

ORIENTAL CARBON & CHEMICALS LIMITED



33rd
ANNUAL REPORT
2012-2013

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. P.K. Maity

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

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ORIENTAL CARBON & CHEMICALS LIMITED

Financial Summary for Last 10 Years

(Rs. in Lacs)

Particulars	2012-13***	2011-12***	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Production (Mt)										
Insoluble Sulphur	17,918	17,392	14,421	11,712	10,703	9,391	8,883	7,066	5,021	4,440
Sulphuric Acid	32,941	32,106	32,492	28,899	24,932	32,785	30,656	32,698	31,428	28,391
Gross Sales	23,548	22,508	16,495	12,944	12,898	9,667	6,912	5,828	4,899	4,358
Net Sales	22,544	21,782	15,900	12,571	12,183	8,964	6,446	5,391	4,506	4,009
PBIDT	6,243	5,993	5,132	4,138	1,653	1,016	1,163	1,000	633	570
Interest	1,278	831	269	242	393	328	241	175	89	44
PBDT	4,965	5,162	4,863	3,896	1,260	688	922	825	544	525
Profit Before Tax	4,004	4,450	4,361	3,427	813	249	484	471	283	250
Profit After Tax	2,738	3,146	3,738	2,946	763	160	412	384	241	129
Dividend %*	50	50	40	40	15	5	10	10	7.5	5
Fob Value of Export	14,269	14,006	9,515	7,657	6,430	4,616	3,554	2,898	2,021	1,822
Gross Fixed Assets (Including Capital Work in Progress)	25,977	24,505	17,515	12,172	10,105	9,485	9,277	9,231	8,634	5,935
Net Fixed Assets	19,080	18,464	11,806	7,326	5,721	5,453	5,630	5,847	5,599	2,957
Net Current Assets	3,739	4,077	4,348	4,453	3,960	3,821	3,467	3,191	2,436	3,622
Share Capital	1,031	1,031	1,031	1,031	1,031	1,007	918	918	917	917
Reserves & Surplus**	16,043	13,905	11,360	8,101	5,637	4,927	4,707	4,525	4,245	4,147
Net Worth	17,074	14,936	12,391	9,132	6,668	5,934	5,625	5,443	5,162	5,064
Deferred Tax Provision	1,630	641	652	689	639	698	701	545	615	746
PBIDT Margin % (Over net Sales)	27.69	27.51	32.28	32.92	13.57	11.33	16.82	17.16	12.93	13.07
PBT Margin % (Over Net Sales)	17.76	20.43	27.43	27.26	6.67	2.78	7.01	8.08	5.78	5.74
Debt Equity Ratio	0.45	0.54	0.33	0.20	0.33	0.42	0.46	0.53	0.41	0.15
Earning Per Share for the year (Rs./Share)	26.60	30.55	36.30	28.61	7.67	1.76	4.50	4.19	2.62	1.41
Book Value of Shares (Rs./ Share)	156.98	136.30	111.66	80.09	66.26	61.96	63.13	61.16	58.05	57.92

* Includes Proposed Final Dividend 30% for the Financial Year 2012-13

** Excluding Revaluation Reserve

*** Figures for 2012-13 and 2011-12 are as per revised schedule VI

ORIENTAL CARBON & CHEMICALS LIMITED

NOTICE

NOTICE is hereby given that the Thirty-third Annual General Meeting of the Shareholders of the Company will be held at “Williamson Magor Hall (1st Floor), The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata – 700 001 on Friday, the 26th July, 2013 at 11.00 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 2013, 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 2012-13.
3. To declare Final Dividend on Equity Shares.
4. To appoint a Director in place of Mr. J. P. Goenka, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. K. Raghuraman, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modification(s), 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 Rs. 85,57 Lakhs (Total of all advance limit) and continuation of the existing Term Loans of Rs. 80,34 Lakhs. The Working Capital Limits are detailed below:

Fund Based Limit	Amount (Rs in lacs)
Cash Credit (Stocks)*	60,00.00
*(including sub-limit for EPC & FBP/FBD of Rs 4000 lacs)	
Non Fund Based Limit	
Letter of Credit	10,00.00
Bank Guarantee	4,00.00
Forward Contract	3,57.00
Total Fund Based & Non Fund Based	77,57.00
Stand by Line of Credit (SLC)	8,00.00
Total	85,57.00

on the 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.”

Registered Office :
31, Netaji Subhas Road
Kolkata – 700 001
Dated: 29th May, 2013

By order of the Board

P.K. MAITY
Company Secretary

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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/herself. A proxy need not be a member of the Company. Proxies, in order to be effective, must be deposited with the Company not less than forty-eight hours before the meeting.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 20th July, 2013 to 26th July, 2013 (both days inclusive).
3. The Final Dividend, if sanctioned at the meeting, will be paid on and from 08th August, 2013 to those members whose names appear on the Company's register of members on 26th July, 2013. In respect of the shares in electronic form, the dividend will be payable on the basis of ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Ltd. for this purpose.
4. Messrs J P Goenka and K Raghuraman are not holding any shares of the Company.
5. Dividend for the financial year ended 31st March, 2006, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of 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 31st March, 2006 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) of the Companies Act, 1956.

ITEM NO. 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. 85,57 Lakhs from 72,00 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.

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 be available at the meeting.

ORIENTAL CARBON & CHEMICALS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors hereby present their thirty third Report together with the Audited Accounts of the Company for the accounting year ended March 31, 2013.

1. FINANCIAL RESULTS

	For the	(Rs. in Laacs)
	Year ended	For the
	31.3.2013	Year ended
	31.3.2012	31.3.2012
Profit/(Loss) Before Taxation	40,03.51	44,49.79
Provision for Taxation *	(12,65.06)	(13,04.03)
Profit/(Loss) after Taxation	27,38.45	31,45.76
Amount Available for Appropriation	1,14,04.98	96,64.83
Appropriation:		
Interim/Proposed Dividend on Equity Shares	5,14.80	5,14.80
Tax on Dividend	85.91	83.50
Transferred to General Reserve	4,00.00	4,00.00
Balance Carried to Balance Sheet	1,04,04.27	86,66.53

* Including Rs. (989.09) Lakhs Deferred Tax (Previous year Rs.10.99 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.3,61.38 Lakhs (Inclusive of Dividend Tax of Rs.52.50 Lakhs. With this, the total dividend for the year including interim dividend of 20% comes to 50%.

3. OPERATIONS

Insoluble Sulphur

During the year total production of Insoluble Sulphur was 17918 MT out of which 11070 Mt was from Dharuhera plant and 6848 Mt was from Mundra Plant. Commercial Production from Phase-II of Mundra plant started in May 2012. However, total production of Insoluble Sulphur was higher by only 3% from last year. Total Sales during the year was 16951 MT including 6317 MT from Mundra Plant. The sales of Insoluble Sulphur was 3% lower than the previous year due to lower demand. The low sales was a result of global as well Indian tyre plants cutting production due to slowdown in Indian as well as global economy. Further, due to lower demand, the impetus for tyre companies to speedily approve our new plants and products was absent resulting in delayed approvals. Though PMT Sales realisation improved during the year, profitability was lower due to higher input costs and higher fixed costs as the expenditure of the full Mundra Unit was charged post declaration of commercial productions of both the Phases.

Sulphuric Acid & Oleum

Production of Sulphuric Acid (Eqvt.) was at 38275 MT which is 6% higher than the last year production of 35991 MT. Production of Oleum was 37% higher than last year. However sales of Sulphuric Acid at 32850 MT was at par with the previous year sales of 32748 MT. Sales of Oleum was at 4866 MT which is 28% higher than the last year. Both demand and realization were good during the year resulting in the better results for the year from Sulphuric Acid Business.

4. FUTURE PROSPECTS

Insoluble Sulphur

Demand from tyre companies continue to be sluggish due to global economic factors. Domestic tyre companies are also taking production cuts due to significant reduction in the tyre demand. Your Company is making all efforts to mitigate the situation by entering new geographical markets and customers. Consequently it is expected that sales should rise to optimum levels during the second half of 2013-14.

Sulphuric Acid & Oleum

Due to increase in Sulphuric Acid capacities of Zinc and copper plants, the availability of Sulphuric Acid has

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increased resulting in over supply in the region. This can result in prices for Sulphuric Acid as well as Oleum being under pressure during the next year.

5. RESEARCH & DEVELOPMENT

A full 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 customer's varied requirements. Research in the areas of reducing utilities cost and process parameters improvement is also being done. Help of accredited independent laboratories is also taken as and when required for studying and evolving critical parameters. Research & Development is fundamental to the Company's efforts to maintain the technical and quality edge for the product.

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

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

7. POLLUTION CONTROL

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

8. COST AUDIT

In compliance with the Central Government's order, your Board has appointed Messrs. J K Kabra & Co., Cost Accountants, to carry out the Cost Audit of the Company in respect of Sulphuric Acid. This appointment has to be made in each financial year and based on the application of your Company the Central Government has approved the re-appointment of Cost Auditor for the year under review. The Cost Audit Report for the year ended 31st March, 2012 has been submitted to Ministry of Corporate Affairs.

9. PUBLIC DEPOSITS

Fixed deposits from public, outstanding with your Company at the end of the financial year, stood at Rs.5,37,95,000/-. Of the above, deposit amounting to Rs.10,000/- which had fallen due for payment on 7th May, 2003 and Rs. 45,000/- which had fallen due for payment on 2nd November, 2005 have since been claimed by the depositors on 5th May, 2010 and 14th August, 2012 respectively, but the same could not be paid as the depositors have failed to produce the Original Deposit Receipts in this respect. Deposits aggregating to Rs.21,22,000/- due for repayment on or before 31st March, 2013 were not claimed by the depositors by said date. Out of these, deposits totaling Rs.2,10,000/- have since been claimed and settled. This apart, 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.

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.

ORIENTAL CARBON & CHEMICALS LIMITED

12. DIRECTORS

Mr. J P Goenka and Mr. K Raghuraman retire by rotation and, being eligible, offer themselves for re-election. Brief resumes of Mr. J P Goenka and Mr. K Raghuraman are given in Point No. 6 of the Report on Corporate Governance attached to this report.

13. SUBSIDIARY

The Company has one subsidiary, namely Schrader Duncan Limited (SDL). A statement containing brief financial details of the subsidiary is included in the Annual Report.

As required under the Listing Agreements entered into with the Stock Exchanges, a consolidated financial statements presented by the Company in this Report include the financial results of the subsidiary company duly audited by the statutory auditors. The said statements have been prepared in accordance with the relevant accounting standards as prescribed under Section 211(3C) of the Act.

In terms of General Circular No. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, Government of India, granting general exemption to attach the Subsidiaries' Annual Accounts, as required under section 212(8) of the Act, the Report and Audited Accounts of the subsidiary company viz. Schrader Duncan Limited are not annexed to this Report. However, the financial information of the subsidiary company is disclosed in this Report along with the Consolidated Financial Statements in compliance with the said circular. The Company will make available the Annual Accounts of subsidiary company and the related detailed information to any shareholder of the Company who may be interested in obtaining the same at any point of time. The annual accounts of the subsidiary company shall also be kept open for inspection by any shareholder at the Registered Office of the Company and that of the subsidiary company.

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

O.P Dubey
Director

Arvind Goenka
Managing Director

Place : New Delhi

Date : 29th May, 2013

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, 2013

I. CONSERVATION OF ENERGY

- (a) Energy Conservation Measures taken:
- Utilisation of excess steam generated in Sulphuric Acid Plant by installing High Pressure Waste Heat Boiler and Turbo Blower in place of 390HP Motor.
 - Recycling of condensate for steam generation implemented.
 - Replacement of existing motors with lower rating as per actual requirement and also with high efficiency ones.
 - 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
1. Electricity			
(a) Purchased Units	(KWH)	22,316,721	1,62,61,073
Total Amount	(Rs. in Lakhs)	1,209.95	8,18.40
Rate/ Unit	(Rs.)	5.42	5.03
(b) Own generation			
(i) Through Diesel/Furnace Oil Generator			
Units	(KWH)	42,33,745	48,98,698
Units/Ltr. of Diesel/Furnace Oil	(KWH)	3.58	3.54
Cost/Unit	(Rs.)	10.50	10.60
2. Coal (specify quantity and where used)			
Quantity	(Tonnes)	–	–
Total cost	(Rs.)	–	–
Average Rate	(Rs.)	–	–
3. Furnace Oil /LDO/HSD			
Quantity	(Ltrs)	4,798,869	32,98,727
Total cost	(Rs. in Lakhs)	1,940.71	1,282.64
Average Rate	(Rs.)	40.44	38.88
4. Other / Internal Generation (Process Steam)			
Quantity	(MT)	69,646	55,130
Total Cost of fuel utilised	(Rs. in Lakhs)	12,50.08	8,22.63
Rate/ Unit	(Rs.)	17,94.91	14,92.16

B. CONSUMPTION PER UNIT OF PRODUCTION (MT)

Products		Standards if any		
(a) Sulphuric Acid				
Electricity	(in Units)	N.A.	30	30
(b) Oleum				
Electricity	(in Units)	N.A.	70	70
(c) Insoluble Sulphur				
(i) Electricity	(in Units)	N.A.	1404	1142
(ii) Furnace Oil / HSD	(in Ltrs)	N.A.	87	68
(iii) Others-Process Steam	(in MT)	N.A.	4	3

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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 : 3.20
- (b) Recurring : 26.66
- (c) Total : 29.86
- (d) Total R&D expenditure as a percentage of total turnover. : 0.13%

- 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 1.26% by value in exports. Exports Constituted 73% of total Insoluble Sulphur sales during the year by value.
- (b) Total foreign exchange used and earned (Rs. in lakhs)
- (i) Earned : 14268.72
- (ii) Used : 1761.53

By Order of the Board

Place : New Delhi
Date : 29th May, 2013

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, 2013

Sl. No.	Name	Designation & Nature of Duties	Remuneration (Rs.)	Qualification & Total Service Experience (Years)	Age (Years)	Date of Commencement of Employment	Last employment held before joining the Company	
							Company	Designation
(A) EMPLOYED THROUGHOUT THE YEAR								
1.	Goenka Arvind	Managing Director	9,509,911	B.Com (28)	51	01.10.2009	Duncan International India Ltd.	Vice President

NOTES :

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

By Order of the Board

Place : New Delhi
Date : 29th May, 2013

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 2012-2013 has been received from all the Board members and senior management personnel.

For Oriental Carbon & Chemicals Limited,

Place : New Delhi
Date : 29th May, 2013

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 (71% in quantity terms for the year 2012-13) it is important to discuss the structure of and developments in the industry at global level.

During the year total sales of the Company was 16951 MT 3% down from the last year. This was due to reduction in demand from global tyre companies due to reduced production levels at their plants. Though new customer plants were added during the year, the sales continued to be affected on account of economic slowdown. Approval process, under way for some customers and new geographic locations, have also been delayed as tyre companies are deferring approval decisions during these difficult times.

Phase -2 of the project at SEZ Mundra with a capacity of 5500 Mtpa of Insoluble Sulphur was commissioned in May 2012.

Sulphuric Acid and Oleum

Sulphuric Acid is used as sulphonating agent in manufacture of Detergents and in other inorganic chemicals. During the year, Sales of Sulphuric Acid was 32850 MT at par with the last year sales. Performance of Sulphuric acid was good during the year on account of better sales realisation. Demand for Oleums, which is 100% Sulphuric acid containing free SO₃, 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 Plant.

OPPORTUNITIES, THREATS, RISKS, CONCERNS AND OUTLOOK

Insoluble Sulphur

The global slowdown had an impact on demand of Insoluble Sulphur in worldwide, particularly in Europe one of the main market of your Company. Indian tyre companies are also currently running at low capacities.

The Company's R&D unit is focused on developing better dispersion and stability of Insoluble Sulphur to remain at the forefront of technology in Insoluble Sulphur. However, with various marketing initiative in China and new customers, your Company is hopeful of achieving better capacity utilization in the second half of 2013-14. The global market is rapidly converting to High Stability and High Dispersion grades of Insoluble Sulphur. Your Company is already supplying these products to tyre companies, but production of these grades comes with higher variable cost.

Sulphuric Acid and Oleum

During the last year the demand of Sulphuric acid has been satisfactory and prices stable. The situation in the current year appears to be difficult as the demand for Sulphuric Acid has slackened in the first quarter. This is due to addition of capacities by Zinc and copper manufacturers for whom Sulphuric acid is a byproduct. Your Company plans to debottleneck the Sulphuric Acid Plant during the year so that it can produce additional steam to meet the full demand of Insoluble Sulphur at Dharuhera.

PERFORMANCE OF THE COMPANY

During the year, your Company achieved a Profit before tax of Rs.4003.51 lakhs and of Rs.6242.57 lakhs before provision of Depreciation and Interest. Production of Insoluble Sulphur increased by 3% to 17918 MT including Mundra Production of 6848 MT. The Sales of the Company (net of excise) increased 4% to Rs. 22544.07 lakhs.

HUMAN RESOURCES

The Company has, under its employment, 395 officers and workmen as on 31st March, 2013.

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 an industry like Insoluble Sulphur where continuous

ORIENTAL CARBON & CHEMICALS LIMITED

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.

During the year your Company has adopted ERP SAP which should result in better internal control.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Financial Information

- i. Fixed Assets: The Gross Capital Assets stood at Rs 2,59,77 lakhs as at 31st March 2013 against Rs. 2,45,05 lakhs as at 31st March 2012. Increase is due to addition of Mundra Phase-II.
- ii. Inventory: The inventory at the end of the current year stood at Rs.36,77 lakhs against Rs 27,87 lakhs at the end of previous year.
- iii. Sundry Debtors: Sundry debtors at the end of the year stood at Rs.39,58 lakhs against Rs.45,30 lakhs at the end of previous year.

Results of Operations

	2012-2013	(Rs in Lacs) 2011-2012
Income from Operations (Net of Excise)	2,25,44.07	2,17,81.92
Other Income	4,87.93	4,18.27
Total Income	2,30,32.00	2,22,00.19
Profit before Interest, Depreciation and Tax	62,42.57	59,93.14
Profit before Tax	40,03.51	44,49.79
Profit after Tax for the current year	27,38.45	31,45.76

Your Company continues to take steps to optimise costs of production which contributed to the profitability of the Company. The cost saving exercise is an ongoing one with emphasis on savings in energy consumption and reduction of wastes.

CAUTIONARY STATEMENT

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

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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 2012-13	Whether attended last AGM	Number of other Directorships of Public Ltd. Cos.	Number of other Committee memberships*	Number of other Committee Chairmanships*
Mr. J P Goenka @ <i>Chairman</i>	2	NO	2	-	1
Mr. Arvind Goenka+ <i>Managing Director</i>	4	YES	3	1	-
Mr. S J Khaitan #	4	YES	7	1	2
Mr B B Tandon#	3	NO	13	9	1
Mr O P Dubey#	4	YES	2	1	1
Mr K Raghuraman#	4	YES	10	6	1
Mr. S K Roy # <i>(LIC Nominee)</i>	4	YES	1	-	-

@ Non-executive Promoter Director

Non-executive Independent Directors

+ Executive Promoter Director

* In accordance with requirements of amended Clause 49 of the Listing Agreement, Membership/Chairmanships of only Audit Committees and Shareholders'/Investors' Grievance Committee of only public limited companies (except Oriental Carbon & Chemicals Limited) have been considered.

During the financial year ended March 31, 2013, four Board Meetings were held on May 30, 2012, July 27, 2012, November 09, 2012 and January 31, 2013.

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 five meetings of the Committee during the year ended March 31, 2013 on May 30, 2012, July 27, 2012, September 29, 2012, November 09, 2012 and January 31, 2013.

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	5
Mr B B Tandon	Member	4
Mr S J Khaitan	Member	5

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,

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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 seven times on 06th April, 2012, 30th May, 2012, 27th July, 2012, 29th September, 2012, 09th November, 2012, 31st January, 2013 and 21st March, 2013.

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	2
Mr. Arvind Goenka	Member	7
Mr. S. J. Khaitan	Member	7

Mr. Pranab Kumar Maity, Company Secretary, is the Compliance officer of the Company.

During the year under review, there was no complaint received from the shareholders. No Share Transfer/Transmissions/issue of Duplicate share certificates were pending as on 31st of March, 2013.

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 30th May, 2012. 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.33,00,000/-, Perquisites: Rs.28,18,911/-, Contribution to PF and other Fund: Rs.8,91,000/-, Performance Bonus : Rs. 25,00,000 /-, Total : Rs.95,09,911/-.

Sitting fees paid to Non-Executive Directors for the year 2012-2013 are as follows:

Mr. J P Goenka, Chairman - Rs. 50,000/-, Mr. S J Khaitan - Rs. 2,20,000/-, Mr. B B Tandon - Rs. 1,45,000/-, Mr. O P Dubey - Rs. 1,85,000/-, Mr. K Raghuraman - Rs. 80,000/- and Mr. S K Roy - Rs. 80,000/- (paid to LIC).

The Commission paid to Non-executive Directors for the year 2012-2013, which is within the limit prescribed in the Companies Act, 1956, is as below

Mr. J P Goenka, Chairman - Rs.1,00,000/-, Mr. S J Khaitan - Rs. 4,40,000/-, Mr. B B Tandon - Rs. 2,90,000/-, Mr. O P Dubey - Rs. 3,70,000/-, Mr. K Raghuraman - Rs. 1,60,000/- 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 31.03.2013, Mr. Arvind Goenka, Managing Director of the Company, holds 156252 Equity Shares of the Company.

6. Directors

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

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The brief resume of Mr. J P Goenka and Mr. K Raghuraman is given below:

- Mr. J. P. Goenka aged about 77 years, graduate from Calcutta University, is an Industrialist hailing from the family headed by (Late) Sir Badridas Goenka and is associated with the renowned multi-industry group namely Duncans. He has been directly involved in the operations of Jute and cotton textiles units. He has also been Chairman of Indian Jute Textile Association and Indian Cotton Mills Federation.

He is a Director of M/s. Duncan International (India) Ltd and Schrader Duncan Limited. He is also the Chairman of Remuneration Committee and Shareholders / Investor Grievance Committee of Schrader Duncan Limited.

- Mr. K. Raghuraman aged about 65 years, is a Chartered Accountant from Institute of Chartered Accountants of India. He joined Central Bank of India in 1973 and contributed immensely to the organisation in systems and procedures. In 1999, he held the position of General Manager and Head of General Administration, Banking Operations, Card Business, Treasury, Forex Dealing, Risk Management etc. He was also Chairman of 'India Cooperation Committee of Master Card International' & the Honorary Secretary of "Banks' Sports Board" of the Indian Banks' Association (IBA) as well as the Member of various industry level Committees of IBA. He was later appointed as Executive Director of Punjab National Bank. He also held the position of Chairman of 'PNB Parivartan', the strategic initiative group of the bank. Mr. Raghuraman has a varied banking experience and exposure in handling various banking matters, issue of corporate governance and policy initiatives. He retired as Executive Director from Punjab National Bank in September 2008.

He holds the Directorship in Andhra Bank, Birla Ericsson Opticals Ltd., Nagarjuna Agrichem Ltd., Suvidha Parklift Ltd., Lanco Budhil Hydro Power Pvt. Ltd., Canbank Factors Ltd., Laderup Finance Ltd., Laderup Corporate Advisory Pvt. Ltd. and Centbank Financial Services Ltd.

List of the Companies where Committee positions held as on 31.03.2013:-

Name of the Company	Name of the Committee	Member/Chairman
Andhra Bank	Share Transfer Committee Investors' Grievance Committee Risk Management Committee Large Value Fraud Committee Audit Committee	Member Member Member Member Member
Birla Ericsson Opticals Ltd.	Audit Committee	Member
Lanco Budhil Hydro Power Pvt. Ltd.	Audit Committee	Chairman
Cenbank Factors Ltd.	Audit Committee Committee of Directors	Chairman Member
Ladderup Finance Ltd.	Audit Committee	Member
Centbank Financial Services Ltd.	Audit Committee	Member
Nagarjuna Agrichem Ltd.	Remuneration Committee	Member

7. General Body Meetings

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

Year	Date & Time	Venue
2011-2012	27/07/2012 11.00 A.M	'Kala Kunj', 48, Shakespeare Sarani, Kolkata - 700 017
2010-2011	26/07/2011 11.00 A.M	Williamson Magor Hall (1 st 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 st Floor) The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata-700 001

One Special Resolution passed on 23rd July, 2010 (Appointment of Mr Akshat Goenka-a relative of Mr J P Goenka, Chairman and Mr Arvind Goenka, Managing Director of the Company) and one Special Resolution passed on 27th July, 2012 (Holding of Place of Profit as Senior Manager by 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. During the year under review, there was no such business which required passing of resolution through postal ballot.

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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 2012-13 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.

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.

11. Subsidiary

The Company has only one listed subsidiary company namely Schrader Duncan Limited is managed with its Board having the rights and obligations to manage the Company in the best interest of their stakeholders. The Company does not have any material unlisted subsidiary and hence is not required to nominate an independent director of the Company on the Board of subsidiary.

Mr. O P Dubey and Mr. B B Tandon, Independent Directors of the Company has been appointed as Directors on the Board of Schrader Duncan Limited.

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

SHAREHOLDER INFORMATION

a. Annual General Meeting :

Date and Time : 26th July, 2013 at 11.00 AM.

Venue : "Williamson Magor Hall" (1st Floor), The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata-700 001

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

The unaudited / audited financial results of the Company for following quarters ending/year ending will be published on or before the dates mentioned against the respective period:

For the Quarter ending 30th June, 2013 (Unaudited) : 14th August, 2013

For the Quarter ending 30th September, 2013 (Unaudited) : 14th November, 2013

For the Quarter ending 31st December, 2013 (Unaudited) : 14th February, 2014

For the Year ending 31st March, 2014 (Audited) : 30th May, 2014

Annual General Meeting for the year ending 31st March, 2014 : End of July 2014

c. Date of Book Closure : 20th July, 2013 to 26th July, 2013 (both days inclusive)

d. Dividend will be paid on and from: 8th August, 2013

e. List of Stock Exchanges where shares are listed :

Bombay Stock Exchange Limited, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400023

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

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g. Market Price Data

Monthly High and Low of Company's Equity Shares (Rs. 10/- per Share) for the year ended 31st March, 2013 at the Bombay Stock Exchange Limited, Mumbai ;

Month	Company's Share		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2012	122.00	104.00	17664.10	17010.16
May, 2012	120.00	104.10	17432.33	15809.71
June, 2012	121.75	109.00	17448.48	15748.98
July, 2012	133.45	117.00	17631.19	16598.48
August, 2012	120.50	114.10	17972.54	17026.97
September, 2012	136.90	112.00	18869.94	17250.80
October, 2012	186.80	129.05	19137.29	18393.42
November, 2012	183.30	124.20	19372.70	18255.69
December, 2012	140.85	122.00	19612.18	19149.03
January, 2013	130.85	118.90	20203.66	19508.93
February, 2013	121.05	93.50	19966.69	18793.97
March, 2013	107.40	87.20	19754.66	18568.43

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

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

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

i. Share Transfer System

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

j. Dematerialisation of shares

93.90% of total Subscribed & Paid-up Equity Shares is held in dematerialised form with NSDL and CDSL as at 31st March, 2013.

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

International Securities Identification Number NSDL & CDSL: INE 321D01016

k. Shareholding pattern (as on 31st March, 2013)

Category	No. of Shares held	% of Shareholding
Promoters (persons acting in concert)	5783530*	56.17
Mutual Funds & UTI	6159	0.06
Banks, Financial Institutions & Insurance Companies	777049	7.55
Private Bodies Corporate	578206	5.62
Indian Public	3095242	30.06
NRIs/OCBs	55876	0.54
Total	10296062	100.00

* includes 254514(2.47%) pledged shares

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I. Distribution of shareholding as on 31st March, 2013 is given below:

Shareholding of nominal value of Rs.	No. of Holders	%	No. of Shares	%
Upto 5,000	12856	94.41	1174364	11.41
5,001 to 10,000	381	2.80	294595	2.86
10,001 to 20,000	185	1.36	276548	2.69
20,001 to 30,000	57	0.42	145227	1.41
30,001 to 40,000	29	0.21	103165	1.00
40,001 to 50,000	29	0.21	136540	1.33
50,001 to 1,00,000	36	0.26	283978	2.76
1,00,001 and above	44	0.32	7881645	76.55
Total	13617	100.00	10296062	100.00

m. Plants Location

1. Plot 3 & 4, Dharuhera Industrial Estate
P.O. Dharuhera, Distt. Rewari - 122 106, Haryana
2. 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: pranab@occlindia.com

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

pranab@occlindia.com

p. Website

<http://www.occlindia.com>

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Oriental Carbon & Chemicals Limited,

We have examined the compliance of the conditions of Corporate Governance by M/s Oriental Carbon & Chemicals Limited, for the year ended 31st March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in Clause 49 of 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
Date: 29th May, 2013

ORIENTAL CARBON & CHEMICALS LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Oriental Carbon & Chemicals Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Oriental Carbon & Chemicals Limited, ("the Company") which comprise the Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 31st March, 2013;
- b. In the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on the Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

B.K. Sipani
Partner
Membership No. 88926

Place: New Delhi
Date: 29th May, 2013

Annexure referred to in paragraph 1 of our report of even date on the Other Legal and Regulatory Requirements (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 and 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 were physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable.

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- 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, the Company has not granted or taken any loan secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system 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, we have not noticed any continuing failure to correct major weakness in internal control system.
- (v) In our opinion and according to the information and explanations given to us, there are no transactions 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 or any other relevant provisions of the Companies Act, 1956 and rules framed there under to the extent applicable, with regard to the deposits accepted from the public. We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court, or any other Tribunal.
- (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 products 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 some 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 Duty, 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
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 loss in the current and immediately preceding financial year.
- (xi) Accordingly the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, clause 4 (xiii) of the Order is not applicable.
- (xiv) The Company does not deal or trade in shares, securities, debentures and other investments except that it has investments of long-term/current in nature in shares and units of 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 any guarantee for loans taken by others from banks and financial institutions. Accordingly clause 4(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, term loan was obtained during the year was applied for the purpose for which loans was obtained.
- (xvii) According to the information and explanation given to us, and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis during the year have not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) During the year the Company has not issued any debentures. Accordingly clause 4(xix) of the order is not applicable.
- (xx) The Company has not raised any money through public issue during the year. Accordingly clause 4(xx) of the order is not applicable.
- (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
B.K. Sipani
Partner
Membership No. 88926

Place: New Delhi
Date: 29th May, 2013

ORIENTAL CARBON & CHEMICALS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.	As at 31.03.2013	(Rs.in lacs) As at 31.03.2012
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
(a) Share Capital	1	10,31.13	10,31.13
(b) Reserves and Surplus	2	1,61,63.29	1,40,34.10
		1,71,94.42	1,50,65.23
(2) Non-Current Liabilities:			
(a) Long-term Borrowings	3	77,19.69	81,10.23
(b) Deferred Tax Liabilities (Net)	4	16,30.22	6,41.13
(c) Other Long-term Liabilities	5	37.12	13.69
(d) Long-term Provisions	6	66.84	56.28
		94,53.87	88,21.33
(3) Current Liabilities :			
(a) Short-term Borrowings	7	21,91.37	32,84.26
(b) Trade Payables	8	12,57.85	13,14.22
(c) Other Current Liabilities	9	28,01.55	15,70.39
(d) Short-term Provisions	6	5,25.57	5,13.10
		67,76.34	66,81.97
TOTAL		3,34,24.63	3,05,68.53
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets:			
(i) Tangible Assets	10	1,86,29.56	1,40,61.63
(ii) Intangible Assets	10	1,41.31	-
(iii) Capital Work-in-Progress		3,09.31	43,10.69
(iv) Intangible Assets under Development		-	92.68
(b) Non-Current Investments	11	14,69.72	16.05
(c) Long-term Loans and Advances	12	23,59.19	13,28.61
		2,29,09.09	1,98,09.66
(2) Current Assets			
(a) Current Investments	13	5,13.80	14,83.33
(b) Inventories	14	36,76.70	27,87.48
(c) Trade Receivables	15	39,57.83	45,30.30
(d) Cash and Bank balance	16	12,12.89	11,51.08
(e) Short-term Loans and Advances	12	5,52.91	3,13.05
(f) Other Current Assets	17	6,01.41	4,93.63
		1,05,15.54	1,07,58.87
TOTAL		3,34,24.63	3,05,68.53
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 : 29th May, 2013

B.K. SIPANI
Partner
Membership No. 88926

P.K. MAITY
Company Secretary

O.P. DUBEY
Director

ORIENTAL CARBON & CHEMICALS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2013

			(Rs.in lacs)
	Note No.	For the year ended 31.03.2013	For the year ended 31.03.2012
I REVENUE :			
Revenue from Operations	18	2,35,48.52	2,25,07.84
Less: Excise Duty		10,04.45	7,25.92
Revenue from Operations(Net)		<u>2,25,44.07</u>	<u>2,17,81.92</u>
II OTHER INCOME	19	<u>4,87.93</u>	<u>4,18.27</u>
III TOTAL REVENUE (I + II)		<u>2,30,32.00</u>	<u>2,22,00.19</u>
IV EXPENSES			
Cost of Raw Materials Consumed	20	74,30.51	72,87.57
Purchase of Traded Goods	21	78.64	1,82.05
Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	22	(7,50.52)	(1,93.63)
Employee Benefits Expense	23	20,77.58	17,99.76
Other Expenses	24	79,53.22	71,31.30
V Total		<u>1,67,89.43</u>	<u>1,62,07.05</u>
VI Profit before finance cost, depreciation, amortisation and tax	(III - V)	62,42.57	59,93.14
VII Finance Cost	25	12,77.65	8,31.22
VIII Depreciation and Amortisation	26	9,61.41	7,12.13
IX Profit before tax (VI - VII - VIII)		<u>40,03.51</u>	<u>44,49.79</u>
Tax Expense			
Current Tax	27	2,75.97	13,15.02
Deferred Tax (Net)		9,89.09	(10.99)
Profit for the year		<u>27,38.45</u>	<u>31,45.76</u>
Basic & Diluted Earnings Per Equity Share (of Rs.10/- each) (Rs.)	30.07	26.60	30.55
Summary of significant accounting policies	28		
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 : 29th May, 2013

B.K. SIPANI
Partner
Membership No. 88926

P.K. MAITY
Company Secretary

O.P. DUBEY
Director

ORIENTAL CARBON & CHEMICALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	Current Year	Previous Year	(Rs. in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax and Extra ordinary items	40,03.51	44,49.79	
Adjustments for:			
Depreciation	9,61.41	7,12.13	
Loss on Sale / Discard of Fixed Assets (Net)	1.48	33.50	
Finance Cost	12,77.65	8,31.22	
Interest Income	(1,13.98)	(71.63)	
Loans earlier written off, now recovered	(87.00)	-	
Bad Advance / Debts	4.10	0.26	
Profit on Sale of Current Investment	(27.86)	-	
Dividend on Current Investments	(32.95)	(50.10)	
Transfer from Capital Reserve	-	(1.73)	
Adjustment to the carrying amount of Investments on Long-term Investments	(0.02)	-	
Excess of Carrying Cost over Fair value of Current Investments	0.53	1.56	
Operating Profit before Working Capital Changes	59,86.87	59,05.00	
Adjustments for :			
Trade and Other Receivables	3,51.18	(17,83.24)	
Inventories	(8,89.22)	(8,94.98)	
Trade and Other Payables	(58.82)	6,71.17	
Cash generated from Operations	53,90.01	38,97.95	
Direct Tax Paid (Net)	(7,27.12)	(9,06.81)	
Net cash from Operating Activities	46,62.89	29,91.14	
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets/ Expenditure on New Project	(23,44.14)	(73,68.98)	
Loans to Bodies Corporate/ Others (Net)	(68.01)	(95.00)	
Investments Purchased	(14,54.18)	(9,50.10)	
Movement in Fixed deposits	(2,56.66)	6,00.00	
Sale of Fixed Assets	19.26	17.97	
Loans earlier written off, now recovered	87.00	-	
Dividend on Current Investments	32.95	50.10	
Investment sold	9,97.39	-	
Interest Received	78.66	66.29	
Net Cash used in investing activities	(29,07.73)	(76,79.72)	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend Paid	(5,14.80)	(4,11.84)	
Tax on Dividend	(83.51)	(66.81)	
Long Term Borrowings	9,86.80	42,51.94	
Working Capital From Banks	(10,92.89)	20,86.00	
Interest and Financial Costs paid	(12,56.12)	(7,81.46)	
Net Cash From Financing Activities	(19,60.52)	50,77.83	
Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)	(2,05.36)	3,89.25	
Opening Balance of Cash and Cash Equivalents	8,45.75	4,56.50	
Closing Balance of Cash and Cash Equivalents	6,40.39	8,45.75	
Cash & Cash Equivalents Comprise			
Cash on Hand	2.66	5.83	
Balance with Scheduled Banks in Current Accounts	6,37.73	8,39.92	
	6,40.39	8,45.75	

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. 45.36 (Previous Year Rs. 34.85) lying in designated account with scheduled banks on account of unclaimed dividend and Rs. 5,27.14 (Previous Year Rs. 2,70.48) 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

Place : New Delhi
Date : 29th May, 2013

B.K. SIPANI
Partner
Membership No. 88926

P.K. MAITY
Company Secretary

O.P. DUBEY
Director

ORIENTAL CARBON & CHEMICALS LIMITED

NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET

		(Rs. in lacs)			
		As at 31st March, 2013	As at 31st March, 2012		
1	SHARE CAPITAL				
	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>		
	Issued				
	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>		
	Subscribed and fully paid-up				
	1,02,96,062 (Previous year 1,02,96,062) Equity Shares of Rs. 10/- each fully paid-up	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 except interim dividend 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 outstanding at the end the of the year	10296062	10296062		
	Shareholders holding more than 5 percent Equity shares of the Company:				
		As at 31st March, 2013	As at 31st March, 2012		
S. No.	Name of shareholder	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 31st March, 2013	As at 31st March, 2012
2	RESERVES AND SURPLUS				
	(i) Capital Reserve				
	Balance as per last financial statement	17,32.18		17,33.91	
	Less :Transfer to Statement of Profit & Loss#	-		1.73	
		<u>17,32.18</u>		<u>17,32.18</u>	
	# Transfer of Subsidy on D.G. Set.				
	(ii) Capital Redemption Reserve				
	Balance as per last financial statement	0.25		0.25	
		<u>0.25</u>		<u>0.25</u>	
	(iii) Share Premium Account				
	Balance as per last financial statement	17,92.64		17,92.64	
		<u>17,92.64</u>		<u>17,92.64</u>	
	(iv) Revaluation Reserve				
	Balance as per last financial statement	1,28.62		1,37.17	
	Less :Transfer to Statement of Profit & Loss (Note 26)	8.55		8.55	
		<u>1,20.07</u>		<u>1,28.62</u>	

ORIENTAL CARBON & CHEMICALS LIMITED

		(Rs. in lacs)	
		As at 31st March, 2013	As at 31st March, 2012
(v) General Reserve			
Balance as per last financial statement		17,13.88	13,13.88
Add : Transfer from Surplus in Statement of Profit & Loss		4,00.00	4,00.00
		21,13.88	17,13.88
(vi) Surplus in Statement of Profit & Loss			
Balance as per last financial statement		86,66.53	65,19.07
Add: Profit for the year		27,38.45	31,45.76
		1,14,04.98	96,64.83
Less: Appropriations			
Interim Dividend		2,05.92	2,05.92
Tax on Interim Dividend		33.41	33.40
Proposed Final Dividend @		3,08.88	3,08.88
Tax on Proposed Final Dividend		52.50	50.10
Transfer to General Reserve		4,00.00	4,00.00
		1,04,04.27	86,66.53
Total Reserves and Surplus (i to vi)		1,61,63.29	1,40,34.10

@The Board of Directors have recommended Final dividend of Rs. 3/-per Equity Share; (Previous year Rs.3/- per Equity Share) of Rs. 10/- each for the year ended 31st March, 2013. 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, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
(i) Secured :				
Term loan from a Bank (a)	-	-	-	48.09
Term loans from Banks (b)	70,90.64	74,06.43	15,55.10	2,43.40
Housing Loans from HDFC Ltd (c)	2,63.25	4,33.15	1,50.17	1,20.94
Vehicle Loans from Banks (d)	41.26	29.75	42.44	23.79
	73,95.15	78,69.33	17,47.71	4,36.22
(ii) Unsecured :				
Fixed Deposits (e)	3,24.54	2,40.90	1,91.64	1,29.98
	3,24.54	2,40.90	1,91.64	1,29.98
(iii) Amount disclosed under the head "Other current liabilities" (Note No.9)				
	-	-	19,39.35	5,66.20
Total (i)+ (ii)-(iii)	77,19.69	81,10.23	-	-

(a) Securities :

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) Securities :

Secured by first exclusive charge on entire fixed assets including equitable mortgage of factory land and building of Dharuhera unit and first pari-pasu charge with Exim Bank on entire fixed assets including equitable mortgage of factory land and building of SEZ Mundra Unit and second pari-pasu charge with Exim Bank on entire current assets of the company.

ORIENTAL CARBON & CHEMICALS LIMITED

(ii) Terms of Repayments of Non-Current portion of Term Loans from Banks

(Rs. in lacs)

AS AT 31ST MARCH' 2013				AS AT 31ST MARCH' 2012			
As at 31st March, 2013	Rate of Interest	Repayments		As at 31st March, 2012	Rate of Interest	Repayments	
		No. of outstanding Installments	Periodicity			No. of outstanding Installments	Periodicity
9,94.45	12.40% linked with Base Rate	12	Quarterly Equal	40,56.60	14% linked with Base Rate	17	Quarterly Graded to begin from 30.04.2012.
10,06.20	4.87% linked with Libor Rate						
9,59.70	5.26% linked with Libor Rate						
7,68.01	4.96% linked with Libor Rate	17	Quarterly Equal	8,49.83	5.50% linked with Libor Rate	20	Quarterly equal to begin from 30.09.2013
33,62.28	12.40% linked with Base Rate	19	Quarterly Graded	25,00.00	13.50% linked with Base Rate	22	Quarterly Graded to begin from 31.07.2013
70,90.64				74,06.43			

(c) Housing Loans From HDFC Ltd.

- i) Rs.326.66 ; (Previous Year Rs.464.81) 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 non-current portion is repayable within a period of 10 months (previous year 22 months) as per the repayment schedule.
- ii) Rs. 25.36; (Previous Year Rs.37.38) is secured by way of equitable mortgage of three residential flats at Bhiwadi, Rajasthan and non-current portion is repayable within a period of 9 months (previous year 21 months) as per the repayment schedule.
- iii) Rs.61.40 ; (Previous Year Rs. 51.90) to be secured by way of first equitable mortgage of two residential flats at Gurgaon, Haryana and non-current portion is repayable within a period of 60 months (previous year 60 months) as per the repayment schedule.
- (d) Secured by hypothecation of vehicles purchased under the scheme and non-current portion is repayable within a period of 19 months (previous year 23 months) as per the repayment schedule.
- (e) Fixed deposits from public carries rate of interest @ 11.50% to 12% p.a. ; (Previous year 11.50% to 12% p.a.) and non-current portion is repayable after 1 to 3 years (Previous year 2 to 3 years) from the date of acceptance of Deposits.

	As at 31st March, 2013	As at 31st March, 2012
4 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability on account of:		
Depreciation and Amortisation Expenses	<u>16,48.97</u>	<u>6,60.43</u>
	<u>16,48.97</u>	<u>6,60.43</u>
Deferred Tax Asset on account of:		
Amount allowable on payment basis u/s 43B	<u>18.75</u>	<u>19.30</u>
	<u>18.75</u>	<u>19.30</u>
Deferred Tax Liability/(Asset) Net	<u>16,30.22</u>	<u>6,41.13</u>
5 OTHER LONG-TERM LIABILITIES		
Interest accrued but not due on fixed deposits	<u>37.12</u>	<u>13.69</u>
	<u>37.12</u>	<u>13.69</u>

ORIENTAL CARBON & CHEMICALS LIMITED

6 PROVISIONS

(Rs. in lacs)

	Long- term		Short - term	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Provision for employee benefits	66.84	56.28	53.28	43.76
Proposed Final Dividend	-	-	3,08.88	3,08.88
Tax on Proposed Final Dividend	-	-	52.50	50.10
Provision for Tax (Net)	-	-	1,10.91	1,10.36
	66.84	56.28	5,25.57	5,13.10

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
7 Short-Term Borrowings		
Secured:		
Loan repayable on demand		
Cash Credit & Packing credit facility from Banks	21,91.37	32,84.26
	<u>21,91.37</u>	<u>32,84.26</u>

Security:

Cash Credit & Packing Credit facilities are secured by first exclusive charge on entire current assets of the company and second charge over the entire fixed assets including equitable mortgage of factory land and building of Mundra SEZ Unit and second pari-pasu charge with Exim Bank on entire fixed assets including equitable mortgage of factory land and building of Dharuhera unit and other fixed assets of the Company (except assets having specific charge).

8 TRADE PAYABLES

Micro, Small and Medium Enterprises *	-	-
Others	12,57.85	13,14.22
	<u>12,57.85</u>	<u>13,14.22</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	15,55.10	2,91.49
Current maturities of Housing Loans	1,50.17	120.94
Current maturities of Vehicle Loans	42.44	23.79
Current maturities of Fixed Deposits	1,91.64	1,29.98
Interest accrued and due on borrowings	75.56	77.55
Advance received from and Credit balance of Customers	29.31	6.19
Unpaid Dividend	45.36	34.85
Unpaid and Unclaimed Matured Deposits & Interest accrued thereon #	26.63	22.35
Creditors for Capital Goods	91.59	2,23.85
Statutory dues payable	2,60.99	1,89.83
Employees liabilities	2,81.10	4,10.90
Security Deposits	9.40	8.91
Directors' Commission	15.20	18.00
Other payable	27.06	11.76
	<u>28,01.55</u>	<u>15,70.39</u>

Includes Rs. 12.95 (Previous year Rs 12.95) under legal dispute between the Joint Holders of the fixed deposit.

ORIENTAL CARBON & CHEMICALS LIMITED

10 FIXED ASSETS

(Rs. in lacs)

DESCRIPTION	GROSS BLOCK COST/BOOK VALUE				DEPRECIATION				NET BLOCK	
	As At March 31, 2012	Addi- tions/ Adjust- ments	Deduc- tions	As At March 31, 2013	As At March 31, 2012	For the year	Deduc- tions	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
(A) Tangible Assets										
Leasehold Land	6,42.75	-	-	6,42.75	36.27	21.42	-	57.69	5,85.06	6,06.48
Freehold Land	83.41	24.89	-	1,08.30 *	-	-	-	-	1,08.30	83.41
Buildings	59,41.01	8,92.48	-	68,33.49 *	5,46.45	1,68.88	-	7,15.33	61,18.16	53,94.56
Plant and Equipment	1,14,97.96	39,58.74	82.73	1,53,73.97 *	48,36.93	6,07.81	73.58	53,71.16	1,00,02.81	66,61.03
Electrical Installation	12,91.68	4,12.41	0.12	17,03.97 *	3,98.65	72.65	0.11	4,71.19	12,32.78	8,93.03
Furniture and Fixtures	1,44.77	66.73	2.71	2,08.79	57.58	11.81	0.88	68.51	1,40.28	87.19
Vehicles	2,81.41	93.83	42.61	3,32.63	1,01.77	30.90	35.77	96.90	2,35.73	1,79.64
Air Conditioners & Coolers	53.54	16.22	2.35	67.41	11.51	2.98	0.72	13.77	53.64	42.03
Office Equipment	1,66.14	59.44	4.87	2,20.71	51.88	19.62	3.59	67.91	1,52.80	1,14.26
Leasehold Improvement	-	-	-	-	-	-	-	-	-	-
Total	2,01,02.67	55,24.74	1,35.39	2,54,92.02	60,41.04	9,36.07	1,14.65	68,62.46	1,86,29.56	1,40,61.63
(B) Intangible Assets										
Software	-	1,75.79	-	1,75.79	-	34.48	-	34.48	1,41.31	-
TOTAL (A+B)	2,01,02.67	57,00.53	1,35.39	2,56,67.81	60,41.04	9,70.55	1,14.65	68,96.94	1,87,70.87	1,40,61.63
Previous Year	1,21,11.05	80,65.30	73.68	2,01,02.67	53,28.10	7,35.15	22.21	60,41.04	1,40,61.63	

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

Notes:

- (i) Gross Block includes Rs.175.24 (Previous year Rs.118.97) purchased under Car Finance Scheme.
- (ii) IInd Phase of Project at Mundra SEZ has commenced commercial production on 15th May'2012. Pre-Operative and Start up expenses aggregating Rs. 300.24 (previous year Rs. 1101.98) have been allocated to fixed assets proportionate to their direct cost.
- (iii) 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. 17.03 (Previous year Rs. 83.01) on long term foreign currency borrowing has been added to the depreciable fixed assets acquired. As at 31st March 2013 Rs.82.27 (Previous year Rs. 76.99) remain to be amortised over the balance life of the assets and consequently profit for the year is higher by Rs. 5.28 (Previous year Rs. 76.99).

**As at
31st March, 2013** **As at
31st March, 2012**

11 NON-CURRENT INVESTMENTS

Long Term Investment (Non - Trade)

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

1848500 (Previous year Nil) Equity Shares of Rs. 10/- each fully paid up in Schrader Duncan Ltd (Subsidiary)*	14,53.65	-
8351 (Previous year 8351) Equity Shares of Rs. 100/- each fully paid up in Duncan International (India) Ltd. (Associate)	15.42	15.42
3353 (Previous year 3353) Equity Shares of Rs. 75/- each fully paid up in New India Investment Corporation Ltd.	1.46	1.46
	14,70.53	16.88
Less: Provision for Diminution in value of Investments	0.81	0.83
	14,69.72	16.05
Aggregate amount of Quoted Investments	14,70.53	16.88
Aggregate market value of Quoted Investments	7,55.48	16.05
Aggregate provision for diminution in value of investments *	0.81	0.83

* As on 31st March 2013, market value of the shares of the subsidiary company was lower by Rs. 714.24 . However in view of long term strategic investment in the subsidiary company, no provision for diminution in value has been made as same is not permanent in nature.

ORIENTAL CARBON & CHEMICALS LIMITED

(Rs. in lacs)

	Long- term		Short - term	
	As at	As at	As at	As at
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
12 LOANS AND ADVANCES				
(Considered Good)				
Secured Loan to a Body Corporate	-	35.95	-	-
Unsecured Loans & Advances				
Loan and Advances to Related Parties	-	-	2,03.96	-
Loan to Bodies Corporate	4,17.00	5,17.00	-	-
Capital Advances *	11,00.32	4,94.32	-	-
Security Deposits	3,49.35	2,25.86	-	-
Loans and Advances to Employees	39.92	55.48	46.00	37.63
Balances with Excise and Custom Department	-	-	52.99	63.99
Other Advances	-	-	1,97.07	1,78.89
Income Tax Refund Receivable	-	-	-	0.90
Prepaid Expenses	-	-	52.89	31.64
MAT credit entitlement	4,52.60	-	-	-
	23,59.19	13,28.61	5,52.91	3,13.05

* 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, 2013 (Nos.)	31st March, 2012 (Nos.)	31st March, 2013	31st March, 2012
13 CURRENT INVESTMENTS					
UNQUOTED					
(at cost or fair value whichever is lower)					
Investments in Mutual funds					
A) In SBI Infrastructure Fund-I Dividend Plan	10	1,00,000	1,00,000	7.28	7.81
B) Pine Bridge India Equity Fund Standard Dividend Plan (formaly known as 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 Daily Dividend	1000	-	45,024.716	-	4,50.52
D) SBI Magnum Income Fund FR Long Term Regular Plan Daily I	10	47,81,703.244	-	4,81.52	-
E) SBI Premeir Liquid Fund Super Institutional Growth Plan	1000	-	60,750.328	-	1,000.00
				513.80	1,483.33
Aggregate amount of Unquoted Investments (at cost)				516.52	1,485.52
Aggregate Market Value of Unquoted Investments				513.80	1,483.33
Aggregate of excess of carrying cost over fair value				2.72	2.19

ORIENTAL CARBON & CHEMICALS LIMITED

	(Rs. in lacs)	
	As at 31st March, 2013	As at 31st March, 2012
14 INVENTORIES		
(Valued at lower of cost or net realisable value)		
Raw Materials	11,25.07	10,94.73
Work-in-Progress	59.57	56.85
Finished Goods	18,52.83	9,35.87
Traded Goods	-	95.76
Stores and Spares	5,96.06	5,62.51
Fuel	43.17	41.76
	36,76.70	27,87.48
Goods in transit included in above inventories are as under :		
Raw Materials	2,14.02	1,08.03
Traded Goods	-	29.22
15 TRADE RECEIVABLES		
(Unsecured, Considered Good)		
Outstanding for a period exceeding six months (from the due date)	1.64	-
Outstanding for a period less than six months from due date	39,56.19	45,30.30
	39,57.83	45,30.30
16 CASH AND BANK BALANCES		
(a) Cash and Cash equivalents:		
Cash on Hand	2.66	5.83
Balance with Banks in Current Accounts	6,37.73	8,39.92
	6,40.39	8,45.75
(b) Other Bank Balances		
Earmarked balances with banks:		
Unpaid Dividend Account	45.36	34.85
Fixed Deposit with Bank*	19.50	13.50
Other Fixed Deposit with original Maturity less than 12 month	2,50.00	-
Other Fixed Deposit with original Maturity more than 12 month**	2,57.64	2,56.98
	5,72.50	3,05.33
	12,12.89	11,51.08
17 OTHER CURRENT ASSETS		
Export incentive Receivable	4.95	41.43
Claims Receivable	12.48	12.01
Accrued Interest Income	2,18.23	1,82.91
Other Receivables (Comprises of Service Tax, CST, Excise Duty receivable etc.)	3,65.75	2,57.28
	6,01.41	4,93.63

* 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. 207.06 against margin money ; (Previous Year Rs. 206.40), which can be withdrawn at any point of time without prior notice or exit costs on the principal amount.

ORIENTAL CARBON & CHEMICALS LIMITED

NOTES ANNEXED TO AND FORMING PART OF STATEMENT OF PROFIT & LOSS

	For the		(Rs. in lacs)	
	Year ended		For the	
	31st March, 2013		Year ended	
			31st March, 2012	
18 REVENUE FROM OPERATIONS				
Sale of Products:				
Insoluble Sulphur	2,15,83.78		2,05,54.95	
Sulphuric Acid & Oleum	<u>19,01.22</u>	2,34,85.00	<u>18,00.67</u>	2,23,55.62
Other Operating Revenues				
Export and Other Incentives		<u>63.52</u>		<u>1,52.22</u>
Gross Revenue from Operations		<u>2,35,48.52</u>		<u>2,25,07.84</u>
Less: Excise Duty		<u>10,04.45</u>		<u>7,25.92</u>
Net Revenue from Operations		<u>2,25,44.07</u>		<u>2,17,81.92</u>
19 OTHER INCOME				
Dividend on Current Investments		32.95		50.10
Interest Income				
- On Deposits	44.68		27.53	
- On Loans	58.87		40.30	
- Others	<u>10.43</u>	1,13.98	<u>3.80</u>	71.63
Loans and Debts earlier written-off, now recovered		<u>87.00</u>		<u>39.85</u>
Net Gain on foreign currency translations and transactions		1,09.36		1,91.49
Rent Received		14.58		15.70
Provision no Longer Required Written Back		35.16		6.25
Adjustment to the carrying amount of				
Investments on Long-term Investments		0.02		-
Profit on Sale of Current Investment		27.86		-
Scrap Sales		57.99		22.49
Miscellaneous Income (comprises of cash discount, Claims & other receipts)		<u>9.03</u>		<u>20.76</u>
		<u>4,87.93</u>		<u>4,18.27</u>
20 COST OF RAW MATERIALS CONSUMED				
Sulphur		31,25.82		31,28.03
Carbon di Sulphide		2,98.00		2,37.85
Coating Oil		32,95.91		31,58.52
Others		<u>7,48.27</u>		<u>7,92.23</u>
		<u>74,68.00</u>		<u>73,16.63</u>
Less: Consumption for Trial Run Production		<u>37.49</u>		<u>29.06</u>
		<u>74,30.51</u>		<u>72,87.57</u>
21 PURCHASE OF TRADED GOODS				
Insoluble Sulphur		<u>78.64</u>		<u>1,82.05</u>
		<u>78.64</u>		<u>1,82.05</u>

ORIENTAL CARBON & CHEMICALS LIMITED

	(Rs. in lacs)	
	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
I Inventories as at the beginning of the Year		
Finished Goods	9,35.87	6,76.13
Work-in-Progress	56.85	42.20
Traded Goods	95.76	1,28.87
	<u>10,88.48</u>	<u>8,47.20</u>
Add: Transferred from Trial Run Production		
Finished Goods	60.06	22.05
Work-in-Progress	13.34	25.60
	<u>73.40</u>	<u>47.65</u>
	<u>11,61.88</u>	<u>8,94.85</u>
II Inventories as at end of the Year		
Finished Goods	18,52.83	9,35.87
Work-in-Progress	59.57	56.85
Traded Goods	-	95.76
	<u>19,12.40</u>	<u>10,88.48</u>
III Change in Inventories (I - II)	<u>(7,50.52)</u>	<u>(1,93.63)</u>
Work-in-Progress includes:		
Insoluble Sulphur	48.77	40.46
Sulphuric Acid	10.80	16.39
	<u>59.57</u>	<u>56.85</u>
23 EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	18,49.10	17,63.81
Contribution to Provident and Other Funds	1,35.85	1,15.52
Employee Welfare Expenses	1,92.28	1,41.66
	<u>21,77.23</u>	<u>20,20.99</u>
Less: Transfer to Capital Work-in-Progress / Capitalised	99.65	2,21.23
	<u>20,77.58</u>	<u>17,99.76</u>
24 OTHER EXPENSES		
Stores Consumed	47.23	59.16
Packing cost	5,58.21	4,53.29
Power and Fuel	36,59.87	27,79.93
Water Charges	50.08	20.04
Rent and Lease Rent*	1,26.16	1,29.62
Rates and Taxes	28.36	42.44
Insurance	1,02.42	77.07
Repairs to Buildings	40.21	79.95
Repairs to Machinery	5,40.89	4,51.38
Repairs to Others	75.69	55.96
Freight & Forwarding Expenses	13,27.08	12,99.69
Commission and Discount	3,05.34	2,94.40
Travelling Expenses	2,00.73	1,71.59
Legal & Professional expenses	2,41.30	2,83.43
Service Charges	1,70.27	1,50.79
Loss on sale/discard of Fixed Assets (Net)	1.48	33.50
Bad Advances / Debts	4.10	0.26

ORIENTAL CARBON & CHEMICALS LIMITED

	For the Year ended 31st March, 2013	(Rs. in lacs) For the Year ended 31st March, 2012
Donations	35.51	31.40
Net Loss on Foreign Currency Translations and Transactions (other than considered as Finance Cost)	-	5,03.24
Excess of Carrying Cost over Fair value of Current Investments	0.53	1.56
Excise Duty on Increase of finished goods Stock	22.39	5.52
Directors' Commission & Fees	22.80	27.00
Prior period Expenses	-	2.26
Miscellaneous Expenses **	4,67.07	5,32.53
	80,27.72	74,86.01
Less: Transfer to Capital Work-in-Progress / Capitalised	74.50	3,54.71
	79,53.22	71,31.30
* Net of recovery Rs. 19.31 (Previous year Rs.33.07)		
** Miscellaneous Expenses Include Auditors Remuneration:		
i) Statutory Auditors:		
As Auditors	8.75	7.25
For Limited Review	1.50	0.75
For Tax Audit	1.00	0.60
For Certifications and other matters	2.85	1.78
Travelling and other out of pocket expenses	0.29	0.22
	14.39	10.60
ii) Cost Auditors:		
As Auditors	1.20	0.38
Travelling and other out of pocket expenses	0.03	0.06
	1.23	0.44
	15.62	11.04
25 FINANCE COST		
Interest	11,82.48	8,96.51
Other Borrowing Cost	1,37.81	1,87.36
Loss on Foreign Currency Translations & Transactions (considered as Finance cost)	-	23.92
	13,20.29	11,07.79
Less: Transfer to Capital Work-in-Progress / Capitalised	42.64	2,76.57
	12,77.65	8,31.22
26 DEPRECIATION AND AMORTISATION		
Depreciation on tangible assets (Note 10)	9,36.07	7,35.15
Less: Transfer from Revaluation Reserve	8.55	8.55
	9,27.52	7,26.60
Amortisation of Intangible Assets	34.48	-
	9,62.00	7,26.60
Less: Transfer to Capital Work-in-Progress / Capitalised	0.59	14.47
	9,61.41	7,12.13
27 CURRENT TAX		
Current Tax for the year	7,99.50	13,16.00
Less: MAT Credit Entitlement	1,13.52	-
Less: Taxation adjustments for earlier years (Net) (including MAT credit entitlement Rs. 3,39.08 (previous year NIL))	4,10.01	0.98
	2,75.97	13,15.02

ORIENTAL CARBON & CHEMICALS LIMITED

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 at 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) Classification of Assets and Liabilities as Current and Non Current

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current/ non-current classification of assets and liabilities.

(D) 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.

(E) Fixed 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.

(F) Depreciation

Tangible Assets

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.

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Intangible Assets

Depreciation of Intangible assets is allocated on a systematic basis over the best estimate of their useful life and accordingly software is amortised on straight line basis over the period of five years.

(G) 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 Statement of Profit & Loss. 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.

(H) Foreign Currency Transactions

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 currency 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 Statement of Profit & Loss 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, covered under AS-11(i.e. The Effects of Changes in Foreign Exchange Rates) are recognised over the tenure of the contract.

(I) 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 weighted average cost. 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.

(J) Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Primary Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Revenue, Expense, Assets and Liabilities, which relate to the Company as a whole and could not be allocated to segments on a reasonable basis, have been classified as unallocated. Secondary segment is identified based on geography by location of customers i.e. in India and outside India. Inter-segment revenue have been accounted for based on the transaction price agreed to between the segments, which is primarily market based.

(K) Retirement and other employee benefits

1 Retirement benefits in the form of Provident Fund and Superannuation Scheme, which are

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defined contribution plans, are charged to the Statement of Profit & Loss 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.

(L) 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.

(M) 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 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 Statement of Profit and Loss 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.

(N) 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.

(O) Operating Leases

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

(P) 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 Statement of Profit & Loss. As prudent accounting policy, gain on marked to market at the end of year are not accounted for.

(Q) 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.

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(R) Contingent Liabilities

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. In Lacs)	
	As At	As At
	31st March, 2013	31st March, 2012
29 Contingent Liabilities & Commitments:		
29.01 Contingent Liabilities		
(i) Bank Guarantees given to various Govt. Authorities/Others (Margin money/Short Term Deposits Rs. 1.54 ; Previous year Rs. 1.54)	10.26	10.26
(ii) Bills discounted with Banks	15,05.47	6,77.32
(iii) Central Excise demand under appeal (Deposited Rs.85.58 ; Previous year Rs. 85.58)	1,05.58	1,05.58
(iv) Other demands under appeal (Deposited Rs.12.00 ; Previous year Rs.12.00)	22.69	22.69
(v) Custom Duty liability on import of raw material under Advance Licence	55.57	37.65
29.02 Commitments		
(i) Estimated amount of capital commitments outstanding and not provided for (Gross) (Advance Paid Rs. 10,25.32; Previous Year Rs. 4,19.32)	26,89.22	7,75.34
(ii) The Company has entered into an agreement with a foreign company to buy its holding of 18,48,000 equity shares in a domestic company.	-	14,53.00

30 Other Notes on Accounts

30.01 During this year the Company has acquired 18,48,500 equity shares (of Rs. 10 each) at a value of Rs. 14,53.65 of M/S Schrader Duncan Limited. Thereby the said Company became subsidiary of the Company with effect from 13.04.2013.

30.02 Consequently upon the implementation of SAP 6.1 during the year, the Company has changed its method of determining cost of Raw Materials from FIFO to Weighted Average Method. However, it has no material impact on the valuation of the Raw Material Stock.

30.03 Disclosure relating to amount outstanding at year end and maximum outstanding during the year of loans and advances, in nature of loan, required as per clause 32 of the Listing Agreement, are given below:

Particulars	Balance	Maximum	Balance	Maximum
	As At	Outstanding	As At	Outstanding
	31st March,	During	31st March,	During
	2013	the year 2013	2012	the year 2012
	Rs.	Rs.	Rs.	Rs.
(a) Subsidiary Company				
Schrader Duncan Limited	200.00	250.00	-	-

ORIENTAL CARBON & CHEMICALS LIMITED

(Rs. in Lacs)

30.04 Disclosure as per Accounting Standard - 15 (Employees' Benefits)

	As At 31st March, 2013	As At 31st March, 2012
Define Contribution Plan -		
The Company has recognized the following amounts in the Statement of Profit & Loss for the year		
Contribution to Employees Provident Fund	63.34	57.33
Contribution to Superannuation Fund	39.75	32.14
Define Benefit Plan -		
The following table set out the status of the gratuity plan as required under AS 15 (Revised 2005):		
(a) A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):		
Opening DBO	2,10.24	1,91.56
Past & Current Service Cost	19.79	17.83
Interest cost	17.74	16.07
Actuarial (gain)/loss	7.95	4.94
Benefits paid	(22.34)	(20.16)
Closing DBO	2,33.37	2,10.24
(b) A reconciliation of opening and closing balances of the fair value of plan assets:		
Opening fair value of plan assets	1,87.61	1,55.39
Expected Return on Plan Assets	15.17	12.78
Actuarial gain/(loss)	(1.54)	-
Contribution by the employer	26.50	39.60
Benefits paid	(22.34)	(20.16)
Closing fair value of plan assets	2,05.40	1,87.61
(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	2,33.37	2,10.24
Fair value of the plan assets at the end of the year	2,05.40	1,87.61
Liability recognized in the balance sheet	27.97	22.63
(d) The total expense recognised in the Statement of Profit and Loss:		
Current service cost	19.79	17.83
Interest cost	17.74	16.07
Expected return on plan assets	(15.17)	(12.78)
Actuarial (gains)/loss	9.49	4.94
Net Gratuity cost	31.85	26.06

ORIENTAL CARBON & CHEMICALS LIMITED

(Rs. in Lacs)

	As At 31st March, 2013	As At 31st March, 2012
(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	47	45
Public Sector Bonds	40	37
Special Deposit Scheme	1	1
Bank Balances to be Invested	12	17
(f) Following are the Principal Actuarial Assumptions used as at the balance sheet date:		
Discount rate	8	8
Expected rates of return on any plan assets	8	8
Average Salary escalation rate	5	6
Average remaining working life of the employees (years)	17	17

- (g) Disclosure as required under Para 120(n);
Amounts recognised in current year and previous four years

	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009
Present value of defined benefit obligation	2,33.37	2,10.24	1,91.56	1,62.95	1,25.79
Fair Value of Plan Assets	2,05.40	1,87.61	1,55.39	1,43.36	1,23.03
Surplus/ (Deficit) in the Plan	27.97	22.63	36.17	19.59	2.76
Experience adjustments on Plan Liabilities Gain/ (Loss)	9.49	4.94	20.20	16.39	7.22
Experience adjustments on Plan Assets Gain/ (Loss)	(1.54)	-	-	-	-

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

(Rs. in lacs)

30.05 Segment Reporting

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 31.03.2013

Information about Business Segment - Primary

Reportable Segments	Chemicals		Insoluble Sulphur		Elimination		Total	
	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
Revenue								
External	16,89.55	16,33.07	2,08,54.52	2,01,48.85	-	-	2,25,44.07	2,17,81.92
Inter Segment Revenue	4,97.29	4,45.95	-	-	(4,97.29)	(4,45.95)	-	-
Total Revenue from operations	21,86.84	20,79.02	2,08,54.52	2,01,48.85	(4,97.29)	(4,45.95)	2,25,44.07	2,17,81.92
Result								
Segment Result	3,52.34	95.26	47,11.27	50,68.43	-	-	50,63.61	51,63.69
Unallocated Corporate Income (Net)							(2,17.55)	(1,17.32)
Finance cost							12,77.65	8,31.22
Profit before Tax							40,03.51	44,49.79
Less: Provision for Taxation (Including Deferred Tax)							12,65.06	13,04.03
Profit after Tax							27,38.45	31,45.76
Other Information								
Segment Assets	7,74.86	6,28.92	2,95,27.83	2,78,38.03	-	-	3,03,02.69	2,84,66.95
Unallocated Corporate Assets							31,21.94	21,01.58
Total Assets							3,34,24.63	3,05,68.53
Segment Liabilities	1,24.23	1,52.24	19,53.19	21,13.45	-	-	20,77.42	22,65.69
Unallocated Corporate Liabilities (Including Deferred Tax Liabilities Rs.16,30.22 (Previous year Rs.6,41.13))							21,89.70	11,85.68
Total Liabilities							42,67.12	34,51.37
Capital Expenditure	89.06	10.49	15,17.40	74,35.22	-	-	16,06.46	74,45.71
Depreciation	3.19	25.11	9,58.22	6,87.02	-	-	9,61.41	7,12.13

ORIENTAL CARBON & CHEMICALS LIMITED

(Rs. in lacs)

Secondary Segment - Geographical by location of customers						
Reportable Segments	Domestic		Export		Total	
	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
Revenue	73,84.00	68,09.97	1,51,60.07	1,49,71.95	2,25,44.07	2,17,81.92
Carrying amount of Trade Receivable	15,02.15	16,60.72	24,55.68	28,69.58	39,57.83	45,30.30
Finished Goods Stock	3,78.39	31,0.07	14,74.44	7,21.56	18,52.83	10,31.63
Other Information: The company has common assets for producing goods for domestic market and overseas market.						

Notes:

- (i) The Company is organised into two main business segments, namely;
 - Chemicals(Including Sulphuric Acid and 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) 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.
- (iii) Segment, Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

30.06 Related Party Disclosures (To the extent Identified by the company)

1. Name & Relationship of the Related Parties:

- (a) Schrader Duncan Limited : Subsidiary Company
- (b) Duncan International (India) Limited : Associate
- (c) Mr. Arvind Goenka - Managing Director : Key Management Personnel
- (d) Mr. Akshat Goenka - Son of Mr. Arvind Goenka : Relative of Key Management Personnel

2. Transactions with Related Parties during the year:

Particulars	Subsidiary Company		Associate		Key Management Personnel		Relative of Key Management Personnel	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Loans & Advances given	3,50.00	-	-	-	-	-	-	-
(b) Interest received on Loans & Advances	21.43	-	-	-	-	-	-	-
(c) Service charges reimbursed	-	-	1,05.00	84.82	-	-	-	-
(d) Expenses reimbursed (Net)	25.38	-	0.08	13.01	-	-	-	-
(e) Remuneration	-	-	-	-	95.10	89.69	11.67	3.79
(f) Dividend Paid	-	-	46.84	37.47	7.81	4.64	5.00	4.00
(g) Outstanding as on 31.03.2013								
Receivable	2,03.81	-	0.15	-	-	-	-	-
Payable	-	-	-	5.05	29.14	27.66	1.03	0.42

ORIENTAL CARBON & CHEMICALS LIMITED

30.07 Earnings per Share (EPS)

(Rs. in lacs)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Profit/(Loss) attributable to the Equity Shareholders(A) (Rs. in Lacs)	27,38.45	31,45.76
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	26.60	30.55

30.08 (i) Outstanding Forward Covers in respect of foreign currencies for Hedging future export sales are as follows:

(Foreign currency in Lacs)

Currency	Cross Currency	As on 31st March, 2013	As on 31st March, 2012
USD	INR	44.05	50.00
EURO	USD	16.91	-
EURO	INR	31.16	50.50

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

Currency	Cross Currency	Payables				Receivable			
		As on 31st March, 2013		As on 31st March, 2012		As on 31st March, 2013		As on 31st March, 2012	
		Foreign Currency	Rs.	Foreign Currency	Rs.	Foreign Currency	Rs.	Foreign Currency	Rs.
USD	INR	36.15	19,66.46	19.31	9,88.61	1.62	87.94	14.23	7,28.15
EURO	INR	15.99	11,12.24	12.19	8,33.08	8.23	5,72.62	30.76	21,01.99
GBP	INR	-	-	-	-	0.68	56.12	0.68	55.77

30.09 Value of Imported and Indigenous Raw Materials consumed and percentage thereof:

	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
	Rs.	%	Rs.	%
Indigenous	60,72.49	81.72	59,40.90	81.52
Imported	13,58.02	18.28	13,46.67	18.48
	74,30.51	100.00	72,87.57	100.00

30.10 Value of Imported and Indigenous Stores & Spare Parts consumed and percentage thereof: *

Indigenous	43.75	100.00	55.68	100.00
Imported	-	-	-	-
	43.75	100.00	55.68	100.00

* Excluding charged to machinery repairs and capitalised.

ORIENTAL CARBON & CHEMICALS LIMITED

30.11 C.I.F. Value of Imports:	(Rs. in lacs)	
	Fo the year ended 31st March, 2013	Fo the year ended 31st March, 2012
Raw Materials	13,88.50	12,90.54
Capital Goods	8.15	11,38.57
Components and Spare Parts	18.05	83.47
Traded Goods	76.16	1,72.53
Others	11.25	2,76.65
30.12 Earning in Foreign Exchange		
Export on F.O.B. Basis (Includes Deemed / Indirect Exports Rs. 1.30; Previous year Rs. 2.30)	1,42,68.72	1,40,06.31
30.13 Expenditure in Foreign Currency		
Acquisition of Shares of Subsidiary Company	13,00.35	-
Commission and Discount	2,85.72	1,97.23
Travelling	44.13	28.14
Legal & Professional Charges	3.66	1.87
Others	1,27.67	93.28
30.14 Remittance in Foreign Currency on account of Dividends:		
Number of Non-Resident Shareholders	92	243
Number of Shares held by Non-Resident Shareholders	55,876	91,546
Due to non-compliance of legal formalities by Non-Resident Shareholders, no dividend amount has been remitted to them.		
30.15	Due to commencement of Phase II of new project at Mundra, current year's figures are not comparable with previous year.	
30.16	Previous year figures have been reclassified/regrouped to conform current year figures.	

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 : 29th May, 2013

B.K. SIPANI
Partner
Membership No. 88926

P.K. MAITY
Company Secretary

O.P. DUBEY
Director

ORIENTAL CARBON & CHEMICALS LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Oriental Carbon & Chemicals Limited

We have audited the accompanying consolidated financial statements of Oriental Carbon & Chemicals Limited, ("the Company") and its subsidiary, which comprise the consolidated Balance Sheet as at 31st March, 2013 and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India;

- a. In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b. In the case of consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

B.K. Sipani
Partner
Membership No. 88926

Place: New Delhi
Date :29th May, 2013

ORIENTAL CARBON & CHEMICALS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.	(Rs. in Lacs) As at 31st March, 2013
I EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share Capital	1	10,31.13
(b) Reserves and Surplus	2	1,64,64.71
		<u>1,74,95.84</u>
(2) Minority Interest		
		17,54.11
(3) Non-Current Liabilities		
(a) Long-Term Borrowings	3	81,90.94
(b) Deferred Tax Liabilities (Net)	4	16,30.22
(c) Other Long-Term Liabilities	5	37.12
(d) Long-Term Provisions	6	88.88
		<u>99,47.16</u>
(4) Current Liabilities		
(a) Short-Term Borrowings	7	30,76.51
(b) Trade Payables	8	23,58.62
(c) Other Current Liabilities	9	33,47.71
(d) Short-Term Provisions	6	6,48.98
		<u>94,31.82</u>
TOTAL		<u>3,86,28.93</u>
II ASSETS		
(1) Non-Current Assets		
(a) Fixed Assets		
(i) Tangible Assets	10	2,16,24.05
(ii) Intangible Assets	10	1,50.76
(iii) Capital Work-in-Progress		3,22.51
(iv) Intangible Assets under Development		-
(b) Non-Current Investments	11	30.63
(c) Long-Term Loans and Advances	12	24,87.49
		<u>2,46,15.44</u>
(2) Current Assets		
(a) Current Investments	13	5,13.80
(b) Inventories	14	50,52.71
(c) Trade Receivables	15	56,62.09
(d) Cash and Bank Balances	16	13,12.71
(e) Short-Term Loans and Advances	12	6,01.42
(f) Other Current Assets	17	8,70.76
		<u>1,40,13.49</u>
TOTAL		<u>3,86,28.93</u>
Summary of Significant Accounting Policies	28.02	
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 : 29th May, 2013

B.K. SIPANI
Partner
Membership No. 88926

P.K. MAITY
Company Secretary

O.P. DUBEY
Director

ORIENTAL CARBON & CHEMICALS LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

		(Rs. in Lacs)
		For the year ended
		31st March, 2013
	Note No.	
I REVENUES		
Revenue from Operations	18	3,04,86.77
Less Excise duty		17,49.51
Revenue from Operations (Net)		<u>2,87,37.26</u>
II OTHER INCOME	19	5,77.65
III Total Revenues (I + II)		<u>2,93,14.91</u>
IV EXPENSES		
Cost of Raw Materials Consumed	20	1,17,39.43
Purchase of Traded Goods	21	1,02.22
Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	22	(9,74.25)
Employee Benefits Expense	23	31,05.10
Other Expenses	24	91,14.32
V Total		<u>2,30,86.82</u>
VI Profit before finance cost, depreciation & amortisation and tax (III - V)		62,28.09
VII Finance Cost	25	15,45.90
VIII Depreciation and Amortization	26	12,05.07
IX Profit before Exceptional Items and Tax (VI - VII - VIII)		34,77.12
X Exceptional items	27.01	(3,05.78)
XI Profit before tax and Minority Interest (IX - X)		37,82.90
Tax Expense:		
Current Tax	27	4.48
Deferred Tax (Net)		9,89.09
Profit for the year before Minority Interest etc		<u>27,89.33</u>
Less : Pre-acquisition profit transferred to Capital Reserve on Consolidation 28.01 (c)		0.84
: Share of Minority Interest		25.43
Profit for the Year		<u>27,63.06</u>
Basic & Diluted Earnings Per Equity Share (of Rs.10/- each) (Rs.)	30.04	
- Before Exceptional Items		23.87
- After Exceptional Items		26.84
Summary of Significant Accounting Policies	28.02	
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 : 29th May, 2013

B.K. SIPANI
Partner
Membership No. 88926

P.K. MAITY
Company Secretary

O.P. DUBEY
Director

ORIENTAL CARBON & CHEMICALS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs. in Lacs)

	Current Year	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extra ordinary items	37,82.90	
Adjustments for:		
Depreciation	12,05.07	
Loss on Sale / Discard of Fixed Assets (Net)	21.38	
Finance Cost	15,45.90	
Interest Income	(98.20)	
Loans earlier written off, now recovered	(87.00)	
Bad Advance / Debts	4.10	
Profit on Sale of Current Investment	(27.86)	
Liabilities no longer required	(8.23)	
Dividend on Current Investments	(32.95)	
Dividend on Non-Current Investments	(0.50)	
Profit on Sale of Land	(4,47.76)	
Provision for Doubtful debts written back	(23.15)	
Adjustment to the carrying amount of Investments on Long-term Investments	(0.02)	
Excess of Carrying Cost over Fair value of Current Investments	0.53	
Operating Profit before Working Capital Changes	58,34.21	
Adjustments for :		
Trade and Other Receivables	(93.65)	
Inventories	(11,75.70)	
Trade and Other Payables	11.36	
Cash generated from Operations	45,76.22	
Direct Tax Paid (Net)	(13,45.12)	
Net cash from Operating Activities		32,31.10
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/Expenditure on New Project	(24,69.60)	
Loans to Bodies Corporate/ Others (Net)	(68.01)	
Investments Purchased	(14,54.18)	
Movement in Fixed deposits	(2,56.66)	
Sale of Fixed Assets	21,45.37	
Advance received for sale of land	2,61.30	
Decrease in Value of Investments	(0.50)	
Loans earlier written off, now recovered	87.00	
Investment sold	9,97.39	
Dividend on Current Investments	32.95	
Dividend on Non-Current Investments	0.50	
Interest Received	84.29	
Net Cash used in investing activities		(6,40.15)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(5,14.80)	
Tax on Dividend	(83.51)	
Long Term Borrowings	6,61.76	
Working Capital From Banks	(14,17.09)	
Proceeds from short-term borrowings	30.00	
Interest and Financial Costs paid	(15,59.25)	
Net Cash From Financing Activities		(28,82.89)
Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)		(2,91.94)
Opening Balance of Cash and Cash Equivalents		9,45.83
Cash and Cash Equivalents taken over due to Merger		22.24
Closing Balance of Cash and Cash Equivalents		6,76.13
Cash & Cash Equivalents Comprise		
Cash on Hand		3.52
Balance with Scheduled Banks in Current Accounts and EEFC Accounts		6,72.61
		<u>6,76.13</u>

Note:

- (i) Figures in bracket represent outflows.
(ii) Cash & cash equivalents excludes Rs. 64.04 lying in designated account with scheduled banks on account of unclaimed dividend and Rs. 5,72.54 in fixed deposits with banks and Margin Money 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

Place : New Delhi
Date : 29th May, 2013

B.K. SIPANI
Partner
Membership No. 88926

P.K. MAITY
Company Secretary

O.P. DUBEY
Director

ORIENTAL CARBON & CHEMICALS LIMITED

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET

(Rs. in Lacs)
As at
31st March, 2013

1 Share Capital

Authorised:

1,49,90,000 Equity Shares of Rs. 10 each	14,99.00
1,000 - 11% Redeemable Cumulative Preference Shares of Rs. 100/- each	1.00
	15,00.00

Issued

103,29,814 Equity shares of Rs. 10/- each	10,32.98
	10,32.98

Subscribed and Fully Paid-up:

1,02,96,062 Equity shares of Rs. 10/- each fully Paid-up	10,29.61
Add: Forfeited Shares (Amount Originally Paid-up)	1.52
	10,31.13

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 to the number of equity shares held by the Shareholders. There is no restriction on distribution of dividend. However, same except interim dividend 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
Equity shares outstanding at the end the of the year	10296062

Shareholder holding more than 5 percent Equity shares of the Company:

S. Name of shareholder No.	As at 31st March, 2013	
	Number of Shares held	Percentage of holding
1 Cosmopolitan Investments Ltd	1904528	18.50%
2 New India Investment corporation Ltd	1202136	11.68%
3 Duncan International (India) Ltd	936809	9.10%
4 Haldia Investment Company Ltd	591895	5.75%

2 Reserves and Surplus

(i) Capital Reserve

Balance as per last Financial Statement	17,32.18
Add: Capital Reserve on Consolidation	2,76.81
	20,08.99

(ii) Capital Redemption Reserve

Balance as per last Financial Statement	0.25
	0.25

(iii) Share Premium Account

Balance as per last Financial Statement	17,92.64
	17,92.64

ORIENTAL CARBON & CHEMICALS LIMITED

	(Rs. in Lacs) As at 31st March, 2013
(iv) Revaluation Reserve	
Balance as per last Financial Statement	1,28.62
Less: Transfer to Statement of Profit & Loss (Note. 26)	8.55
	1,20.07
(v) General Reserve	
Balance as per last Financial Statement	17,13.88
Add: Transfer from Surplus in Statement of Profit & Loss	4,00.00
	21,13.88
(vi) Surplus in Statement of Profit & Loss	
Balance as per last Financial Statement	86,66.53
Add: Profit for the year	27,63.06
	1,14,29.59
Less: Appropriations	
Interim Dividend	2,05.92
Tax on Interim Dividend	33.41
Proposed Final Dividend @	3,08.88
Tax on Proposed Final Dividend	52.50
Transfer to General Reserve	4,00.00
	1,04,28.88
Total Reserves and Surplus (i to vi)	1,64,64.71

@ The Board of Directors of Holding Company have recommended Final dividend of Rs. 3/-per Equity Share of Rs. 10/- each for the year ended 31st March, 2013. 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 As at 31.03.2013	Current Portion As at 31.03.2013
(i) Secured		
Term Loans From Banks (a.1)	70,90.64	15,55.10
Term Loans From a Bank (a.2)	4,71.25	2,31.36
Housing Loans from HDFC Ltd. (b)	2,63.25	1,50.17
Vehicle Loans from Banks (c)	41.26	42.44
	78,66.40	19,79.07
(ii) Unsecured		
Fixed Deposits (d)	3,24.54	1,91.64
	3,24.54	1,91.64
(iii) Amount disclosed under the head "Other current liabilities" (Note No. 9)	-	21,70.71
Total (i + ii -iii)	81,90.94	-

ORIENTAL CARBON & CHEMICALS LIMITED

- (a) (i) Securities: (Rs. in Lacs)**
- (a.1) Secured by first exclusive charge on entire fixed assets including equitable mortgage of factory land and building of Dharuhera unit of Holding Company and first pari-pasu charge with Exim Bank on entire fixed assets including equitable mortgage of factory land and building of SEZ Mundra Unit of Holding Company and second pari-pasu charge with Exim Bank on entire current assets of the Holding Company.
- (a.2) Secured by primary 1st exclusive mortgage/ hypothecation charge on the tangible movable/ immovable fixed assets of the Subsidiary Company at Ranjangaon, Pune and collateral charge on the current assets of the Subsidiary Company. Further Secured by Corporate Guarantees of the Holding Company and Cosmopolitan Investments Ltd.

(ii) Terms of Repayments of Non-Current portion of Term Loans from Banks

AS AT 31ST MARCH, 2013

As at 31.03.2013	Rate of Interest	No of Installments outstanding	Periodicity
994.45	12.40% linked with Base Rate	12	Quarterly Equal
1006.20	4.87% linked with Libor Rate		
959.70	5.26% linked with Libor Rate		
768.01	4.96% linked with Libor Rate	17	Quarterly Equal
3362.28	12.40% linked with Base Rate	19	Quarterly Graded
7090.64			
471.25	14.10% linked with Base Rate	24	Monthly Equal
7561.89			

(b) Housing Loans From HDFC Ltd.

- i) Rs. 326.66 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 non-current portion is repayable within a period of 10 months as per the repayment schedule.
- ii) Rs. 25.36 is secured by way of equitable mortgage of three residential flats at Bhiwadi, Rajasthan and non-current portion is repayable within a period of 9 months as per the repayment schedule.
- iii) Rs. 61.40 to be secured by way of first equitable mortgage of two residential flats at Gurgaon, Haryana and non-current portion is repayable within a period of 60 months as per the repayment schedule.
- (c) Secured by hypothecation of vehicles purchased under the scheme and non-current portion is repayable within a period of 19 months as per the repayment schedule.
- (d) Fixed deposits from public carries rate of interest @ 11.50% to 12% p.a and non-current portion is repayable after 1 to 3 years from the date of acceptance of Deposits.

	As at 31st March, 2013
4 Deferred Tax Liabilities (Net)	
Deferred Tax Liability on account of Depreciation and Amortisation Expenses	18,98.53
	18,98.53
Deferred Tax Assets on account of *	
Amount allowable on payment basis u/s 43B	18.75
Voluntary Retirement Scheme	2,49.56
	268.31
Deferred Tax Liability / (Asset) Net	16,30.22
*On consideration of prudence, the Subsidiary Company has accounted deferred tax assets only to the extent of deferred tax liabilities.	
5 Other Long-Term Liabilities	
Interest Accrued but not due on Fixed Deposits	37.12
	37.12

ORIENTAL CARBON & CHEMICALS LIMITED

	(Rs. in Lacs)	
6 Provisions	Long - Term	Short - Term
	As at	As at
	31st March 2013	31st March 2013
Provision for Employee Benefits	84.46	76.97
Proposed Final Dividend	-	3,08.88
Tax on Proposed Final Dividend	-	52.50
Provision for Sales Tax Liability against pending C-Forms*	-	99.73
Provision for Current Tax (Net)	4.42	1,10.90
	88.88	6,48.98

* During the year, the Subsidiary Company has received Sales Tax Assessment order for the year 2005-06 and 2008-09. The Subsidiary Company is still receiving some C forms and went into the Appeal. During the year, on Prudence basis, the Subsidiary Company has provided the potential sales tax liability amounting Rs. 76.62 for the years from 2005-06 to 2008-09 and included in above balance.

	As at
	31st March, 2013
7 Short-Term Borrowings	
Secured	
Loans repayable on Demand	
Cash Credit & Packing Credit facilities from Banks	30,76.51
	30,76.51

Securities

In respect of Holding Company, Cash Credit & Packing Credit facilities aggregating Rs. 21,91.37 are secured by first exclusive charge on entire current assets of the Holding Company and second charge over the entire fixed assets including equitable mortgage of factory land and building of Mundra SEZ unit and second pari-pasu charge with Exim Bank on entire fixed assets including equitable mortgage of factory land and building of Dharuhera unit and other fixed assets of the Holding Company (except assets having specific charge).

In respect of Subsidiary Company, Cash Credit & Packing Credit facilities aggregating Rs. 8,85.14 are secured by Primary first hypothecation charge on entire current assets of the Subsidiary Company, both present & future and collateral first charge on movable / tangible fixed assets at Ranjangaon, Pune of the Subsidiary Company. Further secured by Corporate Guarantees of the Holding Company and Cosmopolitan Investments Ltd.

8 Trade Payables	
Micro, Small and Medium Enterprises **	1,66.01
Others	21,92.61
	23,58.62

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

In respect of Subsidiary Company, information related to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Subsidiary Company:

Particulars	As at
	31.03.2013
a) Principal amount due	1,66.01
b) Interest due and remaining unpaid as at year end	0.25
c) Further interest remaining due and payable for earlier years	0.25

ORIENTAL CARBON & CHEMICALS LIMITED

(Rs. in Lacs)
As at 31.03.2013

9 Other Current Liabilities

Current maturities of Long-Term Debts	17,86.46
Current maturities of Housing Loans	1,50.17
Current maturities of Vehicle Loans	42.44
Current maturities of Fixed Deposits	1,91.64
Interest accrued and due on borrowings	75.56
Advance Received from and Credit Balance of Customers	75.09
Unpaid Dividend	64.04
Unpaid and Unclaimed Matured Deposits & interest accrued thereon #	26.63
Creditors for Capital Goods	1,10.78
Statutory Dues Payable	3,27.85
Employees Liabilities	3,44.71
Security Deposits	18.69
Directors' Commission	15.20
Other Payable	1,18.45
	33,47.71

Includes Rs. 12.95 under Legal Disputes between the Joint Holders of the fixed deposits.

10 Fixed Assets

DESCRIPTION	GROSS BLOCK COST/BOOK VALUE				DEPRECIATION & AMORTISATION				NET BOOK VALUE
	As At March 31, 2012	Additions/ Adjust- ments	Deduc- tions	As At March 31, 2013	As At March 31, 2012	For the year	Deduc- tions	As at March 31, 2013	As at March 31, 2013
A. Tangible Assets									
Leasehold Land	8,48.93	-	1.36	8,47.57	43.38	23.63	0.53	66.48	7,81.09
Freehold Land	83.41	24.89	-	1,08.30*	-	-	-	-	1,08.30
Leasehold Building **	14,47.01	6.04	12.48	14,40.57	1,12.21	39.74	11.43	1,40.52	13,00.05
Buildings	59,41.00	8,92.48	-	68,33.48 *	5,46.45	1,68.88	-	7,15.33	61,18.15
Plant and Equipment	1,31,72.76	40,60.18	1,57.91	1,70,75.03*	53,90.61	7,60.83	1,34.58	6,016.86	1,10,58.17
Electral Installations	15,39.49	4,12.97	9.47	19,42.99 *	4,31.12	84.22	5.44	5,09.90	14,33.09
Furniture & Fittings	3,62.25	66.73	15.61	4,13.37	1,10.06	24.34	8.90	1,25.50	2,87.87
Vehicles	3,12.87	97.77	45.06	3,65.58	1,10.04	33.43	37.44	1,06.03	2,59.55
Air-Conditioners & Coolers	84.03	16.22	2.75	97.50	15.34	4.42	1.03	18.73	78.77
Office Equipment	2,84.78	62.14	21.17	3,25.75	1,14.21	30.41	17.88	1,26.74	1,99.01
Leasehold Improvement	28.51	-	28.51	-	28.19	0.02	28.21	-	-
Total	2,41,05.04	56,39.42	2,94.32	2,94,50.14	69,01.61	11,69.92	2,45.44	78,26.09	2,16,24.05
B. Intangible Assets									
Software	43.11	1,77.98	0.26	2,20.83	26.05	44.28	0.26	70.07	1,50.76
Grand Total (A+B)	2,41,48.15	58,17.40	2,94.58	2,96,70.97	69,27.66	12,14.20	2,45.70	78,96.16	2,17,74.81

* Includes amount added on revaluation Rs. 2,72.45 during 1992-93 relating to Holding Company.

** In case of Subsidiary Company, advance Rent against lease premises (Net Block Rs. 8.98) is being amortised over the lease period of 60 years

Notes:

(i) Gross Block includes Rs.1,75.24 purchased under Car Finance Scheme.

(ii) IInd Phase of Project at Mundra SEZ has commenced commercial production on 15th May'2012. Pre-Operative and Start up expenses aggregating Rs. 3,00.24 have been allocated to fixed assets proportionate to their direct cost.

(iii) 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. 17.03 on long term foreign currency borrowing has been added to the depreciable fixed assets acquired. As at 31st March 2013, Rs.82.27 remain to be amortised over the balance life of the assets and consequently profit for the year is higher by Rs. 5.28.

ORIENTAL CARBON & CHEMICALS LIMITED

		(Rs. in Lacs)	
		As at 31st March, 2013	
11 Non-Current Investments			
Long Term Investment (Non Trade)			
Investment in Equity Shares - Quoted (at Cost)			17.51
Less: Provision for Diminution in Value of Investments			0.81
			<u>16.70</u>
Investment in Equity Shares - Unquoted (at Cost)			0.19
Investment in Mutual Fund - Unquoted (at Cost)			13.74
			<u>13.93</u>
			<u>30.63</u>
Aggregate amount of Quoted Investments			17.51
Aggregate amount of Unquoted Investments			13.93
Aggregate market value of Quoted Investments			20.45
Aggregate provision for diminution in value of investments			0.81
12 Loans and Advances			
(Unsecured, Considered Good)			
	Long - Term	Short - Term	
	As at	As at	
	31st March 2013	31st March 2013	
Loan to Bodies Corporate	4,17.00	-	
Capital Advances *	11,00.32	-	
Security Deposits	3,88.60	48.19	
Loan and Advances to Employees	39.92	46.00	
Balances with Government Authorities	-	1,83.85	
Other Advances	-	2,48.98	
Prepaid Expenses	3.73	74.40	
MAT Credit Entitlement	5,37.92	-	
	<u>24,87.49</u>	<u>6,01.42</u>	
* Capital Advances include Rs. 75.00 to a company under liquidation against the use of an office premises. The same is pending transfer in favour of the Holding Company as per agreed terms.			
13 Current Investments			
Unquoted (At Cost or Fair Value whichever is Lower)			
Investments in Mutual Funds			5,13.80
			<u>5,13.80</u>
Aggregate amount of Unquoted Investments (at Cost)			5,16.52
Aggregate market value of Unquoted Investments			5,13.80
Aggregate of excess of carrying cost over fair value			2.72
14 Inventories:			
(Valued at lower of cost or net realisable value)			
Raw Materials *			18,67.22
Work-in-Progress			3,83.88
Finished Goods			20,08.75
Traded goods			8.87
Scrap			1,23.51
Stores and Spares			6,17.31
Fuel			43.17
			<u>50,52.71</u>
* Including Goods in transit amounting Rs. 2,14.02			

ORIENTAL CARBON & CHEMICALS LIMITED

(Rs. in Lacs)
As at 31.03.2013

15 Trade Receivables:

Outstanding for a period exceeding six months (from due date)	
Secured, Considered Good	0.37
Unsecured, Considered Good	51.79
Outstanding for a period less than six months (from due date)	
Secured, Considered Good	6.05
Unsecured, Considered Good	56,03.88
	56,62.09

16 Cash and Bank Balances:

(a) Cash and Cash Equivalents

Cash on hand	3.52
Balance with Banks:	
In Current Accounts	6,72.11
In Exchange Earnest Foreign Currency Accounts	0.50
	6,76.13

(b) Other Bank Balances

Earmarked Balances with Banks

Margin Money	45.40
Unpaid Dividend Account	64.04
Fixed Deposit with Bank*	19.50
Other Fixed Deposit Maturity less than 12 month	2,50.00
Other Fixed Deposit Maturity more than 12 month **	2,57.64
	6,36.58

13,12.71

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

** Includes Rs. 50.58 Pledged with Government Authority and Rs. 207.06 against margin money, which can be withdrawn at any point of time without prior notice or exit costs on the principal amount.

17 Other Current Assets

Export Incentives Receivable	4.95
Claims Receivable	12.48
Accrued Interest Income	2,21.40
Receivable for Sale of Fixed Assets	2,65.34
Assets held for sale	0.84
Other Receivables (Comprises of Service Tax, CST, Excise Duty receivable, etc.)	3,65.75
	8,70.76

ORIENTAL CARBON & CHEMICALS LIMITED

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT & LOSS

	(Rs. in Lacs)
	For the Year ended 31st March, 2013
18 Revenue from Operations:	
Sale of Products	
Insoluble Sulphur	2,15,83.79
Sulphuric Acid & Oleum	19,01.22
Passenger and Truck Valves	31,61.56
Hydraulic and Pneumatic Equipments	32,66.57
Others	5,10.11
	<u>3,04,23.25</u>
Other Operating Revenues	
Export and Other Incentives	63.52
Gross Revenue from operations	<u>3,04,86.77</u>
Less: Excise Duty	17,49.51
Net Revenue from operations	<u>2,87,37.26</u>
19 Other Income:	
Dividend on Current Investments	32.95
Dividend on Non-Current Investments	0.50
Interest Income	
- On Deposits	50.33
- On Loans	37.44
- Others	10.43
	<u>98.20</u>
Loans and Debts earlier written-off, now recovered	1,08.80
Net gain on Foreign currency translations and transactions	1,10.75
Rent Received	28.98
Provision for Doubtful Debts written back	23.15
Provision no longer Required written back	43.39
Adjustment to the carrying amount of Investments on Long-term Investments	0.02
Profit on Sale of Current investment	27.86
Scrap Sales	57.99
Miscellaneous Income (comprises of Support Services, Cash discount, Claims and other receipts)	45.06
	<u>5,77.65</u>
20 Cost of Raw Materials Consumed:	
Sulphur	31,25.82
Carbon di sulphide	2,98.00
Coating Oil	32,95.91
Metal	13,16.78
Rubber	3,61.30
Others	33,79.11
	<u>1,17,76.92</u>
Less: Consumption for Trial Run Production	37.49
	<u>1,17,39.43</u>

ORIENTAL CARBON & CHEMICALS LIMITED

	(Rs. in Lacs)
	For the Year ended 31st March, 2013
21 Purchases of Traded Goods	
Insoluble Sulphur	78.64
Valve Cores & High Pressure Valves	23.58
	<u>1,02.22</u>
22 Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	
I Inventories as at the beginning of the Year	
Finished Goods	10,50.60
Work-in-Progress	2,19.77
Traded goods	1,14.50
Scrap	92.50
	<u>14,77.37</u>
Add: Transferred from Trial Run Production	
Finished Goods	60.05
Work-in-Progress	13.34
	<u>73.39</u>
	<u>15,50.76</u>
II Inventories as at end of the Year	
Finished Goods	20,08.75
Work-in-Progress	3,83.88
Traded goods	8.87
Scrap	1,23.51
	<u>25,25.01</u>
III Change in Inventories (I - II)	(9,74.25)
23 Employee Benefits Expenses:	
Salaries, Wages and Bonus	25,98.65
Contribution to Provident and Other Funds	1,94.10
Employee Welfare Expenses	4,12.01
	<u>32,04.76</u>
Less: Transfer to Capital Work-in-Progress / Capitalised	99.66
	<u>31,05.10</u>

ORIENTAL CARBON & CHEMICALS LIMITED

	(Rs. in Lacs)
	For the Year ended 31st March, 2013
24 Other Expenses:	
Stores Consumed	3,11.65
Packing Cost	5,58.21
Power and Fuel	38,05.66
Water Charges	49.08
Rent and Lease Rent*	2,17.68
Rates and Taxes	1,47.57
Insurance	1,22.54
Repairs to Buildings	41.41
Repairs to Machinery	5,87.19
Repairs to Others	1,04.54
Freight & Forwarding Expenses	13,78.54
Commission and Discount	3,30.26
Travelling Expenses	3,00.81
Legal and Professional Expenses	3,03.43
Service Charges	1,70.27
Loss on Sale /Discard of Fixed Assets (Net)	21.38
Bad Advances / Debts	4.10
Donations	35.50
Excess of Carrying Costs over Fair value of Current Investments	0.53
Excise Duty on Increase of finished goods Stock	28.49
Directors' Commission & Fees	29.80
Prior Period Expenses	5.40
Miscellaneous Expenses **	6,34.78
	91,88.82
Less: Transfer to Capital Work-in-Progress / Capitalised	74.50
	91,14.32
* Net of recovery Rs. 19.31	
** Miscellaneous Expenses includes Auditors' Remuneration :	
(i) Statutory Auditors:	
As Auditors	14.00
For Limited Review	1.50
For Tax Audit	2.40
For Certification and other Matters	2.86
Travelling and other out of pocket Expenses	0.67
	21.43
(ii) Cost Auditors:	
As Auditors	1.20
Travelling and other out of pocket Expenses	0.03
	1.23
	22.66
25 Finance Cost:	
Interest	14,30.38
Other Borrowing Cost	1,58.16
	15,88.54
Less: Transfer to Capital Work-in-Progress / Capitalised	42.64
	15,45.90

ORIENTAL CARBON & CHEMICALS LIMITED

(Rs. in Lacs)

For the Year ended
31st March, 2013

26 Depreciation and Amortization:

Depreciation on tangible assets (Note 10)	11,69.93
Less: Transfer from Revaluation reserve	8.55
	<hr/>
	11,61.38
Amortisation of Intangible Assets	44.28
	<hr/>
	12,05.66
Less: Transfer to Capital Work-in-Progress / Capitalised	0.59
	<hr/>
	12,05.07

27 Current Tax

Current Tax for the year	7,99.50
Less: MAT Credit Entitlement	1,98.84
Less: Taxation adjustments for earlier years (Net) (including MAT Credit Entitlement Rs. 339.08)	5,96.18
	<hr/>
	4.48

27.01 Exceptional Items:

VRS Compensation Paid to Employees *	1,41.98
Profit on Sale of Fixed Assets **	(4,47.76)
	<hr/>
	(3,05.78)

* VRS Compensation Paid to Employees

- During the year, the Subsidiary Company has completed the process of shifting the manufacturing operations of Mahape to Ranjangoan for rationalisation and consolidation of its operations dated 9th January 2013 based on the Memorandum of settlement with the union of workmen employed at Mahape total liability of Rs. 1,04.97 (including the incremental settlement liability of Rs. 92.97) has been accounted for during the year as exceptional item.
- During the year, the Subsidiary Company has also completed the process of shifting the manufacturing operations of its rubber mixing operations from MIDC Tarapur to Ranjangoan for rationalisation and consolidation of its processes dated 19th October, 2012 based on the settlement with the workers employed at MIDC, Tarapur total liability of Rs. 37.01 (including the incremental settlement liability of Rs. 32.92) has been accounted for during the year as exceptional item.

** Profit on Sale of Fixed Assets (Land)

During the year, the Subsidiary Company has entered into an Memorandum of Undertaking dated 27th September, 2012 for transfer of its land at MIDC, Tarapur. The permission from MIDC for transfer of Land was received during the year. The company considers risks and rewards relating to the transaction to have been transferred and has accordingly recognized profit on transfer of land amounting to Rs. 4,47.76.

28.01 Principles of Consolidation

- The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, and the Accounting Standards issued under the Companies Accounting Standard Rules, 2006.
- Consolidated Financial Statements relates to M/s Oriental Carbon & Chemicals Limited (the Company) and its subsidiary M/s Schrader Duncan Limited, a Company incorporated in India, which was acquired on 13th April 2012. The Company's interest in Subsidiary is 50.01 % .

The Consolidated Financial Statements are in conformity with the AS-21 issued under the Companies Accounting Standard Rules, 2006 and prepared on the following basis:

- The financial statements of the company and its subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully

ORIENTAL CARBON & CHEMICALS LIMITED

eliminating inter company balances and transactions.

- ii) The consolidated Financial Statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except provision for depreciation for some assets, which is not material to the Consolidated Financial Statements.
 - iii) Minority interest in the consolidated financial statements is identified and recognised after taking into consideration the amount of equity attributable to minority at date on which investments in subsidiary is made.
- (c) M/s Schrader Duncan Limited become the subsidiary of the Company w.e.f. 13th April 2012. It was not practicable to prepare separate Statements of Profit & Loss upto 12th April 2012.

However share of Minority Interest and Company's share in profit attributable to period prior to 13th April 2012 has been proportionally adjusted.

28.02 Summary of Significant Accounting Policies

(A) Basis of Accounting

The financial statements have been prepared to comply with the Accounting Standards referred to in The Companies (Accounting Standards) Rules 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) Classification of Assets and Liabilities as Current and Non Current

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current/ non-current classification of assets and liabilities.

(D) 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 from services is recognised on rendering of services in accordance with the Contractual arrangements.
- (iii) 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.

(E) Fixed 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

ORIENTAL CARBON & CHEMICALS LIMITED

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.

Intangible assets resulting in future economic benefits where the cost can be reliably measured are capitalised. Intangible assets are stated at cost less accumulated depreciation / amortisation and impairment loss.

(F) Depreciation

Tangible Assets

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 except in case of Subsidiary Company, vehicles have been depreciated in 7 years, Computers have been depreciated in 4 years, leasehold improvements are amortised equally over the period of lease, and guest house equipment and furniture have been depreciated in 3 years. 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.

Intangible Assets

Depreciation of Intangible assets is allocated on a systematic basis over the best estimate of their useful life and accordingly software is amortised on straight line basis over the period of five years except in case of subsidiary company, computer software have been depreciated @ 25% per annum.

(G) 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 Statement of Profit & Loss. 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.

(H) Foreign Currency Transactions

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 currency 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 Statement of Profit & Loss 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, covered under AS-11(i.e. The Effects of Changes in Foreign Exchange Rates) are recognised over the tenure of the contract.

(I) Inventories

Inventories are valued at lower of Cost and Net Realisable value. The cost of finished goods is determined

ORIENTAL CARBON & CHEMICALS LIMITED

by taking material, labour and related factory overheads including depreciation. Cost is determined on weighted average cost. 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.

(J) Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Primary Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Revenue, Expense, Assets and Liabilities, which relate to the Company as a whole and could not be allocated to segments on a reasonable basis, have been classified as unallocated. Secondary segment is identified based on geography by location of customers i.e. in India and outside India. Inter-segment revenue have been accounted for based on the transaction price agreed to between the segments, which is primarily market based.

(K) 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 Statement of Profit & Loss 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.

(L) 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.

(M) 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 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 Statement of Profit and Loss 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.

(N) 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.

ORIENTAL CARBON & CHEMICALS LIMITED

(Rs. in Lacs)

(O) Operating Leases

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

(P) 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 Statement of Profit & Loss. As prudent accounting policy, gain on marked to market at the end of year are not accounted for.

(Q) 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.

(R) Contingent Liabilities

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.

As At
31st March, 2013

29.00 Contingent Liabilities & Commitments:

29.01 Contingent Liabilities

(i) Bank Guarantees given to various Govt. Authorities/Others (Margin money/Short Term Deposits Rs. 33.81)	42.53
(ii) Bills discounted with Banks	1,505.47
(iii) Central Excise & Service Tax demand under appeal (Deposited Rs. 85.58)	127.06
(iv) Other demands under appeal (Deposited Rs. 12.00)	22.69
(v) Custom Duty liability on import of raw material under advance licence	55.57
(vi) Income Tax Demands under appeal, not acknowledged as debts.	12.79
(vii) Claims against the Company with respect to Sales Tax matters, not acknowledged as debts.	16.04

29.02 Commitments

(i) Estimated amount of capital commitments outstanding and not provided for (Gross) (Advance paid Rs. 1025.32)	2700.16
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30.00 Other Notes on Accounts

30.01 Consequently upon the implementation of SAP 6.1 during the year, the Holding Company has changed its method of determining cost of Raw Materials from FIFO to Weighted Average Method. However, it has no material impact on the valuation of the Raw Material Stock.

30.02 Segment Reporting

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 31.03.2013.

ORIENTAL CARBON & CHEMICALS LIMITED

Information about Business Segment - Primary

(Rs. In Lacs)

Reportable Segments	Chemicals	Insoluble Sulphur	Automotive Products	Pneumatic products	Elimination	Total
	2012-2013	2012-2013	2012-2013	2012-2013	2012-2013	2012-2013
Revenue						
External	16,89.55	2,08,54.52	32,92.70	28,99.19	-	2,87,35.96
Unallocated Revenue	-	-	-	-	-	1.30
Inter Segment Revenue	4,97.29	-	-	-	(4,97.29)	-
Total Revenue from operations	21,86.84	2,08,54.52	32,92.70	28,99.19		2,87,37.26
Result						
Segment Result	3,52.34	47,11.27	(3,73.48)	4,84.56	-	51,74.69
Unallocated Corporate Income (Net)						(1,51.67)
Finance cost						(15,45.90)
Profit before Exceptional Items and Tax						34,77.12
Exceptional items						3,05.78
Profit before Tax and Minority Interest						37,82.90
Less: Provision for Taxation (Including Deferred Tax)						9,93.57
Profit for the year before Minority Interest etc						27,89.33
Less: Pre-acquisition profit transferred to Capital Reserve on Consolidation						0.84
Less: Share of Minority Interest						25.43
Profit for the year						27,63.06
Other Information						
Segment Assets	7,74.86	2,95,27.83	49,07.71	13,82.18	-	3,65,92.58
Unallocated Corporate Assets						20,36.35
Total Assets						3,86,28.93
Segment Liabilities	1,24.23	19,53.19	8,40.32	5,43.09	-	34,60.83
Unallocated Corporate Liabilities (Including Deferred Tax Liabilities Rs.1630.22)						23,67.31
Total Liabilities						58,28.14
Capital Expenditure	89.06	15,17.40	74.06	37.62	-	17,18.14
Unallocated Capital Expenditure						5.20
Total Capital Expenditure						17,23.34
Depreciation	3.19	9,58.22	2,19.67	11.51	-	11,92.59
Unallocated Depreciation						12.48
						12,05.07

ORIENTAL CARBON & CHEMICALS LIMITED

(Rs. In Lacs)

Secondary Segment - Geographical by location of customers

Reportable Segments	Domestic	Export	Total
	For the year ended 31st March, 2013	For the year ended 31st March, 2013	For the year ended 31st March, 2013
Revenue	1,33,05.98	1,54,31.28	2,87,37.26
Carrying amount of Trade Receivables	31,82.58	24,79.51	56,62.09
Finished Goods Stock	5,43.18	14,74.44	20,17.62
Other Information: The Company has common assets for producing goods for domestic market and overseas market.			

Notes:

- (i) The Company is organised into four main business segments, namely;
- Chemicals (Including Sulphuric Acid and Oleum);
 - Insoluble Sulphur.
 - Automotive Products
 - Pneumatic Products
- 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) 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.
- (iii) Segment, Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

30.03 Related Party Disclosures (To the extent Identified by the company)

1 Name & Relationship of the Related Parties:

- (a) Duncan International (India) Limited : Associate
- (b) Mr. Arvind Goenka - Managing Director : Key Management Personnel
- (c) Mr. Akshat Goenka - Son of Mr. Arvind Goenka : Relative of Key Management Personnel

2 Transactions with Related Parties during the year:

Particulars	Associate	Key Management Personnel	Relative of Key Management Personnel
	2012-2013	2012-2013	2012-2013
(a) Service charges reimbursed	105.00	-	-
(b) Expenses reimbursed (Net)	0.08	-	-
(c) Remuneration	-	95.10	11.67
(d) Dividend Paid	46.84	7.81	5.00
(e) Outstanding as on 31.03.2013			
Receivable	0.15	-	-
Payable	-	29.14	1.03

ORIENTAL CARBON & CHEMICALS LIMITED

30.04 Earnings per Share (EPS)

Rs. in Lacs

	Rs. in Lacs	
	Before Exceptional Items (net of tax expenses)	After Exceptional Items (net of tax expenses)
	For the year ended 31st March, 2013	For the year ended 31st March, 201
Profit/(Loss) attributable to the Equity Shareholders(A) (Rs. in Lacs)	24,57.28	27,63.06
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	23.87	26.84

30.05 i) Outstanding Forward Covers in respect of foreign currencies for Hedging future export sales are as follows:

(Foreign currency in Lacs)

Currency	Cross Currency	As on 31st March, 2013
USD	INR	44.05
EURO	USD	16.91
EURO	INR	31.16

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

Currency	Cross Currency	Payables		Receivables	
		As on 31st March, 2013		As on 31st March, 2013	
		Foreign currency	INR	Foreign currency	INR
USD	INR	36.15	1966.46	1.62	87.94
EURO	INR	15.99	1112.24	8.23	572.62
GBP	INR	-	-	0.68	56.12

30.06 Information Relating to Subsidiary Company as per Circular No. 2/2011 (Ref. No. 51/12/2007-CL- III)

Name of Subsidiary Company - Schrader Duncan Limited.

**As At
31st March, 2013**

Capital	3,69.60
Reserves	31,39.56
Total Assets	68,61.89
Total Liabilities	33,52.73
Investments	14.56
Turnover	61,93.18
Profit / (Loss) before Tax	(2,20.63)
Provision for Tax/ (MAT Credit Entitlement and Excess Tax Provsion Written Back)	(271.49)
Profit after Tax	50.86
Proposed Dividend	-
Dividend Distribution Tax	-

30.07 As relationship of Holding and Subsidiary Company came into existence during the year. Therefore previous year comparable figures has not given in Consolidated 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 : 29th May, 2013

B.K. SIPANI
Partner
Membership No. 88926

P.K. MAITY
Company Secretary

O.P. DUBEY
Director



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

May 29, 2013

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,

P K Maity
Company Secretary

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 THIRTYTHIRD ANNUAL GENERAL MEETING of the Company at "Williamson Magor Hall (1st Floor), The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata – 700 001 on Friday the 26th July, 2013 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 26th of July, 2013 and at any adjournment thereof.

As witness my/our hand(s) this _____
day of _____ 2013.

Signature _____

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

No. of Shares held _____

*Applicable if shares are held in electronic form.

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

Affix
Revenue
Stamp

BOOK-POST

If undelivered please return to :

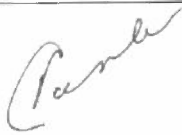


ORIENTAL CARBON & CHEMICALS LIMITED

31, Netaji Subhas Road, Kolkata – 700 001

Oriental Carbon & Chemicals Ltd.

FORM -A

Covering Letter of annual audit report

1.	Name of the Company	Oriental Carbon & Chemicals Ltd.
2.	Annual financial Statements for the year ended	31 st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by -	
	Mr. Arvind Goenka, Managing Director	
	Mr. Anurag Jain , President Finance	
	Mr. B.K . SIPANI, Partner, M.No. 088926 Singhi & CO. , Chartered Accountants Firm Reg. 302049E, Auditor of the Company.	
	Mr. Om Prakash Dubey, Audit Committee Chairman	