



Fueling aspirations... globally!

Goa Carbon Ltd  
42nd ANNUAL REPORT 2009-10

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Guided by their vision



Late Sri Vasant Rao S. Dempo  
*Founder Chairman*



Late Sri Vasudeva V. Dempo  
*Former Chairman*



Mr. Shrinivas V. Dempo  
*Chairman*

At the helm



**Mr. Shrinivas V. Dempo**  
*Chairman - Promoter*



**Mr. Dara P. Mehta**  
*Independent Director*



**Mr. P. G. Kakodkar**  
*Independent Director*



**Mr. Keki M. Elavia**  
*Independent Director*



**Mr. Raman Madhok**  
*Independent Director*



**Mr. Soiru V. Dempo**  
*Non-Executive Director*



**Dr. A. B. Prasad**  
*Non-Executive Director*



**Mr. Jagmohan J. Chhabra**  
*Executive Director*

## Partners in progress

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



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## Chairman's Letter

*Dear Shareholder,*

*The Indian economy is back on track with 8% plus GDP growth rate after posting a lower growth rate of under 7% in 2008-09. The crisis in Dubai and thereafter Greece, followed by the shakeout in Europe have hit the global economy even as it was recovering from the meltdown in the USA. But, India and China have managed to stay on course and their economies are continuing to grow at a fast pace.*

*The continued recession in the developed world, for the better part of 2009-10, meant a sluggish export recovery and a slowdown in financial flows into the Indian economy. Yet, over the span of the year, the country's economy posted a remarkable recovery, not only in terms of overall growth figures but, more importantly, in terms of certain fundamentals, which justify optimism for the Indian economy in the medium to long term. High inflation as well as fiscal deficit were and continue to remain the major negatives for the economy.*

*In April 2010, country's industrial production grew by 17.6% and government data says that this was a 20 year high. Buoyant consumer demand and higher infrastructure spending propelled factory output growth to its strongest since December 2009. The services sector is also expanding and if the monsoon stays normal, the overall impact on the economy would be positive.*

*Goa Carbon Ltd. (GCL), a Dempo Group Company and the second largest manufacturer of Calcined Petroleum Coke (CPC) in the country, embarked on a major new initiative in the year that went by. In July 2009, GCL's board of directors approved the formation of a wholly-owned subsidiary outside India to invest in a joint venture company in China to manufacture 1,000,000 metric tonnes per annum of calcined petroleum coke utilising the vertical shaft kiln technology.*

*During the first phase of the project implementation, the JV Company will set up a facility to produce 2,50,000 metric tonnes per annum of CPC with a total investment outlay of approximately Rs. 200 crore.*

*During the year, a wholly-owned subsidiary company was set up in Singapore to act as an investment vehicle for the company's International operations. GCL is proposing to come out with a rights issue after completing its land acquisition in China and finalising all the formalities.*

*The demand for aluminium is likely to grow at the rate of 5.7% per annum out of which, the demand in India and China is expected to grow by 8% to 9% respectively. The production of aluminium is expected to grow from 40 million tonnes to 70 million tonnes in 2015 and 50% of 70 million tonnes is going to be produced in Asia, China and Middle East. Therefore, China is going to play a very important role in the new scenario and the Joint Venture Company will target this global market by supplying CPC to these International Aluminium Smelters. The project is expected to be commissioned during the Financial Year 2011-12.*

*For the year ended March 31, 2010, the company recorded a sales turnover of Rs.27,697.93 lakh and a net profit of Rs.40.65 lakh as compared to sales turnover of Rs.41,988.68 lakh and net profit of Rs.1,233.15 lakh recorded in the previous financial year. The Board of Directors of the Company have recommended a dividend at the rate of 20% for 2009-10.*

*The company has fared much better in the second half of 2009-10. The effects of the global slowdown had considerably affected the company's sales and profits in the first half of Financial Year 2009-10. In spite of lower selling price for coke, stringent cost control measures and optimal blending of raw materials enabled GCL to post better profits.*

*We look forward to your continuous support in the future.*

*Thank You,*



**Shrinivas V. Dempo**

Panaji – Goa

## Notice

**NOTICE** is hereby given that the Forty-second Annual General Meeting of the Members of Goa Carbon Limited will be held at the Registered Office of the Company at **Dempo House, Campal, Panaji-Goa – 403 001**, on **Saturday, the 7<sup>th</sup> August, 2010 at 10.00 a.m.** to transact the following business:-

### ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet of the Company as at March 31, 2010, the Profit and Loss Account and Cash Flow Statement for the year ended on that date as also the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Keki M. Elavia who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. P. G. Kakodkar who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
“RESOLVED THAT Mr. Raman Madhok, who was appointed as an Additional Director by the Board of Directors under Section 260 of the Companies Act, 1956, read with Article 136 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company.”
7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
“RESOLVED THAT Mr. Jagmohan J. Chhabra, who was appointed as an Additional Director by the Board of Directors under Section 260 of the Companies Act, 1956, read with Article 136 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Director of the Company.”
8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (“Act”) (including any statutory modifications or re-enactment thereof for the time being in force), the relevant provisions of the Articles of Association of the Company and subject to the approval of the Central Government and such other approvals, permissions, sanctions as may be required and subject to such conditions and modifications as may be prescribed or imposed by any of the authorities in granting such approvals, sanctions, permissions, Mr. Jagmohan J. Chhabra be and is hereby appointed as a Whole-time Director with designation “Executive Director” of the Company for a period of 3 (three) years with effect from April 1, 2010, upon the terms and conditions including payment of remuneration, perquisites and benefits as under:

#### I. Salary:

- i) Basic:  
Rs.5,50,000/- (Rupees Five Lakhs Fifty Thousand only) per month.
- ii) Allowances:  
Not exceeding Rs.52,500/- (Rupees Fifty Two Thousand Five Hundred only) per month. In addition to this monthly allowance, soft furnishing allowance not exceeding Rs.75,000/- (Rupees Seventy Five Thousand only) per annum.
- iii) Performance Linked Bonus / Incentives:  
Performance Linked Bonus and/or Incentives as may be determined and fixed by the Board of Directors or any Committee thereof, based on the achievement of such performance parameters as may be laid down by the Board or any Committee thereof, subject to such other approvals as may be necessary.

#### II. Perquisites:

In addition to the above salary the Executive Director shall be entitled to the following perquisites:

#### Housing:

The Company shall provide suitable furnished residential accommodation and expenditure by the Company on hiring such furnished

accommodation together with electricity and water charges shall be subject to a ceiling of Rs.75,000 per month.

**Medical Reimbursement:**

Medical expenses incurred by the Executive Director for self and family, will be reimbursed by the Company subject to a ceiling of Rs.1,20,000/- (Rupees One Lakh Twenty Thousand only) per annum or Rs.3,60,000/- for a block of three years.

Over and above the reimbursement of medical expenses as above, the Executive Director shall be entitled for coverage under the hospitalization Mediclaim Scheme of General Insurance Company for a policy with a sum not exceeding Rs.5,00,000/- (Rupees Five Lakhs only) per annum.

**Leave Travel Concession:**

For self and family once in a year, incurred as per rules of the Company, subject to a ceiling of Rs.1,20,000/- (Rupees One Lakh Twenty Thousand only) per annum or Rs.3,60,000/- for a block of three years.

**Club Fees:**

The company shall reimburse actual and reasonable cost of membership during the term hereof in not more than one private Club in Goa. This facility shall not include admission/life membership fees.

**Personal Accident Insurance:**

Personal Accident Insurance cover for a sum of Rs.25,00,000/-.

**Communication:**

The Executive Director shall be provided with a laptop computer as well as mobile phone, land line and internet connection at his residence for the conduct of Company's business.

**Car:**

Free use of Company's car for official purposes and reimbursement of expenditure incurred in connection with the running and maintenance thereof and salary for the driver as per the rules of the Company.

**Leave:**

30 days privilege leave with full pay per year, subject to the condition of leave accumulation/encashment as per the Scheme of the Company but restricted to maximum accumulation of 180 days at any time.

In addition, the Executive Director is eligible for

Casual Leave and Sick Leave as per the policy of the Company.

**Provident Fund:**

Company's contribution to the provident fund shall be as per the Scheme of the Company.

**Gratuity:**

Gratuity is payable in accordance with the Scheme of the Company.

III. The remuneration/perquisites of the Executive Director under this Agreement will be subject to tax applicable under the provisions of the Income-Tax Act, 1961.

IV. **Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, if in any financial year during the currency of the tenure of the said Agreement the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowance as specified above.

"RESOLVED FURTHER THAT the terms and conditions of Mr. Chhabra's appointment as Executive Director may be varied and altered from time to time by the Board of Directors as it may in its discretion deem fit, within the maximum amounts approved by the Central Government and in accordance with the provisions of the Act or any amendments made hereafter in this regard;

"RESOLVED FURTHER THAT any one of the Directors and / or the Company Secretary be and is hereby authorized to obtain the required approvals, to sign, execute and file necessary documents, writings, undertakings, returns, intimations, etc. to the Ministry of Corporate Affairs or to such other Statutory Authorities as may be necessary and further to do all such acts, deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable or expedient and to settle any question, difficulty or doubt that may arise in this regard."

**NOTES:**

1. **A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of**

**the Company not less than forty-eight hours before the time fixed for the meeting.**

2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the special business is annexed hereto.
3. In terms of Article 140 of the Articles of Association of the Company, Mr. Keki M. Elavia and Mr. P. G. Kakodkar, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Mr. Raman Madhok who was appointed as an Additional Director by the Board, is proposed for appointment as a Director at the ensuing Annual General Meeting. Mr. Jagmohan J. Chhabra who was appointed as an Additional Director by the Board, is proposed for appointment at the ensuing Annual General Meeting as a Whole-time Director with designation "Executive Director".

The information to be provided for these Directors under Clause 49 of the Listing Agreement, is given in the Corporate Governance Report of this Annual Report.

4. (a) The Company has already notified closure of Register of Members and Share Transfer Books from **Thursday, the 29<sup>th</sup> July, 2010 to Saturday, the 7<sup>th</sup> August, 2010** (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting.
- (b) The dividend on Equity Shares, if declared at the Meeting, will be paid within 30 days from the date of declaration to those members or their mandatees whose names appear on the Company's Register of Members:
  - (i) as beneficial owners as at the end of business hours on **28<sup>th</sup> July, 2010**, as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited, in respect of shares held in electronic form, and
  - (ii) as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before **28<sup>th</sup> July, 2010**.
5. Members are requested to notify immediately any change of address to their Depository Participants (DP's) in respect of their electronic share accounts and to the Company's Share Transfer Agent, M/s. Link Intime India Private Limited, in respect of shares held in physical form.
6. (a) In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited, their bank details to be incorporated on the dividend warrants.
- (b) Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company shall not entertain any direct requests from such Members for deletion of or change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form shall not be automatically applicable to shares held in electronic form. **Members who wish to change such Bank Account details are, therefore, requested to advise their Depository Participants about such change with complete details of Bank Account.**
- (c) To avoid loss of dividend warrants in postal transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities / towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited.
7. All unclaimed dividend declared up to the financial year ended March 31, 1995 have been transferred to the General Revenue Account of the Central Government as required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 (the Rules). Members who have not so far claimed or collected their dividends declared up to the aforesaid financial year are requested to claim such dividends from the Registrar of Companies, Goa, Daman & Diu, Company Law Bhavan, Patto Plaza, Panaji, Goa – 403 001, by making an application in Form II of the Rules.
8. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unclaimed dividends for the financial years ended March 31, 1996, March 31, 1997, March 31, 1998, March 31, 1999, March 31, 2000, March 31,

2001 and December 31, 2001 to the Investor Education and Protection Fund established by the Central Government.

Dividends for the financial period ended March 31, 2003 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date of transfer to the unpaid dividend account shall be transferred by the Company to the Investor Education and Protection Fund. Information in respect of such unclaimed dividends is given below. Members who have not encashed dividend warrant(s) for the aforesaid years are requested to seek issue of duplicate warrant(s) by writing to the Company or the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited, immediately.

Financial year ended	Due date of Transfer
31.03.2003	20.10.2010
31.03.2004	22.10.2011
30.06.2005	14.01.2013
30.06.2006	04.02.2014
31.03.2007	01.09.2014
31.03.2008	03.09.2015
31.03.2009	22.08.2016

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

By Order of the Board of Directors

Sd/-  
**P. S. Mantri**  
Company Secretary

**Panaji, April 9, 2010**

**Registered Office:**  
Dempo House, Campal  
Panaji-Goa – 403 001

## Annexure to the Notice

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS MENTIONED IN THE ACCOMPANYING NOTICE DATED APRIL 9, 2010

#### ITEM 6

Mr. Raman Madhok was appointed as an Additional Director by the Board of Directors effective from January 28, 2010 pursuant to Section 260 of the Companies Act, 1956, read with Article 136 of the Articles of Association of the Company. He holds office upto the date of the ensuing Annual General Meeting and is eligible for appointment as a Director of the Company.

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice along with requisite deposit, from a member proposing the candidature of Mr. Raman Madhok as Director of the Company.

The Board recommends the adoption of the Resolution at Item No. 6 of the accompanying Notice.

Mr. Raman Madhok is deemed to be concerned and interested in this resolution as it relates to him. No other Director is concerned or interested in the said resolution.

#### ITEM 7 & 8

At the meeting of the Board of Directors of the Company held on April 9, 2010, Mr. Jagmohan J. Chhabra was appointed as an Additional Director and also as a Whole-time Director with designation "Executive Director" of the Company for a period of 3 years with effect from April 1, 2010.

The Company had inadequate profits for the year ended March 31, 2010 and hence provisions of Part C of Section II of Part II of Schedule XIII of the Companies Act, 1956 ("Act") were attracted for payment of remuneration to Mr. Chhabra.

The Remuneration Committee of the Company at its meeting held on April 9, 2010 had considered and approved the remuneration to be paid to Mr. Chhabra, subject to the approval of the members, Central Government and any other permissions as may be required.

The Board of Directors recommends the appointment and remuneration to be paid to Mr. Chhabra as set out in resolution appearing in Item 7 & 8 of the accompanying Notice for the approval of the members as a Special Resolution subject to the approval of the Central Government.

The disclosure to be made as specified in Schedule XIII of the Act are given herein below:

**Disclosures pursuant to Sub-clause (iv) under the proviso to the Part (C) of Section II of Part II of Schedule XIII of the Act.**

#### I. General Information:

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

Rs. in Lacs

Financial Parameters	2009-10	2008-09	2007-08
Total Income	25,955.22	39,399.59	20,911.92
Profit before Tax	185.42	1,845.74	1,731.94
Profit after Tax	40.65	1,233.15	1,548.98
Dividend proposed/ paid (including Corporate Dividend Tax)	213.42	321.19	321.19
Dividend Rate %	20%	30%	30%

- Export performance and net foreign exchange collections*  
During the year 2009-10, foreign exchange earnings were Rs.6,851.21 lacs and outgoings were Rs.11,833.48 lacs.
- Foreign investments or collaborators, if any*  
The Company has no foreign investment or collaborations, so far.

#### II. Information about the Appointee:

- Background details*  
Mr. Jagmohan J. Chhabra has worked for more than 25 years with MNCs and has experience in Operations and Marketing Management both at domestic and international levels. Prior to joining Goa Carbon Limited, Mr. Chhabra was associated as CEO of TSG Limited, a Subsidiary of Frigoglass Group, Athens, Greece.
- Past remuneration*  
Mr. Chhabra was paid a remuneration of Rs.87,62,661/- for the period April 1, 2009 to March 31, 2010.
- Recognition or Awards*  
Nil

4. *Job profile and suitability*

Mr. Jagmohan J. Chhabra is a Mechanical Engineer with Masters Degree in Management (specialisation in Marketing) from the Jamnalal Bajaj Institute of Management Studies, Mumbai and having done a Management Education Programme from IIM, Ahmedabad. He joined Goa Carbon Limited in September 2008 as CEO and President with complete responsibilities of management of existing operations and the responsibility for expansion and future diversification plans.

His past experience in managing overall business as well as expertise in marketing is considered relevant and valuable for his responsibilities as the Executive Director of the Company.

5. *Remuneration proposed*

As given in Resolution under Item No. 8.

6. *Comparative Remuneration profile with respect to Industry, size of the Company, profile of the position and the person.*

The proposed remuneration being paid to Mr. Chhabra is in accordance with the industry standards and is commensurate with the responsibilities he shoulders in the Company.

7. *Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial Personnel, if any*

Mr. Jagmohan J. Chhabra is the Whole-time Director with designation "Executive Director" of the Company.

Mr. Jagmohan J. Chhabra is not related to any of the Managerial Personnel of the Company.

**III. Other Information:**

1. *Reasons of loss or inadequate profits*

The profits of the Company for the year 2009-10 are inadequate mainly due to the lower price realization and carrying over of inventory costs at a much higher rate.

2. *Steps taken or proposed to be taken for improvement*

The Company has taken various steps to improve its performance. These include containing the cost, improving the efficiency and productivity of its plants for better margins of its product, focusing more on domestic sales etc. These are discussed in detail in the Management Discussion and Analysis Report, which forms part of the Directors' Report.

3. *Expected increase in productivity and profits in measurable terms*

With the implementation of the above, it is expected that the Company would be able to achieve better results and improve its performance.

This has been discussed in detail in the Management

Discussion and Analysis Report, which forms part of the Directors' Report.

**IV. Disclosures:**

1. *The shareholders of the Company shall be informed of the remuneration package of the managerial person*

The remuneration package of Mr. Jagmohan J. Chhabra has been given in the resolution as set out in Item No. 8 of the Notice.

2. *The following disclosures shall be mentioned in the Board of Directors' Report under the heading "Corporate Governance", if any, attached to the Annual Report:*

i. *All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors*

This has been fully covered under the Corporate Governance Report.

ii. *Details of fixed component and performance linked incentives along with the performance criteria*

This has been fully covered under the Corporate Governance Report.

iii. *Service contracts, notice period, severance fees*

This has been fully covered under the Corporate Governance Report.

iv. *Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable*

Not Applicable.

The draft of the agreement between the Company and Mr. Jagmohan J. Chhabra is available for inspection by the members of the Company at its Registered Office between 11.00 a.m. to 5.00 p.m. on all working days upto August 6, 2010.

Mr. Jagmohan J. Chhabra is deemed to be concerned and interested in this resolution as it relates to him. No other Director is concerned or interested in the said resolution.

The above may be treated as an abstract referred to in Section 302 of the Companies Act, 1956.

By Order of the Board of Directors

Sd/-

**P. S. Mantri**  
Company Secretary

**Panaji, April 9, 2010**

**Registered Office:**  
Dempo House, Campal  
Panaji-Goa – 403 001

# Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 42nd Annual Report together with the audited accounts of your Company for the year ended March 31, 2010.

## FINANCIAL RESULTS:

Rupees in Lacs

	2009-10		2008-09	
<b>Profit before tax for the year</b>		<b>185.42</b>		1845.74
Less: Provision for Tax –				
Current Tax	<b>95.00</b>		400.00	
Prior Year Tax	<b>(25.29)</b>		(0.72)	
Deferred Tax	<b>75.06</b>		200.34	
Fringe Benefit Tax	<b>–</b>		12.25	
		<b>144.77</b>		612.59
<b>Profit for the year after tax</b>		<b>40.65</b>		1233.15
Add: Balance b/f from the Profit & Loss A/c of the previous year		<b>945.37</b>		533.41
<b>Amount available for Appropriations</b>		<b>986.02</b>		1766.56
<b>Appropriations:</b>				
General Reserve	<b>3.05</b>		500.00	
Proposed Dividend	<b>183.02</b>		274.53	
Tax on Dividend	<b>30.40</b>		46.66	
		<b>216.47</b>		821.19
Balance carried to the Balance Sheet		<b>769.55</b>		945.37
		<b>986.02</b>		1766.56

## YEAR IN RETROSPECT:

The sales and other income for the financial year under review were Rs.25,955.22 lacs as compared to Rs.39,399.59 lacs for the previous financial year, down by 34% mainly due to lower price realizations. The production of Calcined Petroleum Coke (“CPC”) was 1,49,016 tonnes as compared to 1,71,213 tonnes for the previous financial year.

The sales of CPC were 1,68,058 tonnes (including exports 51,008 tonnes) for the financial year under review as compared to 1,57,613 tonnes (including exports 67,968 tonnes) for the previous financial year. The profit after tax during the financial year was Rs.40.65 lacs as compared to the profit of Rs.1,233.15 lacs in the previous financial year.

## DIVIDEND:

Your Directors have recommended a dividend of Rs. 2/- per equity share (20%) of face value of Rs. 10/- for the financial year ended March 31, 2010, as against 30% paid last year.

## SUBSIDIARY COMPANY:

During the year, the Company had incorporated a wholly

owned subsidiary company in The Republic of Singapore called “GCL Global Resources SGP Pte Ltd.”, with a capital of USD 100, to act as an investment vehicle for the Company’s international operations. Since then, there have been no operations in the subsidiary company.

## LISTING INFORMATION:

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

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

## ACCREDITATION:

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

## PUBLIC DEPOSITS:

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

**DIRECTORS:**

The Board wishes to record its profound grief on the sad demise of Alban F. Couto, Director of the Company on June 27, 2009. The Directors place on record the valuable contributions, guidance and support provided by the Late Alban F. Couto to the Company as an independent director on the Board and also as a member of the Remuneration Committee.

The Board at its meeting held on January 28, 2010 appointed Mr. Raman Madhok as an Additional Director effective from January 28, 2010. Mr. Madhok holds office upto the date of the ensuing Annual General Meeting but is eligible for re-appointment.

The Board at its meeting held on April 9, 2010 appointed Mr. Jagmohan J. Chhabra as an Additional Director and Whole-time Director with the designation "Executive Director" effective from April 1, 2010 for a period of three years. His appointment is subject to the approval of the Central Government and the Members.

In terms of Article 140 of the Articles of Association of the Company, Mr. Keki M. Elavia and Mr. P. G. Kakodkar, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

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

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

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

- (iv) the Directors have prepared the annual accounts on a going concern basis.

**AUDITORS AND AUDITORS' REPORT:**

The Auditors, Deloitte Haskins & Sells, retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Board recommends their re-appointment as Auditors to audit the accounts of the Company for the financial year 2010-2011.

**PARTICULARS OF EMPLOYEES:**

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

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO:**

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

**CORPORATE GOVERNANCE:**

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

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

**ACKNOWLEDGEMENT:**

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

For and on behalf of the Board of Directors

Sd/-

**SHRINIVAS V. DEMPO**  
Chairman

Panaji, Dated: 9<sup>th</sup> day of April, 2010

## Annexure – I to the Directors' Report

### PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956, READ WITH THE (PARTICULARS OF EMPLOYEES) RULES, 1975, FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010

Sr. No.	Name of the Employee	Designation/ Nature of duties	Remuneration (Rs.)	Qualifications	Experi- ence in years	Date of Com- mencement of employment	Age (in yrs.)	Last Employment held
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#### (A) Employed throughout the financial year:

1.	Chhabra Jagmohan J.	CEO & President	87,62,661/-	BE (Mechanical), Masters Degree in Marketing Management	26	11-09-2008	47	CEO TSG Limited (Subsidiary of Frigoglass Group, Athens, Greece)
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#### (B) Employed for part of the financial year:

----- Nil -----

#### Notes:

- Remuneration as shown above includes Salary, Allowances, Company's Contribution to Provident Fund, Leave Travel Assistance and expenditure by the Company on accommodation, medical and other facilities as per contract of service. In addition, the employee is entitled to Gratuity and is also covered under the Group Personal Accident Insurance Policy.
- The employee mentioned above is not a relative of any Director of the Company.
- The nature of employment is contractual.

## Annexure – II to the Directors' Report

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

#### (A) Conservation of Energy

##### (a) energy conservation measures

##### Goa Plant

Consumption of electrical energy per metric ton of Calcined Petroleum Coke produced during the year was 18.37 Kwh/MT of CPC as against 17.47 Kwh/MT of previous year. Total Electrical energy consumption during the period is 5,99,251 kwh unit as against 8,41,768 kwh unit of previous year. However, due to lower production run days during the year, the electrical energy consumption per MT of CPC produced is higher by 0.90 Kwh/MT. A strict control on routinely maintaining power factor enabled the Company to get maximum rebate of 22,516 Kwh unit.

Furnace oil consumption during the year was 1,07,550 litres as against 3,85,216 litres of previous year. Furnace oil consumption per MT of CPC during the year was 3.30 litres/MT as against 7.99 litres/MT in the previous year. This was achieved by optimizing the process parameters and maintaining strict control.

##### Bilaspur Plant

Electrical Energy consumption during the year was 16.86 Kwh/MT as compared to 16.9 Kwh/MT of previous year. It has been marginally reduced after maintaining standard production procedure with fine tuning. A vigilant control on periodically maintained power factor enabled the Company to maximum power factor incentives of Rs. 49,111/-. Continuous monitoring has brought down consumption per MT & effectively achieved the moderate rate of power consumption and maintained unity power factor in last quarter of this year. The Company has installed power saving lights fittings to save energy.

Furnace oil consumption per MT of CPC has increased from 2.88 litres/MT to 6.92 litres/MT. This was because CPC was of a higher RD (i.e. 2.06 gram/cc minimum) to meet the customer specification. With concerted efforts and continuous monitoring of process we have been able to reduce furnace oil consumption in the last quarter of this year by maintaining desired quality of product. Additional measures (Installation of higher capacity blowers at kiln discharge end) are being installed for reduction of furnace oil consumption

##### Paradeep Plant

The specific Electrical Energy consumption for the year was 15.26 Kwh/MT. The specific energy consumption is less by 0.18 Kwh/MT of CPC produced. The power cost has come down from Rs. 4.79/unit to Rs. 4.06/unit mainly because of maintaining the power factor in the range of 0.99 to 1 and as the contracted maximum demand has reduced from 475 Kva to 300 Kva.

The furnace oil consumption per MT of CPC produced is nil as compared to 2.04 litres/MT of CPC produced in the previous year. This was achieved because of optimum blending of Raw Petroleum Coke (RPC) and maximum utilization of high volatile RPC.

**Annexure – II to the Directors’ Report (Contd.)**

<p>(b) additional investment and proposals, if any, being implemented for reduction of consumption of energy.</p>	<p>1) Higher energy efficient motor replaced at continuous operation equipment. 2) Campaign for reduction of energy consumption by installing energy efficient luminaries, conditioned monitoring of equipment for better efficiency is being continued. Additional transparent FRP sheet provided in CPC storage godown there by using natural light.</p>	<p>Initiation to install energy efficient motor and replace light fittings by using high efficiency luminaries.</p>	<p>The 11 Kv dedicated line has been commissioned during July-09 and since then by and large we are getting uninterrupted power supply as a result of which there has been a saving of about Rs.9 lacs by way of reduction of diesel consumption on DG set operations</p>
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<p>(c) impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.</p>	<p>The above steps will help to save 1% to 2% of electrical energy consumption on current connected load.</p>	<p>The above steps will be highly effective towards saving of energy consumption on current power load i.e. 5% to 7% of electrical energy.</p>	<p>It has been projected that there will be a saving of atleast Rs.20 lacs/ annum due to the commissioning of the above.</p>
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The power cost is expected to be around Rs.50.00/PMT subject to 90% capacity utilization of the plant.

<p>(d) total energy consumption and energy consumption per unit of production as per Form-A of the Annexure in respect of industries specified in the schedule thereto.</p>	<p>----- Not applicable to our industry. -----</p>
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**(B) Technology Absorption**

<p>(e) efforts made in technology absorption as per Form-B of the Annexure.</p>	<p>----- Please refer to the enclosure. -----</p>
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**(C) Foreign Exchange Earnings and Outgo.**

<p>(f) activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans.</p>	<p>The Company's exports to internationally renowned aluminium majors still continue as in the past.</p>
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<p>(g) total foreign exchange used and earned.</p>	<p>Foreign Exchange used for importing raw material, interest on foreign currency loans and travel expenses of employees for official work etc. were equivalent to Rs.11,833.48 lakhs.</p>
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Foreign Exchange earned during the year 2009-2010 by exporting finished product was equivalent to Rs.6,851.21 lakhs.

**FORM-B**

(See Rule 2)

**Form for disclosure of particulars with respect to Technology Absorption**

**Research and Development (R&D)**

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



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

**Technology absorption, adaptation and innovation**

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



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



Not applicable

# Management Discussion and Analysis

As you may be aware, the main driving force for the Calcined Petroleum Coke (CPC) industry will continue to be the aluminium industry. The aluminium industry accounts for almost 75% of the end user consumption of CPC. The balance is used by the graphite, metallurgical and titanium dioxide industries. Therefore, the growth of the aluminium industry drives the growth of the CPC industry and its pricing. There are reports that the aluminium industry is expected to grow by brown field expansions in India and China. This is likely to boost the demand for CPC in the future.

The year under review, 2009-10 was a very challenging and a difficult year for the CPC industry due to rising raw material prices, ocean freight and the un-economical prices offered by overseas buyers. To overcome the main constraint of the volatility of raw material prices and ocean freight, the Company has already taken a considered decision to set up a project in China. The production of aluminium is expected to grow from 40 million tonnes to 70 million tonnes in 2015 and 50% of the 70 million tonnes is going to be produced in Asia, China and Middle East. Therefore, China is going to play a very important role in the aluminium industry scenario in the days to come. The China project is expected to target this increased global market by supplying CPC to international aluminium smelters.

Therefore, even though the market environment continues to be challenging, the Company through its continuous customer centric initiatives is confident of driving growth to maintain its position in the industry and by combining operational efficiency, cost effectiveness and optimum utilization of production capacity the Company is confident to maintain a reasonable rate of business growth and profitability in future.

## RISKS AND CONCERNS

The major concern of the industry is the availability of the right type of raw material i.e., Raw Petroleum Coke (RPC) in required quantities, to meet the demands of the aluminium smelters. In order to establish itself as a reliable and competitive supplier to aluminium smelters the Company is required to work on a continuous basis closely with smelters, to make the best use of RPC by blending available different type of RPC and to maintain the highest levels of operational efficiency and cost effectiveness. To overcome these difficulties, the Company is regularly interacting with different RPC suppliers and aluminium smelters.

## RESEARCH AND DEVELOPMENT

The Company is identifying new sources of raw material (RPC) and analyzing its suitability for calcining to achieve quality and cost effectiveness, by exploring different types of blends that may be required by aluminium smelters.

Research and Development is an ongoing process at Goa Carbon Limited. The Company always emphasizes on innovations and discovery of new methods and concepts.

## FINANCIAL REVIEW

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

	As at 31-3-2010	As at 31-3-2009
PAT / Sales	0.16%	3.16%
Return on Net Worth	2.73%	26.49%
Earnings per share (Rs.)	0.44	13.58

The net current assets of the Company as on 31-3-2010 were Rs.13,579.15 lakhs as compared to Rs.20,958.39 lakhs during the previous year.

The net cash flow of the Company during the year ended 31-3-2010 is as follows:

(Rs. in Lakhs)

	As at 31-3-2010	As at 31-3-2009
Cash (used in) / from operations	6861.71	(1614.15)
Cash (used in) / from investing activities	(177.66)	302.88
Cash (used in) / from financial activities	(8315.91)	718.84
Net increase/ (decrease) in cash	(1631.86)	(592.43)

## INTERNAL CONTROL SYSTEM

Your Company has proper and adequate internal control systems to ensure that the assets are protected and safeguarded. Your Company has well documented operating procedures and authorizations which are adequate for internal controls. The internal audit system ensures that all financial transactions of the Company comply with the applicable laws, policies and procedures and are correctly recorded and reported.

The Company's ISO procedures also provide a better level of systems based on internal checks and controls.

### **HUMAN RESOURCES**

The Company takes all required initiatives for its organizational development, thereby enhancing employees' efficiency, productivity and accountability.

The employees are trained by involving them in various in-house programmes and by sponsoring them for outdoor seminars to keep them updated on the latest developments and new technology, so as to encourage them to introduce new concepts in the Company. The Company always enjoys cordial relations with its employees and encourages and motivates them to perform better on a regular basis.

### **STATUTORY COMPLIANCE**

All declarations and compliances with respect to the applicable statutes, enactments and guidelines are submitted at every meeting of the Board of Directors of the Company. The Company Secretary who is also the Compliance Officer gives a declaration of compliance to the Board with respect

to the applicable provisions of Companies Act, 1956, SEBI Regulations and Listing Agreements with the Stock Exchanges.

### **CAUTIONARY STATEMENT**

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

# Corporate Governance Report

## INTRODUCTION

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

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

### 1. Company's philosophy on Corporate Governance:

Your Company believes that good corporate actions resulting from corporate governance balance the interest of all stakeholders and satisfy the tests of accountability, transparency and fair play.

### 2. Board of Directors ("Board"):

#### 2.1 Composition of the Board

As on date, the Board comprises 8 Directors of whom 4 are Independent Directors. The Board is headed by Mr. Shrinivas V. Dempo as the Non-Executive Chairman and is made up of personalities with expertise and experience in diversified fields of specialization. Except for Mr. Jagmohan J. Chhabra, Executive Director, all the other directors are Non-Executive Directors.

The composition of the Board and the categories of the Directors are given below:

Category	Name of the Director	Designation	Number of shares held as at March 31, 2010
Promoter Director	Mr. Shrinivas V. Dempo	Chairman	1,88,798
Non-Executive Non-Independent Directors	Mr. Soiru V. Dempo Dr. A. B. Prasad	Director Director	Nil Nil
Independent Directors	Mr. Dara P. Mehta Mr. P. G. Kakodkar Mr. Keki M. Elavia Mr. Raman Madhok	Director Director Director Director	4,000 Nil Nil Nil
Whole-time Director	Mr. Jagmohan J. Chhabra	Executive Director	Nil

#### 2.2 Attendance of Directors at Board Meetings and Annual General Meeting

Attendance of each Director at the Board Meetings and last Annual General Meeting (AGM) and the number of Companies and Committees where he is a Director / Member

Name of the Director	Attendance Particulars		Membership of Board/Other Board Committees		
	Board Meetings	AGM held on 18-07-2009	No. of other Directorships held as at March 31, 2010	Chairman	Member
Mr. Shrinivas V. Dempo <i>Chairman</i>	4	Yes	18*	1	–
Mr. Dara P. Mehta	4	Yes	10°	–	–
Mr. P. G. Kakodkar	1	No	12	2	3
Mr. Soiru V. Dempo	4	Yes	6	–	1
Mr. Keki M. Elavia	4	Yes	13	4	4
Mr. Alban F. Couto <sup>1</sup>	None	N.A.	–	–	–
Dr. A. B. Prasad	4	Yes	2	1	–
Mr. Raman Madhok <sup>2</sup>	None	N.A.	2	–	1
Mr. Jagmohan J. Chhabra <sup>3</sup> <i>Executive Director</i>	None	N.A.	1	–	–

\* Includes directorships held in 16 private limited companies.

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

<sup>1</sup> Mr. Alban F. Couto ceased to be a director w.e.f. 27.06.2009.

<sup>2</sup> Mr. Raman Madhok has been appointed as Additional Director by the Board at its meeting held on 28.01.2010.

<sup>3</sup> Mr. Jagmohan J. Chhabra has been appointed as Additional Director and Whole time Director with designation "Executive Director" w.e.f. April 1, 2010.

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

### 2.3 Meetings of the Board of Directors

The Meetings of the Board are generally held at the Registered Office of the Company at Dempo House, Campal, Panaji-Goa – 403 001. During the year under review, the Board met four times and the gap between any two Board Meetings did not exceed four calendar months.

The dates on which the meetings were held are as follows:

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
1.	11.04.2009	7	5
2.	17.07.2009	6	5
3.	08.10.2009	6	5
4.	28.01.2010	6	6

### 2.4 Remuneration of each director on the Board during the financial year 2009-10 is as follows:

Name of the Director	Salary, Benefits, Bonus/ Commission, Stock Options, Performance Linked Incentive (Rs.)	Sitting fees* (Rs.)	Service Contract/Notice Period/Severance Fees/ Pension
Mr. Shrinivas V. Dempo	-	40,000	Retirement by Rotation
Mr. Dara P. Mehta	-	63,000	Retirement by Rotation
Mr. P. G. Kakodkar	-	57,000	Retirement by Rotation
Mr. Soiru V. Dempo	-	1,09,000	Retirement by Rotation
Mr. Keki M. Elavia	-	63,000	Retirement by Rotation
Dr. A. B. Prasad	-	1,03,000	Retirement by Rotation
Mr. Raman Madhok <sup>n</sup>	-	Nil	Retirement by Rotation
Mr. Jagmohan J. Chhabra <sup>o</sup>	-	Nil	#

\* Sitting fees include payments for Board appointed committee meetings.

<sup>n</sup> Mr. Raman Madhok has been appointed as Additional Director by the Board at its meeting held on 28.01.2010.

<sup>o</sup> Mr. Jagmohan J. Chhabra has been appointed as a Whole-time Director with designation "Executive Director" w.e.f. April 1, 2010.

# 3 years w.e.f. April 1, 2010/notice period 6 months/ N.A./N.A.

### 2.5 Board Procedures

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

### 2.6 Details of Directors being appointed/ re-appointed

Mr. P. G. Kakodkar and Mr. Keki M. Elavia are retiring by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Mr. Raman Madhok has been appointed as an Additional Director on the Board at the meeting of the Board of Directors held on January 28, 2010. He holds office upto the date of the ensuing Annual General Meeting and is proposed for appointment as Director at the said meeting.

Mr. Jagmohan J. Chhabra was appointed as an Additional Director and also as a Whole-time Director with designation "Executive Director" with effect from April 1, 2010, subject to the approval of the Central Government and the approval of the shareholders, which is being sought at the ensuing Annual General Meeting.

Brief details concerning these Directors are given below:

i) **Mr. P. G. Kakodkar** is M.A. in Economics from the Mumbai University. He is a renowned Banker having experience of more than 40 years with State Bank of India (SBI), and retired as Chairman of SBI. He is currently an I.T. and Banking Consultant.

#### Directorship and Committee Memberships

He is the Chairman of IBX Forex Ltd.

He is Director of Accounts Receivable Management Services Pvt. Ltd., Anand Rathi Financial Services Ltd., Auditime Information System (India) Pvt. Ltd., Centrum Finance Ltd., Financial Technologies (India) Ltd., Fomento Resorts & Hotels Ltd., Multi Commodity Exchange Ltd., Sesa Goa Ltd., Sesa Industries Ltd., S.B.I. Funds Management Pvt. Ltd. and Uttam Galva Steel Ltd.

#### Chairman of Board Committees

He is the Chairman of the Audit Committee and Investors' Grievance Committee of Sesa Goa Ltd.

#### Member of Board Committees

He is the Member of the Remuneration Committee of

Sesa Goa Ltd. and Member of the Audit Committee of Financial Technologies (India) Ltd., Fomento Resorts & Hotels Ltd., and Uttam Galva Steel Ltd.

#### Shareholding in the Company

Mr. P. G. Kakodkar does not hold any equity shares of the Company.

- ii) **Mr. Keki M. Elavia** who holds a B.Com. (Hons.) Degree, is a Fellow Member of the Institute of Chartered Accountants of India (FCA). He has been a Partner of the leading firm of Chartered Accountants, M/s. Kalyaniwala & Mistry, Mumbai for 35 years. He is a Member of India UK Accountancy Task Force constituted by the Ministry of Commerce, Government of India. He has been a member of the Indian Advisory Committee of HSBC, as an Appointee of Reserve Bank of India (RBI), Expert Group of RBI, the Board of Governors, Bombay Chapter, The Institute of Internal Auditors and Committees of Bombay Chamber of Commerce & Industry, Indo-French Chamber of Commerce & Industry and the Institute of Chartered Accountants of India.

#### Directorship and Committee Memberships

He is the Chairman of Great Offshore Ltd. and Uni VTL Engineering Pvt. Ltd.

He is Director of Allcargo Global Logistics Ltd., Great Offshore (International) Ltd., NRB Bearings Ltd., Sulzer India Ltd., Uni Abex Alloy Products Ltd., Uni Deritend Ltd., Uni Klinger Ltd., Insilco Ltd., Parazelsus India Pvt. Ltd., and Peerless Trust Management Company Ltd.

He is an Alternate Director of Grover Vineyards Ltd.

#### Chairman of Board Committees

He is the Chairman of the Audit Committee of Allcargo Global Logistics Ltd., Sulzer India Ltd., Uni Abex Alloy Products Ltd. and Peerless Trust Management Company Ltd.

#### Member of Board Committees

He is the Member of the Compensation Committee of Allcargo Global Logistics Ltd. He is Member of the Audit Committee of NRB Bearings Ltd. He is the Member of the Share Transfer and Investors' Grievance Committee of Sulzer India Ltd. and he is the Member of the Remuneration Committee of Insilco Ltd.

#### Shareholding in the Company

Mr. Keki M. Elavia does not hold any equity shares of the Company.

- iii) **Mr. Raman Madhok** holds a degree of B.E. (Hons.) – Mechanical. He is the former Executive President of Zuari Industries Ltd. and has vast Finance & Corporate Management experience.

#### Directorship and Committee Memberships

He is a Director of CMI FPE Ltd. and GEA Process Engineering (India) Pvt. Ltd.

#### Chairman of Board Committees

He is the Chairman of the Remuneration Committee of CMI FPE Ltd.

#### Member of Board Committees

He is the Member of the Shareholders'/Investors' Grievance Committee of CMI FPE Ltd.

#### Shareholding in the Company

Mr. Raman Madhok does not hold any equity shares of the Company.

- iv) **Mr. Jagmohan J. Chhabra** is a Mechanical Engineer with Masters Degree in Management (with Specialization in Marketing). He joined the Company in September 2008 as CEO & President. He was formerly associated as CEO of TSG Limited, a subsidiary of Frigoglass Group, Athens, Greece.

#### Directorship and Committee Memberships

He is a Director of GCL Global Resources SGP Pte Ltd.

#### Chairman of Board Committees

None.

#### Member of Board Committees

None.

#### Shareholding in the Company

Mr. Jagmohan J. Chhabra does not hold any equity shares of the Company.

### 2.7 Directors with materially significant related party transactions, pecuniary or business relationship with the Company

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors that may have potential conflict with the interests of the Company at large.

### 3. Audit Committee:

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

The Audit Committee of the Company presently comprises three Directors all of whom are Independent Directors namely Mr. Dara P. Mehta (Chairman), Mr. P. G. Kakodkar and Mr. Keki M. Elavia. The General Manager (Finance), the Chief Internal Auditor and the Statutory Auditors are permanent invitees to the Meetings of the Audit Committee. The Company Secretary is the Secretary to the Committee. The Committee reviews various aspects of internal controls

and the internal auditors' report. The requirements under Clause 49 of the Listing Agreement and as amended from time-to-time are also reviewed by the committee.

The Audit Committee has met four times during the financial year 2009-10 on:

April 10, 2009, July 17, 2009, October 7, 2009 and January 27, 2010.

Details of meetings attended by the members of the Audit Committee during the financial year 2009-10 are as follows:

Committee Members	Profession	Committee Meetings	
		Held	Attended
Mr. Dara P. Mehta	Solicitor	4	4
Mr. Keki M. Elavia	Chartered Accountant	4	4
Mr. P. G. Kakodkar	Banking Consultant	4	1

### 3.2 Terms of Reference

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors on any significant findings and follow up thereon.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee mandatorily reviews the following information:

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

of the Chief internal auditor shall be subject to review by the Audit Committee.

#### 4. Remuneration Committee:

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

The Remuneration Committee of the Company has been reconstituted from 28.01.2010 and presently comprises four Directors all of whom are Non-Executive Directors namely Mr. Keki M. Elavia (Chairman) Mr. P. G. Kakodkar, Mr. Soiru V. Dempo and Mr. Raman Madhok.

During the financial year 2009-10, the Committee met once on April 11, 2009. The details of the Committee are given below:

Committee Members	Status	Committee Meetings	
		Held	Attended
Mr. Keki M. Elavia*	Chairman	N.A.	-
Mr. P. G. Kakodkar	Member	1	1
Mr. Soiru V. Dempo	Member	1	1
Mr. Alban F. Couto**	Member	1	-
Mr. Raman Madhok*	Member	N.A.	-

\* Mr. Keki M. Elavia and Mr. Raman Madhok have been inducted into the Remuneration Committee by the Board at its meeting held on 28.01.2010.

\*\* Mr. Alban F. Couto ceased to be a director w.e.f. 27.06.2009.

##### 4.2 Terms of Reference

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

#### 5. Share Transfer and Investors' Grievance Committee:

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

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

The Committee met 22 times during the year 2009-10. The details are as follows:

Committee Members	Status	Committee Meetings	
		Held	Attended
Mr. P. G. Kakodkar	Chairman	22	13
Mr. Soiru V. Dempo	Member	22	22
Dr. A. B. Prasad	Member	22	21

##### 5.2 Terms of Reference

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

##### 5.3 Details of Shareholders' Complaints

As per the report from the Registrar & Share Transfer Agents, 190 letters / complaints were received from the shareholders / investors during the financial year ended March 31, 2010. All letters/complaints received were replied / resolved to the satisfaction of the shareholders and no letters / complaints remained unattended / pending as on March 31, 2010.

##### 5.4 Compliance Officer

Mr. P. S. Mantri, Company Secretary is the Compliance Officer under Clause 47 of the Listing Agreement with the Stock Exchanges.

#### 6. General Meetings and Postal Ballot:

##### 6.1 Location, date & time of Annual General Meeting (AGM) for the last 3 years are as under:

Year	Location	Date & Time
2007 39th AGM*	Dempo House, Campal, Panaji, Goa 403 001	July 27, 2007 10.00 a.m
2008 40th AGM	Dempo House, Campal, Panaji, Goa 403 001	July 29, 2008 10.30 a.m.
2009 41st AGM	Dempo House, Campal, Panaji, Goa 403 001	July 18, 2009 10.30 a.m.

\* A special resolution was passed consenting to and approving the payment of enhanced remuneration, perquisites, benefits and introduction of performance linked pay, to Mr. S. Ramachandran, Executive Director with effect from April 1, 2007.

##### 6.2 Postal Ballot

For the year ended March 31, 2010, there has been no ordinary or special resolution passed by the Company's shareholders through postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

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

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

**7.2 Statutory Compliance, Penalties and Strictures**

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

**7.3 Listing Agreement Compliance**

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

**7.4 Code of Conduct**

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

The declaration of the Executive Director is given below:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I, Jagmohan J. Chhabra, Executive Director of Goa Carbon Limited, declare that all Board Members and Senior Executives of the Company at its Corporate Office have affirmed their compliance with the Code of Conduct during the financial year ended March 31, 2010.

Panaji-Goa  
April 9, 2010

**Jagmohan J. Chhabra**  
*Executive Director*

**7.5 CEO/CFO Certification**

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

**7.6 Corporate Social Responsibility (CSR)**

Continuing our efforts in contributing towards various areas of corporate sustainability that impact environment, people and society at large and to maintain good community relations, your Company has undertaken various CSR initiatives namely –

- Efforts for the betterment of the environment

through energy conservation, waste minimization and pollution control by installing modern devices at the plants.

- Donation to the Chief Minister's Relief Fund for the victims of the floods in Canacona, Goa.
- Corporate sponsorship of a promising Goa State Chess player.
- Financial assistance to Kastuba Gandhi National Memorial Trust in aid of Hamara School.
- Financial assistance to Matruchaya Trust by way of sponsoring 10 children for the year 2009-10.
- Donation to Vasantrao Dempo Education and Research Foundation.
- Sponsorship of various clubs for the conduct of sports and cultural activities.

During the year 2009-10, your Company has spent Rs. 18.58 lakhs on CSR activities against Rs.9.45 lakhs during the previous year.

**8. Means of Communication:**

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

No presentations have been made to institutional investors/analysts during the financial year.

The Management Discussion & Analysis Report is provided separately as a part of this Annual Report.

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

Date and Time : August 7, 2010 at 10.00 a.m.  
Venue : Dempo House, Campal,  
Panaji-Goa – 403 001

**9.2 Financial Year Calendar (2010-11)**

(Tentative and subject to change)

Results for quarter ending June 30, 2010	By 15 <sup>th</sup> August, 2010
Results for quarter ending September 30, 2010	By 15 <sup>th</sup> November, 2010
Results for quarter ending December 31, 2010	By 15 <sup>th</sup> February, 2011
Results for quarter ending March 31, 2011	By 15 <sup>th</sup> May, 2011
Annual General Meeting for the year ending March 31, 2011	By September, 2011

### 9.3 Book Closure Date

The Company's Share Transfer Books and Register of Members of equity shares shall remain closed from July 29, 2010 to August 7, 2010 (both days inclusive), to determine the entitlement of shareholders to receive dividend for the year ended March 31, 2010.

### 9.4 Dividend Payment Date

The dividend, if declared at the Annual General Meeting,

shall be paid within the statutory time limit of 30 days from the date of declaration.

### 9.5 Listing of Equity Shares

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

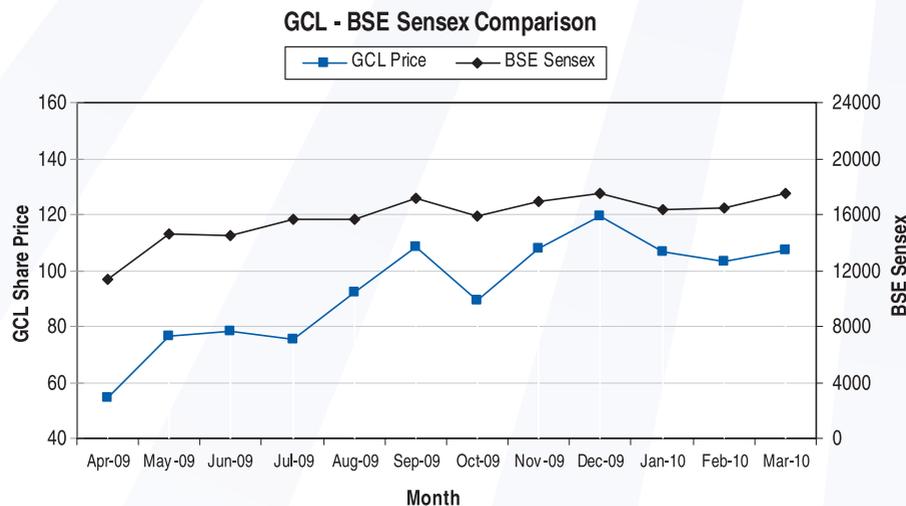
### 9.6 Stock Codes

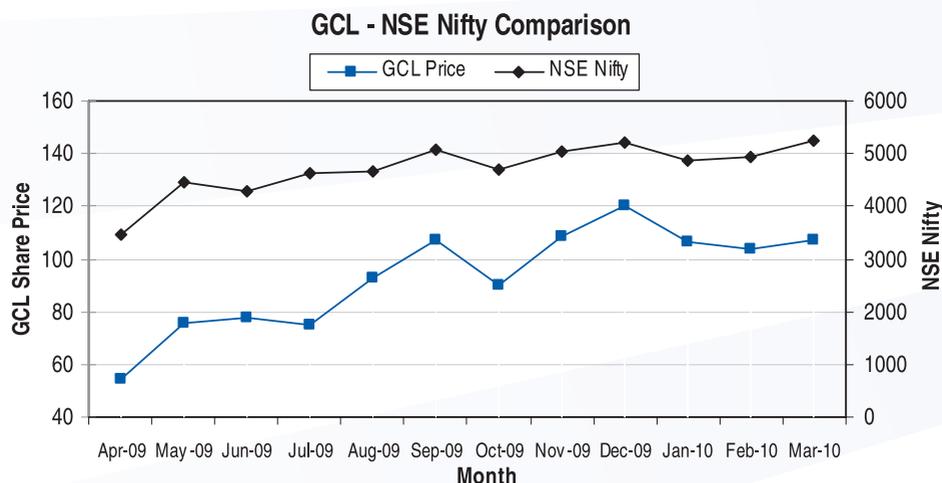
Scrip Code	Bombay Stock Exchange Ltd.	509567
	National Stock Exchange of India Ltd.	GOACARBON
Demat ISIN Number in NSDL and CDSL	INE426D01013	

### 9.7 Market Price Data (In Rs.)

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High	Low	Volume	High	Low	Volume
April 2009	68.65	49.00	345685	69.00	48.51	222015
May 2009	76.40	49.95	476303	75.75	51.00	322590
June 2009	93.85	70.45	771266	93.35	71.50	491787
July 2009	81.45	61.55	245818	81.90	61.30	177668
August 2009	95.70	72.15	450387	96.00	72.00	350968
September 2009	115.00	85.10	1991486	115.00	80.10	2122354
October 2009	113.70	88.10	1495121	112.95	89.50	2045938
November 2009	108.00	82.30	534052	108.80	82.15	908821
December 2009	131.25	97.40	3939017	131.95	95.25	5722168
January 2010	125.00	103.25	959902	124.75	102.25	1186077
February 2010	130.40	101.00	2322294	130.50	100.05	4128473
March 2010	119.95	104.00	2542477	119.90	104.00	2061676

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





### 9.9 Registrar and Share Transfer Agent

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

### 9.10 Share Transfer System

All matters pertaining to share transfers are being handled by Link Intime India Pvt. Ltd., the Registrar and Share Transfer Agents (RTA) of the Company. The share transfer requests received by them are processed and a memorandum of transfer is sent to the Company for approval by the Share Transfer & Investors' Grievance Committee. Shares held in dematerialized form are traded electronically in the Depositories. The RTA of the Company periodically receives from the Depositories, the beneficial holding so as to enable them to update their records and to send all notices, corporate communications and dividend warrants etc. to the beneficial owners of the shares. The average time taken for processing of share transfer requests including

dispatch of share certificates etc. is 15 to 20 days. As at March 31, 2010 no equity shares were pending for transfer.

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

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

### 9.11 Distribution of Shareholding Distribution Schedule as on March 31, 2010

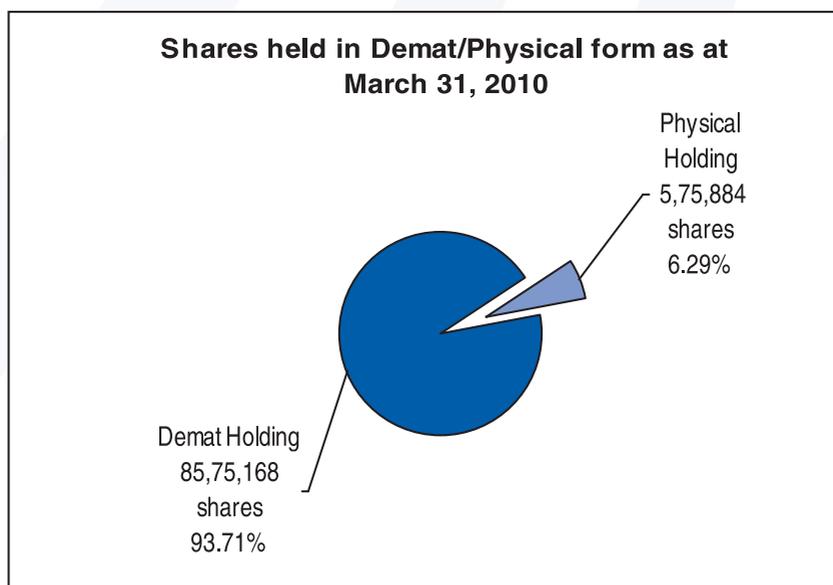
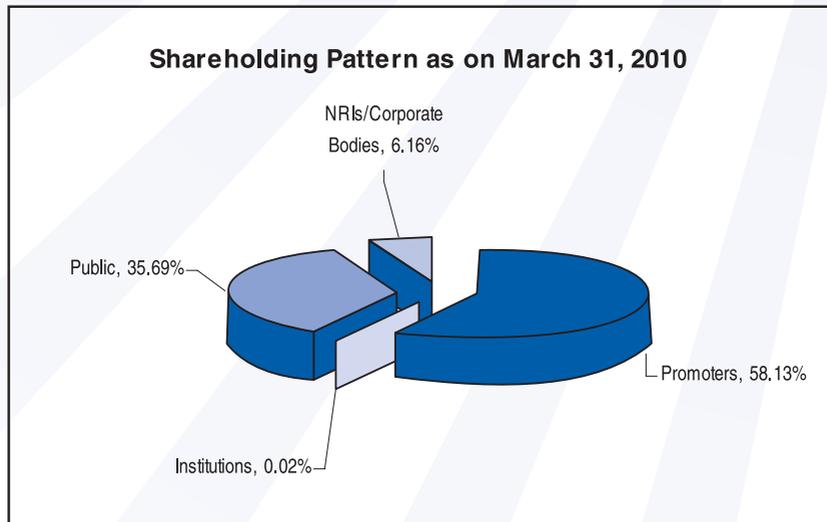
No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% to Total
Upto 500	14,709	93.82	14,72,753	16.10
501 to 1000	535	3.41	4,28,549	4.68
1001 to 2000	213	1.36	3,12,034	3.41
2001 to 3000	73	0.47	1,88,493	2.06
3001 to 4000	36	0.23	1,27,506	1.39
4001 to 5000	27	0.17	1,26,441	1.38
5001 to 10000	43	0.27	2,95,583	3.23
10001 and above	42	0.27	61,99,693	67.75
<b>TOTAL</b>	<b>15,678</b>	<b>100.00</b>	<b>91,51,052</b>	<b>100.00</b>

**Distribution of Shareholding (Categorywise) as on March 31, 2010**

Category	No. of Shareholders	No of Shares held	% of Shareholding
Promoters, Directors, their relatives & Associates	8	53,24,738	58.19
Mutual Funds / UTI	1	550	0.01
Financial Institutions / Banks	11	1,205	0.01
Bodies Corporate	327	4,95,076	5.41
Non-Resident Indians (NRI's)	77	68,669	0.75
Resident Individuals	15,140	30,55,079	33.38
Clearing Members	114	2,05,735	2.25
<b>TOTAL</b>	<b>15,678</b>	<b>91,51,052</b>	<b>100.00</b>

**9.12 Dematerialisation of Shares and Liquidity**

As on March 31, 2010, 93.71% of the Company's paid-up capital representing 85,75,168 shares was held in dematerialized form as compared to 93.33% of the Company's paid-up capital representing 85,40,715 shares as on March 31, 2009.



**9.13 Outstanding GCRs/ADRs/Warrants or any Convertible Instruments**

- Nil -

**9.14 Plant Locations**

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

**9.15 Address of Subsidiary**

**GCL Global Resources SGP Pte Ltd.**

133 Cecil Street #16-01,  
Keck Seng Tower,  
Singapore – 069 535

**9.16 Address for Correspondence**

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

**Link Intime India Pvt. Ltd.**

C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (West), Mumbai – 400 078  
Ph.: (022) 25946970 Fax: (022) 2594 6969  
Email: rnt.helpdesk@linkintime.co.in

Investor correspondence/queries relating to payment/ revalidation of dividend on shares should be addressed to –

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

Investor complaints, if any, may be addressed to –

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

**9.17 Status of Compliance with Non-Mandatory requirements**

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

**i) The Board:**

An office with required facilities for the non-executive Chairman is not provided and maintained by the Company.

No policy has been fixed on the tenure of Independent Directors.

**ii) Remuneration Committee:**

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

**iii) Shareholders Rights:**

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

**iv) Audit Qualifications:**

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

**v) Training of Board Members:**

Not yet adopted by the Company.

**vi) Mechanism for evaluating non-executive Board Members:**

Not yet adopted by the Company.

**vii) Whistle Blower Policy:**

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

## CERTIFICATE

To the Members of Goa Carbon Limited,

We have examined the compliance of conditions of Corporate Governance by Goa Carbon Limited, for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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

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

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

For **DELOITTE HASKINS & SELLS**  
*Chartered Accountants*

Place : Panaji-Goa  
Date : April 9, 2010

**B. RAMARATNAM**  
*Partner*

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

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

- (a) We have reviewed the financial statements and the cash flow statement of the company for the financial year ended March 31, 2010 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the period, which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee
  - (i) Significant changes, if any, in internal control over financial reporting during the year;
  - (ii) Significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Jagmohan J. Chhabra**  
*Executive Director*

**K. Balaraman**  
*General Manager (Finance)*

Place : Panaji-Goa.  
Date : April 9, 2010.

# Auditors' Report to the Members of Goa Carbon Limited

1. We have audited the attached Balance Sheet of Goa Carbon Limited ("the Company") as at 31st March 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010
    - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
    - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Registration No. 008072S)

**B. Ramaratnam**  
Partner  
(Membership No. 21209)

Place : Panaji, Goa  
Date : April 9, 2010

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii) In respect of its inventories:
- As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii) a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under the Section 301 of the Companies Act, 1956.
- b) In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
- The Company has taken a loan aggregating Rs.1500 lakhs from one party during the year. At the year-end, the outstanding balance of such loan taken aggregated Rs. Nil and the maximum amount involved during the year was Rs.1500 lakhs.
- The rate of interest and other terms and conditions of such loan is, in our opinion, prima facie, not prejudicial to the interests of the Company.
- The payments of principal amount and interest in respect of such loans are regular as per stipulations.
- iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.
- vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- viii) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records in respect of the Company's products.

ix) According to the information and explanations given to us in respect of statutory dues:

a) The Company has been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income-tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Customs Duty, Service Tax, Excise Duty and Cess that have not been deposited on account of any dispute except for the following:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)
The Central Excise Act, 1944	Excise Duty	Customs Excise & Service Tax Appellate Tribunal	2001-02, 2002-03 and 2007-08	92.08
Orissa VAT Act, 2004	VAT	Commercial Tax Officer	2003-04 and 2004-05	694.85

x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

xii) According to the information and explanations given to us and based on our examination of documents

and records, we are of the opinion that no loans or advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society.

xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments.

xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

xvi) According to the information and explanations given to us, in our opinion, the Company has not availed any term loan during the year.

xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that, prima facie, funds raised on short-term basis have not been used during the year for long-term investment.

xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

xix) The Company has not issued any debentures during the year.

xx) The Company has not raised any money by way of public issues during the year.

xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Registration No. 008072S)

**B. Ramaratnam**  
Partner  
(Membership No. 21209)

Place : Panaji, Goa  
Date : April 9, 2010

**BALANCE SHEET AS AT 31ST MARCH, 2010**

Rupees in lacs

	Schedule	As at 31-3-2010	As at 31-3-2009
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	915.11	915.11
Reserves and Surplus	2	5,878.99	6,051.76
		<b>6,794.10</b>	6,966.87
<b>LOAN FUNDS</b>			
Secured Loans		9,412.18	16,620.89
<b>DEFERRED TAX LIABILITY (net)</b>			
		438.64	363.58
		<b>16,644.92</b>	23,951.34
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
	4		
Gross Block		5,283.07	5,247.61
Less: Depreciation		2,556.31	2,318.78
Net Block		2,726.76	2,928.83
Capital work-in-progress		334.91	60.07
		<b>3,061.67</b>	2,988.90
<b>INVESTMENTS</b>			
	5	4.10	4.05
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	6	10,545.46	18,312.31
Sundry Debtors	7	1,766.70	1,342.74
Cash and Bank Balances	8	1,601.03	3,375.31
Loans and Advances	9	2,568.44	2,627.82
		<b>16,481.63</b>	25,658.18
<b>Less: CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	10	2,590.79	4,312.69
Provisions	11	311.69	387.10
		<b>2,902.48</b>	4,699.79
<b>NET CURRENT ASSETS</b>			
		<b>13,579.15</b>	20,958.39
		<b>16,644.92</b>	23,951.34
Accounting Policies & Notes to the Accounts	16		

In terms of our report attached

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS  
Chartered Accountants

B. RAMARATNAM  
Partner

K. BALARAMAN  
General Manager – Finance

P. S. MANTRI  
Company Secretary

SHRINIVAS V. DEMPO  
Chairman

JAGMOHAN J. CHHABRA  
Executive Director

Panaji, Dated: 9th April, 2010

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

Rupees in lacs

	Schedule	Year ended 31-3-2010	Year ended 31-3-2009
<b>INCOME</b>			
Sales		27,697.93	41,988.68
Less: Excise Duty		2,626.30	3,025.18
		25,071.63	38,963.50
Other Income	12	883.59	436.09
		25,955.22	39,399.59
<b>EXPENDITURE</b>			
Decrease/(Increase) in stock of Finished Goods		3,948.69	(3,915.71)
Raw Material Consumed	13	17,021.63	33,705.13
Purchase of finished goods		391.63	–
Manufacturing and Other Expenses	14	3,316.79	6,435.50
Finance Charges	15	836.52	1,073.73
Depreciation		254.54	255.20
		25,769.80	37,553.85
<b>PROFIT BEFORE TAX</b>		185.42	1,845.74
<b>PROVISION FOR TAX</b>			
Current		95.00	400.72
Prior Year		(25.29)	(0.72)
Deferred		75.06	200.34
Fringe Benefit		–	12.25
		144.77	612.59
<b>PROFIT AFTER TAX</b>		40.65	1,233.15
Add: Balance brought forward from previous year		945.37	533.41
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>		986.02	1,766.56
<b>Appropriations</b>			
General Reserve		3.05	500.00
Proposed Dividend @ 20%		183.02	274.53
Tax on Dividend		30.40	46.66
		216.47	821.19
<b>Balance carried to balance sheet</b>		769.55	945.37
Earnings (Basic and diluted) per share (face value of Rs. 10/- each) Rupees		0.44	13.48
Accounting Policies & Notes to the Accounts	16		

In terms of our report attached

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS  
Chartered AccountantsB. RAMARATNAM  
PartnerK. BALARAMAN  
General Manager – FinanceP. S. MANTRI  
Company SecretarySHRINIVAS V. DEMPO  
ChairmanJAGMOHAN J. CHHABRA  
Executive Director

Panaji, Dated: 9th April, 2010

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

Rupees in lacs

	Year ended 31-3-2010		Year ended 31-3-2009	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit before tax</b>		<b>185.42</b>		1,845.74
<b>Adjustments for :</b>				
Depreciation	<b>254.54</b>		255.20	
Finance charges	<b>836.52</b>		1,073.73	
Loss on assets sold/scrapped	<b>1.90</b>		5.19	
Bad debts written off	<b>185.03</b>		19.30	
Provision for doubtful debts/advances	<b>(52.21)</b>		29.54	
Profit on sale of assets	<b>-</b>		(0.11)	
Interest income	<b>(132.89)</b>		(396.92)	
Rent income	<b>-</b>		(0.87)	
Sundry credit balances written back	<b>(136.36)</b>		(19.02)	
Unrealised Exchange Loss /(Gain) – (Net)	<b>(114.88)</b>		1,023.59	
Dividend income	<b>(1.49)</b>	<b>840.16</b>	(1.49)	1,988.14
<b>Operating Profit before working capital changes</b>		<b>1,025.58</b>		3,833.88
<b>Adjustments for :</b>				
(Increase) / Decrease in inventories	<b>7,766.85</b>		(7,918.75)	
(Increase) / Decrease in trade & other receivables	<b>(403.46)</b>		1,321.83	
Increase / (Decrease) in Current Liabilities	<b>(1,487.54)</b>	<b>5,875.85</b>	1,704.89	(4,892.03)
<b>Cash flow from operations</b>		<b>6,901.43</b>		(1,058.15)
Direct taxes (net)		<b>(39.72)</b>		(556.00)
<b>Net cash (used in) /from operating activities</b>		<b>6,861.71</b>		(1,614.15)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets		<b>(329.39)</b>		(94.85)
Proceeds from Sale of fixed assets		<b>0.19</b>		3.60
Interest received		<b>150.05</b>		391.77
Rent received		<b>-</b>		0.87
Dividend received		<b>1.49</b>		1.49
<b>Net cash (used in)/from investing activities</b>		<b>(177.66)</b>		302.88

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010 (Contd.)

Rupees in lacs

	Year ended 31-3-2010	Year ended 31-3-2009
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) from short term borrowings from Banks (Net)	<b>(7,092.53)</b>	2,237.85
Proceeds from unsecured borrowings	<b>1,500.00</b>	–
Repayment of unsecured borrowings	<b>(1,500.00)</b>	(140.00)
Finance charges paid	<b>(905.04)</b>	(1,061.26)
Dividends paid	<b>(271.68)</b>	(271.09)
Tax on dividend paid	<b>(46.66)</b>	(46.66)
<b>Net cash (used in) from financing activities</b>	<b>(8,315.91)</b>	718.84
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS ( A + B + C )	<b>(1,631.86)</b>	(592.43)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<b>3,211.06</b>	3,803.49
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	<b>1,579.20</b>	3,211.06
<b>Cash on hand and balances with banks</b>	<b>177.93</b>	36.06
Unrealised Exchange Loss	<b>1.27</b>	–
	<b>179.20</b>	36.06
<b>Short term deposits</b>	<b>1,400.00</b>	3,175.00
<b>Cash and Cash Equivalents at the close of the year</b>	<b>1,579.20</b>	3,211.06

In terms of our report attached

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS  
Chartered Accountants

SHRINIVAS V. DEMPO  
Chairman

B. RAMARATNAM  
Partner

K. BALARAMAN  
General Manager – Finance

JAGMOHAN J. CHHABRA  
Executive Director

P. S. MANTRI  
Company Secretary

Panaji, Dated: 9th April, 2010

**SCHEDULES FORMING PART OF THE BALANCE SHEET****SCHEDULE 1 : SHARE CAPITAL**

Rupees in lacs

	As at 31-3-2010	As at 31-3-2009
Authorised:		
2,20,00,000 Equity Shares of Rs. 10/- each	2,200.00	2,200.00
3,00,000 Preference Shares of Rs. 100/- each	300.00	300.00
	2,500.00	2,500.00
Issued and Subscribed:		
91,51,052 Equity Shares of Rs. 10/- each fully paid-up	915.11	915.11
Of the above Shares: 34,50,000 Shares were allotted by way of Bonus Shares by Capitalisation of Capital Redemption Reserve and General Reserve		

**SCHEDULE 2 : RESERVES AND SURPLUS**

	As at 31-3-2010	As at 31-3-2009
Amalgamation Reserve	475.38	475.38
Securities Premium Account	3,131.01	3,131.01
General Reserve		
As per last Balance Sheet	1,500.00	1,000.00
Transfer from Profit & Loss Account	3.05	500.00
Profit & Loss Account	769.55	945.37
	5,878.99	6,051.76

**SCHEDULE 3 : LOAN FUNDS**

	As at 31-3-2010	As at 31-3-2009
<b>SECURED LOANS</b>		
From Banks :		
a) Cash Credit	4,919.77	1,017.72
b) Buyer's Credit	4,492.41	15,603.17
(Above facilities are secured by hypothecation of all movable assets, raw materials, finished goods, stores, spare parts, book debts, pledge of fixed deposit and pari-passu charge on fixed assets located at all units)		
	9,412.18	16,620.89

Rupees in lacs

**SCHEDULE 4 : FIXED ASSETS**

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 1-4-2009	Additions	Deductions	As at 31-3-2010	As at 1-4-2009	For the Year	Deductions	As at 31-3-2010	As at 31-3-2009
<b>Tangible Assets</b>									
Land (Freehold)	13.58	-	-	13.58	-	-	-	13.58	13.58
Plot Development on leasehold land	101.95	-	-	101.95	44.28	11.23	-	46.44	57.67
Buildings	1,394.47	10.62	-	1,405.09	500.95	44.76	-	859.38	893.52
Plant and Machinery	3,001.31	34.76	14.23	3,021.84	1,414.74	151.12	13.38	1,469.36	1,586.57
Laboratory Equipments	80.36	-	-	80.36	52.77	4.19	-	23.40	27.59
Electrical Fittings & Equipments	197.99	2.10	-	200.09	84.88	8.39	-	106.82	113.11
Furniture, Office Equipments and Computers	176.83	6.19	4.87	178.15	121.97	13.60	3.63	46.21	54.86
Vehicles	83.81	0.89	-	84.70	28.56	7.64	-	48.50	55.25
<b>Intangible Assets</b>									
Land (Leasehold)	100.83	-	-	100.83	13.99	0.34	-	86.50	86.84
Technical Knowhow	30.21	-	-	30.21	30.21	-	-	-	-
Computer Software	66.27	-	-	66.27	26.43	13.27	-	26.57	39.84
<b>TOTAL</b>	5,247.61	54.56	19.10	5,283.07	2,318.78	254.54	17.01	2,726.76	2,928.83
Previous Year	5,243.29	47.12	42.80	5,247.61	2,097.60	255.20	34.02		
Capital Work-in-progress at cost (including advances)								334.91	60.07
								3,061.67	2,988.90

**Note:** Buildings include residential flats costing Rs. 12.98 lacs (Previous year Rs. 12.98 lacs) in respect of which registration in the name of the Company is pending.

**SCHEDULE 5 : INVESTMENTS (Long term)**

Rupees in lacs

	As at 31-3-2010	As at 31-3-2009
Quoted (Non Trade):		
13,500 (13,500) Fully paid-up Equity Shares of Rs.10/- each in ICICI Bank Limited	4.05	4.05
Unquoted (Non Trade):		
In wholly owned subsidiary company: 100 (Nil) Fully paid up Equity Shares of USD 1 each in GCL Global Resources SGP PTE Limited	0.05	–
	4.10	4.05
Market Value of Quoted Investment	128.61	44.90

**SCHEDULE 6 : INVENTORIES**

	As at 31-3-2010	As at 31-3-2009
Raw Materials	7,579.91	11,359.10
Finished Goods	2,801.32	6,750.00
Stores & Spares	164.23	203.21
	10,545.46	18,312.31

**SCHEDULE 7 : SUNDRY DEBTORS (Unsecured)**

	As at 31-3-2010	As at 31-3-2009
Outstanding for a period exceeding six months		
Considered good	–	34.88
Considered doubtful	29.50	51.71
	29.50	86.59
Other Debts		
Considered good	1,766.70	1,307.86
	1,796.20	1,394.45
Less: Provision for Doubtful Debts	29.50	51.71
	1,766.70	1,342.74

**SCHEDULE 8 : CASH AND BANK BALANCES**

	As at 31-3-2010	As at 31-3-2009
Cash on hand	7.11	2.19
Balances with Scheduled Banks:		
On Current Accounts	170.82	33.87
On Unpaid Dividend Accounts	23.10	20.25
On Deposits Accounts (Fixed deposit of Rs. 400 lacs (Rs. 1,769 lacs) are pledged with Banks as security for facilities availed from them)	1,400.00	3,319.00
	1,601.03	3,375.31

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

Rupees in lacs

	As at 31-3-2010	As at 31-3-2009
Advances recoverable in cash or in kind or for value to be received		
Considered good	2,512.61	2,529.08
Considered doubtful	–	30.00
	2,512.61	2,559.08
Less : Provision for doubtful advances	–	30.00
	2,512.61	2,529.08
Advances to Subsidiary	4.25	–
Taxation (Net)	48.69	78.69
Interest accrued on deposits	2.87	20.03
Balance with Customs & Excise Authorities	0.02	0.02
	2,568.44	2,627.82

**SCHEDULE 10 : CURRENT LIABILITIES**

	As at 31-3-2010	As at 31-3-2009
Sundry Creditors		
Due to Micro and Small Enterprises	–	–
Due to others	2,549.99	4,206.22
Interest accrued but not due on loans	17.70	86.22
Unpaid Dividend (Represents dividend warrants issued but remained unrepresented to the banks and there is no amount due and outstanding to be credited to Investor Education and Protection Fund)	23.10	20.25
	2,590.79	4,312.69

**SCHEDULE 11 : PROVISIONS**

	As at 31-3-2010	As at 31-3-2009
Employee Benefits	98.27	65.91
Proposed Dividend	183.02	274.53
Tax on Dividend	30.40	46.66
	311.69	387.10

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

Rupees in lacs

	Year ended 31-3-2010	Year ended 31-3-2009
Interest (Gross)		
* From Banks	60.84	396.42
From Others	72.05	0.50
* [Tax deducted at source Rs. 9.03 lacs (Rs. 79.13 lacs)]		
	132.89	396.92
Rent	–	0.87
Dividend from Non-trade Investments	1.49	1.49
Miscellaneous Receipts	18.15	14.67
Sundry Credit balances written back	136.36	19.02
Profit on sale of Raw Materials	–	3.01
Profit on Sale of Fixed Assets	–	0.11
Exchange gain (net)	594.70	–
	883.59	436.09

**SCHEDULE 13 : RAW MATERIALS CONSUMED**

	Year ended 31-3-2010	Year ended 31-3-2009
Opening Stock	11,359.10	7,316.66
Add: Purchases	13,242.44	37,758.29
	24,601.54	45,074.95
Less: Cost of Raw Material sold	–	10.72
	24,601.54	45,064.23
Less: Closing Stock	7,579.91	11,359.10
	17,021.63	33,705.13

**SCHEDULE 14 : MANUFACTURING & OTHER EXPENSES**

Rupees in lacs

	Year ended 31-3-2010	Year ended 31-3-2009
Salaries, Wages & Bonus	854.98	772.60
Contribution to Provident and other Funds	129.47	85.41
Staff Welfare Expenses	100.53	92.93
Excise Duty on Stock differential	(208.42)	275.65
Fuel and Power	189.21	327.72
Repairs & Maintenance:		
Plant & Machinery	129.60	165.62
Buildings	53.59	93.31
Others	25.29	33.67
	208.48	292.60
Packing & Forwarding	1,033.96	971.48
Selling & Distribution Expenses	29.59	28.61
Rent	72.34	50.58
Rates & Taxes	41.35	11.31
Travelling Expenses	82.65	103.64
Insurance	44.84	36.90
Loss on assets sold/scrapped	1.90	5.19
Bad debts written off	185.03	19.30
Less: Provision for doubtful debts/advances of earlier years written back	52.21	-
	132.82	19.30
Provision for doubtful debts/advances	-	29.54
Auditors' Remuneration :		
Audit fees	6.25	6.25
Tax Audit	1.50	1.50
Other Services	2.25	1.75
Expenses	1.06	1.28
	11.06	10.79
Exchange loss (net)	-	2,970.39
Directors' sitting fees	4.35	4.04
Miscellaneous expenses	587.68	346.83
	3,316.79	6,435.50

**SCHEDULE 15 : FINANCE CHARGES**

	Year ended 31-3-2010	Year ended 31-3-2009
Interest on working capital borrowings	730.65	874.52
Bank charges and commission	105.87	199.21
	836.52	1,073.73

## SCHEDULE 16 – SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010

### A. SIGNIFICANT ACCOUNTING POLICIES:

#### 1. BASIS OF ACCOUNTING

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

#### 2. USE OF ESTIMATES

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

#### 3. FIXED ASSETS

##### Tangible Assets

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

##### Intangible Assets

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

#### 4. DEPRECIATION

- Depreciation on fixed assets is provided on the straight line basis at the rates specified in Schedule XIV of the Companies Act, 1956, classifying certain Plant and Machinery as Continuous Process Plant.
- Leasehold land is amortised over the period of the lease.
- Individual assets costing less than Rs.5,000 each are depreciated in full in the year of acquisition. Depreciation on additions and deletions during the year are charged on pro-rata basis.

d) Intangible assets are amortised over the estimated useful life of the assets on straight line basis.

e) Cost of Plot development on land leased to the company is amortised over the estimated period of utility.

#### 5. BORROWING COSTS

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

#### 6. INVESTMENTS

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

#### 7. INVENTORIES

Inventories are valued at the lower of cost (net of cenvat where applicable) and net realisable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. In respect of raw materials, cost is determined on specific identification method.

In respect of stores and spares, cost is determined on First-in First-out basis. In the case of finished goods, cost includes all direct costs and applicable production overheads to bring the goods to the present location and also includes excise duty.

#### 8. FOREIGN CURRENCY TRANSACTIONS

(i) Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange as at the balance sheet date. Exchange differences arising on actual payments/realizations and year end restatements are dealt with in the profit and loss account.

(ii) The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit & loss in the reporting period in which the exchange rate changes.

**SCHEDULE 16 (Contd.)****9. REVENUE RECOGNITION**

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

**10. EMPLOYEE BENEFITS****Short Term Employee Benefits :**

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

**Defined Contribution Plans****a. Provident Fund:**

In respect of Paradeep and Bilaspur Units, the company contributes to a government administered provident/pension fund. The fixed contributions to these funds are charged to Profit and Loss Account.

**b. Superannuation:**

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

**Defined Benefit Plans****a. Provident Fund:**

In respect of Goa unit, contributions are made to the Company's Employees Provident Fund Trust in accordance with the fund rules. The interest rate payable by the trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The contributions made to this fund are charged to Profit and Loss Account.

**b. Compensated absences:**

The employees of the Company are entitled to encashment of unavailed leave. The employees can carry forward a portion of the unutilized leave and receive cash compensation at retirement or termination of employment. The Company records an obligation for encashment of unavailed leave in the period in which the employee renders the services, based on an actuarial valuation at the

balance sheet date, carried out by an independent actuary. Actuarial gain or loss is recognized in the profit or loss account as income or expense.

**c. Gratuity:**

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

**11. TAXES ON INCOME**

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

**12. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

**13. IMPAIRMENT OF ASSETS**

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

**SCHEDULE 16 (Contd.)****B. NOTES FORMING PART OF ACCOUNTS:**

Rupees in lacs

		As at 31-3-2010	As at 31-3-2009
1.	Estimated amount of contracts remaining to be executed on capital account but not provided for (net of advances):	–	325.00
2.	Contingent Liabilities:	As at 31-3-2010	As at 31-3-2009
	i) Demurrage claim (under arbitration).	81.64	–
	ii) Disallowance of Cenvat Credit and Educational Cess on purchase of raw materials	90.19	90.19
	iii) Demand of Central Excise Duty on loading and unloading charges reimbursed by the Customers	1.89	1.89
	iv) Demand towards Entry Tax on purchases	–	49.21
	v) Demand towards Sales Tax on finished goods	–	230.98
	vi) Demand towards CST	694.85	745.27
	vii) Disallowance of claim for deduction under Section 80HHC of the Income Tax Act, 1961. The Company has been advised by its tax counsel that it has a fairly good case. The amount of Rs.1418.34 lacs (Previous Year Rs.1410.64 lacs) paid against the above claim is included under Loans and Advances (Schedule 9).	1,418.34	1,410.64
	viii) Other Income tax demands	–	114.96

The above amounts are based on the notice of demand or the assessment orders or notification by the relevant authorities, as the case may be, and the Company is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the Judiciary. No reimbursements are expected.

3. Excise duty on sales for the year has been disclosed as reduction from the Turnover. Excise duty relating to the difference between the closing stock and the opening stock of Finished goods has been included in Schedule 14 – "Manufacturing and Other Expenses".
4. Additional information pursuant to the provisions of paragraph 3, 4C, and 4D of Part II of Schedule VI to the Companies Act, 1956.

a. Particulars of installed capacity, production, stocks and turnover of Calcined Petroleum Coke	Year ended 31-3-2010		Year ended 31-3-2009	
	Quantity MT	Rs. in lacs	Quantity MT	Rs. in lacs
Installed Capacity (being a technical matter, as certified by management)	225,000 (per annum)		225,000 (per annum)	
Production	149,016		171,213	
Opening stock	35,656	6,750.00	19,243	2,834.29
Purchases for blending	2,633	391.63	2,813	877.56
Closing stock	19,247	2,801.32	35,656	6,750.00
Turnover (net of excise duty)	168,058	25,071.63	157,613	38,963.50

b. Raw materials consumed	Quantity MT	Year ended 31-3-2010 Rs. in lacs	%	Quantity MT	Year ended 31-3-2009 Rs. in lacs	%
Imported	194,675	16,515.62	97.03	229,807	33,536.67	99.50
Indigenous	3,908	506.01	2.97	1,266	168.46	0.50
<b>Total</b>	<b>198,583</b>	<b>17,021.63</b>	<b>100.00</b>	<b>231,073</b>	<b>33,705.13</b>	<b>100.00</b>

c. Value of stores & spare parts consumed for repair jobs	Year ended 31-3-2010 Rs. in lacs	%	Year ended 31-3-2009 Rs. in lacs	%
Imported	–	–	–	–
Indigenous	150.09	100	127.16	100

## SCHEDULE 16 (Contd.)

Rupees in Lacs

	Year ended 31-3-2010	Year ended 31-3-2009
d. Value of imports on CIF basis		
Raw materials	11,441.39	33,713.75
e. Earnings in foreign currency (FOB value of exports)	6,851.21	17,763.18
f. Expenditure in foreign currency		
Travelling	15.54	6.45
Interest	344.31	766.79
Analysis fee, subscriptions etc.	32.24	28.19

8. There were no outstanding dues to Micro, Small and Medium enterprises during the year.

9. Derivative instruments:

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

As at 31-3-2010				As at 31-3-2009			
Buy-Sell	No. of Contracts	US Dollars	Rs. in Lacs	Buy-Sell	No. of Contracts	US Dollars	Rs. in Lacs
Buy	10	9,862,977	4,555.74	Buy	4	11,471,120	5,844.85
Sell	2	90,045	40.85	Sell	1	2,026,752	1,029.49

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

	As at 31-3-2010		As at 31-3-2009	
	US Dollars	Rs. in Lacs	US Dollars	Rs. in Lacs
Amount payable in Foreign Currency – Imports	3,178,757	1435.77	24,375,230	12,452.41
Amount receivable in Foreign Currency – Exports	–	–	94,500	47.92

## 10. Disclosure required by Accounting Standard -15 (R)

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

Rs. in lacs

Particulars	As at 31-3-2010	As at 31-3-2009
Change in present value of obligation.		
i) Projected Benefit obligation as at the beginning of the year	172.58	144.97
Current Service Cost	48.47	14.98
Interest Cost	13.23	10.73
Actuarial Losses / (Gains)	22.67	23.97
Benefits Paid	14.61	22.07
Projected Benefit obligation as at the end of the year	242.34	172.58
ii) Change in fair value of Plan Assets		
Plan Assets at period beginning, at fair value	170.09	108.69
Expected return on plan assets	12.65	9.31
Actuarial gain/(loss)	11.25	2.75
Contributions	62.96	71.42
Benefit paid	14.61	22.07
Plan assets at period end, at fair value	242.34	170.09
iii) Net assets/(liability) recognised in the Balance Sheet		
Projected Benefit obligation at the end of the year	242.34	172.58
Fair Value of the plan assets at the end of the year	242.34	170.09
(Liability) /Assets recognised in the Balance Sheet	–	(2.49)
iv) Expenses recognised in the Profit & Loss Account		
Current service Cost	48.47	14.98
Interest on Obligation	13.23	10.73
Expected return on Plan assets	12.65	9.31
Net actuarial losses / (gains) recognised in the year	11.43	21.22
Net cost recognised in the Profit and Loss account	60.47	37.63
v) Assumption		
Rate of Mortality	As per LIC Mortality rate (1994-96)	
Discount rate	8.00%	8.00%
Expected rate of return	7.00%	7.00%

The estimate of future salary increases considered take into account inflation, seniority, promotions, increments and other related factors.

**SCHEDULE 16 (Contd.)****11. Segment Reporting:**

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

**12. Disclosures in respect of Related Parties pursuant to Accounting Standard (AS) 18:**

i) List of related parties:

<b>Names of the Related Parties</b>	<b>Nature of Relationship</b>
Esmeralda Investments Pvt. Ltd.	Ownership, directly and indirectly of more than 50% of the voting power in the Company
V. S. Dempo & Co. Private Limited (up to 11-6-2009)	
Marmagoa Shipping & Stevedoring Co. Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence.
Aparant Iron & Steel Pvt. Ltd.	
Goa Paints & Allied Products Pvt. Ltd.	
Dempo Mining Corp. Pvt. Ltd. (up to 11-6-2009)	
Dempo Brothers Pvt. Ltd.	
Dempo Travels Pvt. Ltd.	
Hindustan Foods Ltd.	
Dempo Industries Pvt. Ltd.	
Dempo Shipbuilding & Engineering Pvt. Ltd.	
Indo-Pacific Poly-fibers Pvt. Ltd.	
Sindhudurg Mining Corporation Pvt. Ltd.	
Motown Investments Pvt. Ltd.	
Devashri Real Estate Developers	
Goa Carbon Employees Provident Fund Trust	
Goa Carbon Gratuity Fund Trust	
Goa Carbon Superannuation Fund Trust	
Vasantrao Dempo Education and Research Foundation	
Mr. Shrinivas V. Dempo (Chairman)	Key Management Personnel
Mr. Jagmohan J. Chhabra (Executive Director)	

**Disclosure of transactions with Related Parties**

	<b>Year ended 31-3-2010 Rs. in lacs</b>	<b>Year ended 31-3-2009 Rs. in lacs</b>
<b>Loans</b>		
Esmeralda Investments Pvt. Ltd.	<b>1,500.00</b>	—
<b>Loan repaid</b>		
V. S. Dempo & Co. Private Limited	—	140.00
Esmeralda Investments Pvt. Ltd.	<b>1,500.00</b>	—
<b>Interest paid</b>		
Esmeralda Investments Pvt. Ltd.	<b>8.55</b>	—

## SCHEDULE 16 (Contd.)

	Year ended 31-3-2010 Rs. in lacs	Year ended 31-3-2009 Rs. in lacs
<b>Purchase of Goods</b>		
Goa Paints & Allied Products Pvt. Ltd.	0.25	0.53
Aparant Iron & Steel Pvt. Ltd.	–	0.51
<b>Sale of Goods</b>		
Aparant Iron & Steel Pvt. Ltd.	4.78	–
<b>Receiving of Services</b>		
V. S. Dempo & Co. Private Limited	–	37.74
Marmagoa Shipping & Stevedoring Co. Pvt. Ltd.	154.63	324.35
Dempo Industries Pvt. Ltd.	2.54	1.94
Dempo Travels Pvt. Ltd.	39.42	40.19
<b>Rent Paid</b>		
V. S. Dempo & Co. Private Limited	–	0.02
Esmeralda Investments Pvt. Ltd.	36.58	7.03
<b>Reimbursement of Expenses</b>		
V. S. Dempo & Co. Private Limited	0.32	3.07
Esmeralda Investments Pvt. Ltd.	0.74	0.56
Motown Investments Pvt. Ltd.	0.16	0.78
Devashri Real Estate Developers	0.22	0.15
Goa Paints & Allied Products Pvt. Ltd.	–	0.07
<b>Rental Income</b>		
Devashri Real Estate Developers	–	0.87
<b>Donation</b>		
Vasantrao Dempo Education and Research Foundation	5.00	20.00
<b>Remuneration</b>		
Mr. Jagmohan J. Chhabra (Executive Director)	87.63	44.02
<b>Others</b>		
Goa Carbon Ltd. Employees Provident Fund Trust	38.38	24.04
Goa Carbon Ltd. Gratuity Fund Trust	70.49	26.47
Goa Carbon Ltd. Superannuation Fund Trust	2.53	7.12
<b>Credit/(Debit) balance as on 31-3-2010</b>		
V. S. Dempo & Co. Private Limited	–	77.42
Esmeralda Investments Pvt. Ltd.	–	15.56
Marmagoa Shipping & Stevedoring Co. Pvt. Ltd.	–	42.97
Goa Carbon Ltd. Employees Provident Fund Trust	1.76	(2.89)

## 13. Earnings per Share:

	Year ended 31-3-2010	Year ended 31-3-2009
i) Profit after tax as per Profit & Loss Account (Rs. in lacs)	40.65	1,233.15
ii) Number of Equity Shares	9,151,052	9,151,052
iii) Basic and diluted earnings per share of Rs.10/- each (in rupees)	0.44	13.48

**SCHEDULE 16 (Contd.)****14. Components of Net Deferred Tax Asset / Liability:**

Rupees in Lacs

	As at 31-3-2010		As at 31-3-2009	
i) Deferred tax liability arising on account of:				
Depreciation		<b>488.94</b>		414.30
ii) Deferred tax asset arising on account of:				
Provision for doubtful debts	<b>9.80</b>		15.41	
Accrued expenses allowable on payment basis	<b>7.86</b>		17.60	
Provision for leave encashment	<b>32.64</b>		17.71	
		<b>50.30</b>		50.72
Net Deferred Tax Liability		<b>438.64</b>		363.58

15. GCL Global Resources SGP PTE Limited became a subsidiary of the company on 5-8-2009 with an investment of Rs.0.05 lacs in 100 equity shares of USD 1 each. However the subsidiary has not commenced any operations. Since the investment is insignificant and there have been no activities, consolidated financial statements have not been prepared as per Accounting Standard 21.

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

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Signatures to Schedules 1 to 16

For and on behalf of the Board of Directors

SHRINIVAS V. DEMPO  
Chairman

P. S. MANTRI  
Company Secretary

K. BALARAMAN  
General Manager-Finance

JAGMOHAN J. CHHABRA  
Executive Director

Panaji, Dated 9th April, 2010

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

Name of the Subsidiary Company	Extent of interest in the Subsidiary at the end of financial year of the Subsidiary			Net aggregate amount of the Subsidiary's Profits/(Losses) so far as it concerns members of the Holding Company	Profits dealt with or (Losses) provided for in the Holding Company's Accounts	Amount Rs. in lacs	
	Subsidiary's Financial year ended on	No. of shares held (Equity)	% of total paid-up capital				Profits/(Losses) not dealt with in the Holding Company's Accounts
GCL Global Resources SGP PTE Limited (Incorporated on 5-8-2009)	31.03.2010	100	100%	(3.12)	Nil		

For and on behalf of the Board of Directors

**SHRINIVAS V. DEMPO**  
*Chairman***JAGMOHAN J. CHHABRA**  
*Executive Director*

Panaji, Dated 9th April, 2010

**K. BALARAMAN**  
General Manager-Finance**P. S. MANTRI**  
Company Secretary

**Additional Information pursuant to the provisions of Part – IV of Schedule VI of Companies Act, 1956  
Balance Sheet Abstract and Company's General Business Profile :**

**I. Registration Details :**

Registration No.  State Code

Balance Sheet Date

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

Public Issue	Rights Issue
<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	Private Placement
<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

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

Total Liabilities	Total Assets
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="2"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="2"/>
Sources of Funds	Reserves & Surplus
Paid-up Capital	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="9"/>
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="1"/>	
Secured Loans	Unsecured Loans
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="8"/>	<input type="text" value=""/> <input type="text" value="0"/>
Deferred Tax Liability	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="4"/>	
Application of Funds	Investments
Net Fixed Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="0"/>
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="7"/>	
Net Current Assets	Misc. Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="5"/>	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Accumulated Losses	
<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	

**IV. Performance of Company** (Amount in Rs. thousands)

Turnover (including other income)	Total Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="2"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="8"/> <input type="text" value="0"/>
Profit Before Tax	Profit After Tax
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="2"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="5"/>
Earning per share in Rs.	Dividend Rate %
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="."/> <input type="text" value="4"/> <input type="text" value="4"/>	<input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="0"/>

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

Item Code No. (ITC Code)

Product description



**GOA CARBON LIMITED**  
**PROXY FORM**

I/We.....  
of .....  
..... being a Member(s) of the above named Company  
hereby appoint..... of.....  
or failing him/her..... of.....  
as my/our proxy to vote for me/us and on my/our behalf at the 42<sup>nd</sup> Annual General Meeting of the said Company to be held on Saturday, the 7<sup>th</sup> August, 2010 at 10.00 a.m. and at any adjournment thereof.

Signed this ..... day of ....., 2010.

DP. Id	
--------	--

Client Id/ Folio No.	
-------------------------	--

No. of Shares	
------------------	--

Signature.....

Affix  
30 paise  
Revenue  
Stamp

**N.B.:** This Proxy Form must be deposited at the Registered Office of the Company at Dempo House, Campal, Panaji, Goa – 403 001 not later than 48 hours before the time fixed for holding the meeting.



## FINANCIAL HIGHLIGHTS FOR LAST FIVE YEARS

	<i>Rupees in lacs</i>				
	1.4.2009 to 31.3.2010	1.4.2008 to 31.3.2009	1.4.2007 to 31.3.2008	1.7.2006 to 31.3.2007	1.7.2005 to 30.6.2006
Sales (net)	25,071.63	38,963.50	20,797.75	18,518.21	23,007.28
Other Income	883.59	436.09	114.17	499.60	343.76
(A)	25,955.22	39,399.59	20,911.92	19,017.81	23,351.04
Raw Materials & Manufacturing Expenses	24,678.74	36,224.92	18,441.72	17,753.12	21,601.05
Finance charges	836.52	1,073.73	817.06	749.36	1,144.51
(B)	25,515.26	37,298.65	19,258.78	18,502.48	22,745.56
Gross Profit (A - B)	439.96	2,100.94	1,653.14	515.33	605.48
Depreciation	254.54	255.20	251.21	183.68	248.55
Exceptional Item	-	-	(330.01)	-	-
Provision for Tax	144.77	612.59	182.96	46.50	(49.01)
(D)	399.31	867.79	104.16	230.18	199.54
Net Profit (C - D)	40.65	1,233.15	1,548.98	285.15	405.94
Dividend declared	20%	30%	30%	15%	15%

### WHAT THE COMPANY OWNED

Net Fixed Assets	3,061.67	2,988.90	3,158.03	2,993.81	3,035.54
Investments	4.10	4.05	4.05	4.05	4.05
Current Assets, Loans & Advances	16,481.63	25,658.18	19,807.87	16,759.09	21,098.88
	19,547.40	28,651.13	22,969.95	19,756.95	24,138.47

### WHAT THE COMPANY OWED

Secured Loans	9,412.18	16,620.89	13,386.58	11,172.04	13,831.39
Unsecured Loans	-	-	140.00	140.00	-
Deferred tax liability	438.64	363.58	163.24	-	-
Current Liabilities & Provisions	2,902.48	4,699.79	3,225.22	3,617.79	5,604.51
	12,753.30	21,684.26	16,915.04	14,929.83	19,435.90

### NET WORTH OF THE COMPANY

Equity Share Capital	915.11	915.11	915.11	915.11	915.11
Reserves & Surplus	5,878.99	6,051.76	5,139.80	3,912.01	3,787.46
	6,794.10	6,966.87	6,054.91	4,827.12	4,702.57

# Workflow

RPC from different source from port by trucks to plant



RPC Unloading Platform

RPC Unloading Conveyor (U-1)



Cooler Discharge End



Cooler and Kiln Stack

Firing Crown of Kiln



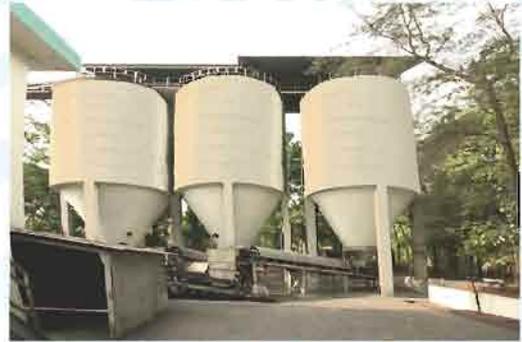
CPC from Cooler to Storage Godowns (CC-1 Weightometer)



Carlo Erba for determination of Apparent Density (AD)



Water sprinklers in operation in RPC Storage Yard



Process Silos



Process Control Room



Feed to Kiln from Silos (RC-4 Weightometer)



Filling of Jumbo bags in G-2 Godown



Palletization of Jumbo bags in G-2 Godown for Export shipment



Truck Movement outside G-2 Godown

## GCL Factfinder

---

India's first ISO 9000 accredited petroleum coke calcining unit

---

Recognised export house by the Government of India

---

Winner of the "Chemexcil Award" in 1994-95 for outstanding export performance

---

Listed on the Bombay Stock Exchange Limited since July 1974  
and on the National Stock Exchange of India Limited since June 2007

---

Three manufacturing facilities across India  
with a total manufacturing capacity of 2,40,000 tonnes/year

---

Consistent dividend paying company

---

Lowest attrition rates with per employee work tenure of 20 years

---

Part of the renowned Dempo Group

---

Selected among the top 100 investor rewarding companies in India for the period 1990-95

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## Goa Carbon Ltd

Registered Office: Dempo House, Campal, Panjim, Goa - 403 001. Tel. No. (91) (832) 2441300  
Fax: (91) (832) 2225098, 2427192 e-mail: goacarbon@gmail.com

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

Bilaspur Plant: 34-40, Sector B, Sirigitti Industrial Area, Bilaspur 495 004, Chattisgarh.  
Tel. No. (91)(07752) 220822, 650720  
Fax: (91)(07752)238167, 261115 e-mail: bsp@goacarbon.com

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