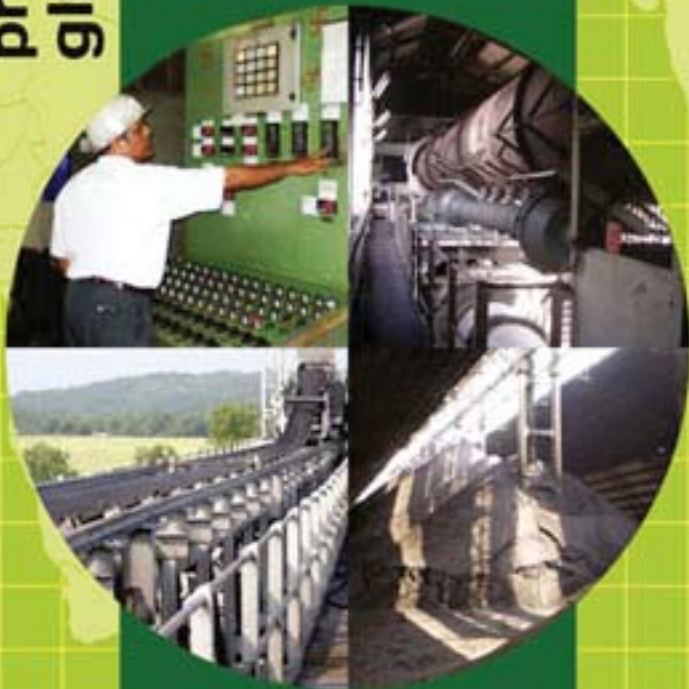


propelling the growth of
global industrialisation

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43rd ANNUAL
REPORT 2010-11

Goa Carbon Ltd.

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The Pioneers



Late Sri Vasant Rao S. Dempo
Founder Chairman



Late Sri Vasudeva V. Dempo
Former Chairman

The Directors



Mr. Shrinivas V. Dempo
Chairman - Promoter



Mr. Dara P. Mehta
Independent Director



Mr. P. G. Kakodkar
Independent Director



Mr. Keki M. Elavia
Independent Director



Mr. Raman Madhok
Independent Director



Mr. Soiru V. Dempo
Non-Executive Director



Dr. A. B. Prasad
Independent Director



Mr. Jagmohan J. Chhabra
Executive Director

Executive Director	Mr. Jagmohan J. Chhabra
Company Secretary	Mr. P. S. Mantri
General Manager (Finance)	Mr. K. Balaraman
General Manager (Commercial)	Mr. M. R. Haldankar
Registered Office	Dempo House, Campal, Panaji-Goa - 403001
Plant Locations	1. St. Jose de Areal, Salcete, Goa - 403709 2. 34-40, Sector B, Sirgitti Industrial Area, Bilaspur 495004, Chhattisgarh State 3. Vill. Udayabata, P.O. Paradeepgarh, Dist. Jagatsinghpur, Orissa 754142
Auditors	Deloitte Haskins & Sells, Chennai
Solicitors	Little & Co., Mumbai
Registrars & Transfer Agents	Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited) C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400078
Bankers	Bank of India Bank of Baroda

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Important Communication to Members

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies and has issued circulars inter alia stating that service of notice/documents including Annual Report can be sent to the registered e-mail addresses of its members. To support this green initiative of the Government in full measure, members desirous of receiving the aforementioned documents in electronic mode, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to inform us by sending an email to us at greeninitiative@goacarbon.com. Further, please note, that if there is any change in the email address registered with us, you are requested to update the same with your Depository Participant (in case of shares held in demat mode) and by sending an email to us at greeninitiative@goacarbon.com (in case of shares held in physical form).

Chairman's Letter



Dear Shareholder,

We are extremely happy to share with you that your Company's performance in the current financial year had improved considerably as compared to the previous financial year. For the financial year 2010-11, your company registered a significant growth in terms of profit--especially in the fourth quarter. Overall, the long term outlook for our industry looks robust and we remain optimistic on the future growth prospects of the sector.

For the year ended March 31, 2011, your company recorded a sales turnover of ₹ 29,747.10 lakh and a net profit of ₹ 919.12 lakh as compared to sales turnover of ₹ 27,697.93 lakh and a net profit of ₹ 40.65 lakh in the previous financial year. The Board of Directors of the Company recommended a dividend at the rate of 40% for 2010-11.

As informed last year, the Company's first phase of its overseas initiatives in China of setting up a facility to produce 2,50,000 metric tonnes per annum of CDC is in its initial implementation stages and is expected to be completed by 2012.

The Indian economy continues to boast of 8% plus GDP growth rate recording 8.5% growth rate in financial year 2010-11. India's index of industrial



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production eased in April, expanding at 6.3% from a year earlier following an 8.8% gain in March. Even as there is deceleration in some interest-sensitive sectors such as automobiles, there is no evidence of broad-based slowdown. Performance of the industry and profit margins in the last quarter of 2010-11 suggested that demand remained steady despite sharp increases in input costs.

There are concerns on the outlook for the global economy, which has shown signs of weakness from the second quarter of 2011. The weak outlook in advanced economies as well as emerging market economies stems from the impact of high oil and other commodity prices, spillover of Japan's natural disasters and increased uncertainty about the resolution of the sovereign debt problem in the euro area. These developments tend to increase downside risks to global growth prospects, with a spillover effect on the local economy. High inflation and fiscal deficit continue to remain the major negatives for the Indian economy.

However, global demand for aluminium is expected to climb supported by growth in emerging markets and on recovery in automobile and aerospace sectors. Rising demand from the metal segment is also expected to push demand for aluminium, which is estimated to grow by 12% in 2011 from a year ago. The production of aluminium is expected to grow from 40 million tonnes to 70 million tonnes in 2015 and 50% of 70 million tonnes is going to be produced in Asia, China and Middle East and the CPC industry is directly to be benefited from such growth of demand and production of aluminium.

We look forward to your continuous support in the future.

Thank You,



Shrinivas V. Dempo

Danaji-Goa



Notice

Notice is hereby given that the Forty-third Annual General Meeting of the Members of Goa Carbon Limited will be held at the Registered Office of the Company at **Dempo House, Campal, Panaji - Goa 403001**, on **Saturday, the 20th August, 2011** at **10.30 a.m.** to transact the following business:-

Ordinary Business:

1. To consider and adopt the audited Balance Sheet of the Company as at March 31, 2011, the Profit and Loss Account and Cash Flow Statement for the year ended on that date as also the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Dara P. Mehta who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Soiru V. Dempo who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT in partial modification of Resolution no. 7 passed by the members at the 42nd Annual General Meeting of the Company held on August 7, 2010 approving the appointment and terms of remuneration of Mr. Jagmohan J. Chhabra as Whole-time Director with designation "Executive Director" in accordance with the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto and subject to such approval(s) from the Central Government or any other authority, as may be required, and subject to any conditions and/ or modifications as may be imposed and/ or suggested by such authorities, while granting such approvals, approval of the Company be and is hereby given for the revision in the remuneration payable to Mr. Jagmohan J. Chhabra, Executive Director of the Company with effect from April 1, 2011 for the remaining period of his term in office, as under:

- i) Basic Salary: ₹ 6,50,000/- per month.
- ii) Performance linked bonus/ incentives: 1% of net profit per annum, subject to maximum of ₹ 20,00,000/-."

"RESOLVED FURTHER THAT all other terms and conditions of appointment of Mr. Jagmohan J. Chhabra as approved earlier by the members, shall remain unchanged."

"RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

Notes:

1. **A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the time fixed for the meeting.**
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the special business is annexed hereto.
3. In terms of Article 140 of the Articles of Association of the Company, Mr. Dara P. Mehta and Mr. Soiru V. Dempo, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.
The information to be provided for these Directors under Clause 49 of the Listing Agreement, is given in the Corporate Governance Report of this Annual Report.
4. (a) The Company has already notified closure of Register of Members and Share Transfer Books from **Thursday, the 11th August, 2011** to **Saturday, the 20th August, 2011** (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting.
(b) The dividend on Equity Shares, if declared at the Meeting, will be paid within 30 days from the date of



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declaration to those members or their mandatees whose names appear on the Company's Register of Members:

- (i) as beneficial owners as at the end of business hours on **10th August, 2011**, as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited, in respect of shares held in electronic form, and
 - (ii) as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before **10th August, 2011**.
5. Members are requested to notify immediately any change of address to their Depository Participants (DP's) in respect of their electronic share accounts and to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, in respect of shares held in physical form.
 6. a) In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited, their bank details to be incorporated on the dividend warrants.
b) Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company shall not entertain any direct requests from such Members for deletion of or change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form shall not be automatically applicable to shares held in electronic form. Members who wish to change such Bank Account details are, therefore, requested to advise their Depository Participants about such change with complete details of Bank Account.
c) To avoid loss of dividend warrants in postal transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities/ towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited.
 7. All unclaimed dividend declared up to the financial year ended March 31, 1995 have been transferred to the General Revenue Account of the Central Government as required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 (the Rules). Members who have not so far claimed or collected their dividends declared up to the aforesaid financial year are requested to claim such dividends from the Registrar of Companies, Goa, Daman & Diu, Corporate Law Bhavan, Patto Plaza, Panaji, Goa 403001, by making an application in Form II of the Rules.
 8. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unclaimed dividends for the financial years ended March 31, 1996, March 31, 1997, March 31, 1998, March 31, 1999, March 31, 2000, March 31, 2001, December 31, 2001 and March 31, 2003 to the Investor Education and Protection Fund established by the Central Government. Dividends for the financial period ended March 31, 2004 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date of transfer to the unpaid dividend account shall be transferred by the Company to the Investor Education and Protection Fund. Information in respect of such unclaimed dividends is given below. Members who have not encashed dividend warrant(s) for the aforesaid years are requested to seek issue of duplicate warrant(s) by writing to the Company or the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited, immediately.

Financial Year ended	Due date of transfer
31.03.2004	22.10.2011
30.06.2005	14.01.2013
30.06.2006	04.02.2014
31.03.2007	01.09.2014
31.03.2008	03.09.2015
31.03.2009	22.08.2016
31.03.2010	13.09.2017

Members are requested to note that no claims shall lie against the Company or the Investor Education and Protection Fund for any moneys transferred to the said fund in accordance with the provisions of Section 205C of the Companies Act, 1956.

By Order of the Board of Directors

P. S. Mantri
Company Secretary

Panaji, April 6, 2011

Registered Office:
Dempo House, Campal,
Panaji-Goa 403001



Annexure to Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS MENTIONED IN THE ACCOMPANYING NOTICE DATED APRIL 6, 2011

ITEM 6

Mr. Jagmohan J. Chhabra was appointed as Whole-time Director with designation "Executive Director" of the Company for a period of three years with effect from April 1, 2010. His appointment and terms thereof were approved by the members at the 42nd Annual General Meeting held on August 7, 2010.

Due to inadequacy of profits in the financial year preceding the year of appointment of the Executive Director, the Company applied for and obtained approval of the Central Government in terms of Section 198(4) read with Schedule XIII of the Companies Act, 1956 for the appointment and payment of total remuneration of ₹ 1,02,42,000/- per annum to him.

During the year, Mr. Chhabra has taken various initiatives to strengthen the existing business of the Company. Apart from this, under his leadership, the Company is well on track to implement the project of setting up a manufacturing facility in China for manufacture of 1,000,000 metric tonnes per annum of Calcined Petroleum Coke utilizing the vertical shaft kiln technology.

The Board of Directors of the Company on the recommendation made by the Remuneration Committee, have approved the proposal of increase in the remuneration of Mr. Jagmohan J. Chhabra with effect from April 1, 2011 for the remaining period of his tenure in office.

Information required to be given to members as per Schedule XIII of the Companies Act, 1956 is as under:

I. General Information

- Nature of Industry
The Company is engaged in the manufacture and sale of Calcined Petroleum Coke.
- Date or expected date of commencement of commercial production.
The Company is already into commercial production of above product.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in prospectus
Not Applicable
- Financial performance based on given indicators ₹ in lacs

Financial Parameters	2010-11	2009-10	2008-09
Total Income	27,093.83	25,955.21	39,399.59
Profit before Tax	1,402.50	185.42	1,845.74
Profit after Tax	919.12	40.65	1,233.15
Dividend proposed/ paid (including Corporate Dividend Tax)	425.42	213.42	321.19
Dividend Rate %	40%	20%	30%

- Export performance and net foreign exchange collections
During the year ended March 31, 2011, foreign exchange earnings were ₹ 6125.18 lacs and outgoings were ₹ 19,452.46 lacs.
- Foreign investments or collaborators, if any
The Company has no foreign investment or collaborations, so far.

II. Information about the Executive Director

Mr. Jagmohan J. Chhabra is 48 years old. He is a Mechanical Engineer with Masters Degree in Management (specialization in Marketing) from the Jannalal Bajaj Institute of Management Studies, Mumbai and has done a Management Programme from IIM, Ahmedabad. Mr. Chhabra has worked for



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more than 25 years with MNC's and has experience in Operations and Marketing Management both at domestic and international levels. Prior to joining Goa Carbon Limited, he was associated as CEO of TSG Limited, a subsidiary of Frigoglass Group, Athens, Greece.

Mr. Jagmohan J. Chhabra is the Executive Director and is responsible for all the day to day operations of the Company subject to the superintendence and control of the Board of Directors.

During the preceding financial year, Mr. Jagmohan J. Chhabra received remuneration of ₹ 1.02 crore.

The revised particulars of the terms of remuneration payable to Mr. Jagmohan J. Chhabra with effect from April 1, 2011 for the remaining period of his term in office as Executive Director are as under:

- i) Basic Salary: ₹ 6,50,000/- per month.
- ii) Performance linked bonus/ incentives: 1% of net profit per annum, subject to maximum of ₹ 20,00,000/-."

The remuneration proposed to be paid to the Executive Director is comparable with the remuneration being paid for similar assignments in the industry.

Mr. Jagmohan J. Chhabra does not have direct or indirect pecuniary relationship with the Company or relationship with the managerial personnel other than getting remuneration as the Executive Director of the Company.

III. Other Information

1. Reasons of loss or inadequate profits, if any.
In the financial year 2009-10, the profits of the Company were inadequate mainly due to the lower price realization and the carrying over of inventory costs at a much higher rate.
In the financial year 2010-11, the Company performed relatively well and was able to earn a net profit of ₹ 9.19 crore (PAT)
2. Steps taken or proposed to be taken for improvement
Keeping in mind the rapid growth of the aluminium industry which in turn drives the growth of the Calcined Petroleum Coke (CPC) industry and its pricing as aluminium industry accounts for almost 75 per cent of the end user consumption of CPC, the Company has decided to venture into China, a major player in the aluminium and CPC industry, by setting up a 1 million tonne per annum CPC plant, using the vertical shaft kiln technology. The first step of entering into a joint venture agreement has been successfully inked out.
3. Expected increase in productivity and profits in measurable terms
Post the above expansion, the Company with the strategic tie up with its joint venture partner shall be in a good position to supply CPC to the Chinese aluminium and steel mills as well as to the US, South America, Southeast Asia etc. The Company will also be able to supply CPC at competitive price to the domestic and international customers. The China plant once operational would help in improving the gross revenue of the Company.

The above may be treated as an abstract of variation in terms of the agreement between the Company and Mr. Jagmohan J. Chhabra pursuant to Section 302 of the Companies Act, 1956.

Accordingly, the Directors recommend the resolution at Item no. 6 of the Notice for your approval.

Save and except for Mr. Jagmohan J. Chhabra who is concerned / interested in the resolution at Item no. 6, none of the other Directors of the Company is in any way concerned or interested in this resolution.

By Order of the Board of Directors

P. S. Mantri
Company Secretary

Panaji, April 6, 2011

Registered Office:
Dempo House, Campal,
Panaji-Goa 403001



Directors' Report



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Dear Shareholders,

Your Directors have pleasure in presenting the 43rd Annual Report together with the audited accounts of your Company for the year ended March 31, 2011.

Financial Results

₹ in lacs

	2010-11	2009-10
Profit before tax for the year	1402.50	185.42
Less: Provision for Tax –		
Current Tax	533.00	95.00
Prior Year Tax	0.98	(25.29)
Deferred Tax	(50.60)	75.06
	483.38	144.77
Profit for the year after tax	919.12	40.65
Add: Balance brought forward from the Profit & Loss Account of the previous year	769.55	945.37
Amount Available for Appropriations	1688.67	986.02
Appropriations:		
General Reserve	92.00	3.05
Proposed Dividend	366.04	183.02
Tax on Dividend	59.38	30.40
	517.42	216.47
Balance carried to the Balance Sheet	1171.25	769.55
	1688.67	986.02

Year in Retrospect

The sales and other income for the financial year under review were ₹27,093.83 lacs as compared to ₹25,955.22 lacs for the previous financial year, up by 4%. The production of Calcined Petroleum Coke ("CPC") was 1,27,379 tonnes as compared to 1,49,016 tonnes for the previous financial year.

The sales of CPC were 1,23,691 tonnes (including exports 30,941 tonnes) for the financial year under review as compared to 1,68,058 tonnes (including exports 51,008 tonnes) for the previous financial year. The profit after tax during the financial year was ₹919.12 lacs as compared to the profit of ₹40.65 lacs in the previous financial year.

Dividend

Your Directors have recommended a dividend of ₹4/- per equity share (40%) of face value of ₹10/- for the financial year ended March 31, 2011, as against 20% paid in the previous financial year.

Subsidiary Company

During the year under review, your Company has entered into Joint Venture Agreement (JV Agreement) with Sinoway International Holdings Limited, a Company registered in Hong Kong to establish Joint Venture Company in Hong Kong who will set up a Wholly Owned Subsidiary Company in China to establish facility to manufacture Calcined Petroleum Coke (CPC) with the capacity of 280,000 Metric Tonnes per annum in the first phase. Consequent to the execution of JV Agreement, your Company through its Wholly Owned Subsidiary Company 'GCL Global Resources SGP Pte Ltd., Singapore, registered a Joint Venture Company in Hong Kong, namely; SinoGoa International Holdings Ltd., along with Joint Venture Partner, Sinoway International Holdings Ltd. In SinoGoa International Holdings Ltd., your Company to hold equity shares to the extent of 51% of the equity capital of the Company and the balance 49% capital is to be held by Sinoway International Holdings Ltd.

Listing Information

The equity shares of your Company are listed on the Bombay Stock Exchange Limited (BSE) and on the National Stock Exchange of India Limited (NSE).

The listing fees for the year 2010-2011 have been paid to BSE and NSE.

Accreditation

The Company continues to enjoy ISO 9001 & ISO 14001 accreditation made by BUREAU VERITAS.

Public Deposits

The Company has not accepted any public deposits during the year under review.

Directors

In terms of Article 140 of the Articles of Association of the Company, Mr. Dara P. Mehta and Mr. Soiru V. Dempo, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

A Brief resume of these Directors, the nature of their expertise in specific functional areas, and the names of the companies in which they hold directorships and membership of board committees, shareholding in the Company as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Report on Corporate Governance.

Directors' Responsibility Statement

As required by Section 217 (2AA) of the Companies Act, 1956, based on the information and representations received from the operating management your Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period to the best of their knowledge and ability;
- (iii) The Directors have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability;
- (iv) The Directors have prepared the annual accounts on a going concern basis.

Auditors

The Auditors, Deloitte Haskins & Sells, retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Board recommends their re-appointment as Auditors to audit the accounts of the Company for the financial year 2011-2012.

Particulars of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure – I to the Directors Report.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, required to be disclosed by Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are provided in the Annexure – II to this Report.

Corporate Governance

It has been the endeavour of your Company to follow and implement best practices in corporate governance, in letter and spirit. A detailed Corporate Governance Report is attached and forms part of this report.

A certificate from the Statutory Auditors of the Company regarding compliance of the conditions of corporate governance as required under Clause 49 of the Listing Agreement with the Stock Exchanges, forms part of this report.

Acknowledgement

Your Directors would like to express their appreciation for the assistance and co-operation received from the Government authorities, banks, customers, business associates and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

For and on behalf of the Board of Directors

Shrinivas V. Dempo
Chairman



Annexure I
to the
Directors'
Report

Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956, read with the (Particulars of Employees) Rules, 1975, forming part of the Directors' Report for the year ended 31st March, 2011.

Sr. No.	Name of the Employee	Designation/ Nature of duties	Remuneration (₹)	Qualifications	Experi- ence in years	Date of Com- mencement of employment	Age (in yrs)	Last Employment held
(A) Employed throughout the financial year:								
1.	Chhatra Jagrohan J.	Executive Director*	1,02,07,830/-	Mech. Eng. with Masters Degree in Marketing Management	27	01-04-2010	48	CEO TSG Limited (Subsidiary of PiggiGlass Group, Athens, Greece)
(B) Employed for part of the financial year:								
..... Nil								

* Appointed as Whole-time Director with designation Executive Director and the nature of his employment was contractual. Other terms and conditions are as per agreement.

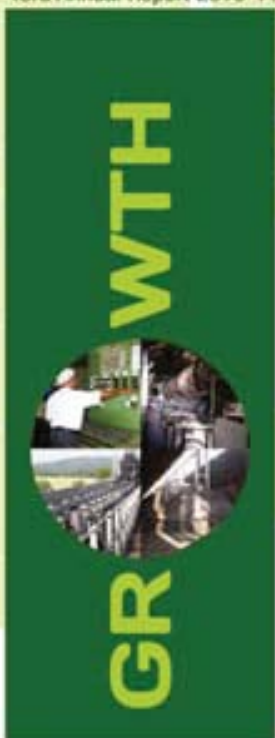
Note:

Remuneration as shown above includes Salary, Allowances, Company's Contribution to Provident Fund, Leave Travel Assistance and expenditure by the Company on accommodation, medical and other facilities as per agreement.

In addition, the director is entitled to Gratuity and is also covered under the Group Personal Accident Insurance Policy.



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Annexure II to the Directors' Report



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PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, ETC. AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

(A) Conservation of Energy

(a) energy conservation measures

Goa Plant

Consumption of electrical energy per metric ton of Calcined Petroleum Coke produced during the year was 16.73 kwh/MT of CPC as against 18.37 kwh/MT of previous year. The reduction has been achieved due to efficient usage of equipments. A strict control on routinely maintained power factor enabled the Company to get maximum rebate of ₹ 72,200/-.

Furnace Oil consumption during the year was 1,68,340 ltrs as against 1,07,550 ltrs of previous year. Furnace Oil consumption per ton of CPC during the year was 4.38 ltrs/ MT as against 3.30 ltrs/ MT in the previous year due to production of higher RD CPC (i.e. 2.06 grams/cc minimum) to meet customer specifications.

Bilaspur Plant

Electrical Energy consumption during the year was reduced to 16.24 kwh/ MT as compared to 16.86 Kwh/ MT of previous year. This has been achieved after maintaining standard production procedure with fine tuning. A vigilant control on periodically maintained power factor enabled the Company to maximum power factor incentives of ₹ 23,095/-. This was lower than the previous year due to lower production run during the year.

Furnace Oil consumption per MT of CPC has marginally increased from 7.07 ltrs/ MT to 7.22 ltrs/ MT due to frequent shutdowns as additional Furnace Oil was used in heating & cooling of the Kiln. However, Furnace Oil used for processing has decreased from 5.66 ltrs/ MT to 5.48 ltrs/ MT due to concerted efforts & continuous monitoring of process parameters.

Paradeep Plant

The specific Electrical Energy consumption for the year was 15.74 kwh/ MT. In comparison with the previous year, the specific energy consumption is higher by 0.1 Kwh/ MT of CPC produced. This is due to the production of high RD material during the whole year excluding material produced for export. The average production/ day has increased from 355 MT/ day to 377 MT/day, which is the maximum designed capacity of the Plant. The power cost has increased from ₹ 4.06 per unit to ₹ 4.73 per unit mainly due to the increase in the power costs and increase in the DG power generation cost on account of increase in the cost of diesel, lubricants and spares.

The Furnace Oil for production was nil as in the previous year.

(b) additional investment and proposals, if any, being implemented for reduction of consumption of energy.

- 1) Installed transparent FRP sheets in CPC storage godown thereby using natural light.
 - 2) Installed energy efficient luminaries.
 - 3) Campaign for efficient usage of electrical equipments & conditioned monitoring of equipment for better efficiency is being continued.
- 1) Additional transparent FRP sheets provided in CPC storage godown thereby using natural light.
 - 2) Cooler exhaust blower motor replaced from 40 H.P. to 30 H.P.
 - 3) Initiation to install energy efficient motor and replace light fittings by using high efficiency luminaries.

(c) impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

The above steps will help to save 3% to 4% of electrical energy consumption on current connected load.

During the year, about 14 nos of high efficiency motors were replaced which has resulted in bringing down the specific energy consumption to the tune of 2 units/MT. This has saved approx. ₹6 lacs during the year. In case the Plant operates at full capacity, we expect a saving of ₹ 10 lacs/annum.

(d) total energy consumption and energy consumption per unit of production as per Form-A of the Annexure in respect of industries specified in the schedule thereto.

----- Not applicable to our industry-----

(B) Technology Absorption

(e) efforts made in technology absorption as per Form-B of the Annexure.

----- Please refer to the enclosure-----

(C) Foreign Exchange Earnings and Outgo.

(f) activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans.

The Company's exports to internationally renowned aluminium majors still continues as in the past.

(g) total foreign exchange used and earned.

Foreign Exchange used for importing raw material, interest on foreign currency loans and travel expenses of employees for official work etc. were equivalent to ₹ 19,452.46 lacs.

Foreign Exchange earned during the year 2010-2011 by exporting finished product was equivalent to ₹ 6,125.18 lacs.

FORM-B
(See Rule 2)

Form for disclosure of particulars with respect to Technology Absorption.

Research and development (R&D)

1. Specific area in which R&D carried out by the Company.
2. Benefits derived as a result of the above R&D.
3. Future plan of action.
4. Expenditure on R&D
 - a) Capital
 - b) Recurring
 - c) Total
 - d) Total R&D expenditure as a percentage of total turnover.

As reported, the Company has been able to achieve reduction in energy consumption and higher product recovery with efforts towards continuous and consistent reviews of all processes & operations and consequent improvement actions.

Technology absorption, adaptation and innovation.

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.
2. Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.
3. In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished
 - a) Technology imported.
 - b) Year of Import
 - c) Has Technology been fully absorbed?
 - d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.

The Company has been able to achieve an improvement in the efficiency of the production during the year under review.

Not applicable



Management Discussion & Analysis



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The international competitive market environment continues to put pressure on the Company's selling price of product. The volatility and increase in raw material prices followed by the price movement of crude oil and sharp increase in freight rates may affect the margin of the company's product. However, the Company is making continuous efforts to reduce overhead costs and improve efficiency.

Over the years, the Company has created its brand and is well established as reliable manufacturer of Calcined Petroleum Coke (CPC) in domestic as well as international market, through its sustained efforts on product quality. Research and Development is an ongoing process within the Company which results in discovering, implementing new improved methods and concepts so as to improve the product quality and achieve cost effectiveness.

Even though the market environment remains to be competitive and challenging, the Company by its continuous customer centric efforts is confident of driving growth to maintain its position in the industry. The major factors for the business growth and increasing profitability of the Company for the year ahead are, achieving operational efficiency, cost effectiveness and optimize utilization of product capacity and expanded export market.

The growth of calcined petroleum coke industry is directly linked to the growth of Aluminium Industry and as per reliable reports available, Aluminium industry is going to grow in India and China in the years ahead and therefore, this single factor will boost demand for CPC in the future. The Company has already taken steps to set up a project in China to reduce the volatility of raw material prices and ocean freight. The Company's proposed China project is expected to target the increased global market by supplying to the international aluminium smelters.

Risks & Concern

The major factor for the profitability of the industry is availability of right type of raw material i.e., RPC in required quantities to meet the growing needs of aluminium smelters. The Calciner to be more competitive and successful is required to work closely with aluminium smelters on continuous basis to optimize blend by using different types of Green Petroleum Coke to get required quality of CPC by aluminium smelters. The Company is continuously working towards adopting itself to the changed demand scenario of the industry by its regular research and development and close interaction with aluminium smelters.

Another issue is the Company being net user of foreign exchange is vulnerable to change in value of rupee, since the Company always has high foreign currency exposure arising from payment of raw material and exports earned. However, the Company has a prudent foreign exchange management policy and does not speculate on foreign currency except for forward cover booking for import payments.

The Company being manufacturer of CPC has its usual risks associated with hazardous operations and to overcome these risks, the Company endeavours to keep its safety standards always at high level.

Research and Development

Research and development is a continuous process at Goa Carbon and the Company's trust is always on innovations to develop new and improved methods and concepts, thereby improving the quality of product and achieve cost effectiveness and operational efficiency.

Financial Review

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956. The key financial ratios are given below in percentage, except for earnings per share:

	As at 31.03.2011	As at 31.03.2010
PAT / Sales	3.43%	0.16%
Return on Net Worth	19.92%	2.69%
Earnings per share (₹)	10.04	0.44

The net current assets of the Company as on 31.03.2011 were ₹ 21,951.43 lacs as compared to ₹13,579.15 lacs during the previous year.

The net cash flow of the Company during the year ended 31.03.2011 is as follows:

₹ in lacs

	As at 31.03.2011	As at 31.03.2010
Cash (used in)/ from operations	(4,352.90)	6,861.71
Cash (used in)/ from investing activities	8.88	(177.66)
Cash (used in)/ from financial activities	7,075.63	(8,315.91)
Net increase/ (decrease) in cash	4,310.81	(1,631.86)

Internal Control System

The company has adequate internal control system commensurate with its size. The company's system control towards:

- Implementation of Management Policies to ensure that transactions have been accurately recorded and promptly reported.
- Review compliance with statutes.
- Operational efficiency.

Internal Auditor carries out the audit in the above areas and also post audit checks to ensure adequacy of internal control system. Report of internal auditor are submitted and discussed at every meeting of Audit Committee of Directors.

Human Resources

The Company takes all the initiatives to keep in mind value of development so as to enhance employees efficiency, productivity and accountability.

The employees are trained by involving them in various management development programs and seminars to keep them updated on information and new technology so as to ultimately achieve cost effectiveness and optimum capacity utilization. The Company always enjoys cordial relations with its employees and motivates them to perform better on continuous basis.

Statutory Compliance

All declarations and compliances with respect to the applicable statutes, enactments and guidelines are submitted at every meeting of the Board of Directors of the Company. The Company Secretary who is also the Compliance Officer gives a declaration of compliance to the Board with respect to the applicable provisions of Companies Act, 1956, SEBI Regulations and Listing Agreements with the Stock Exchanges.

Cautionary Statement

Some of the statements given in the above management discussion and analysis about the Company's projections, objectives, estimates, expectations and predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. The actual results may differ substantially from these expressed or implied statements. Significant factors that could make a difference to the company's operations including domestic and global economic conditions affecting demand and supply and price conditions in the industry, changes in Government laws, tax regime and other statutory changes, environment laws and labour relations. The Company undertakes no obligation to periodically revise any such forward looking statement to reflect future events or circumstances.



Corporate Governance Report



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CORPORATE GOVERNANCE REPORT FOR THE YEAR 2010-2011

(As required under Clause 49 of the Listing Agreements entered into with Stock Exchanges)

Introduction

Your Company has complied in all material respects with the requirements of the Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchanges.

A report on the implementation of the Corporate Governance Code of the Listing Agreement by the Company is given below:

1. Company's philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure efficient conduct of the Company and help the Company achieve its goal in maximizing value for all its stakeholders.

2. Board of Directors ("Board")

2.1 Composition of the Board

As on 31st March, 2011, the Company has 8 Directors including a Non-Executive Chairman. Of the 8 Directors, 5 are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

The names and categories of the Directors on the Board are given below:

Name	Category	Number of shares held as at March 31, 2011
Mr. Shrinivas V. Dempo (Chairman) DIN: 00043413	Promoter Non-Executive	2,66,132
Mr. Soiru V. Dempo DIN: 00206062	Non-Independent Non-Executive	Nil
Dr. A. B. Prasad DIN: 00817902	Independent Non-Executive	Nil
Mr. Dara P. Mehta DIN: 00041164	Independent Non-Executive	4,000
Mr. P. G. Kakodkar DIN: 00027669	Independent Non-Executive	Nil
Mr. Keki M. Elavia DIN: 00003940	Independent Non-Executive	Nil
Mr. Raman Madhok DIN: 01798377	Independent Non-Executive	Nil
Mr. Jagmohan J. Chhabra DIN: 01007714	Executive Director	Nil

2.2 Attendance of Directors at Board Meetings and Annual General Meeting

Attendance of each Director at the Board Meetings and the last Annual General Meeting (AGM) held during the year and the number of directorships and committee chairmanships/memberships held by them in other companies is given below:

Name	No. of Board meetings attended during 2010-2011		Whether attended last AGM held on August 7, 2010	No. of Directorships in other companies	No. of Committee positions held in other companies	
	Held	Attended			Chairman	Member
Mr. Shrinivas V. Dempo Chairman	4	4	Yes	18*	1	-
Mr. Dara P. Mehta	4	4	Yes	9**	2	-
Mr. P. G. Kakodkar	4	2	Yes	12	2	3
Mr. Soiru V. Dempo	4	4	Yes	6	-	1
Mr. Keki M. Elavia	4	4	Yes	11	3	5
Dr. A. B. Prasad	4	2	No	3	1	1
Mr. Raman Madhok	4	3	No	4	-	1
Mr. Jagmohan J. Chhabra Executive Director	4	3	Yes	2	-	-

* Includes directorships held in 17 private limited companies.

** Includes 3 companies in which Mr. Dara P. Mehta is an Alternate Director.

None of the Directors is a member of more than 10 committees nor is a Chairman of more than 5 committees across all the companies in which he is a Director. The Committees considered for the above purpose are those specified in Clause 49 of the Listing Agreement i.e. Audit Committee and Shareholders' / Investors' Grievance Committee.

2.3 Meetings of the Board of Directors

The Board of Directors of the Company met 4 times during the year 2010-2011 i.e. on April 9, 2010, August 7, 2010, October 12, 2010 and January 11, 2011.

The gap between two meetings did not exceed four months. The required information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussion and consideration at Board meetings.

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year ended 31st March, 2011 except for payment of sitting fees.

2.4 Remuneration of each Director on the Board during the financial year 2010-2011 is as follows:

Non-Executive Directors:

Name	Sitting fees* (₹)	Service Contract/Notice Period/Severance Fees/ Pension
Mr. Shrinivas V. Dempo	40,000	Retirement by Rotation
Mr. Dara P. Mehta	60,000	Retirement by Rotation
Mr. P. G. Kakodkar	42,000	Retirement by Rotation
Mr. Soiru V. Dempo	97,000	Retirement by Rotation
Mr. Keki M. Elavia	63,000	Retirement by Rotation
Dr. A. B. Prasad	68,000	Retirement by Rotation
Mr. Raman Madhok	33,000	Retirement by Rotation
TOTAL	4,03,000	

* Sitting fees include payments for Board appointed committee meetings.

Executive Director:

Name: Mr. Jagmohan J. Chhabra

Particulars	Amount (₹)
Salary & Allowances	72,30,000
Performance Bonus	10,00,000
Contribution to Provident Fund	7,92,000
Monetary value of Perquisites	11,85,830
TOTAL	1,02,07,830
Period of appointment	3 years w.e.f. 01.04.2010
Notice Period	6 months
Severance Fees	Not specified

2.5 Board Procedures

The Company Secretary prepares the agenda and the explanatory notes in consultation with the Chairman of the Board of Directors and circulates the same in advance to the Directors to enable the Board to take informed decisions. The Board meets at least once every quarter inter alia to review the quarterly results. Additional meetings are held as and when necessary. Presentations are made to the Board for complete update on projects / business.

2.6 Details of Directors being appointed / re-appointed

Mr. Dara P. Mehta and Mr. Soiru V. Dempo are retiring by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Brief details concerning these Directors are given below:

- i) **Mr. Dara P. Mehta** is Masters in Law from Harvard University and is a leading Solicitor. He is a Senior Partner with Little & Co. He specializes in Corporate Laws.

Directorship and committee memberships

He is Director of Bloomberg Data Services (India) Pvt. Ltd., Emerson Climate Technology Pvt. Ltd., GKN Driveline (India) Ltd., Grolier International Pvt. Ltd., Insilco Ltd., and Reid & Taylor (India) Ltd.

He is an Alternate Director of DME Company (India) Pvt. Ltd., Emerson Network Power (India) Pvt. Ltd. and Global Dolphin Drilling Company Pvt. Ltd.

Chairman of Board Committees

He is Chairman of the Audit Committee of Insilco Ltd.

Member of Board Committees

He is Member of the Shareholders' Grievance Committee of Insilco Ltd.

Shareholding in the Company

Mr. Dara P. Mehta jointly with his wife, Mrs. Vera D. Mehta, holds 4,000 equity shares of the Company.

- ii) **Mr. Soiru V. Dempo** is a Bachelor in Economics. He is an Industrialist and brings his wide experience in decision making into the Company's Board.

Directorship and committee memberships

He is the Whole-time Director of V.S. Dempo Holdings Pvt. Ltd. and Hindustan Foods Ltd.

He is Director of V. S. Dempo Mining Corporation Pvt. Ltd., Dempo Travels Pvt. Ltd., Celtic Investments Pvt. Ltd. and Ameya Investments Pvt. Ltd.

Chairman of Board Committees

None

Member of Board Committees

He is the Member of the Share Transfer & Investor Grievance Committee of Hindustan Foods Ltd.

Shareholding in the Company

Mr. Soiru V. Dempo does not hold any equity shares of the Company.

3. Audit Committee**3.1 Details of the Composition of the Audit Committee, meetings and attendance of the members are as follows:**

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

The Audit Committee comprises 3 Independent, Non-Executive Directors namely Mr. Dara P. Mehta (Chairman), Mr. P. G. Kakodkar and Mr. Keki M. Elavia. The General Manager (Finance), the Internal Auditor and the Statutory Auditors are permanent invitees to the Meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee. The Committee reviews various aspects of internal controls and the internal auditors' report. The requirements under Clause 49 of the Listing Agreement and as amended from time-to-time are also reviewed by the committee.

The Audit Committee has met four times during the financial year 2010-2011 on: April 8, 2010, August 6, 2010, October 11, 2010 and January 11, 2011.

Details of meetings attended by the members of the Audit Committee during the financial year 2010-2011 are as follows:

Committee Members	Category	Profession	Committee Meetings	
			Held	Attended
Mr. Dara P. Mehta	Independent	Solicitor	4	4
Mr. Keki M. Elavia	Independent	Chartered Accountant	4	4
Mr. P. G. Kakodkar	Independent	Banking Consultant	4	2

3.2 Terms of reference

The terms of reference of the Audit Committee broadly are as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors on any significant findings and follow up thereon.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee mandatorily reviews the following information:

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

4. Remuneration Committee

4.1 Details of the Composition of the Remuneration Committee and attendance of the members are as follows:

The Remuneration Committee of the Company comprises of 4 Directors all of whom are Non Executive Directors namely Mr. Keki M. Elavia (Chairman) Mr. P.G. Kakodkar, Mr. Soiru V. Dempo and Mr. Raman Madhok.

During the financial year 2010-2011, the Committee met once on April 9, 2010. The details of the Committee are given below:

Committee Members	Status	Committee Meetings	
		Held	Attended
Mr. Keki M. Elavia	Chairman	1	1
Mr. P. G. Kakodkar	Member	1	1
Mr. Soiru V. Dempo	Member	1	1
Mr. Raman Madhok	Member	1	1

4.2 Terms of reference

The Remuneration Committee has been constituted to recommend/review the remuneration package of Executive Directors and Senior Executives of the Company.

5. Share Transfer and Investors' Grievance Committee

5.1 Details of the Composition of the Share Transfer and Investors' Grievance Committee, meetings and attendance of the members are as follows:

The Share Transfer and Investors' Grievance Committee of the Company comprises of 3 Directors namely Mr. P.G. Kakodkar, Mr. Soiru V. Dempo and Dr. A. B. Prasad.

The Committee met 18 times during the year 2010-2011. The details are as follows:

Committee Members	Status	Committee Meetings	
		Held	Attended
Mr. P. G. Kakodkar	Chairman	18	3
Mr. Soiru V. Dempo	Member	18	18
Dr. A. B. Prasad	Member	18	16

5.2 Terms of reference

The Committee is empowered to consider and approve the physical transfer/ transmission/transposition of shares, issue of new/duplicate share certificates and oversees and reviews all matters connected with securities transfer. The Committee also specifically looks into the redressal of shareholders' and investors' complaints/grievances pertaining to transfer of shares, non-receipt of dividend warrants etc.

5.3 Details of Shareholders' complaints

As per the report from the Registrar & Share Transfer Agents, 293 letters / complaints were received from the shareholders/ investors during the financial year ended March 31, 2011. All letters / complaints received were replied / resolved to the satisfaction of the shareholders and no letters / complaints remained unattended / pending as on March 31, 2011.

5.4 Compliance Officer

Name, Designation and address of Compliance Officer under Clause 47 of the Listing Agreement with the Stock Exchanges:

P.S. Mantri

Company Secretary

Goa Carbon Limited

Dempo House, Campal, Panaji-Goa 403 001

Tel.: (0832) 2441354 Fax: (0832) 2427192

Email: legal@goacarbon.com

6. General Meetings and Postal Ballot**6.1 Location, date & time of Annual General Meeting (AGM) for the last 3 years are as under:**

Year	Location	Date & Time
2008 - 40 th AGM	Dempo House, Campal, Panaji-Goa 403 001	July 29, 2008 10.30 a.m.
2009 - 41 st AGM	Dempo House, Campal, Panaji-Goa 403 001	July 18, 2009 10.30 a.m.
2010 - 42 nd AGM	Dempo House, Campal, Panaji-Goa 403 001	August 7, 2010 10.00 a.m.

All resolutions moved at the last AGM were passed by a show of hands by the requisite majority of members attending the meeting.

The following is the special resolution passed at the AGM:

AGM held on	Special Resolution Passed	Summary
July 29, 2008	No	N.A.
July 18, 2009	No	N.A.
August 7, 2010	Yes	Appointment and payment of remuneration to Mr. Jagmohan J. Chhabra as a Whole-time Director with designation "Executive Director" of the Company with effect from April 1, 2010 for a period of 3 years, subject to the approval of the Central Government.

6.2 Postal Ballot

For the year ended March 31, 2011, there has been no ordinary or special resolution passed by the Company's shareholders through postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

7. Disclosures**7.1 Materially significant related party transactions**

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no transactions between the Company and the Promoters, Directors or Management, their subsidiaries or relatives, etc. that had a potential conflict with the interests of the Company at large. The Register of Contracts containing transactions in which directors are interested is placed before the Board regularly.

7.2 Statutory Compliance, Penalties and Strictures

There were no instances of non-compliance or penalties, strictures imposed on the Company by Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority, on any matter related to capital markets, during the last three years.

7.3 Listing Agreement compliance

Pursuant to sub-clause VII(2) of Clause 49, the Company confirms that it has complied with all mandatory requirements prescribed in Clause 49 of the Listing Agreement.

7.4 Code of Conduct:

The Company has formulated a Code of Conduct for the Board Members and Senior Management of the Company which is posted on the Company's website www.goacarbon.com. Requisite annual affirmations of compliance with the code have been made by the Directors and Senior Management of the Company.

The declaration of the Executive Director is given below:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I, Jagmohan J. Chhabra, Executive Director of Goa Carbon Limited, declare that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct during the financial year ended March 31, 2011.

Panaji-Goa,
April 6, 2011

Jagmohan J. Chhabra
Executive Director

7.5 CEO/CFO Certification

The CEO and CFO Certification of the financial statements for the year, is enclosed at the end of the report.

7.6 Corporate Social Responsibility (CSR)

Through the past year, the Company has continued in its commitment to CSR through various CSR initiatives namely –

- Efforts to minimize its harm to the environment through the use of energy efficient devices at the plants.
- Corporate sponsorship of a promising Goa State Chess player
- Financial Assistance to Kasturba Gandhi National Memorial Trust in aid of Hamara School.
- Financial Assistance to Matruchaya Trust by way of sponsoring 10 children for the year 2010-2011.
- Donation to Vasant Rao Dempo Education and Research Foundation.
- Providing the services of a medical doctor for the locals residing around the Company's Goa Plant.
- Donation for National Sports Meet for the Blind held in Goa.
- Sponsorship of various clubs for the conduct of sports and cultural activities.

During the year 2010-2011, your Company has spent ₹ 17.50 lacs on CSR activities against ₹ 18.58 lacs during the previous year.

8. Means of Communication

The quarterly unaudited financial results were published in the Financial Express / Economic Times / Navhind Times (English Dailies) and Navprabha (Marathi Daily). The results were also displayed on the Company's web-site at www.goacarbon.com. The shareholders can access the Company's web-site for financial information, shareholding information etc.

No presentations have been made to institutional investors/analysts during the financial year. The Management Discussion & Analysis Report is provided separately as a part of this Annual Report.

9. General Shareholder Information:**9.1 Annual General Meeting**

Date and Time: August 20, 2011 at 10.30 a.m.
Venue: Dempo House, Campal, Panaji- Goa 403 001

9.2 Financial Year Calendar (2011-2012)

(Tentative and subject to change)

Results for quarter ending June 30, 2011	By August 15, 2011
Results for quarter ending September 30, 2011	By November 15, 2011
Results for quarter ending December 31, 2011	By February 15, 2012
Results for quarter ending March 31, 2012	By May 15, 2012
Annual General Meeting for the year ending March 31, 2012	By September, 2012

9.3 Book Closure Date

The Company's Share Transfer Books and Register of Members of equity shares shall remain closed from August 11, 2011 to August 20, 2011 (both days inclusive), to determine the entitlement of shareholders to receive dividend for the year ended March 31, 2011.

9.4 Dividend Payment Date

The dividend, if declared at the Annual General Meeting, shall be paid within the statutory time limit of 30 days from the date of declaration.

9.5 Listing of Equity Shares

The Company's shares are listed on two stock exchanges viz., Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE)

9.6 Stock Codes

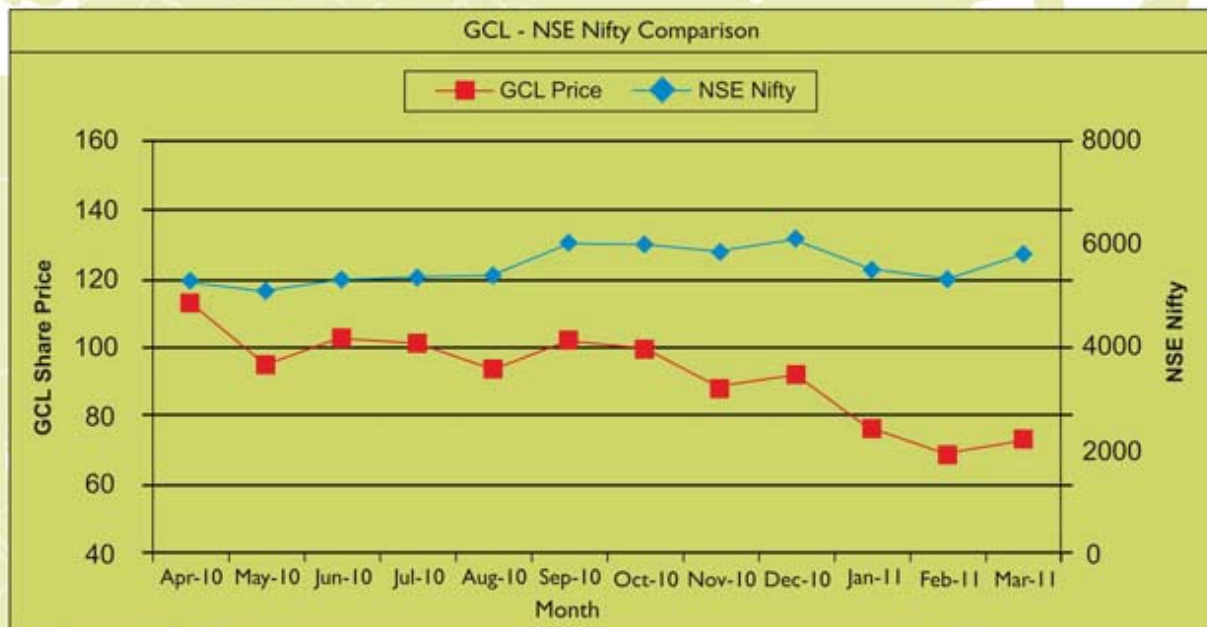
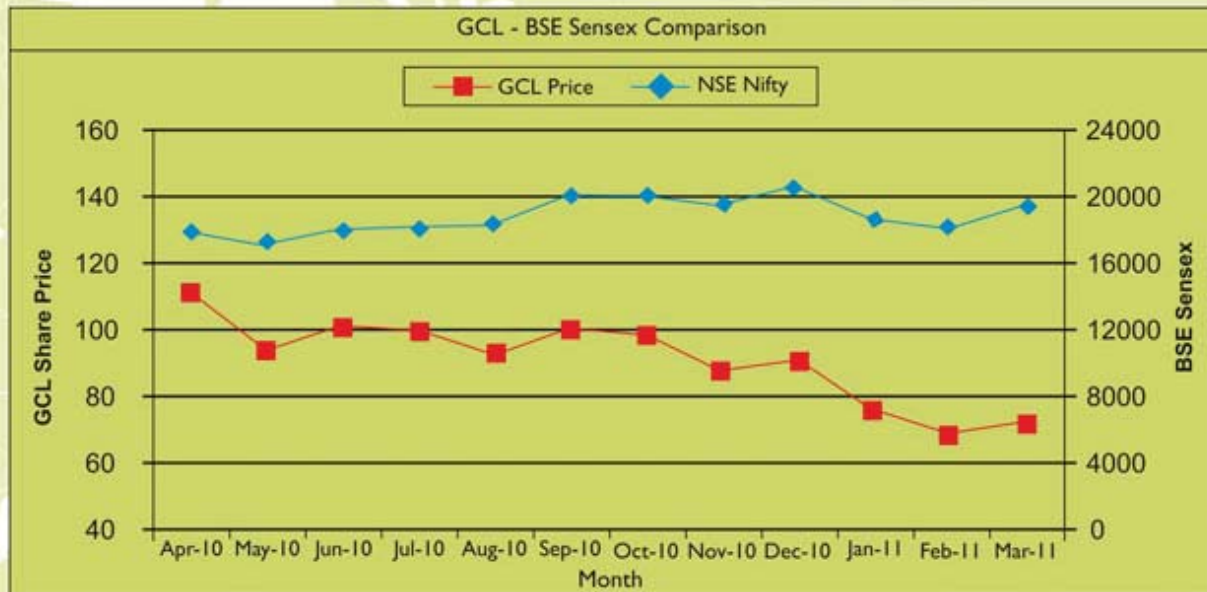
Scrip Code	Bombay Stock Exchange Ltd National Stock Exchange of India Ltd.	509567 GOACARBON
Demat ISIN Number in NSDL and CDSL	INE426D01013	

9.7 Market Price Data (In ₹)

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High	Low	Volume	High	Low	Volume
April 2010	119.85	102.70	991100	119.50	100.65	1678059
May 2010	112.70	94.10	491472	113.50	94.15	860389
June 2010	112.60	95.00	732470	117.40	95.25	1461073
July 2010	111.70	101.10	457497	111.40	100.90	789627
August 2010	113.20	92.50	761086	113.90	93.00	1139829
September 2010	113.80	94.35	826414	113.90	94.00	1636695
October 2010	114.95	99.00	938599	114.90	99.00	1442681
November 2010	108.00	85.00	252481	109.95	82.05	338210
December 2010	101.00	82.05	194839	106.90	80.30	285126
January 2011	104.00	74.35	374969	110.00	74.10	476619
February 2011	85.00	63.00	67066	80.95	63.00	101845
March 2011	78.60	67.00	275293	82.00	67.50	382042

(Source: The information is compiled from the data available on the BSE and NSE Websites).

9.8 Share price performance in comparison to broad based indices – BSE Sensex and NSE Nifty



9.9 Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.
 C-13, Pannalal Silk Mills Compound,
 LBS Marg, Bhandup (West), Mumbai 400 078
 Ph.: (022) 25946970 Fax: (022) 2594 6969

Email: rnt.helpdesk@linkintime.co.in

9.10 Share Transfer System

Share Transfers in physical form can be lodged with Link Intime India Pvt. Ltd., at the above mentioned address. The Transfers are normally processed within 15 days from the date of receipt, if the documents are complete in all respects. Shares held in dematerialized form are traded electronically in the Depositories. As at March 31, 2011 no equity shares were pending for transfer.

The Company conducts a Reconciliation of Share Capital Audit on a quarterly basis in accordance with Securities and Exchange Board of India requirements. R. Agrawal, Practising Company Secretary has been assigned the task of conducting such audit. The Reconciliation of Share Capital Audit Reports of R. Agrawal, Practising Company Secretary, which have been submitted to the Stock Exchanges within the stipulated period, inter alia confirms that the equity shares of the Company held in dematerialized form and in physical form tally with the issued and paid-up equity share capital of the Company.

The Company obtains from R. Agrawal, Practising Company Secretary half yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with the Stock Exchanges, and files a copy of the certificate with the Stock Exchanges.

9.11 Distribution of Shareholding

Distribution Schedule as on March 31, 2011

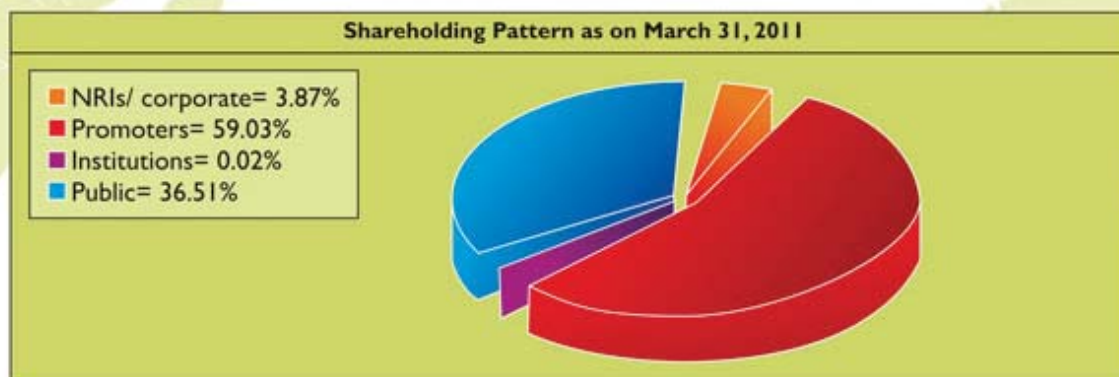
No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% to Total
Upto 500	15,489	93.90	15,78,895	17.26
501 to 1000	558	3.38	4,42,317	4.83
1001 to 2000	240	1.46	3,45,947	3.78
2001 to 3000	66	0.40	1,66,891	1.83
3001 to 4000	37	0.22	1,28,499	1.40
4001 to 5000	24	0.15	1,11,676	1.22
5001 to 10000	48	0.29	3,42,494	3.74
10001 and above	33	0.20	60,34,333	65.94
TOTAL	16,495	100.00	91,51,052	100.00

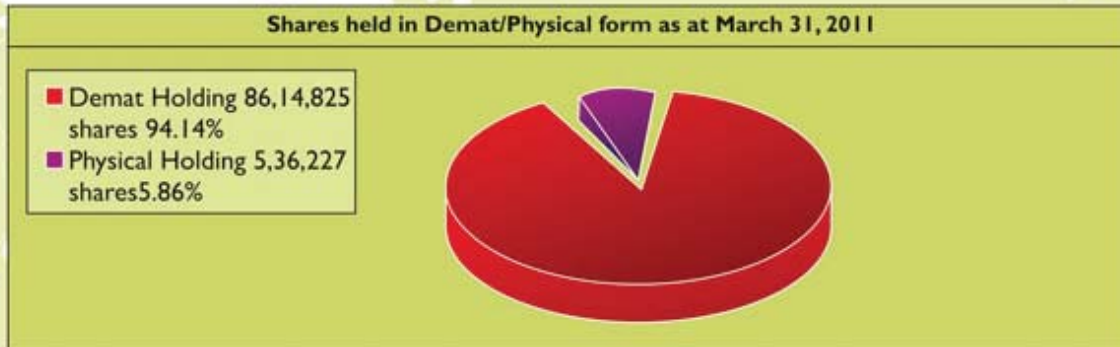
Distribution of Shareholding (Category wise) as on March 31, 2011

Category	No. of Shareholders	No. of Shares Held	% of Shareholding
Promoters, Directors, their relatives & Associates	8	54,02,072	59.03
Mutual Funds / UTI	1	550	0.01
Financial Institutions / Banks	10	805	0.01
Bodies Corporate	301	3,10,754	3.40
Non-Resident Indians (NRI's)	89	43,810	0.47
Resident Individuals / Trusts	16,000	33,41,294	36.51
Clearing Members	86	51,767	0.57
TOTAL	16,495	91,51,052	100.00

9.12 Dematerialisation of shares and liquidity

As on March 31, 2011, 94.14 % of the Company's paid-up capital representing 86,14,825 shares were held in dematerialized form as compared to 93.71% of the Company's paid-up capital representing 85,75,168 shares as on March 31, 2010.





9.13 Outstanding GCRs/ADRs/Warrants or any Convertible instruments
- Nil -

9.14 Plant Locations
Goa Plant
Bilaspur Plant
Paradeep Plant

St. Jose de Areal, Salcete, Goa 403 709
34-40, Sector B, Sirgitti Industrial Area, Bilaspur 495 004
Vill. Udayabata, P.O. Paradeepgarh, Dist. Jagatsinghpur, Orissa 754 142

9.15 Address of subsidiary
GCL Global Resources SGP Pte Ltd.
133 Cecil Street #16-01,
Keck Seng Tower, Singapore 069535

9.16 Address for correspondence

Investor correspondence for transfer / dematerialisation of shares and any other query relating to the shares of the Company should be addressed to:

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai 400078
Ph.: (022) 25946970 Fax: (022) 2594 6969 Email: rnt.helpdesk@linkintime.co.in

Investor correspondence / queries relating to payment / revalidation of dividend on shares should be addressed to:
Secretarial Department,

Goa Carbon Limited
Dempo House, Campal, Panaji-Goa 403 001
Tel.: (0832) 2441458 Fax: (0832) 2427192 Email: legal@goacarbon.com

Investor complaints, if any, may be addressed to:
P.S. Mantri

Goa Carbon Limited
Dempo House, Campal, Panaji-Goa 403 001
Tel.: (0832) 2441354 Fax: (0832) 2427192 Email: investorrelations@goacarbon.com

9.17 Status of compliance with Non Mandatory requirements

Clause 49 of the Listing Agreement also requires disclosures of adoption by the Company of non-mandatory requirements specified in the said clause, the implementation of which is discretionary on the part of the Company. Accordingly, the adoption of non-mandatory requirements is given below:-

i) The Board:

An office with required facilities for the non-executive Chairman is not provided and maintained by the Company. No policy has been fixed on the tenure of Independent Directors.

ii) Remuneration Committee:

For Remuneration Committee, please refer to Para 4 of this report.

iii) Shareholders Rights:

The half yearly financial results are not sent to the shareholders as the same are posted on the web-site of the Company.

iv) Audit Qualifications:

During the year under review, there were no audit qualifications in the financial statements.

v) Training of Board Members:

Not yet adopted by the Company.

vi) Mechanism for evaluating non-executive Board Members:

Not yet adopted by the Company.

vii) Whistle Blower Policy:

The Company does not have any Whistle Blower Policy. However any employee, if he / she so desires, would have free access to meet Senior Level Management and report any matter of concern.

CERTIFICATE

To the Members of Goa Carbon Limited,

We have examined the compliance of conditions of Corporate Governance by Goa Carbon Limited, for the year ended on 31st March 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration no. 0080725)

B. Ramaratnam
Partner
Membership no. 21209

Place: Panaji-Goa

Date: April 6, 2011

CEO & CFO CERTIFICATION UNDER CLAUSE 49(V) OF THE LISTING AGREEMENT

We, Jagmohan J. Chhabra, Executive Director and K. Balaraman, General Manager (Finance) of Goa Carbon Limited, ("company") hereby certify that:-

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

Jagmohan J. Chhabra
Executive Director

Place: Panaji-Goa.
Date: April 6, 2011.

K. Balaraman
General Manager (Finance)



Auditor's Report



43rd Annual Report 2010-11

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www.goacarbon.com

AUDITORS' REPORT TO THE MEMBERS OF GOA CARBON LIMITED

1. We have audited the attached Balance Sheet of GOA CARBON LIMITED ("the Company") as at 31st March 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (CARO) issued by the Central Government of India in terms of Section 227 (4A) 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.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on 31st March, 2011; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on 31st March, 2011.
5. On the basis of written representations received from the directors as on 31st March, 2011, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 008072S)

B. Ramaratnam
Partner
Membership No. 21209

PANAJI, April 6, 2011

ANNEXURE TO THE AUDITORS' REPORT**(Referred to in paragraph 3 of our report of even date)**

- (i) Having regard to the nature of the Company's business/activities/result, clauses vii, ix, xi, xii, xiii, xiv, xv, xvi, xvii, xix, xx and xxi of CARO are not applicable.
- (ii) In respect of the Company's fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - The fixed assets disposed of during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of the Company's inventories:
- As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) (a) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- (b) In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us: The Company has taken an unsecured loan amounting to ₹ 400 lacs from one party during the year covered in the register maintained under section 301 of the Companies Act, 1956. At the year end, the outstanding balance of such loan taken amounted to ₹ 400 lacs and the maximum amount involved during the year was ₹ 400 lacs. In our opinion the rate of interest and other terms and conditions of the said loan is not, prima facie, prejudicial to the interest of the Company. The loan is repayable on demand. The payment of interest is regular as stipulated.
- (v) In our opinion and according to the information and explanations given to us, and having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- the particulars of contracts or arrangements referred to in the said Section 301 that needed to be entered in the Register maintained under the said Section have been so entered; and
 - where each of such transaction is in excess of ₹5 lacs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) According to the information and explanations given to us in respect of statutory and other dues:
- The Company has been regular in depositing undisputed dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Excise duty, Cess, Custom's duty, Central Sales tax, State Value Added tax, Service tax, Income-tax, Wealth tax, and other material statutory dues applicable to it with the appropriate authorities.
 - According to the information and explanations given to us, no undisputed statutory dues payable in respect of Provident fund, Investor Education and Protection Fund, Employees' State Insurance, Excise duty, Cess, Custom's duty, Central Sales tax, State

Value Added tax, Service tax, Income-tax, Wealth tax, and other material statutory dues applicable to it were in arrears as at 31st March 2011 for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us, there are no dues of Income-tax, Central Sales Tax, State Value Added Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited as on 31st March, 2011, on account of any dispute except for the following:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lacs)
The Central Excise Act, 1944	Excise duty	Customs, Excise and Service Tax Appellate Tribunal	2005-06	90.09

- (ix) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by or on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No. 008072S)

B. Ramaratnam
Partner
Membership No.21209

PANAJI, April 6, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

₹ in lacs

	Schedule	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
Share capital	1	915.11	915.11
Reserves and surplus	2	6,372.69	5,878.99
		7,287.80	6,794.10
LOAN FUNDS			
Secured loans	3	16,733.44	9,412.18
Unsecured loans		400.00	-
DEFERRED TAX LIABILITY (net)		388.04	438.64
		24,809.28	16,644.92
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	5,324.42	5,283.07
Less: Depreciation		2,805.58	2,556.31
Net Block		2,518.84	2,726.76
Capital work-in-progress		334.91	334.91
		2,853.75	3,061.67
INVESTMENTS	5	4.10	4.10
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	11,213.58	10,545.46
Sundry debtors	7	1,496.87	1,766.70
Cash and bank balances	8	7,768.48	1,601.03
Loans and advances	9	3,991.86	2,568.44
		24,470.79	16,481.63
Less: CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	10	1,980.46	2,590.79
Provisions	11	538.90	311.69
		2,519.36	2,902.48
NET CURRENT ASSETS		21,951.43	13,579.15
		24,809.28	16,644.92
Notes to accounts	16		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered AccountantsB. RAMARATNAM
Partner
Panaji, Goa : 6th April, 2011K. BALARAMAN
General Manager-FinanceP. S. MANTRI
Company Secretary

For and on behalf of the Board of Directors

SHRINIVAS V. DEMPO
Chairman
JAGMOHAN J. CHHABRA
Executive Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

₹ in lacs

	Schedule	Year ended 31.03.2011	Year ended 31.03.2010
INCOME			
Sales		29,747.10	27,697.93
Less: Excise duty		2,971.37	2,626.30
Net sales		26,775.73	25,071.63
Other Income	12	318.10	883.59
		27,093.83	25,955.22
EXPENDITURE			
Decrease/(Increase) in stock of finished goods		(2,244.48)	3,948.69
Raw material consumed	13	22,445.91	17,021.63
Purchase of finished goods		9.75	391.63
Manufacturing and other expenses	14	4,466.13	3,316.79
Finance charges	15	755.37	836.52
Depreciation		258.65	254.54
		25,691.33	25,769.80
PROFIT BEFORE TAX		1,402.50	185.42
LESS: PROVISION FOR TAX			
Current		533.00	95.00
Prior year		0.98	(25.29)
Deferred		(50.60)	75.06
		483.38	144.77
PROFIT AFTER TAX		919.12	40.65
Add: Balance brought forward from previous year		769.55	945.37
AMOUNT AVAILABLE FOR APPROPRIATION		1,688.67	986.02
Appropriations			
General Reserve		92.00	3.05
Proposed Dividend		366.04	183.02
Tax on Dividend		59.38	30.40
		517.42	216.47
Balance carried to balance sheet		1,171.25	769.55
Earnings (Basic and diluted) per share (₹)		10.04	0.44

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered AccountantsB. RAMARATNAM
Partner
Panaji, Goa : 6th April, 2011K. BALARAMAN
General Manager-FinanceP.S. MANTRI
Company Secretary

For and on behalf of the Board of Directors

SHRINIVASV. DEMPO
ChairmanJAGMOHAN J. CHHABRA
Executive Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

₹ in lacs

A. CASH FLOW FROM OPERATING ACTIVITIES	Year ended 31.3.2011	Year ended 31.3.2010
Net Profit before tax	1,402.50	185.42
Adjustments for :		
Depreciation	258.65	254.54
Finance charges	755.37	836.52
Loss on assets sold / scrapped	3.18	1.90
Bad debts written off	43.17	185.03
Provision for doubtful debts / advances	-	(52.21)
Interest income	(104.98)	(132.89)
Sundry credit balances written back	(104.25)	(136.36)
Unrealised Exchange Loss / (gain)	(302.68)	(114.88)
Dividend income	(1.62)	(1.49)
	546.84	840.16
Operating Profit before working capital changes	1,949.34	1,025.58
Adjustments for :		
(Increase) / Decrease in inventories	(668.12)	7,766.85
(Increase) / Decrease in trade & other receivables	(4,570.78)	(403.46)
Increase / (Decrease) in Current liabilities	(511.25)	(1,487.54)
	(5,750.15)	5,875.85
Cash flow from operations	(3,800.81)	6,901.43
Direct taxes (net)	(552.09)	(39.72)
Net cash (used in)/from operating activities	(4,352.90)	6,861.71
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(56.86)	(329.39)
Proceeds from sale of fixed assets	2.95	0.19
Interest received	61.17	150.05
Dividend received	1.62	1.49
Net cash (used in)/ from investing activities	8.88	(177.66)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011 (contd.)

₹ in lacs

	Year ended 31.3.2011	Year ended 31.3.2010
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) from short term borrowings from banks (Net)	7,624.03	(7,092.53)
Proceeds from unsecured borrowings	400.00	1,500.00
Repayment of unsecured borrowings	-	(1,500.00)
Finance charges paid	(734.28)	(905.04)
Dividend paid	(183.72)	(271.68)
Tax on dividend paid	(30.40)	(46.66)
Net cash (used in) from financing activities	7,075.63	(8,315.91)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	2,731.61	(1,631.86)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,579.20	3,211.06
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	4,310.81	1,579.20
Cash on hand and balances with banks	509.44	177.93
Unrealised Exchange Loss/(gain)	1.37	1.27
	510.81	179.20
Short term deposits	3,800.00	1,400.00
Cash and Cash equivalents at the close of the year	4,310.81	1,579.20

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered AccountantsB. RAMARATNAM
PartnerPanaji, Goa
6th April, 2011

For and on behalf of the Board of Directors

SHRINIVAS V. DEMPO
ChairmanJAGMOHAN J. CHHABRA
Executive DirectorK. BALARAMAN
General Manager-FinanceP. S. MANTRI
Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 1: SHARE CAPITAL

₹ in lacs

	As at 31.03.2011	As at 31.03.2010
Authorised:		
2,20,00,000 Equity Shares of ₹ 10/- each	2,200.00	2,200.00
3,00,000 Preference Shares of ₹ 100/- each	300.00	300.00
	2,500.00	2,500.00
Issued and Subscribed:		
91,51,052 Equity Shares of ₹ 10/- each fully paid up	915.11	915.11
Of the above shares:		
1) 34,50,000 equity shares of ₹ 10/- each were allotted by way of bonus shares by Capitalisation of Capital Redemption Reserve and General Reserve		
2) 50,69,040 equity shares of ₹ 10/- each are held by V.S. Dempo Holdings Private Limited (formerly Esmeralda Investments Private Limited) the Holding Company.		

SCHEDULE 2: RESERVES AND SURPLUS

	As at 31.03.2011	As at 31.03.2010
Amalgamation reserve	475.38	475.38
Securities premium account	3,131.01	3,131.01
General reserve		
As per last balance sheet	1,503.05	1,500.00
Transfer from profit & loss account	92.00	3.05
	1,595.05	1,503.05
Profit & Loss Account	1,171.25	769.55
	6,372.69	5,878.99

SCHEDULE 3: LOAN FUNDS

	As at 31.03.2011	As at 31.03.2010
SECURED LOANS		
From Banks		
Cash Credit	1,945.12	4,919.77
Buyer's Credit	14,788.32	4,492.41
(The above facilities are secured by first and equitable mortgage on pari-passu basis of all immovable properties and hypothecation of all movable fixed assets, inventories, book debts and other receivables.)		
	16,733.44	9,412.18
UNSECURED LOANS		
Short term		
From others	400.00	-

SCHEDULE 4: FIXED ASSETS

₹ in lacs

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2010	Additions	Deductions	As at 31.03.2011	As at 01.04.2010	For the year	Deductions	As at 31.03.2011	As at 31.03.2010
Tangible Assets:									
Land (Freehold)	13.58	-	-	13.58	-	-	-	13.58	13.58
Plot development on leasehold land	101.95	-	-	101.95	55.51	9.18	-	37.26	46.44
Buildings	1,405.09	-	-	1,405.09	545.71	44.71	-	590.42	859.38
Plant and machinery	3,021.84	7.54	0.68	3,028.70	1,552.48	150.87	0.19	1,703.16	1,469.36
Laboratory equipments	80.36	-	0.85	79.51	56.96	2.50	0.48	58.98	23.40
Electrical fittings & equipments	200.09	-	0.63	199.46	93.27	8.41	0.30	101.38	106.82
Furniture, Office equipments and computers	178.15	6.73	4.56	180.32	131.94	18.99	4.28	146.65	46.21
Vehicles	84.70	42.59	8.79	118.50	36.20	8.45	4.13	40.52	48.50
Intangible Assets:									
Land (Leasehold)	100.83	-	-	100.83	14.33	2.31	-	16.64	86.50
Technical knowhow	30.21	-	-	30.21	30.21	-	-	30.21	-
Computer software	66.27	-	-	66.27	39.70	13.23	-	52.93	26.57
TOTAL	5,283.07	56.86	15.51	5,324.42	2,556.31	258.65	9.38	2,805.58	2,726.76
Previous Year	5,247.61	54.56	19.10	5,283.07	2,318.78	254.54	17.01	2,556.31	
Capital work-in-progress at cost (including advances)								334.91	334.91
								2,853.75	3,061.67

SCHEDULE 5: INVESTMENTS (Long term)

₹ in lacs

	As at 31.03.2011	As at 31.03.2010
Quoted (Non Trade):		
13,500 (Previous year 13,500) fully paid up equity shares of ₹ 10/- each in ICICI Bank Limited	4.05	4.05
Unquoted (Non Trade):		
In wholly owned subsidiary company: 100 (Previous year 100) fully paid up equity shares of USD 1 each in GCL Global Resources SGP Pte. Limited	0.05	0.05
	4.10	4.10
Market value of quoted investment	150.22	128.61

SCHEDULE 6: INVENTORIES

	As at 31.03.2011	As at 31.03.2010
Raw material	5,973.37	7,579.91
Finished goods	5,045.80	2,801.32
Stores and spares	194.41	164.23
	11,213.58	10,545.46

SCHEDULE 7: SUNDRY DEBTORS (Unsecured)

	As at 31.03.2011	As at 31.03.2010
Outstanding for a period exceeding six months		
Considered good	2.12	-
Considered doubtful	29.50	29.50
	31.62	29.50
Other debts		
Considered good	1,494.75	1,766.70
	1,526.37	1,796.20
Less: Provision for doubtful debts	29.50	29.50
	1,496.87	1,766.70

SCHEDULE 8: CASH AND BANK BALANCES

₹ in lacs

	As at 31.03.2011	As at 31.03.2010
Cash and cheques on hand	8.41	7.11
Balances with scheduled banks:		
On current accounts	501.03	170.82
On deposit accounts [includes ₹ 1,499.73 lacs (Previous year ₹ 400 lacs) pledged with banks as security for facilities availed from them]	7,236.64	1,400.00
On unpaid dividend accounts	22.40	23.10
	7,768.48	1,601.03

SCHEDULE 9: LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)

	As at 31.03.2011	As at 31.03.2010
Advances recoverable in cash or in kind or for value to be received	3,869.00	2,512.59
Advances to subsidiary	9.38	4.25
Taxation (net)	66.79	48.69
Balance with customs and excise authorities	0.01	0.04
Interest accrued on deposits	46.68	2.87
	3,991.86	2,568.44

SCHEDULE 10: CURRENT LIABILITIES

	As at 31.03.2011	As at 31.03.2010
Sundry Creditors :		
Due to micro and small enterprises	-	-
Due to others	1,869.97	2,512.75
Advances from customers	32.14	21.24
Other liabilities	17.16	16.00
Unpaid Dividend (there is no amount due and outstanding to be credited to Investor Education and Protection Fund)	22.40	23.10
Interest accrued but not due on loans	38.79	17.70
	1,980.46	2,590.79

SCHEDULE 11: PROVISIONS

₹ in lacs

	As at 31.03.2011	As at 31.03.2010
Employee benefits	113.48	98.27
Proposed dividend	366.04	183.02
Tax on dividend	59.38	30.40
	538.90	311.69

SCHEDULES TO THE PROFIT & LOSS ACCOUNT**SCHEDULE 12: OTHER INCOME**

	Year ended 31.03.2011	Year ended 31.03.2010
Interest (Gross)		
From banks *	102.90	60.84
From others	2.08	72.05
* [Tax deducted at source ₹9.16 lacs (Previous year ₹9.03 lacs)]		
	104.98	132.89
Dividend from non-trade investments	1.62	1.49
Miscellaneous income	15.49	18.15
Sundry credit balances written back	104.25	136.36
Exchange gain (net)	91.76	594.70
	318.10	883.59

SCHEDULE 13: RAW MATERIALS CONSUMED

	Year ended 31.03.2011	Year ended 31.03.2010
Opening stock	7,579.91	11,359.10
Add: Purchases	20,839.37	13,242.44
	28,419.28	24,601.54
Less: Closing stock	5,973.37	7,579.91
	22,445.91	17,021.63

SCHEDULE 14: MANUFACTURING & OTHER EXPENSES

₹ in lacs

	Year ended 31.03.2011	Year ended 31.03.2010
Salaries, wages, bonus & allowances	916.89	854.98
Contribution to provident and other funds	110.58	128.40
Staff welfare expenses	118.34	101.60
Excise duty on stock differential	223.19	(208.42)
Fuel and power	209.10	189.21
Repairs & maintenance:		
Plant & machinery	87.80	129.60
Buildings	107.59	53.59
Others	29.10	25.29
	224.49	208.48
Rent	62.17	72.34
Rates & taxes	164.77	41.35
Travelling expenses	110.81	82.65
Insurance	46.87	44.84
Loss on assets sold/scrapped	3.18	1.90
Bad debts written off	43.17	185.03
Less: Provision for doubtful debts/advances of earlier years written back	-	52.21
	43.17	132.82
Selling and distribution expenses	1,245.13	1,033.96
Commission on sales	17.43	29.59
Auditors' remuneration:		
Audit fees	6.25	6.25
Tax audit	1.50	1.50
Other services	1.75	2.25
Expenses	1.37	1.06
	10.87	11.06
Directors' sitting fees	4.03	4.35
Forward premium expenses	510.83	171.05
Miscellaneous expenses	444.28	416.63
	4,466.13	3,316.79

SCHEDULE 15: FINANCE CHARGES

	Year ended 31.03.2011	Year ended 31.03.2010
Interest on working capital borrowings	578.44	730.65
Bank charges and commission	176.93	105.87
	755.37	836.52

SCHEDULE 16 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

A. SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention on accrual basis under Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises Accounting Standards notified by the Central Government of India under Companies (Accounting Standard) Rules, 2006 and other pronouncements of the Institute of Chartered Accountants of India, and the provisions of the Companies Act, 1956.

2. USE OF ESTIMATES

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

3. FIXED ASSETS

Tangible Assets

All assets are stated at historical cost (net of CENVAT wherever applicable) less accumulated depreciation. Cost comprises of direct cost, related taxes, duties, freight and attributable finance costs till such assets are ready for its intended use. Fixed assets taken on finance lease are capitalised.

Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortisation.

4. DEPRECIATION

- a) Depreciation on fixed assets other than Computers & Printers is provided on the straight line basis at the rates specified in Schedule XIV of the Companies Act 1956, classifying certain Plant and Machinery as Continuous Process Plant.
- b) Leasehold land is amortised over the period of the lease.
- c) Individual assets costing less than ₹5,000 each are depreciated in full in the year of acquisition. Depreciation on additions and deletions during the year are charged on pro-rata basis.
- d) Intangible assets are amortised over the estimated useful life of the assets on straight line basis.
- e) Cost of Plot development on land leased to the company is amortised over the estimated period of utility.
- f) Cost of Computers & Printers are depreciated over a period of three years on straight line basis.

5. BORROWING COSTS

Borrowing Costs are capitalised as part of qualifying asset when it is possible that they will result in future economic benefits. Other borrowing costs are expensed.

6. INVESTMENTS

Long term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments.

7. INVENTORIES

Inventories are valued at the lower of cost (net of cenvat where applicable) and net realisable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. In respect of raw materials, cost is determined on specific identification method. In respect of stores and spares, cost is determined on First-in First-out basis. In the case of finished goods, cost includes all direct costs and applicable production overheads to bring the goods to the present location and also includes excise duty.

8. FOREIGN CURRENCY TRANSACTIONS

- (i) Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange as at the balance sheet date. Exchange differences arising on actual payments/realizations and year end restatements are dealt with in the profit and loss account.
- (ii) The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit & loss in the reporting period in which the exchange rate changes.

9. REVENUE RECOGNITION

Revenue from sale is recognised on dispatch/delivery of goods as per the terms of contracts. Gross Sales are inclusive of excise duty and are net of trade discounts/sales returns.

10. EMPLOYEE BENEFITS**Short term employee benefits:**

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

Long term employee benefits:**a. Defined Contribution Plans****Provident Fund:**

In respect of Paradeep and Bilaspur Units, the company contributes to a government administered provident/pension fund. The fixed contributions to these funds are charged to Profit and Loss Account. In respect of Goa unit, contributions are made to the Company's Employees Provident Fund Trust in accordance with the fund rules. The interest rate payable by the trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The contributions made to this fund are charged to Profit and Loss Account.

Superannuation:

Fixed contributions to the Superannuation Fund, which is administered by Life Insurance Corporation of India, and ICICI Prudential Life Insurance Company Limited, are charged to the Profit and Loss Account.

b. Defined Benefit Plans**Gratuity:**

The Gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment. Liability with regard to gratuity plan is accrued based on an actuarial valuation at the balance sheet date carried out by the independent actuary and is funded with Life Insurance Corporation of India, and ICICI Prudential Life Insurance Company Limited.

c. Compensated absences:

The employees of the Company are entitled to encashment of unavailed leave. The employees can carry forward a portion of the unutilized leave and receive cash compensation at retirement or termination of employment. The Company records an obligation for encashment of unavailed leave in the period in which the employee renders the services, based on an actuarial valuation at the balance sheet date, carried out by an independent actuary. Actuarial gain or loss is recognized in the profit or loss account as income or expense.

11. TAXES ON INCOME

Provision for Current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Provision for deferred tax is made for timing differences arising between the taxable income and accounting income computed using the tax rates and the laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognised only if there is a virtual certainty that they will be realised and reviewed for the appropriateness of their carrying values at each balance sheet date.

12. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

13. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

B. Notes forming part of Accounts

₹ in lacs

1. Contingent Liabilities : (Claims against the Company not acknowledged as debts)		As at 31.3.2011	As at 31.3.2010
i)	Demurrage claim (under arbitration).	-	81.64
ii)	Disallowance of Cenvat Credit and Educational Cess on purchase of raw materials	90.19	90.19
iii)	Demand of Central Excise Duty on loading and unloading charges reimbursed by the Customers.	-	1.89
iv)	Demand towards CST	-	694.85
v)	The Company's appeal to the High Court of Bombay at Goa against the order of the Income Tax Appellate Tribunal which had confirmed the disallowance of the deduction under section 80HHC of the Income Tax Act, 1961 for Assessment Years 1993-94 to 2004-05 was allowed by the High Court vide its order dated 21.10.2010. The disputed amount of tax and interest paid amounting to ₹ 1,412.20 lacs (after adjusting the refund of ₹ 6.15 lacs received during the year in respect of two years) is included under Loans and Advances. The Company will account for the interest as and when the orders are received.	-	1,418.34
The above amounts are based on the notice of demand or the assessment orders or notification by the relevant authorities, as the case may be, & the Company is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities & the Company's rights for future appeals before the Judiciary. No reimbursements are expected.			

- Excise duty on sales for the year has been disclosed as reduction from the Turnover. Excise duty relating to the difference between the closing stock and the opening stock of Finished goods has been included in Schedule 14-"Manufacturing and Other Expenses".
- The useful life of computer equipments and mobile phones of the Company has been reviewed by the management and the original estimate of the useful life of these assets has been revised to three years and one year respectively. The unamortised depreciable amount is charged over the revised remaining useful life of these assets. Consequently, depreciation for the year ended March 31, 2011 is higher and the profit before tax for the period is lower by ₹ 6.29 lacs.
- Managerial remuneration

₹ in lacs

Remuneration paid to the Executive Director *	Year ended 31.3.2011
Salary and allowances	72.30
Performance bonus	10.00
Contribution to Provident fund	7.92
Perquisites	11.86
	102.08
* Appointed as Executive Director with effect from 01.04.2010	

Note: The above figures do not include provisions for encashable leave and gratuity as separate actuarial valuation is not available for the Executive Director.

Computation of Net profit under section 309(5) of The Companies Act 1956.

	Year ended 31.3.2011	
	₹ in lacs	₹ in lacs
Net Profit before tax for the year		1,402.50
Add: Directors sitting fees	4.03	
Managerial remuneration	102.08	
Loss on sale of assets	3.18	
		109.29
Net profit as per section 309(5) of the Companies Act, 1956.		1,511.79
5% of profit to wholetime director (see note below)		75.59

Note:

The managerial remuneration to the Executive Director was approved by the Board of Directors at their meeting held on 9th April 2010 and by the Shareholders at their Annual General Meeting held on 7th August 2010, subject to the approval of the Central Government. The Central Government has given its approval on 31.03.2011 for a total remuneration of ₹1,02,42,000 per annum for the period of three years w.e.f. 01.04.2010.

5. Additional information pursuant to the provisions of paragraph 3,4C, and 4D of Part II of Schedule VI to the Companies Act, 1956.

Particulars of installed capacity, production, stocks and turnover of Calcined Petroleum Coke	Year ended 31.3.2011		Year ended 31.3.2010	
	Quantity MT	₹ in lacs	Quantity MT	₹ in lacs
Installed Capacity (being a technical matter, as certified by management)	2,25,000 (per annum)		2,25,000 (per annum)	
Production	1,27,379		1,49,016	
Opening stock	19,247	2,801.32	35,656	6,750.00
Purchases for blending	50	9.75	2,633	391.63
Closing stock	22,985	5,045.80	19,247	2,801.32
Turnover (net of excise duty)	1,23,691	26,775.73	1,68,058	25,071.63

Raw materials consumed	Quantity MT	Year ended 31.3.2011 ₹ in lacs	%	Quantity MT	Year ended 31.3.2010 ₹ in lacs	%
Imported	1,68,505	22,201.31	98.91	1,94,675	16,515.62	97.03
Indigenous	2,104	244.60	1.09	3,908	506.01	2.97
Total	1,70,609	22,445.91	100.00	1,98,583	17,021.63	100.00

Value of stores & spare parts consumed for repair jobs	Year ended 31.3.2011 ₹ in lacs	%	Year ended 31.3.2010 ₹ in lacs	%
Imported	-	-	-	-
Indigenous	73.27	100	150.09	100

	Year ended 31.3.2011	Year ended 31.3.2010
d. Value of imports on CIF basis		
Raw materials	19,211.19	11,441.39
e. Earnings in foreign currency (FOB value of exports)	6,125.18	6,851.21
f. Expenditure in foreign currency		
Travelling	46.00	15.54
Interest	178.52	344.31
Analysis fee, subscriptions, professional fees etc.	62.03	32.24

6. There have been no dues payable to Micro, Small and Medium Enterprises during the year or as at the year end requiring disclosures under Schedule VI of the Companies Act, 1956 and the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act 2006). This information has been compiled in respect of parties to the extent they could be identified as micro or small enterprises on the basis of intimation received from suppliers regarding their status under the MSMED Act 2006.

7. Derivative instruments:

a) Forward Exchange Contracts entered into by the Company and outstanding at the year end:

The Company has entered into the following forward contracts which are not intended for trading or speculative purposes, but for hedging

As at 31.03.2011				As at 31.03.2010			
Buy-Sell	No. of Contracts	US Dollars	₹ in Lacs	Buy-Sell	No. of Contracts	US Dollars	₹ in Lacs
Buy	29	3,27,97,317	14,810.18	Buy	10	98,62,977	4,555.74
Sell	-	-	-	Sell	2	90,045	40.85

b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	As at 31.03.2011		As at 31.03.2010	
	US Dollars	₹ in Lacs	US Dollars	₹ in Lacs
Amount payable in Foreign currency				
Imports of goods & services	3,12,430	139.65	31,78,757	1,435.77
Interest on loans	37,898	16.94	-	-
Amount receivable in Foreign currency	Foreign currency	₹ in Lacs	Foreign currency	₹ in Lacs
Advances to suppliers	USD 7,68,718 HKD 15,000	343.54 0.86	- -	- -
USD: US dollar; HKD: Hong Kong dollar				

8. Employee benefit obligations

a) Defined Benefit Plans:

The Company offers its employees defined benefit plans in the form of gratuity scheme. Gratuity Scheme covers all employees as statutorily required under Payment of Gratuity Act 1972. The Company contributes funds to Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Ltd, which is irrevocable. Commitments are actuarially determined at the year end. The actuarial valuation is done based on the "Projected Unit Credit" method.

The details relating to actuarial valuation in respect of gratuity liability are as follows:

Particulars	₹ in Lacs	
	As at 31.3.2011	As at 31.3.2010
i) Change in present value of obligation.		
Defined benefit obligation as at the beginning of the year	242.34	172.58
Current service cost	29.10	48.47
Interest	18.22	13.23
Actuarial losses / (gains)	16.47	22.67
Benefits paid	(29.67)	(14.61)
Defined benefit obligation as at the end of the year	276.46	242.34
ii) Change in fair value of plan assets		
Plan assets at period beginning	242.34	170.09
Expected return on plan assets	17.48	12.65
Actuarial gain/(loss)	1.81	11.25
Contributions	44.54	62.96
Benefit paid	(29.67)	(14.61)
Plan assets at period end	276.50	242.34
iii) Net assets/(liability) recognised in the Balance Sheet:		
Defined benefit obligation at the end of the year	276.46	242.34
Fair value of the plan assets at the end of the year	276.50	242.34
(Liability) /Assets recognised in the Balance Sheet	0.04	-
iv) Expenses recognised in the Profit & Loss Account:		
Current service cost	29.10	48.47
Interest	18.22	13.23
Expected return on plan assets	(17.48)	12.65
Net actuarial losses / (gains) recognised in the year	14.66	11.43
Net cost recognised in the Profit and Loss account	44.50	60.47
v) Assumption		
Rate of Mortality	As per LIC Mortality rate (1994-96)	
Discount rate	8.00%	8.00%
Expected salary increase rate	7.00%	7.00%
Expected rate of return on plan assets	8.00%	8.00%
Attrition rate	3.00%	2.00%

The estimate of future salary increases considered in the actuarial valuation, take into account inflation, seniority, promotions, increments and other related factors such as supply and demand in the employment market.

The contributions expected to be made by the Company during the financial year 2011-12 are ₹ 44.82 lacs.

b) Defined Contribution Plans:

The Company offers its employees under defined contribution plans in the form of provident fund, family pension fund and superannuation fund that covers substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory/fiduciary type arrangements. While both the employees and the Company pay predetermined contributions into the provident fund and pension fund, the contribution to superannuation fund are made only by the company. The contributions are normally based on a certain portion of employee's salary.

A sum of ₹ 66.08 lacs (Previous year ₹ 57.91 lacs) has been charged to the profit and loss account in this respect, the components of which are tabulated below:

	₹ in lacs	
Contribution to defined contribution plans	Year ended 31.3.2011	Year ended 31.3.2010
Provident fund and family pension fund	58.71	55.38
Superannuation fund	7.37	2.53
	66.08	57.91

9. Segment reporting:

The Company is engaged in manufacture and sale (both domestic and export) of Calcined Petroleum Coke which constitutes single business segment. As per management's perspective, the risks and returns from its sales do not materially vary geographically. Accordingly there are no other business / geographical segments to be reported under Accounting Standard (AS) 17.

10. Disclosures in respect of Related Parties pursuant to Accounting Standard (AS) 18.

i) List of related parties:

	Names of the related parties and nature of relationship
a	Holding Company: V. S. Dempo Holdings Pvt. Ltd (formerly Esmeralda Investments Pvt. Ltd)
b	Wholly Owned Subsidiary Company: GCL Global SGP Pte Ltd, Singapore
c	Fellow Subsidiaries (with whom transactions have taken place during the year): Dempo Industries Pvt. Ltd. Marmagoa Shipping & Stevedoring Pvt. Ltd. Dempo Travels Pvt. Ltd. Aparant Iron & Steel Pvt. Ltd. Hindustan Foods Ltd
d	Individual who is able to exercise significant influence: Mr. Shrinivas V. Dempo (Chairman)
e	Enterprises over which Mr Shrinivas V. Dempo is able to exercise significant influence: Motown Investments Pvt. Ltd. Devashri Nirman (formerly Devashri Real Estate Developers) Vasantrao Dempo Education and Research Foundation
f	Key Management Personnel: Mr Jagmohan J. Chhabra (Executive Director)

ii) Disclosure of transactions with Related Parties.

₹ in lacs

	Year ended 31.3.2011	Year ended 31.3.2010
a Sale of goods Aparant Iron & Steel Pvt. Ltd	11.41	4.78
b Sale of fixed assets Hindustan Foods Ltd	2.00	-
c Receiving of services Marmagoa Shipping & Stevedoring Co. Pvt Ltd Dempo Industries Pvt Ltd Dempo Travels Pvt Ltd	216.19 2.33 56.31	154.63 2.54 39.42
d Rent paid V. S. Dempo Holdings Pvt. Ltd	21.28	36.58
e Reimbursement of expenses V. S. Dempo Holdings Pvt. Ltd Motown Investments Pvt. Ltd. Devashri Nirman	0.98 0.11 0.06	1.06 0.16 0.22
f Interest paid V. S. Dempo Holdings Pvt. Ltd	8.55	8.55
g Advance given GCL Global SGP Pte Ltd, Singapore	5.13	4.25
h Loans taken V. S. Dempo Holdings Pvt. Ltd	400.00	1,500.00
i Loan repaid V. S. Dempo Holdings Pvt. Ltd	-	1,500.00
j Donation Vasandrao Dempo Education and Research Foundation	25.00	5.00
k Remuneration to key managerial personnel	102.08	87.63
iii) Outstanding (receivable)/payable as on 31.3.2011 V. S. Dempo Holdings Pvt. Ltd GCL Global SGP Pte Ltd, Singapore	400.00 (9.38)	- (4.25)

11. Earnings per share:

	Year ended 31.3.2011	Year ended 31.3.2010
i) Profit after tax as per Profit & Loss Account (₹ in lacs)	919.12	40.65
ii) Number of Equity shares	91,51,052	91,51,052
iii) Basic and diluted earnings per share of ₹ 10/- each (₹)	10.04	0.44

12. Components of net Deferred Tax Asset / Liability:

₹ in lacs

	As at 31.3.2011	As at 31.3.2010
i) Deferred tax liability arising on account of: Depreciation	441.52	488.94
ii) Deferred tax asset arising on account of: Provision for doubtful debts Accrued expenses allowable on payment basis. Provision for leave encashment	9.57 7.09 36.82	9.80 7.86 32.64
	53.48	50.30
Net Deferred Tax Liability	388.04	438.64

13. The Company together with its wholly owned subsidiary "GCL Global Resources SGP PTE Ltd" Singapore has entered into a Joint Venture Agreement with Sinoway International Holdings Ltd, Hong Kong to form a Joint Venture Company (the "JV Company") in Hong Kong. The JV Company will set up a wholly owned subsidiary in the Peoples Republic of China for the manufacture of 2,80,000 MT per annum of Calcined Petroleum Coke.

14. GCL Global Resources SGP PTE Limited became a subsidiary of the Company on 05.08.2009 with an investment of ₹ 0.05 lacs in 100 equity shares of USD 1 each. However the subsidiary has not commenced any operations. Since the investment is insignificant and there have been no activities, consolidated financial statements have not been prepared as per Accounting Standard 21.

15. Previous year figures have been regrouped wherever necessary to conform to the classification of the year.

Signatures to Schedules 1 to 16

For and on behalf of the Board of Directors

SHRINIVAS V. DEMPO
Chairman

JAGMOHAN J. CHHABRA
Executive Director

Panaji, Goa 6th April, 2011

P. S. MANTRI
Company Secretary

K. BALARAMAN
General Manager-Finance

STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT, 1956

₹ in lacs

Name of the Subsidiary Company	Extent of interest in the Subsidiary at the end of financial year of the Subsidiary			Net aggregate amount of the Subsidiary's Profits/(Losses) so far as it concerns members of the Holding Company			
				Profits/(Losses) not dealt with in the Holding Company's Accounts		Profits dealt with or (Losses) provided for in the Holding Company's Accounts	
	Subsidiary's Financial year ended	No. of shares held (Equity)	% of total paid-up capital	For the current financial year since it became the Holding Company's Subsidiary	For the current financial year since it became the Holding Company's Subsidiary	For the current financial year since it became the Holding Company's Subsidiary	For the current financial year since it became the Holding Company's Subsidiary
GCL Global Resources SGP PTE Limited	31.03.2011	100	100%	(3.43)	(3.12)	Nil	Nil

For and on behalf of the Board of Directors

SHRINIVASV. DEMPO
Chairman

P. S. MANTRI
Company Secretary

K. BALARAMAN
General Manager-Finance

JAGMOHAN J. CHHABRA
Executive Director

Panaji, Goa 6th April, 2011

Additional information pursuant to the provisions of Part-IV of Schedule VI of Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile :

I. Registration Details :

Registration No.	2400076	State Code	24
Balance Sheet Date	31.03.2011		

II. Capital raised during the year (Amount in ₹ in thousands)

Public Issue	N I L	Rights Issue	N I L
Bonus Issue	N I L	Private Placement	N I L

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ in thousands)

Sources of Funds	Total Liabilities	24,80,928	Total Assets	24,80,928
	Paid up Capital	91,511	Reserves & Surplus	6,37,269
	Secured Loans	16,73,344	Unsecured Loans	40,000
	Deferred Tax Liability	38,804		
Application of Funds	Net Fixed Assets	2,85,375	Investments	410
	Net Current Assets	21,95,142	Misc. Expenditure	N I L
	Accumulated Losses	N I L		

IV. Performance of Company (Amount in ₹ in thousands)

Turnover (including other income)	27,09,383	Total Expenditure	25,69,133
Profit Before Tax	1,40,250	Profit After Tax	91,912
Earning per share in ₹	10.04	Dividend Rate %	40

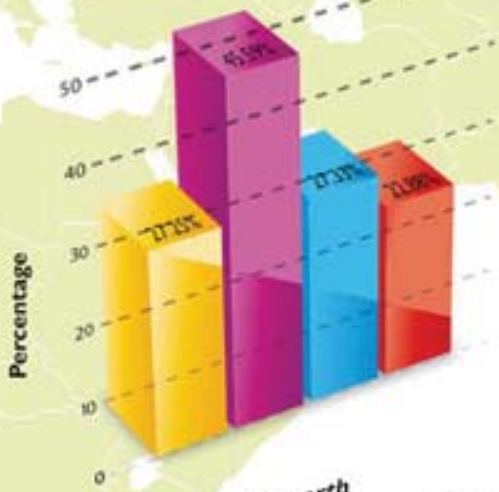
V. Generic Names of Three Principal Products/Services of Company

Item Code No. (ITC Code)	2713.12
Product description	CALCINED PETROLEUM COKE

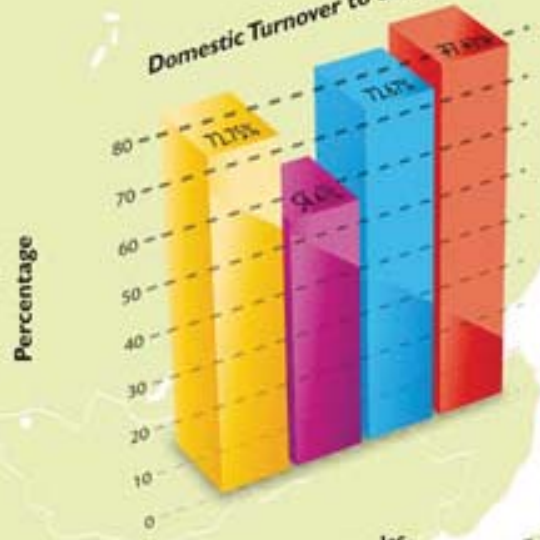
KEY FINANCIAL RATIOS

- 12 months 1.4.2007 to 31.3.2008
- 12 months 1.4.2008 to 31.3.2009
- 12 months 1.4.2009 to 31.3.2010
- 12 months 1.4.2010 to 31.3.2011

Export Turnover to Sales



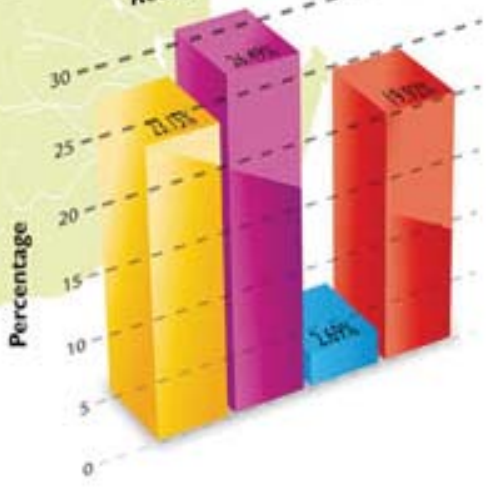
Domestic Turnover to Sales



Cost of Goods sold to sales

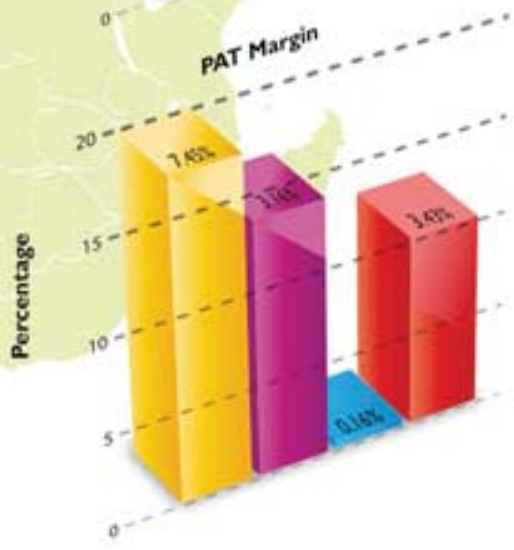
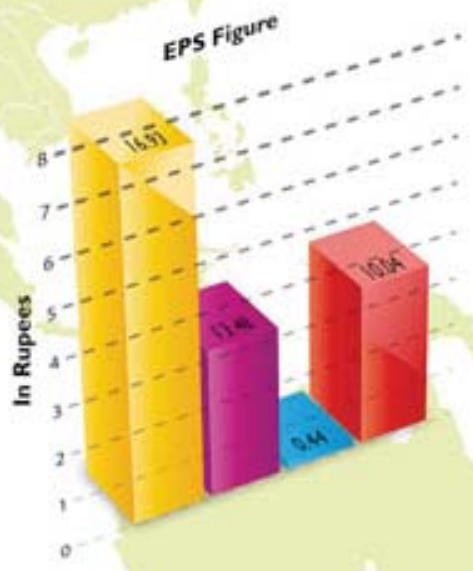
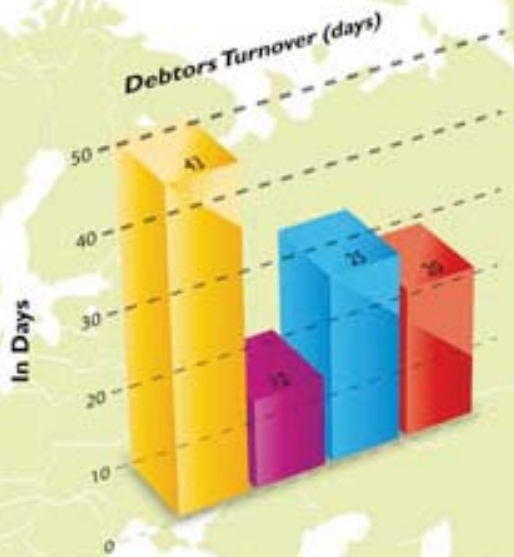


Return on net worth



Debt-Equity Ratio





FINANCIAL HIGHLIGHTS FOR LAST FIVE YEARS

₹ in lacs

	1.4.2010 to 31.3.2011	1.4.2009 to 31.3.2010	1.4.2008 to 31.3.2009	1.4.2007 to 31.3.2008	1.7.2006 to 31.3.2007
Sales (net)	26,775.73	25,071.63	38,963.50	20,797.75	18,518.21
Other Income	318.10	883.59	436.09	114.17	499.60
(A)	27,093.83	25,955.22	39,399.59	20,911.92	19,017.81
Raw materials & manufacturing expenses	24,677.31	24,678.74	36,224.92	18,441.72	17,753.12
Finance charges	755.37	836.52	1,073.73	817.06	749.36
(B)	25,432.68	25,515.26	37,298.65	19,258.78	18,502.48
Gross Profit (A - B) (C)	1,661.15	439.96	2,100.94	1,653.14	515.33
Depreciation	258.65	254.54	255.20	251.21	183.68
Exceptional Item	-	-	-	(330.01)	-
Provision for Tax	483.38	144.77	612.59	182.96	46.50
(D)	742.03	399.31	867.79	104.16	230.18
Net Profit (C - D)	919.12	40.65	1,233.15	1,548.98	285.15
Dividend declared	40%	20%	30%	30%	15%

WHAT THE COMPANY OWNED					
Net Fixed Assets	2,853.75	3,061.67	2,988.90	3,158.03	2,993.81
Investments	4.10	4.10	4.05	4.05	4.05
Current Assets, Loans & Advances	24,470.79	16,481.63	25,658.18	19,807.87	16,759.09
	27,328.64	19,547.40	28,651.13	22,969.95	19,756.95

WHAT THE COMPANY OWED					
Secured Loans	16,733.44	9,412.18	16,620.89	13,386.58	11,172.04
Unsecured Loans	400.00	-	-	140.00	140.00
Deferred tax liability	388.04	438.64	363.58	163.24	-
Current Liabilities & Provisions	2,519.36	2,902.48	4,699.79	3,225.22	3,617.79
	20,040.84	12,753.30	21,684.26	16,915.04	14,929.83

NET WORTH OF THE COMPANY					
Equity Share Capital	915.11	915.11	915.11	915.11	915.11
Reserves & Surplus	6,372.69	5,878.99	6,051.76	5,139.80	3,912.01
	7,287.80	6,794.10	6,966.87	6,054.91	4,827.12



GOA CARBON LIMITED PROXY FORM

I/We.....
of
.....being a Member(s) of the above named Company
hereby appoint.....of.....
or failing him/her.....of.....
as my/our proxy to vote for me/us and on my/our behalf at the 43rd Annual General Meeting of the said
✂ Company to be held on Saturday, the 20th August, 2011 at 10.30 a.m. and at any adjournment thereof.

Signed this.....day of....., 2011.

DP.Id	
Client Id / Folio No.	
No. of Shares	

Signature.....

Affix
30 paise
Revenue
Stamp

N.B.: This Proxy Form must be deposited at the Registered Office of the Company at Dempo House, Campal, Panaji-Goa 403001 not later than 48 hours before the time fixed for holding the meeting.

propelling the growth of global industrialisation

FACTETS OF GCL CSR



Our Environmental Responsibility - Greening the Goa Plant Environs



Addressing Community Health & Safety Concerns - Securely covered finished product truck loads



Promoting Sporting Excellence - Mr. Shrinivas V. Dempo, Chairman renewing the corporate sponsorship with GCL Brand Ambassador, Miss Bhakti P. Kulkarni - Woman Grand Master



Our Social Responsibility - Supporting Local School in its Academic Milestone



Our Social Responsibility - Supporting School for Vagrant and orphaned children

GCL Highlights

- India's first ISO 9000 accredited petroleum coke calcining unit.
- Recognised export house by the government of India.
- Winner of the "Chemexcil Award" in 1994-95 for outstanding export performance.
- Listed on the Bombay Stock Exchange Limited since July 1974 and on the National Stock Exchange of India Limited since June 2007.
- Three manufacturing facilities across India with a total manufacturing capacity of 2,40,000 tonnes/year.
- Consistent dividend paying company.
- Lowest attrition rates with per employee work tenure of 20 years.
- Part of the renowned Dempo Group.
- Selected among the top 100 investor rewarding companies in India for the period 1990-95.



Goa Carbon Ltd.

Registered Office: Dempo House, Campal, Panjim, Goa - 403001. Tel. No. (91) (832) 2441300 Fax: (91) (832) 2225098, 2427192, e-mail: goacarbon@gmail.com

Goa Plant: St. Jose de Areal, Salcete, Goa 403 709. Tel. No. (91) (832) 2860336, 2860363, 2860367 Fax: (91) (832) 2860364
e-mail: head_works@goacarbon.com

Bilaspur Plant: 34-40, Sector B, Sirigitti Industrial Area, Bilaspur 495 004, Chattisgarh. Tel. No. (91) (07752) 220622, 650720 Fax: (91)(07752) 238167, 261115
e-mail: bsp@goacarbon.com

Paradeep Plant: Village Udayabatta, Post Office Paradeepgarh, Dist. Jagatsinghpur, Orissa 754142 Tel. No. 09937034882, 09238110372 Fax: (91) (06722) 211450
e-mail: pchpster@gmail.com