

## **ORIENTAL CARBON & CHEMICALS LIMITED**

### **DIRECTORS**

Mr. J.P. Goenka

*Chairman*

Mr. Arvind Goenka

*Managing Director*

Mr. S.J. Khaitan

Mr. O.P. Dubey

Mr. B.B. Tandon

Mr. S.K. Roy

*(Nominee of Life Insurance  
Corporation of India)*

Mr. K. Raghuraman

### **COMPANY SECRETARY**

Mr. R.K. Ghosh

### **STATUTORY AUDITORS**

Singhi & Co.

### **SOLICITORS**

Khaitan & Co.

Khaitan & Partners

### **BANKERS**

State Bank of India

Export Import Bank of India

### **REGISTERED OFFICE**

31, Netaji Subhas Road,

Kolkata - 700 001

### **PLANTS**

1. Plot 3 & 4, Dharuhera Industrial Estate,  
P.O. Dharuhera,  
Distt. Rewari - 122 106, Haryana
2. Survey No.141, Paiki of Mouje,  
SEZ Mundra, Taluka Mundra,  
Distt. Kutch-370 421, Gujarat.

### **WEBSITE**

<http://www.occlindia.com>

## ORIENTAL CARBON & CHEMICALS LIMITED

### Financial Summary for Last 5 Years

(Rs. Lakhs)

Particulars	2011-12***	2010-11***	2009-10	2008-09	2007-08
Production (Mt)					
Insoluble Sulphur	17,392	14,421	11,712	10,703	9,391
Sulphuric Acid	32,106	32,492	28,899	24,932	32,785
Gross Sales	22,508	16,495	12,944	12,898	9,667
Net Sales	21,782	15,900	12,571	12,183	8,964
PBIDT	5,993	5,132	4,138	1,653	1,016
Interest	831	269	242	393	328
PBDT	5,162	4,863	3,896	1,260	688
Profit Before Tax	4,450	4,361	3,427	813	249
Profit After Tax	3,146	3,738	2,946	763	160
Dividend %*	50	40	40	15	5
FOB Value of Export	14,006	9,515	7,657	6,430	4,616
Gross Fixed Assets ( Including Capital Work in Progress)	24,505	17,515	12,172	10,105	9,485
Net Fixed Assets	18,464	11,806	7,326	5,721	5,453
Net Current Assets	4,081	4,348	4,453	3,960	3,821
Share Capital	1,031	1,031	1,031	1,031	1,007
Reserves & Surplus**	13,905	11,360	8,101	5,637	4,927
Net Worth	14,936	12,391	9,132	6,668	5,934
Deferred Tax Provision	641	652	689	639	698
PBIDT Margin % (Over net Sales)	27.51	32.28	32.92	13.57	11.33
PBT Margin % (Over Net Sales)	20.43	27.43	27.26	6.67	2.78
Debt Equity Ratio	0.54	0.33	0.20	0.33	0.42
Earning Per Share for the year (Rs./Share)	30.55	36.30	28.61	7.67	1.76
Book Value of Shares (Rs./ Share)	136.30	111.66	80.09	66.26	61.96

\* Includes Proposed Final Dividend 30% for the Financial Year 2011-12

\*\* Excluding Revaluation Reserve

\*\*\* Figures for 2011-12 and 2010-11 are as per revised schedule VI

## ORIENTAL CARBON & CHEMICALS LIMITED

### NOTICE

NOTICE is hereby given that the Thirty-second Annual General Meeting of the Shareholders of the Company will be held at "Kala Kunj", 48, Shakespeare Sarani, Kolkata-700 017 on Friday, the 27th July, 2012 at 11.0 A.M. to transact the following business :

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2012, the Balance Sheet as at that date, the Auditors' Report thereon and the Directors' Report.
2. To confirm the payments of Interim Dividend on Equity Shares for the year 2011-12.
3. To declare Final Dividend on Equity Shares.
4. To appoint a Director in place of Mr B B Tandon who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr O P Dubey who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Auditors and to authorise the Board to fix their remuneration.

#### SPECIAL BUSINESS

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

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

"RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company to mortgage and/or charge any or all immovable and movable assets of the Company, wherever situate, present and future in favour of State Bank of India, Overseas Branch, Jawahar Vyapar Bhawan, 1, Tolstoy Marg, New Delhi - 110 001 as security for fund based and non-fund based working capital facilities amounting to Rs.72,00 Lakhs (Total of all advance limits) and a new Term Loan of Rs.38,50 Lakhs and continuation of the existing Term Loans of Rs.2,50 Lakhs (Present Outstanding of Rs.63 Lakhs) and of Rs.43,00 Lakhs. The Working Capital Limits are detailed below:-

<u>Fund Based Limit</u>	<u>Amount (Rs in lacs)</u>
Cash credit (Stocks)*	50,00.00
*(including sub-limit for EPC & FBP/FBD of Rs. 33,50.00 lacs)	
<u>Non Fund Based Limit</u>	
Letter of Credit	10,00.00
Bank Guarantee	4,00.00
<b>Total Fund Based &amp; Non Fund Based</b>	<b>64,00.00</b>
Stand by Line of Credit (SLC)	8,00.00
<b>Total</b>	<b>72,00.00</b>

on terms and conditions as set out in their Sanction Letter with liberty to the Directors of the Company to create in future any further or other charge on the said assets.

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

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

"RESOLVED that in accordance with the applicable provisions of the Companies Act, 1956 and subject to the requisite approval of the Central Government, if required and such other approvals as may be necessary, this Meeting hereby approves the re-appointment of and remuneration payable to Mr. Arvind Goenka, as the Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> October, 2012 on the terms and conditions of re-appointment and remuneration as set out in the Letter dated 30<sup>th</sup> May, 2012 issued by the Company to Mr. Goenka, a copy whereof is laid on the table and for the purpose of identification initialled by the Chairman hereof with liberty to the Board of Directors to alter or vary the remuneration as may be agreed to between the Board and Mr. Goenka even if the remuneration exceeds the limits specified in Schedule XIII to the Companies Act, 1956 or any amendment thereto."

##### 9. (AS A SPECIAL RESOLUTION)

"RESOLVED that pursuant to the provisions of Section 314 of the Companies Act, 1956 and subject to the approval of the Central Government, if required, and such other approvals as may be considered necessary, consent of the Company be and is hereby accorded to Mr. Akshat Goenka, a relative of Mr. J P Goenka, Chairman and Mr. Arvind Goenka, Managing Director of the Company to hold an office or place of profit as a Senior Manager of the Company with effect from 1<sup>st</sup> April, 2012 at the remuneration set out in letter dated 30<sup>th</sup> May, 2012 (which is laid on the table and initialled by the Chairman for the sake of identification) issued by the Company to Mr. Akshat Goenka.

Registered Office :  
31, Netaji Subhas Road,  
Kolkata - 700 001  
Dated : 30<sup>th</sup> May, 2012

By Order of the Board

R K GHOSH  
Company Secretary

## **ORIENTAL CARBON & CHEMICALS LIMITED**

### **NOTES :**

- 1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and, on poll, to vote instead of himself. A proxy need not be a member of the Company.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 21st July, 2012 to 27th July, 2012 ( both days inclusive).
3. The Final Dividend, if sanctioned at the meeting, will be paid on and from 9th August, 2012 to those members whose names appear on the Company's register of members on 27th July, 2012. In respect of the shares in electronic form, the dividend will be payable on the basis of ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Ltd. for this purpose.
4. Messrs B B Tandon and O P Dubey are not holding any shares of the Company.
5. Dividend for the financial year ended 31<sup>st</sup> March, 2005, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government (IEPF) later this year, pursuant to the provisions of Section 205A of the Companies Act, 1956. Members who have not encashed their dividend warrants for the financial year ended 31<sup>st</sup> March, 2005 are requested to lodge their claims with the Company  
Members are advised that in terms of the provisions of Section 205C of the Companies Act, 1956, once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.
6. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the special business is annexed to this Notice.

### **ANNEXURE TO THE NOTICE**

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

### **ITEM 7**

Fund based and non-fund based working capital limits from State Bank of India, Overseas Branch, Jawahar Vyapar Bhawan , 1, Tolstoy Marg, New Delhi - 110 001 (SBI) has been increased to Rs.72,00 Lakhs from Rs.57,00 Lakhs to fund the Company's enhanced working capital requirements due to increase in operation of the Company and the new Insoluble Sulphur Plant at SEZ Mundra.

A Term Loan of Rs.38,50 Lakhs was sanctioned by SBI to partially fund the project cost of Phase-II expansion of Insoluble Sulphur plant at Mundra and to partially fund capital expenditures at the Company's existing plant at Dharuhera.

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

Since mortgaging and/or charging of its assets by the Company in favour of the Bank may be considered as disposal of its undertaking, it is desirable to obtain necessary consent of the shareholders of the Company pursuant to Section 293(1)(a) of the Companies Act, 1956, at the ensuing Annual General Meeting.

The resolution set out at **item 7** of the annexed Notice is intended for this purpose. Your Directors recommend that the resolution be passed.

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

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

### **ITEM 8**

Mr Arvind Goenka had been appointed as the Managing Director of the Company by the Board of Directors for a period of three years with effect from 1<sup>st</sup> October, 2009. The tenure of three years of Mr. Arvind Goenka as the Managing Director will expire on 30<sup>th</sup> September, 2012.

The Board of Directors at its meeting held on 30<sup>th</sup> May, 2012 has extended the tenure of Mr Goenka as the Managing Director of the Company for a further period of three years with effect from 1<sup>st</sup> October, 2012 subject to the approval of the Shareholders, requisite Central Government approval, if required and such other approvals as may be necessary, on remuneration set out below:

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

#### **I Salary :**

- Rs. 3,00,000/- per month for the period 1<sup>st</sup> October, 2012 to 30<sup>th</sup> September, 2013.
- Rs. 3,50,000/- per month for the period 1<sup>st</sup> October, 2013 to 30<sup>th</sup> September, 2014.
- Rs. 4,00,000/- per month for the period 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September, 2015.

## **ORIENTAL CARBON & CHEMICALS LIMITED**

### **II. Commission :**

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

- Rs. 36,00,000/- for the period 1<sup>st</sup> October, 2012 to 30<sup>th</sup> September, 2013.
- Rs. 42,00,000/- for the period 1<sup>st</sup> October, 2013 to 30<sup>th</sup> September, 2014.
- Rs. 48,00,000/- for the period 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September, 2015.

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

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

### **III. Perquisites :**

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

#### **CATEGORY 'A'**

- (a) Housing : Provision of hired/leased furnished accommodation by the Company or house rent in lieu thereof subject to a ceiling of 60% of salary.
- (b) Other Perquisites : (i) Provision of gas, electricity, water and furnishings.  
(ii) Medical benefits for self, wife and dependent children  
(iii) Leave travel concession  
(iv) Club fees  
(v) Premium for Personal Accident Insurance.

#### **CATEGORY 'B'**

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

#### **CATEGORY "C"**

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

Notwithstanding anything mentioned above, where in any financial year during the currency of his tenure as the Managing Director, the Company has no profits or its profits are inadequate, the remuneration payable to him in that financial year shall be calculated in such a manner so that it does not exceed such limits as approved by the Central Government.

In the opinion of the Board of Directors of your Company, the remuneration payable to Mr. Arvind Goenka is commensurate with his ability, qualification and experience. The resolution set out at **Item 8** of the Notice is intended to obtain your approval to the appointment of Mr. Arvind Goenka and payment of remuneration mentioned above to him as Managing Director of the Company with liberty to the Board of Directors to vary the said terms as stated in the annexed resolution.

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

The Board recommends that the said resolution be passed.

Copy of the Letter dated 30<sup>th</sup> May, 2012 issued to Mr. Arvind Goenka will be available for inspection of members at the Registered Office of the Company on any working day of the Company during the hours of 10.00 A.M. to 12 Noon and will also be available at the meeting.

#### **MEMORANDUM OF INTEREST**

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

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

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

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### **ITEM 9**

Mr Akshat Goenka was promoted as the Senior Manager of the Company with effect from 1<sup>st</sup> April, 2012 and his salary was revised subject to approval of the shareholders and the Central Government, if required, on the terms and conditions as embodied in the letter dated May 30, 2012 issued by the Company to him, the salient points of which are set out below:

(A) Basic Salary :

1 <sup>st</sup> April 2012 to 31 <sup>st</sup> March 2013	: Rs.24,000/- per month
1 <sup>st</sup> April 2013 to 31 <sup>st</sup> March 2014	: Rs.30,600/- per month
1 <sup>st</sup> April 2014 to 31 <sup>st</sup> March 2015	: Rs.37,500/- per month

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

i) House Rent Allowance	
1 <sup>st</sup> April 2012 to 31 <sup>st</sup> March 2015	: Rs.24000/- per month
ii) Other Allowances	
1 <sup>st</sup> April 2012 to 31 <sup>st</sup> March 2013	: Rs.34,300/- per month
1 <sup>st</sup> April 2013 to 31 <sup>st</sup> March 2014	: Rs.39,300/- per month
1 <sup>st</sup> April 2014 to 31 <sup>st</sup> March 2015	: Rs.46,300/- per month
iii) Leave Travel Allowance	
1 <sup>st</sup> April 2012 to 31 <sup>st</sup> March 2015	: Rs.72,000/- per annum
iv) Reimbursement of medical expenses	
1 <sup>st</sup> April 2012 to 31 <sup>st</sup> March 2015	: Rs.15,000/- per annum

Mr. Akshat Goenka will be governed by the rules and regulations of the Company.

As Mr. Akshat Goenka is a relative of Mr. J.P.Goenka, Chairman and Mr Arvind Goenka, Managing Director of the Company within the meaning of The Companies Act, 1956, his appointment is subject to your approval. The Board recommends that the Special Resolution set out at **Item 9** be passed.

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

### **MEMORANDUM OF INTEREST**

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

None other Director of the Company is concerned and/or interested in this Resolution.

## ORIENTAL CARBON & CHEMICALS LIMITED

### DIRECTORS' REPORT

#### TO THE MEMBERS

Your Directors hereby present their thirtysecond Report together with the Audited Accounts of the Company for the accounting year ended March 31, 2012.

#### 1. FINANCIAL RESULTS

	<b>For the Year ended 31.3.2012</b>	<b>(Rs. Lakhs) For the Year ended 31.3.2011</b>
Profit/(Loss) Before Taxation	<b>44,49.79</b>	43,61.16
Provision for Taxation for Current year*	<b>(13,05.01)</b>	(6,22.99)
Profit/(Loss) after Taxation for Current year	<b>31,44.78</b>	37,39.75
Tax Adjustment for earlier years	<b>(0.98)</b>	1.82
Profit/(Loss) after Taxation for earlier years	<b>31,45.76</b>	37,37.93
Amount Available for Appropriation	<b>96,64.83</b>	73,98.52
Appropriation:		
Interim/Proposed Dividend on Equity Shares	<b>5,14.80</b>	4,11.84
Tax on Dividend	<b>83.50</b>	67.61
Transferred to General Reserve	<b>4,00.00</b>	4,00.00
Balance Carried to Balance Sheet	<b>86,66.53</b>	65,19.07

\* Including Rs. (10.99) Lakhs Deferred Tax (Previous year Rs.(36.83) Lakhs)

#### 2. DIVIDENDS

Your Directors are pleased to recommend Final Dividend of 30% on 10296062 Equity Shares (Rs.3 per share of Rs.10 each). The Dividend will absorb Rs.3,58.99 Lakhs (Inclusive of Dividend Tax of Rs.50.10 Lakhs).

#### 3. OPERATIONS

##### Insoluble Sulphur

During the year total production of Insoluble Sulphur was 17392 MT. Commercial Production from Phase-1 of Mundra plant started in August 2011 and a production of 2983 MT was achieved during the year. The total production of Insoluble Sulphur from Dharuhera operations was 14409 MT registering 6% growth from last year. Total Sales during the year was 17417 MT including 2660 MT from Mundra Plant. The demand from both international & domestic market continued to be healthy. The net profit during the year is less as the Income Tax Exemption on the Company's EOU Plant has expired resulting in tax on its income during the year.

##### Sulphuric Acid & Oleum

Production of Sulphuric Acid (Eqvt.) was at 35991 MT which is 6% lower than the last year production of 38402 MT. Production of Oleum was 36% lower than last year. This was mainly due to new capacities coming up in the region without any increase in demand. However, sales of Sulphuric Acid at 32748 MT was at par with the previous year sales of 32312 MT. Sales of Oleum was at 3805 MT which is 32% lower than the last year due to competition in the market from new suppliers.

#### 4. FUTURE PROSPECTS

##### Insoluble Sulphur

The demand of Insoluble Sulphur was stable in international as well as the domestic market during the year. The prospect of economic slowdown being faced worldwide is expected to have adverse effect on the tyre industry as well which is the main consumer of Insoluble Sulphur. However since your Company is currently having a good order book and by virtue of having long term supply contracts the impact of the same is expected to be significantly less on the Company.



## **ORIENTAL CARBON & CHEMICALS LIMITED**

After successful completion of Phase-1 of the new plant of Insoluble Sulphur at Mundra SEZ, the work on Phase-II for another 5500 capacity addition has also been completed. The commercial production of the same has been declared in the month of May-2012.

### **Sulphuric Acid & Oleum**

Demand of Sulphuric Acid is expected to remain at the existing levels in the near future. However, due to consumption of steam produced by it in Insoluble Sulphur Plants, the division is expected to remain profitable in the coming year.

## **5. RESEARCH & DEVELOPMENT**

A fully in-house Research & Development team works on continuous basis to improve the quality of product and its properties. New Grades are also being developed to meet customers varied requirements. Your Company is currently working on development of pre-dispersed Insoluble Sulphur which will be a value added form of Insoluble Sulphur. Help of accredited independent laboratories is also taken as and when required for studying and evolving critical parameters. Research & Development is fundamental to the Company's efforts to maintain the technical and quality edge for the product.

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

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

## **7. POLLUTION CONTROL**

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

## **8. COST AUDIT**

Department of Company Affairs has approved the appointment of M/s.J K Kabra and Co., Cost Auditors, for conducting Audit in respect of Sulphuric Acid Unit for the year ending March 2013.

## **9. PUBLIC DEPOSITS**

Fixed deposits from public outstanding with your Company, at the end of the financial year, stood at Rs.3,88,41,000/-. Of the above, deposit amounting to Rs. 10,000/- which had fallen due for payment on 7th May, 2003 has since been claimed by the depositor on 5th May, 2010, but the same could not be paid as the depositor has not been able to produce the Original Deposit Certificate in this respect. Deposits aggregating to Rs. 17,53,000/- due for repayment on or before 31st March, 2012 were not claimed by the depositors. Out of these, deposits totalling Rs. 1,82,000/- have since been claimed and settled. Besides this, deposits amounting to Rs. 12,95,000/- though fallen due for payment could not be settled as there is a dispute between the concerned joint depositors and the matter is sub-judice.

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

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

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



## **ORIENTAL CARBON & CHEMICALS LIMITED**

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

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

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

### **12. DIRECTORS**

Mr. B B Tandon and Mr. O P Dubey retire by rotation and, being eligible, offer themselves for re-election. The term of Mr. Arvind Goenka, Managing Director, is expiring on 30<sup>th</sup> September 2012. The Board has extended his term for a period of three years subject to your approval and such other approvals as may be required.

### **13. SUBSIDIARY**

In the month of April 2012, your Company has acquired 50% of the total paid up equity shares of Schrader Duncan Limited from M/S Schrader Bridgeport International Inc, SDL's foreign promoters. Due to this acquisition Schrader Duncan Limited has become a subsidiary of your Company in the year 2012-13.

### **14. AUDITORS AND AUDIT REPORT**

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

### **15. CORPORATE GOVERNANCE**

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

### **16. PARTICULARS OF EMPLOYEES**

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

### **17. ACKNOWLEDGMENTS**

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

By Order of the Board

Place: New Delhi  
Date: 30<sup>th</sup> May, 2012

O.P. DUBEY  
*Director*

ARVIND GOENKA  
*Managing Director*

## ORIENTAL CARBON & CHEMICALS LIMITED

### ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217 (1) (e) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

#### I. CONSERVATION OF ENERGY

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

#### FORM-A

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

A. POWER AND FUEL CONSUMPTION		Current year	Previous year
<b>1. Electricity</b>			
(a) Purchased Units	(KWH)	<b>1,62,61,073</b>	1,18,86,106
Total Amount	(Rs. in Lakhs)	<b>8,18.40</b>	5,78.69
Rate/ Unit	(Rs.)	<b>5.03</b>	4.87
(b) Own generation			
(i) Through Diesel/Furnace Oil Generator			
Units	(KWH)	<b>48,98,698</b>	48,51,825
Units/Ltr. of Diesel/Furnace Oil	(KWH)	<b>3.54</b>	3.47
Cost/Unit	(Rs.)	<b>10.60</b>	9.80
<b>2. Coal (specify quantity and where used)</b>			
Quantity	(Tonnes)	—	—
Total cost	(Rs.)	—	—
Average Rate	(Rs.)	—	—
<b>3. Furnace Oil /LDO/HSD</b>			
Quantity	(Ltrs)	<b>32,98,727</b>	19,20,256
Total cost	(Rs. in Lakhs)	<b>12,82.64</b>	5,76.92
Average Rate	(Rs.)	<b>38.88</b>	30.04
<b>4. Other / Internal Generation</b>			
(Process Steam)			
Quantity	(MT)	<b>55,130</b>	40,357
Total Cost of fuel utilised	(Rs. in Lakhs)	<b>8,22.63</b>	2,76.28
Rate/ Unit	(Rs.)	<b>1492.16</b>	684.59
<b>B. CONSUMPTION PER UNIT OF PRODUCTION (MT)</b>			
<b>Products</b>	<b>Standards if any</b>		
<b>(a) Sulphuric Acid</b>			
Electricity	(in Units)	N.A.	<b>30</b>
<b>(b) Oleum</b>			
Electricity	(in Units)	N.A.	<b>70</b>
<b>(c) Insoluble Sulphur</b>			
(i) Electricity	(in Units)	N.A.	<b>1142</b>
(ii) Furnace Oil / HSD	(in Ltrs)	N.A.	<b>68</b>
(iii) Others-Process Steam	(in MT)	N.A.	<b>3</b>

## ORIENTAL CARBON & CHEMICALS LIMITED

### II. TECHNOLOGY ABSORPTION

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

#### 1. Research & Development

- (i) Specific area in which R&D carried out by the Company : Properties of Insoluble Sulphur such as stability and purity have been further improved during the year. Work is continued for maintaining the quality edge.
- (ii) Benefits derived as a result of the above R&D : Loyalty of existing customers coupled with enlistment of new quality-conscious customers, value addition in products, edge over competitors, and better control over qualitative deviations.
- (iii) Future plan of action : Development of New Grades specific to customer requirements and pre-dispersed Insoluble Sulphur. Further improvement in all key parameters of the product.
- (iv) Expenditure on R&D (Rs. in Lakhs)
- (a) Capital : 15.19
- (b) Recurring : 28.22
- (c) Total : 43.41
- (d) Total R&D expenditure as a percentage of total turnover. : 0.20%

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

### III. FOREIGN EXCHANGE EARNING AND OUTGO

- (a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans : The Company registered a growth of 47% by value in exports. Exports Constituted 74% of total Insoluble Sulphur sales during the year by value.
- (b) Total foreign exchange used and earned (Rs. in lakhs)
- (i) Earned : 1,40,06.31
- (ii) Used : 3,20.52

By Order of the Board

Place : New Delhi  
Date : 30<sup>th</sup> May, 2012

O.P. Dubey  
Director

Arvind Goenka  
Managing Director

### ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 AND THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

Sl. No.	Name	Designation & Nature of Duties	Remuneration (Rs.)	Qualification & Total Service Experience (Years)	Age (Years)	Date of Commencement of Employment	Last employment held before joining the Company	
							Company	Designation
<b>(A) EMPLOYED THROUGHOUT THE YEAR</b>								
1.	Goenka Arvind	Managing Director	89,68,598	B.Com (27)	50	01.10.2009	Duncan International India Ltd.	Vice President

#### NOTES :

1. Remuneration has been calculated on the basis of Section 198 of the Companies Act, 1956 and includes expenditure incurred by the Company on salary and for provision of benefits to the employees, excluding actuarial valuation of Retirement Benefits.
2. The nature of employment in all cases is contractual.
3. Mr. Arvind Goenka is related to Mr. J.P. Goenka, Chairman of the Board.

By Order of the Board

Place : New Delhi  
Date : 30<sup>th</sup> May, 2012

O.P. Dubey  
Director

Arvind Goenka  
Managing Director

**ORIENTAL CARBON & CHEMICALS LIMITED**

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

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

It is hereby certified that :-

- (a) The Board of Directors of the Company has laid down a comprehensive Code of Conduct for its members and senior management personnel.
- (b) The code of conduct of the Company has been posted on the website of the Company.
- (c) The affirmation of compliance of code of conduct for the year 2011-2012 has been received from all the Board members and senior management personnel.

For Oriental Carbon & Chemicals Limited,

Place : New Delhi  
Date : 30<sup>th</sup> May, 2012

Arvind Goenka  
*Managing Director*

## **ORIENTAL CARBON & CHEMICALS LIMITED**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

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

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

#### **Insoluble Sulphur**

Insoluble Sulphur is mainly used in the tyre industry. Since your Company competes globally and major part of the production of your Company is exported (72% in quantity terms for the year 2011-12) it is important to discuss the structure of and developments in the industry at global level.

During this year total exports sales of the Company was 12436 MT including 2658 MT from Phase-I of Mundra SEZ Plant. The growth rate of international demand for Insoluble Sulphur has been about 4% per annum. By adding new capacities your company is able to cater to the increasing demand of its existing customers and broaden customer base.

The Indian Market for Insoluble Sulphur continues to grow more than the growth rate for the tyre industry due to increasing share of radial tyres in commercial vehicles which consume more Insoluble Sulphur. With addition of capacities your Company witnessed a growth of 15% in the domestic sales during the year.

The prices of raw materials fluctuated within a range with reducing trend till December and increasing thereafter. The selling prices were adjusted to meet the increase in raw material prices. The Depreciation of Rupee in the second half of the year impacted both the cost and sales realisation, the net impact being positive.

Phase -1 of the project at SEZ Mundra with capacity of 5500 Mtpa of Insoluble Sulphur was commissioned in August 2011. The total Production from this plant during the year was 2983 MT. The second Phase of the project of 5500 MTPA capacity has also been completed and commissioned in May-2012.

#### **Sulphuric Acid and Oleum**

Sulphuric Acid is used as a sulphonating agent in manufacture of Detergents and in other inorganic chemicals. During the year, due to major shut down taken for repair work at plant, the production of Sulphuric Acid and Oleum was 6% and 36% respectively lower than the last year. However, sale of Sulphuric Acid was 32748 MT as compared to last year sales of 32312 MT. Performance of Sulphuric acid was stable during the year and is expected to remain same in the near future. Demand for Oleum, which is 100% Sulphuric acid containing free SO<sub>3</sub>, remains restricted with few users of the same in the delivery area of your Company. The steam generated in Sulphuric Acid production is also being used in Insoluble Sulphur Plants. Sale of Sulphuric Acid in 2011-12 was affected by low off take in the first quarter, which is traditionally considered a good period for it. Off take of Oleum has decreased due to addition of capacities in the region without increase in demand.

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

#### **Insoluble Sulphur**

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

Further, commercial production of radial tyres is increasing. With the increased domestic demand and increase in international customer / plants base, your Company does not see any difficulty in selling the production from new capacities at its Mundra Plant.

The global slowdown has started showing impact on demand of Insoluble Sulphur in Europe. If the situation continues, there may be adverse impact on the sale of Insoluble Sulphur. However, the impact on your Company should be partially mitigated due to long term agreements with the customers.

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

Threats from Chinese producers still continue as some of them have started focusing on quality production. As substantial portion of revenue of your Company comes in Foreign Currencies, the risk of adverse exchange fluctuations cannot be ruled out.

The land acquired at Mundra SEZ is sufficient for putting up another plant of 11000Mtpa capacity.

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

## ORIENTAL CARBON & CHEMICALS LIMITED

### Sulphuric Acid and Oleum

During the year the demand of Sulphuric acid has been satisfactory and prices stable. The situation in the current year appears to be similar with no change in demand supply balance.

### PERFORMANCE OF THE COMPANY

During the year, your Company achieved a Profit before tax of Rs.44,49.79 lakhs and of Rs.59,93.14 lakhs before provision of Depreciation and Interest. Production of Insoluble Sulphur increased to 17392 MT including Mundra Production of 2983 MT. The revenue from operation increased 37% to Rs. 2,17,81.92 lakhs.

### HUMAN RESOURCES

The Company has, under its employment, 381 officers and workmen as on 31st March, 2012.

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

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

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

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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

#### Financial Information

- i. Fixed Assets: The Gross Capital Assets stood at Rs 2,45,05 lakhs as at 31st March 2012 against Rs. 1,75,15 lakhs as at 31st March 2011. Increase includes Rs 43,11 lakhs due to Capital Work in Progress for phase II of Mundra Project.
- ii. Inventory: The inventory at the end of the current year stood at Rs.27,87 lakhs against Rs 18,93 lakhs at the end of previous year. The increase in stock value is mainly on account of stock of Mundra Plant and Consignment Stock.
- iii. Sundry Debtors: Sundry debtors at the end of the year stood at Rs.45,30 lakhs against Rs.28,94 lakhs at the end of previous year. This is due to increase in sales and beginning of operations in Mundra Plant.

### Results of Operations

	(Rs. Lakhs)	
	<u>2011-2012</u>	<u>2010-2011</u>
Income from Operations (Net of Excise)	<b>2,17,81.92</b>	1,59,00.20
Other Income	<b>4,18.27</b>	3,54.03
Total Income	<b>2,22,00.19</b>	1,62,54.23
Profit before Interest, Depreciation and Tax	<b>59,93.14</b>	51,32.07
Profit before Tax	<b>44,49.79</b>	43,61.16
Profit after Tax for the current year	<b>31,45.76</b>	37,37.93

The profit margin of the Company were affected during the year due to commissioning of the Mundra Plant and expiry of tax holiday for the EOU plant.

### CAUTIONARY STATEMENT

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

## ORIENTAL CARBON & CHEMICALS LIMITED

### CORPORATE GOVERNANCE

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

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

#### 2. Board of Directors

The Board of Directors consists of seven Directors out of which six are non-executive Directors. All the Directors are eminent professionals with experience in Business, Industry, Finance & Law of which five are independent including one Nominee Director.

The Company has a non-executive Chairman.

Name of Directors	No. of Board Meetings attended during 2011-12	Whether attended last AGM	Number of other Directorships of Public Ltd.Cos.	Number of other Committee memberships	Number of other Committee Chairmanships
Mr. J P Goenka @ <i>Chairman</i>	4	NO	2	-	2
Mr. Arvind Goenka+ <i>Managing Director</i>	6	YES	3	2	-
Mr. S J Khaitan #	6	YES	6	7	3
Mr B B Tandon#	6	YES	14	14	4
Mr O P Dubey#	4	YES	1	-	-
Mr K Raghuraman#	6	YES	7	4	2
Mr. S K Roy # <i>(LIC Nominee)</i>	4	YES	1	-	-

@ Non-executive Promoter Director

# Non-executive Independent Directors

+ Executive Promoter Director

During the financial year ended March 31, 2012, six Board Meetings were held on May 27, 2011, July 26, 2011, October 21, 2011, February 14, 2012, March 05, 2012 and March 26, 2012.

#### 3. Audit Committee

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

There were four meetings of the Committee during the year ended March 31, 2012 on May 27, 2011, July 26, 2011, October 21, 2011 and February 14, 2012.

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

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

#### 4. Investors/Shareholders Grievance Committee

The Company has a three member Investors'/Shareholders' Grievance Committee of the Board of Directors under the Chairmanship of a Non-Executive Director to specifically look into the redressal of grievances of the investors namely shareholders and Fixed deposit holders. The Committee deals with grievances relating to transfer of shares, non receipt of Balance Sheet or dividend, dematerialisation of shares, complaint letters received from Stock Exchanges, SEBI etc. The Board of Directors has delegated power of approving transfer/transmission of shares to a Share Transfer Committee. During the year, the Committee met six times on 7th April, 2011, 27th May, 2011, 26th July, 2011, 28th September, 2011, 30th November, 2011 and 14th February, 2012.

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

Name of Directors	Chairman / Member	No. of Meetings Attended
Mr. J. P. Goenka	Chairman	3
Mr. Arvind Goenka	Member	6
Mr. S. J. Khaitan	Member	6

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



## ORIENTAL CARBON & CHEMICALS LIMITED

During the year under review, a total number of 1(One) Grievance was received and replied to the satisfaction of the shareholders. No Share Transfer/Transmissions/issue of Duplicate share certificates were pending as on 31st of March, 2012.

### 5. Remuneration Committee

A Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing/Whole time Directors. The Committee comprises of three Non-Executive Independent Directors. During the year one meeting of the Committee was held on 27<sup>th</sup> May, 2011. The details of the Members and their attendance is as follows :

Name of Directors	Chairman / Member	No. of Meetings Attended
Mr. O. P. Dubey	Chairman	1
Mr. S. J. Khaitan	Member	1
Mr B B Tandon	Member	1

The Remuneration Policy of the Company is :

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

The aggregate value of salary, perquisites, commission, performance bonus paid to Managing Director is:

Salary: Rs.28.50 Lakhs, Perquisites : Rs.28.49 Lakhs, Retirement benefits including PF etc. : Rs.7.70 Lakhs, Performance Bonus: Rs. 25.00 Lakhs, Total : Rs. 89.69 Lakhs.

Sitting fees paid to Non-Executive Directors for the year 2011-2012 are as follows:

Mr. J P Goenka, Chairman - Rs. 95,000/-, Mr. S J Khaitan- Rs. 2,35,000/- Mr B B Tandon-Rs. 2,05,000/-, Mr. O P Dubey- Rs. 1,65,000/-, Mr K Raghuraman- Rs. 1,20,000/- and Mr S K Roy - Rs. 80,000/- (paid to LIC).

The Commission paid to Non-executive Directors for the year 2011-2012, which is within the limit prescribed in the Companies Act, 1956, is as below:

Mr. J P Goenka, Chairman - Rs.1,90,000/-, Mr. S J Khaitan- Rs.4,70,000/- Mr B B Tandon- Rs.4,10,000/-, Mr. O P Dubey - Rs. 3,30,000/-, Mr K Raghuraman- Rs.2,40,000/- and Mr S K Roy -Rs.1,60,000/-(paid to LIC).

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

Number of shares held by Executive Director(s): As on 31.03.2012, Mr. Arvind Goenka, Managing Director of the Company, holds 116100 Equity Shares of the Company.

### 6. Directors

Mr. B B Tandon and Mr. O P Dubey, Directors of the Company, are retiring at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

The brief resume of Mr. B B Tandon and Mr. O P Dubey is given below:

- Mr. B B Tandon aged about 72 years, is a post graduate in economics and a graduate in law. He retired as Chief Election Commissioner. He was a member of the IAS from 1965 to 2001. Mr. Tandon held various top level posts in the Govt. of India and State Govt. of Himachal Pradesh (HP). In his capacity as Additional Secretary, Department of Company Affairs, he was also a Member of Securities & Exchange Board of India (SEBI) as "special invitee". He also headed the working group on comprehensive revision of the Companies Act, 1956, which recommended wholesale changes/amendments in the said Act. At the level of State Govt., Mr. Tandon held the key post of Principal Secy (Power) and Principal Secy. (Industries). He also served as Managing Director of State Public Sector Undertakings (PSUs) like H.P. Mineral & Industrial Development Corporation and H.P. Agro Industries Corporation. As Principal Secy (Power) and Chairman, HPSEB, Mr. Tandon initiated the policy of private sector participation in the execution of hydro projects in HP. In the Ministry of Mines, he handled important PSUs and initiated various policy measures for opening up of the sector by de-regulating the sector and dismantling controls. The sector was also for the first time opened up for foreign direct investment. He also initiated steps for disinvestment & privatization of the above mentioned public sector undertakings under the Ministry of Mines. During the period 2001-06, Mr. Tandon held the constitutional posts of the Election Commissioner and Chief Election Commissioner of India. Before his appointment as Election Commissioner in 2001, Mr. Tandon held the post of Secretary, Government of India, Ministry of Personnel, Public Grievances and Pension for about 2½ years and before that he served as Secretary, Ministry of Mines for about two years.

## ORIENTAL CARBON & CHEMICALS LIMITED

List of the Companies where Directorship & Committee positions held as on 31-3-2012:-

Name of the Company	Name of Committee	Member/Chairman
Precision Pipes & Profiles Ltd.	Remuneration Committee Audit Committee	Chairman Member
Adani Power Ltd.	Remuneration Committee Audit Committee	Chairman Member
Jaiprakash Power Ventures Ltd.	Audit Committee	Member
Bhushan Steel Ltd.	Audit Committee	Member
Birla Corporation Ltd.	Audit Committee Remuneration Committee	Member Member
Dhampur Sugar Mills Ltd.	Remuneration Committee	Member
Exicom Tele-System Ltd	Remuneration Committee	Member
Filatex India ltd.	Audit Committee	Member
ACB (India) Ltd.	Remuneration Committee	Member
Vikas Global One Ltd.	Remuneration Committee	Chairman

**Other Directorship:** Jaypee Infratech Limited, Lanco Anapara Power Ltd., VLS Finance Ltd and Schrader Duncan Limited w.e.f. 13-4-2012.

- Mr. O P Dubey aged about 71 years, a master in sociology and a graduate in law, served LIC of India for a period of 36 years. He was a member of Governing Board and later Chair Professor at National Insurance Academy, Pune from November 2001 to November 2004. During his tenure with LIC of India, he was deeply involved in the areas of General Management, Marketing, Insurance, Legal aspects and Human Resource Development. Earlier he was on the Boards of U.P State Financial Corporation; NEDFI (Guwahati, Assam) & Associated Cement Companies Limited (ACC). Before retiring from LIC of India in 2001, he was Zonal Manager in charge of Eastern Zone, Kolkata, in the rank of Executive Director. He is currently visiting faculty at different Management Institutes.

He is a Director in M/s. Schrader Duncan Limited w.e.f. 26-4-2012.

### 7. General Body Meetings

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

Year	Date & Time	Venue
2010-2011	26/07/2011 11.00 A.M	Williamson Magor Hall (1 <sup>st</sup> Floor) The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata-700 001
2009-2010	23/07/2010 10.30 A.M.	Williamson Magor Hall (1 <sup>st</sup> Floor) The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata-700 001
2008-2009	24/07/2009 11.00 A. M.	'Kala Kunj', 48, Shakespeare Sarani, Kolkata - 700 017

One Special Resolution passed at AGM on 24<sup>th</sup> July, 2009 ( Re-appointment of Mr H C Taneja as Wholetime Director of the Company) and One Special Resolution passed on 23<sup>rd</sup> July, 2010 (Appointment of Mr Akshat Goenka-a relative of Mr J P Goenka, Chairman and Mr Arvind Goenka, Managing Director of the Company) were passed by the shareholders of the Company.

### 8. Code of Conduct

- The Board of Directors of the Company has laid down a comprehensive Code of Conduct for all its board members and senior management personnel.
- The code of conduct of the Company has been posted on the website of the Company.
- The affirmation of compliance of code of conduct for the year 2011-12 has been received from all the board members and senior management personnel.

### 9. Disclosures

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

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

The Company has complied with all the Mandatory Requirements.

## ORIENTAL CARBON & CHEMICALS LIMITED

### 10. Means of Communication

Quarterly Results are published in prominent daily newspapers viz., Business Standard (National) and Arthik Lipi (Vernacular). The above financial results and shareholding pattern are also posted on company's website.

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

### SHAREHOLDER INFORMATION

#### a. Annual General Meeting :

Date and Time : 27th July, 2012 at 11.00 AM  
Venue : "Kala Kunj", 48, Shakespeare Sarani, Kolkata-700 017

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

Financial Results for the Quarter ending 30th June, 2012 : End of July 2012  
Financial Results for the Quarter ending 30th September, 2012 : End of October 2012  
Financial Result for the Quarter ending 31st December, 2012 : End of January 2013  
Financial Results for the Year ending 31st March, 2013 : End of May 2013  
Annual General Meeting for the year ending 31st March, 2013 : End of July 2013

#### c. Date of Book Closure : 21st July, 2012 to 27th July, 2012 ( both days inclusive)

#### d. Dividend will be paid on and from : 9th August, 2012

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

Bombay Stock Exchange Limited , Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023  
The Calcutta Stock Exchange Ltd., 7 Lyons Range, Kolkata 700 001  
Listing fees in respect of all the above Stock Exchanges have been paid for the year 2012-2013

#### f. Stock Code

The Calcutta Stock Exchange Limited : 25065  
Bombay Stock Exchange Limited : 506579

#### g. Market Price Data

Monthly High and Low of Company's Equity Shares (Rs. 10/- per Share) for the year ended 31st March, 2012 at the Bombay Stock Exchange Limited, Mumbai ;

Month	Company's Share		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2011	129.20	102.00	19,811.14	18,976.19
May, 2011	130.75	114.80	19,253.87	17,786.13
June, 2011	140.00	121.10	18,873.39	17,314.38
July, 2011	148.00	132.30	19,131.70	18,131.86
August, 2011	139.00	107.25	18,440.07	15,765.53
September, 2011	123.70	109.00	17,211.80	15,801.01
October, 2011	135.00	108.25	17,908.13	15,745.43
November, 2011	117.70	95.50	17,702.26	15,478.69
December, 2011	107.00	82.10	17,003.71	15,135.86
January, 2012	107.95	87.05	17,258.97	15,358.02
February, 2012	134.50	96.25	18,523.78	17,061.55
March, 2012	146.00	102.05	18,040.69	16,920.61

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

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

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

#### i. Share Transfer System

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

#### j. Dematerialisation of shares

90.96% of total Subscribed & Paid-up Equity Shares is held in dematerialised form with NSDL and CDSL as at 31st March, 2012. Members can hold shares in electronic forms and trade the same in Depository system. However, they may hold the same in physical form also.

## ORIENTAL CARBON & CHEMICALS LIMITED

International Securities Identification Number NSDL & CDSL : INE 321D01016

### k. Shareholding pattern (as on 31st March, 2012)

Category	No. of Shares held	% of Shareholding
Promoters (persons acting in concert)	5779046*	56.13
Mutual Funds & UTI	6159	0.06
Banks, Financial Institutions & Insurance Companies	810925	7.87
Private Bodies Corporate	723301	7.03
Indian Public	2885091	28.02
NRIs/OCBs	91540	0.88
<b>Total</b>	<b>10296062</b>	<b>100.00</b>

\* includes 254514(2.47%) pledged shares

### l. Distribution of shareholding (as on 31st March, 2012)

Shareholding of nominal value of Rs.	No. of Holders	%	No. of Shares	%
Upto 5,000	13050	94.47	1203701	11.69
5,001 to 10,000	394	2.85	308633	3.00
10,001 to 20,000	178	1.29	267093	2.59
20,001 to 30,000	53	0.38	135100	1.31
30,001 to 40,000	27	0.20	97474	0.95
40,001 to 50,000	32	0.23	150307	1.46
50,001 to 1,00,000	37	0.27	295566	2.87
1,00,001 and above	43	0.31	7838188	76.13
<b>Total</b>	<b>13814</b>	<b>100.00</b>	<b>10296062</b>	<b>100.00</b>

### m. Plant Locations

- Plot 3 & 4, Dharuhera Industrial Estate, P.O. Dharuhera, Distt. Rewari-122 106 Haryana
- Survey No. 141, Paiki of Mouje, SEZ Mundra, Village & Taluka- Mundra, Dist. Kutch-370421, Gujarat

### n. Address for Correspondence

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

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

rkghosh@occlindia.com

### p. Website

<http://www.occlindia.com>

## AUDITORS' CERTIFICATE

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

We have examined the compliance of conditions of Corporate Governance by M/s Oriental Carbon & Chemicals Ltd. for the year ended on 31st March' 2012 as stipulated in Clause 49 of Listing Agreement of the said Company with stock exchanges.

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

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

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

For SINGHI & CO.  
Chartered Accountants  
Firm Reg. No. 302049E  
B.K. SIPANI  
Partner  
Membership No.88926

Place: New Delhi  
Dated: 30th May '2012

## ORIENTAL CARBON & CHEMICALS LIMITED

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

We have audited the attached Balance Sheet of ORIENTAL CARBON & CHEMICALS LIMITED, as at 31<sup>st</sup> March, 2012 and also the Profit and Loss Statement and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, the Company has kept proper books of account as required by law so far as appears from our examination of those books.
- iii. The Balance Sheet, Profit and Loss statement and Cash Flow statement dealt with by this report are in agreement with the books of account.
- iv. In our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2012, from being appointed as directors in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - a) In the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2012.
  - b) In the case of the Profit and Loss Statement, of the profit of the company for the year ended on that date and
  - c) In the case of Cash Flow Statement, of the cash flows of the company for the year ended on that date.

For SINGHI & CO.  
Chartered Accountants  
Firm Reg. No.302049E

Place : New Delhi  
Dated : 30<sup>th</sup> May' 2012

B.K.Sipani  
Partner  
Membership No. 88926

#### Annexure to the Auditors' Report

Referred to in paragraph 3 of our report of even date  
(Re: Oriental Carbon & Chemicals Limited)

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

**ORIENTAL CARBON & CHEMICALS LIMITED**

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

Name of Statute	Nature of Dues	Period to which Amount relates	Amount * (Rs in Lacs )	Forum where Dispute is pending
(A) The Central Excise Act, 1944	Demand for Excise Duty	1992-93 to 1995-96	20.00	Allahabad High Court

\*Net of amount paid

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

For SINGHI & CO.  
Chartered Accountants  
Firm Reg. No.302049E

Place : New Delhi  
Dated : 30<sup>th</sup> May'2012

B.K.Sipani  
Partner  
Membership No. 88926



**ORIENTAL CARBON & CHEMICALS LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Note No.	As at 31.03.2012	(Rs. Lakhs) As at 31.03.2011
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds:</b>			
(a) Share Capital	1	<b>10,31.13</b>	10,31.13
(b) Reserves and Surplus	2	<b>1,40,34.10</b>	1,14,96.92
		<b>1,50,65.23</b>	1,25,28.05
<b>(2) Non-Current Liabilities:</b>			
(a) Long-term Borrowings	3	<b>81,10.23</b>	41,41.97
(b) Deferred Tax Liabilities (Net)	4	<b>6,41.13</b>	6,52.13
(c) Other Long-term Liabilities	5	<b>18.29</b>	65.57
(d) Long-term Provisions	6	<b>56.28</b>	49.03
		<b>88,25.93</b>	49,08.70
<b>(3) Current Liabilities :</b>			
(a) Short-term Borrowings	7	<b>32,84.26</b>	11,98.26
(b) Trade Payables	8	<b>13,14.89</b>	9,46.96
(c) Other Current Liabilities	9	<b>15,67.57</b>	9,49.25
(d) Short-term Provisions	6	<b>5,13.10</b>	3,72.98
		<b>66,79.82</b>	34,67.45
<b>TOTAL</b>		<b>3,05,70.98</b>	2,09,04.20
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets:			
(i) Tangible Assets	10	<b>1,40,61.63</b>	67,82.95
(ii) Capital Work-in-Progress		<b>43,10.69</b>	50,22.97
(iii) Intangible Assets under Development		<b>92.68</b>	-
(b) Non-Current Investments	11	<b>16.05</b>	16.05
(c) Long-term Loans and Advances	12	<b>13,28.61</b>	12,66.90
		<b>1,98,09.66</b>	1,30,88.87
<b>(2) Current Assets</b>			
(a) Current Investments	13	<b>14,83.33</b>	5,34.79
(b) Inventories	14	<b>27,87.48</b>	18,92.50
(c) Trade Receivables	15	<b>45,30.30</b>	28,93.98
(d) Cash and Bank balance	16	<b>11,51.08</b>	13,52.58
(e) Short-term Loans and Advances	12	<b>4,29.18</b>	7,96.95
(f) Other Current Assets	17	<b>3,79.95</b>	3,44.53
		<b>1,07,61.32</b>	78,15.33
<b>TOTAL</b>		<b>3,05,70.98</b>	2,09,04.20
Summary of Significant Accounting Policies	28		
Contingent Liabilities and Commitments	29		
Other Notes on Accounts	30		

The accompanying notes are an integral part of the financial statements.

In terms of our Report of even date attached.

For SINGHI & CO.  
Chartered Accountants  
Firm Regn. No. 302049E

For and on behalf of the Board

ARVIND GOENKA  
Managing Director

Place : New Delhi  
Date : 30th May, 2012

B.K. SIPANI  
Partner  
Membership No. 88926

R.K. GHOSH  
Company Secretary

O.P. DUBEY  
Director



**ORIENTAL CARBON & CHEMICALS LIMITED**

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

	Note No.	<b>For the year ended 31.03.2012</b>	(Rs. Lakhs) For the year ended 31.03.2011
<b>I REVENUE :</b>			
Revenue from Operations	18	<b>2,25,07.84</b>	1,64,95.61
Less: Excise Duty		<b>7,25.92</b>	595.41
Revenue from Operations(Net)		<b>2,17,81.92</b>	1,59,00.20
<b>II Other Income</b>	19	<b>4,18.27</b>	3,54.03
<b>III Total Revenue (I + II)</b>		<b>2,22,00.19</b>	1,62,54.23
<b>IV EXPENSES :</b>			
Cost of Materials Consumed	20	<b>72,52.54</b>	46,56.24
Purchase of Traded Goods	21	<b>1,82.05</b>	6,65.95
Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	22	<b>(1,93.63)</b>	(4,80.48)
Employee Benefit Expenses	23	<b>17,99.76</b>	13,84.21
Other Expenses	24	<b>71,66.33</b>	48,96.24
<b>V Total</b>		<b>1,62,07.05</b>	1,11,22.16
<b>VI Profit before finance cost, depreciation and tax (III - V)</b>		<b>59,93.14</b>	51,32.07
Finance Cost	25	<b>8,31.22</b>	2,68.77
Depreciation	26	<b>7,12.13</b>	5,02.14
<b>VII Profit before tax</b>		<b>44,49.79</b>	43,61.16
<b>Tax Expense:</b>			
Current Tax	27	<b>13,15.02</b>	6,60.06
Deferred Tax (Net)		<b>(10.99)</b>	(36.83)
<b>Profit after Tax:</b>		<b>31,45.76</b>	37,37.93
Basic & Diluted Earnings Per Equity Share (of Rs.10/- each) (Rs.)		<b>30.55</b>	36.30
Summary of significant accounting policies and Other Notes on Accounts	28		

The accompanying notes are an integral part of the financial statements.

In terms of our Report of even date attached.  
For SINGHI & CO.  
*Chartered Accountants*  
Firm Regn. No. 302049E

For and on behalf of the Board  
ARVIND GOENKA  
*Managing Director*

Place : New Delhi  
Date : 30th May, 2012

B.K. SIPANI  
*Partner*  
Membership No. 88926

R.K. GHOSH  
*Company Secretary*

O.P. DUBEY  
*Director*

# ORIENTAL CARBON & CHEMICALS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Current Year	Previous Year	(Rs. Lakhs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before tax and Extra ordinary items	44,49.79	43,61.16	
<b>Adjustments for:</b>			
Depreciation	7,12.13	5,02.14	
Loss on Sale / Discard of Fixed Assets (Net)	33.50	43.04	
Interest & Financial Charges	8,31.22	2,68.77	
Interest Income	(71.63)	(81.78)	
Loans & Advances & Bad debts written off	0.26	16.16	
Transfer from Capital Reserve	(1.73)	(0.60)	
Diminution in value of current investments	1.56	0.63	
<b>Operating Profit before Working Capital Changes</b>	<b>59,55.10</b>	<b>51,09.52</b>	
<b>Adjustments for :</b>			
Trade and Other Receivables	(17,83.24)	(9,36.64)	
Inventories	(8,94.98)	(5,53.21)	
Trade and Other Payables	6,71.17	2,83.45	
<b>Cash generated from Operations</b>	<b>39,48.05</b>	<b>39,07.82</b>	
Direct Tax (paid)/Refund received	(9,06.81)	(9,80.27)	
<b>Net cash from Operating Activities</b>	<b>30,41.24</b>	<b>29,27.55</b>	
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets/Expenditure on New Project	(73,68.98)	(53,20.84)	
Loans to Bodies Corporate/ Others (Net)	(95.00)	42.63	
Investments Purchased	(9,50.10)	(5,00.42)	
Fixed deposits with Banks	6,00.00	(6,05.62)	
Sale of Fixed Assets	17.97	4.00	
Interest Received	66.29	54.76	
<b>Net Cash used in investing activities</b>	<b>(77,29.82)</b>	<b>(63,25.49)</b>	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend Paid / Transfer to Bank account	(4,11.84)	(3,60.36)	
Tax on Dividend	(66.81)	(59.85)	
Long Term Borrowings	42,51.94	32,08.62	
Working Capital From Banks	20,86.00	5,51.86	
Interest and Financial Charges paid	(7,81.46)	(2,40.13)	
<b>Net Cash From Financing Activities</b>	<b>50,77.83</b>	<b>31,00.14</b>	
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>3,89.25</b>	<b>(2,97.80)</b>	
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>4,56.50</b>	<b>7,54.30</b>	
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>8,45.75</b>	<b>4,56.50</b>	
<b>CASH &amp; CASH EQUIVALENTS COMPRISE</b>			
CASH / CHEQUES IN HAND	5.83	5.44	
BALANCE WITH SCHEDULED BANKS IN CURRENT ACCOUNTS	8,39.92	4,51.06	
	<b>8,45.75</b>	<b>4,56.50</b>	

Note: (i) Figures in bracket represent outflows.

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

(iii) Cash & cash equivalents excludes Rs. 34.85 ( Previous Year Rs. 25.60) lying in designated account with scheduled banks on account of unclaimed dividend and Rs. 270.48 (Previous Year Rs. 870.48) in fixed deposits with banks maturing beyond three months are shown under investing activities.

In terms of our Report of even date attached.

For SINGHI & CO.  
Chartered Accountants  
Firm Regn. No. 302049E

For and on behalf of the Board

ARVIND GOENKA  
Managing Director

B.K. SIPANI  
Partner

Place : New Delhi  
Date : 30th May, 2012

Membership No. 88926

R.K. GHOSH  
Company Secretary

O.P. DUBEY  
Director

**ORIENTAL CARBON & CHEMICALS LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET**

		(Rs. Lakhs)	
		As at	As at
		31st March, 2012	31st March, 2011
<b>1</b>	<b>Share Capital</b>		
	Authorised		
	1,49,90,000 (Previous year 1,49,90,000) Equity Shares of Rs 10 each	14,99.00	14,99.00
	1,000 (Previous year 1,000) 11% Redeemable Cumulative Preference Shares of 100/- each	1.00	1.00
		<u>15,00.00</u>	<u>15,00.00</u>
	<b>Issued</b>		
	1,03,29,814 (Previous Year 1,03,29,814) Equity shares of Rs. 10/- each	10,32.98	10,32.98
		<u>10,32.98</u>	<u>10,32.98</u>
	<b>Subscribed and fully paid-up</b>		
	1,02,96,062 (Previous year 1,02,96,062 ) Equity Shares of Rs. 10/- each fully paid-up each	10,29.61	10,29.61
	Add: Forfeited Shares (Amount originally Paid-up)	1.52	1.52
		<u>10,31.13</u>	<u>10,31.13</u>

**Terms / rights attached to Equity shares**

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion of the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However, same is subject to the approval of the shareholders in the Annual General Meeting.

**Reconciliation of the number of Equity Shares outstanding:**

Equity shares outstanding at the beginning of the year	10296062	10296062
Equity shares allotted during the year	-	-
Equity shares outstanding at the end the of the year	10296062	10296062

**Shareholders holding more than 5 percent Equity shares of the Company:**

S. No.	Name of shareholder	As at 31st March, 2012		As at 31st March, 2011	
		Number of Shares held	Percentage of holding	Number of Shares held	Percentage of holding
1	Cosmopolitan Investments Ltd	1904528	18.50%	1904528	18.50%
2	New India Investment Corporation Ltd	1202136	11.68%	1202136	11.68%
3	Duncan International (India) Ltd	936809	9.10%	936809	9.10%
4	Haldia Investment Company Ltd	591895	5.75%	591895	5.75%

		As at	As at
		31st March, 2012	31st March, 2011
<b>2</b>	<b>Reserves and Surplus</b>		
	<b>(i) Capital Reserve</b>		
	Balance as per last financial statement	17,33.91	17,34.51
	Less : Transfer to Profit & Loss Statement #	1.73	0.60
		<u>17,32.18</u>	<u>17,33.91</u>
	# Transfer of Subsidy on D.G. Set.		
	<b>(ii) General Reserve</b>		
	Balance as per last financial statement	13,13.88	9,13.88
	Add :Additions during the year	4,00.00	4,00.00
		<u>17,13.88</u>	<u>13,13.88</u>
	<b>(iii) Revaluation Reserve</b>		
	Balance as per last financial statement	1,37.17	1,45.72
	Less :Deduction during the year	8.55	8.55
		<u>1,28.62</u>	<u>1,37.17</u>

## ORIENTAL CARBON & CHEMICALS LIMITED

		(Rs. Lakhs)	
		As at	As at
		31st March, 2012	31st March, 2011
<b>(iv) Share Premium Account</b>			
Balance as per last financial statement		17,92.64	17,92.64
		<u>17,92.64</u>	<u>17,92.64</u>
<b>(v) Capital Redemption Reserve</b>			
Balance as per last financial statement		0.25	0.25
		<u>0.25</u>	<u>0.25</u>
<b>(vi) Profit &amp; Loss Statement - Balance</b>			
Balance as per last financial statement		65,19.07	36,60.59
Add: Profit for the year after tax		31,45.76	37,37.93
		<u>96,64.83</u>	<u>73,98.52</u>
<b>Less: Appropriations</b>			
Interim Dividends		2,05.92	2,05.92
Tax on Interim Dividends		33.40	34.20
Proposed Final Dividend@		3,08.88	2,05.92
Tax on Proposed Final Dividend		50.10	33.41
Transfer to General Reserve		4,00.00	4,00.00
		<u>86,66.53</u>	<u>65,19.07</u>
<b>Total Reserves and Surplus (i to vi)</b>		<u>1,40,34.10</u>	<u>1,14,96.92</u>

@ The Board of Directors have recommended Final dividend of Rs.3/-per Equity Share; (Previous year Rs.2/- per Equity Share) of Rs. 10/- each for the year ended 31st March, 2012. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

3 Long-term Borrowings	Non-current portion		Current maturities	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
<b>(i) Secured :</b>				
Term loans from a Bank (a)	-	48.09	48.09	63.00
Term loans from Banks (b)	74,06.43	34,57.32	2,43.40	-
Housing Loans from HDFC Ltd (c)	4,33.15	5,25.91	1,20.94	1,17.82
Vehicle Loans from Banks (d)	29.75	14.63	23.79	23.20
	<u>78,69.33</u>	<u>40,45.95</u>	<u>4,36.22</u>	<u>2,04.02</u>
<b>(ii) Unsecured :</b>				
Fixed Deposits (e)	2,40.90	96.02	1,29.98	78.20
	<u>2,40.90</u>	<u>96.02</u>	<u>1,29.98</u>	<u>78.20</u>
<b>(iii) Amount disclosed under the head "Other current liabilities" (Note No.9)</b>	-	-	5,66.20	2,82.22
<b>Total (i)+ (ii)-(iii)</b>	<u>81,10.23</u>	<u>41,41.97</u>	<u>-</u>	<u>-</u>

**(i) Securities :**

- (a) Secured against first charge on the fixed assets of the company including equitable mortgage of factory land and building at Dharuhera, Haryana (except assets having specific charge) and second charge over current assets of the company.
- (b) (i) Rs.43,00.00 (Previous year Rs.29,50.00) secured by first charge on the fixed assets of the company at SEZ Mundra, Gujarat including equitable mortgage of factory land and building on paripassu basis and extension of charge over current assets of the company.
- (ii) Rs.8,49.83 (previous year Rs.5,07.32) secured by first charge on the fixed assets of the company at SEZ Mundra, Gujarat including equitable mortgage of factory land and building on paripassu basis and second charge on the fixed assets of the company at Dharuhera, Haryana.
- (iii) Rs.25,00.00 (previous year Rs.Nil) secured by first charge on the entire fixed assets of the company at Dharuhera, Haryana and first charge on the fixed assets of the company at SEZ Mundra, Gujarat including equitable mortgage of factory land and building on paripassu basis and extension of charge over current assets of the company.

**ORIENTAL CARBON & CHEMICALS LIMITED**

**(Rs. Lakhs)**

- (c) Housing Loans From HDFC Ltd.
- i) Rs. 4,64.81; (Previous Year Rs. 5,75.31) is secured by way of first equitable mortgage of ground floor of the property purchased with collateral security of rest of the said property owned by the other borrower and repayable within a period of 60 months as per the repayment schedule.
  - ii) Rs. 37.38; ( Previous Year Rs. 47.81) is secured by way of equitable mortgage of three residential flats at Bhiwadi, Rajasthan and repayable within a period of 60 months as per the repayment schedule.
  - iii) Rs. 51.90; (Previous Year Rs. 20.61) to be secured by way of first equitable mortgage of two residential flats at Gurgaon, Haryana and repayable within a period of 60 months as per the repayment schedule.
- (d) Secured by way of absolute charge on specific assets purchased under the scheme and repayable within a period of 36 months as per the repayment schedule.

**(ii) Terms of Repayments (a & b)**

AS AT 31ST MARCH' 2012				AS AT 31ST MARCH' 2011			
As at 31st March, 2012	Rate of Interest	Repayments		As at 31st March, 2011	Rate of Interest	Repayments	
		No. of Installments pending	Periodicity			No. of Installments pending	Periodicity
(a) 48.09	14.50% linked with Base Rate	2	Quarterly Equal	1,11.09	11.50% linked with SBAR	5	Quarterly Equal
(b) (i) 43,00.00	14% linked with Base Rate	21	Quarterly Graded to begin from 30.04.2012.	29,50.00	11% linked with SBAR	21	Quarterly Graded to begin from 30.04.2012.
(b) (ii) 8,49.83	5.50% linked with Libor Rate	20	Quarterly Equal to begin from 30.09.2013.	5,07.32	5.50% linked with Libor Rate	20	Quarterly Equal to begin from 30.09.2013.
(b) (iii) 25,00.00	13.50% linked with Base Rate	65	Monthly Graded to begin from 31.07.2013	-	-	-	-
76,49.83				34,57.32			
(a)+(b) 76,97.92				35,68.41			

- (e) Fixed deposits from public carries rate of interest @ 11.50% to 12% p.a.; (Previous year 9.25% to 9.75% p.a.) and are repayable after 2 to 3 years (Previous year 2 to 3 years) from the date of acceptance of Deposits.

	<b>As at 31st March, 2012</b>	<b>As at 31st March, 2011</b>
<b>4 Deferred Tax Liabilities/(Assets) Net</b>		
<b>Deferred Tax Liability on account of:</b>		
Depreciation	<b>6,60.43</b>	6,66.60
	<b>6,60.43</b>	<b>6,66.60</b>
<b>Deferred Tax Asset on account of:</b>		
(i) Amount disallowed u/s. 43-B & Provision for Leave Salary & Wages	<b>19.30</b>	14.47
	<b>19.30</b>	14.47
Deferred Tax Liability/(Assets) Net	<b>6,41.13</b>	6,52.13
<b>5 Other Long-Term Liabilities</b>		
Interest accrued but not due on Fixed Deposit	<b>18.29</b>	8.93
Liability for Capital Goods	-	56.64
	<b>18.29</b>	<b>65.57</b>

**ORIENTAL CARBON & CHEMICALS LIMITED**
**6 Provisions**
**(Rs. Lakhs)**

	Long- term		Short - term	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Provision for employee benefits	56.28	49.03	43.76	53.30
Proposed Final Dividend	-	-	3,08.88	2,05.92
Tax on Proposed Final Dividend	-	-	50.10	33.41
Provision for Tax (Net)	-	-	1,10.36	80.35
	<b>56.28</b>	49.03	<b>5,13.10</b>	3,72.98

	As at 31st March, 2012	As at 31st March, 2011
--	---------------------------	---------------------------

**7 Short-Term Borrowings**
**Secured:**
**Loan repayable on demand**

Cash Credit & Packing credit facility from a Bank	32,84.26	11,98.26
	<u>32,84.26</u>	<u>11,98.26</u>

**Security:**

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

**8 Trade Payables**

Payable to Micro, Small and Medium Enterprises *	-	-
Payable to Other Entities	13,14.89	9,46.96
	<u>13,14.89</u>	<u>9,46.96</u>

\* There were no outstanding dues to Micro, Small and Medium Enterprises to the extent information available with the company and the payments in respect of such suppliers are made within the appointed day.

**9 Other Current Liabilities**

Current maturities of long-term debts	2,91.49	63.00
Current maturities of Housing Loans	1,20.94	1,17.82
Current maturities of Vehicle Loans	23.79	23.20
Current maturities of Fixed Deposits	1,29.98	78.20
Interest accrued and due on borrowings	72.95	32.00
Credit balance of Customers	6.19	1.93
Unpaid Dividend	34.85	25.60
Unpaid Matured Deposit & Interest accrued thereon	22.35	23.20
Creditors for Capital Goods	2,23.85	2,44.39
Statutory dues payable	1,89.99	74.76
Employees liabilities	4,11.64	2,37.15
Security Deposit	8.91	8.91
Directors' Commission	18.00	13.00
Other payable	12.64	6.09
	<u>15,67.57</u>	<u>9,49.25</u>

## ORIENTAL CARBON & CHEMICALS LIMITED

### 10 Fixed Assets

(Rs. Lakhs)

DESCRIPTION	GROSS BLOCK COST/BOOK VALUE				DEPRECIATION				NET BLOCK	
	As At March 31, 2011	Addi- tions	Deduc- tions	As At March 31, 2012	As At March 31, 2011	For the year ended March 31, 2012	Deduc- tions	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
<b>(A) Tangible Assets</b>										
Leasehold Land	6,42.75	-	-	<b>6,42.75</b>	14.85	21.42	-	<b>36.27</b>	<b>6,06.48</b>	6,27.90
Freehold Land	83.41	-	-	<b>83.41*</b>	-	-	-	-	<b>83.41</b>	83.41
Buildings	30,29.43	29,11.58	-	<b>59,41.00*</b>	4,22.17	1,24.28	-	<b>5,46.45</b>	<b>53,94.56</b>	26,07.25
Plant and Equipment	71,18.13	43,79.83	-	<b>1,14,97.96*</b>	43,52.33	4,84.60	-	<b>48,36.93</b>	<b>66,61.03</b>	27,65.80
Electrical Installation	7,79.52	5,77.93	65.77	<b>12,91.68*</b>	3,62.14	52.59	16.08	<b>3,98.65</b>	<b>8,93.03</b>	4,17.38
Furniture and Fixtures	98.46	46.31	-	<b>1,44.77</b>	43.46	14.12	-	<b>57.58</b>	<b>87.19</b>	55.00
Vehicles	2,21.99	59.42	-	<b>2,81.41</b>	80.04	21.73	-	<b>1,01.77</b>	<b>1,79.64</b>	1,41.96
Air Conditioners & Coolers	37.38	17.97	1.81	<b>53.54</b>	9.66	2.77	0.92	<b>11.51</b>	<b>42.03</b>	27.72
Office Equipment	99.98	72.26	6.10	<b>1,66.14</b>	43.45	13.64	5.21	<b>51.88</b>	<b>1,14.26</b>	56.53
<b>TOTAL (A)</b>	<b>1,21,11.05</b>	<b>80,65.30</b>	<b>73.68</b>	<b>2,01,02.67</b>	<b>53,28.10</b>	<b>7,35.15</b>	<b>22.21</b>	<b>60,41.04</b>	<b>14,061.63</b>	<b>67,82.95</b>
Previous Year	1,13,46.25	8,56.81	92.00	1,21,11.05	48,45.93	5,27.13	44.96	53,28.10	-	-

\*includes amounts added on revaluation Rs. 2,72.45 during 1992-93.

Notes:

- Gross Block includes Rs. 1,18.97; previous year Rs. 1,05.70 purchased under Car Finance Scheme.
- New Project at Mundra has commenced commercial production on 17th August' 2011. Pre-Operative and Start up expenses aggregating Rs. 11,01.98 (including cumulative borrowing cost Rs. 3,41.72 Previous year Rs. Nil) has been allocated to fixed assets proportionate to their direct cost.
- The company has exercised option under notification no. GIR 914 (E) dated 29th December' 2011 issued by Ministry of Corporate Affairs and accordingly net exchange difference of Rs. 83.01 on long term foreign currency borrowing has been added to the depreciable fixed assets acquired for new project at Mundra. As at 31st March, 2012, Rs. 76.99 remain to be amortised over the balance life of the assets and consequently profit for the year is higher by Rs. 76.99.

As at  
**31st March, 2012**      As at  
31st March, 2011

### 11 Non-current Investments

#### Long Term Investment (Non - Trade)

##### I) Investment in Equity Shares - Quoted (at Cost)

Duncan International (India) Ltd. (Associate)

8351 (previous year 8351) Equity Shares of Rs. 100/- each fully paid up **15.42** 15.42

New India Investment Corporation Ltd.

3353 (previous year 3353) Equity Shares of Rs. 75/- each fully paid up **1.46** 1.46

**16.88** 16.88

Less: Provision for Diminution in value of Investments

**0.83** 0.83

**16.05** 16.05

Aggregate amount of Quoted Investments

**16.88** 16.88

Aggregate market value of Quoted Investments

**16.05** 16.05



**ORIENTAL CARBON & CHEMICALS LIMITED**

(Rs. Lakhs)

	Long- term		Short - term	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
<b>12 Loans and Advances (Considered Good)</b>				
<b>Secured Loans</b>				
Loan to a body Corporate	35.95	35.95	-	-
<b>Unsecured Loans</b>				
Loans to bodies Corporate	5,17.00	4,22.00	-	-
Capital advances*	4,94.32	6,33.76	-	-
Loans and advances to Associate	-	-	-	3.29
Security Deposits	2,25.86	1,39.04	-	-
Loan to Employees	55.48	36.15	38.84	29.03
Balances with Excise and Custom Department	-	-	63.99	54.99
Others loan and Advances	-	-	2,93.81	3,02.00
Income Tax Refund Receivable	-	-	0.90	16.74
Prepaid Expenses	-	-	31.64	28.54
MAT credit entitlement	-	-	-	3,62.36
	<b>13,28.61</b>	12,66.90	<b>4,29.18</b>	7,96.95

\*Capital Advances include Rs. 75.00 (Previous year Rs. 75.00) to a company under liquidation against the use of an office premises. The same is pending transfer in favour of the Company as per agreed terms.

	Face Value per Unit	As at	As at	As at	As at
		31st March, 2012 (Nos.)	31st March, 2011 (Nos.)	31st March, 2012	31st March, 2011
<b>13 Current Investments Unquoted (at cost or fair value whichever is lower)</b>					
<b>Investments in Mutual funds</b>					
A) In SBI Infrastructure Fund-I Dividend Plan 10		100,000	100,000	7.81	9.37
B) AIG India Equity Fund Regular Dividend Plan 10		2,44,498.778	2,44,498.778	25.00	25.00
C) SBI SHF Ultra Short Term Fund Institutional plan 1000 Daily Dividend		45,024.716	-	4,50.52	-
D) SBI Magnum Income Fund FR Savings Plus Bond Plan 10		-	45,81,433.529	-	500.42
E) SBI Premeir Liquid Fund Super Institutional Growth Plan 1000		60,750.328	-	10,00.00	-
				<b>14,83.33</b>	5,34.79
<b>Aggregate amount of Unquoted Investments (at cost)</b>				<b>14,85.52</b>	5,35.42
<b>Aggregate Market Value of Unquoted Investments</b>				<b>14,83.33</b>	5,34.79
<b>Aggregate provision made for Diminution in Value (Current Year - Rs. 1.56)</b>				<b>2.19</b>	0.63

**ORIENTAL CARBON & CHEMICALS LIMITED**

	<b>As at</b>	<b>(Rs. Lakhs)</b>
	<b>31st March, 2012</b>	<b>As at</b>
		<b>31st March, 2011</b>
<b>14 Inventories</b>		
Valued at lower of cost or net realisable value (As certified by the Management)		
Raw Materials	<b>10,94.73</b>	7,04.61
Work-in-Progress	<b>56.85</b>	42.20
Finished Goods	<b>9,35.87</b>	6,76.13
Traded Goods	<b>95.76</b>	1,28.87
Stores and Spares	<b>5,62.51</b>	3,10.18
Fuel	<b>41.76</b>	30.51
	<b>27,87.48</b>	18,92.50
<b>Goods in transit included in above inventories are as under :</b>		
Raw Materials	<b>1,08.03</b>	93.03
Traded Goods	<b>29.22</b>	25.19
<b>15 Trade Receivables</b>		
(Unsecured, Considered Good)		
Outstanding for a period less than six months from due date	<b>45,30.30</b>	28,93.98
	<b>45,30.30</b>	28,93.98
<b>16 Cash and Bank balances :</b>		
<b>(a) Cash and Cash equivalents:</b>		
Balance with Banks in:		
Current Accounts	<b>8,39.92</b>	4,51.06
Cash on Hand	<b>5.83</b>	5.44
	<b>8,45.75</b>	4,56.50
<b>(b) Other Bank Balances</b>		
<b>Earmarked balances with banks:</b>		
Unpaid Dividend Account	<b>34.85</b>	25.60
Fixed Deposit with Bank*	<b>13.50</b>	13.50
Other Fixed Deposit Maturity more than 12 month**	<b>2,56.98</b>	8,56.98
	<b>3,05.33</b>	8,96.08
	<b>11,51.08</b>	13,52.58
<b>17 Other Current Assets</b>		
Export incentive Receivable	<b>41.43</b>	89.36
Claims Receivable	<b>12.01</b>	1.75
Accrued Other Income	<b>1,82.91</b>	1,77.57
Other Receivables	<b>1,43.60</b>	75.85
	<b>3,79.95</b>	3,44.53

\* Under Rule 3A of the Companies (Acceptance of Deposits) Amendment Rules 1978

\*\* Includes Rs. 50.58 Pledged with Government Authority (Previous Year Rs. 50.58) and Rs. 2,06.40 against margin money; (Previous Year Rs. 2,06.40).

**ORIENTAL CARBON & CHEMICALS LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

	<b>(Rs. Lakhs)</b>	
	<b>For the Year ended 31st March, 2012</b>	<b>For the Year ended 31st March, 2011</b>
<b>18 Revenue from Operations :</b>		
Sale of Products:		
Insoluble Sulphur	2,05,54.95	1,46,87.36
Sulphuric Acid & Oleum	<u>18,00.67</u>	<u>17,31.83</u>
	<b>2,23,55.62</b>	<b>1,64,19.19</b>
<b>Other Operating Revenues</b>		
Export and Other Incentives	1,52.22	76.42
Gross Revenue from Operations	<b>2,25,07.84</b>	<b>1,64,95.61</b>
Less: Excise Duty	<u>7,25.92</u>	<u>5,95.41</u>
<b>Net Revenue from Operations</b>	<b><u>2,17,81.92</u></b>	<b><u>1,59,00.20</u></b>
<b>19 Other Income</b>		
Dividend on Current Investments	50.10	0.42
Interest Income	71.63	81.78
Bad Debts Recovered	39.85	1.50
Claims Received	12.00	6.84
Net Gain on foreign currency translations and transactions	1,91.49	2,01.72
Rent Received	15.70	16.08
Provisions made no Longer Required Written Back	6.25	32.89
Other Receipts	<u>31.25</u>	<u>12.80</u>
	<b><u>4,18.27</u></b>	<b><u>3,54.03</u></b>
<b>20 Cost of materials consumed</b>		
Sulphur	31,28.03	20,66.94
Carbon di Sulphide	2,37.85	161.03
Coating Oil	31,58.52	19,35.42
Others	<u>7,57.20</u>	<u>4,92.85</u>
	<b>72,81.60</b>	<b>46,56.24</b>
Less: Consumption for Trial Run Production	<u>29.06</u>	<u>-</u>
	<b><u>72,52.54</u></b>	<b><u>46,56.24</u></b>
<b>21 Purchase of Traded Goods</b>		
Insoluble Sulphur	1,82.05	6,65.95
	<u>1,82.05</u>	<u>6,65.95</u>

**ORIENTAL CARBON & CHEMICALS LIMITED**

	<b>For the Year ended 31st March, 2012</b>	<b>(Rs. Lakhs)</b> For the Year ended 31st March, 2011
<b>22 Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods</b>		
<b>Inventories as at 31st March, 2011</b>		
Work-in-Progress	42.20	66.97
Finished Goods	6,76.13	2,99.75
Traded Goods	1,28.87	-
	<u>8,47.20</u>	<u>3,66.72</u>
Add: Transferred from Trial Run Production		
Work-in-Progress	25.60	-
Finished Goods	22.05	-
	<u>47.65</u>	<u>-</u>
Total (I)	<u>8,94.85</u>	<u>3,66.72</u>
<b>Inventories as at 31st March, 2012</b>		
Work-in-Progress	56.85	42.20
Finished Goods	9,35.87	6,76.13
Traded Goods	95.76	1,28.87
Total (II)	<u>10,88.48</u>	<u>8,47.20</u>
<b>Change in Inventories (I - II)</b>	<u>(1,93.63)</u>	<u>(4,80.48)</u>
Work-in-Progress includes:		
Insoluble Sulphur	40.46	27.48
Sulphuric Acid	16.39	14.72
	<u>56.85</u>	<u>42.20</u>
<b>23 Employee Benefit Expenses</b>		
Salaries, wages and bonus	17,34.49	12,67.00
Contribution to provident and other funds	1,29.05	1,30.20
Employee welfare expenses	1,57.45	1,41.98
	<u>20,20.99</u>	<u>15,39.18</u>
Less: Transfer to capital work-in-progress / capitalised	<u>2,21.23</u>	<u>1,54.97</u>
	<u>17,99.76</u>	<u>13,84.21</u>
<b>24 Other Expenses</b>		
Stores Consumed	94.19	59.06
Packing cost	4,53.29	3,28.56
Power, Fuel and Water Charges	27,99.97	16,40.01
Rent and Lease Rent	1,29.62	1,12.41
Rates and Taxes	42.44	39.42
Insurance	77.07	63.89
Repairs to Buildings	79.95	69.74
Repairs to Machinery	5,55.64	5,22.22
Repairs to Others	55.96	55.67
Freight & Forwarding Expenses	12,99.69	10,64.25
Commission and Discount	2,94.40	2,42.96
Travelling Expenses	1,71.59	1,30.12

**ORIENTAL CARBON & CHEMICALS LIMITED**

	<b>For the Year ended 31st March, 2012</b>	<b>(Rs. Lakhs) For the Year ended 31st March, 2011</b>
Legal & Professional expenses	2,83.43	1,47.10
Service Charges	1,50.79	1,48.94
Miscellaneous Expenses *	4,28.27	3,15.86
Loss on sale/discard of Fixed Assets (Net)	33.50	43.04
Bad Advances / Bad Debts	0.26	16.16
Donations	31.40	21.15
Net loss on Foreign Currency translations & transactions (other than considered as Finance Cost)	5,03.24	-
Provision for diminution in value of current Investment	1.56	0.63
Excise Duty on Increase/(Decrease) of finished goods Stock	5.52	4.17
Directors' Commission & Fees	27.00	19.50
Prior period Expenses	2.26	4.26
	<u>75,21.04</u>	<u>50,49.12</u>
Less: Transfer to capital work-in-progress / capitalised	3,54.71	1,52.88
	<u>71,66.33</u>	<u>48,96.24</u>
* Miscellaneous Expenses Includes:		
<b>Auditors Remuneration:</b>		
i) Statutory Auditors: #		
As Auditors	7.25	5.25
For Limited Review	0.75	0.60
For Tax Audit	0.60	0.60
For Certifications and other matters	1.78	1.89
Travelling and other out of pocket expenses	0.22	0.12
	<u>10.60</u>	<u>8.46</u>
Less: Transfer to capital work-in-progress / capitalised	-	0.11
	<u>10.60</u>	<u>8.35</u>
ii) Cost Auditors: #		
As Auditors	0.38	0.35
Travelling and other out of pocket expenses	0.06	0.06
	<u>0.44</u>	<u>0.41</u>
	<u>11.04</u>	<u>8.76</u>
# Excluding Service tax		
<b>25 Finance Cost</b>		
Interest	10,30.92	3,44.69
Other Borrowing Cost	52.95	57.30
Loss on foreign currency translations & transactions (considered as Finance Cost).	23.92	-
	<u>11,07.79</u>	<u>4,01.99</u>
Less: Transfer to capital work-in-progress / capitalised	2,76.57	1,33.22
	<u>8,31.22</u>	<u>2,68.77</u>

**ORIENTAL CARBON & CHEMICALS LIMITED**

	<b>For the Year ended 31st March, 2012</b>	<b>(Rs. Lakhs) For the Year ended 31st March, 2011</b>
<b>26 Depreciation</b>		
Depreciation on tangible assets (note 10)	7,35.15	5,27.13
Less: Transfer from Revaluation Reserve	8.55	8.55
Less: Transfer to capital work-in-progress / capitalised	14.47	16.44
	<u>7,12.13</u>	<u>5,02.14</u>
<b>27 Current Tax</b>		
Current Tax for the year	13,16.00	8,70.00
Less: MAT Credit Entitlement	-	2,11.76
Less: Taxation adjustments for earlier years (Net)	0.98	(1.82)
	<u>13,15.02</u>	<u>6,60.06</u>

**28 Summary of significant accounting policies**

**28.01 Nature of Operations**

The Company is a manufacturer of Insoluble Sulphur and Sulphuric Acid. The Company has manufacturing facilities at Dharuhera (Haryana) and Mundra SEZ (Gujarat). Insoluble Sulphur produced by the company is sold globally.

**(A) Basis of Accounting**

The financial statements have been prepared to comply with the Accounting Standards referred to in The Companies (Accounting Standards) Rule 2006 issued by the Central Government and the relevant provisions of The Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

**(B) Use of Estimates**

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

**(C) Revenue Recognition**

- (i) Revenue from sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with the delivery.
- (ii) Revenue (other than sale) is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**(D) Fixed Assets (Tangible Assets)**

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The carrying amounts 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 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.

**(E) Depreciation**

Depreciation on Fixed Assets has been provided on straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Depreciation on additions due to Machinery spares is provided retrospectively from the date the related assets are put to use. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure. Depreciation includes adjustment on account of revaluation which is written off on the basis of residual life as assessed by the Valuers and adjusted by transfer from Revaluation Reserve account. Additions to Fixed Assets on leased land and premises are amortised over the lease period.

## ORIENTAL CARBON & CHEMICALS LIMITED

### **(F) Expenditure on new projects , substantial expansion and during construction period**

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure incurred during the construction period, which is not related to the construction activity nor is incidental thereto is charged to the Profit & Loss Statement. Income earned during construction period is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion is capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its originally assessed standard of performance.

Expenditure during construction/installation period is included under capital work-in-progress and the same is allocated to respective Fixed Assets on the completion of its construction.

### **(G) Foreign Currencies**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Monetary items related to Foreign Currencies transactions are restated at year end exchange rates. All exchange differences arising from such conversion including gain or loss on cancellation of foreign currency forward covers are included in the Profit & Loss Statement except exchange difference arising on long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets are capitalised. (refer note 10). Premium / Discount on Forward Covers is recognised over the length of the contract.

### **(H) Inventories**

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

### **(I) Retirement and other employee benefits**

- 1 Retirement benefits in the form of Provident Fund and Superannuation Scheme, which are defined contribution plans, are charged to the Profit & Loss Statement of the year when the contributions to the respective funds are due.
- 2 Gratuity and Leave encashment which are defined benefits, are accrued based on actuarial valuation at the balance sheet date carried out by an independent actuary using the projected unit credit method.
- 3 Gratuity and Superannuation liability is being contributed to the respective funds formed by the Company.

### **(J) Investments**

Long term Investments are stated at cost . The Company provides for diminution other than temporary in the value of Long term Investments. Current Investments are valued at lower of cost or fair value.

### **(K) Taxation**

Current tax is measured at the amount expected to be paid to the revenue authorities, using the applicable tax rates and laws. Deferred tax for timing differences between the book and taxable Income for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred Tax Assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future and the same is reviewed at each Balance Sheet date.

Minimum Alternate Tax (MAT) Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the



## ORIENTAL CARBON & CHEMICALS LIMITED

year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Statement and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### (L) Borrowing Cost

Borrowing Cost attributable to the acquisition or construction of qualifying fixed assets, are capitalised as part of the cost of such assets upto the date of commencement of commercial production/put to use of plant. Other Borrowing costs are charged to revenue.

### (M) Operating Leases

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

### (N) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except those disclosed elsewhere in the notes to the financial statements, are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### (O) Derivatives

Outstanding derivatives contracts, other than those covered under AS-11, at the year end are marked to market rate, and loss, if any, are accounted for in the Profit & Loss Statement. As prudent accounting policy, gain on marked to market at the end of year are not accounted for.

### (P) Contingent Liabilities and Provisions

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

(Rs. Lakhs)

	As At 31st March 2012	As At 31st March 2011
<b>29 Contingent Liabilities &amp; Commitments:</b>		
<b>29.01 Contingent Liabilities</b>		
(i) Bank Guarantees given to various Govt. Authorities/Others (Margin money/Short Term Deposits Rs. 1.54 ; Previous year Rs. 1.54)	<b>10.26</b>	10.26
(ii) Bills discounted with Banks	<b>6,77.32</b>	9,42.24
(iii) Income Tax demands under appeal (Amount deposited Rs. NIL; Previous Year Rs.1.00)	-	1.00
(iv) Central Excise demand under appeal (deposited Rs.85.58 ; Previous year Rs. 85.58)	<b>1,05.58</b>	1,05.58
(v) Others under appeal (deposited Rs.12.00 ; Previous year Rs.12.00)	<b>22.69</b>	22.69
(vi) Custom Duty liability on import of raw material under advance licence	<b>37.65</b>	26.82
<b>29.02 Commitments</b>		
(i) Estimated amount of capial commitments outstanding and not provided for (Gross) (Advance Paid Rs. 4,19.32. Previous Year Rs. 5,21.58)	<b>7,75.34</b>	19,74.59
(ii) The Company has entered into a agreement with a foreign company to buy its holding of 1848000 equity shares in a domestic company at the agregate value of Rs. 14,53.00.		

**ORIENTAL CARBON & CHEMICALS LIMITED**

	<b>(Rs. Lakhs)</b>	
	<b>As At</b>	<b>As At</b>
	<b>31st March 2012</b>	<b>31st March 2011</b>
<b>30 Other Notes on Accounts</b>		
<b>30.01 Disclosure as per Accounting Standard - 15 (Employees' Benefits)</b>		
<b>Define Contribution Plan -</b>		
The Company has recognized the following amounts in the Profit and Loss Account for the year		
Contribution to Employees Provident Fund	<b>57.33</b>	45.33
Contribution to Superannuation Fund	<b>32.14</b>	34.22
<b>Define Benefit Plan -</b>		
The following table set out the status of the gratuity plan as required under AS 15 (Revised 2005):		
(a) A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):		
Opening DBO	<b>1,91.56</b>	1,62.95
Past & Current Service Cost	<b>17.83</b>	14.26
Interest cost	<b>16.07</b>	14.18
Contribution by planned participants Actuarial (gain)/loss	<b>4.94</b>	20.20
Benefits paid	<b>(20.16)</b>	(20.03)
Closing DBO	<b>2,10.24</b>	1,91.56
(b) A reconciliation of opening and closing balances of the fair value of plan assets:		
Opening fair value of plan assets	<b>1,55.39</b>	1,43.36
Actual return	<b>12.78</b>	12.18
Actuarial gain/(loss)	<b>-</b>	-
Contribution by the employer	<b>39.60</b>	19.88
Benefits paid	<b>(20.16)</b>	(20.03)
Closing fair value of plan assets	<b>1,87.61</b>	1,55.39
(c) A reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets to the assets recognized in the balance sheet:		
Present value of defined benefit obligation at the end of the period	<b>2,10.24</b>	1,91.56
Fair value of the plan assets at the end of the year	<b>1,87.61</b>	1,55.39
Liability recognized in the balance sheet	<b>22.63</b>	36.17
(d) The total expense recognised in the profit and loss account:		
Past & Current service cost	<b>17.83</b>	14.26
Interest cost	<b>16.07</b>	14.18
Expected return on plan assets	<b>(12.78)</b>	(12.18)
Actuarial (gains)/loss	<b>4.94</b>	20.20
Net Gratuity cost	<b>26.06</b>	36.46
(e) For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the total plan assets:		
State/Govt. of India securities	<b>45</b>	42
Public Sector Bonds	<b>37</b>	45
Special Deposit Scheme	<b>1</b>	1
Bank Balances to be Invested	<b>17</b>	12
(f) Following are the Principal Actuarial Assumptions used as at the balance sheet date:		
Discount rate	<b>8.00%</b>	8.00%
Expected rates of return on any plan assets	<b>8.00%</b>	8.00%
Average Salary escalation rate	<b>6.00%</b>	5.00%
Average remaining working life of the employees(years)	<b>16.88</b>	14.46
The estimates of the future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.		

## ORIENTAL CARBON & CHEMICALS LIMITED

### 30.02 Segment Reporting

(Rs. Lakhs)

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company.

As part of Secondary reporting, revenues are attributed to geographic areas based on the location of the customers.

The following tables present the revenue, profit, assets and liabilities information relating to the Business/ Geographical segment for the year ended 31.03.2012.

#### Information about Business Segment - Primary

Reportable Segments	Chemicals		Insoluble Sulphur		Elimination		Total	
	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
<b>Revenue</b>								
External Inter Segment Revenue	16,33.07	15,70.76	2,01,48.85	1,43,29.44	-	-	2,17,81.92	1,59,00.20
Total Revenue from operations	4,45.95	4,18.02	-	-	(4,45.95)	(4,18.02)	-	-
<b>Result</b>								
Segment Result Unallocated Corporate Income net of Expenditure Finance costs	95.26	3,68.00	50,68.43	42,03.51	-	-	51,63.69	45,71.51
<b>Profit before Tax</b>							44,49.79	43,61.16
Less: Provision for Taxation (Including Deferred Tax)							13,04.03	6,23.23
<b>Profit after Tax</b>	-	-	-	-	-	-	31,45.76	37,37.93
Other Information Segment Assets Unallocated Corporate Assets	6,20.95	7,42.72	2,77,01.25	18,585.48	-	-	2,83,22.20	1,93,28.20
Total Assets	-	-	-	-	-	-	3,05,70.98	2,09,04.21
Segment Liabilities Unallocated Corporate Liabilities (Including Deferred Tax Liabilities Rs.641.13; Previous year Rs.652.13)	1,44.26	1,21.28	21,23.46	15,57.69	-	-	22,67.72	16,78.97
Total Liabilities	-	-	-	-	-	-	34,72.11	27,21.71
Capital Expenditure Depreciation	10.49 25.11	23.53 26.19	7435.22 687.02	5030.23 475.95	- -	- -	74,45.71 7,12.13	50,53.76 5,02.14

#### Secondary Segment - Geographical by location of Customers

Reportable Segments	Domestic		Export		Total	
	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
<b>Revenue</b>	6809.97	5684.75	14971.95	10215.45	21781.92	15900.20
<b>Carrying amount of Trade Receivable</b>	1660.72	1201.14	2869.58	1692.84	4530.30	2893.98
<b>Finished Goods Stock</b>	816.10	585.17	215.53	219.83	1031.63	805.00
<b>Other Information:</b>	The company has common assets for producing goods for domestic market and overseas market.					

## ORIENTAL CARBON & CHEMICALS LIMITED

### Notes:

(Rs. Lakhs)

- (i) The Company is organised into two main business segments, namely;  
 - Chemicals; (including Sulphuric Acid & Oleum)  
 - Insoluble Sulphur.  
 Segments have been identified and reported taking into account, the nature of products, the differing risks and returns, the organisation structure, and the internal financial reporting systems.
- (ii) Segment revenue in each of the above domestic business segment primarily includes sales, other income and export incentives in the respective segments.

Segment revenue comprises of:

Particulars	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
Segment Revenue from operations	2,17,81.92	1,59,00.20
Other Income:		
Identifiable to segment	2,40.99	2,54.25
Unallocated Corporate income	1,77.28	99.78
Total Revenue of the Company	2,22,00.19	1,62,54.23

- (iii) The segment revenue in the geographical segments considered for disclosure are as follows:  
 (a) Revenue within India includes sales to customers located within India and earnings in India.  
 (b) Revenue outside India includes sales to customers located outside India and earnings outside India and export incentives/benefits.
- (iv) Segment, Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- (v) Previous year figures' has been regrouped to make them comparable with current year figures'.

### 30.03 RELATED PARTY DISCLOSURES (To the extent Identified by the Company)

#### 1 Name & Relationship of the Related Parties:

- (a) Related Party : Duncan International (India) Ltd.- Associate  
 (b) Key Management Personnel : Mr. Arvind Goenka - Managing Director  
 : Mr. H.C. Taneja - Whole time Director (upto 15.11.2010)  
 (c) Relative of Key Management Personnel : Mr. Akshat Goenka - S/o Mr. Arvind Goenka

#### 2 Transactions with Related Parties during the year:

Particulars	Associate		Key Management Personnel		Relatives of Key Management Personnel	
	For the year ended 31st March, 2012	For the year ended 31st March, 2011	For the year ended 31st March, 2012	For the year ended 31st March, 2011	For the year ended 31st March, 2012	For the year ended 31st March, 2011
(a) Service charges reimbursed	84.82	75.00	-	-	-	-
(b) Expenses reimbursed (Net)	13.01	12.46	-	-	-	-
(c) Remuneration to Managing Director	-	-	89.69	80.80	-	-
(d) Remuneration to Whole Time Director	-	-	-	57.06	-	-
(e) Remuneration to Relative	-	-	-	-	3.79	2.93
(f) Dividend Paid	37.47	32.23	4.64	3.63	4.00	3.50
(g) Outstanding Receivable/ (Payable) as on 31.03.2012	(5.05)	3.29	(27.66)	(41.46)	(0.42)	(0.30)

### 30.04 Earnings per Share (EPS)

Earnings per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted Earnings Per Share:

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Profit/(Loss) attributable to the Equity Shareholders (A) (Rs. in lakhs)	31,45.76	37,37.93
Number of Equity Shares (B)	10296062	10296062
Nominal value of Equity Shares (Rs.)	10.00	10.00
Basic and Diluted Earnings per Share (Rs.)-A/B	30.55	36.30

**ORIENTAL CARBON & CHEMICALS LIMITED**

**(Rs. Lakhs)**

**30.05** i) Outstanding Forward Covers in respect of foreign currencies for Hedging purposes are as follows:

	<b>As on 31st March, 2012</b>	As on 31st March, 2011	<b>As on 31st March, 2012</b>	As on 31st March, 2011
Currency	Loans/Other Liabilities under deferred payments		For future Export Sales	
USD	-	-	<b>50.00</b>	50.00
INR	-	-	<b>0.00</b>	0.00
Euro	-	-	<b>50.50</b>	73.00
INR	-	-	<b>0.00</b>	0.00

ii) Foreign currency exposure not hedged by a derivative instrument or otherwise:

	<b>As on 31st March, 2012</b>	As on 31st March, 2011	<b>As on 31st March, 2012</b>	As on 31st March, 2011
Currency	Loans/Other Liabilities under deferred payments		Sundry Creditors for Goods, Services and Expenses	
USD	<b>19.02</b>	11.37	<b>0.29</b>	0.00
INR	<b>9,73.05</b>	5,10.30	<b>15.56</b>	0.00
Euro	<b>11.15</b>	6.26	<b>1.04</b>	0.00
INR	<b>7,62.32</b>	3,95.62	<b>70.76</b>	0.00

	<b>As on 31st March, 2012</b>	As on 31st March, 2011	<b>As on 31st March, 2012</b>	As on 31st March, 2011
Currency	Loans & Advances given		Trade receivable	
USD	<b>0.08</b>	0.00	<b>14.15</b>	6.47
INR	<b>4.03</b>	0.00	<b>7,24.12</b>	2,88.87
Euro	<b>0.00</b>	0.00	<b>30.58</b>	22.20
INR	<b>0.00</b>	0.00	<b>20,89.57</b>	14,03.97
GBP	<b>0.00</b>	0.00	<b>0.68</b>	0.00
INR	<b>0.00</b>	0.00	<b>55.77</b>	0.00

	<b>As on 31st March, 2012</b>	As on 31st March, 2011
Currency	BANK	
Euro	<b>0.18</b>	0.00
INR	<b>12.42</b>	0.00

**30.06 VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED AND PERCENTAGE THEREOF**

	<b>For the year 31st March, 2012</b>		<b>For the year 31st March, 2011</b>	
	<b>Value</b>	<b>%</b>	<b>Value</b>	<b>%</b>
Indigenous	<b>59,05.87</b>	<b>81.43</b>	40,27.27	86.49
Imported	<b>13,46.67</b>	<b>18.57</b>	6,28.97	13.51
	<b>72,52.54</b>	<b>100.00</b>	46,56.24	100.00

**ORIENTAL CARBON & CHEMICALS LIMITED**

(Rs. Lakhs)

**30.07 VALUE OF IMPORTED CONSUMABLE AND INDIGENOUS STORES AND SPARE PARTS CONSUMED (EXCLUDING CHARGED TO OTHER HEADS)**

	For the year 31st March, 2012		For the year 31st March, 2011	
	Value	%	Value	%
Indigenous	90.71	100.00	59.06	100.00
Imported	0.00	0.00	0.00	0.00
	<b>90.71</b>	<b>100.00</b>	59.06	100.00

Note: Excluding charged to Machinery Repairs & Capitalised.

	For the year 31st March, 2012	For the year 31st March, 2011
<b>30.08 C.I.F.VALUE OF IMPORTS</b>		
Raw Materials	12,90.54	701.24
Capital Goods	11,38.57	10,91.19
Components and Spare Parts	83.47	37.68
Traded Goods	1,72.53	6,29.16
Others	2,76.65	-

**30.09 EARNING IN FOREIGN EXCHANGE**

Export on F.O.B. Basis (Includes Deemed / Indirect Exports Rs. 2.30; Previous year Rs. 23.37)	1,40,06.31	95,15.30
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**30.10 EXPENDITURE IN FOREIGN CURRENCY**

(on payment basis)

Travelling	28.14	26.57
Commission	1,97.23	1,98.69
Legal & Professional Charges	1.87	22.85
Others	93.28	45.17

**30.11 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDENDS**

Amount of Dividend remitted in Foreign Exchange (Rs. in lakhs)	-	0.42
Number of Non-Resident Shareholders	-	109
Number of Shares held by such Non-Resident Shareholders	-	27890
Dividend for the year (Final)	-	2009-10

**30.12** The Company has prepared current year account as per presentation and disclosure requirement of Revised Schedule VI to the Companies Act, 1956 applicable with effect from 1st April 2011. Previous year figures have been reclassified/regrouped to conform to current year figure.

**30.13** Due to commencement of new project at Mundra, current year's figures are not comparable with previous year.

Signature to Notes 1 to 30.13

In terms of our Report of even date attached.  
For SINGHI & CO.  
Chartered Accountants  
Firm Regn. No. 302049E

For and on behalf of the Board  
ARVIND GOENKA  
Managing Director

Place : New Delhi  
Date : 30th May, 2012

B.K. SIPANI  
Partner  
Membership No. 88926

R.K. GHOSH  
Company Secretary

O.P. DUBEY  
Director

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

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

(Particulars to be completed by Member / Proxy)

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

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

No. of Shares held :

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

I hereby record my presence at the THIRTYSECOND ANNUAL GENERAL MEETING of the Company at "Kala Kunj", 48, Shakespeare Sarani, Kolkata-700 017 on Friday the 27th July, 2012 at 11.00 A.M.

Member's/Proxy's Signature\*

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

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

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

**PROXY**

**ORIENTAL CARBON & CHEMICALS LIMITED**

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

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the district  
of \_\_\_\_\_ being a member/members of the above  
named Company hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ in the district  
of \_\_\_\_\_ or failing him \_\_\_\_\_  
of \_\_\_\_\_ in the district  
of \_\_\_\_\_ as my / our Proxy to vote for  
me/us on my/our behalf at the Annual General Meeting of the Oriental Carbon & Chemicals Limited to be held at 11.00 A.M.  
on Friday, the 27th of July, 2012 and at any adjournment thereof.

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

day of \_\_\_\_\_ 2012.

Signature \_\_\_\_\_

Folio Number	DP.Id*	CLIENT Id*
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No. of Shares held \_\_\_\_\_

\*Applicable if shares are held in electronic form.

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

Affix Revenue Stamp
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## Oriental Carbon & Chemicals Limited

31, Netaji Subhas Road, Kolkata – 700 001

Dear Shareholder(s),

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

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

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

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

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### National Electronic Clearing Service (NECS) Mandate Form

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

1. Investor's name :
2. Ledger folio number :
3. Particulars of Bank account :
  - A. Name of the Bank :
  - B. Name of the Branch :
  - Address :
  - Telephone No. :

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

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

- E. Account number (as appearing on the cheque book)

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

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

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

Date :

Place:

\_\_\_\_\_  
Signature of the  
first holder

\_\_\_\_\_  
Signature of the  
second holder

\_\_\_\_\_  
Signature of the  
third holder

\_\_\_\_\_  
Signature of the  
forth holder

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

# BOOK-POST

*If undelivered please return to :*

**ORIENTAL CARBON & CHEMICALS LIMITED**

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

**ORIENTAL CARBON & CHEMICALS LIMITED**



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*2011-2012*



## **ORIENTAL CARBON & CHEMICALS LIMITED**

Regd. Office : Duncan House, 31, Netaji Subhas Road, Kolkata – 700 001

Phone : 91-33-22306831/6832 Fax No. 91-33-22434772

E-mail : [occl@cal2.vsnl.net.in](mailto:occl@cal2.vsnl.net.in)

May 30, 2012

Dear Shareholder,

### **Sub : Green Initiative in Corporate Governance**

The Ministry of Corporate Affairs has taken a “Green Initiative in Corporate Governance” by allowing paperless compliances by Companies through electronic mode. In accordance with the recent circular No. 17/2011 dated 21.04.2011 and circular No. 18/2011 dated 29.04.2011 issued by the Ministry, companies can now send various notices and documents, including annual report, to its shareholders through electronic mode to the registered e-mail address of shareholders.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a Greener Environment. This is a golden opportunity for every shareholder of Oriental Carbon & Chemicals Limited to contribute to the Corporate Social Responsibility initiative of the Company.

**We therefore invite all our shareholders to contribute to the cause. Since you are holding shares in demat form, you are requested to register your e-mail address with your Depository Participant(s). In other cases, please send e-mail or letter to the Company at its address mentioned hereinabove giving details of your e-mail address, name, folio number at your early convenience.**

**Let’s be part of this ‘Green Initiative’!**

Please note that as a member of the Company you will be entitled to receive all such communication in physical form, upon request.

Best Regards,

R K Ghosh  
Company Secretary