Goenka  
Chairman

## ORIENTAL CARBON & CHEMICALS LIMITED

### ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217 (1) (E) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010

#### I. CONSERVATION OF ENERGY

- (a) Energy Conservation Measures taken:
  - Utilisation of excess steam generated in Sulphuric Acid Plant by installing High Pressure Waste Heat Boiler and Turbo Blower in place of 390HP Motor.
  - Recycling of condensate for steam generation implemented.
  - Replacement of existing motors with lower rating as per actual requirement and also with high efficiency ones.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
  - Replacement of old pumps with improved technology & high efficiency Pump.
  - Improvements in power factor.
- (c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
  - The above measures have helped in the conservation of energy for reducing the cost of production.
  - Surplus steam available for utilisation in Insoluble Sulphur Plants.
- (d) Total energy consumption and energy consumption per unit of production:

#### FORM-A

Form for disclosure of particulars with respect to conservation of energy.

#### A. POWER AND FUEL CONSUMPTION

		Current year	Previous year
<b>1. Electricity</b>			
(a) Purchased Units	(KWH)	<b>94,51,030</b>	52,65,958
Total Amount	(Rs. in Lakhs)	<b>4,20.97</b>	2,47.74
Rate/ Unit	(Rs.)	<b>4.45</b>	4.70
(b) Own generation			
(i) Through Diesel/Furnace Oil Generator			
Units	(KWH)	<b>60,47,244</b>	95,11,279
Units/Ltr. of Diesel/Furnace Oil	(KWH)	<b>3.36</b>	3.46
Cost/Unit	(Rs.)	<b>8.33</b>	8.66
<b>2. Coal (specify quantity and where used)</b>			
Quantity	(Tonnes)	—	—
Total cost	(Rs.)	—	—
Average Rate	(Rs.)	—	—
<b>3. Furnace Oil /LDO/HSD</b>			
Quantity	(Ltrs)	<b>16,93,960</b>	16,67,337
Total cost	(Rs. in Lakhs)	<b>4,62.24</b>	4,59.27
Average Rate	(Rs.)	<b>27.29</b>	27.55
<b>4. Other / Internal Generation</b>			
(Process Steam)			
Quantity	(MT)	<b>38,037</b>	33,574
Total Cost of fuel utilised	(Rs. in Lakhs)	<b>2,31.53</b>	2,21.40
Rate/ Unit	(Rs.)	<b>608.69</b>	659.44

#### B. CONSUMPTION PER UNIT OF PRODUCTION (MT)

Products		Standards if any		
<b>(a) Sulphuric Acid</b>				
Electricity	(in Units)	N.A.	<b>29</b>	31
<b>(b) Oleum</b>				
Electricity	(in Units)	N.A.	<b>70</b>	70
<b>(c) Insoluble Sulphur</b>				
(i) Electricity	(in Units)	N.A.	<b>1214</b>	1254
(ii) Furnace Oil / HSD	(in Ltrs)	N.A.	<b>68</b>	73
(iii) Others-Process Steam	(in MT)	N.A.	<b>3</b>	3

## ORIENTAL CARBON & CHEMICALS LIMITED

### II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form-B of the Annexure to the Rules.

#### 1. Research & Development

- |  |  |
|--|--|
| (i) Specific area in which R&D carried out by the Company    | : Properties of Insoluble Sulphur such as purity and dispersion have been further improved during the year. Work is continued for maintaining the quality edge.                                |
| (ii) Benefits derived as a result of the above R&D           | : Loyalty of existing customers coupled with enlistment of new quality-conscious customers, value addition in products, edge over competitors, and better control over qualitative deviations. |
| (iii) Future plan of action                                  | : Development of New Grades specific to customer requirements and pre-dispersed Insoluble Sulphur. Further improvement in all key parameters of the product.                                   |
| (iv) Expenditure on R&D (Rs. in Lakhs)                       |  |
| (a) Capital  | : —  |
| (b) Recurring  | : 15.24  |
| (c) Total  | : 15.24  |
| (d) Total R&D expenditure as a percentage of total turnover. | : 0.12%  |

- |  |  |
|--|--|
| 2. Technology absorption, adaptation and innovation: | : Production optimisation through debottlenecking with consequent savings in consumption ratios. |
|--|--|

### III. FOREIGN EXCHANGE EARNING AND OUTGO

- |   |  |
|---|--|
| (a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans | : The Company registered a growth of 20% by value in exports. Exports Constituted 69% of total Insoluble Sulphur sales during the year by value. |
| (b) Total foreign exchange used and earned (Rs. in lakhs)   |  |
| (i) Earned  | : 7657.44  |
| (ii) Used   | : 1,70.99  |

By Order of the Board

Place : New Delhi

J.P. Goenka

Date : 28<sup>th</sup> May, 2010

Chairman

#### ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 AND THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010

Sl. No.	Name	Designation & Nature of Duties	Remuneration (Rs.)	Qualification & Total Service Experience (Years)	Age (Years)	Date of Commencement of Employment	Last employment held before joining the Company	
							Company	Designation
(A) EMPLOYED THROUGHOUT THE YEAR								
1.	Taneja H.C.	Whole Time Director	80,31,600	B.Sc., Tech Engg (Chemical) (41)	64	04.02.1991	Ram Ganga Fertilizer Ltd.	Vice President
2.	Jain Anurag	Vice President (Finance)	24,78,228	B.Sc., (20)	44	01.10.1990	-	-
(B) EMPLOYED FOR PART OF THE YEAR								
1.	Goenka Arvind	Managing Director	36,51,392	B.Com (25)	48	01.10.2009	Duncan International India Ltd.	Vice President

#### NOTES :

- Remuneration has been calculated on the basis of Section 198 of the Companies Act, 1956 and includes expenditure incurred by the Company on salary and for provision of benefits to the employees, excluding actuarial valuation of Retirement Benefits.
- The nature of employment in all cases is contractual.
- None of above employee is a relative of any Director of the Company, except Mr. Arvind Goenka who is related to Mr. J.P. Goenka Chairman of the Board

By Order of the Board

Place : New Delhi

J.P. Goenka

Date : 28<sup>th</sup> May, 2010

Chairman

**ORIENTAL CARBON & CHEMICALS LIMITED**

**CERTIFICATE OF MANAGING DIRECTOR ON CODE OF CONDUCT**

**To,  
The Members of Oriental Carbon & Chemicals Ltd.,**

It is hereby certified that :-

- (a) The Board of Directors of the Company has laid down a comprehensive Code of Conduct for its members and senior management personnel.
- (b) The code of conduct of the Company has been posted on the website of the Company.
- (c) The affirmation of compliance of code of conduct for the year 2009-2010 has been received from all the Board members and senior management personnel.

For Oriental Carbon & Chemicals Limited,

Place : New Delhi  
Date : 28<sup>th</sup> May, 2010

(A. Goenka)  
*Managing Director*

## **ORIENTAL CARBON & CHEMICALS LIMITED**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

The core business of your Company is manufacturing and sales of Insoluble Sulphur, a vulcanizing agent used in the rubber industry. Insoluble Sulphur produced by your Company is sold globally. The company also manufactures Sulphuric Acid and Oleums.

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

#### **Insoluble Sulphur**

Insoluble Sulphur is mainly used in tyre industry. The Indian Market for Insoluble Sulphur continues to grow more than the growth rate for the tyre industry due to increasing share of radial tyres in commercial vehicles which consume more Insoluble Sulphur. Since the competition to your company comes from international companies and major part of the production of your Company is exported (67% for the year 2009-10) it is important to discuss the structure of and developments in the industry at global level.

Traditionally, the international demand growth rate for Insoluble Sulphur has been about 4% per annum. This year, demand for Insoluble Sulphur picked up significantly due to recovery in demand in international as well as domestic market. This increase in demand geared up the sales so that the increased production was also sold and inventories from last year were liquidated.

Due to increased market penetration and return of stability in domestic demand your Company registered an increase of 29% in Exports sales to 8375 MT and 24% in Domestic sales to 4131 MT during the year.

The prices of raw materials which were at historically high levels during the last year normalized during the current year. The Selling Price was also adjusted to reflect reduced raw material cost resulting in lower per MT sales realisation though margin levels remained robust during the year.

The share of value added grades such as AS, HD grades in total sales has been on increase. As the current capacities are sold out the focus is on the new project for total capacity of 11000 mtpa coming up in SEZ Mundra. The work on the first phase is in full swing and production is expected in second quarter of 2011.

#### **Sulphuric Acid and Oleums**

Sulphuric Acid is used as sulphonating agent in manufacture of Detergents and in other inorganic chemicals. During the year, Sulphuric Acid sales increased by 17% to 29043 MT over last year. Due to recovery in demand and normalisation of raw material cost the performance of Sulphuric acid has improved. Demand for Oleums, which is 100% Sulphuric acid containing free SO<sub>3</sub>, remains restricted with few detergent and sulphonation units buying the same in the delivery area of your Company. During the year, production of Sulphuric Acid (Eqvt.) was 8% higher than last year. The steam generated in Sulphuric Acid production is being used in Insoluble Sulphur Plant.

### **OPPORTUNITIES, THREATS, RISKS, CONCERNS AND OUTLOOK**

#### **Insoluble Sulphur**

The domestic demand for insoluble sulphur is growing at a robust pace and this trend is expected to continue in the coming year as new tyre capacities are being added in India. International tyre companies such as Michelin are also setting up plants in India. The consumption of insoluble sulphur in China is nearly five times that of India. This also indicates that there is an ample scope of demand increase in India.

Further, commercial production of radial tyres is increasing. Therefore, the existing capacities will get increasingly diverted to domestic demand and hence new capacities are needed to cater to the international market, work on which is already on in SEZ Mundra. With the increased domestic demand and increase in international customer / plants base the company does not see any difficulty in selling the new capacities.

The trend of shift in demand to value added Insoluble Sulphur grades such as AS, HD grades continues. This is happening as these value added grades offer ease of handling and more production flexibility to the consumer. Your Company, through continuous Research and Development efforts, has developed new value added grades many of which are now approved by international tyre companies. This gives an edge to your company against competitors from China in the international market besides helping to sustain realisation levels. In order to remain competitive, it is imperative to continuously develop the product to meet ever increasing quality demands and maintain the quality edge.

Though your company has managed to mitigate the risk of recession till now. However international demand may be affected if the recession becomes a long drawn one. Threat from Chinese producers which are gradually improving their quality remains even though currently most of their production is being consumed in India. Like all export oriented businesses, the Insoluble Sulphur business also runs the risk of adverse exchange rate.

With the increased emphasis on environment and safety, your Company gains advantage as a preferred supplier to international tyre companies because of its good track record in these areas. Exports to Europe will be hitherto restricted to companies which are registered under the REACH program of the European Union. Your company has also taken the required steps for the same.

#### **Sulphuric Acid and Oleums**

During the last year the demand of Sulphuric acid has been satisfactory and prices stable. The situation is expected to continue in the current year also. This stability in demand and stable raw material prices make the production of Sulphuric acid and oleum viable.

## **ORIENTAL CARBON & CHEMICALS LIMITED**

### **PERFORMANCE OF THE COMPANY**

During the year, your Company achieved a Profit before tax of Rs. 3427.21 lakhs and of Rs. 4137.99 lakhs before provision of Depreciation and Interest. Production of Insoluble Sulphur increased 9% to 11696 MT from 10703 MT last year. The Sales of the Company (net of excise) increased 3% to Rs. 12570.64 lakhs.

### **HUMAN RESOURCES**

The Company has, under its employment, 284 officers and workmen as on 31st March, 2010.

Increase in value of Human Capital through development of individual and collective skills and knowledge is essential to any company for its continuous growth. This is more so in industry like Insoluble Sulphur where continuous research and development is required in order to stay abreast of market expectations. Your company implements in house programs for skill development and updation of competency of its employees on a continuous basis. Programmes for sharing and internalisation of knowledge within the company are also carried out. Employees are also sent to suitable outside programs to keep them abreast of the latest developments in the industry and economy.

Your company lays great emphasis on building a motivated work force, which can participate constructively in the growth of the Company.

Innovative ideas are regularly received from the officers and staff of the company, many of which were implemented for improvement in areas of quality, cost savings and increased productivity.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company has an effective system of accounting and administrative controls supported by qualified outside Internal Auditors with a proper and adequate system of internal checks and controls to ensure safety and proper recording of all assets of the Company and their proper and authorised utilisation.

The Internal Control systems are designed to ensure the reliability of financial and other records for preparation of financial statements and maintaining accountability of assets. The Statutory Auditors have evaluated the system of internal controls of the Company and have reported that the same are adequate and commensurate with the size of the Company and nature of its business.

The finding of the internal Audit are reviewed by the top Management and by the Audit Committee of the Board and proper follow up action is ensured wherever required.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

#### **Financial Information**

- i. Fixed Assets: The Gross Capital Assets stood at Rs 1,21,72 lakhs as at 31st March 2010 against Rs. 1,01,05 lakhs as at 31st March 2009.
- ii. Inventory: The inventory at the end of the current year stood at Rs.13,39 lakhs against Rs 17,60 lakhs at the end of previous year. The decrease in stock value is on account of decrease in raw material prices
- iii. Sundry Debtors: Sundry debtors at the end of the year stood at Rs.19,15 lakhs against Rs.13,10 lakhs at the end of previous year.

Results of Operations	(Rupees, Lakhs)	
	<b>2009-2010</b>	<b>2008-2009</b>
Income from Operations (Net of Excise)	<b>12570.64</b>	12183.32
Other Income	<b>339.92</b>	355.19
Total Income	<b>12910.56</b>	12482.14
Profit before Interest, Depreciation and Tax	<b>4137.99</b>	1653.37
Profit before Tax	<b>3427.21</b>	813.34
Profit after Tax for the current year	<b>2945.69</b>	762.69

The Profit before tax registered a growth as compared to last year mainly due to rationalization of Raw Material Prices thus optimizing margins and better capacity utilisation. The Currency Exchange rates were also favorable during the year. Your Company continues to take steps to optimise costs of production which contributed to the profitability of the Company. The cost saving exercise is an ongoing one with emphasis on savings in energy consumption and reduction of wastes.

### **CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

## ORIENTAL CARBON & CHEMICALS LIMITED

### CORPORATE GOVERNANCE

#### 1. Company's Philosophy on Corporate Governance

The salient features of the philosophy on Company's Corporate Governance hinges upon transparency and ethical practices in professional working environment conducive to optimal performance with focus on achieving shareholder's long term value growth through constant innovation, commitment to quality and customer satisfaction whilst exploring new avenues of growth.

#### 2. Board of Directors

The Board of Directors consists of eight Directors out of which six are non-executive Directors. All the Directors are eminent professionals with experience in Business, Industry, Finance & Law of which five are independent including one Nominee Director. Mr Arvind Goenka, a Promoter Director, was appointed as Managing Director with effect from 1<sup>st</sup> October, 2009.

The Company has a non-executive Chairman.

Name of Directors	No. of Board Meetings attended during 2009-10	Whether attended last AGM	Number of other Directorships of Public Ltd. Cos.	Number of other Committee memberships	Number of other Committee Chairmanships
Mr. J P Goenka @ <i>Chairman</i>	2	NO	2	-	2
Mr. Arvind Goenka+* <i>Managing Director</i>	4	YES	3	2	-
Mr. S J Khaitan #	3	YES	4	5	1
Mr. B B Tandon#	4	YES	14	10	4
Mr. O P Dubey#	4	YES	-	-	-
Mr. K Raghuraman#	4	YES	7	10	-
Mr. H C Taneja \$ <i>Whole time Director</i>	4	YES	-	-	-
Mr. S K Roy # <i>(LIC Nominee)</i>	4	YES	-	-	-

@ Non-executive Promoter Director

# Non-executive Independent Directors

+ Executive Promoter Director

\$ Executive Director

\* Appointed as Managing Director with effect from 1<sup>st</sup> October, 2009.

During the financial year ended March 31, 2010, four Board Meetings were held on May 30, 2009, July 24, 2009, October 30, 2009 and January 29, 2010.

#### 3. Audit Committee

The Company has a qualified and independent Audit Committee comprising of three Non-executive Independent Directors. The Whole time Director, the Statutory Auditors, Cost Auditors and Internal Auditors are permanent invitees to the Committee meetings. The Terms of Reference of the Committee are in consonance with provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

There were four meetings of the Committee during the year ended on March 31, 2010 on May 30, 2009, July 24, 2009, October 30, 2009 and January 29, 2010.

The names of members of Committee and their attendance are as follows:

Name of Members	Chairman/Member	No. of Meetings Attended
Mr. O P Dubey	Chairman	4
Mr B B Tandon	Member	4
Mr S J Khaitan	Member	3

#### 4. Investors/Shareholders Grievance Committee

The Company has a three member Investors'/Shareholders' Grievance Committee of the Board of Directors under the Chairmanship of a Non-Executive Director to specifically look into the redressal of grievances of the investors namely shareholders and Fixed deposit holders. The Committee deals with grievances relating to transfer of shares, non receipt of Balance Sheet or dividend, dematerialisation of shares, complaint letters received from Stock Exchanges, SEBI etc. The Board of Directors has delegated power of approving transfer/transmission of shares to a Share Transfer Committee. During the year, the Committee met three times on 17<sup>th</sup> August, 2009, 29<sup>th</sup> January, 2010 and 4<sup>th</sup> March, 2010.

The Details of the Members and their attendance is as below:

Name of Directors	Chairman / Member	No. of Meetings Attended
Mr. J. P. Goenka	Chairman	1
Mr. A. Goenka	Member	3
Mr. S. J. Khaitan	Member	3

## ORIENTAL CARBON & CHEMICALS LIMITED

Mr. R K Ghosh, Company Secretary, is the Compliance officer of the Company.

During the year under review, a total number of 2(Two) Grievances were received and replied to the satisfaction of the shareholders. No Share Transfer/Transmissions/issue of Duplicate share certificates was pending as on 31st of March, 2010.

### 5. Remuneration Committee

A Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing/Whole time Directors. The Committee comprises of three Non-Executive Independent Directors. During the year two meetings of the Committee were held on 30th May, 2009 and 22<sup>nd</sup> September, 2009. The details of the Members and their attendance is as follows :

Name of Directors	Chairman / Member	No. of Meetings Attended
Mr. O. P. Dubey	Chairman	2
Mr. S. J. Khaitan	Member	2
Mr B B Tandon	Member	2

The Remuneration Policy of the Company is :

- For Managing/Whole time Directors, the total remuneration consists of Salary, perquisites, performance bonus based on performance criteria and/or commission within the limits prescribed under Schedule XIII of the Companies Act, 1956 or such limits as approved by the Central Government and as approved by the shareholders. There is no separate provision of severance fee under the resolution governing the appointment of Executive Directors. The Statutory provision will, however, apply. A six months notice on either side is provided for the termination of contract.
- Non-Executive Directors are entitled to receive, in case of adequacy of profits, commission not exceeding 1% in aggregate of the net profits of the relevant year computed in accordance with the provisions of the Companies Act, 1956. Other than this, they do not draw any remuneration from the Company except the sitting fees, as permitted under the Companies Act 1956, for attending meetings of the Board or Committee thereof.

The aggregate value of salary, perquisites, commission, and performance bonus paid to the Whole time Director and Managing Director is:-

Whole time Director : Salary: Rs. 25.80 Lakhs, Perquisites : Rs.25.80 Lakhs, Retirement benefits including PF etc. : Rs.6.97 Lakhs, Performance Bonus : Rs. 21.75 Lakhs, Total : Rs. 80.32 Lakhs.

Managing Director : Salary: Rs. 12.00 Lakhs, Perquisites : Rs. 11.02 Lakhs, Retirement benefits including PF etc. : Rs.3.24 Lakhs, Performance Bonus : Rs.10.25 Lakhs, Total : Rs. 36.51 Lakhs.

Sitting fees paid to Non-Executive Directors for the year 2009-2010 are as follows:

Mr. J P Goenka, Chairman : Rs. 45,000/-, Mr. Arvind Goenka (upto 01.10.2009): Rs.35,000/-, Mr. S J Khaitan: Rs.1,22,500/-, Mr B B Tandon: Rs. 1,47,500/-, Mr. O P Dubey :Rs. 1, 47,500/-, Mr K Raghuraman: Rs. 70,000/- and Mr S K Roy : Rs. 70,000/-(paid to LIC).

The Commission paid to Non Executive Directors for the year 2009-10, which is within the limit prescribed in the Companies Act 1956, is as below:

Mr. J P Goenka, Chairman : Rs.90,000/-, Mr. Arvind Goenka (upto 01.10.2009): Rs.70,000/-, Mr. S J Khaitan : Rs.2,45,000/-, Mr B B Tandon : Rs.2,95,000/-, Mr. O P Dubey : Rs.2,95,000/-, Mr K Raghuraman: Rs.1,40,000/- and Mr S K Roy : Rs.1,40,000/- paid to LIC).

Number of shares held by Non-executive Directors: No non-executive Directors hold any shares of the Company.

### 6. Directors

Messrs J.P. Goenka and K. Raghuraman, Directors of the Company, are retiring at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The brief resumes of Mr. J. P. Goenka and Mr. K. Raghuraman are given below:

- Mr. J. P. Goenka aged about 73 years, graduate from Calcutta University, is an Industrialist hailing from the family headed by (Late) Sir Badridas Goenka and is associated with the renowned multi-industry group namely Duncans. He has been directly involved in the operations of Jute and cotton textile units. He has also been Chairman of Indian Jute Textile Association and Indian Cotton Mills Federation.  
He is a Director of M/s Duncan International (India) Ltd and Schrader Duncan Limited. He is also the Chairman of Remuneration Committee and Shareholders / Investors Grievance Committee of Schrader Duncan Limited.
- Mr. K. Raghuraman aged about 62 years, is a Chartered Accountant from Institute of Chartered Accountants of India. He joined Central Bank of India in 1973 and contributed immensely to the organisation in systems and procedures. In 1999, he held the position of General Manager and Head of General Administration, Banking Operations, Card Business, Treasury, Forex Dealing, Risk Management etc. He was also Chairman of 'India Cooperation Committee of Master Card International' & the Honorary Secretary of "Banks' Sports Board" of the Indian Banks' Association (IBA) as well as the Member of various industry level Committees of IBA. He was later appointed as Executive Director of Punjab National Bank. He also held the position of Chairman of 'PNB Parivartan', the strategic initiative group of the bank. Mr. Raghuraman has a varied banking experience and exposure in handling various banking matters, issues of corporate governance and policy initiatives. He retired as Executive Director from Punjab National Bank in September 2008.



## ORIENTAL CARBON & CHEMICALS LIMITED

List of the Companies where Directorship & Committee positions held as on 31-3-2010:-

Name of the Company	Name of Committee	Member/Chairman
IFCI Ltd.	Shareholders' Grievance Committee Executive Committee	Member Member
Andhra Bank	Shareholders' Grievance Committee Risk Management Committee Large Fraud Cases Committee	Member Member Member
Birla Ericsson Opticals Ltd.	Audit Committee Remuneration Committee	Member Member
India Foils Ltd.	Shareholders' Grievance Committee Audit Committee Remuneration Committee (As per BIFR directions)	Member Member Member
Rama Phosphates Ltd.	Shareholders' Grievance Committee Audit Committee Remuneration Committee (As per BIFR directions)	Member Member Member

Other than the above he is also a Director in Nagarjuna Agrichem Ltd. and Suvidha Paralift Ltd.

Mr. Arvind Goenka has been appointed by the Board of Directors as the Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> October 2009.

The brief resume of Mr. Arvind Goenka is given below:

- Mr. Arvind Goenka aged about 48 years, graduate in Commerce from the University of Kolkata, is an industrialist hailing from the family headed by (Late) Sir Badridas Goenka and is associated with the renowned multi-industry group namely Duncans. He has over 25 years experience of managing companies in Jute, Textile, Rubber Chemicals Industries. He has been instrumental in steering the restructuring programme of the Company.

He is a Director in M/s. Schrader Duncan Limited, M/s. Asahi Songwon Colours Limited, M/s Tomkins Consulting Services India Pvt. Ltd. and M/s. Associated Polymers Limited. He is also a member of Audit Committee and Remuneration Committee of Schrader Duncan Ltd.

### 7. General Body Meetings

Location, Dates & Time and Venue of last three Annual General Meetings held :

Year	Date & Time	Venue
2008-2009	24/07/2009 11.00 A. M.	Kala Kunj 48, Shakespeare Sarani, Kolkata - 700 017
2007-2008	30/07/2008 10.30 A. M.	Kala Kunj 48, Shakespeare Sarani, Kolkata - 700 017
2006 - 2007	27/07/2007 10.30 A.M.	Kala Kunj, 48, Shakespeare Sarani, Kolkata -700 017

One Special Resolution passed at AGM on 30<sup>th</sup> July, 2008 (Authority of payment of Commission to non-executive Directors) and One Special Resolution passed at AGM on 24<sup>th</sup> July, 2009 ( Re-appointment of Mr H C Taneja as Wholetime Director of the Company) were passed by the shareholders of the Company.

### 8. Code of Conduct

- The Board of Directors of the Company has laid down a comprehensive Code of Conduct for its all board members and senior management personnel.
- The code of conduct of the Company has been posted on the website of the Company.
- The affirmation of compliance of code of conduct for the year 2009-10 has been received from all the board members and senior management personnel.

### 9. Disclosures

During the year under review, besides the transactions mentioned elsewhere in the Annual Report, there were no other related party transactions by the Company with its promoter, directors, or the Management, their subsidiaries or relatives etc. that had a potential conflict with the interest of the Company at large.

There were no Non- Compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority on any matter relating to Capital Markets, during the last three years.

The Company has complied with all the Mandatory Requirements.

### 10. Means of Communication

Quarterly Results are published in prominent daily newspapers viz., Business Standard (National) and Arthik Lipi (Vernacular). The above financial results and shareholding pattern are also filed on EDIFAR website viz. www. sebidifar.nic.in.

## ORIENTAL CARBON & CHEMICALS LIMITED

**Management Discussion & Analysis Report forms part of the Annual Report.**

### SHAREHOLDER INFORMATION

#### a. Annual General Meeting :

Date and Time : 23<sup>rd</sup> July 2010 at 10.30 AM  
 Venue : Williamson Magor Hall (1st floor), The Bengal Chamber of Commerce & Industry  
 6, Netaji Subhas Road, Kolkata - 700 001

#### b. Financial Calendar (tentative and subject to change)

Financial Results for the Quarter ending 30 June, 2010	End of July 2010
Financial Results for the Quarter ending 30 September, 2010	End of October 2010
Financial Result for the Quarter ending 31 December, 2010	End of January 2011
Financial Results for the Year ending 31 March, 2011	End of May 2011
Annual General Meeting for the year ending 31 March, 2011	End of July 2011

#### c. Date of Book Closure 19<sup>th</sup> July, 2010 to 23<sup>rd</sup> July, 2010 (Both days inclusive)

#### d. Dividend will be paid on and from 5th August, 2010.

#### e. List of Stock Exchanges where shares are listed :

Bombay Stock Exchange Limited, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023  
 The Calcutta Stock Exchange Ltd., 7 Lyons Range, Kolkata 700 001  
 Listing fee in respect of all the above Stock Exchanges have been paid for the year 2010-2011

#### f. Stock Code

The Calcutta Stock Exchange Limited	25065
Bombay Stock Exchange Limited	506579

#### g. Market Price Data

Monthly High and Low of Company's Equity Shares (Rs. 10/- per Share) for the year ended 31st March, 2010 at the Bombay Stock Exchange Limited, Mumbai ;

Month	Company's	Share	B S E	Sensex
	High (Rs.)	Low (Rs.)	High	Low
April, 2009	24.00	20.70	11,492.10	9,546.29
May, 2009	30.05	22.10	14,930.54	11,621.30
June, 2009	34.15	28.00	15,600.30	14,016.95
July, 2009	37.80	29.55	15,732.81	13,219.99
August, 2009	40.50	31.00	16,002.46	14,684.45
September, 2009	54.50	33.60	17,142.52	15,356.72
October, 2009	52.35	41.20	17,493.17	15,805.20
November, 2009	68.10	52.05	17,290.48	15,330.56
December, 2009	76.90	59.25	17,530.94	16,577.78
January, 2010	86.40	70.10	17,790.33	15,982.08
February, 2010	95.45	78.65	16,669.25	15,651.99
March, 2010	95.00	79.00	17,793.01	16,438.45

#### h. Address for Correspondence for Share transfer and related matters :

All application for Transfer of Shares, Dematerialisation of shares and other related matters may be sent to M/S LINK INTIME INDIA PRIVATE LIMITED (with effect from 06.01.2009 name has been changed from Intime Specturm Registry Limited), Registrar & Share Transfer Agent of the Company for both physical shares and electronic connectivity, at the following address :

Link Intime India Private Limited  
 (Formerly Intime Specturm Registry Limited)  
 59 C Chowringhee Road, 3rd Floor, Kolkata - 700 020  
 Phone - 033-2289 0540  
 Telefax- 033-2289 0539  
 E - mail : kolkata@linkintime.co.in

#### i. Share Transfer System

All physical shares lodged with the Company or the Registrar and Share Transfer Agent of the Company, M/S Link Intime India Private Limited for transfer together with valid transfer deed were processed and returned to the shareholders within the stipulated period. In case of bad deliveries, relevant documents were returned immediately.

#### j. Dematerialisation of shares

78.13% of total Equity Shares is held in dematerialised form with NSDL and CDSL as at 31st March, 2010.

Members can hold shares in electronic forms and trade the same in Depository system. However, they may hold the same in physical form also.

International Securities Identification Number NSDL & CDSL : INE 321D01016

## ORIENTAL CARBON & CHEMICALS LIMITED

### k. Shareholding pattern (as on 31st March, 2010)

Category	No. of Shares held	% of Shareholding
Promoters (persons acting in concert)	5779254*	56.13
Mutual Funds & UTI	6204	0.06
Banks, Financial Institutions & Insurance Companies	1318900	12.81
Private Bodies Corporate	730670	7.10
Indian Public	2388329	23.19
NRI/OCBs	72705	0.71
<b>Total</b>	<b>10296062</b>	<b>100.00</b>

\* includes 296490(2.88%) pledged shares

### l. Distribution of shareholding (as on 31st March, 2010)

Shareholding of nominal value of Rs.	No. of Holders	%	No. of Shares	%
Upto 5,000	12675	95.44	1184834	11.51
5,001 to 10,000	327	2.46	253628	2.46
10,001 to 20,000	146	1.10	221473	2.15
20,001 to 30,000	39	0.29	100298	0.97
30,001 to 40,000	18	0.14	64286	0.62
40,001 to 50,000	13	0.10	61977	0.60
50,001 to 1,00,000	25	0.19	172135	1.67
1,00,001 and above	38	0.28	8237431	80.02
<b>Total</b>	<b>13281</b>	<b>100.00</b>	<b>10296062</b>	<b>100.00</b>

### m. Plant Location

Plot 3 & 4, Dharuhera Industrial Estate  
P.O. Dharuhera, Distt. Rewari - 122 106, Haryana

### n. Address for Correspondence

Oriental Carbon & Chemicals Ltd  
Duncan House, 31, Netaji Subhas Road, Kolkata - 700 001  
Phone No 033-22306831  
Fax No 033-22434772  
E-mail: [fin@occlindia.com](mailto:fin@occlindia.com)

### p. E-mail of Compliance Officer of the Company which is designated exclusively for the purpose of registering complaints by investors

[rkghosh@occlindia.com](mailto:rkghosh@occlindia.com)

### q. Website

<http://www.occlindia.com>

## AUDITORS' CERTIFICATE

### To The Members of Oriental Carbon & Chemicals Ltd.

We have examined the compliance of conditions of Corporate Governance by ORIENTAL CARBON & CHEMICALS LTD. for the year ended on 31<sup>st</sup> March, 2010 as stipulated in clause 49 of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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

For SINGHI & CO.  
Chartered Accountants

B.K.Sipani  
Partner

Membership No. 88926  
Firm Regn. No.: 302049E

Place: New Delhi  
Dated: 28<sup>th</sup> May'2010

## **ORIENTAL CARBON & CHEMICALS LIMITED**

### **AUDITORS' REPORT TO THE MEMBERS OF ORIENTAL CARBON & CHEMICALS LTD.**

We have audited the attached Balance Sheet of ORIENTAL CARBON & CHEMICALS LIMITED, as at 31<sup>st</sup> March, 2010 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating, the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, the Company has kept proper books of account as required by law so far as appears from our examination of those books.
- iii. The Balance Sheet, Profit and Loss account and Cash Flow statement dealt with by this report are in agreement with the books of account
- iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2010, from being appointed as directors in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - a) In the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2010.
  - b) In the case of the Profit and Loss account, of the profit of the company for the year ended on that date and
  - c) In the case of Cash Flow Statement, of the cash flows of the company for the year ended on that date.

For SINGHI & CO.  
Chartered Accountants

B.K.Sipani  
Partner

Place: New Delhi  
Dated: 28<sup>th</sup> May'2010

Membership No. 88926  
Firm Regn. No.: 302049E

### **Annexure to the Auditors' Report**

Referred to in paragraph 3 of our report of even date

- (i)
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. Fixed Assets of the Company have been physically verified by the Management & in our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
  - c. There was no substantial disposal of fixed assets during the year.
- (ii)
  - a. As explained to us inventories (except stock lying in-transit) were physically verified during the year by the management at reasonable intervals.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, during the year the Company has not granted or taken any loan secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system

## ORIENTAL CARBON & CHEMICALS LIMITED

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. During the course of our audit, no major weakness has been noticed in internal control system.

- (v) In our opinion and according to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act 1956.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under with regard to the deposits accepted from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained for the company's product Sulphuric Acid pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
- (ix) a. According to the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, service tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it with the appropriate authorities *except delay in payment of advance Income Tax*. There is no undisputed outstanding statutory dues as at the year-end for a period of more than six months from the date they became payable.
- b. According to the records of the Company, there are no dues outstanding of sales tax, income tax, service tax, custom tax, wealth tax, excise duty and cess on account of any dispute, other than the following:

Name of Statute	Nature of Dues	Period to which Amount relates	Amount * (Rs in Lacs )	Forum where Dispute is pending
(A) The Central Excise Act, 1944	Demand for Excise Duty	1992-93 to 1995-96	20.00	Allahabad High Court
(B) The Income Tax Act, 1961	Disallowance of Sec 10B Deduction	2006-07	117.97	Commissioner (Appeals)

\*Net of amount paid

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. We have been informed that the Company has not issued any debenture during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has granted loans in earlier year on the basis of security by way of pledge of shares, which has been transferred in the company's name and adequate documents and records are being maintained.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company.
- (xiv) The Company does not deal or trade in shares, securities, debentures and other securities except that it has investments of long-term/current in nature in shares/bonds and these are held in the name of the Company.
- (xv) According to the information and explanations given to us, the Company has not given corporate guarantees in favour of financial institution/bank for loans taken by others.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, on overall basis term loans have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanation given to us, on an overall basis, funds raised on short term basis have not been used during the year for long term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) The Company did not have outstanding debentures during the year. Hence, question of creation of security or charge does not arise.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud on or by the Company, noticed or reported during the year.

For SINGHI & CO.  
Chartered Accountants

B.K.Sipani  
Partner

Membership No. 88926  
Firm Regn. No.: 302049E

Place: New Delhi  
Dated: 28<sup>th</sup> May 2010

# ORIENTAL CARBON & CHEMICALS LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31.03.2010	(Rs. Lakhs) As at 31.03.2009
<b>I. SOURCES OF FUNDS</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	1	10,31.13	10,31.13
(b) Reserves and Surplus	2	82,46.98	57,91.07
		92,78.11	68,22.20
<b>2. LOAN FUNDS</b>			
(a) Secured Loans	3	17,16.62	21,34.37
(b) Unsecured Loans	4	1,47.12	1,21.58
		18,63.74	22,55.95
<b>3. DEFERRED TAX LIABILITY (NET)</b> (Refer Note No.6 of Schedule 17 )		6,88.96	6,39.31
<b>TOTAL</b>		<u>1,18,30.81</u>	<u>97,17.46</u>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. FIXED ASSETS</b>			
(a) Gross Block	5	1,13,46.25	96,41.45
(b) Less: Depreciation		48,45.93	43,84.59
(c) Net Block		65,00.32	52,56.86
(d) Capital Work-in-Progress		8,26.02	4,63.75
<b>2. INVESTMENTS</b>	6	51.05	36.37
<b>3. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
(a) Inventories	7	13,39.29	17,60.43
(b) Sundry Debtors	8	19,15.06	13,10.21
(c) Cash & Bank Balances	9	10,84.41	5,34.67
(d) Loans & Advances	10	14,73.36	16,51.67
		58,12.12	52,56.98
<b>Less: CURRENT LIABILITIES AND PROVISIONS</b>	11		
(a) Liabilities		10,90.14	10,25.39
(b) Provisions		2,68.56	2,71.11
		13,58.70	12,96.50
		44,53.42	39,60.48
<b>TOTAL</b>		<u>1,18,30.81</u>	<u>97,17.46</u>
<b>Contingent Liabilities, Accounting Policies &amp; Notes forming part of the Accounts</b>	17		
The Schedules referred to above form part of the Balance Sheet			

As per our report of even date annexed  
For SINGHI & CO.  
Chartered Accountants

For and on behalf of the Board  
J.P. GOENKA  
Chairman

Place : New Delhi  
Date : 28th May, 2010

B.K. SIPANI  
Partner  
Membership No. 88926

R.K. GHOSH  
Company Secretary

A. GOENKA  
Managing Director  
H.C. TANEJA  
Whole Time Director

# ORIENTAL CARBON & CHEMICALS LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. Lakhs)

	Schedule	Current Year		Previous Year	
<b>INCOME</b>					
Sales (Gross)		1,29,44.27		1,28,97.97	
Less : Excise duty recovered on sales		3,73.63		7,14.65	
Sales (Net)		1,25,70.64		1,21,83.32	
Other Income	12	3,39.92		3,55.19	
Increase/(Decrease) in Stocks	13	(5,38.79)		4,70.36	
		1,23,71.77		1,30,08.87	
<b>EXPENDITURE</b>					
Raw Material Consumed	14	29,47.68		60,26.65	
Manufacturing & Other Expenses	15	52,86.10		53,28.85	
Interest & Financial Charges	16	2,41.79		3,92.77	
Depreciation		4,77.54		4,48.93	
Less : Transferred from Revaluation Reserve Account		8.55	4,68.99	1.67	4,47.26
		89,44.56		1,21,95.53	
<b>PROFIT BEFORE TAXATION</b>		34,27.21		8,13.34	
Provision for Taxation		5,81.06		93.00	
Fringe Benefit tax		-		15.10	
Wealth Tax		1.41		1.33	
Deferred Tax (Net)		49.65		(59.02)	
Taxation Adjustments in respect of earlier years (Net)		-		0.24	
Mat Credit Entitlement		(1,50.60)		-	
<b>PROFIT AFTER TAXATION</b>		29,45.69		7,62.69	
Add: Surplus from Previous Year brought forward		14,94.93		13,12.33	
Add: Transfer from Capital Reserve Account		0.60		0.60	
Balance available for Appropriation		44,41.22		20,75.62	
<b>APPROPRIATIONS</b>					
Interim Dividends		2,57.40		-	
Tax on Interim Dividends		43.74		-	
Proposed Dividend		1,54.44		1,54.44	
Tax on Dividend		25.65		26.25	
General Reserve		300.00		400.00	
<b>SURPLUS CARRIED TO BALANCE SHEET</b>		3659.99		14,94.93	
<b>Earnings per share (Rs) - Basic &amp; diluted (Face Value of Rs. 10/- each)</b>		28.61		7.67	

**Accounting Policies & Notes forming part of the Accounts**

17

The Schedules referred to above form part of the Profit & Loss Account

As per our report of even date annexed  
For SINGHI & CO.  
Chartered Accountants

For and on behalf of the Board  
J.P. GOENKA  
Chairman  
A. GOENKA  
Managing Director  
H.C. TANEJA  
Whole Time Director

Place : New Delhi  
Date : 28th May, 2010  
B.K. SIPANI  
Partner  
Membership No. 88926

R.K. GHOSH  
Company Secretary

# ORIENTAL CARBON & CHEMICALS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Current Year	Previous Year	(Rs. Lakhs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before tax and Extra ordinary items	3,427.21	813.34	
<b>Adjustments for:</b>			
Depreciation	468.99	447.26	
Loss on Sale / Discard of Fixed Assets (Net)	11.85	91.52	
Interest & Financial Charges	241.79	392.77	
Interest Income	(66.61)	(54.74)	
Loans & Advances & Bad debts written off	198.82	567.94	
Exchange rate difference(net)-unrealised	42.95	3.56	
Provision for loss on Foreign Currency Forward Contracts	(31.14)	31.14	
Diminution in value of current investments	(14.69)	13.79	
<b>Operating Profit before Working Capital Changes</b>	<b>4,279.17</b>	<b>2,306.58</b>	
<b>Adjustments for :</b>			
Trade and Other Receivables	(730.53)	(38.21)	
Inventories	421.14	152.03	
Trade and Other Payables	61.15	(504.65)	
<b>Cash generated from Operations</b>	<b>4,030.93</b>	<b>1,915.75</b>	
Direct Tax (paid)/Refund received	(398.35)	(148.11)	
Payment of Wealth Tax	(1.33)	(1.18)	
<b>Net cash from Operating Activities</b>	<b>3,631.25</b>	<b>1,766.46</b>	
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets/Expenditure on New Project	(2,108.93)	(794.81)	
Loans to Bodies Corporate/ Others (Net)	68.99	(294.33)	
Investments Sold	-	18.45	
Fixed deposits with Banks	0.03	(89.78)	
Sale of Fixed Assets	1.82	7.69	
Interest Received	41.84	24.99	
<b>Net Cash used in investing activities</b>	<b>(1,996.25)</b>	<b>(1,127.79)</b>	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend Paid / Transfer to Bank account	(411.84)	(48.93)	
Tax on Dividend	(69.99)	(8.31)	
Long Term Borrowings	182.89	(12.52)	
Working Capital From Banks	(562.54)	(285.38)	
Interest and Financial Charges paid	(254.41)	(395.65)	
Equity shares on preferential basis	-	152.44	
<b>Net Cash From Financing Activities</b>	<b>(1,115.89)</b>	<b>(598.35)</b>	
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>519.11</b>	<b>40.32</b>	
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>235.19</b>	<b>194.87</b>	
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>754.30</b>	<b>235.19</b>	
<b>CASH &amp; CASH EQUIVALENTS COMPRISE</b>			
CASH / CHEQUES IN HAND	6.13	4.37	
BALANCE WITH SCHEDULED BANKS IN CURRENT ACCOUNTS	748.17	230.82	
	<b>754.30</b>	<b>235.19</b>	

Note: (i) Figures in bracket represent outflows.

(ii) Previous year's figures have been regrouped/rearranged wherever necessary, to conform to this year's classification.

(iii) Cash & cash equivalents excludes Rs. 20.45 ( Previous Year Rs. 9.14) lying in designated account with scheduled banks on account of unclaimed dividend and Rs. 264.86 (Previous Year Rs.264.89) in fixed deposits with banks maturing beyond three months are shown under investing activities

As per our report of even date annexed

For SINGHI & CO.  
Chartered Accountants

For and on behalf of the Board

J.P. GOENKA  
Chairman

A. GOENKA  
Managing Director

H.C. TANEJA  
Whole Time Director

Place : New Delhi  
Date : 28th May, 2010

B.K. SIPANI  
Partner  
Membership No. 88926

R.K. GHOSH  
Company Secretary



# ORIENTAL CARBON & CHEMICALS LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

		(Rs. Lakhs)
	As at 31.03.2010	As at 31.03.2009
<b>1. SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,49,90,000 Equity Shares of Rs.10/- each	14,99.00	14,99.00
1,000 11% Redeemable cumulative Preference Shares of Rs.100 each	1.00	1.00
	<b>15,00.00</b>	<b>15,00.00</b>
<b>ISSUED</b>		
103,29,814 Equity Shares of Rs. 10/- each	10,32.98	10,32.98
<b>SUBSCRIBED &amp; PAID UP</b>		
*102,96,062 Equity shares of Rs.10/- each fully Paid up	10,29.61	10,29.61
Add : Forefited equity shares **	1.52	1.52
	<b>10,31.13</b>	<b>10,31.13</b>

\* Includes :

(i) 23,53,400 Equity Shares of Rs.10/- each fully paid up and allotted to the Shareholders of erstwhile Oriental Carbon Limited on amalgamation without payment being received in cash.

(ii) 8,04,988 fully paid up Bonus Equity shares issued by capitalisation of General Reserve

\*\* Amount paid up on 33752 equity shares.

## 2. RESERVES & SURPLUS

Description	As at 01.04.2009	Additions	Deductions	As at 31.03.2010	As at 31.03.2009
A. 1. Capital Reserve	17,35.12	-	0.60 *	17,34.52	17,35.12
2. Revaluation Reserve	1,54.28	-	8.55	1,45.73	1,54.28
3. Share Premium Account	17,92.62	-	-	17,92.62	17,92.62
4. Capital Redemption Reserve	0.25	-	-	0.25	0.25
B. 1. General Reserve	6,13.87	3,00.00	-	9,13.87	6,13.87
2. Surplus in Profit & Loss Account	14,94.93	36,59.99	14,94.93	39,59.99	14,94.93
	57,91.07	39,59.99	15,04.08	82,46.98	57,91.07

\* Transfer for Subsidy on D.G. Set.

## 3. SECURED LOANS

### Term Loans

From Banks

Interest accrued & due

Cash/Packing Credit from banks

Other Loans

As at 31.03.2010

As at 31.03.2009

2,75.09

7,88.69

3.62

16.98

2,78.71

6,46.40

7,91.51

17,16.62

8,05.67

12,08.94

1,19.76

21,34.37

### Notes :

1. Term Loans includes :

(a) Rs.197.19 (Previous year Rs. 401.51) secured against first charge on the Fixed Assets of the Company including equitable mortgage of factory land and building (Except Assets having specific charge) and second charge over current assets of the company including receivables both present and future. (Repayable within one year Rs. 84.00; Previous Year 302.50)

(b) Rs. 81.52 (Previous Year Rs. 404.16) secured by first charge on the entire current assets of the company including receivables both present and future and first charge on the residual value fixed assets of the company(except assets having specific charge) (Repayable within one year Rs. 80.00; previous year Rs. 320.00).

2. Cash and Packing Credit facilities is secured by first charge on the entire current assets of the Company including receivables both present and future and second charge over the entire fixed assets of the company (Except Assets having specific charge).

3. Other Loans includes :

(a) Loans from H.D.F.C. Limited (i) Rs. 682.77 (Previous year Rs. Nil) secured by way of first Mortgage of ground floor of the property purchased with collateral security of rest of the said property owned by the other borrower. (Repayable within one year Rs. 110.89; Previous year Rs. Nil ). (ii) Rs. 57.75 (Previous year Rs. 43.08) to be secured by way of first Equitable Mortgage of 3 residential flats at Bhiwadi, Rajasthan. (Repayable within one year Rs.10.22; Previous year Rs. Nil ).

(c) From banks Rs. 50.99; (Previous year Rs. 76.68) secured by way of absolute charge on specific assets purchased under the scheme (Repayable within one year Rs. 31.81; Previous year Rs.33.45).

## 4. UNSECURED LOANS

As at 31.03.2010

As at 31.03.2009

1. Fixed Deposits (Repayable within one year Rs. 89.77 ; Previous year Rs. 64.09)

1,47.12

1,17.26

2. Sales Tax Deferred Liabilities

-

4.32

1,47.12

1,21.58

## ORIENTAL CARBON & CHEMICALS LIMITED

### 5. FIXED ASSETS

(Rs. Lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01.04.2009	Additions	Deductions/ Adjustments	Cost as at 31.03.2010	As at 01.04.2009	For the year	Deductions/ Adjustments	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land	83.41	-	-	83.41*	-	-	-	-	83.41	83.41
Building	14,93.47	15,16.08@	3.92	30,05.63*	2,92.07	55.49	0.73	3,46.83	26,58.80	12,01.40
Plant & Machinery	68,47.75	1,79.15	6.83	70,20.07*	36,54.64	3,50.20	4.48	40,00.36	30,19.71	31,93.11
Electrical Installation	8,02.28	0.56	0.82	8,02.02*	303.67	37.26	0.49	3,40.44	4,61.58	4,98.61
Vehicles	2,19.29	15.06	7.57	2,26.78	58.83	21.38	3.44	76.77	1,50.01	1,60.46
Furniture & Fixtures & Other Equipments	1,95.25	23.82	10.73	2,08.34	75.38	13.21	7.06	81.53	1,26.81	1,19.87
<b>TOTAL</b>	<b>96,41.45</b>	<b>17,34.67</b>	<b>29.87</b>	<b>1,13,46.25</b>	<b>43,84.59</b>	<b>4,77.54</b>	<b>16.20</b>	<b>48,45.93</b>	<b>65,00.32</b>	<b>52,56.86</b>
Previous Year	94,01.54	4,34.91	1,95.00	96,41.45	40,31.45	4,48.93	95.79	43,84.59		
Capital Work-in-Progress (Includes Expenditure on New Project. Refer Note no.7 of schedule 17)									<b>8,26.02</b>	<b>4,63.75</b>
									<b>73,26.34</b>	<b>57,20.61</b>

\* Includes amount added on revaluation Rs. 272.45 during 1992-93.

@ Additions to building includes land for which value can not be separately ascertained and includes certain rights and interest in the property with the other co-owner.

Note : Gross Block includes Rs. 136.91 ; Previous year Rs.142.94 purchased under Car Finance Scheme.

(Rs. Lakhs)

	As at 31.03.2010	As at 31.03.2009
<b>6. INVESTMENTS</b>		
<b>(OTHER THAN TRADE)</b>		
<b>LONG TERM</b>		
<b>Quoted :</b>		
Duncan International (India) Ltd.		
8351 Equity shares of Rs.100/- each fully paid up		
*(Market value Rs. 14.61 ; Previous year Rs. 14.61)	<b>15.42</b>	<b>15.42</b>
New India Investment Corporation Ltd.		
3353 Equity shares of Rs. 75/- each fully paid up		
*(Market value Rs. 1.44 ; Previous year Rs. 1.44)	<b>1.46</b>	<b>1.46</b>
* Based on last traded price.		
	<b>16.88</b>	<b>16.88</b>
Less : Provision for Diminution in Value of Investments	<b>0.83</b>	<b>0.83</b>
	<b>16.05</b>	<b>16.05</b>
<b>CURRENT INVESTMENTS</b>		
<b>Unquoted:</b>		
1,00,000 Units of SBI Infrastructure fund -I Dividend Plan	<b>10.00</b>	<b>5.65</b>
(Repurchase value Rs 10.34 ; Previous year 5.65)		
2,44,498.778 Units of AIG India Equity Fund Regular Dividend Plan	<b>25.00</b>	<b>14.67</b>
(Repurchase value Rs 29.46 ; Previous year Rs. 14.66)		
	<b>35.00</b>	<b>20.32</b>
	<b>51.05</b>	<b>36.37</b>
<b>7. INVENTORIES</b>		
<b>(As taken, valued and certified by the Management)</b>		
Raw Materials	<b>6,43.65</b>	<b>5,19.06</b>
Fuel Stock	<b>32.11</b>	<b>29.92</b>
Stores and Spare Parts(includes Capital Goods and Tools in Hand)	<b>2,96.81</b>	<b>3,05.94</b>
Finished Goods	<b>2,99.74</b>	<b>9,02.26</b>
Work-in-Progress	<b>66.98</b>	<b>3.25</b>
	<b>13,39.29</b>	<b>17,60.43</b>
<b>8. SUNDRY DEBTORS</b>		
<b>(Unsecured, Considered Good Unless Otherwise Stated)</b>		
Outstanding for more than six months	<b>16.46</b>	<b>17.82</b>
Other Debts	<b>18,98.60</b>	<b>12,92.39</b>
	<b>19,15.06</b>	<b>13,10.21</b>

# ORIENTAL CARBON & CHEMICALS LIMITED

	As at 31.03.2010	(Rs. Lakhs) As at 31.03.2009
<b>9. CASH AND BANK BALANCES</b>		
Cash/Cheques in Hand (as certified)	6.13	4.37
Balance with Scheduled Banks		
In Current Accounts*	7,68.62	2,39.96
In Fixed/Short Term Deposits	3,09.66	2,90.34
(Includes FDR for Rs.50.58 pledged with Govt. Authority; Previous year 50.58 and as required by Rule 3A of Companies (Acceptance of Deposits) Amendment Rule 1978 Rs. 9.00; Previous year 9.00) (Interest accrued Rs. 44.80 ; Previous year Rs. 25.45)		
	<u>10,84.41</u>	<u>5,34.67</u>
* Includes Rs. 20.45 ; Previous year Rs.9.14 against unclaimed dividend		
<b>10. LOANS AND ADVANCES</b>		
<b>SECURED</b>		
Loan / Deposit with a Body Corporate (Secured by pledge of shares; Market value Rs. 642.08; Previous year Rs.353.94) (Includes interest Accrued and due Rs. 69.48; Previous year 74.14)	1,05.43	74.14
<b>UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED</b>		
Loans / Deposits with Bodies Corporate / Others	5,00.90	7,92.76
(Includes interest accrued & due Rs.36.27; Previous year Rs. 26.19)		
Advances recoverable in Cash or in kind for value to be received (includes Capital Goods)	4,95.74	4,69.67
Advance Income Tax/Fringe benefit tax/Tax deducted at Source (Net of Provision)	-	10.65
Mat credit Entitlement	1,50.60	-
Balance with central excise	1,18.16	1,92.58
Security and Other Deposits(Includes with Government Departments)	1,02.53	1,11.87
	<u>14,73.36</u>	<u>16,51.67</u>
<b>11. CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors ( Refer Note No.9 of Schedule 17)	9,18.87	9,00.49
Other Liabilities	50.68	70.31
Advances received from Customers	37.92	-
Contribution to Gratuity Fund	19.59	2.76
Interest accrued but not due on Loans / Fixed Deposits	8.05	6.01
Security Deposits received from Customers/Contractors	8.91	8.91
<b>INVESTOR EDUCATION AND PROTECTION FUND *</b>		
Unpaid Matured Deposits	19.84	20.64
Interest accrued on deposits	5.83	7.13
Unpaid Dividends	20.45	9.14
	<u>46.12</u>	<u>36.91</u>
	<u>10,90.14</u>	<u>1,025.39</u>
<b>PROVISIONS</b>		
Leave encashment	65.60	57.95
Wealth Tax	1.41	1.33
Taxation / Fringe Benefit Tax ( Net of Advance Tax/ TDS)	21.46	-
Forward Contracts	-	31.14
Proposed final Dividend	1,54.44	1,54.44
Tax on proposed final Dividend	25.65	26.25
	<u>268.56</u>	<u>271.11</u>
	<u>13,58.70</u>	<u>12,96.50</u>

\* There is no amount due and outstanding as at Balance Sheet date to be credited to the investor Education and Protection fund

## ORIENTAL CARBON & CHEMICALS LIMITED

	(Rs. Lakhs)	
	Current Year	Previous Year
<b>12. OTHER INCOME</b>		
Insurance Claims Received	21.20	0.15
Rent Received (Tax deducted at source Rs. 2.28; Previous year Rs. 4.12)	16.08	16.05
Export Entitlements/Duty drawback	81.42	63.13
Miscellaneous Receipts	3.45	-
Sale of Scrap/Waste	7.32	16.43
Exchange Rate Gain (Net)	-	73.23
Profit on cancellation of forward contracts (net)	49.74	-
Provision for loss on forward contracts written back	31.14	61.54
Provisions made in earlier years no longer required / Sundry Balances written back	10.02	9.92
Bad Debts Recovered	38.25	60.00
Diminution in value of current investments written back	14.69	-
Interest Income (Gross)		
On Current Investments (Tax deducted at source Rs. Nil; Previous year Rs.Nil)	-	0.21
On Deposits (Tax deducted at source Rs. 2.81; Previous year Rs.2.50)	22.89	17.24
On Loans (Tax deducted at source Rs. 4.03; Previous year Rs.6.79)	41.46	34.19
From Others (Tax deducted at source Rs. Nil; Previous year Rs.Nil)	2.26	3.10
	<u>66.61</u>	<u>54.74</u>
	<u>3,39.92</u>	<u>3,55.19</u>
<b>13. INCREASE/(DECREASE) IN STOCKS</b>		
<b>Closing Stock</b>		
Finished Goods	2,99.74	9,02.26
Work-in-Progress	66.98	3.25
	<u>3,66.72</u>	<u>9,05.51</u>
<b>Less : Opening Stock</b>		
Finished Goods	9,02.26	4,28.02
Work-in-Progress	3.25	7.13
	<u>9,05.51</u>	<u>4,35.15</u>
Increase/ (Decrease) in Stocks	<u>(5,38.79)</u>	<u>4,70.36</u>
<b>14. RAW MATERIAL CONSUMED</b>		
Opening Stock	5,19.06	10,87.37
Add : Purchases (Net)	30,72.27	54,58.34
	<u>35,91.33</u>	<u>65,45.71</u>
Less : Closing Stock	6,43.65	5,19.06
	<u>29,47.68</u>	<u>60,26.65</u>

## ORIENTAL CARBON & CHEMICALS LIMITED

	Current Year	(Rs. Lakhs) Previous Year
<b>15. MANUFACTURING &amp; OTHER EXPENSES</b>		
Salaries, Wages, Allowances and Bonus etc. (Includes Workmen's' Compensation Rs.0.20; Previous year Rs. 0.20)	7,72.90	6,86.46
Contribution to Provident Fund and Other Funds	89.69	57.98
Labour and Staff Welfare	89.34	79.47
Consumption of Stores and Spares	44.74	40.73
Power and Fuel	13,94.18	15,36.84
Rent (Net of receipt of Rs. 31.16 ; Previous year Rs. 30.62 )	68.96	69.88
Rates and Taxes	21.64	14.77
<b>Repairs and Maintenance</b>		
Buildings	32.20	36.21
Plant and Machinery	4,78.91	4,24.52
Others	71.77	30.48
	<b>582.88</b>	491.21
Excise Duty on Closing Stock of Finished goods (Net of Opening) and Samples	(27.99)	14.76
Insurance (Net)	48.29	43.14
Travelling Expenses	91.73	95.10
Packing and Forwarding Expenses (Includes Packing Expenses Rs. 267.87 ; Previous year Rs. 223.30)	10,81.12	7,85.51
Commission and Discount (Includes cash discount Rs.5.48 ; Previous year Rs. 2.79)	1,69.79	1,40.37
Service Charges	1,18.87	1,11.47
Donation	11.11	8.45
Legal & Professional Expenses	85.27	1,36.90
Directors' Commission	12.75	6.40
Miscellaneous Expenses	2,60.92	3,03.39
Loss on Sale / Discard of Fixed Assets (Net)	11.85	91.52
Loss on cancellation of forward contracts (Net)	-	1.63
Exchange rate Loss ( Net)	1,59.24	-
Provision for Loss on Foreign Currency Forward Contracts	-	31.14
Diminution in Value of Current investments	-	13.79
Loans & Advances / Bad Debts/Sundry Balances Written Off	1,98.82	5,67.94
	<b>52,86.10</b>	53,28.85
<b>16. INTEREST &amp; FINANCIAL CHARGES</b>		
On Fixed Loans / Fixed Deposits	46.32	74.74
On other Loans /to banks (Includes Financial charges Rs. 56.23; Previous year 68.99)	1,95.47	3,18.03
	<b>2,41.79</b>	3,92.77

## ORIENTAL CARBON & CHEMICALS LIMITED

### 17. NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

#### 1. Statement of Significant Accounting Policies

##### A. Basis of Preparation:

The financial statements have been prepared to comply with the Accounting Standards referred to in The Companies (Accounting Standards) Rule 2006 issued by the Central Government and the relevant provisions of The Companies Act, 1956.

The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

##### B. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialize.

##### C. Fixed Assets:

- (i) Freehold Land, Buildings, Plant & Machinery and Electrical Installation relating to Chemicals Division are stated at revalued amount and other fixed assets are stated at cost. Cost includes any attributable cost for bringing the asset to its working condition for its intended use.

##### D. Depreciation:

- (i) Depreciation on Fixed Assets has been provided on straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- (ii) Depreciation includes adjustment on account of revaluation which is written off on the basis of residual life as assessed by the Valuers and adjusted by transfer from Revaluation Reserve account.
- (iii) Addition to Fixed Assets arising due to exchange rate fluctuation upto 31st March'2007 is amortised over the residual life of such Assets and from 1st April'2007 onwards such exchange rate fluctuation is charged to Profit and Loss account. Additions to Fixed Assets on leased premises are amortised over the lease period.

##### E. Borrowing Costs:

Borrowing costs, that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are charged to Profit & Loss Account.

##### F. Impairment:

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount as at the Balance Sheet date.

##### G. Treatment of Expenditure during construction period:

Expenditure during construction period is included under Capital Work-in-progress/Expenditure on new project /pre-operative expenses and the same is allocated to the respective Fixed Assets on completion of construction period.

##### H. Investments:

Long Term Investments are stated at cost, less permanent diminution. Current Investments are valued at lower of cost and fair value.

##### I. Valuation of Inventories:

Inventories are valued at lower of Cost and Net Realisable value. The cost of Finished Goods is determined by taking material, labour and related factory overheads including depreciation. Cost is determined on FIFO basis for raw materials and weighted average cost for Stores & Spares parts and fuel stock. Further the cost for Work-in-Progress includes material cost, stagewise direct cost and other related manufacturing overheads including depreciation. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

##### J. Foreign Currencies:

Foreign currency transactions are accounted at exchange rates prevailing on the date of transactions. Monetary items in foreign currency as at the Balance Sheet date are restated at rates prevailing at the year end and the resultant net gains or losses are adjusted in the Profit & Loss account.

##### K. Recognition of Income and Expenditure:

Income and expenditure are accounted on accrual basis.

##### L. Sales:

Sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and is net of sales returns/rebate and trade discount.

##### M. Retirement benefits:

Gratuity to employees are provided and funded to approved Gratuity Fund as per the actuarial valuation at the balance sheet date and contribution to Superannuation fund as per Company's rules. Year end liability on account of unavailed leave has been provided in the accounts on actuarial basis.

##### N. Research & Development Expenditure:

Revenue expenditure is charged to profit and loss account in the year in which it is incurred and Capital expenditure is capitalised in the year of installation.

## ORIENTAL CARBON & CHEMICALS LIMITED

### O. Taxes on Income:

Provision for Current Tax is made as per the provision of Income Tax Act, 1961. Deferred Tax liability and Deferred Tax Asset subject to the consideration of prudence are recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods using the rates enacted or substantively enacted on the Balance Sheet date.

### P. Derivatives:

Outstanding derivative contracts at the year end are marked to market rate and losses on such contracts are provided for in the Profit & Loss account.

### Q. Operating Leases:

Lease rent in respect of assets taken on operating lease are charged to Profit & Loss Account as per the terms of lease agreements.

### R. Contingent liabilities and provisions:

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. A disclosure is made for possible or present obligations that may but probably will not require outflow of resources or where a reliable estimate cannot be made, as a contingent liability in the financial statements

	(Rs. Lakhs)	
	As at 31.03.2010	As at 31.03.2009
<b>2. Contingent Liabilities:</b>		
(i) Bank Guarantees given to various Govt. Authorities/Others (Margin money/Short Term Deposits Rs. 1.54 ; Previous year Rs. 1.54)	10.26	10.26
(ii) Bills discounted with Banks	1,001.72	661.01
(iii) Sales Tax demands under appeal (Amount deposited Rs.0.18 ; Previous year Rs. 0.18)	0.18	0.18
(iv) Income Tax demands under appeal (Amount deposited Rs.26.00 ; Previous Year Rs.1.00)	143.97	1.00
(v) Central Excise demand under appeal (deposited Rs.85.58 ; Previous year Rs. 85.58)	105.58	105.58
(vi) Others under appeal (deposited Rs.12.00 ; Previous year Rs.12.00)	22.69	22.69
<b>3. Estimated amount of capital commitments outstanding and not provided for (Gross) (Advance paid Rs.; 185.80 Previous year Rs. 500.30)</b>	<b>2,318.95</b>	<b>711.46</b>
<b>4. Miscellaneous expenses include:</b>		
(i) Directors' Sitting fees	6.37	3.20
(ii) Cost Auditors' Remuneration	0.38	0.38
(iii) Stores written off	5.18	16.10
(iv) Auditors' Remuneration:		
(a) Audit Fees	4.75	4.35
(b) Tax Audit	0.60	0.50
(c) Certification & other services	2.40	2.28
(d) Reimbursement of expenses	0.29	0.14
	<u>8.04</u> #	<u>7.27</u> #
# Excludes Service Tax Rs. 0.76 (Previous Year Rs. 0.86)		
(v) Research & Development and Laboratory Expenses includes :		
(a) Salaries, Wages, Bonus & Other Benefits	45.30	42.26
(b) Contribution to P.F. & S.A.F.	5.30	4.62
(c) Stores & Spares	5.50	6.32
(d) Payments to Approved Research Institutions	2.30	0.28
(e) Other Expenses	0.54	5.31
	<u>58.95</u>	<u>58.79</u>
<b>5. Loans &amp; Advances include Rs. 75.00 to a company under liquidation against the use of an office premises. The same is pending transfer in favour of the company as per the agreed terms.</b>		
<b>6. Major components of deferred tax assets and liabilities arising on account of timing differences are :</b>		
Liability:		
(i) Depreciation	6,99.80	7,20.13
Assets :		
(ii) Retirement Benefits	10.84	8.42
(iii) Others (Includes C/F loss for DTA unit Rs. NIL; Previous Year Rs. 61.81)	-	10.84
Deferred Tax Liability (Net)	<u>6,88.96</u>	<u>6,39.31</u>

## ORIENTAL CARBON & CHEMICALS LIMITED

7. Expenditure on new Project under construction at Mundra SEZ for manufacture of Insoluble Sulphur (Pending Capitalisation) are as under:
- |   |                |                |
|---|----------------|----------------|
| (i) Land and Land Development Charges           | 6,41.70        | 4,63.70        |
| (ii) Advance Payment to Suppliers & Contractors | 1,37.21        | -              |
| (iii) Salary & Allowances                       | 20.30          | -              |
| (iv) Contribution to P.F. & S.A.F.              | 1.84           | -              |
| (v) Interest & Financial Charges                | 4.06           | -              |
| (vi) Travelling & Conveyance                    | 9.51           | -              |
| (vii) Others                                    | 6.85           | 0.05           |
|   | <u>8,21.47</u> | <u>4,63.75</u> |
8. Expenses/adjustment relating to previous years includes Travelling expense Rs. NIL (Previous Year Rs.4.00); Other Expenses Rs. 1.39; (Previous Year Rs.4.66)
9. There were no outstanding dues to Micro, Small and Medium Enterprises to the extent information available with the company and the payments in respect of such suppliers are made within the appointed day.
10. **Disclosure as per Accounting Standard – 15**
- (i) Define Contribution Plan -  
The Company has recognized the following amounts in the Profit and Loss Account for the year
- |  |       |       |
|--|-------|-------|
| Contribution to Employees Provident fund | 33.90 | 30.21 |
| Contribution to Superannuation fund      | 21.72 | 20.38 |
- (ii) Define Benefit Plan -  
The following table set out the status of the gratuity plan as required under AS 15 (Revised 2005);
- (a) A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):
- |                                    |         |         |
|------------------------------------|---------|---------|
| Opening DBO as on 1st April 2009   | 1,25.79 | 1,03.88 |
| Current service cost               | 11.83   | 8.96    |
| Interest cost                      | 10.83   | 8.61    |
| Actuarial (gain) /loss             | 16.39   | 7.22    |
| Benefits paid                      | (1.89)  | (2.88)  |
| Closing DBO as on 31st March, 2010 | 1,62.95 | 1,25.79 |
- (b) A reconciliation of the opening and closing balances of the fair value of plan assets:
- |                                   |         |         |
|-----------------------------------|---------|---------|
| Opening fair value of plan assets | 1,23.03 | 95.29   |
| Actual return                     | 9.46    | 9.10    |
| Actuarial gain/ (loss)            | -       | -       |
| Contribution by the employer      | 12.76   | 21.52   |
| Benefits paid                     | (1.89)  | (2.88)  |
| Closing fair value of plan assets | 1,43.36 | 1,23.03 |
- (c) Liability recognized in the balance sheet
- |  |         |         |
|--|---------|---------|
| Present value of the defined benefit obligation at the end of the period | 1,62.95 | 1,25.79 |
| Fair value of the plan assets at the end of the year                     | 1,43.36 | 1,23.03 |
| Liability recognized in the balance sheet                                | 19.59   | 2.76    |
- (d) The total expense recognized in the profit and loss account:
- |                              |        |        |
|------------------------------|--------|--------|
| Current service cost         | 11.83  | 8.96   |
| Interest cost                | 10.83  | 8.61   |
| Actual return on plan assets | (9.46) | (9.10) |
| Actuarial (gain) / loss      | 16.39  | 7.22   |
| Net Gratuity cost            | 29.59  | 15.69  |
- (e) For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the total plan assets:
- |                                |             |             |
|--------------------------------|-------------|-------------|
| Government of India securities | 46%         | 37%         |
| Public Sector bonds            | 49%         | 53%         |
| Special deposit schemes        | 1%          | 2%          |
| Bank balances--to be invested  | 4%          | 8%          |
|                                | <u>100%</u> | <u>100%</u> |
- (f) Actual return on plan assets
- |  |       |       |
|--|-------|-------|
|  | 7.69% | 9.55% |
|--|-------|-------|
- (g) Following are the Principal Actuarial Assumptions used as at the balance sheet date:
- |  |       |       |
|--|-------|-------|
| Discount rate                              | 7.50% | 7.50% |
| Expected rate of return on any plan assets | 7.50% | 7.50% |
| Average Salary escalation rate             | 5%    | 5%    |
- The estimates of the future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.



## ORIENTAL CARBON & CHEMICALS LIMITED

11. The appointment and remuneration paid to Mr. Akshat Goenka amounting to Rs. 0.46, w.e.f. 04.01.2010, is subject to the approval of the Shareholders in the ensuing Annual General Meeting u/s 314 of The Companies Act, 1956.

12. **Manufacturing and other expenses include Managerial Remuneration**

**(A) Managerial Remuneration #**

(i) Paid / Payable to Managing Director and Whole Time Director				
(a) Salary	37.80		21.00	
(b) Performance Bonus	32.00		15.25	
(c) Contribution to P.F. & S.A.F.	10.21		5.67	
(d) Value of other perquisites	36.82	116.83	21.00	62.92
(ii) Commission Payable to Directors		12.75		6.40
(iii) Directors' Sitting Fee		6.37		3.20
		<u>135.95</u>		<u>72.52</u>

# Excludes Provision for Contribution to Retirement Benefits based on Actuarial Valuation.

Mr. Arvind Goenka was appointed as Managing Director of the Company w.e.f. 01.10.2009 and his remuneration amounting to Rs. 36.51 Lacs included in the above, is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

**(B) Computation of Net Profit in accordance with Section 309 (5) of the Companies Act, 1956**

Profit before Taxation as per Profit & Loss Account	3,427.21	813.34
Add: Managerial Remuneration	135.95	72.52
Add: Diminution in value of Investments	-	13.79
Less:- Diminution in value of Investments written back	14.69	-
<b>Net Profit under section 309(5) of the Companies Act'1956</b>	<u>3,548.47</u>	<u>899.65</u>
Maximum Managerial Remuneration allowed under section 198 of the Companies Act, 1956 @ 11% of the above	390.33	98.96
Commission Payable to Directors @ 1% of Net Profit under section 309(5) of the Companies Act, 1956	35.48	9.00
Maximum Payable	<u>12.75</u>	<u>6.40</u>

13. **Earnings per Share has been computed as under:**

(i) Net profit after tax	2,945.69	762.69
(ii) Weighted Number of Equity Shares outstanding	10,296,062	9,949,032
(iii) Earnings per share (Rs) - Basic & Diluted (Face Value of Rs. 10 per share)	28.61	7.67

14. (a) Outstanding Forward Contracts as on 31.3.2010 in Foreign Currency for hedging of exports
- |      |           |                |
|------|-----------|----------------|
| USD  | -         | USD 14,00,000  |
| EURO | 20,00,000 | EURO 16,50,000 |
- (b) Foreign Currency Exposure not hedged by Derivative instruments or otherwise - Export Sales
- |                        |              |            |
|------------------------|--------------|------------|
| (In Euro)              | 1,152,691.00 | 573,546.42 |
| (In USD)               | 567,803.50   | 193,701.50 |
| (Equivalent in Rupees) | 952.75       | 485.72     |

15. **Segment Information:**

Segments have been identified in accordance with Accounting Standard on Segment Reporting [AS-17] taking into account the organisation structure as well as differential risks and returns of these segments. Business segment has been disclosed as the primary segment. The Company is organised into two business segments namely Chemicals (Includes Sulphuric acid and Oleum) and Insoluble Sulphur

	Chemicals	Insoluble Sulphur	Elimination	Total
1. Revenue				
External	813.88	11,961.05	-	12,774.93
	(2,238.01)	(10,169.71)	-	(12,407.72)
Inter segment	267.23	-	267.23	-
	(221.70)	-	(221.70)	-
Total Revenue *	1,081.11	11,961.05	267.23	12,774.93
	(2,459.71)	(10,169.71)	(221.70)	(12,407.72)
2. Segment Result	154.29	3,606.32	-	3,760.61
	(151.42)	1,805.85	-	(1,654.43)
Interest				241.79
				(392.77)
Unallocable expenditure Net of Income				91.61
				(448.32)
Profit Before Tax				3,427.21
				(813.34)
Provision for Taxes (including Deferred tax)				481.52
				(50.65)
Profit After Tax				2,945.69
				(762.69)

## ORIENTAL CARBON & CHEMICALS LIMITED

3. Other Information			
Segment Assets	<b>659.08</b>	<b>11,646.73</b>	<b>12,305.81</b>
	(539.86)	(9,505.84)	(10,045.70)
Unallocated Assets			<b>883.70</b>
			(968.26)
Total Assets			<b>13,189.51</b>
			(11,013.96)
Segment Liabilities	<b>91.95</b>	<b>996.85</b>	<b>1,088.80</b>
	(79.76)	(985.38)	(1,065.14)
Unallocated Liabilities			<b>269.90</b>
			(231.36)
Total Liabilities			<b>1,358.70</b>
			(1,296.50)
Depreciation/Amortization	<b>24.75</b>	<b>444.24</b>	<b>468.99</b>
	(23.72)	(423.54)	(447.26)
Provision for losses on Foreign Currency Forward Contracts (Other Non-Cash Charges)	-	-	-
	-	(31.14)	(31.14)
Capital Expenditure	<b>4.77</b>	<b>2,092.17</b>	<b>2,096.94</b>
	(0.99)	(814.43)	(815.42)

Secondary segment reporting is performed on the basis of location of the customers. All the business assets of the company are situated in India.

Particulars	India	Outside India	Total
Revenue	<b>4,662.67</b>	<b>8,112.26</b>	<b>12,774.93</b>
	(5,672.27)	(6,735.45)	(12,407.72)
Carrying amount of Debtors	<b>962.31</b>	<b>952.75</b>	<b>1,915.06</b>
	(824.49)	(485.72)	(1,310.21)

\* Excludes Rent received, Interest Income, Bad Debts Recovered & Diminution in value of Current Investments written back Rs. 135.63 (Previous Year Rs. 130.79)

### 16. Related parties disclosures (To the extent identified by the Company)

#### 1. Name and Relationship of the related parties

(a) Related party	: Duncan International (India) Ltd.- Associate
(b) Key Management Personnel	: Mr. A. Goenka - Managing Director
	: Mr. H. C. Taneja - Whole time Director
(c) Relative of Key Management Personnel	: Mr. Akshat Goenka - S/o Mr. A. Goenka

#### 2. Transactions with the related parties during the year :

Nature of Transactions	Associate	Key Management Personnel	Relative of Key Management Personnel	Total
Service charges reimbursed	<b>64.20</b>	-	-	<b>64.20</b>
	(57.00)	( - )	( - )	(57.00)
Expenses reimbursed (Net)	<b>12.36</b>	-	-	<b>12.36</b>
	(14.56)	( - )	( - )	(14.56)
Remuneration to Managing Director	-	<b>36.51</b>	-	<b>36.51</b>
	( - )	( - )	( - )	( - )
Remuneration to Whole Time Director	-	<b>80.32</b>	-	<b>80.32</b>
	( - )	(62.92)	( - )	(62.92)
Remuneration to Relative	-	-	<b>0.46</b>	<b>0.46</b>
	( - )	( - )	( - )	(62.92)
Sitting Fees (Prior to the appointment as Managing director)	-	<b>0.35</b>	-	<b>0.35</b>
	( - )	(0.55)	( - )	(0.55)
Directors' Commission (Prior to the appointment as Managing director)	-	<b>0.70</b>	-	<b>0.70</b>
	( - )	(1.10)	( - )	(1.10)
Equity Shares issued including Share Premium	-	-	-	-
	( - )	(14.92)	( - )	(14.92)
Dividend Paid	<b>36.84</b>	<b>4.14</b>	<b>1.00</b>	<b>41.98</b>
	(4.61)	(0.29)	( - )	(4.90)
Outstanding payable as on 31.03.2010	<b>0.30</b>	<b>32.70</b>	-	<b>33.00</b>
	(2.48)	(16.35)	( - )	(18.83)

# ORIENTAL CARBON & CHEMICALS LIMITED

## 17. (a) Quantitative information in respect of capacity, opening stock, production, sales and closing stocks:

Description	Installed Capacity*	Opening Stock		Production	Sales		Closing Stock	
Product	Qty. (MT)	Qty. (MT)	Rs. Lakhs	Qty. (MT)	Qty. (MT)	Rs. Lakhs	Qty. (MT)	Rs. Lakhs
Sulphuric Acid	41,250 (41,250)	653 (490)	8.26 (44.11)	28,899# (24,932)#	29,043 (24,769)	6,42.17 (16,60.52)	509 (653)	18.40 (8.26)
Oleum	13,750 (13,750)	943 (413)	23.59 (50.69)	6,268## (7,477)##	6,731 (6,947)	1,67.10 (5,78.81)	480 (943)	19.98 (23.59)
Insoluble Sulphur	12,000\$ (10,000)	1,414 (535)	8,70.41 (3,33.22)	11,712** (10,703)**	12,506@ (9,822)@	1,17,61.37 (99,43.99)	576 (1,414)	2,61.36 (8,70.41)
Total			9,02.26 (4,28.02)			1,25,70.64 (1,21,83.32)		2,99.74 (9,02.26)

\* Per Annum, as certified by the Management

\$ Installed Capacity is increased due to Debottlenecking.

# Includes reprocessed material from Oleum 139 MT;(previous year 32 MT)

## Excludes reprocessed into Sulphuric Acid 130 MT (previous year 30 MT)

\*\* Includes reprocessed material 69 MT; (Previous year 19 MT) and Purchase of Insoluble Sulphur 16 MT (Previous year NIL MT)

@ Excludes Samples NIL MT; (Previous year 2 MT) and Obsolete stock written off 44 MT; (Previous year NIL MT)

### (b) Raw Material Consumed:

	(Qty.)	Current Year (Rs. Lakhs)	(Qty.)	Previous Year (Rs. Lakhs)
Sulphur	20,737	1,058.62	19,291	3,964.96
Liquid Nitrogen	1,520	132.25	1,475	131.15
Nepthanic Oil (KL)	3,067	1,379.30	2,606	1,526.88
Others	-	377.51	-	403.66
		2,947.68		6,026.65

### (c) C.I.F. Value of Imports :

(i) Raw Materials	457.56	1,798.18
(ii) Components & Spare Parts	22.63	29.21
(iii) Insoluble sulphur	10.62	-

### (d) Value of Imported Consumable and Indigenous Stores and Spare Parts consumed (excluding charged to other revenue heads):

	% of total Consumption	Current Year (Rs. Lakhs)	% of total Consumption	Previous Year (Rs. Lakhs)
(i) Imported	-	-	-	-
(ii) Indigenous	100.00	44.74	100.00	40.73
	100.00	44.74	100.00	40.73

### (e) Value of consumption of Raw Materials:

(i) Imported	23.90	704.55	36.45	2,196.95
(ii) Indigenous	76.10	2,243.13	63.55	3829.70
	100.00	2,947.68	100.00	6026.65

### (f) Expenditure in Foreign Currency:

(i) Travelling Expenses	29.47	24.47
(ii) Others	140.33	161.58
(iii) Remittance to Shareholders on account of Dividend	0.46	0.16
No of Shareholders	111	116
No of Shares held by them	30,670	31,970
Dividend for the year	2008-2009	2007-2008
1st Interim Dividend For 2009-2010		
Remittance to Shareholders	0.44	-
No of Shareholders	108	-
No of Shares held by them	29,346	-
2nd Interim Dividend For 2009-2010		
Remittance to Shareholders	0.29	-
No of Shareholders	107	-
No of Shares held by them	28,846	-

### (g) Earning in Foreign Currency:

F.O.B Value of exports (includes Deemed/ Indirect Exports Rs. 33.74 ;		
Previous year Rs. 77.28)	7,657.44	6430.00

18. (i) The previous year's figures have been regrouped/rearranged wherever necessary, to conform to this year's classification.  
(ii) Figures in brackets relate to previous year.

As per our report of even date annexed  
For SINGHI & CO.  
Chartered Accountants

For and on behalf of the Board  
J.P. GOENKA  
Chairman

A. GOENKA  
Managing Director

H.C. TANEJA  
Whole Time Director

Place : New Delhi  
Date : 28th May, 2010

B.K. SIPANI  
Partner  
Membership No. 88926

R.K. GHOSH  
Company Secretary

## ORIENTAL CARBON & CHEMICALS LIMITED

19. Balance Sheet abstract and Company's general business profile as required in Part IV of the Companies Act, 1956 is appended herein below :

(i) Registration details

Registration No.31539

State Code :21

Balance Sheet Date	<b>(Rs. Lakhs)</b>	
	<b>As at 31.03.2010</b>	<b>As at 31.03.2009</b>
(ii) Capital raised during the year		
Public Issue	Nil	Nil
Bonus Issue	Nil	Nil
Rights Issue	Nil	Nil
Preferential Issue	Nil	1,52.44
(iii) Position of Mobilisation & Deployment of Funds		
Total Liabilities	<b>1,18,30.81</b>	97,17.46
Total Assets (Net of Current Liabilities & Provisions)	<b>1,18,30.81</b>	97,17.46
Sources of Funds:		
Paid-up-Capital	<b>10,31.13</b>	10,31.13
Warrants	-	-
Reserves & Surplus	<b>82,46.98</b>	57,91.07
Secured Loans	<b>17,16.62</b>	21,34.37
Unsecured Loans	<b>1,47.12</b>	1,21.58
Net Deferred Tax Liability	<b>6,88.96</b>	6,39.31
Application of Funds :		
Net Fixed Assets	<b>73,26.34</b>	57,20.61
Investments	<b>51.05</b>	36.37
Net Current Assets	<b>44,53.42</b>	39,60.48
(iv) Performance of Company		
Turnover / Other Income	<b>1,29,10.56</b>	1,25,38.51
Total Expenditure	<b>94,83.35</b>	1,17,25.17
Profit before Tax	<b>34,27.21</b>	8,13.34
Profit after Tax	<b>29,45.69</b>	7,62.69
Earning per share (Rupees)	<b>28.61</b>	7.67
(v) Generic names of Principal Products / Services of Company (as per monetary terms)		
Item Code No. (ITC Code)	Product Description	
280700.10	Sulphuric Acid	
280700.20	Oleum	
280200.30	Sublimed (Flowers) Sulphur(Insoluble Sulphur)	

For and on behalf of the Board

J.P. GOENKA

Chairman

A. GOENKA

Managing Director

Place : New Delhi  
Date : 28th May, 2010

R.K. GHOSH  
Company Secretary

H.C. TANEJA  
Whole Time Director

## Oriental Carbon & Chemicals Limited

31, Netaji Subhas Road, Kolkata – 700 001

Dear Shareholder(s),

- Reserve Bank of India has introduced National Electronic Clearing Service (NECS) facility after discontinuation and merger of Centralised Electronic Clearing Service (Cen-ECS) for bringing efficiency and uniformity in ECS operations by leveraging core-banking solution. NECS provides you the following benefits :-
  - ❖ Direct credit of dividend amount in the Bank Account.
  - ❖ Elimination of postal delays.
  - ❖ No loss of dividend warrants in transit.
  - ❖ No fraudulent encashment.
  - ❖ No hassle of revalidation / duplicate issue of dividend warrants.
- Shareholder(s) holding share in **Physical Form** may please send the form attached below\* to our Registrar and Transfer Agent at the following address :-

M/s. Link Intime India Pvt. Ltd.  
Unit : Oriental Carbon & Chemicals Ltd.  
3rd Floor, 59C, Chowringhee Road,  
Kolkata – 700 019  
Tel. : (033) 22890540 / 22890539

\*The signature of the holder(s) to be attested by your Banker.

- SHAREHOLDER(S) HOLDING SHARES IN ELECTRONIC FORM MAY PLEASE NOTE THAT :
  - To avail the NECS facility, please update core bank account number and 9 digits MICR Code of your Bank / Branch **with your Depository Participant (DP)**.
  - For effecting change in address / bank details / Electronic Credit mandates, if any, shareholder(s) are requested to **notify the same to their DP**.

### National Electronic Clearing Service (NECS)

#### Mandate Form

(Investor's option to receive dividend payment through Credit Clearing Mechanism)

- Investor's name :
- Ledger folio number :
- Particulars of Bank account
  - A. Name of the Bank :
  - B. Name of the Branch :
  - Address :

Telephone No. :

- 9-Digit code number of the bank and branch as appearing on the MICR cheque issued by the Bank:

--	--	--	--	--	--	--	--	--	--

- Type of the account (S.B., Current or Cash Credit) with code (10/11/13)

- Account number (as appearing on the cheque book)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**IMP: Please attach a blank cancelled cheque or photocopy of a cheque issued by your bank for verification of the above particulars.**

I / We hereby declare that the particulars given above are correct and complete.

If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold Oriental Carbon & Chemicals Ltd. responsible.

Date :

Place:

Signature of the  
first holder

Signature of the  
second holder

Signature of the  
third holder

Signature of the  
forth holder

**Attested by Bank Manager with his/her code no. and under official seal.**

**ATTENDANCE SLIP**  
**ORIENTAL CARBON & CHEMICALS LIMITED**

Registered Office : 31, Netaji Subhas Road, Kolkata - 700 001

(Particulars to be completed by Member / Proxy)

Name of Member : \_\_\_\_\_  
(In Block Letters)

Member's Folio Number	DP.Id**	CLIENT Id**
-----------------------	---------	-------------

No. of Shares held :

Name of Proxy, if attending for Member : \_\_\_\_\_  
(In Block Letters)

I hereby record my presence at the THIRTIETH ANNUAL GENERAL MEETING of the Company at Williamson Magor Hall (1st Floor), The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata-700 001 on Friday the 23rd July, 2010 at 10.30 A.M.

Member's/Proxy's Signature\*

\* To be signed at the time of handing over the slip.

\*\* Applicable if shares are held in electronic form

MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL REPORT TO THE MEETING. NO COPY OF THE REPORT WILL BE DISTRIBUTED AT THE MEETING.

**PROXY**  
**ORIENTAL CARBON & CHEMICALS LIMITED**

Registered Office : 31, Netaji Subhas Road, Kolkata - 700 001

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the district  
of \_\_\_\_\_ being a member/members of the above  
named Company hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ in the district  
of \_\_\_\_\_ or failing him \_\_\_\_\_  
of \_\_\_\_\_ in the district  
of \_\_\_\_\_ as my / our Proxy to vote for  
me/us on my/our behalf at the Annual General Meeting of the Oriental Carbon & Chemicals Limited to be held at 10.30 A.M.  
on Friday, the 23rd of July, 2010 and at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_\_

day of \_\_\_\_\_, 2010.

Signature \_\_\_\_\_

Folio Number	DP.Id*	CLIENT Id*
--------------	--------	------------

No. of Shares held \_\_\_\_\_

\*Applicable if shares are held in electronic form.

Note : This Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.

Affix  
Revenue  
Stamp

## **BOOK-POST**

*If undelivered please return to :*

**ORIENTAL CARBON & CHEMICALS LIMITED**

1st & 2nd Floor, Publicis House,  
1-2, Aram Bagh, Community Centre,  
Panchkuian Road,  
New Delhi-110 055

**ORIENTAL CARBON & CHEMICALS LIMITED**



30th  
ANNUAL REPORT  
*2009-2010*