



**41ST ANNUAL REPORT
2008-09**



LATE VASANTRAO S. DEMPO

FOUNDER CHAIRMAN

ONE OF THE CSR INITIATIVES OF THE COMPANY



**Mr. Jagmohan J. Chhabra, CEO & President handing
over the sponsorship cheque to
Miss Bhakti P. Kulkarni, Goa's first titled
Chess Player - Woman FIDE Master.**

A BRIEF OVERVIEW OF OUR FOUNDER CHAIRMAN

The visionary founder of the Dempo group, Late Vasantao S. Dempo, was an institution builder not just in the business sector, but also in education, sports and the social sector. For several centuries the Dempos of Goa epitomised trust and commitment to society and Vasantao followed these principle throughout his life.

He was versatile, statesmanlike and multidimensional as well as a philanthropist - ever at ease whether dealing with the Japanese steel mills, Indian business magnates or politicians - he could enthrall any company.

From a small beginning in 1941, Vasantao grew his group to a major conglomerate spread over sectors like mining, processing and export of iron ore, manufacture of calcined petroleum coke, pig iron, shipbuilding & energy, food processing & football, media and education. The group has business connections across the globe - Japan, Far East, US, Europe and Africa.

Vasantao was awarded the "Padmashree" for his contribution to the Goan economy and society apart from many other national and international awards. He was a member of several prestigious bodies nationally and internationally.



CHAIRMAN'S LETTER

Dear Shareholder,

After passing through a roller-coaster ride in 2008-09, the sentiments in the Indian economy have suddenly soared in May 2009 with a clear mandate from the voters. The 2000 points jump in the BSE Sensex after the declaration of the election results goes to show the huge expectations that investors have built up on a stable pro-reforms government.

The President of India's, first speech after the formation of the new government in early June has indicated a strong push for reforms, including divestment, along with an inclusive plan for the development of the poor and the rural areas. The Government is expected to focus on management of the economy that will counter the effect of the global slow-down.

A Dempo group company, Goa Carbon Limited is the second largest manufacturer of Calcined Petroleum Coke (CPC) in the country. For the year ended March 31, 2009, the company recorded a sales turnover of Rs. 419.89 crore and a net profit of Rs. 12.33 crore as compared to a turnover of Rs. 232.26 crore and net profit of Rs. 15.49 crore recorded in the previous financial year. The Board of Directors of the Company have recommended a dividend at the rate of 30% (Rs.3/- per equity share) for the year ended 31st March 2009.

In 2008-09, we experienced both – aluminium markets soaring to an all time high in July, followed by the fastest drop in price and customer demand in history. As has been the trend globally, the last quarter of the financial year witnessed increased number of companies adopting a cautious approach in the wake of the worsening global recession. Our business also witnessed impact of this slowdown since the sales were largely curtailed to that extent. The drop in numbers has also been on account of the write-off of finished goods inventory to the extent of Rs. 302 lakhs, to bring it down to net realisable value.

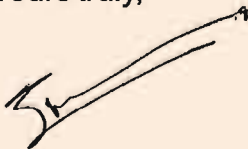
Globally, aluminium prices and volumes are declining thereby impacting the demand for CPC. We expect the margins to be under pressure due to sudden changes in demand / supply positions leading to price volatility in the market. However, our outlook for the CPC industry continues to be positive for the years to come. Internally, we have taken a series of cost control measures coupled with productivity & efficiency improvements which should yield positive results in the year ahead. Externally, we are trying to retain our existing customers to maintain our share of business as well as trying to develop new customers. We have a very positive outlook for aluminium in the mid-to-long term as the capacity expansions for aluminium smelters in India and the Middle East are on stream.

Your Board and management team are taking necessary steps to manage this down turn, and strengthen the Company for sustainable performance till the economy recovers. You can be confident that Goa Carbons' standing in the industry will continue for many years into the future.

I would like to express my gratitude, to our Board of Directors for their unstinting support and guidance. I am also grateful to all our stakeholders – our customers, suppliers, bankers, employees and shareholders who have reposed their trust in us and given us their continuous support. We look forward to your continuous support in future.

With best wishes,

Yours truly,

A handwritten signature in black ink, appearing to read 'Shrinivas V. Dempo', with a long, sweeping horizontal stroke extending to the right.

Shrinivas V. Dempo

Panaji-Goa.

BOARD OF DIRECTORS



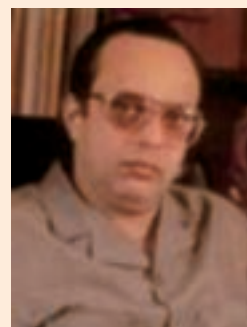
Mr. Shrinivas V. Dempo
Chairman – Promoter



Mr. Dara P. Mehta
Independent Director



Mr. P. G. Kakodkar
Independent Director



Mr. Soiru V. Dempo
Non-Executive Director



Mr. Keki M. Elavia
Independent Director



Mr. Alban F. Couto
Independent Director



Dr. A. B. Prasad
Non-Executive Director

CEO & PRESIDENT:

Mr. Jagmohan J. Chhabra

COMPANY SECRETARY:

Mr. P. S. Mantri

GENERAL MANAGER (FINANCE):

Mr. K. Balaraman

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:

M/s. Fraser & Ross, Chennai

SOLICITORS:

M/s. 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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Notice

Notice is hereby given that the Forty-first 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 18th July, 2009 at 10.30 a.m.** to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet of the Company as at March 31, 2009, 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. Shrinivas V. Dempo who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. A. B. Prasad who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT subject to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s Deloitte Haskins & Sells, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company, in place of the retiring Auditors, M/s Fraser & Ross, Chartered Accountants, to examine and audit the accounts of the Company for the financial year 2009–10, at such remuneration as may be decided by the Board of Directors of the Company.”

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. Shrinivas V. Dempo and Dr. A. B. Prasad, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Brief resume of these Directors, nature of their expertise in specific functional areas, names of companies in which they hold directorships, 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 forming part of the Annual Report. The Board of Directors of the Company commends their respective re-appointments.
4. (a) The Company has already notified closure of Register of Members and Share Transfer Books from **Tuesday, the 14th July, 2009 to Saturday, the 18th July, 2009** (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 **13th July, 2009**, 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 **13th July, 2009**.

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

Dividends for the financial period ended December 31, 2001 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
31-12-2001	30-07-2009
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



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

By Order of the Board of Directors

P. S. MANTRI
Company Secretary

Registered Office :
Dempo House, Campal
Panaji, Goa – 403 001
Dated : April 11, 2009

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 11, 2009.

ITEM 5

At the Annual General Meeting, members will be required to appoint Auditors for the current year and fix their remuneration.

M/s Fraser & Ross, the retiring Auditors though eligible for appointment have expressed their inability to offer themselves for re-appointment under the Companies Act, 1956 ("the Act").

In view of the above, and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on April 11, 2009, proposed the appointment of M/s Deloitte Haskins & Sells as the Statutory Auditors of the Company. M/s Deloitte Haskins & Sells have expressed their willingness to act as Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Act.

Members' approval is being sought to the appointment of M/s Deloitte Haskins & Sells as the Statutory Auditors and to authorize the Board of Directors, on the recommendation of the Audit Committee, to determine the remuneration payable to the Auditors.

The Board commends passing of the resolution. None of the Directors are in any way concerned or interested in this resolution.

By Order of the Board of Directors

P. S. MANTRI
Company Secretary

Registered Office :
Dempo House, Campal
Panaji, Goa – 403 001
Dated : April 11, 2009

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 41st Annual Report together with the audited accounts of your Company for the year ended March 31, 2009.

FINANCIAL RESULTS:

Rs. in lacs

	2008-09	2007-08
Profit before tax for the year	1,845.74	1,731.94
Less: Provision for Tax –		
Current Tax	400.00	207.00
MAT Credit Entitlement	–	(196.08)
Deferred Tax	200.34	163.24
Fringe Benefit Tax	12.25	8.80
	612.59	182.96
Profit for the year after tax	1,233.15	1,548.98
Add: Balance b/f from P & L A/c. of previous year	533.41	155.62
Amount Available for Appropriations:	1,766.56	1,704.60
Appropriations:		
General Reserve	500.00	850.00
Proposed Dividend	274.53	274.53
Tax on Dividend	46.66	46.66
Balance carried to Balance Sheet	945.37	533.41
	1,766.56	1,704.60

PERFORMANCE:

Despite the adverse global economic conditions and domestic slow down, your Company has posted satisfactory results during the year with total income at Rs. 389.64 crore, up from Rs. 207.98 crore in the previous year, registering a growth of 87%. Profit before tax and extraordinary items at Rs.18.46 crore (Rs. 17.32 crore in the previous year), recorded a growth of 7%. Profit after tax was lower at Rs. 12.33 crore from Rs. 15.49 crore of the previous year.

A review of the Company's performance and future prospects is included in the Management Discussion and Analysis section of the Annual Report.

DIVIDEND:

Your Directors have recommended a dividend of Rs. 3/- per equity share (30%) of face value of Rs. 10/- for the financial year ended March 31, 2009, as against a similar 30% paid last year.

The dividend, if approved by the shareholders, will entail a payout of Rs. 3.21 crores, including dividend distribution tax Rs. 0.47 crores.

OPERATIONS:

The sales turnover of the Company for the year under review was Rs. 38,963.50 lacs as compared to Rs. 20,797.75 during the previous year. The production of Calcined Petroleum Coke ("CPC") was 1,71,213 Tonnes compared to 1,58,383 Tonnes during the previous year.



The sales of CPC were 1,57,613 Tonnes (including exports 67,968 Tonnes) for the year under review as compared to 1,61,424 Tonnes (including exports 56,478 Tonnes) of the previous year. The export turnover of the Company was Rs. 17,763.18 lacs for the year under review as against Rs. 5,667.86 lacs of the previous year.

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 2009-2010 have been paid to BSE and NSE.

ISO 9001 & ISO 14001 COMPLIANCE:

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

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Dempo Group – across its various operations – is committed to making a positive contribution to society in a number of ways. Most of the Group companies promote and encourage economic, social and educational development within their communities – while also giving active support to local initiatives.

With an aim to contribute towards various areas of corporate sustainability that impact environment, people and society at large and to maintain good community relations, your Company has undertaken several initiatives. These include:

- Efforts for the betterment of the environment through energy conservation, waste minimization and pollution control by installing modern devices at the plants.
- Corporate sponsorship of a promising Goa State Chess player.
- Financial assistance to Kasturba Gandhi National Memorial Trust in aid of Hamara School.
- Financial assistance to Keshav Seva Sadhana – School for Special Children, for construction of school building.
- Financial assistance to Matruchaya Trust by way of sponsoring a child for the year 2008-09.
- Financial assistance to Matruchaya Trust, for construction of building.
- Donation to Vasantrao Dempo Education and Research Foundation.
- Sponsorship to various clubs for the conduct of sports and cultural activities.

During the year 2008-09, your Company has spent approx. Rs. 9.45 lakhs on CSR activities against Rs. 3.22 lakhs during the previous year.

PUBLIC DEPOSITS:

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

DIRECTORS:

Due to personal reasons, Dr. W. R. Correa has resigned as Director effective October 9, 2008. The Board expresses its gratitude for the valuable contributions rendered by Dr. W. R. Correa during his long tenure with the Company.

In terms of Article 140 of the Articles of Association of the Company, Mr. Shrinivas V. Dempo and Dr. A. B. Prasad, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Brief resume of these Directors, nature of their expertise in specific functional areas, names of companies in which they hold directorships, 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 under 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;
- 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:

At the Annual General Meeting, members will be required to appoint Auditors for the current financial year and fix their remuneration.

M/s Fraser & Ross, the retiring Auditors though eligible for appointment have expressed their inability to offer themselves for re-appointment under Companies Act, 1956.

In view of the above, and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on April 11, 2009, proposed the appointment of M/s Deloitte Haskins & Sells as the Statutory Auditors of the Company, in place of M/s Fraser & Ross. M/s. Deloitte Haskins & Sells have furnished a certificate regarding their eligibility for appointment as Statutory Auditors of the Company.

The Directors recommend that they be appointed as Auditors of the Company for the current financial year.

The observations made in the Auditors' Report are dealt with in the notes forming part of the accounts, which are self-explanatory and therefore, do not call for any further comments or explanations.

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 to the Directors Report.

However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

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

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under 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 to this Report.

CORPORATE GOVERNANCE:

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

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

ACKNOWLEDGEMENT:

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

For and on behalf of the Board of Directors

SHRINIVAS V. DEMPO
Chairman

Panaji, Dated: 11th day of April, 2009



Annexure 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	Goa Plant	Bilaspur Plant	Paradeep Plant
a) energy conservation measures	<p>Consumption of electrical energy per metric ton of Calcined Petroleum Coke produced during the year was 17.47 kwh/MT of CPC as against 17.53 kwh/MT of previous year. Total Electrical energy consumption during the year was 8,41,768 kwh units as against 6,40,373 kwh units of previous year (01-04-2007 to 31-03-2008). A strict control on routinely maintaining power factor enabled the Company to get maximum rebate of 45,471 kwh unit.</p> <p>Furnace oil consumption during the year was 3,85,216 litres as against 1,97,790 litres of previous year. However, due to lower production run days, intermittent production run and higher R.D. requirement from customers the furnace oil consumption is higher i.e. 7.99 litres/MT as against 5.41 litres/MT of previous year.</p>	<p>In spite of having interrupted process operations, the Company, through continuous efforts, been able to bring down the electrical energy consumption from 21.8 units to 16.9 units per MT of CPC produced. This has been achieved basically, by fine tuning the operation conditions of the processes and the close monitoring of the production.</p> <p>Concerted efforts and continuous persuasion resulted in reduction of Furnace oil consumption per MT of Calcined Petroleum Coke produced from 7.90 litres to 2.88 litres.</p>	<p>The specific Electrical Energy consumption during the year 2008-09 was 15.44 kwh/MT. The specific Energy consumption is higher by 0.49 kwh/MT of CPC when compared to the specific energy consumption for the year 2007-08 (It was 14.95 kwh/MT). The reason for this marginal increase in specific power consumption was due to the stringent specifications of one of the customers. The average out put / day was very low during a couple of months leading to higher energy consumption. Similarly, in some months the production was high resulting in the specific energy consumption being low. The energy cost was Rs. 75.33 PMT, which includes both CESU and DG Set generations. During the year, three of the electrical motors in the crusher, mid-cooler fan and CPC conveyor belt no. 3 were replaced. This has resulted in power savings to the tune of 10,000 kwh/month, which works out to Rs. 3.60 lacs savings per annum. Besides this, the Power Factor has been maintained in the range of 0.99 – 1.0 as a result of which the Company is getting an incentive of Rs.10,000/- per month in the electricity bill. Finally, the contract demand has been reduced to 300 KVA from 475 KVA and the resulted saving is Rs. 5.70 lacs per annum.</p>

Annexure to the Directors' Report (Contd.)

The furnace oil consumption per MT of CPC produced during the year 2008-09 was 2.02 ltrs./ MT as against 0.36 ltrs./ MT during the year 2007-08. The Furnace oil consumption during the 1st half of the financial year was 3.89 ltrs./MT and during the 2nd half was 0.13 ltrs./MT. The reason for the higher consumption of Furnace oil during the 1st half of the financial year was due to the various trials undertaken with TAB nozzles to arrest the material entry into the TAB at higher feed rates. This problem has since been rectified and the plant is now not using Furnace oil for production.

- | | | | |
|---|--|---|--|
| <p>b) additional investment and proposals, if any, being implemented for reduction of consumption of energy.</p> | <p>1) Fuel efficient standby diesel generator set has been installed where by lower H.S. Diesel consumption will be achieved.</p> <p>2) Campaign for reduction of electrical energy consumption by installing energy efficient motors, star / delta / star starter and luminaries is being continued. Transparent FRP sheets have been provided in CPC storage Godown there by using natural light.</p> | <p>Trials were carried out with the injection of oxygen during calcination process to reduce fuel oil consumption and to improve the recovery. However, it was found to be ineffective because of various problems encountered towards the safety of the equipments. Hence, the process change is discontinued.</p> | <p>Work Order for the erection and commissioning of 11 KV Dedicated Feeder Line from the substation to the plant has been placed. The commissioning is expected to be completed during 1st week of June' 09. Once this feeder is charged we shall receive uninterrupted power supply thereby eliminating the need to run DG set. The approximate saving in diesel cost on implementation of the above will be to the tune of about Rs. 20 lacs per annum.</p> |
| <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>Above steps will help to save 1% to 2% of electrical energy consumption on current connected load.</p> <p>Based on the in house energy audit conducted, many areas have been identified wherein the existing motors can be replaced with high efficiency lower KWH/rated motors. This is expected to result in a savings of Rs. 16 lacs / annum approximately. In addition to the above, the total energy cost will come down to Rs. 60.00/PMT.</p> | | |



Annexure to the Directors' Report (Contd.)

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

_____ Not applicable to our industry. _____

B) Technology Absorption

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

_____ Please refer to the enclosure. _____

C) Foreign Exchange Earnings and Outgo

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

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

- g) total foreign exchange used and earned.

Foreign Exchange used for importing raw material, interest on foreign currency loans and travel expenses of all employees for official work etc., was equivalent to Rs. 34,453.23 lakhs.

Foreign Exchange earned during the year 2008 – 2009 by exporting finished product was equivalent to Rs. 17,763.18 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.

The Company has been successfully achieving 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 is constantly trying to improve the production efficiency and has been able to achieve an improvement during the year under review.

Not applicable.



Management Discussion and Analysis

As you may be aware, Calcined Petroleum Coke (CPC) is mainly consumed as the primary carbon source for the aluminium, steel and titanium dioxide industries. CPC demand is mainly dependent on the growth and demand for aluminium and its allied products. The aluminium industry consumes about 75% to 80% of the total CPC supply. It is expected that growth of aluminium metal production will be in the range of 10% to 15% with major increase in Asia. The industrial growth is expected to be much higher in countries such as China and India, because of its huge population.

Presently, India has a total aluminium smelting capacity of 15 lakhs T.P.A., which is expected to cross 25 lakhs T.P.A. by 2010 -11. This increase in capacity is entirely from brown field expansions. The growth of aluminium industry will definitely favour the CPC market in India and therefore, the Company is reviewing various alternatives to increase its capacity to maintain its leading position in the industry.

RISKS AND CONCERN

Global meltdown has affected the whole world as well as Indian Industries. Worldwide recession is having severe consequences throughout all segments of industries, resulting in significant capacity curtailments by all basic product manufacturers. Therefore, the demand for CPC is entirely dependent on production schedules of the aluminium industry.

The United States sub-prime problem very severely impacted the demand for US Dollars which resulted in volatility in Indian rupee value. This unexpected volatility in US Dollar resulted in FOREX M-to-M Losses for most companies including this company.

Another major concern of the industry is the availability of the right type of Raw Petroleum Coke (RPC), also known as Green Petroleum Coke, in required quantities to meet the growing needs of Aluminium Smelters. Recently, there has been a major shift in refining operations internationally, which has directly impacted the availability of RPC for calciner expansions. New sources of calcinable RPC are expected to come from China and South America. Therefore, for calciners to be more competitive and successful they are required to work closely with smelters on continuous basis to optimally blend different types of Green Petroleum Cokes available for arriving at the required quality of Calcined Petroleum Coke by Aluminium Smelters. The Company is continuously working towards adapting to the changed scenario of the industry, by regular research and developments and interactions with the smelters to meet their requirements.

RESEARCH AND DEVELOPMENT

Research and Development is an on-going process at Goa Carbon Limited. The Company is continuously innovating and discovering methods and concepts to improve the quality of Calcined Petroleum Coke and to achieve efficiencies in operation. The Company is awarded with Quality Certification of ISO 9001 and ISO 14001, which demonstrates the ability to achieve higher levels of customer satisfaction.

FINANCIAL REVIEW

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

	As at 31-03-2009	As at 31-03-2008
PAT / Sales	3.16%	7.45%
Return on Net Worth	26.49%	23.15%
Earnings per Share (Rs.)	13.48	16.93

The net current assets of the Company as on 31-03-2009 were Rs. 20,958.39 lakhs as compared to Rs. 16,582.65 lakhs during the previous year.

The net cash flow of the Company during 31-03-2009 is as follows:

(Rs. in lakhs)

	As at 31-03-2009	As at 31-03-2008
Cash (used in) / from operations	(1614.15)	735.10
Cash from / (used in) investing activities	302.88	(2.10)
Cash from financial activities	718.84	1202.30
Net increase/(decrease) in cash	(592.43)	1935.30

INTERNAL CONTROL SYSTEM

The Company has an adequate internal control system commensurate to its size and business. The internal auditor reviews that all transactions of the company are in line with compliance of laws, policies and procedures and have been correctly recorded and reported. The internal audit is conducted on a regular basis and their reports are submitted to the Audit Committee of Directors at their meetings held at quarterly intervals.

HUMAN RESOURCES

As on 31-03-2009, the Company had 283 employees consisting of 94 Sr. Managers and Executives / Officers and 189 other employees including workmen. The Company has an excellent combination of experienced and talented technical managers. The Company on a regular basis undertakes various training programmes to keep its employees updated on information and new technical developments, so as to achieve cost effectiveness and optimum capacity utilization. The Company's relation with the employees continues to be cordial. The Company always adheres to its commitments towards its employees in order to motivate them to perform the best.

STATUTORY COMPLIANCE

All declarations and compliances with respect to the various 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 provisions of the 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 those expressed or implied statements. Significant factors that could make a difference to the company's operations includes 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 publicly revise any forward looking statement to reflect future events or circumstances.



Corporate Governance Report

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance in accordance with the SEBI prescribed format is given below:

A. MANDATORY REQUIREMENTS

1. Company's philosophy on Corporate Governance:

The Company strives to ensure that the best practices of Corporate Governance and disclosure requirements are complied with, while ensuring that creation of wealth for shareholders and protection of interests of stakeholders, clients, suppliers and employees are adhered to with the highest level of integrity, fairness, accountability and transparency.

2. Board of Directors and Procedures:

The Board of your Company comprises of seven directors – all of whom are non-executive directors, with four of them being independent directors.

All the Independent Directors on the Board are qualified professionals, highly experienced & respected individuals from diverse fields. They take active part in the Board and Committee meetings.

The table below gives the composition of Board and inter alia the other directorships held by each of the directors of the Company.

a) Composition and Category of Directors:

Name of the Director	Category	Directorships held in other Companies	Committee Memberships held in other Companies	
			Chairperson	Member
Mr. Shrinivas V. Dempo <i>Chairman</i>	Non-Executive Promoter	23*	–	–
Mr. Dara P. Mehta	Independent	12 ^o	–	–
Dr. W. R. Correa**	Independent	–	–	–
Mr. P. G. Kakodkar	Independent	12	2	4
Mr. Soiru V. Dempo	Non-Executive	9	–	–
Mr. Keki M. Elavia	Independent	10	3	4
Mr. Alban F. Couto	Independent	–	–	–
Dr. A. B. Prasad	Non-Executive	2	–	–

* Includes directorships held in 22 private limited companies.

^o Includes 4 companies in which Mr. Dara P. Mehta is an Alternate Director.

** Dr. W. R. Correa resigned effective from 09-10-2008.

The independent directors have confirmed that they satisfy the “criteria of independence” as stipulated in the amended Clause 49 of the Listing Agreement.

Mr. Dara P. Mehta is the senior partner of Little & Co., Solicitors and Advocates, which has a professional relationship with the Company. The Professional fees paid to Little & Co. during the last three years are (i) Rs. 52,500/- during the 9 months period ended 31-03-2007, (ii) Rs. Nil during the financial year ended

31-03-2008 and (iii) Rs. Nil during the financial year ended 31-03-2009. The Board is of the view that, the association of the legal firm with the Company is not material enough to affect the independence of Mr. Dara P. Mehta.

Apart from the above, the Company does not have any other pecuniary relationship or transactions with the Directors.

The Board met four times during the financial year 2008–09 on the following dates:

21-04-2008, 29-07-2008, 17-10-2008, 25-01-2009

The maximum gap between any two meetings was not more than four calendar months.

b) Attendance and remuneration of each director on the Board during the financial year 2008–09 is as follows:

Name of the Director	Board Meetings Attended	Attendance at the AGM held on July 29, 2008	Salary, Benefits, Bonus/ Commission, Stock Options, Performance Linked Incentive (Rs.)	Sitting fees * (Rs.)	Service Contract/ Notice Period/ Severance Fees/ Pension	No. of Shares held in the Company as on March 31, 2009
Mr. Shrinivas V. Dempo	4	Yes	–	35,000	Retirement by Rotation	1,27,400
Mr. Dara P. Mehta	4	Yes	–	47,500	Retirement by Rotation	4,000
Dr. W. R. Correa**	1	No	–	10,000	Retirement by Rotation	N.A.
Mr. P. G. Kakodkar	2	Yes	–	35,500	Retirement by Rotation	–
Mr. Soiru V. Dempo	4	Yes	–	1,03,000	Retirement by Rotation	–
Mr. Keki M. Elavia	4	Yes	–	47,500	Retirement by Rotation	–
Mr. Alban F. Couto	3	Yes	–	25,000	Retirement by Rotation	–
Dr. A. B. Prasad	4	Yes	–	1,00,500	Retirement by Rotation	–

* Sitting fees include payments for Board Appointed Committee Meetings too.

** Dr. W. R. Correa resigned effective from 09-10-2008.

c) Information placed before the Board of Directors:

In addition to matters statutorily requiring approval of the Board, all major items relating to capital expenditure, investments, acquisitions, etc., are discussed by the Board. All the relevant information including that specified under Annexure IA of the Listing Agreement is placed before the Board.

d) Note on Directors appointment / re-appointment:

Mr. Shrinivas V. Dempo and Dr. A. B. Prasad are retiring by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.



Brief details concerning these Directors are given below:

- i) **Mr. Shrinivas V. Dempo** is a Master in Business Administration from Carneige Melon University, USA and has been the Chairman of the Company since 2001. He is the son of late Vasudeva V. Dempo and grandson of late Vasantao S. Dempo, Founder Chairman of the Dempo Group.

The Dempo Group, is a business house having interests among others in Iron Ore Mining and Exports, Pig Iron, Marine and Industrial Paints, Construction, Publishing, Ship Building, Travel and Trade. Mr. Dempo is well experienced in Corporate Management at various levels. He has been steering the Dempo Group to unprecedented heights in turnover since he took over as Chairman of the group, making strategic acquisitions, venturing up country and benchmarking the group companies globally. He holds many important positions in various economic, social and industrial development organizations.

Mr. Dempo is the Promoter of the Company. He is the Chairman & Managing Director of V. S. Dempo & Co. Pvt. Ltd. and a Director of Dempo Mining Corporation Pvt. Ltd., Aparant Iron & Steel Pvt. Ltd., Anant Infomedia Pvt. Ltd., Dempo Brothers Pvt. Ltd., Dempo Marketing Co. Pvt. Ltd., Dempo Shipbuilding & Engineering Pvt. Ltd., Devashri Investments Pvt. Ltd., Dempo Travels Pvt. Ltd., Dempo Industries Pvt. Ltd., Dempo Shipyard Pvt. Ltd., Sindhudurg Mining Corporation Co. Pvt. Ltd., Marmagoa Shipping & Stevedoring Co. Pvt. Ltd., Hindustan Foods Ltd., Goa Paints & Allied Products Pvt. Ltd., Esmeralda Investments Pvt. Ltd., Dempo Sports Club Pvt. Ltd., Motown Investments Pvt. Ltd., Lazio Investments Pvt. Ltd., West Coast Hotels Pvt. Ltd., Ameya Investments Pvt. Ltd., Goa Maritime Pvt. Ltd. and Vipulam Coke Co. Pvt. Ltd.

- ii) **Dr. A. B. Prasad** is a Chemical Engineer with Masters from IIT, Bombay and Ph.D. in Chemical Engineering. Dr. Prasad the former Managing Director of the Company has extensive experience in operation and management of process, plants and project engineering.

Dr. Prasad is a Director of Hindustan Foods Ltd. and V. S. Dempo & Co. Pvt. Ltd.

e) 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 its web-site. Requisite annual affirmations of compliance with the code have been made by the Directors and Senior Management of the Company.

The declaration of the CEO & President is given below:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I, Jagmohan J. Chhabra, *CEO & President* 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, 2009.

Panaji – Goa
April 11, 2009

Jagmohan J. Chhabra
CEO & President

f) CEO/CFO Certification:

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

3. Audit Committee:

Overall purpose/objective

The purpose of the Audit Committee (the "Committee") is to assist the Board of Directors (the "Board") in

reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls which management and the Board have established, appointing, retaining and reviewing the performance of independent accountants/internal auditors and overseeing the Company's accounting and financial reporting processes and the audits of the Company's financial statements.

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 statement is 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.

The Company has a qualified and independent Audit Committee with all members being non-executive directors. The Chairman of the Committee, Mr. Dara P. Mehta is an Independent Director. The other members of the Committee comprise of Mr. Keki M. Elavia and Mr. P. G. Kakodkar.

The Audit Committee has met four times during the financial year 2008–09 on the following dates:

19-04-2008, 29-07-2008, 17-10-2008, 24-01-2009.

Details of meetings attended by the members of the Audit Committee during the financial year 2008–09 are as follows:

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

The constitution of the committee also meets the requirements of Section 292A of the Companies Act, 1956.

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

The Chief Financial Officer, Internal Auditor and the Statutory Auditors are permanent invitees and attend all the meetings of the committee. The Company Secretary acts as the Secretary of the committee.

4. Remuneration Committee:

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

During the financial year, the committee met once on April 21, 2008. The composition of the committee as well as the attendance record of the members for the meeting of the committee held is as follows:

Committee Members	Category	Attendance at the committee meeting held on April 21, 2008
P. G. Kakodkar	Independent	No
Soiru V. Dempo	Non-executive	Yes
Dr. W. R. Correa*	Independent	Yes
Alban F. Couto**	Independent	Not applicable

* Dr. W. R. Correa resigned effective from 09-10-2008.

** Appointed on the committee consequent to the vacancy caused due to the resignation of Dr. W. R. Correa during the year.

5. Share Transfer and Investors' Grievance Committee:

The Company has a Share Transfer and Investors' Grievance Committee comprising three members namely, Mr. P. G. Kakodkar (Chairman), Mr. Soiru V. Dempo and Dr. A. B. Prasad.

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. The Share Transfer & Investors' Grievance Committee met 24 times during the year 2008–09.

As per the report from the RTA, 258 letters / complaints were received from the shareholders / investors during the financial year ended March 31, 2009. All letters / complaints received were replied / resolved to the satisfaction of the shareholders and no letters / complaints remained unattended / pending as on March 31, 2009.

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

6. General Meetings:

The last three Annual General Meetings (AGM's) of the Company were held as under:

Year	Location	Date & Time
2006 38 th AGM*	Dempo House, Campal, Panaji – Goa 403 001	December 30, 2006 10.00 a.m.
2007 39 th AGM**	Dempo House, Campal, Panaji – Goa 403 001	July 27, 2007 10.00 a.m.
2008 40 th AGM	Dempo House, Campal, Panaji – Goa 403 001	July 29, 2008 10.30 a.m.

* A special resolution was passed approving and consenting to the appointment and payment of remuneration, perquisites and benefits to Mr. S. Ramachandran as Director in Whole-time employment of the Company (designated as "Executive Director") for a period of five years with effect from December 1, 2006.

** A special resolution was passed consenting 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.

7. Postal Ballot:

For the year ended March 31, 2009, 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.

8. Disclosures:

- 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.
- 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.
- 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.



9. Means of Communication:

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

The presentation made to institutional investors/analysts during the financial year has been displayed on the Company's web-site.

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

10. General Shareholder Information:

i) Annual General Meeting

Date and Time : July 18, 2009 at 10.30 a.m.

Venue : Dempo House, Campal, Panaji, Goa – 403 001

ii) Financial Year Calendar (2009–10)

Results for quarter ending June 30, 2009	July, 2009
Results for quarter ending September 30, 2009	October, 2009
Results for quarter ending December 31, 2009	January, 2010
Results for quarter ending March 31, 2010	April, 2010

iii) Book Closure Date

The Company's Share Transfer Books and Register of Members of equity shares shall remain closed from July 14, 2009 to July 18, 2009 (both days inclusive), to determine the entitlement of shareholders to receive dividend for the year ended March 31, 2009.

iv) 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.

v) 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).

vi) Stock Codes

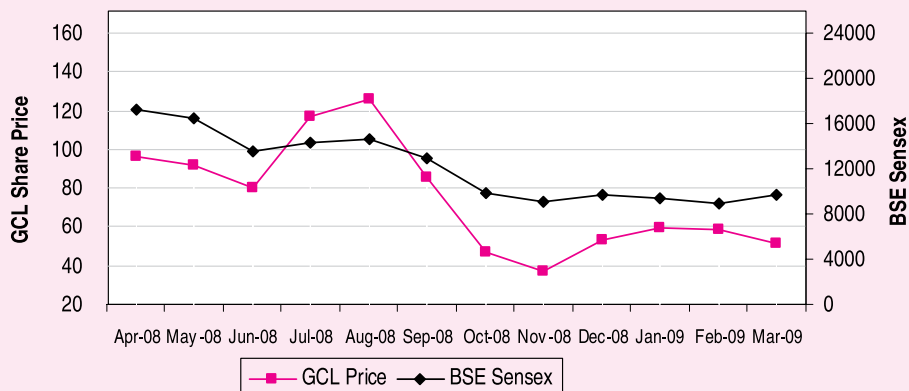
Scrip Code	Bombay Stock Exchange Ltd.	509567
	National Stock Exchange of India Ltd.	GOACARBON
Demat ISIN Number in NSDL and CDSL	INE426D01013	

vii) **Market Price Data (in Rs.)**

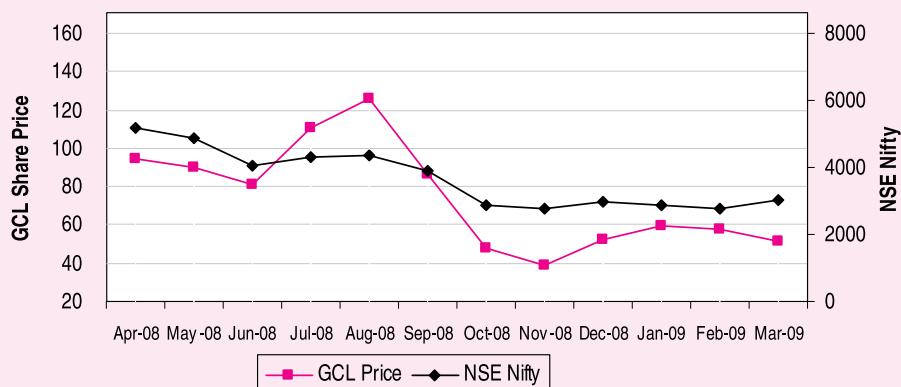
Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High	Low	Volume	High	Low	Volume
April, 2008	101.00	48.00	469462	101.15	44.85	110323
May, 2008	116.10	83.00	652188	118.50	83.00	228546
June, 2008	101.15	74.65	411022	101.60	75.20	176546
July, 2008	116.70	70.00	816294	112.50	70.05	298872
August, 2008	154.80	116.00	1566747	154.40	116.00	800985
September, 2008	140.10	84.40	231957	143.00	85.95	95494
October, 2008	92.25	46.50	139903	91.95	47.50	44788
November, 2008	54.30	35.55	82980	57.00	36.60	31125
December, 2008	53.20	36.45	378489	52.30	36.70	252647
January, 2009	67.75	52.70	329578	66.85	52.85	141692
February, 2009	68.40	54.50	375524	67.50	54.50	96414
March, 2009	58.50	45.00	144249	57.25	42.30	63235

viii) **Share price performance in comparison to broad based indices – BSE Sensex and NSE Nifty**

GCL - BSE Sensex Comparison



GCL - NSE Nifty Comparison





ix) **Registrar & Share Transfer Agent**

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West), Mumbai – 400 078
Ph.: (022) 2596 3838 Fax: (022) 2594 6969
Email: rnt.helpdesk@linkintime.co.in

x) **Share Transfer System**

The Company's shares are traded on the stock exchanges only in electronic mode. Shares in physical form are processed by the Registrar & Transfer Agent (RTA) and approved by the Share Transfer & Investors' Grievance Committee of the Company, usually at fortnightly intervals. Transfer of shares are approved and the share certificates are sent to the transferees within 20 days from the date of receipt of transfer documents by the RTA, provided the relevant documents are complete in all respects. As at March 31, 2009 no equity shares were pending for transfer.

The Company conducts a Secretarial Audit on a quarterly basis in accordance with SEBI requirements. M/s Ranjeet Agrawal, Practising Company Secretary has been assigned the task of conducting such audit. The Secretarial Audit Reports of M/s 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.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, Certificates on half-yearly basis, have been issued by M/s Ranjeet Agrawal, Practising Company Secretary for due compliance of share transfer formalities by the Company.

xi) **Distribution of Shareholding**

Distribution Schedule as on March 31, 2009

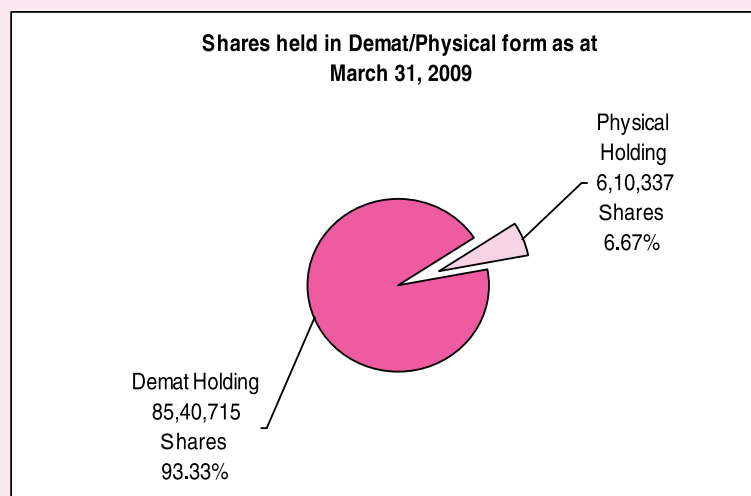
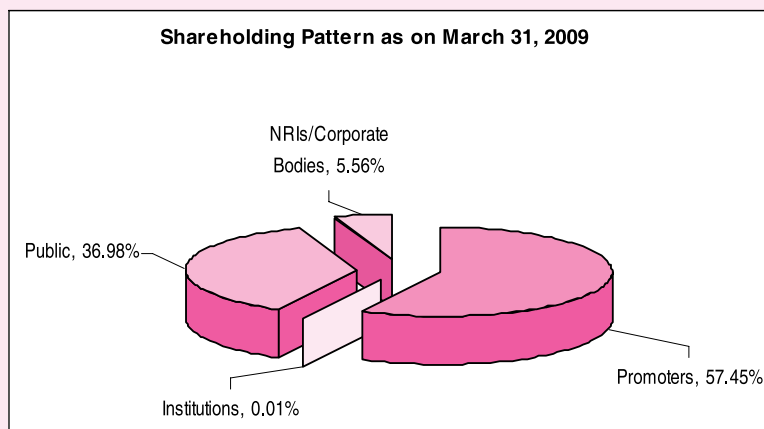
No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% to Total
Upto 500	14,042	93.41	14,45,465	15.80
501 to 1000	545	3.62	4,28,071	4.68
1001 to 2000	213	1.42	3,09,605	3.38
2001 to 3000	72	0.48	1,85,034	2.02
3001 to 4000	37	0.25	1,31,837	1.44
4001 to 5000	31	0.20	1,42,475	1.56
5001 to 10000	51	0.34	3,55,222	3.88
10001 and above	42	0.28	61,53,343	67.24
TOTAL	15,033	100.00	91,51,052	100.00

Distribution of Shareholding (Categorywise) as on March 31, 2009

Category	No. of share-holders	No of Shares held	% of share-holding
Promoters, Directors, their relatives & Associates	12	52,63,340	57.51
Mutual Funds / UTI	1	550	0.01
Financial Institutions / Banks	10	805	0.01
Bodies Corporate	239	4,84,566	5.30
Non-Resident Indians (NRI's)	72	23,694	0.26
Resident Individuals	14,643	32,88,989	35.94
Clearing Members	56	89,108	0.97
TOTAL	15,033	91,51,052	100.00

xii) Dematerialisation of Shares and Liquidity

As on March 31, 2009, 93.33% of the Company's paid-up capital representing 85,40,715 shares were held in dematerialized form as compared to 93.05% of the Company's paid-up capital representing 85,14,738 shares as on March 31, 2008.





xiii) **Outstanding GCRs/ADRs/Warrants or any Convertible instruments**

- Nil -

xiv) **Plant Locations**

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

xv) **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) 2596 3838 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

B. 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:

1. **The Board:**

Has a non-executive Chairman, and his office with required facilities is maintained at his own expense and is not provided and maintained by the Company.

No policy has been fixed on tenure of Independent Directors.

2. **Remuneration Committee:**

As stated earlier, the Board has already set up a Remuneration Committee consisting of only non-executive Directors. Details regarding composition and scope of the Remuneration Committee are provided elsewhere in this report.

3. Shareholders Rights:

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

4. Audit Qualifications:

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

5. Training of Board Members:

Not yet adopted by the Company.

6. Mechanism for evaluating non-executive Board Members:

Not yet adopted by the Company.

7. 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, "the Company" for the year ended on 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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 **FRASER & ROSS**
Chartered Accountants

M. K. ANANTHANARAYANAN
Partner
Membership No. 19521

Panaji, Dated: April 11, 2009



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

We, Jagmohan J. Chhabra, *CEO & President* and K. Balaraman, *General Manager (Finance)* of Goa Carbon Limited, ("company") hereby certify that :

- a) We have reviewed financial statements and the cash flow statement of the company for the financial year ended March 31, 2009 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 in internal control over financial reporting during the year;
 - ii) Significant changes 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
CEO & President

K. BALARAMAN
General Manager (Finance)

Place : Panaji, Goa
Date : April 11, 2009

Auditor's Report to the Members of Goa Carbon Limited

1. We have audited the attached Balance Sheet of Goa Carbon Limited, as at 31st March 2009, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of those books.
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956;
 - v. On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009, from being appointed as a director in terms of Clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956 on the said date;
 - vi. 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:
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **FRASER & ROSS**
Chartered Accountants

Place : Panaji
Date : April 11, 2009

M. K. ANANTHANARAYANAN
Partner
Membership No. 19521



ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

1. In respect of fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) Physical verification of Fixed Assets has been carried out in a phased manner as determined by the management. The programme of verification is reasonable considering the nature of assets and size of the Company and no material discrepancies were noticed on such verification.
 - c) 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 disposals has, in our opinion not affected the going concern status of the Company.
2. In respect of its inventories:
 - a) Inventories were physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable. The physical verification of raw materials and finished goods was carried out on technical measurement basis.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory and no material discrepancies were noticed on physical verification.
3.
 - 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) According to the information and explanations given to us, in respect of loan taken from a company covered in the Register maintained under Section 301 of the Companies Act, 1956 in the previous year, in our opinion, the rate of interest and other terms and conditions on which this loan has been taken are not *prima facie* prejudicial to the interest of the Company. The maximum amount involved during the year in respect of this loan was Rs. 140.00 lacs and the year-end balance was Rs. Nil.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. In respect of contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a) According to the information and explanations given to us, the particulars of contracts or arrangements that needed to be entered into the register have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs. 5,00,000 in respect of any party during the year, have been made at prices which are *prima facie* reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public during the year.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. According to the information and explanations given to us the Central Government has not prescribed the maintenance of the Cost Records under Clause (d) of sub-Section (1) of Section 209 of the Companies Act, 1956 in respect of Company's product.
9. Statutory and Other Dues:
 - a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues applicable to it with the appropriate authorities during the year.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues were in arrears, as at 31st March, 2009 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 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 dues:

Name of the statute	Nature of dues	Amount Rs. in lakhs	Period to which relates	Forum where dispute is pending
The Central Excise Act, 1944	Disallowance of cenvat credit and educational cess wrongly availed	90.19	2007-08	Customs Excise & Service Tax Appellate Tribunal, New Delhi
The Central Excise Act, 1944	Short payment/non-payment of Central Excise Duty	1.89	2004-05	Customs Excise & Service Tax Appellate Tribunal, Kolkata
Orissa VAT Act, 2004	VAT, Entry Tax, Sales Tax and Central Sales Tax	1025.46	2003-04 & 2004-05	Commercial Tax Officer, Paradip
Income Tax Act 1961	Income Tax demand	114.96	Ay: 1990-91, 1993-94, 1994-95, 1997-98 to 2001-02 and 2003-04, 2004-05	Bombay High Court Tribunal/ Commissioner of Income Tax

10. As at the end of the current financial year the company does not have accumulated losses and has not incurred cash loss during the current financial year and in the immediately preceding financial year.
11. According to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks.
12. 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.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. 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.
16. According to the information and explanations given to us, in our opinion, the Company has not availed any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis have *prima facie*, not been used for long term investment.
18. 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.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **FRASER & ROSS**
Chartered Accountants

Place : Panaji
Date : April 11, 2009

M. K. ANANTHANARAYANAN
Partner
Membership No. 19521



BALANCE SHEET AS AT 31ST MARCH, 2009

Rupees in lacs

	Schedule	As at 31-3-2009	As at 31-3-2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	915.11	915.11
Reserves and Surplus	2	6,051.76	5,139.80
		6,966.87	6,054.91
LOAN FUNDS	3		
Secured Loans		16,620.89	13,386.58
Unsecured Loans		–	140.00
DEFERRED TAX LIABILITY (Refer Note : B 14 in Schedule 16)		363.58	163.24
TOTAL		23,951.34	19,744.73
APPLICATION OF FUNDS			
FIXED ASSETS	4		
Gross Block		5,247.61	5,243.29
Less: Depreciation		2,318.78	2,097.60
Net Block		2,928.83	3,145.69
Capital work-in-progress		60.07	12.34
		2,988.90	3,158.03
INVESTMENTS	5	4.05	4.05
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	18,312.31	10,393.56
Sundry Debtors	7	1,342.74	2,471.54
Cash and Bank Balances	8	3,375.31	4,487.79
Loans and Advances	9	2,627.82	2,454.98
		25,658.18	19,807.87
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	10	4,312.69	2,554.02
Provisions	11	387.10	671.20
		4,699.79	3,225.22
NET CURRENT ASSETS		20,958.39	16,582.65
TOTAL		23,951.34	19,744.73
Accounting Policies & Notes to the Accounts	16		

As per our Report of even date attached hereto

For FRASER & ROSS
Chartered Accountants

M. K. ANANTHANARAYANAN
Partner

K. BALARAMAN
General Manager – Finance

P. S. MANTRI
Company Secretary

For and on behalf of the Board of Directors

SHRINIVAS V. DEMPO
Chairman

Dr. A. B. PRASAD
Director

Panaji, Dated: 11th April, 2009



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Rupees in lacs

	Schedule	Year ended 31-3-2009	Year ended 31-3-2008
INCOME			
Sales		41,988.68	23,226.36
Less: Excise Duty		3,025.18	2,428.61
		38,963.50	20,797.75
Other Income	12	436.09	114.17
		39,399.59	20,911.92
EXPENDITURE			
Decrease/(Increase) in stock of Finished Goods		(3,915.71)	(685.26)
Raw Material Consumed	13	33,705.13	16,970.87
Manufacturing and Other Expenses	14	6,435.50	2,156.11
Finance Charges	15	1,073.73	817.06
Depreciation		255.20	251.21
		37,553.85	19,509.99
PROFIT BEFORE EXCEPTIONAL ITEM		1,845.74	1,401.93
Add: Exceptional Item (Refer Note: B 4 in Schedule 16)		–	330.01
PROFIT AFTER EXCEPTIONAL ITEM		1,845.74	1,731.94
Less: PROVISION FOR TAX			
Current Tax		400.00	207.00
MAT Credit Entitlement		–	(196.08)
Deferred Tax		200.34	163.24
Fringe Benefit Tax		12.25	8.80
		612.59	182.96
PROFIT AFTER TAX		1,233.15	1,548.98
Add: Balance brought forward from previous year		533.41	155.62
AMOUNT AVAILABLE FOR APPROPRIATIONS		1,766.56	1,704.60
Less: Appropriations			
General Reserve		500.00	850.00
Proposed Dividend @ 30%		274.53	274.53
Tax on Dividend		46.66	46.66
		821.19	1,171.19
Surplus carried to Schedule 2		945.37	533.41
Earnings (Basic and diluted) per share (face value of Rs. 10/- each) Rupees		13.48	16.93
Accounting Policies & Notes to the Accounts	16		

As per our Report of even date attached hereto

For and on behalf of the Board of Directors

For FRASER & ROSS
Chartered Accountants

SHRINIVAS V. DEMPO
Chairman

M. K. ANANTHANARAYANAN
Partner

K. BALARAMAN
General Manager – Finance

Dr. A. B. PRASAD
Director

P. S. MANTRI
Company Secretary

Panaji, Dated: 11th April, 2009



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Rupees in lacs

	Year ended 31-3-2009		Year ended 31-3-2008	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and after exceptional items		1,845.74		1,731.94
Adjustments for :				
Depreciation	255.20		251.21	
Depreciation written back	–		(330.01)	
Finance charges	1,073.73		817.06	
Loss on assets sold/scrapped	5.19		0.10	
Bad debts written off	19.30		7.92	
Provision for doubtful debts/advances	29.54		42.02	
Profit on sale of assets	(0.11)		(0.21)	
Interest income	(396.92)		(81.73)	
Rent income	(0.87)		(1.08)	
Sundry credit balances written back	(19.02)		(8.14)	
Unrealised Exchange Loss (Net)	1,023.59		56.11	
Dividend income	(1.49)	1,988.14	(1.35)	751.91
Operating Profit before working capital changes		3,833.88		2,483.85
Adjustments for :				
(Increase) / Decrease in inventories	(7,918.75)		(2,910.72)	
(Increase) / Decrease in trade & other receivables	1,321.83		1,944.32	
Increase / (Decrease) in Current Liabilities	1,704.89	(4,892.03)	(757.58)	(1,723.98)
Cash flow from operations		(1,058.15)		759.87
Direct taxes (net)		(556.00)		(24.77)
Net cash in / from operating activities		(1,614.15)		735.10
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(94.85)		(87.59)	
Sale of fixed assets	3.60		2.28	
Interest income	391.77		80.78	
Rent income	0.87		1.08	
Dividend income	1.49		1.35	
Net cash used in/from investing activities		302.88		(2.10)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009
(Contd.)

Rupees in lacs

	Year ended 31-3-2009		Year ended 31-3-2008	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayment) from short term borrowings from Banks (Net)	2,237.85		2,158.40	
Repayment of unsecured borrowings	(140.00)		–	
Finance charges paid	(1,061.26)		(796.09)	
Dividends paid	(271.09)		(136.68)	
Tax on dividend paid	(46.66)		(23.33)	
Net cash used from financing activities		718.84		1,202.30
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)		(592.43)		1,935.30
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		3,803.49		1,868.19
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR		3,211.06		3,803.49
Cash on hand and balances with banks		36.06		203.49
Short term investments		3,175.00		3,600.00
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR		3,211.06		3,803.49

As per our Report of even date attached hereto

For and on behalf of the Board of Directors

For FRASER & ROSS
Chartered Accountants

SHRINIVAS V. DEMPO
Chairman

M. K. ANANTHANARAYANAN
Partner

K. BALARAMAN
General Manager – Finance

Dr. A. B. PRASAD
Director

P. S. MANTRI
Company Secretary

Panaji, Dated: 11th April, 2009



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 1 : SHARE CAPITAL

Rupees in lacs

	As at 31-3-2009	As at 31-3-2008
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 (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 31-3-2009	As at 31-3-2008
Amalgamation Reserve	475.38	475.38
Securities Premium Account	3,131.01	3,131.01
General Reserve		
As per last Balance Sheet	1,000.00	150.00
Add: Transfer from Profit & Loss Account	500.00	850.00
Surplus as per Profit & Loss Account	945.37	533.41
	6,051.76	5,139.80

SCHEDULE 3 : LOAN FUNDS

	As at 31-3-2009	As at 31-3-2008
SECURED LOANS		
From Banks :		
Working capital advances		
a) Cash Credit	1,017.72	4,329.20
b) Buyer's Credit	15,603.17	9,057.38
(Above facilities are secured by hypothecation of all movable assets, raw materials, finished goods, stores, spare parts, book debts, pledge of fixed deposit receipts and 1st pari-passu charge on fixed assets located at all units.)		
	16,620.89	13,386.58
UNSECURED LOANS		
Short term deposits from a body corporate	—	140.00

SCHEDULE 4 : FIXED ASSETS

Rupees in lacs

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31-3-2008	Additions	Deductions	As at 31-3-2009	Upto 31-3-2008	For the year	Deductions	Upto 31-3-2009	As at 31-3-2009	As at 31-3-2008
Tangible Assets:										
Land (Freehold)	13.58	-	-	13.58	-	-	-	-	13.58	13.58
Plot Development on leasehold land	101.95	-	-	101.95	33.79	10.49	-	44.28	57.67	68.16
Buildings	1,395.32	-	0.85	1,394.47	456.71	44.47	0.23	500.95	893.52	938.61
Plant and Machinery	2,990.52	10.80	0.01	3,001.31	1,264.58	150.17	0.01	1,414.74	1,586.57	1,725.94
Laboratory Equipments	80.70	0.19	0.53	80.36	49.04	4.18	0.45	52.77	27.59	31.66
Electrical Fittings & Equipments	194.91	3.20	0.12	197.99	76.71	8.29	0.12	84.88	113.11	118.20
Furniture, Office Equipments and Computers	187.07	10.09	20.33	176.83	126.61	14.79	19.43	121.97	54.86	60.46
Vehicles	84.73	20.04	20.96	83.81	34.41	7.93	13.78	28.56	55.25	50.32
Intangible Assets:										
Land (Leasehold)	100.83	-	-	100.83	12.93	1.06	-	13.99	86.84	87.90
Technical Knowhow	30.21	-	-	30.21	30.21	-	-	30.21	-	-
Computer Software	63.47	2.80	-	66.27	12.61	13.82		26.43	39.84	50.86
TOTAL	5,243.29	47.12	42.80	5,247.61	2,097.60	255.20	34.02	2,318.78	2,928.83	3,145.69
Capital Work-in-progress at cost (including advances)										
									60.07	12.34
									2,988.90	3,158.03
Previous Year	5,082.39	164.48	3.58	5,243.29	1,847.80 @	251.21	1.41	2,097.60	3,158.03	2,993.81

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.
@ net of depreciation write back of Rs. 330.01 lacs for the year 2007-08.




SCHEDULE 5 : INVESTMENTS (Long term)

Rupees in lacs

	As at 31-3-2009	As at 31-3-2008
Quoted (Non Trade):		
13,500 (13,500) Fully paid-up Equity Shares of Rs. 10/- each in ICICI Bank Limited	4.05	4.05
Market Value	44.90	103.87

SCHEDULE 6 : INVENTORIES

	As at 31-3-2009	As at 31-3-2008
Raw Materials	11,359.10	7,316.66
Finished Goods	6,750.00	2,834.29
Stores & Spares	203.21	242.61
	18,312.31	10,393.56

SCHEDULE 7 : SUNDRY DEBTORS (Unsecured)

	As at 31-3-2009	As at 31-3-2008
Outstanding for a period exceeding six months		
Considered good	34.88	9.49
Considered doubtful	51.71	23.62
	86.59	33.11
Other Debts		
Considered good	1,307.86	2,462.05
	1,394.45	2,495.16
Less: Provision for Doubtful Debts	51.71	23.62
	1,342.74	2,471.54

SCHEDULE 8 : CASH AND BANK BALANCES

	As at 31-3-2009	As at 31-3-2008
Cash on hand	2.19	1.48
Balances with Scheduled Banks:		
On Current Accounts	33.87	202.01
On Unpaid Dividend Accounts	20.25	16.81
On Deposits Accounts (Fixed deposit receipts for Rs. 1769 lacs (Rs. 667.49 lacs) are pledged with the Banks as security for facilities availed from them)	3,319.00	4,267.49
	3,375.31	4,487.79


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

Rupees in lacs

	As at 31-3-2009	As at 31-3-2008
Advances recoverable in cash or in kind or for value to be received		
Considered good	2,529.08	2,244.00
Considered doubtful	30.00	28.55
	2,559.08	2,272.55
Less : Provision for doubtful advances	30.00	28.55
	2,529.08	2,244.00
Advance Payment of Income Tax and Fringe benefit tax (net of Provision for Income Tax and FBT Rs. 785.16 lacs (Rs. 447.86 lacs))	78.69	–
MAT Credit entitlement	–	196.08
Interest accrued on deposits	20.03	14.88
Balance with Customs & Excise Authorities	0.02	0.02
	2,627.82	2,454.98

SCHEDULE 10 : CURRENT LIABILITIES

	As at 31-3-2009	As at 31-3-2008
Sundry Creditors :		
Due to Micro, Small and Medium Enterprises	–	–
Due to others	4,030.16	2,239.39
Interest accrued but not due on loans	86.22	73.75
Unpaid Dividend (Represents dividend warrants issued but remained unpresented to the banks and there is no amount due and outstanding to be credited to Investor Education and Protection Fund)	20.25	16.81
Other Liabilities	176.06	224.07
	4,312.69	2,554.02



SCHEDULE 11 : PROVISIONS

Rupees in lacs

	As at 31-3-2009	As at 31-3-2008
Income Tax, including Fringe Benefit Tax (net of prepaid taxes)	–	261.23
Employee Benefits	65.91	88.78
Proposed Dividend	274.53	274.53
Tax on Dividend	46.66	46.66
	387.10	671.20

SCHEDULES TO THE PROFIT & LOSS ACCOUNT

SCHEDULE 12 : OTHER INCOME

	Year ended 31-3-2009	Year ended 31-3-2008
Interest (Gross)		
* From Banks	396.42	81.60
From Others	0.50	0.13
* [Tax deducted at source Rs. 79.13 lacs (Rs. 15.49 lacs)]		
	396.92	81.73
Rent	0.87	1.08
Dividend from Non-trade Investments	1.49	1.35
Miscellaneous Receipts	14.67	18.33
Sundry Credit balances written back	19.02	8.14
Profit on sale of Raw Materials	3.01	3.33
Profit on Sale of Assets	0.11	0.21
	436.09	114.17

SCHEDULE 13 : RAW MATERIALS CONSUMED

	Year ended 31-3-2009	Year ended 31-3-2008
Opening Stock	7,316.66	4,017.09
Add: Purchases	37,758.29	20,282.37
	45,074.95	24,299.46
Less: Cost of Raw Material Sold	10.72	11.93
	45,064.23	24,287.53
Less: Closing Stock	11,359.10	7,316.66
Raw Material Consumed	33,705.13	16,970.87

SCHEDULE 14 : MANUFACTURING & OTHER EXPENSES

Rupees in lacs

	Year ended 31-3-2009		Year ended 31-3-2008	
Salaries, Wages & Bonus		772.60		609.34
Contribution to Provident and Other Funds		85.41		74.02
Staff Welfare Expenses		92.93		89.46
Excise Duty on Stock differential – (Refer Note: B 5 in Schedule 16)		275.65		4.91
Fuel and Power		327.72		245.66
Repairs & Maintenance:				
Plant & Machinery	165.62		192.46	
Buildings	93.31		54.45	
Others	33.67	292.60	31.75	278.66
Packing & Forwarding		971.48		844.20
Selling & Distribution Expenses		28.61		39.62
Rent		50.58		36.78
Rates & Taxes		11.31		15.74
Travelling Expenses		103.64		82.96
Insurance		36.90		46.01
Loss on assets sold/scrapped		5.19		0.10
Bad debts written off		19.30		7.92
Provision for doubtful debts/advances		29.54		42.02
Auditors' Remuneration:				
Audit fees	6.25		4.25	
Tax Audit	1.50		1.71	
Certification & other matters	1.75		1.18	
Expenses	1.28	10.78	1.14	8.28
Exchange loss/(gain) – (net)		2,970.39		(544.21)
Directors' sitting fees		4.04		4.33
Miscellaneous expenses		346.83		270.31
		6,435.50		2,156.11

SCHEDULE 15 : FINANCE CHARGES

	Year ended 31-3-2009		Year ended 31-3-2008	
Interest on working capital borrowings		874.52		650.83
Bank charges and commission		199.21		166.23
		1,073.73		817.06



**SCHEDULE 16: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED
31st MARCH, 2009**

A. SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF ACCOUNTING

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

2. USE OF ESTIMATES

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

3. FIXED ASSETS

Tangible Assets

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

Intangible Assets

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

4. DEPRECIATION

- a) Depreciation on fixed assets is provided on the straight line basis at the rates specified in Schedule XIV of the Companies Act, 1956, classifying certain Plant and Machinery as Continuous Process Plant.
- b) Leasehold land is amortised over the period of the lease.
- c) Individual assets costing less than 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 cost and applicable production overheads to bring the goods to the present location and excise duty.

8. FOREIGN CURRENCY TRANSACTIONS

- (i) Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction.

SCHEDULE 16 (Contd.)

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

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

9. REVENUE RECOGNITION

Revenue from sale is recognised on dispatch of goods. 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.



SCHEDULE 16 (Contd.)

12. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

13. IMPAIRMENT OF ASSETS

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

B. NOTES FORMING PART OF ACCOUNTS:

Rs. in lacs

1.		As at 31-3-2009	As at 31-3-2008
	Estimated amount of contracts remaining to be executed on capital account but not provided for :	325.00	7.00

2. Contingent Liabilities not provided for:

Rs. in lacs

				As at 31-3-2009	As at 31-3-2008	
i)	Demand raised by Collector of Stamps, Bilaspur towards stamp duty arising on amalgamation of Viswalakshmi Petro Products Ltd.			32.24	32.24	
ii)	Customs duty payable in the event of non-fulfilment of export obligations			1,084.46	304.17	
iii)	Disputed demands other than Income Tax not provided for :					
Name of the Statute		Forum where the dispute is pending	Nature of dues	Period to which the amount relates	As at 31-03-2009	As at 31-03-2008
a)	The Workmen Compensation Act, 1923	Labour Court (Workmen Compensation) at Hubli	Claim for compensation	2003-04	6.50	6.50
b)	The Central Excise Act, 1944	Customs Excise & Service Tax Appellate Tribunal, New Delhi	Disallowance of Cenvat Credit and Educational Cess wrongly availed	2007-08	90.19	-
c)	The Cental Excise Act, 1944	Customs Excise & Service Tax Appellate Tribunal, Kolkata	Short payment/non payment of Central Excise Duty	2004-05	1.89	1.89
d)	Orissa VAT Act, 2004	Commercial Tax Officer, Paradeep	Demand notice for payment of VAT, CST and Entry Tax			
			Entry Tax	2003-04 & 2004-05	49.21	49.21
			Sales Tax		230.98	230.98
			CST		745.27	745.27

SCHEDULE 16 (Contd.)

3. No provision is considered necessary for disputed Income-tax demands as given below:

Nature of dues	As at 31-3-2009 Rs. in lacs	As at 31-3-2008 Rs. in lacs	Period to which the amount relates	Disputes pending with
Income-tax demand	1,525.60	1,512.53	AY's 1990-91, 1993-94, 1994-95 1997-98 to 2001-02 and 2003-04, 2004-05	Bombay High Court / Tribunal / Commissioner of Income-tax
The above demands mainly relate to disallowance of claim of the Company for deduction under section 80 HHC of the Income Tax Act, 1961. The Company has been advised by its tax counsel that it has a fairly good case to get the favorable orders from Bombay High Court/Appellate Authorities. The amount of Rs.1410.64 lacs (Rs.1410.64 lacs) paid against the above demand is included under Advances.				

4. The exceptional item relating to the previous year represents the excess depreciation charged in earlier years written back consequent to the change in the method of computing depreciation in respect of assets in Goa and Bilaspur units from written down value method (WDV) to straight line method (SLM).
5. 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".
6. Salary and wages includes remuneration paid to the Executive Director:

	Year ended 31-3-2009 Rs. in lacs	Year ended 31-3-2008 Rs. in lacs
Salary, allowances & bonus	–	10.67
Contribution to Provident and other funds	–	1.12
Perquisites	–	2.21
	–	14.00

7. 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 31-3-2009		Year ended 31-3-2008	
	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	171,213		158,383	
Opening stock	19,243	2,834.29	18,306	2,149.04
Purchases for blending	2,813	877.56	3,978	455.19
Closing stock	35,656	6,750.00	19,243	2,834.29
Turnover (net of excise duty)	157,613	38,963.50	161,424	20,797.75



SCHEDULE 16 (Contd.)

b. (i) Raw material consumed	Quantity MT	Year ended 31-3-2009 Rs. in lacs	%	Quantity MT	Year ended 31-3-2008 Rs. in lacs	%
Imported	229,807	33,536.67	99.50	206,825	16,167.19	95.26
Indigenous	1,266	168.46	0.50	8,182	803.68	4.74
Total	231,073	33,705.13	100.00	215,007	16,970.87	100.00

b. (ii) Raw Petroleum Coke sold during the year 102 MT (139 MT) Rs. 13.73 lacs (Rs. 15.26 lacs)

c. Value of stores & spare parts consumed for repair jobs	Year ended 31-3-2009 Rs. in lacs	%	Year ended 31-3-2008 Rs. in lacs	%
Indigenous	127.16	100	131.01	100

Rs. in lacs

	Year ended 31-3-2009	Year ended 31-3-2008
d. Value of imports on CIF basis		
Raw material	33,713.75	17,761.26
Finished goods	—	392.55
e. Earnings in foreign currency (FOB value of exports)	17,763.18	5,667.86
f. Expenditure in foreign currency		
Travelling	6.45	11.19
Interest	766.79	328.67
Analysis fee, subscriptions etc.	28.19	34.49

8. Details relating to dues to Micro, Small and Medium enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 on the basis of such parties having been identified by the Management and relied upon by the Auditors:

	As at 31-3-2009	As at 31-3-2008
(i) Dues outstanding for more than 45 days	Nil	Nil
(ii) Amount remaining unpaid as at the end of the year		
– principal amounts	Nil	Nil
– interest amounts	Nil	Nil
(iii) the amount of interest paid in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day during the year	Nil	Nil
(iv) the amount of interest due and payable for the period of delay in making payment		
– as per the terms of the contract	Nil	Nil
– as specified by the act	Nil	Nil
(v) the amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil

SCHEDULE 16 (Contd.)

Rs. in Lacs

9.	Disclosure in respect of Derivatives	As at 31-3-2009	As at 31-3-2008
(a)	Quantum of derivatives (all of which identified as hedges) outstanding Forward exchange contracts	6,870.99	—
(b)	Foreign currency exposure not hedged by a derivative instrument or otherwise	12,500.33	10,186.55

10. Disclosure Required by AS-15(R)

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

Rs. in lacs

	Particulars	As at 31-3-2009	As at 31-3-2008
i	Projected Benefit obligation as at the beginning of the year	144.97	103.01
	Service Cost	14.98	12.08
	Interest Cost	10.73	8.12
	Actuarial Losses / (Gains)	23.97	24.74
	Benefits Paid	22.07	2.99
	Projected Benefit obligation as at the end of the year	172.58	144.97
ii	Change in Plan Asset :		
	Plans assets at period beginning, at fair value	108.69	88.30
	Expected return on plan assets	9.31	8.70
	Actuarial gain/(loss)	2.75	(0.03)
	Contributions	71.42	14.72
	Benefit paid	22.07	2.99
	Plans assets at period end, at fair value	170.09	108.69
iii	Amount recognised in the balance sheet :		
	Projected Benefit obligation at the end of the year	172.58	144.97
	Fair Value of the plan assets at the end of the year	170.09	108.69
	(Liability) /Assets recognised in the Balance Sheet	(2.49)	(36.28)
iv	Cost of the defined plan of the year :		
	Current service Cost	14.98	12.08
	Interest on Obligation	10.73	8.12
	Expected return on Plan assets	9.31	8.70
	Net actuarial losses / (gains) recognised in the year	21.22	24.77
	Net cost recognised in the Profit and Loss account	37.63	36.28
v	Assumption :		
	Rate of Mortality	As per LIC Mortality rate (1994-96)	
	Discount rate	8.00%	8.00%
	Expected rate of return	7.00%	9.25%



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 issued by the Institute of Chartered Accountants of India :

i) List of related parties:

Names of the related parties	Nature of relationship
Esmeralda Investments Pvt. Ltd	Ownership, directly and indirectly of more than 50% of the voting power.
V.S. Dempo & Co. Private Limited Marmagao Shipping & Stevedoring Co. Pvt. Ltd. Aparant Iron & Steel Pvt. Ltd. Goa Paints & Allied Products Pvt. Ltd. Dempo Mining Corp. Pvt. Ltd. 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	Common Key Management Personnel
Goa Carbon Employees Provident Fund Trust Goa Carbon Gratuity Fund Trust Goa Carbon Superannuation Fund Trust Vasantrao Dempo Education and Research Foundation	Enterprises over which Key Managerial Personnel are able to exercise significant influence.
Mr. Shrinivas V. Dempo (Chairman)	Key Management Personnel

SCHEDULE 16 (Contd.)

ii) Disclosure of transactions with Related Parties.

	Year ended 31-3-2009 Rs. in lacs	Year ended 31-3-2008 Rs. in lacs
Loans		
V. S. Dempo & Co. Private Limited	–	140.00
Loan repaid		
V. S. Dempo & Co. Private Limited	140.00	–
Interest paid		
V. S. Dempo & Co. Private Limited	–	12.60
Purchase of Goods		
Goa Paints & Allied Products Pvt. Ltd.	0.53	1.82
Aprarant Iron & Steel Pvt. Ltd.	0.51	–
Receiving of services		
V. S. Dempo & Co. Private Limited	37.74	41.03
Marmagoa Shipping & Stevedoring Co. Pvt. Ltd.	324.35	126.09
Dempo Industries Pvt. Ltd.	1.94	1.26
Dempo Travels Pvt. Ltd.	40.19	23.05
Rent paid		
V. S. Dempo & Co. Private Limited	0.02	7.08
Esmeralda Investments Pvt. Ltd.	7.03	–
Reimbursement of expenses		
V. S. Dempo & Co. Private Limited	3.07	1.55
Esmeralda Investments Pvt. Ltd.	0.56	–
Motown Investments Pvt. Ltd.	0.78	0.45
Aparant Iron & Steel Pvt. Ltd.	–	0.06
Devashri Real Estate Developers	0.15	0.11
Goa Paints & Allied Products Pvt. Ltd.	0.07	0.90
Rental Income		
Devashri Real Estate Developers	0.87	1.08
Donation		
Vasantrao Dempo Education and Research Foundation	20.00	5.00
Remuneration		
Mr. S. Ramachandran (Executive Director up to 5-9-2007)	–	14.00
Others		
Goa Carbon Ltd. Employees Provident Fund Trust	24.04	17.21
Goa Carbon Ltd. Gratuity Fund Trust	26.47	4.29
Goa Carbon Ltd. Superannuation Fund Trust	7.12	8.20
Credit/(Debit) balance as on 31-3-2009		
V. S. Dempo & Co. Private Limited	77.42	221.85
Esmeralda Invesments Pvt. Ltd.	15.56	–
Marmagoa Shipping & Stevedoring Co. Pvt. Ltd.	42.97	–
Goa Carbon Ltd. Employees Provident Fund Trust	(2.89)	4.24



SCHEDULE 16 (Contd.)

13. Earnings per share:

		Year ended 31-3-2009	Year ended 31-3-2008
i)	Profit after tax as per Profit & Loss Account (Rs. in lacs)	1,233.15	1,548.98
ii)	Number of Equity shares	9,151,052	9,151,052
iii)	Basic and diluted earnings per share of Rs.10/- each (in rupees)	13.48	16.93

14. Components of net Deferred Tax Asset / Liability:

Rs. in lacs

		As at 31-3-2009	As at 31-3-2008
i)	Deferred tax liability arising on account of: Depreciation	414.30	439.31
ii)	Deferred tax asset arising on account of:		
	Provision for doubtful debts	15.41	5.37
	Disallowance U/S 43B of Income Tax Act, 1961	35.29	44.70
	Others	0.02	0.03
	Disallowance U/S 40 a (ia)	–	71.45
	Unabsorbed depreciation and business loss	–	154.52
		50.72	276.07
	Net Deferred Tax Liability	363.58	163.24

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

Signatures to Schedules 1 to 16

As per our Report of even date attached hereto

For and on behalf of the Board of Directors

For FRASER & ROSS
Chartered Accountants

SHRINIVAS V. DEMPO
Chairman

M. K. ANANTHANARAYANAN
Partner

K. BALARAMAN
General Manager – Finance

Dr. A. B. PRASAD
Director

P. S. MANTRI
Company Secretary

Panaji, Dated: 11th April, 2009

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.

				2	4	0	0	0	7	6
--	--	--	--	---	---	---	---	---	---	---

State Code

2	4
---	---

Balance Sheet Date

	3	1		0	3		2	0	0	9
--	---	---	--	---	---	--	---	---	---	---

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

Public Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Rights Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Bonus Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Private Placement

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

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

Total Liabilities

				2	3	9	5	1	3	4
--	--	--	--	---	---	---	---	---	---	---

Total Assets

				2	3	9	5	1	3	4
--	--	--	--	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

						9	1	5	1	1
--	--	--	--	--	--	---	---	---	---	---

Reserves & Surplus

						6	0	5	1	7	6
--	--	--	--	--	--	---	---	---	---	---	---

Secured Loans

				1	6	6	2	0	8	9
--	--	--	--	---	---	---	---	---	---	---

Unsecured Loans

									N	I	L
--	--	--	--	--	--	--	--	--	---	---	---

Deferred Tax Liability

						3	6	3	5	8
--	--	--	--	--	--	---	---	---	---	---

Application of Funds

Net Fixed Assets

						2	9	8	8	9	0
--	--	--	--	--	--	---	---	---	---	---	---

Investments

									4	0	5
--	--	--	--	--	--	--	--	--	---	---	---

Net Current Assets

				2	0	9	5	8	3	9
--	--	--	--	---	---	---	---	---	---	---

Misc. Expenditure

									N	I	L
--	--	--	--	--	--	--	--	--	---	---	---

Accumulated Losses

									N	I	L
--	--	--	--	--	--	--	--	--	---	---	---

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

Turnover
(including other income)

				3	9	3	9	9	5	9
--	--	--	--	---	---	---	---	---	---	---

Total Expenditure

				3	7	5	5	3	8	5
--	--	--	--	---	---	---	---	---	---	---

Profit Before Tax

				1	8	4	5	7	4
--	--	--	--	---	---	---	---	---	---

Profit After Tax

				1	2	3	3	1	5
--	--	--	--	---	---	---	---	---	---

Earning per share in Rs.

						1	3	.	4	8
--	--	--	--	--	--	---	---	---	---	---

Dividend Rate %

									3	0
--	--	--	--	--	--	--	--	--	---	---

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

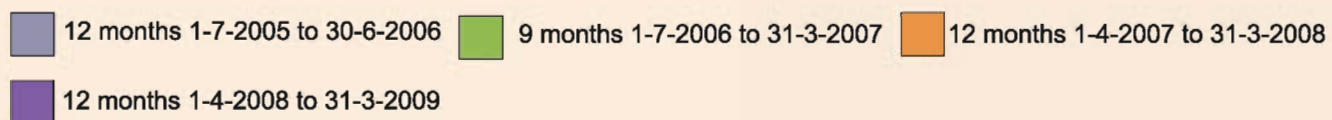
Item Code No. (ITC Code)

				2	7	1	3	.	1	2
--	--	--	--	---	---	---	---	---	---	---

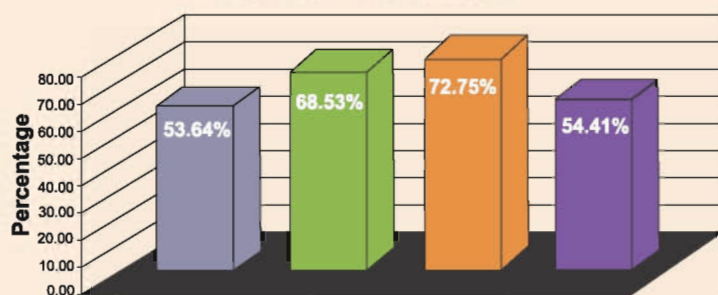
Product description

C	A	L	C	I	N	E	D		P	E	T	R	O	L	E	U	M		C	O	K	E
---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	---	---	--	---	---	---	---

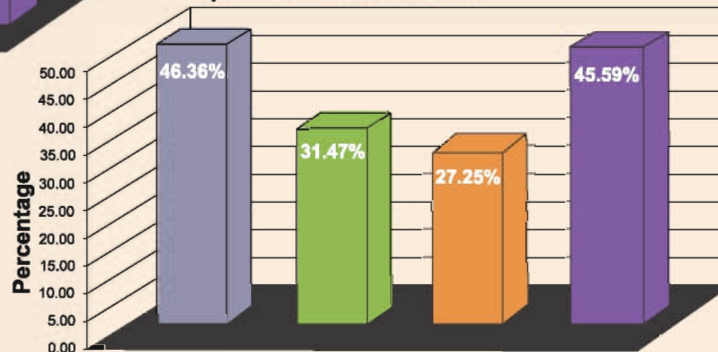
KEY FINANCIAL RATIOS



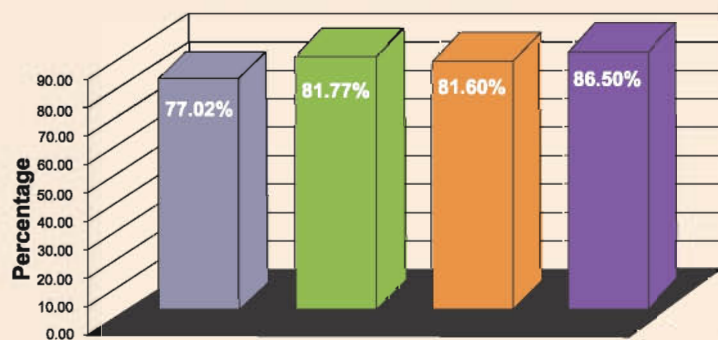
Domestic Turnover to Sales



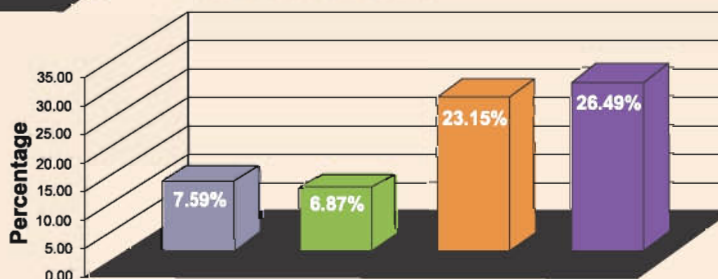
Export Turnover to Sales



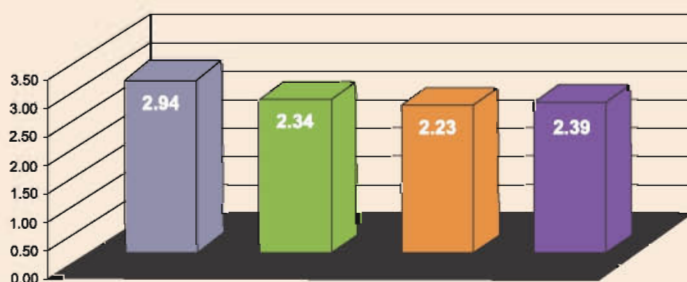
Raw Material Cost to Sales



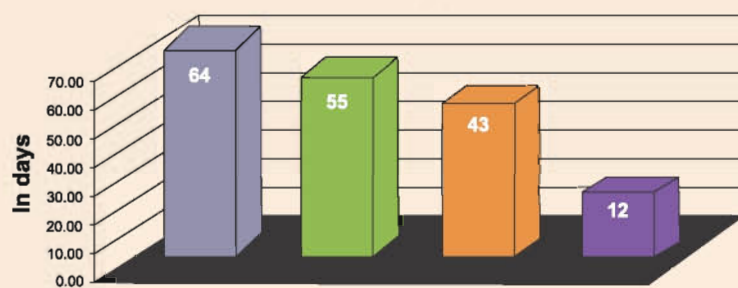
Return on Net Worth



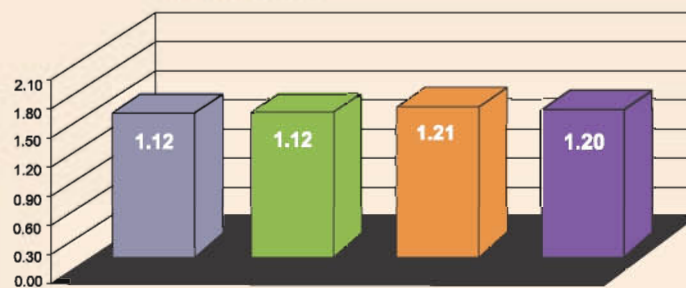
Debt-Equity Ratio



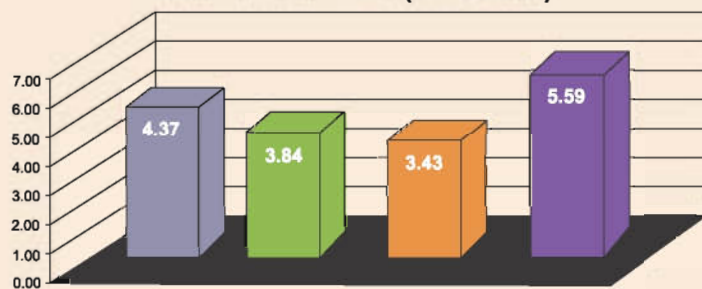
Debtors Turnover (days)



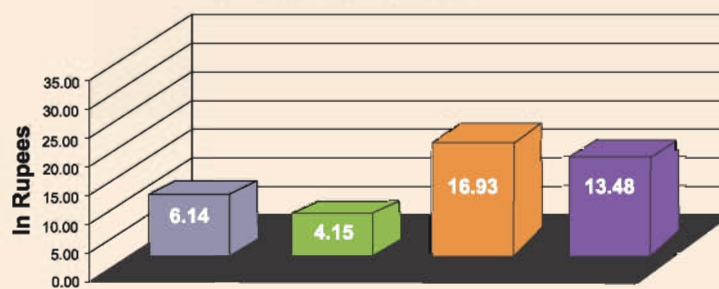
Current Ratio



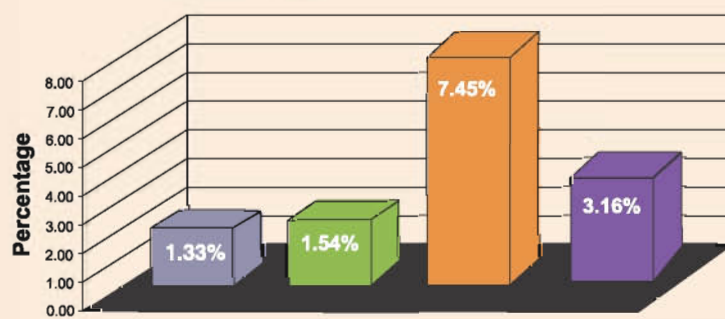
Asset Turnover Ratio (annualised)



EPS Figure (annualised)



PAT Margin



FINANCIAL HIGHLIGHTS FOR LAST FIVE YEARS

Rupees in lacs

	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	1-4-2004 to 30-6-2005
Sales (Net)	38,963.50	20,797.75	18,518.21	23,007.28	12,103.08
Other Income	436.09	114.17	499.60	343.76	419.10
(A)	39,399.59	20,911.92	19,017.81	23,351.04	12,522.18
Raw materials & manufacturing expenses	36,224.92	18,411.72	17,753.12	21,601.05	11,965.85
Finance charges	1,073.73	817.06	749.36	1,144.51	557.68
(B)	37,298.65	19,258.78	18,502.48	22,745.56	12,523.53
Gross Profit/(Loss) (A – B) (C)	2,100.94	1,653.14	515.33	605.48	(1.35)
Depreciation	255.20	251.21	183.68	248.55	139.89
Exceptional Item	–	(330.01)	–	–	–
Provision for Tax	612.59	182.96	46.50	(49.01)	(62.64)
(D)	867.79	104.16	230.18	199.54	77.25
Net Profit/(Loss) (C – D)	1,233.15	1,548.98	285.15	405.94	(78.60)
Dividend declared	30%	30%	15%	15%	5%

WHAT THE COMPANY OWNED

Net Fixed Assets	2,988.90	3,158.03	2,993.81	3,035.54	731.37
Investments	4.05	4.05	4.05	4.05	4,328.67
Current Assets, Loans & Advances	25,658.18	19,807.87	16,759.09	21,098.88	7,441.26
	28,651.13	22,969.95	19,756.95	24,138.47	12,501.30

WHAT THE COMPANY OWED

Secured Loans	16,620.89	13,386.58	11,172.04	13,831.39	6,597.33
Unsecured Loans	–	140.00	140.00	–	1,758.11
Deferred tax Liability	363.58	163.24	–	–	100.29
Current Liabilities & Provisions	4,699.79	3,225.22	3,617.79	5,604.51	1,684.99
	21,684.26	16,915.04	14,929.83	19,435.90	10,140.72

NET WORTH OF THE COMPANY

Equity Share Capital	915.11	915.11	915.11	915.11	460.00
Reserves & Surplus	6,051.76	5,139.80	3,912.01	3,787.46	1,900.58
	6,966.87	6,054.91	4,827.12	4,702.57	2,360.58

