



ORIENTAL CARBON & CHEMICALS LTD

36th Annual Report
2015-16



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ORIENTAL CARBON & CHEMICALS LIMITED

DIRECTORS

Mr. J.P. Goenka

Chairman

Mr. Arvind Goenka

Managing Director

Mr. Akshat Goenka

Jt. Managing Director

Mr. S.J. Khaitan

Mr. O.P. Dubey

Mr. B.B. Tandon

Mr. K. Raghuraman

Mr. H.S. Shashikumar

(Nominee of Life Insurance Corporation of India)

Mrs. Runa Mukherjee

CHIEF FINANCIAL OFFICER

Mr. Anurag Jain

COMPANY SECRETARY

Mr. Pranab Kumar Maity

STATUTORY AUDITORS

Singhi & Co.

SOLICITORS

Khaitan & Co.

Khaitan & Partners

BANKERS

State Bank of India

Export Import Bank of India

Corporate Identity Number (CIN)-

L24297WB1978PLC031539

WEBSITE

<http://www.occlindia.com>

Investor Relations Email:

investorfeedback@occlindia.com

REGISTERED OFFICE

31, Netaji Subhas Road,

Kolkata - 700 001

PLANTS

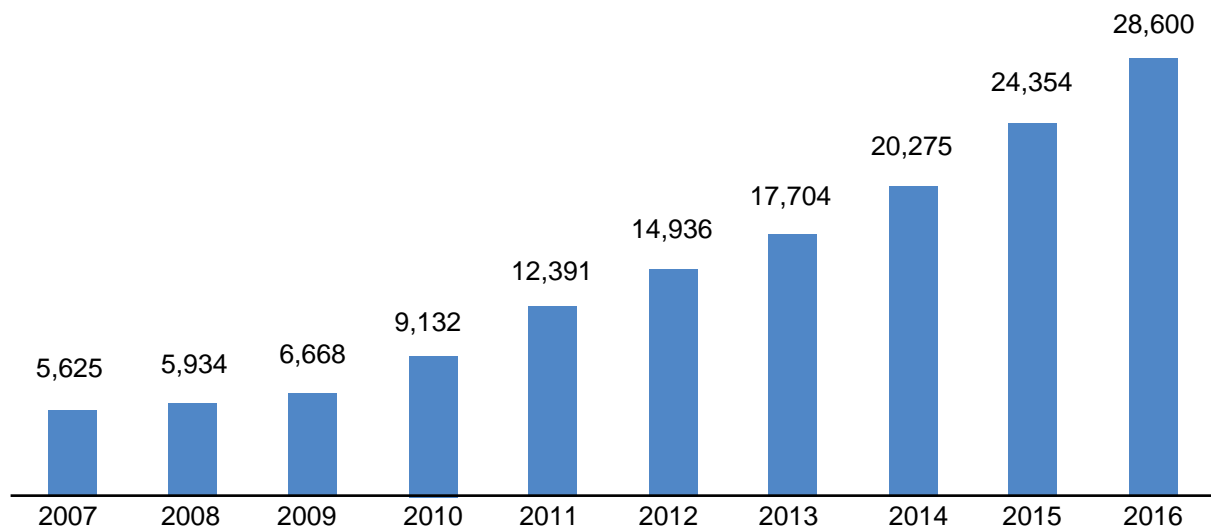
1. Plot 3 & 4, Dharuhera Industrial Estate,
P.O. Dharuhera,

Distt. Rewari - 123 106, Haryana

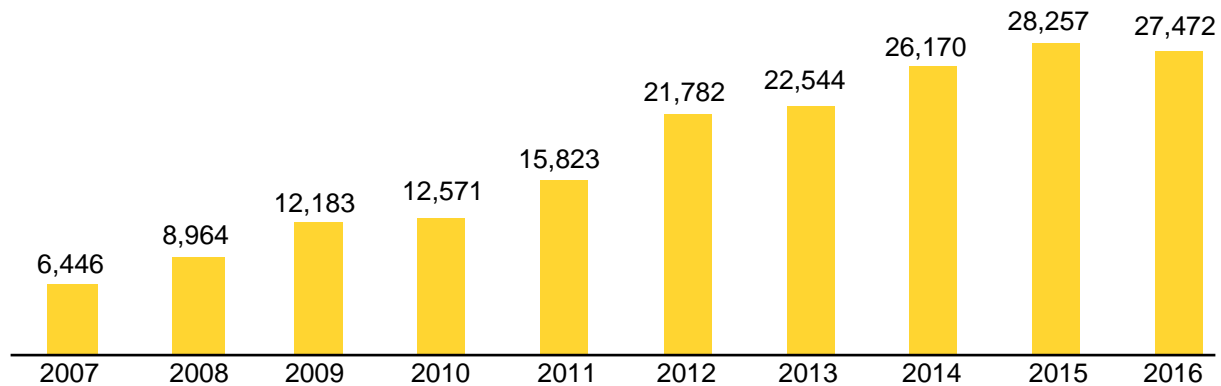
2. Survey No.141, Paiki of Mouje,
SEZ Mundra, Taluka Mundra,

Distt. Kutch-370 421, Gujarat.

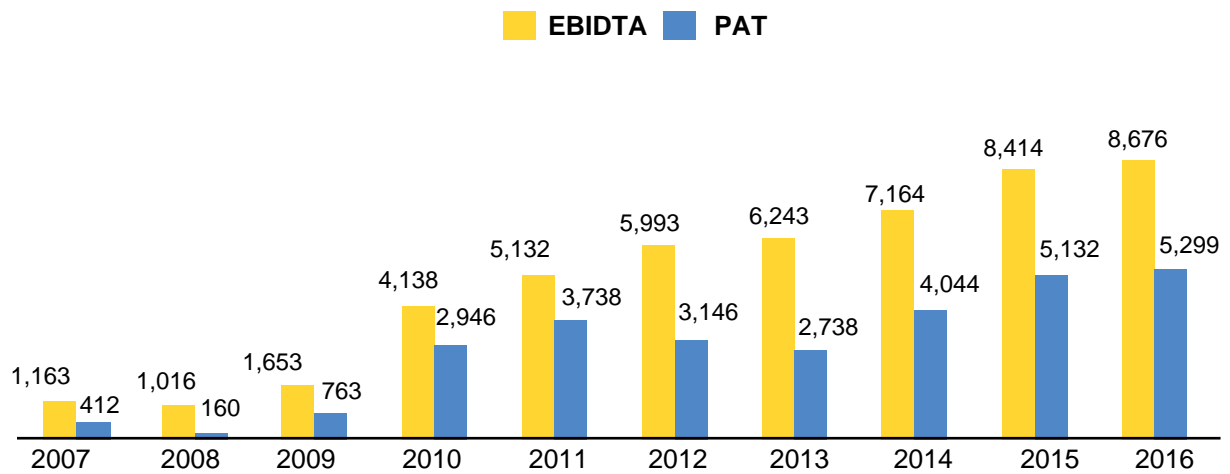
Net Worth (Rs. Lakhs)



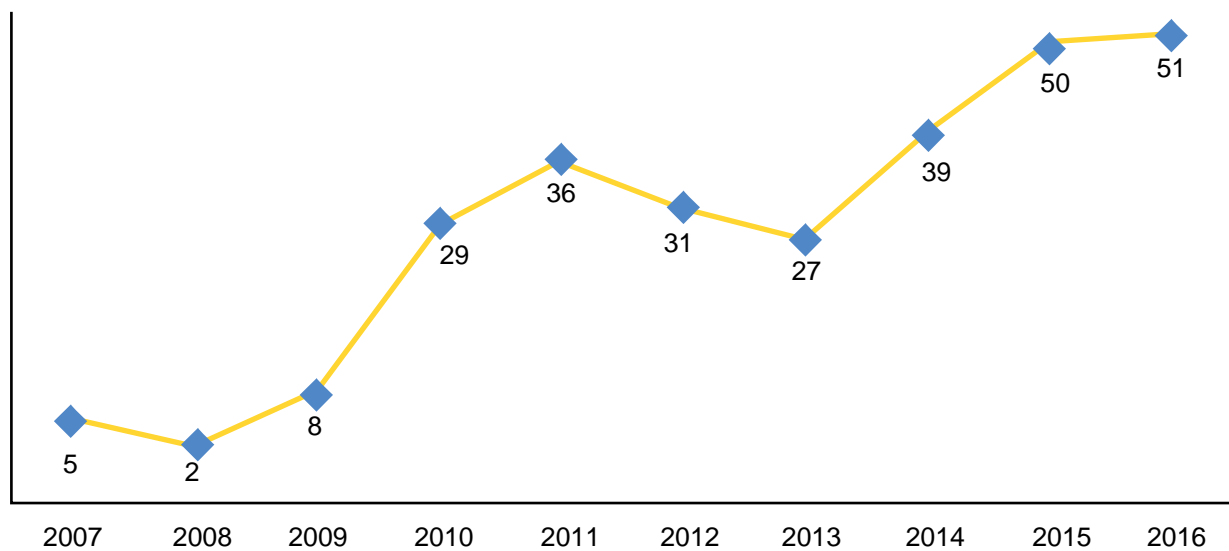
Revenue (Rs. Lakhs)



Profitability (Rs. Lakhs)



Earning Per Equity Share



ORIENTAL CARBON & CHEMICALS LIMITED

Financial Summary for Last 10 Years

(Rs. Lakhs)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Gross Sales	28,817	29,506	27,283	23,548	22,508	16,419	12,944	12,898	9,667	6,912
Net Sales	27,472	28,257	26,170	22,544	21,782	15,823	12,571	12,183	8,964	6,446
PBIDT	8,676	8,414	7,164	6,243	5,993	5,132	4,138	1,653	1,016	1,163
Interest	635	810	1,105	1,278	831	269	242	393	328	241
PBDT	8,041	7,604	6,059	4,965	5,162	4,863	3,896	1,260	688	922
Profit Before Tax	6,476	6,296	5,015	4,004	4,450	4,361	3,427	813	249	484
Profit After Tax	5,299	5,132	4,044	2,738	3,146	3,738	2,946	763	160	412
Dividend %*	85	85	70	50	50	40	40	15	5	10
Fob Value of Export	16,278	18,058	17,639	14,269	14,006	9,515	7,657	6,430	4,616	3,554
Gross Fixed Assets (Including Capital Work in Progress)	32,498	27,990	27,354	25,977	24,505	17,515	12,172	10,105	9,485	9,277
Net Fixed Assets	22,233	19,175	19,570	19,080	18,464	11,806	7,326	5,721	5,453	5,630
Net Current Assets	4,574	6,225	4,542	3,739	4,077	4,348	4,453	3,960	3,821	3,467
Share Capital	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,007	918
Reserves & Surplus**	27,569	23,323	19,244	16,043	13,905	11,360	8,101	5,637	4,927	4,707
Net Worth	28,600	24,354	20,275	17,074	14,936	12,391	9,132	6,668	5,934	5,625
Deferred Tax Liabilities	2,114	2,112	1,844	1,630	641	652	689	639	698	701
PBIDT Margin % (Over net Sales)	31.58	29.78	27.38	27.69	27.51	32.43	32.92	13.57	11.33	16.82
PBT Margin % (Over Net Sales)	23.57	22.28	19.16	17.76	20.43	27.56	27.26	6.67	2.78	7.01
Debt Equity Ratio	0.07	0.18	0.31	0.45	0.54	0.33	0.20	0.33	0.42	0.46
Earning Per Share for the year (Rs./Share)	51.46	49.84	39.28	26.60	30.55	36.30	28.61	7.67	1.76	4.50
Book Value of Shares (Rs./Share)	268.38	227.15	187.99	156.98	136.30	111.66	80.09	66.26	61.96	63.13

* Includes Proposed Final Dividend 55% for the Financial Year 2015-16

** Excluding Revaluation Reserve

NOTICE

NOTICE is hereby given that the Thirty-Sixth Annual General Meeting of the Shareholders of the Company will be held at ICC Auditorium (10th Floor), Indian Chamber of Commerce, ICC Towers, 4, India Exchange Place, Kolkata - 700001 on Friday, the 22nd July, 2016 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended March 31, 2016, including Consolidated Audited Financial Statements for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare final dividend and to confirm the payments of interim dividend on Equity Shares for the year 2015-16.
3. To appoint a director in place of Mr. H S Shashikumar (holding DIN 06674954), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Auditors and to fix their remuneration and for the purpose to consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the consent of the Company be and is hereby accorded for the ratification of appointment of M/s. Singhi & Co., (Firm Regn. No. 302049E), Chartered Accountants, as Statutory Auditors of the Company from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty Seventh AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM) and that the Board of Directors be and are hereby authorised to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.”

SPECIAL BUSINESS:

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

“RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the consent of the Company be and is hereby accorded for the ratification of appointment of M/s. J K Kabra & Co., Cost Accountants, the Cost Auditors appointed by the Board of Directors of the Company (‘the Board’) for the financial year ending 31st March, 2017, with a remuneration of Rs. 1,30,000/- (Rupees One lakh thirty thousand only) plus applicable service tax and reimbursement of actual out of pocket expenses .

RESOLVED FURTHER that, the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

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

“RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company to mortgage and/or charge on first, pari passu or second charge basis any or all immovable and movable assets of the Company, wherever situate, present and future in favour of State Bank of India(SBI), New Delhi as security for fund based and non-fund based working capital facilities amounting to Rs. 77.15 Crores and existing Term Loans (Present outstanding Rs 42.26 Crore) and in favour of Export Import Bank of India (Exim Bank), Chandigarh, as security for existing Term Loans (Present outstanding Rs 4.98 Crore).

RESOLVED FURTHER that the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company to mortgage and/or charge on first, pari passu or second charge basis any or all immovable and movable assets of the Company, wherever situate, present and future in favour of various Banks as security for sanction of New Term Loans aggregating to Rs. 67.80 Crores for part financing the project cost for phase-1 of Expansion of Insoluble Sulphur Plant at Mundra SEZ, Mundra, Distt. Kutch, Gujarat on such terms and conditions as set out in their respective Sanction Letters, with

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liberty to the Directors of the Company to create in future any further or other charge on the said assets, as per details below:

Name of Bank	Sanction Amount (Rs. Crore)
SBI	37.80
EXIM Bank	20.00
Kotak Mahindra Bank Ltd. New Delhi	10.00

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

By order of the Board

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

Pranab Kumar Maity
Company Secretary &
Sr. Manager Legal

Dated: 30th May, 2016

Notes:

- 1. A member entitled to attend and vote at the Meeting may appoint a proxy to attend and, on poll, to vote instead of himself/herself. A proxy need not be a member of the Company. Proxies, in order to be effective, must be deposited with the Company not less than forty-eight hours before the meeting.**
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from July 16, 2016 to July 22, 2016 (both days inclusive).
4. The Final Dividend, if sanctioned at the meeting, will be paid on and from August 2, 2016 to those members whose names appear on the Company’s register of members on July 15, 2016. In respect of the shares in electric form, the dividend will be payable on the basis of ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Ltd. for this purpose.
5. Dividend for the financial year ended 31st March, 2009, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of Central Government (IEPF) later this year, pursuant to the provisions of Section 205A of the Companies Act, 1956. Members, who have not encashed their dividend warrants for the financial year ended 31st March, 2009 are requested to lodge their claims with the Company.

Members are advised that in terms of the provisions of Section 205C of the Companies Act, 1956, once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

6. Mr. H S Shashikumar does not hold by himself or for any other person on beneficial basis, any shares of the Company.
7. Details as per the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, in respect of Directors seeking reappointment at the Annual General Meeting have been given under the Corporate Governance Report and forms an integral part of the Notice.
8. **Voting through electronics means:**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2013, the Company is pleased to provide members facility to exercise their right to vote at 36th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

Instructions for e-voting are as under:

- (i) The voting period begins on July 19, 2016 (9.00 am) and ends on July 21, 2016 (5.00 pm). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on July 15, 2016 (the Cut-Off Date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on “Shareholders”.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the default sequence number in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (vii).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Oriental Carbon & Chemicals Limited on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Institutional Shareholders and Custodians
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

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- II. You can update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- III. **Poll Process at AGM**
The voting on the agenda items shall be done by e-voting as well as by Poll. Those who do not exercise the option of e-voting shall be entitled to participate and vote at the Poll to be conducted at the venue of the AGM on the date of the meeting. Ballot Papers will be issued immediately after an announcement in this regard by the Chairman of the meeting and will continue up to 12 Noon or such extended time as may be fixed by the Company. The number of votes will be equivalent to the number of shares held by them as on the Cut-Off Date i.e. July 15, 2016.
- IV. Mr. Sahadeb Rath, a Practising Company Secretary (Membership No. ACS 13298) has been appointed as the Scrutinizer to scrutinize the e-voting process. He will also act as Scrutinizer along with another shareholder at the Poll to be conducted at the meeting in a fair and transparent manner.
- V. The Results shall be declared on and after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.occlindia.com and on the website of CDSL within 2 (two) days passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
9. All documents referred to the accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company during 11.00 am to 1.00 pm on all working days except Saturdays, up to and including the date of Annual General Meeting of the Company.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013.

Item No. 5

The Board, on recommendation of the Audit Committee, has approved the appointment of the Cost Auditor to conduct the audit of cost records relating to the Insoluble Sulphur manufacturing at Dharuhera for the financial year ending March 31, 2017 at a remuneration of Rs.1,30,000/- plus applicable service tax and reimbursement of actual out of pocket expenses.

In accordance with the provisions of the Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company. Accordingly, consent of members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2017.

None of the Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Item No. 6

State Bank of India (SBI), Export Import Bank of India (Exim Bank) and Kotak Mahindra Bank Ltd (Kotak Bank) have sanctioned Term Loans of Rs.37.80 Crores, Rs. 20 Crore and Rs. 10 Crore respectively for part financing the Project cost for Phase-1 of Expansion of Insoluble Sulphur Plant at SEZ Mundra, Gujarat. As per the Bank's terms of sanction, such credit facilities are to be secured, inter alia, by way of creation of mortgage and/or charge on the Company's movable and immovable assets, both present and future. These facilities are in addition to existing fund based and non fund based working capital facilities of 77.15 Crore and Term Loan (present outstanding Rs 42.26 Crore) from SBI and Term loan (Present outstanding Rs 4.98 Crore) from Exim Bank.

Since mortgaging and/or charging of its assets by the Company in favour of the Bank may be considered as disposal of its undertaking, it is desirable to obtain necessary consent of the shareholders of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013, at the ensuing Annual General Meeting.

The resolution set out at Item No. 6 of the annexed Notice is intended for this purpose. Your Directors recommend that the resolution be passed by Special Resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

The Board therefore, recommends the Resolution to be passed as Special Resolution by the Members.

By order of the Board

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

Pranab Kumar Maity
Company Secretary &
Sr. Manager Legal

Dated: 30th May, 2016

ORIENTAL CARBON & CHEMICALS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors hereby present their Thirty Sixth Report along with the Audited Annual Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2016.

1. FINANCIAL RESULTS

Particulars	(Rs.Lakhs)	
	For the Year ended <u>31.3.2016</u>	For the Year ended <u>31.3.2015</u>
Net Sales/Income from Operations	<u>2,74,71.72</u>	2,82,57.35
Other Income	<u>5,68.64</u>	12,86.13
Total Revenue	<u>2,80,40.36</u>	2,95,43.48
Profit/(Loss) Before Taxation	<u>64,76.32</u>	62,96.21
Provision for Taxation *	<u>(11,77.59)</u>	(11,64.61)
Profit/(Loss) after Taxation	<u>52,98.73</u>	51,31.60
Amount Available for Appropriation	<u>2,24,83.09</u>	1,82,36.57
Appropriation:		
Interim/Proposed Dividend on Equity Shares	<u>8,75.17</u>	8,75.17
Tax on Dividend	<u>1,78.16</u>	1,77.04
Transferred to General Reserve	<u>-</u>	-
Balance Carried to Balance Sheet	<u>2,14,29.76</u>	1,71,84.36

* Including Rs. 2.08 Lakhs Deferred Tax (Previous year Rs.2,67.12 Lakhs)

2. DIVIDEND

Your Directors are pleased to recommend Final Dividend of 55% on 10296062 Equity Shares (Rs.5.5 per share of Rs.10 each). The Dividend will absorb Rs. 6,81.57 Lakhs (Inclusive of Dividend Tax of Rs.1,15.28 Lakhs). With this, the total dividend for the year including interim dividend of 30% comes to 85%.

3. OPERATIONS

Insoluble Sulphur

Margins during the year improved over previous year resulting in better EBIDTA even though Net Sales during the year was lower due to correction in realization on account of lower input cost and downward trend in Euro:Re exchange rate. Export demand did not pick up as expected due to weak economic conditions globally resulting in lower than expected offtake. However, Domestic Demand registered a double digit growth as expected.

Sulphuric Acid & Oleum

Sulphuric Acid and Oleum sales and production registered 12% growth over previous year due to better market conditions. Steam produced as a by product was supplied to Insoluble Sulphur Plants resulting in fuel savings. Realisation remained stable during the year.

FUTURE PROSPECTS

Insoluble Sulphur

The international market demand growth rate is expected to be about 2-3% whereas the Domestic growth rate is expected to be in double digits. During the year under review, the international growth was muted due to slow down in big markets like Europe and China. China witnessed a muted growth as USA imposed anti-dumping duty on Chinese tyres and also due to its internal economic factors. However, the long term growth rate continues to be viable.

Your Company's Geographical footprint is wide and encompasses all continents with presence now in North America and China as well, which are the biggest market for Insoluble Sulphur. This mitigates Geo-political risks of the business and should ensure that long term growth rates are achievable

The first phase of capacity expansion of Insoluble Sulphur at its Mundra Plant is expected to be commissioned on scheduled in April 2017. The Company is confident of tying up the additional quantities in American and Chinese Market, where the Company has begun to establish its presence.

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Sulphuric Acid & Oleum

The demand for Sulphuric Acid is expected to be good this year because of expected good Monsoon resulting in good production of fertilisers.

4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place an established internal control system including internal financial Controls designed to ensure proper recording of financial and operational information, compliance of various internal controls and other regulatory and statutory compliances. Self certification exercise is also conducted by which senior management certifies effectiveness of the internal control system of the Company. Internal Audit is conducted throughout the organization by qualified outside Internal Auditors. Findings of the internal Audit Report are reviewed by the top Management and by the Audit Committee of the Board and proper follow up action are ensured wherever required. The Statutory Auditors have evaluated the system of internal controls including internal financial control of the Company and have reported that the same are adequate and commensurate with the size of the Company and nature of its business.

5. CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of the business of the Company during the year. The Company has only one subsidiary, namely Schrader Duncan Limited (SDL) and there was no change in the nature of the business of this Subsidiary. There were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future. There were no material changes and commitments affecting the financial position of the Company occurring between March 31, 2016 and the date of this report. The Equity Shares of the Company get listed with National Stock Exchange of India and admitted to dealing in the said Exchange w.e.f. January 27, 2016.

6. RESEARCH & DEVELOPMENT

Research & Development is fundamental to the Company's efforts to maintain the technical and quality edge for the product. A full in-house Research & Development team works on continuous basis to improve the quality of product and its properties. New Grades are also being developed to meet customers varied requirements. Research in the areas of reducing utility cost and process parameters improvement is also being done. Help of accredited independent laboratories is also taken as and when required for studying and evolving critical parameters.

The Company's Research and Development facility is approved by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India.

The R&D lab regularly augmented by acquiring state of the art analytical and process equipments to help in faster and detailed analysis. Further, pilot plants, as required, are being set up to validate the research findings. The details of some specific R&D activities carried out and benefits derived out of them have been annexed to this report.

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

As required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, the information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed to this Report.

8. POLLUTION CONTROL

Your Company's Plant has all the requisite Pollution Control Equipments and meets all the desired and statutory norms in this regard. The Insoluble Sulphur Units of the Company enjoys ISO-TS 16949:2009, EMS14001-2004 and OHSAS18001:2007 Certification.

9. STATUTORY AUDITORS AND AUDIT REPORT

Messrs Singhi & Co., Chartered Accountants, were appointed as Auditors of the Company for tenure of three years i.e. from the conclusion of 34th Annual General Meeting till the conclusion of the 37th Annual General Meeting of the Company. However, this appointment is subject to ratification by Members at every Annual General Meeting held after appointment during their tenure of office. The Auditors have confirmed their eligibility and qualification under Section 141 of Companies Act, 2013 and therefore, their ratification for appointment as Statutory Auditors for the year 2016-17 is being sought from the Members of the Company at the ensuing AGM. As regards the comments in the Auditors' Report, if any, the relevant notes in the Accounts are self explanatory and may be treated as information/ explanation submitted by the Board as contemplated under provisions of the Companies Act, 2013.

10. SECRETARIAL AUDIT

In compliance with the provisions of Sec 204 and other applicable provisions of Companies Act 2013, a Secretarial Audit was conducted during the year by Secretarial Auditors M/s. S.Rath & Company. The Secretarial Auditor's Report is attached as annexure and form part of this report. There are no qualifications or observations or remarks made by the Secretarial Auditors in their Audit Report.

ORIENTAL CARBON & CHEMICALS LIMITED

11. COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company relating to Insoluble Sulphur plant located at Dharuhera, Haryana is required to be audited. Your Board had, on recommendation of the Audit Committee, appointed Messrs J K Kabra & Co., Cost Accountants to Audit the cost accounts of the Company for the financial year 2015-16. The Cost Audit Report for the year ended 31st March, 2015 has been submitted to the Ministry of Corporate Affairs within stipulated time period.

Messrs J K Kabra & Co., Cost Accountants has been appointed as Cost Auditor of the Company by the Board on recommendation of the Audit Committee to carry out the cost accounts of the Company for the financial year 2016-17 on a remuneration of Rs 1.30 lakhs. As required under the Companies Act, 2013, the remuneration payable to Cost Auditors is required to be placed before the members in a General Meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for remuneration payable to Messrs J K Kabra & Co., Cost Auditors is included at item no. 5 of the Notice convening the Annual General Meeting.

12. PUBLIC DEPOSITS

Fixed Deposits from public outstanding with your Company at the end of financial year stood at Rs.4,94,81,000/-. Of this, a deposit amounting to Rs.10,000/- which had fallen due for payment on 7th May, 2003 has since been claimed by the depositor on 5th May, 2010. However, the same could not be paid as depositor has failed to produce the Original Deposit Receipt in respect thereof. Deposits aggregating to Rs.3,48,000/- due for payment on or before 31st March, 2016 were not claimed by the depositors by the said date. Out of these, deposits totaling Rs.48,000/- have since been claimed and settled. This apart, deposits amounting to Rs.12,95,000/- through fallen due for payment, could not be settled as there is dispute between the concerned joint depositors and the matter is sub-judice.

13. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of your Director's knowledge and belief and according to the information and explanations obtained your Directors make the following statements in terms of section 134 (3)(c) of the Companies Act, 2013:

- i) that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- ii) the directors had 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 the profit and loss of the Company for that period.
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the annual financial statements have been prepared on a going concern basis;
- v) that proper financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

14. AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company consists of Mr. O.P. Dubey as Chairman, Mr. B.B. Tandon, Mr. Suman J Khaitan as Members. The Company Secretary is the Secretary of the Committee. The Managing Director, Jt. Managing Director, Chief Financial Officer and Auditors are permanent invitees to the committee meetings. The detail of terms of reference of Audit Committee, number and dates of meetings held, attendance of the Directors and remunerations paid to them are given separately in the attached Corporate Governance Report. Your Company has a well structured Internal Audit System commensurate with its size and operations. During the year there were no instances where the Board had not accepted the recommendations of the Audit Committee.

15. STAKE HOLDER'S RELATIONSHIP COMMITTEE

The Company has a Stake Holder's Relationship Committee for reviewing Shareholders/Investors complaints. The present members of this Committee are Mr J.P Goenka (Chairman), Mr.Arvind Goenka (Member) and Mr. Suman J Khaitan (Member). The detail of number and dates of meetings held, attendance of the Directors and remunerations paid to them are given separately in the attached Corporate Governance Report.

16. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee has Mr. Suman J Khaitan as Chairman, Mr. K Raghuraman and Mr. Arvind Goenka as members. The detail of terms of reference, number and dates of meetings held, attendance of the Directors and remunerations paid to them are given separately in the attached Corporate Governance Report.

ORIENTAL CARBON & CHEMICALS LIMITED

The Company recognizes that an effective practice of CSR is required giving due consideration to the welfare of the community, environment and social structure that it operates in and that of the country including focus welfare areas identified by the State and Central Governments. The CSR Committee of the Company has laid down the policy to meet the Corporate Social Responsibility objectives of the Company.

The CSR Policy includes any activity that may be prescribed as CSR activity as per the Rules of Companies Act, 2013. The main Focus areas taken in the policy are Education, Health care and family welfare, Environmental Safety, contribution to any relief fund setup by the Government of India and any State Government.

Rs.103 Lakhs was spent on CSR activities and projects undertaken during the year the details of which is given in the annexure to this Reports.

The detailed CSR policy of the Company is available on the website of the Company which is www.occlindia.com.

17. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has Mr. O.P.Dubey as Chairman, Mr. B.B Tandon and Mr. K Raghuraman as members. The detail of terms of reference of this Committee, number and dates of meetings held attendance of the directors and remunerations paid to them and the brief outline of the Remuneration policy of the Company are given separately in the attached Corporate Governance Report.

The approved Remuneration Policy of the company is also available on the website of the Company which is www.occlindia.com.

18. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report. The Independent Directors are regularly updated on industry & market trends, plant process, and operational performance of the Company etc through presentations in this regard and periodic plant visits. They are also periodically kept aware of the latest developments in the Corporate Governance, their duties as Directors and relevant laws.

19. DIRECTORS

Mr. H S Shashikumar retires by rotation at the forth coming Annual General Meeting and, being eligible, offer himself for appointment.

Mr. O. P. Dubey, Mr. B. B. Tandon, Mr. S J Khaitan, Mr. K. Raghuraman, Mrs. Runa Mukherjee are Independent Directors of the Board of the Company. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

20. PARTICULARS OF EMPLOYEES AND KEY MANAGERIAL PERSONNEL (KMP)

The following four persons are the Key Managerial Personnel of the Company as per the provisions of Sec 203 of the Companies Act, 2013.

- a) Mr. Arvind Goenka, Managing Director
- b) Mr. Akshat Goenka, Jt. Managing Director
- c) Mr. Anurag Jain, Chief Financial Officer
- d) Mr. Pranab Maity, Company Secretary

Pursuant to Sec 134(3) (q) read with Rule 5 of Companies (appointment and Remuneration of Managerial Personnel) Rules 2014, The Remuneration and other details of Key Managerial Personnel and other Employees for the year ended March 2016 are annexed to this report.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

22. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arms' length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of Company at large. All related party transactions are placed before the Audit Committee and given in the notes annexed to and forming part of this Financial Statement. The approved policy on Related Party Transactions is also available on the website of the Company www.occlindia.com.

ORIENTAL CARBON & CHEMICALS LIMITED

23. SUBSIDIARY

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

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Consolidated Financial Statements prepared by the Company in this Report include the financial results of the Subsidiary company duly audited by the Statutory Auditors. The said statements have been prepared in accordance with the relevant accounting standards as prescribed under the Companies Act, 2013.

The Company does not have any material subsidiary in the immediately preceding accounting year. However, as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI has made it mandatory for all listed companies to formulate a policy for determining 'material' subsidiaries. Accordingly, a policy on 'material' subsidiaries was formulated by the Audit Committee of the Board of Directors and same is also posted on the website of the Company and may be accessed at the link <http://www.occlindia.com/policies.htm>

24. VIGIL MACHANISM POLICY

The Company has a Vigil Mechanism Policy to deal with instance of fraud and mismanagement, if any. The details of the Vigil Mechanism Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

25. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT 9 is annexed to this report.

26. RISK MANAGEMENT

As a policy The Company has identified key risk concern/areas. The assessment of each risk area is done on quarterly basis. Following are the main concern/risk related to the Company:

Market Related Risk: mainly demand, realisation and redundancy of the product.

Production related Risk mainly availability of inputs, accident or break down in the plant and rejection of material by the customers.

Human Resources Risk: includes the risk of labour unrest, high employee turnover ratio and lower productivity due to dissatisfaction of employees.

Revenue Risk: adverse exchange rate movement.Govt Policies and duty rates

Data and Records: data lost, fire Virus attack etc.

The Board and the Audit Committee takes note of Risk management of the Company in every quarter.

The Risk Assessment is also discussed in the Management Discussion and Analysis attached to this report.

27. NUMBER OF MEETINGS OF THE BOARD

During the year four Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

28. CORPORATE GOVERNANCE

- a) As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion & Analysis, a Report on Corporate Governance together with the Auditors' certificate regarding the Compliance of conditions of Corporate Governance forms part of the Annual Report.
- b) The Board of Directors of the Company has laid down a comprehensive Code of Conduct for all its Board members and senior management personnel which have also been posted on the website of the Company. A certificate by the Managing Director regarding compliance of the code of conduct of the Company is also included in the Annual report.

29. ACKNOWLEDGMENTS

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

By Order of the Board

Place : New Delhi
Date : 30th May, 2016

Arvind Goenka O.P. Dubey
Managing Chairman *Director*

ORIENTAL CARBON & CHEMICALS LIMITED

ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

I. CONSERVATION OF ENERGY

- (a) Energy Conservation Measures taken:
- Sulphuric Acid Plant de-bottlenecked to meet 100% steam requirement of Insoluble Sulphur plants at Dharuhera through utilisation of excess steam generated in Sulphuric Acid Plant by installing High Pressure Waste Heat Boiler.
 - Recycling of condensate for steam generation.
 - Replacement of existing motors with lower rating as per actual requirement and also with high efficiency ones.
 - Improvement in Heat transfer through optimisation of equipments.
 - Provision of VFD in various pumps etc.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
- Utilisation of waste Hot air from one process in other processes.
 - Optimisation of Chiling unit through various means.
 - Resizing (optimisation) of vacuume pumps.
- (c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
- The above measures have helped in the conservation of energy and reducing in environmental footprint.
 - Surplus Steam available for meeting 100% requirement of Insoluble Sulphur Plants at Dharuhera.
- (d) Total energy consumption and energy consumption per unit of production:

FORM-A

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

A. POWER AND FUEL CONSUMPTION

		Current year	Previous year
1. Electricity			
(a) Purchased Units	(KWH)	28,846,814	30,848,800
Total Amount	(Rs. in Lakhs)	2,002.40	19,69.25
Rate/ Unit	(Rs.)	6.94	6.38
(b) Own generation			
(i) Through Diesel Generator			
Units	(KWH)	1,704,994	1,639,252
Units/Ltr. of Diesel	(KWH)	3.54	3.64
Cost/Unit	(Rs.)	10.99	13.94
2. Coal (specify quantity and where used)			
Quantity	(Tonnes)	–	–
Total cost	(Rs.)	–	–
Average Rate	(Rs.)	–	–
3. Furnace Oil /HSD			
Quantity	(Ltrs)	2,082,025	2,133,170
Total cost	(Rs. in Lakhs)	675.82	10,07.62
Average Rate	(Rs.)	32.46	47.24
4. Other / Internal Generation (Process Steam)			
Quantity	(MT)	78,407	77,506
Total Cost	(Rs. in Lakhs)	659.64	10,67.07
Rate/ Unit	(Rs.)	841.31	1,376.76

B. CONSUMPTION PER UNIT OF PRODUCTION (MT)

Products		Standards if any		
(a) Sulphuric Acid				
Electricity	(in Units)	N.A.	36	37
(b) Oleum				
Electricity	(in Units)	N.A.	70	71
(c) Insoluble Sulphur				
(i) Electricity	(in Units)	N.A.	1331	1441
(ii) HSD	(in Ltrs)	N.A.	74	67
(iii) Others-Process Steam	(in MT)	N.A.	4	4

ORIENTAL CARBON & CHEMICALS LIMITED

II. TECHNOLOGY ABSORPTION

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

1. Research & Development

- (i) Specific area in which R&D carried out by the Company : 1. Improvement in stability of Insoluble Sulphur
2. Improvement in dispersion of Insoluble Sulphur
3. Introduction of new grades in collaboration with Customers
4. Process Improvement to minimise rejection and optimisation energy cost and consumption norms.
- (ii) Benefits derived as a result of the above R&D : Loyalty of existing customers coupled with enlistment of new quality-conscious customers, value addition in products, edge over competitors, and better control over qualitative deviations, control over cost
- (iii) Future plan of action : 1. Development of New Grades specific to customer requirements
2. Commercialisation of pre-dispersed Insoluble Sulphur.
3. Process Side research for optimisation of various production parameters and costs.
The Company has a in-house R&D unit which has been recognised by Ministry of Science & Technology, Department of Scientific & Industrial Research
The R&D Unit is being augmented thorough acquisition of state of art analytical and process equipments.
- (iv) Expenditure on R&D (Rs. in Lakhs)
- | | |
|--|---------|
| (a) Capital | : 4.36 |
| (b) Recurring | : 75.18 |
| (c) Total | : 79.54 |
| (d) Total R&D expenditure as a percentage of total turnover. | : 0.29% |

2. Technology absorption, adaptation and innovation:

: Production optimisation and innovation in the field of developing new and improved offerings, savings in consumption ratios and utilities.

III. FOREIGN EXCHANGE EARNING AND OUTGO

- (a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans. : The Company faced a downfall of 10.00% by value in exports. Exports constituted 68.25% of total Insoluble Sulphur sales during the year by value. The value of export during the year was lower due to decrease in realisation on account of reduced input cost.
- (b) Total foreign exchange used and earned (Rs. in lakhs)
- | | |
|------------|--------------|
| (i) Earned | : 1,62,78.40 |
| (ii) Used | : 8,92.24 |

By Order of the Board of Directors

Place : New Delhi
Date : 30th May, 2016

Arvind Goenka
Managing Director

O.P.Dubey
Director

ORIENTAL CARBON & CHEMICALS LIMITED

ANNEXURE TO DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES PERSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014

I.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year ;	Mr. J.P Goenka- 8:10 Mr. Arvind Goenka – 406:10 Mr. B.B Tandon- 30:10 Mr. K Raghuraman- 24:10 Mr. O.P Dubey- 30:10 Mr. S.J Khaitan- 42:10 Mr. H S Shashikumar-12:10 Mr Akshat Goenka- 321:10 Ms Runa Mukherjee- 18:10												
II.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year ;	Directors: Mr. J.P Goenka - NIL Mr.Arvind Goenka- 10% Mr.B.B Tandon- (-12%) Mr. K Raghuraman-10% Mr. O.P Dubey- (-12%) Mr. S.J Khaitan- 2.5% Mr. H.S. Shashikumar- NIL Mr.Akshat Goenka- 215% Mrs. Runa Mukherjee- NA Key Managerial Personnel Mr.Arvind Goenka- 10% Mr.Akshat Goenka- 215% Mr. Anurag Jain- 11% Mr. Pranab Maity- 8%												
III.	The percentage increase in the median remuneration of employees in the financial year;	22%												
IV.	The number of permanent employees on the rolls of company;	395 employees as on 31/03/2016												
V.	The explanation on the relationship between average increase in remuneration and company performance;	Average increase in the remuneration of all employees was 10% for the year 2015-16 which is based partly on the result of the Company for the year, partly on inflation, industry trend and partly on the individual employee's performance.												
VI.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	The remuneration of Key Managerial Personnel is linked with the performance of the company and their individual performance. The increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary was 10%, 11% and 8% respectively against increase in Net profit by 3%. In case of Akshat Goenka Joint Managing Director, increase is higher due to his elevation to Joint Managing Director during the year.												
VII.	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year.	<table border="1"> <thead> <tr> <th></th> <th>31/03/16</th> <th>31/03/15</th> </tr> </thead> <tbody> <tr> <td>Market Capitalisation</td> <td>518.09</td> <td>463.94</td> </tr> <tr> <td>PE Ratio</td> <td>9.77</td> <td>9.04</td> </tr> <tr> <td>% Increase</td> <td>12%</td> <td>185%</td> </tr> </tbody> </table> <p>The Company has not made any public offer of securities in the last 23 years, therefore comparison have not been made of current share price with public offer price. The Company's Shares are listed on Bombay Stock Exchange, National Stock Exchange and Calcutta Stock Exchange.</p>		31/03/16	31/03/15	Market Capitalisation	518.09	463.94	PE Ratio	9.77	9.04	% Increase	12%	185%
	31/03/16	31/03/15												
Market Capitalisation	518.09	463.94												
PE Ratio	9.77	9.04												
% Increase	12%	185%												

ORIENTAL CARBON & CHEMICALS LIMITED

VIII.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average Salary Increase of non managerial employees was 14.7% Increase in managerial remuneration was 10% The increase in managerial remuneration reflects the contribution of MD in steering the Company to a growth path and is commensurate with the industry standards. Average salary reflects average increase of all employees who have contributed to a varying degree to the growth of the Company.
IX.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Same as (VI)
X.	The key parameters for any variable component of remuneration availed by the Directors;	Managing Director and Joint Managing Director are entitled to performance linked bonus. All other directors are also entitled to Commission based on the performance of the Company in addition to the sitting fees.
XI.	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year;	Managing Director is the Highest paid Director. No Employee received remuneration higher than the Managing Director.
XII.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended March 31, 2016 is as per the remuneration policy of the Company.

By Order of the Board of Directors

Place : New Delhi
Date : 30th May, 2016

Arvind Goenka **O.P.Dubey**
Managing Director *Director*

PARTICULARS OF EMPLOYEES PERSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014

Sl. No.	Name	Designation & Nature of Duties	Remuneration (Rs.)	Qualification & Total Service Experience (Years)	Age (Years)	Date of Commencement of Employment	Last employment held before Joining the Company Company Designation	
(A) EMPLOYED THROUGHOUT THE YEAR								
1.	Goenka Arvind	Managing Director	15,742,635	B.Com (31)	54	01.10.2009	Duncan International India Ltd.	Vice President
2.	Goenka Akshat	Jt. Managing Director	12,457,400	Graduate in Economics (6)	28	01.01.2010	NA	NA
3.	Jain Anurag	Chief Financial Officer	10,585,850	B.Sc (26)	49	01.10.1990	NA	NA

NOTES:

1. Remuneration has been calculated on the basis of Section 198 of the Companies Act, 2013 and includes expenditure incurred by the Company on salary and for provision of benefits to the employees, excluding actuarial valuation of Retirement Benefits.
2. The nature of employment is contractual in case of Director and permanent for all other employees.
3. Mr. Arvind Goenka is related to Mr. J.P. Goenka Chairman of the Board.
4. Mr. Akshat Goenka is related to Mr. Arvind Goenka (Managing Director) and Mr. J.P. Goenka (Chairman)

By Order of the Board of Directors

Place : New Delhi
Date : 30th May, 2016

Arvind Goenka **O.P.Dubey**
Managing Director *Director*

ORIENTAL CARBON & CHEMICALS LIMITED

ANNEXURE TO DIRECTORS' REPORT REPORT ON CSR ACTIVITIES/INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

As per the requirement of the Companies Act 2013, Corporate Social Policy was drafted by the Company.

A Corporate Social Responsibility Committee consists of the following members

Mr Suman J Khaitan	Chairman
Mr. Arvind Goenka	Member
Mr. K Raghuraman	Member

As per the approved CSR policy following focus areas were identified.

Education, Health care and Family welfare, Environmental Safty, Contribution to Govt Funds and any other activity that may be prescribed as CSR activity as per the Rules of Companies Act 2013

Based on the Average Net profit for last three financial years the, budgeted CSR expenditure for the FY 2015-16 was Rs 102.10 lakhs

The Total Amount spent on CSR activities during the year was Rs 103.00 Lakhs

The manner in which the amount spent during financial year, is detailed below:

Sr. No.	CSR project/ Activity Identified	Sector in which the Project is covered	Projects/Programmes 1. Local area/ other - 2. specify the state/ district (Name of the District/s, State/s where project/ programme was undertaken)	Amount outlay (budget) project/ programme wise (in Rs.)	Amount spent on the project/programme Sub-heads: 1. Direct expenditure on project/programme. 2. Overheads (in 'Rs.) Direct:	Cumulative spend upto to the reporting period (in 'Rs.)	Amount spent: Direct/through implementing agency
1	Donation to Dyslexia Trust for educating Dyslexic Children	Promoting Education	Dyslexia Trust Kolkata, West Bengal	2,50,000	2,50,000	2,50,000	Contribution to Dysexia Trust of Kolkata
2	Installation of Hand Pumps for Providing Safe Drinking Water	Safe Drinking Water	Distt Rewari, Haryana	1,34,200	1,34,200	3,84,200	Contribution to PHD Rural Development Foundation
3	Construction of Toilets in School/College	Promoting Education/Sanitation/Health Care	Govt Schools, Distt Rewari, Haryana	1,19,405	1,19,405	5,03,605	Contribution to PHD Rural Development Foundation
4	Construction of Toilets, renovation of School/ College Building, Education to underprivileged Children, Mid Day Meal etc	Promoting Education/Sanitation/Health Care	In the State of Rajasthan, Haryana and Gujarat	37,10,000	37,10,000	42,13,605	Through OCCL CSR Trust , New Delhi
5	Renovation of School/ College Building	Promoting Education	Doondlodh, Rajasthan	41,25,000	41,25,000	83,38,605	Through Ram Chandra Goenka Charitable Trust, Kolkata
6	Eradicating poverty, Promoting Health Care, Education for Poor and needy	Promoting Education/Sanitation/Health Care	In the State of Rajasthan, Haryana and Gujarat	6,00,000	6,00,000	89,38,605	Through Oriental Foundation Trust, Kolkata***
7	Animal shelter	Animal Welfare	Gau Raksha Seva Samiti, Rewari, Haryana	11,00,000	11,00,000	1,00,38,605	Contribution to Gau Raksha Seva Samiti Rewari
8	Promoting Education / Mid Day Meal	Promoting Education	Akshya Patra Foundation	2,50,000	2,50,000	1,02,88,605	Contribution to Akshya Patra Foundation NGO

*** The amount transferred to the trust for The Project work to be undertaken

By Order of the Board

Place : New Delhi
Date : 30th May, 2016

Arvind Goenka
Managing Director

O.P.Dubey
Director

ORIENTAL CARBON & CHEMICALS LIMITED

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L24297WB1978PLC031539
2.	Registration Date	19 th June, 1978
3.	Name of the Company	ORIENTAL CARBON & CHEMICALS LIMITED
4.	Category/Sub-category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	31, Netaji Subhas Road, Kolkata – 700 001 Phone: +91 33 22306831-34; Fax: +91 33 22434772 Email: investorfeedback@occlindia.com; Website: www.occlindia.com
6.	Whether listed Company	Yes. Listed on National Stock Exchange of India Ltd, BSE Ltd. and The Calcutta Stock Exchange Ltd.
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Link Intime India Pvt. Ltd. 59C, Chowringhee Road, 3 rd Floor, Kolkata – 700 020 Phone: +91 33 22890540; Fax: +91 33 22890539 Email: kolkata@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Insoluble Sulphur	2802	93%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of share held	Applicable Section
1	Schrader Duncan Ltd.	L28991PN1961PLC139151	Subsidiary	51%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1082068	-	1082068	10.51	532068	-	532068	5.17	(5.34)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	4723175	-	4723175	45.87	4723175	-	4723175	45.87	-

ORIENTAL CARBON & CHEMICALS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	5805243	-	5805243	56.38	5255243	-	5255243	51.04	(5.34)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	32900	1450	34350	0.33	693773	1450	695223	6.75	6.42
b) Banks / FI	-	1680	1680	0.02	-	1680	1680	0.02	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	665908	50	665958	6.47	665908	50	665958	6.47	-
g) FIIs	1690	-	1690	0.02	-	-	-	-	(0.02)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	700498	3180	703678	6.84	1359681	3180	1362861	13.24	6.40
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	521038	4140	525178	5.10	574029	2027	576056	5.60	0.50
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1640412	542553	2182965	21.20	1601993	485448	2087441	20.28	(0.92)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	747742	-	747742	7.26	716772	-	716772	6.96	(0.30)
c) Others (specify)									
Non Resident Indians	77054	-	77054	0.75	96889	33259	130148	1.26	0.51
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	45633	-	45633	0.44	17756	-	17756	0.17	(0.27)
Trusts	-	-	-	-	100	-	100	-	-

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Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
HUFs	208569	-	208569	2.03	145601	-	145601	1.41	(0.62)
Market Maker	-	-	-	-	4084	-	4084	0.04	0.04
Foreign Bodies –DR	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	3240448	546693	3787141	36.78	3157224	520734	3677958	35.72	(1.06)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3940946	549873	4490819	43.62	4516905	523914	5040819	48.96	5.34
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	9746189	549873	10296062	100.00	9772148	523914	10296062	100.00	-

B) Shareholding of Promoter-

S No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Aparna Goenka	393775	3.83	-	275816	2.68	-	(1.15)
2	Arvind Goenka	156252	1.52	-	156252	1.52	-	-
3	Akshat Goenka	100000	0.97	-	100000	0.97	-	-
4	Shreya Goenka*	123600	1.20	-	-	-	-	(1.20)
5	Shreyans Goenka*	103600	1.00	-	-	-	-	(1.00)
6	Sujata Goenka	20984	0.20	-	-	-	-	(0.20)
7	Uma Goenka	183857	1.79	-	-	-	-	(1.79)
8	Cosmopolitan Investments Ltd.	1904528	18.50	-	1904528	18.50	-	-
9	New India Investment Corporation Ltd.	1202136	11.67	-	1202136	11.67	-	-
10	Haldia Investment Company Ltd.	591895	5.75	-	591895	5.75	-	-
11	Duncan International (India) Ltd.	994616	9.66	-	994616	9.66	-	-
12	Disciplined Investments Ltd.	30000	0.29	-	30000	0.29	-	-
	TOTAL	5805243	56.38	-	5255243	51.04	-	(5.34)

*The Company has made an application to Stock Exchanges for declassification of Mr. Shreyans Goenka and Ms. Shreya Goenka as Promoters of the Company on 15.02.2016, which is under consideration of Stock Exchanges.

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C) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Aparna Goenka				
	At the beginning of the year	393775	3.83	393775	3.83
	Changes during the year: On 14.08.2015, sale 117959 Equity Shares	-	-	(117959)	(1.15)
	At the end of the year	-	-	275816	2.68
2.	Arvind Goenka				
	At the beginning of the year	156252	1.52		
	Changes during the year	No Change			
	At the end of the year			156252	1.52
3.	Akshat Goenka				
	At the beginning of the year	100000	0.97		
	Changes during the year	No Change			
	At the end of the year			100000	0.97
4.	Shreya Goenka				
	At the beginning of the year	123600	1.20	123600	1.20
	Changes during the year: On 14.08.2015, sale 123600 Equity Shares	-	-	(123600)	(1.20)
	At the end of the year	-	-	-	-
5.	Shreyans Goenka				
	At the beginning of the year	103600	1.00	103600	1.00
	Changes during the year: On 14.08.2015, sale 103600 Equity Shares	-	-	(103600)	(1.00)
	At the end of the year	-	-	-	-
6.	Sujata Goenka				
	At the beginning of the year	20984	0.20	20984	0.20
	Changes during the year: On 14.08.2015, sale 20984 Equity Shares	-	-	(20984)	(0.20)
	At the end of the year	-	-	-	-
7.	Uma Goenka				
	At the beginning of the year	183857	1.79	183857	1.79
	Changes during the year: On 14.08.2015, sale 183857 Equity Shares	-	-	(183857)	(1.79)
	At the end of the year	-	-	-	-
8.	Cosmopolitan Investments Ltd.				
	At the beginning of the year	1904528	18.50		
	Changes during the year	No Change			
	At the end of the year			1904528	18.50
9.	New India Investment Corporation Ltd.				
	At the beginning of the year	1202136	11.67		
	Changes during the year	No Change			
	At the end of the year	-	-	1202136	11.67
10.	Haldia Investment Company Ltd.				
	At the beginning of the year	591895	5.75		
	Changes during the year	No Change			
	At the end of the year	-	-	591895	5.75

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Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11.	Duncan International (India) Ltd.				
	At the beginning of the year	994616	9.66		
	Changes during the year	No Change			
	At the end of the year	-	-	994616	9.66
12.	Disciplined Investments Ltd.				
	At the beginning of the year	30000	0.29		
	Changes during the year	No Change			
	At the end of the year	-	-	30000	0.29

D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	L And T Mutual Fund Trustee Ltd					
	At the beginning of the year		28300	0.27	28300	0.27
	Changes during the year					
	Date	Buy				
	19 Jun 2015	147			28447	0.28
	14 Aug 2015	272387			300834	2.92
	21 Aug 2015	11631			312465	3.03
	28 Aug 2015	17509			329974	3.20
	04 Sep 2015	1738			331712	3.22
	11 Sep 2015	2500			334212	3.25
	18 Sep 2015	1259			335471	3.26
	16 Oct 2015	13000			348471	3.38
	23 Oct 2015	4316			352787	3.43
	20 Nov 2015	2000			354787	3.45
	27 Nov 2015	5654			360441	3.50
	04 Dec 2015	11843			372284	3.62
	11 Dec 2015	3000			375284	3.64
	18 Dec 2015	2000			377284	3.66
	25 Dec 2015	1177			378461	3.68
	01 Jan 2016	1000			379461	3.69
	08 Jan 2016	934			380395	3.69
	15 Jan 2016	4000			384395	3.73
	05 Feb 2016	4500			388895	3.78
	12 Feb 2016	8000			396895	3.85
	19 Feb 2016	2000			398895	3.87
	11 Mar 2016	5446			404341	3.93
	18 Mar 2016	5500			409841	3.98
	25 Mar 2016	1016			410857	3.99
	31 Mar 2016	3316			414173	4.02
	At the end of the year				414173	4.02

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2.	Life Insurance Corporation of India					
	At the beginning of the year		368668	3.58		
	Changes during the year:		No Change			
	At the end of the year				368668	3.58
3.	General Insurance Corporation of India					
	At the beginning of the year		297240	2.89		
	Changes during the year:		No Change			
	At the end of the year				297240	2.89
4.	HDFC Small & Midcap Fund					
	At the beginning of the year		-	-		
	Changes during the year:					
	Date	Buy				
	14.08.2015	275000	-	-	275000	2.67
	At the end of the year		-	-	275000	2.67
5.	Winnow Investments and Securities Pvt. Ltd.					
	At the beginning of the year		-	-		
	Changes during the year:					
	Date	Buy				
	07 Aug 2015	256404			256404	2.49
	25 Mar 2016	16260			272664	2.65
	At the end of the year		-	-	272664	2.65
6.	Anil Kumar Goel					
	At the beginning of the year		160000	1.55	160000	1.55
	Changes during the year:					
	Date	Buy/ (Sale)				
	21 Aug 2015	(3009)			156991	1.52
	28 Aug 2015	9			157000	1.52
	16 Oct 2015	1000			158000	1.53
	At the end of the year		-	-	158000	1.53
7.	Sangeetha S					
	At the beginning of the year		121390	1.18	121390	1.18
	Changes during the year:					
	Date	Buy/(Sale)				
	10.04.2015	(1260)			120130	1.17
	18.04.2016	18360			138490	1.35
	08.05.2015	(18900)			119590	1.16
	26.06.2015	(400)			119190	1.16
	03.07.2015	(950)			118240	1.15
	21.08.2015	(900)			117340	1.14
	At the end of the year		-	-	117340	1.14
8.	Seema Goel					
	At the beginning of the year		81000	0.79	81000	0.79
	Changes during the year:		No Change			
	At the end of the year				81000	0.79
9.	Suresh Bhartia					
	At the beginning of the year		34200	0.33	34200	0.33
	Changes during the year:					
	Date	Buy/(Sale)				
	08.05.2015	15000			49200	0.48

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	23.05.2015	(24200)			25000	0.24
	30.06.2015	22500			47500	0.46
	27.11.2015	18800			66300	0.64
	04.12.2015	2000			68300	0.66
	At the end of the year		-	-	68300	0.66
10.	Devabhaktuni Krishna Kumari					
	At the beginning of the year		-	-		
	Changes during the year:					
	Date	Buy				
	19.06.2015	545			545	
	26.06.2015	53999			54544	0.53
	06.11.2015	500			55044	-
	At the end of the year		-	-	55044	0.53

E) Shareholding of Directors and Key Managerial Personnel:

S No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Arvind Goenka, Managing Director				
	At the beginning of the year	156252	1.52		
	Changes during the year	No Change			
	At the end of the year			156252	1.52
2.	Mr. Akshat Goenka, Jnt. Managing Director				
	At the beginning of the year	100000	0.97		
	Changes during the year	No Change			
	At the end of the year			100000	0.97
3.	Mr. Anurag Jain, CFO				
	At the beginning of the year	2475	0.023		
	Changes during the year	No Change			
	At the end of the year			2475	0.023
4.	Mr. Pranab Kumar Maity, Company Secretary				
	At the beginning of the year	Nil	Nil		
	Changes during the year	No Change			
	At the end of the year			Nil	Nil

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Unsecured Public Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	858,566,226	-	49,402,000	907,968,226
ii) Interest due but not paid	-	-	2,778,002	2,778,002
iii) Interest accrued but not due	4,248,691	-	-	4,248,691
Total (i+ii+iii)	862,814,916	-	52,180,002	914,994,918
Change in Indebtedness during the financial year				
* Addition (PRINCIPAL)	20,136,002	-	79,000	20,215,002
* Reduction (PRINCIPAL)	200,344,570	-	-	200,344,570

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Net Change	180,208,568	-	79,000	180,129,568
Indebtedness at the end of the financial year				
i) Principal Amount	678,357,657	-	49,481,000	727,838,657
ii) Interest due but not paid	-	-	2,982,361	2,982,361
iii) Interest accrued but not due	2,770,098	-	-	2,770,098
Total (i+ii+iii)	681,127,755	-	52,463,361	733,591,116

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S No.	Particulars of Remuneration	Name of Managing Director	Name of the WTD (Jt Managing Director)	Total Amount
		Mr. Arvind Goenka	Mr. Akshat Goenka	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15703035	12417800	28120835
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39600	39600	79200
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	15742635	12457400	28200035
	Ceiling as per the Act			64747200

B. REMUNERATION TO OTHER DIRECTORS

S No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. J P Goenka	Mr. B B Tandon	Mr. K Raghuraman	Mr. S J Khaitan	Mr. O P Dubey	Mrs. Runa Mukherjee	Mr. H S Shashikumar (LIC Nominee)	
1.	Independent Directors								
	Fee for attending board & committee meetings		290000	230000	410000	290000	170000	120000	1510000
	Commission		870000	690000	1230000	870000	510000	360000	4530000
	Others, please specify								
	Total (1)	0	1160000	920000	1640000	1160000	680000	480000	6040000

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2.	Other Non-Executive Directors								
	Fee for attending board & committee meetings	120000							120000
	Commission	200000							200000
	Others, please specify								0
	Total (2)	320000	0	0	0	0	0	0	320000
	Total (B)=(1+2)	320000	1160000	920000	1640000	1160000	680000	480000	6360000
	Total Managerial Remuneration (A) + (B)								34560035
	Overall Ceiling as per the Act								71221920

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	1368904	10538400	11907304
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	-	47450	47450
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	-	-	-
2	Stock Option	NA	-	-	-
3	Sweat Equity	NA	-	-	-
4	Commission		-	-	-
	- as % of profit				
	others, specify...				
5	Others, please specify		-	-	-
	Total		1368904	10585850	11954754

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

By Order of the Board

Place : New Delhi
Date : 30th May, 2016

Arvind Goenka
Managing Director

O.P.Dubey
Director

ORIENTAL CARBON & CHEMICALS LIMITED

ANNEXURE TO DIRECTORS REPORT MANAGEMENT DISCUSSION AND ANALYSIS

The Core business of the Company is manufacturing and sales of Insoluble Sulphur, a vulcanizing agent used in the rubber industry. The Company also manufactures Sulphuric Acid and Oleum. Your Company is a global supplier of Insoluble Sulphur and about two third of the turnover of your Company is from exports.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Insoluble Sulphur

Global demand of Insoluble Sulphur is estimated to be 2,64,000 Mtpa as per Notch Report. Out of the above, about 77,000 Mtpa demand is in China and 36,000 Mtpa demand is in America. Demand in China did not grow on expected line due to anti-dumping duty imposed by USA on import of tyres from China. Out of the 77,000 Mtpa demand in China, about 50% is for the globally accepted quality of the product which is manufactured by three companies in the world including your Company. Therefore, the demand for quality Insoluble Sulphur may be estimated at about 2,25,000 Mtpa. The current demand of Insoluble Sulphur in India is estimated at 14500 Mtpa. This is expected to continue to grow in double digits on the back of the following factors:

Growth rate of radialisation of Commercial Vehicle tyres which is currently at less than one third of the total demand of CV Tyres. India emerging as a hub for exports of tyres.

New Capacities being set up in India for Tyre manufacturing by international players such as Bridgestone, Michelin and Yokohama as well as domestic players to cater to international market also.

The Insoluble Sulphur industry consists of three players who manufacture internationally acceptable Insoluble Sulphur including Your Company. One of the companies is a global Multinational having multi location plants. This player dominates the international Insoluble Sulphur Market. The other player and your Company are then similarly placed. However, Your Company's Geographical footprint is wide and encompasses all continents. Other than above, there are a few Chinese manufacturers who are also in the business of Insoluble Sulphur, but they are yet to find global acceptance. The gap in quality over the other Chinese suppliers is being maintained by constant endeavor to increase the quality parameters of our product and by introducing customer specific products.

During the year, Sales realization from Insoluble Sulphur was adjusted for sustained lower prices of Raw Materials and fuels in the international as well as domestic markets. This resulted in decrease in overall sales realization for the year. The expected growth in sales could not be achieved on account of less than expected demand due to global economic slowdown. However, the PMT contribution remained unaffected and on expected lines.

Your Company's focus on China and USA is producing favourable results and during the next year, the Insoluble Sulphur Plants should run at optimum capacity resulting optimization of utility consumption. Other than this, the Company is also working continuously to reduce its carbon footprint by reducing utility consumption through process optimization etc.

Your Company is currently in the process of expanding its capacity in two phases, the first phase of which is expected to be commissioned as per schedule, in April 2017.

Sulphuric Acid and Oleum

Sulphuric Acid sales were satisfactory during the year with expected levels of sales realization and quantity being achieved. Oleum sales remained subdued due to lesser demand. However, there was a good demand of Battery Grade Sulphuric Acid which added to the overall performance of the division.

The Industry situation remains the same with one dominant manufacturer, for whom, Sulphuric Acid is a by-product, controlling the market. The demand for Sulphuric Acid remained normal this year. The Demand is expected to be better in the coming year due to expected good monsoon and thereby good production of fertilisers where Sulphuric Acid finds use.

OPPORTUNITIES, THREATS, RISKS, CONCERNS AND OUTLOOK

Opportunities and Outlook:

The outlook for future growth in demand remains at about 3-4% even though growth in China is expected to be significantly lower due to anti-dumping measures imposed by USA and its own internal economic issues. This is due to shifting of production growth to India, South East Asia and also USA to some extent. Your Company's endeavour to establish significant presence in China and USA are being fruitful and should augur well for the additional production from the new capacities coming up in 2017. Being a domestic company, your Company is having a natural advantage in one of the fastest growing market for Insoluble Sulphur in percentage terms. The demand of Insoluble Sulphur in India is still at a nascent stage (compared to other significant economies) and has significant headroom and opportunity for growth.

Your Company should sustain future growth on the back of its status as a globally approved and preferred supplier to tyre majors and increase in Customer base.

Threats, Risks, Concerns:

The threats and risks to the business of the Company may be in the following areas:

Demand and Sales Realisation:

Demand of Insoluble Sulphur is expected to grow with ratio of Radial Tyres and high performance and safety tyres to total production growing. Therefore, demand threat shall be significant only if global tyre demand falls significantly. Further, redundancy of the product is not expected as long as tyre is made from rubber. The Risk of competition from new manufacturers, mainly from China, is met through continuous product and process improvement to maintain quality and cost advantage over them and

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through collaborative efforts with tyre companies to see that their requirements are met. Further, high technology barrier coupled with exhaustive approval processes of tyre manufacturers acts as a deterrent for entry of new manufacturers.

The Company is always in the process of broad basing its supplies in terms of customers as well as geographies.

Sales realization may also be affected through exchange rate fluctuation or overall reduction in raw material and commodity prices. The Company safeguards itself through hedging its Foreign exchange exposure as per its policy in this regard from fluctuations and in the latter case, even though realisations may come down, there should be no impact on contributions and margins.

Production and Input Material Related Risks:

Raw material supplies are ensured through maintaining multiple vendors and adequate stocks. Sufficient back up of utilities are maintained to ensure continuous supply. Due emphasis is laid on safety and preventive maintenance to avoid unnecessary interruptions.

Other than the above, the Company also engages with its customers closely to understand its requirements, any change therein, or issues, if any, with the product.

Your Company has a motivated and dedicated team of employees and also has in place safety and environmental systems and rigorous preventive and predictive maintenance system. This helps in mitigating production related risks.

Competition:

Competition is a risk as well as opportunity. The Company endeavors to be at the forefront of quality and innovation through its laboratory base, process and collaborative research efforts which also focuses on streamlining and optimizing production process and input costs.

PERFORMANCE OF THE COMPANY

During the year, your Company achieved a Profit Before Tax of Rs.64,76.32 lakhs and Earning Before Interest Depreciation and Tax of Rs.86,76.12 lakhs. Net Profit increased from Rs 51,31.60 Lakhs to Rs.52,98.73 Lakhs.

HUMAN RESOURCES

The Company has, under its employment, 395 officers and workmen as on 31st March, 2016.

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

Your Company lays great emphasis on building a motivated work force, which can participate constructively in the growth of the Company. Innovative ideas are regularly received from the officers and staff of the Company, many of which were implemented for improvement in areas of quality, cost savings and increased productivity.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Financial Information

- i. Fixed Assets: The Gross Capital Assets stood at Rs 3,24,98 lakhs as at 31st March 2016 against Rs. 2,79,90 lakhs as at 31st March 2015. (including project under implimentation)
- ii. Inventory: The inventory at the end of the current year stood at Rs.38,67 lakhs against Rs 37,26 lakhs at the end of previous year.
- iii. Sundry Debtors: Sundry debtors at the end of the year stood at Rs.48,05 lakhs against Rs.51,49 lakhs at the end of previous year.

Results of Operations

(Rupees, Lakhs)

	2015-2016	2014-2015
Income from Operations (Net of Excise)	2,74,71.72	2,82,57.35
Other Income	5,68.64	12,86.13
Total Income	2,80,40.36	2,95,43.48
Profit before Interest, Depreciation and Tax	86,76.12	84,14.21
Profit before Tax	64,76.32	62,96.21
Profit after Tax for the current year	52,98.73	51,31.60

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

CAUTIONARY STATEMENT

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

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ANNEXURE TO DIRECTORS REPORT CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

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

2. Board of Directors

a) The Board of Directors consists of nine Directors out of which seven are non-executive Directors. All the Directors are eminent professionals with experience in Business, Industry, Finance and Law of which five are Non-Executive Independent and one Nominee Director. The Company has a non-executive Chairman.

The composition of the Board satisfies the requirement of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The names and categories of Directors, the number of Directorships and Committee positions held by them and also shareholding in the Company are provided below:

Name of Directors	Category of Director	No. of Directorships in listed entities including this listed entity	No. of memberships in Audit / Stakeholder Committee (s) including this listed entity	No. of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity	Relationship between directors inter-se	No. of Shares held in the Company
Mr. J. P. Goenka	Non-Executive (Chairman)	2	-	2	Father of Mr. Arvind Goenka and Grandfather of Mr. Akshat Goenka	Nil
Mr. Arvind Goenka	Managing Director	3	2	-	Son of Mr. J P Goenka and Father of Mr. Akshat Goenka	156252
Mr. Akshat Goenka*	Joint Managing Director	1	-	-	Son of Mr. Arvind Goenka and Grandson of Mr. J P Goenka	100000
Mr. S. J. Khaitan	Non-Executive & Independent	4	4	3	No relationship inter-se	Nil
Mr. B. B. Tandon	Non-Executive & Independent	7	6	2	No relationship inter-se	Nil
Mr. O. P. Dubey	Non-Executive & Independent	2	1	2	No relationship inter-se	Nil
Mr. K. Raghuraman	Non-Executive & Independent	6	5	3	No relationship inter-se	Nil
Mr. H. S. Shashikumar	Nominee Director (LIC of India)	1	-	-	No relationship inter-se	Nil
Mrs. Runa Mukherjee	Non-Executive & Independent	1	1	-	No relationship inter-se	Nil

* Appointed as an Additional Director on 14.05.2015 and as Joint Managing Director w.e.f. 01.06.2015.

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b) During the financial year ended March 31, 2016, four Board Meetings were held on May 14, 2015, July 31, 2015, November 09, 2015 and February 09, 2016 and Annual General Meeting held on July 31, 2015. The attendance details of the Directors are as follows:

Name of the Director	Board Meeting		Attendance at the last Annual General Meeting
	Held during tenure	Attended	
Mr. J. P. Goenka	4	3	No
Mr. Arvind Goenka	4	4	Yes
Mr. Akshat Goenka	4	4	Yes
Mr. S. J. Khaitan	4	4	Yes
Mr. B. B. Tandon	4	4	Yes
Mr. O. P. Dubey	4	4	Yes
Mr. K. Raghuraman	4	4	Yes
Mr. H. S. Shashikumar	4	4	Yes
Mrs. Runa Mukherjee	4	4	Yes

3. Audit Committee

The Company has a qualified and independent Audit Committee comprising of three Non-executive Independent Directors. The Managing Director, Jt. Managing Director, CFO, the Statutory Auditors, Cost Auditors and Internal Auditors are permanent invitees to the Committee meetings. The Terms of Reference of the Committee include the powers stipulated in Regulation 18(2)(c), the role of the Audit Committee and review of information pursuant to Regulation 18(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (referred as LODR) . The terms of reference also confirm to the requirements of Section 177 of the Companies Act, 2013.

There were four meetings of the Committee during the year ended March 31, 2015 on May 14, 2015, July 31, 2015, November 09, 2015 and February 09, 2016 respectively.

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

Name of Members	Chairman/Member	No. of Meetings Attended	Fees Paid (Rs.)
Mr. O P Dubey	Chairman	4	1,20,000
Mr. B B Tandon	Member	4	1,20,000
Mr. S J Khaitan	Member	4	1,20,000

Mr. Pranab Kumar Maity, Company Secretary, is the Secretary of the Committee.

4. Stakeholders' Relationship Committee

The Company has a three member Stakeholders' Relationship Committee of the Board of Directors under the Chairmanship of a Non-Executive Director to specifically look into the redressal of grievances of the investors namely shareholders and fixed deposit holders. The Committee deals with grievances relating to transfer of shares, non receipt of Balance Sheet or dividend, dematerialisation of shares, complaint letters received from Stock Exchanges, SEBI etc. The Board of Directors has delegated power of approving transfer/transmission of shares to the Committee. During the year, the Committee met ten times on May 05, 2015, May 14, 2015, June 17, 2015, July 31, 2015, August 19, 2015, September 17, 2015, October 29, 2015, November 09, 2015, December 14, 2015 and February 09, 2016.

The Details of the Members, their attendance and fees paid are as below:

Name of Directors	Chairman / Member	No. of Meetings Attended	Fees Paid (Rs.)
Mr. J. P. Goenka	Chairman	3	30,000
Mr. Arvind Goenka	Member	10	Nil
Mr. S. J. Khaitan	Member	10	1,00,000

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

During the year under review, there was thirteen complaints received from the shareholders, which was duly resolved during the year. No Share Transfer/Transmissions/issue of Duplicate share certificates were pending as on 31st of March, 2016.

5. Corporate Social Responsibility Committee

As required under Section 135 of the Companies Act, 2013, the Company has a Corporate Social Responsibility Committee of the Board of Directors, which comprises of two Non-Executive Independent Directors and one Executive Director under

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the Chairmanship of a Non-Executive Independent Director. The terms of reference of this Committee are to comply with the requirements of Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014 and other relevant compliances. During the year Committee met twice on May 14, 2015 and November 09, 2015.

The details of the Members, their attendance and fees paid are as follows:

Name of Directors	Chairman / Member	No. of Meetings Attended	Fees Paid (Rs.)
Mr. S. J. Khaitan	Chairman	2	40,000
Mr. Arvind Goenka	Member	2	Nil
Mr. K. Raguraman	Member	2	40,000

6. Nomination & Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors of Company comprises of three Non-Executive Independent Directors. The terms of reference of this Committee include the role of Committee as stipulated in Regulation 19(4) of LODR and also confirm the requirement of Section 178 of the Companies Act, 2013. The broad terms of reference of the Nomination and Remuneration Committee therefore include recommending a policy relating to remuneration and employment terms of whole time directors, senior managerial personnel, identify persons who may be appointed as directors or in position of senior management of the Company, preliminary evaluation of every Director's performance, approval of remuneration and performance bonus of Directors and KMPs, Board diversity, compliance of the code of conduct for Independent Directors referred to in Schedule IV of the Companies Act, 2013, Compliance with the Company's Code of Conduct by Directors and employees of the Company, reporting non-compliance to the Board of Directors and any other matters which the Board of Directors may direct from time to time.

During the year the Committee met once on May 14, 2015. The details of the Members, their attendance and fees paid are as follows:

Name of Directors	Chairman / Member	No. of Meetings Attended	Fees Paid (Rs.)
Mr. O. P. Dubey	Chairman	1	20,000
Mr. B. B. Tandon	Member	1	20,000
Mr. K. Raghuraman	Member	1	20,000

The Remuneration Policy recommended by the Nomination and Remuneration Committee has been accepted by the Board of Directors of the Company. The Committee also decides on payment of Performance Bonus and Commission to executive directors and non-executive directors respectively. The performance evaluation criteria for non-executive including independent directors are laid down by the Committee and taken on record by the Board of Directors. The brief outlines of the Remuneration Policy of the Company are as follows:

Remuneration Policy

The objective of the Company's remuneration policy is to ensure that Company's Directors, Key Managerial Personnel and other senior management employees are sufficiently incentivised for enhanced performance. Following criteria shall be followed to determine the remuneration payable to Directors, Key Managerial personnel (KMP) and other Employees.

Remuneration to Executive Directors may be linked with some or all of the following :-

- Increase in stakeholder's wealth
- Target achievement in term of sales, margin vis-à-vis industry bench mark
- Overall health of organization
- New initiatives taken and diversification by the organization
- Optimum utilization of resources of the organization
- Long term goal setting of the organization
- Industry Pattern
- Risk Mitigation
- Remuneration should be reasonable and sufficient to attract and retain directors of quality.

Remuneration to Independent Directors:-

- Independent Directors are entitled for sitting fees and commission based on the performance of the Company.

Remuneration to KMP may be linked with some or all of the following:-

- Achievement of given targets
- Increase in stakeholder's wealth
- Improvement made in the processes of the organization
- People management
- Optimum utilization of resources of the organization
- Industry pattern
- New Initiatives taken

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Remuneration to other employees may be linked with some or all of the following:-

- Qualification, Experience and merits
- Initiative in optimization/increase in performance efficiencies
- Achievements of given target
- Industry Pattern
- Inflation

Remuneration of Executive Directors and KMPs shall be within such limits as prescribed by the Companies Act, 2013 and other statutes as applicable from time to time. In addition to the fixed monthly remuneration Executive Directors and KMPs shall be entitled to commission/performance bonus as determined by the Board from time to time based on the performance parameters set in this regard.

As a prudent practice at least 25% of the salary of KMP will be performance linked bonus to be paid at the end of the year based on the performance during the year.

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

Salary: Rs. 51,00,000/-, Perquisites: Rs. 50,65,635/-, Contribution to PF and other Fund: Rs.13,77,000/-, Performance Bonus :Rs.42,00,000/-, Total : Rs.1,57,42,635/-.

The aggregate value of salary, perquisites, commission, performance bonus paid to Mr. Akshat Goenka Jt. Managing Director is:

Salary: Rs. 39,67,400/-, Perquisites: Rs.39,48,802/-, Contribution to PF and other Fund: Rs.10,71,198/-, Performance Bonus :Rs.34,70,000/-, Total : Rs.1,24,57,400/-.

Sitting fees paid to Non-Executive Directors for the year 2015 -2016 are as follows:

Mr. J P Goenka, Chairman - Rs.1,20,000/-, Mr. S J Khaitan - Rs. 4,10,000/-, Mr. B B Tandon - Rs. 2,90,000/-, Mr. O P Dubey - Rs. 2,90,000/-, Mr. K Raghuraman - Rs. 2,30,000/-, Mrs. Runa Mukherjee – Rs.1,70,000 and Mr. H. S. Shashikumar – Rs. 1,20,000 (paid to LIC).

The Commission paid to Non-executive Directors for the year 2015 - 2016, which is within the limit prescribed in the Companies Act, 2013, is as below

Mr. J P Goenka, Chairman – Rs.2,00,000/-, Mr. S J Khaitan – Rs.12,30,000/-, Mr. B B Tandon – Rs.8,70,000/-, Mr. O P Dubey – Rs.8,70,000/-, Mr. K Raghuraman – Rs.6,90,000/-, Mrs. Runa Mukherjee – Rs.5,10,000/- and Mr. H S Shashikumar – Rs.3,60,000/- (paid to LIC).

7. Risk Management Committee

As per the provision of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a Risk Management Committee of the Board of Directors, which comprises of two Non-Executive Independent Directors and one Executive Director and two senior employees of the Company under the Chairmanship of a Non-Executive Independent Director. During the year Committee met once on November 09, 2015.

The details of the Members, their attendance and fees paid are as follows:

Name of Directors/Employees	Chairman / Member	No. of Meetings Attended	Fees Paid (Rs.)
Mr. K. Raguraman	Chairman	1	20,000
Mrs. Runa Mukherjee	Member	1	20,000
Mr. Akshat Goenka	Member	1	Nil
Mr. Vijay Sabarwal	Member	1	Nil
Mr. Muneesh Batta	Member	1	Nil

8. Independent Directors Meeting

During the year under review the Independent Directors met on February 9, 2016, interalia to discuss:

- To review the performance of non-independent directors and the Board as a whole.
- To review the performance of the Chairperson of the company, taking into account the views of executive directors and non – executive directors.
- To assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties

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9. Directors

Mr. H S Shashikumar was appointed as Nominee Director by LIC of India on the Board of Directors of the Company on 11.11.2013. Mr. Shashikumar retires by rotation in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The brief resume of Mr. H S Shashikumar is given below:

Mr. Shashikumar aged about 54 years is Director (Management Development Centre) of LIC of India, Mumbai. His career in LIC started in 1984 when he joined as a Direct Recruit Officer and has since worked on various assignments in different verticals and across geographies. He has worked as Sr. Divisional Manager of MDO 2 & MDO 3, General Manager LIC HFIL, Secretary (Mktg.) Central Office, Chief (P&GS), Central Office, Chief (SBU-Estate), Central Office and Executive Director, Health Insurance, Central Office, Hyderabad. He is not a Director in any other company.

10. General Body Meetings

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

Year	Date & Time	Venue
2014-2015	31.07.2015 10.30 A.M	ICC Auditorium (10 th Floor) Indian Chamber of Commerce ICC Towers, 4, India Exchange Place Kolkata – 700 001
2013-2014	30.07.2014 10.30 A.M	Williamson Magor Hall (1 st Floor) The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata-700 001
2012-2013	26/07/2013 11.00 A.M	Williamson Magor Hall (1 st Floor) The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata-700 001

Six special resolutions and one special resolution were passed on 30th July, 2014 and 31st July, 2015 respectively. During the year under review, neither any resolution was put through postal ballot nor is any resolution proposed to be conducted through postal ballot in the ensuing Annual General Meeting.

11. Code of Conduct

- The Board of Directors of the Company has laid down a comprehensive Code of Conduct for all its board members, Key Managerial Personnel and senior management personnel.
- The code of conduct of the Company has been posted on the website of the Company.
- The affirmation of compliance of code of conduct for the year 2015-16 has been received from all the board members, Key Managerial Personnel and senior management personnel.

12. Disclosures

- Disclosure on materially significant related party transactions, i.e. transaction of the Company of material nature, with its promoters, the Directors, or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large:**

No such transaction took place during the year ended 31st March, 2016.

- Disclosure by Senior Management in accordance with Regulation 26(5) of LODR:**

The Senior Management of the Company has confirmed to the Board of Directors that they do not have any personal interest relating to material, financial and commercial transactions entered into with the Company that may have a potential conflict with the interests of the Company at large.

- Disclosure on compliance of law:**

The Company has complied with the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties or strictures were imposed by SEBI, Stock Exchanges, or any statutory authorities on any matter related to capital markets during the last three years.

- Vigil mechanism / Whistle Blower Policy:**

The Company has a Vigil mechanism/ Whistle Blower Policy which is posted on the website of the Company for its directors and employees to report their concerns about the Company's working or about any violation of its policies and no personnel are being denied any access to the Audit Committee.

- Code for prevention of Insider Trading Practices**

In compliance with SEBI (Prohibition of Insider Trading) Regulation, 2015 (hereinafter referred to as "Regulation"), the Company has in place a comprehensive code of conduct for its Directors and Senior Management Personnel. The

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code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company. Also the Board has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as required under Regulation 8 read with Schedule A of Regulation.

Mr. Pranab Kumar Maity, Company Secretary, is the Compliance Officer who also acts as the Chief Investor Relations Officer.

(vi) Certificate from the Managing Director and Chief Financial officer

In terms of Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, a Certificate from Mr. Arvind Goenka, Managing Director and Mr. Anurag Jain, Chief Financial Officer for the financial year ended 31st March, 2016 was placed before the Board of Directors of the Company in its meeting held on 30th May, 2016.

(vii) Sexual Harassment Policy

The Company has in place an Anti Sexual Harassment policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. Internal Complaint Committee set up for the purpose did not receive any complaints for redressal during the year.

(viii) Details of compliance with mandatory requirements and adoption of non-mandatory requirement.

The Company has complied with all the Mandatory Requirements. The applicable Non Mandatory Requirements will be implemented by the Company as and when required and/or deemed necessary by the Board.

13. Means of Communication

In compliance with Clause 47 of the SEBI (Listing Obligation and Disclosure Requirements) 2015, the Company sends the quarterly / half yearly / audited results to the Stock Exchanges. Results are published in the Business Standard (all editions) and Arthik Lipi (Bengali). Quarterly Information and details of the Company in all respects are posted on the Company's website: www.occlindia.com. The Company has made several presentations to Investor, which were informed to the Stock Exchanges as well as posted on the Company's website.

14. Subsidiary

The Company has only one listed subsidiary company namely Schrader Duncan Limited with its Board having the rights and obligations to manage the Company in the best interest of their stakeholders.

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

SHAREHOLDER INFORMATION

a. Annual General Meeting :

Date and Time : 22nd July, 2016 at 10.30 A.M.

Venue : ICC Auditorium (10th Floor), Indian Chamber of Commerce
ICC Towers, 4, India Exchange place, Kolkata – 700 001

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

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

For the Quarter ending 30th June, 2016 (Unaudited)	: 14 th August, 2016
For the Quarter ending 30th September, 2016 (Unaudited)	: 14 th November, 2016
For the Quarter ending 31st December, 2016 (Unaudited)	: 14 th February, 2017
For the Year ending 31st March, 2017 (Audited)	: 30 th May, 2017
Annual General Meeting for the year ending 31st March, 2017	: End of July 2017

c. Date of Book Closure : 16th July, 2016 to 22nd July, 2016 (both days inclusive)

d. Dividend will be paid on and from : 2nd August, 2016.

e. List of Stock Exchanges where shares are listed :

The Shares of the Company are listed with the following Stock Exchanges with the stock code mentioned there against:

	Stock Code/Symbol
1. The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata - 700 001	25065
2. BSE Limited Phiroze Jeejeebhoy Towers , Dalal Street, Mumbai - 400 001	506579
3. National Stock Exchange of India Ltd. Exchange Plaza, Badra Kurla Complex, Bandra (E), Mumbai – 400 051	OCCL

The Equity Shares of the Company got listed and admitted for dealing on National Stock Exchange of India Limited with effect from January 27, 2016.

The Company is in process of delisting its equity shares from The Calcutta Stock Exchange Limited.

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g. Market Price Data

- a) The monthly high and low quotations (in Rs.) during the last financial year on BSE Limited (BSE) and National Stock Exchange (NSE) (w.e.f. January, 2016) are given below:

Month	High		Low		Close	
	BSE	NSE	BSE	NSE	BSE	NSE
April 2015	569.80	-	443.50	-	463.90	-
May 2015	510.00	-	445.00	-	463.80	-
June 2015	528.50	-	453.00	-	487.80	-
July 2015	550.00	-	477.00	-	535.50	-
August 2015	675.00	-	525.00	-	600.75	-
September 2015	604.50	-	522.00	-	553.75	-
October 2015	586.00	-	500.00	-	552.25	-
November 2015	570.25	-	510.00	-	560.75	-
December 2015	578.00	-	523.00	-	568.00	-
January 2016	614.00	555.00	490.25	480.00	527.75	510.15
February 2016	540.00	554.00	385.00	374.90	395.00	395.00
March 2016	508.70	581.00	391.00	391.50	503.20	506.15

So far as monthly high and low quotations on The Calcutta Stock Exchange Limited are concerned, there was no trading during the year under review.

- b) Performance of the price of the Company's shares on BSE/NSE vis-à-vis BSE Sensex/NSE Nifty during the period under review, is given below:

Month	Sensex/Nifty (Close)		Share Price (Close)		No. of Shares Traded	
	BSE	NSE	BSE	NSE	BSE	NSE
April 2015	27011.31	8181.50	463.90	-	141908	-
May 2015	27828.44	8433.65	463.80	-	64626	-
June 2015	27780.83	8368.50	487.80	-	124610	-
July 2015	28114.56	8532.85	535.50	-	160507	-
August 2015	26283.09	7971.30	600.75	-	913465	-
September 2015	26154.83	7948.90	553.75	-	112281	-
October 2015	26656.83	8065.80	552.25	-	109457	-
November 2015	26145.67	7935.25	560.75	-	56247	-
December 2015	26117.54	7946.35	568.00	-	72065	-
January 2016	24870.69	7563.55	527.75	510.15	105561	3233
February 2016	23002.00	6987.05	395.00	395.00	67621	40960
March 2016	25341.86	7738.40	503.20	506.15	72989	39473

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

All application for Transfer of Shares, dematerialisation of shares and other related matters may be sent to M/S LINK INTIME INDIA PRIVATE LIMITED, Registrar & Share Transfer Agent of the Company for both physical shares and electronic connectivity, at the following address :

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

i. Share Transfer System

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

j. Dematerialisation of shares

94.91% of total Subscribed & Paid-up Equity Shares are held in dematerialised form with NSDL and CDSL as at 31st March, 2016. The ISIN No. of the Company for the Company's shares in demat segment is INE 321D01016. Members can hold shares in electronic forms and trade the same in Depository system. However, they may hold the same in physical form also.

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k. **Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**
Nil

l. **Shareholding pattern (as on 31st March, 2016)**

Category	No. of Shares held	% of Shareholding
Promoters (persons acting in concert)	5255243	51.04
Mutual Funds	695223	6.75
Financial Institutions/Banks	1680	0.02
Insurance Companies	665958	6.47
Indian Public	2804213	27.24
Bodies Corporate	576056	5.59
NRIs	130148	1.26
HUF/Trust	145701	1.42
Clearing Member/Market Maker	21840	0.21
Total	10296062	100.00

m. **Distribution of shareholding as on 31st March, 2016 is given below:**

Category	No. of Holders	%	No. of Shares	%
1 to 500	12853	94.18	1096931	10.65
501 to 1000	383	2.81	295715	2.87
1001 to 2000	198	1.45	288236	2.80
2001 to 3000	70	0.51	180699	1.76
3001 to 4000	21	0.16	75357	0.73
4001 to 5000	25	0.18	117951	1.15
5001 to 10000	53	0.39	410200	3.98
10001 and above	44	0.32	7830973	76.06
Total	13647	100.00	10296062	100.00

n. **Plants Location**

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

o. **Address for Correspondence**

**Registrar and Share Transfer Agent
(For share and dividend related queries)**

Link Intime India Pvt. Ltd.
59C, Chowringhee Road, 3rd Floor, Kolkata – 700 020
Telephone Nos. (033) 2289 0539/40
Fax – (033) 22890539
Email: Kolkata@linkintime.co.in

Company

(For any other matter and unresolved complaints)

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

p. **E-mail of Compliance Officer of the Company which is designated exclusively for the purpose of registering complaints by investors** investorfeedback@occlindia.com

q. **Website** <http://www.occlindia.com>

ORIENTAL CARBON & CHEMICALS LIMITED

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Oriental Carbon & Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Oriental Carbon & Chemical Limited ('the Company'), for the year ended March 31, 2016, as stipulated in Clause 49 of Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1st April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March 2016.

The compliance 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 / Listing Regulations, as applicable.

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 **SINGHI & CO.**
Chartered Accountants
Firm Reg. No: 302049E

Place : New Delhi
Date : 30th May, 2016

B.K. Sipani
Partner
Membership No: 088926

CERTIFICATE OF MANAGING DIRECTOR ON CODE OF CONDUCT

To the Members of

Oriental Carbon & Chemicals Limited

It is hereby certified that:-

- (a) The Board of Directors of the Company has laid down a comprehensive Code of Conduct for its members and senior management personnel;
- (b) The Code of Conduct of the Company has been posted on the website of the Company; and
- (c) The affirmation of compliance of code of conduct for the year 2015-2016 has been received from all the Board members and senior management personnel.

For Oriental Carbon & Chemicals Limited

Place : New Delhi
Date : 30th May, 2016

Arvind Goenka
Managing Director

ORIENTAL CARBON & CHEMICALS LIMITED

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies

(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Oriental Carbon & Chemicals Limited
31, Netaji Subhas Road, Kolkata-700 001

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Oriental Carbon & Chemicals Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. On the basis of verification of the secretarial compliance and on the basis of secretarial audit of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and as shown to us during the said audit and also based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion and to the best of our understanding, the Company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has adequate Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
3. We further report that compliance with applicable laws is the responsibility of the Company and our report constitutes an independent opinion. Our report is neither an assurance for future viability of the Company nor a confirmation of efficient management by the Company.
4. We have examined the secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by M/s. Oriental Carbon & Chemicals Limited for the financial year ended on 31st March, 2016 and as shown to us during our audit, according to the provisions of the following laws:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the Audit Period);
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the Audit Period);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable to the Company during the Audit Period);
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);
 - (vi) Other applicable laws :- Based on the representation given by the Management of the Company and compliance certificates issued by the respective Department Heads, it is observed that the following Laws are specifically applicable to the business of the Company. It is also confirmed by the management that the company has devised

ORIENTAL CARBON & CHEMICALS LIMITED

proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

- a) Factories Act, 1948
 - b) The Payment of Wages Act, 1936
 - c) The Minimum Wages Act, 1948
 - d) Employees State Insurance Act, 1948
 - e) The Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - f) The Payment of Bonus Act, 1965
 - g) The Payment of Gratuity Act, 1972
 - h) Maternity Benefit Act, 1961
 - i) Industries (Development & Regulation) Act, 1951
 - j) Public Liability Insurance Act, 1991
 - k) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
 - l) Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013
 - m) Industrial Disputes Act, 1947
 - n) Employees Pension Scheme 1995
 - o) Trademarks Act, 1999
 - p) The Environment (Protection) Act, 1986
 - q) The Air (Prevention and Control of pollution) Act, 1981
 - r) Water (Prevention and control of pollution) Act, 1974
 - s) Customs Act, 1962
 - t) Central Excise Act, 1944
 - u) Special Economic Zone Act, 2015
5. We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE), National Stock Exchange of India Limited (NSE) (w.e.f. January 27, 2016) & The Calcutta Stock Exchange Limited (CSE).
6. To the best of our understanding we are of the view that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
7. We further report that, The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
8. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
9. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
10. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
11. This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For S. Rath & Co.
Sahadeb Rath

Proprietor

Membership No.-ACS13298

CP No.-3452

Date : 30.05.2016

Place : Kolkata

ORIENTAL CARBON & CHEMICALS LIMITED

‘Annexure A’

(To the Secretarial Audit Report of M/s. Oriental Carbon & Chemicals Limited for the financial year ended 31/03/2016)

To,
The Members,
Oriental Carbon & Chemicals Limited
31, Netaji Subhas Road, Kolkata - 700 001

Our Secretarial Audit Report for the financial year ended 31/03/2016 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S. Rath & Co.

Sahadeb Rath

Proprietor

Membership No.-ACS13298

CP No.-3452

Date : 30.05.2016

Place : Kolkata

ORIENTAL CARBON & CHEMICALS LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Oriental Carbon & Chemicals Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Oriental Carbon & Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

ORIENTAL CARBON & CHEMICALS LIMITED

- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29.01 to the Standalone financial statements
 - ii. The Company has made provisions, as required under the applicable law or accounting standard for material foreseeable losses on long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

B K Sipani
Partner

Membership No 088926

Place : New Delhi

Date : 30th May, 2016

“Annexure A” referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: Oriental Carbon & Chemicals Limited)

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Fixed Assets have been physically verified by the management at reasonable interval. No material discrepancies were noticed on such verification.
- c. According to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company except immovable properties for Rs. 50.56 Lakhs for which registration in the name of the Company is pending.
- (ii) As informed to us the management has conducted physical verification of inventories (except stock lying with third parties) at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) a. The Company has granted unsecured loan to a company covered in the register maintained under Section 189 of the Companies Act, 2013. In our opinion the terms and conditions of the grant of such loan are not prejudicial to the interest of the Company. The Company has not granted any loan to Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act,2013.
- b. The Company has stipulated schedule of repayment of principal and payment of interest and repayment of the principal amount and receipt of interest are not due at balance sheet date.
- (iv) The Company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of loan granted, guarantees provided and Investments made. However, the Company has not granted any loan and guarantees provided under section 185 of the Companies Act,2013.
- (v) The Company has complied with the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder as applicable. We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other court or any other tribunal.
- (vi) The Central Government has specified maintenance of cost records under section 148(1) of the Companies Act,2013 for chemical product and in our opinion such accounts and records have been made and maintained. We have, however, not made a detailed examination of the same with a view to determine whether they are accurate or complete.
- (vii) a. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues deducted/ accrued in the books, with the appropriate authorities. There was no undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable.

ORIENTAL CARBON & CHEMICALS LIMITED

- b. According to the records of the Company, there are no dues outstanding of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, other than the followings:

Name of Statute	Nature of Dues	Period to which Amount relates	Amount * (Rs in Lacs)	Forum where Dispute is pending
The Central Excise Act, 1944	Demand for Excise Duty and penalty	1992-93 to 1995-96	20.00	Allahabad High Court
The Income Tax Act, 1961	Demand for Income tax and Interest thereon	Assessment Year 2009-10, 2011-12 and 2012-13	76.51	CIT (Appeals) , Kolkata

*Net of amount paid

- (viii) The Company has not defaulted in repayment of loans or borrowings to financial institution and banks. The Company did not have any outstanding loan from Government and dues to debenture holders.
- (ix) The Company has applied term loans for the purpose for which it was raised. The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments).
- (x) Based upon the audit procedures performed in accordance with generally accepted auditing practice in India for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable and the details for the same have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has not made any preferential allotments or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Therefore, the provisions of clause 3(xv) of the Order are not applicable.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3 (xvi) of the Order are not applicable.

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

Place : New Delhi
Date : 30th May, 2016

B K Sipani
Partner
Membership No 088926

“ANNEXURE B”

Report on the Internal Financial controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Oriental Carbon & Chemicals Limited (“ the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over the financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute

ORIENTAL CARBON & CHEMICALS LIMITED

of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal; financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March31, 2016, based on the internal control over the financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

B K Sipani
Partner
Membership No 088926

Place : New Delhi
Date : 30th May, 2016

ORIENTAL CARBON & CHEMICALS LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2016

			(Rs. in lakhs)
	Note No.	As at 31.03.2016	As at 31.03.2015
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
(a) Share Capital	1	10,31.13	10,31.13
(b) Reserves and Surplus	2	2,76,32.62	2,33,87.22
		<u>2,86,63.75</u>	<u>2,44,18.35</u>
(2) Non-Current Liabilities:			
(a) Long-term Borrowings	3	21,39.08	44,08.94
(b) Deferred Tax Liabilities (Net)	4	21,13.68	21,11.60
(c) Other Long-term Liabilities	5	29.82	27.78
(d) Long-term Provisions	6	1,57.47	1,00.82
		<u>44,40.05</u>	<u>66,49.14</u>
(3) Current Liabilities :			
(a) Short-term Borrowings	7	27,74.02	25,72.66
(b) Trade Payables	8		
i) Dues to Micro Enterprises & Small Enterprises		-	-
ii) Dues to Other than Micro Enterprises & Small Enterprises		10,20.84	15,34.65
(c) Other Current Liabilities	9	41,29.93	31,90.09
(d) Short-term Provisions	6	7,03.81	7,45.30
		<u>86,28.60</u>	<u>80,42.70</u>
TOTAL		<u>4,17,32.40</u>	<u>3,91,10.19</u>
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets:			
(i) Tangible Assets	10	1,81,86.96	1,86,62.20
(ii) Intangible Assets	10	94.67	95.64
(iii) Capital Work-in-Progress		39,51.20	4,06.16
(iv) Intangible Assets under Development		-	10.59
(b) Non-Current Investments	11	14,70.53	14,70.53
(c) Long-term Loans and Advances	12	48,26.06	41,97.39
		<u>2,85,29.42</u>	<u>2,48,42.51</u>
(2) Current Assets			
(a) Current Investments	13	15,48.48	26,60.74
(b) Inventories	14	38,66.79	37,26.29
(c) Trade Receivables	15	48,04.56	51,48.72
(d) Cash and Bank balances	16	9,99.56	17,72.36
(e) Short-term Loans and Advances	12	14,60.11	5,15.62
(f) Other Current Assets	17	5,23.48	4,43.95
		<u>1,32,02.98</u>	<u>1,42,67.68</u>
TOTAL		<u>4,17,32.40</u>	<u>3,91,10.19</u>
Summary of Significant Accounting Policies	28		
Contingent Liabilities and Commitments	29		
Other notes on Accounts	30		

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

In terms of our Report of even date attached.

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

B.K. SIPANI
Partner

Membership No. 088926

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

O.P. DUBEY
Director

P.K. MAITY
Company Secretary

ANURAG JAIN
Chief Financial Officer

Place : New Delhi

Date : 30th May, 2016

ORIENTAL CARBON & CHEMICALS LIMITED

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(Rs. in lakhs)

	Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
I. REVENUE :			
Gross Revenue from Operations	18	2,88,16.85	2,95,05.61
Less: Excise Duty		13,45.13	12,48.26
Net Revenue from Operations		2,74,71.72	2,82,57.35
II OTHER INCOME	19	5,68.64	12,86.13
III TOTAL REVENUE (I + II)		2,80,40.36	2,95,43.48
IV EXPENSES :			
Cost of Materials Consumed	20	73,09.83	86,01.15
Purchase of Traded Goods	21	-	16.39
Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	22	(3,88.93)	(1,10.22)
Employee Benefit Expenses	23	32,78.39	27,94.76
Other Expenses	24	91,64.95	98,27.19
V Total		1,93,64.24	2,11,29.27
VI Profit before finance cost, depreciation & amortisation and tax	(III - V)	86,76.12	84,14.21
VII Finance Costs	25	6,34.68	8,09.95
VIII Depreciation and Amortisation	26	15,65.12	13,08.05
IX Profit before tax (VI - VII - VIII)		64,76.32	62,96.21
Tax Expense			
Current Tax	27	11,75.51	8,97.49
Deferred Tax (Net)		2.08	2,67.12
Profit for the year		52,98.73	51,31.60
Basic & Diluted Earnings Per Equity Share (of Rs.10/- each) (Rs.)	30.04	51.46	49.84
Summary of Significant Accounting Policies	28		
Other notes on Accounts	30		

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

In terms of our Report of even date attached.

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

B.K. SIPANI
Partner

Membership No. 088926

For and on behalf of the Board of Directors

ARVIND GOENKA
Managing Director

O.P. DUBEY
Director

P.K. MAITY
Company Secretary

ANURAG JAIN
Chief Financial Officer

Place : New Delhi

Date : 30th May, 2016

ORIENTAL CARBON & CHEMICALS LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	(Rs. in lakhs)	
	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	64,76.32	62,96.21
Adjustments for:		
Depreciation & Amortisation	15,65.12	13,08.05
Loss on Sale / Discard of Fixed Assets (Net)	59.70	1,16.21
Finance Costs	6,34.68	8,09.95
Interest Income	(1,43.35)	(1,42.89)
Loans earlier written off. now recovered	-	(30.00)
Profit / Loss on Redemption of Current Investments	(28.59)	-
Dividend on Current Investments	(1,27.74)	(101.60)
Provision for Diminution in value of Long-term Investments Written Back	-	(0.81)
Operating Profit before Working Capital Changes	84,36.14	82,55.12
Adjustments for :		
Trade and Other Receivables	1,95.79	(4,26.12)
Inventories	(1,40.50)	65.98
Trade and Other Payables	(1,98.57)	4,29.32
Cash generated from Operations	82,92.86	83,24.30
Direct Tax Paid (Net)	(14,53.01)	(13,27.33)
Net cash from Operating Activities	68,39.85	69,96.97
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets/Expenditure on New Project	(51,24.86)	(16,50.07)
Sale of Fixed Assets	6.33	22.08
Loans and Advances to Subsidiary / Other Companies (Net)	(4,72.92)	(2,00.32)
Investments Purchased	(5,67.45)	(15,44.88)
Investments sold	17,08.30	-
Movement in Fixed deposits with Banks	(64.09)	(23.26)
Loans earlier written off. now recovered	-	30.00
Dividend on Current Investments	1,27.74	1,01.60
Interest Received	1,80.69	1,25.40
Net Cash used in investing activities	(42,06.26)	(31,39.45)
C. Cash Flow From Financing Activities		
Dividend Paid	(8,75.17)	(8,23.68)
Tax on Dividend	(1,78.16)	(1,49.25)
Long Term Borrowings	(20,02.45)	(20,57.54)
Short Term Borrowings from Banks	2,01.36	7,28.67
Interest and Financial Costs paid (excluding Transfer to Capital Work-in-Progress)	(6,47.43)	(8,54.14)
Net Cash From Financing Activities	(35,01.85)	(31,55.94)
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(8,68.26)	7,01.58
Opening Balance of Cash and Cash Equivalents	12,51.70	5,50.12
Closing Balance of Cash and Cash Equivalents	3,83.44	12,51.70
Cash & Cash Equivalents Comprise		
Cash on Hand	2.41	1.36
Balance with Scheduled Banks in Current Accounts and fixed deposits maturing within 3 months	3,81.03	12,50.34
	3,83.44	12,51.70

Note: (i) Figures in bracket represent outflows.

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

(iii) Cash & cash equivalents excludes Rs. 97.83 (Previous Year Rs. 74.09) lying in designated account with scheduled banks on account of unclaimed dividend, Rs. 4,19.64 (Previous Year Rs. 3,55.55) in fixed deposits with banks maturing beyond three months are shown under investing activities and fixed deposit of Rs. 98.65 (Previous year Rs. 91.02) pledged with Government Authority, shown under Trade and Other Receivables.

In terms of our Report of even date attached.

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

B.K. SIPANI
Partner

Membership No. 088926

For and on behalf of the Board of Directors

ARVIND GOENKA
Managing Director

O.P. DUBEY
Director

P.K. MAITY
Company Secretary

ANURAG JAIN
Chief Financial Officer

Place : New Delhi

Date : 30th May, 2016

ORIENTAL CARBON & CHEMICALS LIMITED

NOTES FORMING PART OF STANDALONE BALANCE SHEET

(Rs. in lakhs)

As at
31st March, 2016

As at
31st March, 2015

1 SHARE CAPITAL

Authorised

1,49,90,000 (Previous year 1,49,90,000) Equity Shares of Rs. 10 each **14,99.00** 14,99.00
1,000 (Previous year 1,000) 11% Redeemable Cumulative Preference Shares of Rs. 100/- each **1.00** 1.00

15,00.00 15,00.00

Issued

1,03,29,814 (Previous Year 1,03,29,814) Equity shares of Rs. 10/- each **10,32.98** 10,32.98

10,32.98 10,32.98

Subscribed and fully paid-up

1,02,96,062 (Previous year 1,02,96,062) Equity Shares of Rs. 10/- each fully paid-up **10,29.61** 10,29.61

Add: Forfeited Shares (Amount originally Paid-up) **1.52** 1.52

10,31.13 10,31.13

A. Terms / rights attached to Equity shares

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

B. Reconciliation of the number of Equity Shares outstanding:

Equity shares outstanding at the beginning of the year **10296062** 10296062

Equity shares outstanding at the end the of the year **10296062** 10296062

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

S. No.	Name of shareholder	As at 31st March, 2016		As at 31st March, 2015	
		Number of Shares held	Percentage of holding	Number of Shares held	Percentage of holding
1	Cosmopolitan Investments Ltd	1904528	18.50%	1904528	18.50%
2	New India Investment corporation Ltd	1202136	11.68%	1202136	11.68%
3	Duncan International (India) Ltd	994616	9.66%	994616	9.66%
4	Haldia Investment Company Ltd	591895	5.75%	591895	5.75%

As at
31st March, 2016

As at
31st March, 2015

2 RESERVES AND SURPLUS

(i) Capital Reserve

Balance as per last financial statement **17,32.18** 17,32.18

17,32.18 17,32.18

(ii) Capital Redemption Reserve

Balance as per last financial statement **0.25** 0.25

0.25 0.25

(iii) Securities Premium Reserve

Balance as per last financial statement **17,92.64** 17,92.64

17,92.64 17,92.64

(iv) Revaluation Reserve

Balance as per last financial statement **63.91** 1,11.52

Less : Reversal of Revaluation from Depreciation Block **-** 47.61

63.91 63.91

ORIENTAL CARBON & CHEMICALS LIMITED

	(Rs. in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
(v) General Reserve		
Balance as per last financial statement	26,13.88	26,13.88
	<u>26,13.88</u>	<u>26,13.88</u>
(vi) Surplus in Statement of Profit & Loss		
Balance as per last financial statement	1,71,84.36	1,31,04.97
Add: Profit for the year	52,98.73	51,31.60
	<u>2,24,83.09</u>	<u>1,82,36.57</u>
Less: Appropriations		
Interim Dividend @	3,08.88	3,08.88
Tax on Interim Dividend	62.88	61.76
Proposed Final Dividend @	5,66.29	5,66.29
Tax on Proposed Final Dividend	1,15.28	1,15.28
	<u>2,14,29.76</u>	<u>1,71,84.36</u>
Total Reserves and Surplus (i to vi)	<u>2,76,32.62</u>	<u>2,33,87.22</u>

@ During the year, the Company has paid Interim dividend of Rs.3/-; (Previous year Rs. 3/-) per equity share. The Board of Directors has recommended final dividend of Rs. 5.50/-; (Previous Year Rs. 5.50/-) per equity share for financial year 2015-16, which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

3 LONG-TERM BORROWINGS

	Non-current portion		Current maturities	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
(i) Secured :				
Term loans from Banks (a)	17,17.77	40,94.94	22,16.71	17,98.18
Housing Loans from HDFC Ltd (b)	-	-	-	35.72
Vehicle Loans from Banks (c)	30.03	45.46	45.05	38.71
	<u>17,47.80</u>	<u>41,40.40</u>	<u>22,61.76</u>	<u>18,72.61</u>
(ii) Unsecured :				
Deposits (d)	3,91.28	2,68.54	87.00	2,10.44
	<u>3,91.28</u>	<u>2,68.54</u>	<u>87.00</u>	<u>2,10.44</u>
Total (i) + (ii)	<u>21,39.08</u>	<u>44,08.94</u>	<u>23,48.76</u>	<u>20,83.05</u>
(iii) Amount disclosed under the head "Other current liabilities"	-	-	23,48.76	20,83.05
(Note No.9)				
Total (i)+ (ii)-(iii)	<u>21,39.08</u>	<u>44,08.94</u>	<u>-</u>	<u>-</u>

(a) (i) Securities :

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

ORIENTAL CARBON & CHEMICALS LIMITED

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

(Rs. in lakhs)

AS AT 31ST MARCH' 2016				AS AT 31ST MARCH' 2015			
As at 31st March, 2016	Rate of Interest	Repayments		As at 31st March, 2015	Rate of Interest	Repayments	
		No. of outstanding Installments	Periodicity			No. of Outstanding Installments	Periodicity
-	4.40% linked with Libor Rate	}	Quarterly Equal	2,93.12	4.32% linked with Libor Rate	}	Quarterly Equal
-	4.40% linked with Libor Rate			9,31.64	4.32% linked with Libor Rate		
2,75.49	4.40% linked with Libor Rate	5	Quarterly Equal	4,67.90	5.22% linked with Libor Rate	9	Quarterly Equal
14,42.28	11.00% Fixed Rate	18	Monthly Equal	24,02.28	11.75% Fixed Rate	33	Monthly Graded
17,17.77				40,94.94			

(b) Housing Loans From HDFC Ltd.

Rs. Nil; (Previous Year Rs. 35.72) is secured by way of first equitable mortgage of ground floor of the property purchased with collateral security of rest of the said property owned by the other borrower and non-current portion of Rs. Nil (Previous Year Rs. Nil) and carries rate of interest of 12.75% p.a. for the Previous Year.

(c) Secured by hypothecation of vehicles purchased under the scheme and non-current portion of Rs. 30.03; (Previous Year Rs. 45.46) is repayable ranging from 2 to 23 equated monthly instalments (Previous year 4 to 20 equated monthly instalments) in 2016-17 onwards as per the repayment schedule and carries rate of interest of 10.39% to 9.50% (Previous year 10.45% to 10.39%) p.a.

(d) Deposits from public carries rate of interest @ 9.50% to 10%; (Previous year 10.50% to 11%) p.a. and non-current portion of Rs. 3,91.28 (Previous year Rs. 2,68.54) is repayable after 1 to 3 years (Previous year 1 to 3 years) from the date of acceptance of deposits.

	As at 31st March, 2016	As at 31st March, 2015
4 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability on account of:		
Depreciation and Amortisation Expenses	21,70.89	21,45.78
Deferred Tax Asset on account of:		
Amount allowable on payment basis	57.21	34.18
Deferred Tax Liabilities (Net)	21,13.68	21,11.60
5 OTHER LONG-TERM LIABILITIES		
Interest accrued but not due on deposits	29.82	27.78
	29.82	27.78

ORIENTAL CARBON & CHEMICALS LIMITED

6 PROVISIONS

(Rs. in lakhs)

	Long- term		Short - term	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits	1,57.47	1,00.82	22.24	29.22
Proposed Final Dividend	-	-	5,66.29	5,66.29
Tax on Proposed Final Dividend	-	-	1,15.28	1,15.28
Provision for Current Tax (Net)	-	-	-	34.51
	1,57.47	1,00.82	7,03.81	7,45.30

7 SHORT-TERM BORROWINGS

Secured:

Loan repayable on demand

Cash Credit & Packing credit facility from Banks

As at
31st March, 2016
Rs.

As at
31st March, 2015
Rs.

	27,74.02	25,72.66
	27,74.02	25,72.66

Security:

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

8 TRADE PAYABLES

Micro, Small and Medium Enterprises *

Others

	-	-
	10,20.84	15,34.65
	10,20.84	15,34.65

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

9 OTHER CURRENT LIABILITIES

Current maturities of Long term Borrowings

Current maturities of Housing Loans

Current maturities of Vehicle Loans

Current maturities of Deposits

Interest accrued and due on Borrowings

Interest accrued and but not due on Borrowings

Advance received from and Credit balance of Customers

Unpaid Dividend

Unpaid and Unclaimed Matured Deposits & Interest accrued thereon #

Creditors for Capital Goods

Statutory dues payable

Employees liabilities

Security Deposits

Directors' Commission

Other payable

	22,16.71	17,98.18
	-	35.72
	45.05	38.71
	87.00	2,10.44
	27.70	39.72
	-	2.77
	1,42.80	65.17
	97.83	74.09
	21.41	19.71
	4,69.81	71.90
	3,11.00	3,28.89
	5,87.85	4,13.38
	8.90	8.90
	42.41	39.69
	71.46	42.82
	41,29.93	31,90.09

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

ORIENTAL CARBON & CHEMICALS LIMITED

10 FIXED ASSETS

(Rs. in lakhs)

DESCRIPTION	GROSS BLOCK COST / BOOK VALUE				DEPRECIATION & AMORTISATION				NET BLOCK	
	As at March 31, 2015	Additions	Deductions / Adjustments	As at March 31, 2016	As at March 31, 2015	For the Year	Deductions / Adjustments	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
(i) Tangible Assets										
Freehold Land	1,41.34*	-	-	1,41.34	-	-	-	-	1,41.34	1,41.34
Leasehold Land	6,42.75	1,85.66	-	8,28.41	1,00.53	27.05	-	1,27.58	7,00.83	5,42.22
Buildings	75,11.93	26.40	-	75,38.33	12,12.62	3,39.95	-	15,52.57	59,85.76	62,99.31
Plant and Equipment	1,64,02.01	8,27.84	1,71.76	1,70,58.09	62,00.21	8,08.19	1,03.98	69,04.42	1,01,53.67	1,02,01.80
Electrical Installation	16,93.30	4.72	-	16,98.02	7,79.97	1,77.72	-	9,57.69	7,40.33	9,13.33
Furniture and Fixtures	2,33.90	9.86	0.05	2,43.71	1,05.94	19.69	0.05	1,25.58	1,18.13	1,27.96
Vehicles	4,22.32	40.44	8.87	4,53.89	1,41.10	1,02.48	3.74	2,39.84	2,14.05	2,81.22
Air Conditioners & Coolers	70.56	6.82	3.09	74.29	20.70	7.90	1.14	27.46	46.83	49.86
Office Equipment	2,50.06	20.93	6.91	2,64.08	1,44.90	39.54	6.38	1,78.06	86.02	1,05.16
Total	2,73,68.17	11,22.67	1,90.68	2,83,00.16	87,05.97	15,22.52	1,15.29	1,01,13.20	1,81,86.96	1,86,62.20
Previous Year	2,69,41.03	8,88.81	4,61.67	2,73,68.17	77,13.16	12,69.20	2,76.39	87,05.97	1,86,62.20	
(ii) Intangible Assets										
Software	2,04.84	41.63	-	2,46.47	1,09.20	42.60	-	1,51.80	94.67	95.64
Total	2,04.84	41.63	-	2,46.47	1,09.20	42.60	-	1,51.80	94.67	95.64
Previous Year	1,85.75	19.09	-	2,04.84	70.35	38.85	-	1,09.20	95.64	

*Includes amount added on revaluation Rs. 63.91.

Notes:

- (i) Gross Block includes Rs. 1,76.21; (Previous year Rs. 1,50.06) purchased under Car Finance Scheme.
- (ii) The Company has exercised option under notification no. GIR 914 (E) dated 29th December 2011 issued by Ministry of Corporate Affairs and accordingly net exchange loss for the year amounting to Rs. 1,38.39; (Previous year net exchange gain Rs. 99.97) on long term foreign currency borrowing has been adjusted with the depreciable fixed assets acquired. As at 31st March 2016 Rs. 4,43.74 (Previous year Rs.3,27.18) remain to be amortised over the balance life of the assets.
- (iii) During the year, the Company has defined Significant Components of the fixed assets having different useful life from the useful life of remaining fixed assets due to which depreciation for the year is higher by Rs. 3,09.91.

As at
31st March, 2016 As at
31st March, 2015

11 NON-CURRENT INVESTMENTS

Long Term Investment (Non - Trade)

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

1848500 (Previous year 1848500) Equity Shares of Rs. 10/- each fully paid up in Schrader Duncan Ltd (Subsidiary) *	14,53.65	14,53.65
3353 (Previous year 3353) Equity Shares of Rs. 75/- each fully paid up in New India Investment Corporation Ltd.	1.46	1.46
	14,55.11	14,55.11
Aggregate amount of Quoted Investments	14,55.11	14,55.11
Aggregate market value of Quoted Investments	1,296.35	12,36.26
Aggregate provision for diminution in value of investments *	-	-

*As on 31st March 2016, market value of the shares of subsidiary company M/S Schrader Duncan Limited was lower by Rs. 1,58.77 (Previous year Rs. 2,18.85). However in view of long term strategic investment in the subsidiary company, no provision for diminution in value has been made as same is not permanent in nature.

ii) Investment in Equity Shares - Unquoted (at Cost)

8351 (Previous year 8351) Equity Shares of Rs. 100/- each fully paid up in Duncan International (India) Ltd.	15.42	15.42
	15.42	15.42
Aggregate amount of Unquoted Investments	15.42	15.42
	14,70.53	14,70.53

ORIENTAL CARBON & CHEMICALS LIMITED

(Rs. in lakhs)

	Long - term		Short - term	
	As at	As at	As at	As at
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
12 LOANS AND ADVANCES				
Unsecured, Considered Good				
Loan and Advances to Subsidiary Company	-	-	5,44.18	2,07.26
Loans to Other Companies	39.00	4,03.00	5,00.00	-
Capital Advances *	30,63.44	22,39.42	-	-
Security Deposits	3,47.58	3,60.67	-	-
Loans and Advances to Employees	32.72	35.49	38.48	37.64
Balances with Excise and Custom Department	-	-	79.17	75.02
Income tax Refund Receivable	-	-	60.57	-
Other Advances	-	-	1,24.00	1,36.36
Prepaid Expenses	-	-	1,13.71	59.34
MAT credit entitlement	13,43.32	11,58.81	-	-
	48,26.06	41,97.39	14,60.11	5,15.62

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

	Face Value per Unit (Rs.)	As at	As at	As at	As at
		31st March, 2016 (Nos.)	31st March, 2015	31st March, 2016 (Rs. in lakhs)	31st March, 2015 (Rs. in lakhs)
13 CURRENT INVESTMENTS					
UNQUOTED					
(at cost or fair value whichever is lower)					
Investments in					
Mutual funds					
a) Kotak Select Focus Fund Dividend regular plan (Erst while Pine Bridge India Equity Fund Standard Dividend Plan)	10	-	264,519.198	-	25.00
b) SBI Magnum Insta cash Fund-Regular Plan-Daily Dividend	1000	15,741.184	14,930.394	2,63.67	2,50.09
c) SBI Arbitrage Opportunities Fund- Direct Plan-Dividend	10	1,151,170.47	-	1,57.95	-
d) SBI Treasury advantage Fund- Direct Plan -Daily Dividend	1000	53,008.600	49,984.685	5,33.03	5,02.59
e) SBI Fixed Interval Debt fund series -90 days 01- Direct Plan	10	1,498,591.324	1,498,591.324	1,50.00	1,50.00
f) SBI Ultra short term debt fund- Regular Plan -Daily Dividend	1000	14,354.785	109,973.069	1,43.83	11,01.92
g) SBI Premier Liquid Fund- Direct Plan-Growth	1000	13,127.974	-	3,00.00	-
h) SBI Ultra short term Debt fund - Regular Plan- Daily Dividend	1000	-	32,805.730	-	3,28.53
i) SBI short term Debt fund - Regular plan- Weekly Dividend	10	-	2,865,912.134	-	3,02.61
				15,48.48	26,60.74
Aggregate amount of Unquoted Investments (at cost)				15,48.48	26,60.74
Aggregate NAV of Unquoted Investments				15,65.38	26,94.58
Aggregate of excess of carrying cost over fair value				-	-

ORIENTAL CARBON & CHEMICALS LIMITED

	As at 31st March, 2016	(Rs. in lakhs) As at 31st March, 2015
14 INVENTORIES		
(Valued at lower of cost or net realisable value)		
Raw Materials	9,46.51	11,23.20
Work-in-Progress	73.43	87.19
Finished Goods	22,30.57	18,27.88
Stores and Spares	5,86.19	6,37.21
Fuel	30.09	50.81
	38,66.79	37,26.29
Includes in transit :		
Raw Materials	76.93	1,76.87
Stores & Spares	5.67	5.41
15 TRADE RECEIVABLES		
(Unsecured, Considered Good)		
Outstanding for a period exceeding six months (from the due date)	16.71	-
Outstanding for a period less than six months	47,87.85	51,48.72
	48,04.56	51,48.72
16 CASH AND BANK BALANCES		
(a) Cash and Cash equivalents:		
Cash on Hand	2.41	1.36
Balance with Banks:		
In Current Accounts	3,81.03	9,54.53
Fixed Deposit with Maturity less than 3 Months	-	2,95.81
	3,83.44	12,51.70
(b) Other Bank Balances		
Earmarked balances with banks:		
Unpaid Dividend Account	97.83	74.09
Fixed Deposit with Bank*	-	29.57
Deposit Repayment Reserve Account *	35.00	-
Other Fixed Deposit with original Maturity more than 12 months**	4,83.29	4,17.00
	6,16.12	5,20.66
	9,99.56	17,72.36
* Under Rule 13 of the Companies (Acceptance of Deposits) Rules, 2014 .		
** Includes Rs. 98.65; pledged with Government Authority (Previous Year Rs. 91.02) and Rs. 3,84.64; against margin money (Previous Year Rs. 3,25.98) which can be withdrawn at any point of time without prior notice or exit costs on the principal amount.		
17 OTHER CURRENT ASSETS		
Unsecured, Considered Good		
Export incentive Receivable	3,04.25	6.04
Accrued Interest Income	37.04	74.38
Fixed Assets held for sale (At lower of Book Value and Net Realisable Value)	14.54	5.18
Other Receivables (Comprises of Service Tax, CST, Excise Duty receivable etc.)	1,67.65	3,58.35
	5,23.48	4,43.95

ORIENTAL CARBON & CHEMICALS LIMITED

NOTES FORMING PART OF STANDALONE STATEMENT OF PROFIT & LOSS

(Rs. in lakhs)

	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
18 REVENUE FROM OPERATIONS		
(i) Sale of Products:		
Insoluble Sulphur	2,61,99.58	2,73,28.23
Sulphuric Acid & Oleum	<u>22,74.28</u>	<u>21,33.44</u>
Other Operating Revenues		
Export and Other Incentives	<u>3,42.99</u>	<u>43.94</u>
Gross Revenue from Operations	<u>2,88,16.85</u>	<u>2,95,05.61</u>
Less: Excise Duty	<u>13,45.13</u>	<u>12,48.26</u>
Net Revenue from Operations	<u>2,74,71.72</u>	<u>2,82,57.35</u>
19 OTHER INCOME		
Dividend on Current Investments	1,27.74	1,01.60
Profit on redemption of Current Investments	28.59	-
Interest Income		
- On Deposits	67.57	94.85
- On Loans	72.93	44.44
- Others	<u>2.85</u>	<u>3.60</u>
Loans and Debts earlier written-off, now recovered	-	30.00
Net Gain on foreign currency translations and transactions (Not considered as Finance cost)	1,77.95	9,45.43
Rent Received	10.13	14.71
Provisions no Longer Required Written Back	60.56	13.56
Adjustment to the carrying amount of Long-term Investments	-	0.81
Scrap Sales	15.88	26.22
Miscellaneous Income	<u>4.44</u>	<u>10.91</u>
	<u>5,68.64</u>	<u>12,86.13</u>
20 COST OF MATERIALS CONSUMED		
Sulphur	34,36.84	35,97.93
Carbon di Sulphide	2,88.08	3,62.49
Coating Oil	30,66.21	39,35.13
Others	<u>5,18.70</u>	<u>7,05.60</u>
	<u>73,09.83</u>	<u>86,01.15</u>
21 PURCHASE OF TRADED GOODS		
Sulphuric Acid	-	16.39
	-	<u>16.39</u>

ORIENTAL CARBON & CHEMICALS LIMITED

(Rs. in lakhs)

	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
I Inventories as at the beginning of the Year		
Finished Goods	18,27.88	16,28.94
Work-in-Progress	87.19	1,75.91
	<u>19,15.07</u>	<u>18,04.85</u>
II Inventories as at end of the Year		
Finished Goods	22,30.57	18,27.88
Work-in-Progress	73.43	87.19
	<u>23,04.00</u>	<u>19,15.07</u>
Change in Inventories (I - II)	(3,88.93)	(1,10.22)
Work-in-Progress includes		
Insoluble Sulphur	58.38	66.06
Sulphuric Acid & Oleum	15.05	21.13
	<u>73.43</u>	<u>87.19</u>
23 EMPLOYEES BENEFIT EXPENSES		
Salaries, Wages and Bonus	29,43.16	24,08.22
Contribution to Provident and Other Funds	1,84.55	1,84.33
Employee Welfare Expenses	2,62.30	2,58.00
	<u>33,90.01</u>	<u>28,50.55</u>
Less: Transfer to Capital Work-in-Progress	1,11.62	55.79
	<u>32,78.39</u>	<u>27,94.76</u>
24 OTHER EXPENSES		
Stores Consumed	49.95	48.80
Packing cost	7,50.50	7,67.00
Power and Fuel	34,17.01	40,38.21
Water Charges	58.75	38.01
Rent *	2,34.10	2,10.43
Rates and Taxes	53.65	63.62
Insurance	1,25.29	1,30.28
Repairs to Buildings	62.07	57.26
Repairs to Machinery	8,41.30	10,24.63
Repairs to Others	1,07.18	86.90
Job Charges	2.66	-
Freight & Forwarding	16,73.98	15,94.76
Commission and Discount	3,68.93	3,66.67
Travelling	2,45.10	2,33.50
Legal & Professional	2,31.37	1,40.90
Service Charges	1,72.78	1,37.43
Loss on sale/discard of Fixed Assets (Net)	59.70	1,16.21
Bad Advances / Debts	23.70	20.94
Donations [Includes for CSR Activities Rs. 1,02.89, (Previous Year Rs. 90.00)]	1,02.89	90.15
Excise Duty on Increase of finished goods Stock	33.06	8.96
Directors' Commission & Fees	63.60	58.80
Miscellaneous **	6,09.38	5,96.41
	<u>92,86.95</u>	<u>98,29.87</u>
Less: Transfer to Capital Work-in-Progress	1,22.00	2.68
	<u>91,64.95</u>	<u>98,27.19</u>

* Net of Recovery Rs.15.68 (Previous Year Rs. 20.63)

** Miscellaneous Include Auditors Remuneration as follows:

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	For the Year ended 31st March, 2016	(Rs. in lakhs) For the Year ended 31st March, 2015
i) Statutory Auditor:		
As Auditor	11.50	10.00
For Limited Review	3.00	2.25
For Tax Audit	2.00	1.75
For Certifications, Consolidation and other matters	3.20	3.50
Travelling and other out of pocket expenses	0.53	0.34
	<u>20.23</u>	<u>17.84</u>
ii) Cost Auditor:		
As Auditor	1.25	1.15
Travelling and other out of pocket expenses	-	0.04
	<u>1.25</u>	<u>1.19</u>
	<u>21.48</u>	<u>19.03</u>
25 FINANCE COSTS		
Interest	5,88.81	7,47.50
Other Borrowing Cost	51.87	62.45
	<u>6,40.68</u>	<u>8,09.95</u>
Less: Transfer to Capital Work-in-Progress	6.00	-
	<u>6,34.68</u>	<u>8,09.95</u>
26 DEPRECIATION AND AMORTISATION (NOTE NO. 10)		
Depreciation on tangible assets	15,22.52	12,69.20
Amortisation of Intangible Assets	42.60	38.85
	<u>15,65.12</u>	<u>13,08.05</u>
27 CURRENT TAX		
Current Tax for the year	13,60.00	13,10.00
Less: MAT Credit Entitlement	3,98.50	4,12.54
Add: Write down of MAT Credit Entitlement	2,14.00	-
Add: Taxation adjustments in respect of earlier years (Net)	0.01	0.03
	<u>11,75.51</u>	<u>8,97.49</u>

28 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Nature of Operations

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

(B) Basis of Accounting

The financial statements have been prepared to comply with the Accounting Standards referred to in section 133 and other relevant provisions of The Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

(C) Use of Estimates

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

(D) Classification of Assets and Liabilities as Current and Non Current

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time

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between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current/ non-current classification of assets and liabilities.

(E) Revenue Recognition

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

(F) Fixed Assets

Fixed assets are stated at cost or at revalued amount less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The carrying amounts are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing, value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. (Also refer Note No. 10(ii))

(G) Depreciation

Tangible Assets

Depreciation on Fixed Assets has been provided on straight line method with reference to the economic useful life of its fixed assets as prescribed in Schedule II to the Companies Act, 2013 except in case of Motor Vehicles, whose useful life is considered 5 Years instead of 8 Years. Depreciation on machinery spares is provided retrospectively from the date the related assets are put to use. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure. Additions to Fixed Assets on leased land and premises are amortised over the lease period.

Intangible Assets

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

(H) Expenditure on new projects, substantial expansion and during construction period

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

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

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

(I) Investments

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

(J) Foreign Currency Transactions

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Monetary items related to foreign currency transactions are restated at year end exchange rates. All exchange differences arising from such conversion including gain or loss on cancellation of foreign currency forward covers are included in the Statement of Profit & Loss except exchange difference arising on long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets are capitalised (refer note No. 10(ii)). Premium / Discount on forward covers, covered under AS-11 (i.e. The Effects of Changes in Foreign Exchange Rates) are recognised over the tenure of the contract.

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(K) Inventories

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

(L) Retirement and other employee benefits

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

(M) Taxation

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

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

(N) Borrowing Cost

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

(O) Operating Leases

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

(P) Derivatives

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

(Q) Cash & Cash Equivalents

Cash & Cash Equivalents comprises Cash on hand, Balances with Banks and Deposits with Banks maturing with in three months from the Balance Sheet date.

(R) Provisions

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

(S) Contingent Liabilities

A disclosure is made for possible or present obligations that may but probably will not require outflow of resources or where a reliable estimate cannot be made, as a contingent liability in the financial statements.

ORIENTAL CARBON & CHEMICALS LIMITED

(Rs. In Lakhs)

As At
31st March, 2016 As At
31st March, 2015

29 Contingent Liabilities & Commitments:

29.01 Contingent Liabilities

(i) Bank Guarantees given to various Govt. Authorities/Others (Margin money/Short Term Deposits Rs. 1.54 ; Previous year Rs. 1.54)	10.26	10.26
(ii) Bills discounted with Banks	13,01.93	13,91.02
(iii) Corporate guarantee given to a bank for loan taken by Subsidiary Company (to the extent loan outstanding)	11,92.06	14,69.21
(iv) Matters under Litigations/ Appeals		
(a) Income tax Matters (Deposited Rs. 23.75; Previous year Rs. 24.57)	1,00.26	46.60
(b) Central Excise Matters (Deposited Rs. 85.58; Previous year Rs. 85.58)	1,05.58	1,05.58
(c) Other Matters (Deposited Rs. 12.00; Previous year Rs.12.00)	22.69	22.69

The Company is hopeful of favourable decisions and expect no outflow of resources, hence no provision is made in the books of account.

29.02 Commitments

Estimated amount of capital commitments outstanding and not provided for (Gross)	56,07.19	31,13.78
(Advance Paid Rs. 29,88.44; Previous Year Rs.21,64.42)		

30 Other Notes on Accounts

30.01 (a) Disclosure as specified in Schedule V of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015

Particulars	Balance As At 31st March, 2016 Rs.	Maximum Outstanding During the year 2015-2016 Rs.	Balance As At 31st March, 2015 Rs.	Maximum Outstanding During the year 2014-2015 Rs.
(a) Subsidiary Company Schrader Duncan Limited	5,25.00	5,25.00	200.00	200.00

(b) Disclosure relating to Loans or security given by the Company as per the requirements of section 186(4) to the Companies Act 2013 as on 31st March'2016

Particulars	Loan Amount	Rate of Interest (Per Annum)	Purpose	Maturity Period
Schrader Duncan Limited	5,25.00	12.00 %	Business Purpose	Within 1 Year
(Subsidiary Company) *	(2,00.00)	(12.50 %)		
Reliance Financial Limited	5,00.00	9.50 %	Business Purpose	Within 1 Year
Pallavi Apartment Private Limited	-	-	Business Purpose	After 1 Year
	(20.00)	(10.00 %)		
J.B. Commercial Co. Pvt. Ltd.	39.00	10.00 %	Business Purpose	After 1 Year
	(39.00)	(10.00 %)		
Ankit Lefine Pvt. Ltd.	-	-	Business Purpose	After 1 Year
	(44.00)	(10.00 %)		
Rainbow Investments Ltd	-	-	Business Purpose	After 1 Year
	(1,41.00)	(10.00 %)		
Sharbhang Comm Co. Pvt Ltd.	-	-	Business Purpose	After 1 Year
	(58.00)	(10.00 %)		
Manoor Investments Pvt. Ltd.	-	-	Business Purpose	After 1 Year
	(46.00)	(10.00 %)		
Crescent Leasing Ltd.	-	-	Business Purpose	After 1 Year
	(55.00)	(10.00 %)		

*For Corporate Guarantee given Refer 29.01(iii).
Figures in Brackets relates to Previous year.

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30.02 i) Outstanding Forward Covers in respect of foreign currencies for Hedging.

(Foreign currency and Indian Currency in Lakhs)

Currency	Cross Currency	As at 31st March, 2016	As at 31st March, 2015
Future Export Sales			
USD	INR	49.72	54.99
EURO	USD	28.10	36.00
EURO	INR	17.45	12.00

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

Currency	Cross Currency	Foreign Currency	As at 31st March, 2016 Rs.	As at 31st March, 2015 Foreign Currency	Rs.
Payables					
USD	INR	7.64	5,06.81	29.42	18,41.53
EURO	INR	15.01	11,26.88	16.04	10,82.93
Receivables					
USD	INR	7.35	4,87.69	5.28	3,30.25
EURO	INR	10.96	8,23.21	14.06	9,48.91
GBP	INR	0.32	30.42	0.43	40.08
JPY	INR	2,74.49	1,62.12	-	-

30.03 Segment reporting has been disclosed in Consolidated Financial Statement.

30.04 Earnings per Share (EPS)

		For the year ended 31st March, 2016	31st March, 2015
Profit attributable to the Equity Shareholders	(Rs. in Lakhs)	52,98.73	51,31.60
Number of Equity Shares	(Nos)	10296062	10296062
Nominal value of Equity Shares	(Rs.)	10.00	10.00
Basic and Diluted Earnings per Share	(Rs.)	51.46	49.84

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

(Rs. in Lakhs)

2015-16 2014-15

Define Contribution Plan -

The Company has recognized the following amounts in the Statement of Profit & Loss for the year

Contribution to Employees Provident Fund	92.71	84.75
Contribution to Superannuation Fund	32.62	56.46

Define Benefit Plan -

The following table set out the status of the gratuity plan as required under AS 15 (Revised 2005):

(a) A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):

Opening DBO	3,07.95	2,81.49
Past & Current Service Cost	27.39	27.09
Interest cost	23.14	22.10
Actuarial (gain)/loss	31.97	12.48
Benefits paid	(35.52)	(35.21)
Closing DBO	3,54.93	3,07.95

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30.05 Disclosure as per Accounting Standard - 15 (Contd..)

(Rs. in Lakhs)

	2015-16	2014-15
(b) A reconciliation of opening and closing balances of the fair value of plan assets:		
Opening fair value of plan assets	2,70.97	2,42.78
Expected Return on Plan Assets	21.72	18.57
Actuarial gain/(loss)	1.91	(0.02)
Contribution by the employer	40.35	44.85
Benefits paid	(35.52)	(35.21)
Closing fair value of plan assets	2,99.43	2,70.97
(c) A reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets to the assets recognized in the balance sheet:		
Present value of defined benefit obligation at the end of the period	3,54.93	3,07.95
Fair value of the plan assets at the end of the year	2,99.43	2,70.97
Liability recognized in the balance sheet	55.50	36.98
(d) The total expense recognised in the Statement of Profit and Loss:		
Current service cost	27.39	27.09
Interest cost	23.14	22.10
Expected return on plan assets	(21.72)	(18.57)
Actuarial (gains)/loss	30.06	12.50
Net Gratuity cost	58.87	43.12
(e) For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the total plan assets:	%	%
State/Govt. of India securities	45	34
Public Sector Bonds	48	42
Special Deposit Scheme	1	1
Bank Balances to be Invested	6	23
(f) Following are the Principal Actuarial Assumptions used as at the balance sheet date:		
Discount rate	8	8
Expected rates of return on any plan assets	8	8
Average Salary escalation rate	7	7
Average remaining working life of the employees(years)	17	16

(g) Disclosure as required under Para 120(n);

Amounts recognised in current year and previous four years

	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of defined benefit obligation	3,54.93	3,07.95	2,81.49	2,33.37	2,10.24
Fair Value of Plan Assets	2,99.43	2,70.97	2,42.78	2,05.40	1,87.61
Surplus/ (Deficit) in the Plan	(55.50)	(36.98)	(38.71)	(27.97)	(22.63)
Experience adjustments on Plan Liabilities Loss	30.06	12.50	13.46	9.49	4.94
Experience adjustments on Plan Assets Gain/ (Loss)	1.91	(0.02)	(2.81)	(1.54)	-

The estimates of the future salary increase considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

30.06 Related Party Disclosures as per Accounting Standard - 18 (Related Party Disclosures), to the extent Identified by the Company

1. Name & Relationship of the Related Parties:

- (a) Schrader Duncan Limited : Subsidiary Company
- (b) Duncan International (India) Limited : Enterprise over which relative of key management personnel is having significant influence.
- (c) Cosmopolitan Investments Ltd. : Enterprise over which key management (w.e.f. 17.12.2015) personnel is having significant influence.
- (d) Haldia Investments Ltd. : Subsidiary of Cosmopolitan Investments Ltd. (w.e.f. 17.12.2015)
- (e) Disciplined Investments Ltd. : Subsidiary of Cosmopolitan Investments Ltd. (w.e.f. 17.12.2015)
- (f) Mr. Arvind Goenka - Managing Director : Key Management Personnel
- (g) Mr. Akshat Goenka - Vice President : Key Management Personnel (From 01.04.15 to 31.05.15)
- Joint Managing Director (From 01.06.15 onwards)
- (h) Mr. Shreyans Goenka - Sr. Manager : Relative of Key Management Personnel
- (i) Mrs. Aparna Goenka : Relative of Key Management Personnel
- (j) Mrs. Uma Goenka : Relative of Key Management Personnel (From 01.04.2015 to 12.08.2015)
- (k) Ms. Shreya Goenka : Relative of Key Management Personnel
- (l) Ms. Sujata Goenka : Relative of Key Management Personnel

2. Transactions with Related Parties during the year:

Particulars	Subsidiary Company		Enterprise over which relative of key management personnel is having significant influence.		Enterprise over which key management personnel is having significant influence.		Key Management Personnel		Key Management Personnel		Relative of Key Management Personnel		Relative of Key Management Personnel		Relative of Key Management Personnel		Relative of Key Management Personnel		Relative of Key Management Personnel	
	(Refer 1 (a))	(Refer 1 (a))	(Refer 1 (b))	(Refer 1 (b))	(Refer 1 (c))	(Refer 1 (c))	(Refer 1 (f))	(Refer 1 (f))	(Refer 1 (g))	(Refer 1 (g))	(Refer 1 (h))	(Refer 1 (h))	(Refer 1 (i))	(Refer 1 (i))	(Refer 1 (j))	(Refer 1 (j))	(Refer 1 (k))	(Refer 1 (k))	(Refer 1 (l))	(Refer 1 (l))
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
(a) Loans & Advances given	3,25.00	2,00.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Interest received on Loans & Advances	37.44	4.14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Service charges reimbursed	-	-	64.20	60.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Expenses Reimbursed / (Recovered) (Net)	(19.67)	(33.09)	(5.49)	(2.84)	17.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e) Purchases of Stores & Spares	10.36	5.09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f) Remuneration@	-	-	-	-	-	-	1,57.43	1,43.27	1,24.57	37.06	24.37	13.70	-	-	-	-	-	-	-	-
(g) Dividend Paid	-	-	84.54	78.79	-	-	13.28	12.50	8.50	8.00	5.70	8.29	29.93	31.50	10.11	14.71	6.80	9.89	1.15	1.68
(h) Outstanding as on 31.03.2016																				
Receivable	5,44.18	2,07.26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable	-	-	-	-	-	-	47.75	48.26	40.08	9.17	1.61	1.62	-	-	-	-	-	-	-	-
Corporate guarantee given (to the extent loan outstanding)	11,92.06	14,69.21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

@ Excludes actuarial valuation of retirements benefits.

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

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Rs.	%	Rs.	%
Indigenous	56,00.57	76.62	66,52.95	77.35
Imported	17,09.26	23.38	19,48.20	22.65
	73,09.83	100.00	86,01.15	100.00

ORIENTAL CARBON & CHEMICALS LIMITED

(Rs. in Lakhs)

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

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Rs.	%	Rs.	%
Indigenous	46.05	100.00	48.80	100.00
Imported	-	-	-	-
	46.05	100.00	48.80	100.00

* Excluding charged to machinery repairs and capitalised / Transfer to Capital Work-in-Progress.

30.09 C.I.F. Value of Imports:

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Raw Materials	17,00.50	18,01.72
Components and Spare Parts	65.62	37.43
Packing Material	90.93	90.18

30.10 Earning in Foreign Exchange

F.O.B. value of Exports	1,62,78.40	1,80,57.77
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30.11 Expenditure in Foreign Currency

Commission and Discount	2,75.79	2,76.89
Travelling	50.08	52.58
Legal & Professional Charges	22.73	7.42
Others	5,43.64	1,79.97

30.12 Remittance in Foreign Currency on account of Dividends:

Number of Non-Resident Shareholders	247	112
Number of Shares held by Non-Resident Shareholders	130148	77054
Dividend payments to Non-Resident Shareholders were made by Warrant Denominated in Indian Rupees.		

30.13 Previous year figures have been regrouped to conform current year figures

In terms of our Report of even date attached.

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

B.K. SIPANI
Partner

Membership No. 088926

Place : New Delhi
Date : 30th May, 2016

For and on behalf of the Board of Directors

ARVIND GOENKA
Managing Director

O.P. DUBEY
Director

P.K. MAITY
Company Secretary

ANURAG JAIN
Chief Financial Officer

ORIENTAL CARBON & CHEMICALS LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Oriental Carbon & Chemicals Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Oriental Carbon & Chemicals Limited (“the Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as “the Consolidated Financial Statements”).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated statement of profit and loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that,
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

ORIENTAL CARBON & CHEMICALS LIMITED

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company and Subsidiary Company as on 31st March, 2016 taken on record by the respective Board of Directors, none of the directors of the Group is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure-A” and
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i The Consolidated Financial Statements have been disclosed the impact of pending litigations on consolidated financial position of Group – Refer Note 29.01 (iv) to the consolidated financial statements.
 - ii. The Group have made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Group.

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

Place : New Delhi
Date : 30th May, 2016

B K Sipani
Partner
Membership No 088926

“Annexure - A” to the Auditors’ Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statement of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of Oriental Carbon & Chemicals Limited (hereinafter referred to as “the Holding Company”) and its subsidiary company, which are incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our

ORIENTAL CARBON & CHEMICALS LIMITED

audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

B K Sipani
Partner
Membership No 088926

Place : New Delhi
Date : 30th May, 2016

ORIENTAL CARBON & CHEMICALS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

(Rs. in lakhs)

	Note No.	As at 31.03.2016	As at 31.03.2015
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
(a) Share Capital	1	10,31.13	10,31.13
(b) Reserves and Surplus	2	2,72,89.85	2,33,91.00
		<u>2,83,20.98</u>	<u>2,44,22.13</u>
(2) Minority Interest		11,10.27	14,56.64
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	21,39.08	44,08.94
(b) Deferred Tax Liabilities (Net)	4	21,13.68	21,11.60
(c) Other Long-Term Liabilities	5	43.11	40.07
(d) Long-Term Provisions	6	1,98.62	1,31.12
		<u>44,94.49</u>	<u>66,91.73</u>
(4) Current Liabilities			
(a) Short-Term Borrowings	7	41,07.83	39,78.75
(b) Trade Payables	8		
(i) Dues to Micro Enterprises & Small Enterprises		1,92.00	1,90.89
(ii) Dues to Other than Micro Enterprises & Small Enterprises		17,87.61	27,73.83
(c) Other Current Liabilities	9	44,00.22	36,44.01
(d) Short-Term Provisions	6	7,24.58	7,73.40
TOTAL		<u>1,12,12.24</u>	<u>1,13,60.88</u>
		<u>4,51,37.98</u>	<u>4,39,31.38</u>
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	2,05,53.37	2,13,46.79
(ii) Intangible Assets	10	1,20.34	1,25.65
(iii) Capital Work-in-Progress		39,57.03	4,28.57
(iv) Intangible Assets under Development		-	10.59
(b) Non-Current Investments	11	17.68	17.68
(c) Long-Term Loans and Advances	12	48,63.23	43,10.25
		<u>2,95,11.65</u>	<u>2,62,39.53</u>
(2) Current Assets			
(a) Current Investments	13	15,48.49	26,60.74
(b) Inventories	14	50,81.41	53,03.01
(c) Trade Receivables	15	60,90.66	67,58.25
(d) Cash and Bank Balances	16	10,97.29	18,25.23
(e) Short-Term Loans and Advances	12	12,79.36	6,90.13
(f) Other Current Assets	17	5,29.12	4,54.49
		<u>1,56,26.33</u>	<u>1,76,91.85</u>
TOTAL		<u>4,51,37.98</u>	<u>4,39,31.38</u>
Summary of Significant Accounting Policies	28.02		
Contingent Liabilities and Commitments	29		
Other Notes on Accounts	30		

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

In terms of our Report of even date attached.

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

B.K. SIPANI

Partner

Membership No. 088926

For and on behalf of the Board of Directors

ARVIND GOENKA
Managing Director

O.P. DUBEY
Director

P.K. MAITY
Company Secretary

ANURAG JAIN
Chief Financial Officer

Place : New Delhi

Date : 30th May, 2016

ORIENTAL CARBON & CHEMICALS LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(Rs.in lakhs)

	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
I REVENUES			
Gross Revenue from Operations	18	3,59,55.49	3,65,67.21
Less Excise duty		21,42.80	19,00.59
Net Revenue from Operations		3,38,12.69	3,46,66.62
II OTHER INCOME	19	5,67.83	13,62.76
III Total Revenues (I + II)		3,43,80.52	3,60,29.38
IV EXPENSES			
Cost of Materials Consumed	20	1,13,88.18	1,32,13.49
Purchase of Traded Goods	21	43.18	62.96
Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	22	(85.06)	(2,90.62)
Employee Benefit Expenses	23	43,55.54	39,40.54
Other Expenses	24	99,34.15	1,09,21.63
V Total		2,56,35.99	2,78,48.00
VI Profit before finance cost, depreciation & amortisation and tax (III - V)		87,44.53	81,81.38
VII Finance Costs	25	8,41.22	10,35.08
VIII Depreciation, Amortisation and Impairment	26	20,34.40	16,38.05
IX Profit before tax and Minority Interest (VI - VII - VIII)		58,68.91	55,08.25
Tax Expense:			
Current Tax	27	12,61.01	7,14.38
Deferred Tax (Net)		2.08	2,67.13
Profit for the year before Minority Interest		46,05.82	45,26.74
Less : Profit / (Loss) attributable to Minority Interest		(3,46.36)	(3,02.34)
Profit for the Year attributable to Holding Company		49,52.18	48,29.08
Basic & Diluted Earnings Per Equity Share (of Rs.10/- each) (Rs.)	30.03	48.10	46.90
Summary of Significant Accounting Policies	28.02		
Other Notes on Accounts	30		

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

In terms of our Report of even date attached.

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

B.K. SIPANI

Partner

Membership No. 088926

For and on behalf of the Board of Directors

ARVIND GOENKA
Managing Director

O.P. DUBEY
Director

P.K. MAITY
Company Secretary

ANURAG JAIN
Chief Financial Officer

Place : New Delhi
Date : 30th May, 2016

ORIENTAL CARBON & CHEMICALS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(Rs. in lakhs)

	Current Year	Previous Year	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax and Extra ordinary items	58,68.91	55,08.25	
Adjustments for:			
Depreciation and Amortisation including Impairment Loss	20,34.40	16,38.05	
Loss on Sale / Discard of Fixed Assets (Net)	59.67	1,16.15	
Finance Costs	8,41.22	10,35.08	
Interest Income	(1,11.95)	(1,42.85)	
Loans earlier written off, now recovered	-	(30.00)	
Profit / Loss on Sale of Current Investments	(28.59)	-	
Dividend on Current Investments	(1,27.74)	(1,01.60)	
Dividend on Non-Current Investments (non -trade)	(0.64)	(0.55)	
Profit on Sale of Investment (Mutual Fund)	-	(3.07)	
Provision for Diminution in value of Long-term Investments Written Back	-	(0.81)	
Operating Profit before Working Capital Changes	85,35.28	80,18.65	
Adjustments for :			
Trade and Other Receivables	4,99.45	(3,04.26)	
Inventories	2,21.58	(3,32.33)	
Trade and Other Payables	(7,58.38)	7,96.40	
Cash generated from Operations	84,97.93	81,78.46	
Direct Tax Paid (Net)	(15,38.51)	(11,44.23)	
Net cash from Operating Activities	69,59.42	70,34.23	
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets/Expenditure on New Project	(52,55.20)	(18,50.81)	
Sale of Fixed Assets	6.52	22.65	
Loans to Other Companies (Net)	(1,36.00)	(0.32)	
Investments Purchased	(5,67.45)	(15,44.88)	
Investments sold	17,08.30	16.82	
Movement in Fixed deposits with Banks	(64.09)	(23.26)	
Loans earlier written off, now recovered	-	30.00	
Dividend on Current Investments	1,27.74	1,01.60	
Dividend on Non-Current Investments	0.64	0.55	
Interest Received	1,51.43	1,23.97	
Net Cash used in investing activities	(40,28.11)	(31,23.68)	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend Paid	(8,75.17)	(8,23.68)	
Tax on Dividend	(1,78.16)	(1,49.25)	
Long Term Borrowings	(20,02.45)	(22,89.14)	
Short Term Borrowings from Banks	1,29.07	9,70.34	
Interest and Financial Costs paid (excluding Transfer to Capital Work-in-Progress)	(8,57.60)	(10,84.40)	
Net Cash From Financing Activities	(37,84.31)	(33,76.13)	
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(8,53.00)	5,34.42	
Opening Balance of Cash and Cash Equivalents	12,57.82	7,23.40	
Closing Balance of Cash and Cash Equivalents	4,04.82	12,57.82	
Cash & Cash Equivalents Comprise			
Cash on Hand	2.56	1.95	
Cheques on Hand	3.25	-	
Balance with Scheduled Banks in Current Accounts and fixed deposits maturing within 3 months	3,99.01	12,55.87	
	4,04.82	12,57.82	

Note:(i) Figures in bracket represent outflows

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

(iii) Cash & cash equivalents excludes Rs. 99.21 (Previous Year Rs. 78.02) lying in designated account with scheduled banks on account of unclaimed dividend, Rs. 4,94.61 (Previous Year Rs. 3,98.37) in fixed deposits with banks and Margin Money maturing beyond three months are shown under investing activities and fixed deposit of Rs. 98.65 (Previous year Rs. 91.02) pledged with Government Authority, shown under Trade and Other Receivables.

In terms of our Report of even date attached.

For and on behalf of the Board of Directors

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

ARVIND GOENKA
Managing Director

O.P. DUBEY
Director

B.K. SIPANI

P.K. MAITY

ANURAG JAIN

Place : New Delhi
Date : 30th May, 2016

Partner
Membership No. 088926

Company Secretary

Chief Financial Officer

ORIENTAL CARBON & CHEMICALS LIMITED

NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET

(Rs. in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
1 SHARE CAPITAL:		
Authorised:		
1,49,90,000 (Previous year 1,49,90,000) Equity Shares of Rs. 10 each	14,99.00	14,99.00
1,000 (Previous year 1,000) 11% Redeemable Cumulative Preference Shares of Rs. 100/- each	1.00	1.00
	<u>15,00.00</u>	<u>15,00.00</u>
Issued		
103,29,814 (Previous year 1,03,29,814) Equity shares of Rs. 10/- each	10,32.98	10,32.98
	<u>10,32.98</u>	<u>10,32.98</u>
Subscribed and Fully Paid-up:		
1,02,96,062 (Previous year 1,02,96,062) Equity shares of Rs. 10/- each fully Paid-up	10,29.61	10,29.61
Add: Forfeited Shares (Amount Originally Paid-up)	1.52	1.52
	<u>10,31.13</u>	<u>10,31.13</u>
A. Terms/ rights attached to Equity shares		
Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders. There is no restriction on distribution of dividend. However, the same except interim dividend is subject to the approval of the shareholders in the Annual General Meeting.		
B. Reconciliation of the number of Equity Shares Outstanding:		
Equity shares outstanding at the beginning of the year	10,296,062	10,296,062
Equity shares outstanding at the end the of the year	10,296,062	10,296,062
C. Shareholder holding more than 5 percent Equity shares of the Company:		
S. Name of shareholder	As at 31st March, 2016	As at 31st March, 2015
No.	Number of Shares held	Number of Shares held
	Percentage of holding	Percentage of holding
1 Cosmopolitan Investments Ltd	1904528	1904528
2 New India Investment corporation Ltd	1202136	1202136
3 Duncan International (India) Ltd	994616	994616
4 Haldia Investment Company Ltd	591895	591895
	18.50%	18.50%
	11.68%	11.68%
	9.66%	9.66%
	5.75%	5.75%
	As at	As at
	31st March, 2016	31st March, 2015
2 RESERVES AND SURPLUS		
(i) Capital Reserve		
Balance as per last Financial Statement	20,08.99	20,08.99
	<u>20,08.99</u>	<u>20,08.99</u>
(ii) Capital Redemption Reserve		
Balance as per last Financial Statement	0.25	0.25
	<u>0.25</u>	<u>0.25</u>
(iii) Securities Premium Reserve		
Balance as per last Financial Statement	17,92.64	17,92.64
	<u>17,92.64</u>	<u>17,92.64</u>
(iv) Revaluation Reserve		
Balance as per last Financial Statement	63.91	1,11.52
Less : Reversal of Revaluation from Depreciation Block	-	47.61
	<u>63.91</u>	<u>63.91</u>

ORIENTAL CARBON & CHEMICALS LIMITED

	As at 31st March, 2016	(Rs. in Lacs) As at 31st March, 2015
(v) General Reserve		
Balance as per last Financial Statement	<u>26,13.88</u>	26,13.88
	<u>26,13.88</u>	<u>26,13.88</u>
(vi) Surplus in Statement of Profit & Loss		
Balance as per last Financial Statement	<u>1,69,11.33</u>	1,31,34.46
Add: Profit for the year	<u>49,52.18</u>	48,29.08
	<u>2,18,63.51</u>	<u>1,79,63.54</u>
Less: Appropriations		
Interim Dividend @	<u>3,08.88</u>	3,08.88
Tax on Interim Dividend	<u>62.88</u>	61.76
Proposed Final Dividend @	<u>5,66.29</u>	5,66.29
Tax on Proposed Final Dividend	<u>1,15.28</u>	1,15.28
	<u>2,08,10.18</u>	<u>1,69,11.33</u>
Total Reserves and Surplus (i to vi)	<u>2,72,89.85</u>	<u>2,33,91.00</u>

@ During the year, the Company has paid Interim Dividend of Rs. 3/-; (Previous Year Rs. 3/-) per equity share. The Board of Directors has recommended Final Dividend of Rs. 5.50/-; (Previous Year Rs. 5.50/-) per equity share for Financial year 2015-16, which is subject to approval of the shareholders in the ensuing Annual General Meeting.

3 LONG-TERM BORROWINGS

	Non-Current Portion		Current Portion	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
(i) Secured				
Term Loans From Banks (a.1)	<u>17,17.77</u>	40,94.94	<u>22,16.71</u>	17,98.18
Term Loans From a Bank (a.2)	-	-	-	2,31.60
Housing Loans from HDFC Ltd. (b)	-	-	-	35.72
Vehicle Loans from Banks (c)	<u>30.03</u>	45.46	<u>45.05</u>	38.71
	<u>17,47.80</u>	<u>41,40.40</u>	<u>22,61.76</u>	<u>21,04.21</u>
(ii) Unsecured				
Deposits (d)	<u>3,91.28</u>	2,68.54	<u>87.00</u>	2,10.44
Total (i) + (ii)	<u>3,91.28</u>	<u>2,68.54</u>	<u>87.00</u>	<u>2,10.44</u>
(iii) Amount disclosed under the head "Other current liabilities" (Note No. 9)	-	-	<u>23,48.76</u>	23,14.65
Total (i) + (ii) - (iii)	<u>21,39.08</u>	<u>44,08.94</u>	<u>-</u>	<u>-</u>

(a) (i) Securities:

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

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

AS AT 31ST MARCH 2016				AS AT 31ST MARCH 2015			
As at 31.03.2016	Rate of Interest	No. of Outstanding Instalments	Periodicity	As at 31.03.2015	Rate of Interest	No. of outstanding Instalments	Periodicity
-	4.40% linked with Libor Rate	}	}	2,93.12	4.32% linked with Libor Rate	5	Quarterly Equal
-	4.40% linked with Libor Rate			-	9,31.64		
2,75.49	4.40% linked with Libor Rate	5	Quarterly Equal	4,67.90	5.22% linked with Libor Rate	9	Quarterly Equal
14,42.28	11.00% Fixed Rate	18	Monthly Equal	24,02.28	11.75% Fixed Rate	33	Monthly Graded
17,17.77				40,94.94			

(b) Housing Loans From HDFC Ltd.

Rs. Nil; (Previous Year Rs. 35.72) is secured by way of first equitable mortgage of ground floor of the property purchased with collateral security of rest of the said property owned by the other borrower and non-current portion of Rs. Nil; (Previous Year Rs. Nil) and carries rate of interest of 12.75% p.a. for the Previous Year.

(c) Secured by hypothecation of vehicles purchased under the scheme and non-current portion of Rs. 30.03; (Previous Year Rs. 45.46) is repayable ranging from 2 to 23 equated monthly instalments (previous year 4 to 20 equated monthly instalments) in 2016-17 onwards as per the repayment schedule and carries rate of interest of 10.39% to 9.50% (Previous year 10.45% to 10.39%) p.a.

(d) Deposits from public carries rate of interest @ 9.50% to 10.00%; (Previous year 10.50% to 11.00%) p.a. and non-current portion of Rs. 3,91.28; (Previous year Rs. 2,68.54) is repayable after 1 to 3 years (Previous year 1 to 3 years) from the date of acceptance of deposits.

(Rs. in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
4 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability on account of		
Depreciation and Amortisation Expenses	<u>24,24.71</u>	<u>24,68.25</u>
	<u>24,24.71</u>	<u>24,68.25</u>
Deferred Tax Assets on account of *		
Amount allowable on payment basis	<u>1,04.69</u>	91.38
Unabsorbed Depreciation/Carry forward Loss	<u>1,97.94</u>	1,51.67
Voluntary Retirement Scheme	<u>8.40</u>	1,13.60
	<u>3,11.03</u>	<u>3,56.65</u>
Deferred Tax Liabilities (Net)	<u>21,13.68</u>	<u>21,11.60</u>
5 OTHER LONG-TERM LIABILITIES		
Interest accrued but not due on Deposits	<u>29.82</u>	27.78
Trade Deposits	<u>13.29</u>	12.29
	<u>43.11</u>	<u>40.07</u>

*On consideration of prudence, the Subsidiary Company has accounted deferred tax assets only to the extent of deferred tax liabilities.

ORIENTAL CARBON & CHEMICALS LIMITED

6 PROVISIONS

	Long - Term		Short - Term	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
Provision for Employee Benefits	1,98.62	1,31.12	25.66	32.52
Proposed Final Dividend	-	-	5,66.29	5,66.29
Tax on Proposed Final Dividend	-	-	1,15.28	1,15.28
Provision for Sales Tax Liability against pending C-Forms	-	-	17.35	24.80
Provision for Current Tax (Net)	-	-	-	34.51
	<u>1,98.62</u>	<u>1,31.12</u>	<u>724.58</u>	<u>7,73.40</u>

7 SHORT-TERM BORROWINGS

Secured

Loans repayable on Demand

Cash Credit & Packing Credit facilities from Banks	41,07.83	39,78.75
	<u>41,07.83</u>	<u>39,78.75</u>

Securities

In respect of Holding Company, Cash Credit & Packing Credit facilities amounting to Rs. 27,74.02; (Previous year Rs. 25,72.66) are secured by first exclusive charge on entire current assets of the Holding Company and second charge over the entire fixed assets including equitable mortgage of factory land and building of Mundra SEZ unit and second pari-pasu charge with Exim Bank on entire fixed assets including equitable mortgage of factory land and building of Dharuhera unit and other fixed assets of the Holding Company (except assets having specific charge).

In respect of Subsidiary Company, Cash Credit facilities amounting to Rs. 13,33.81; (Previous year Rs. 14,06.09) are secured by Primary first exclusive mortgage / hypothecation charge on the tangible movable / immovable fixed assets at Ranjangaon, Pune of the Subsidiary Company and collateral charge on the current assets of the Subsidiary Company. Further secured by Corporate Guarantees of the Holding Company and Cosmopolitan Investments Ltd.

8 TRADE PAYABLES

Micro, Small and Medium Enterprises *	1,92.00	1,90.89
Others	17,87.61	27,73.83
	<u>19,79.61</u>	<u>29,64.72</u>

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

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

a) Principal amount due	1,92.00	1,90.89
b) Interest due and remaining unpaid as at year end	1.65	1.61
c) Further interest remaining due and payable for earlier years	1.61	-

9 OTHER CURRENT LIABILITIES

Current maturities of Long-Term Borrowings	22,16.71	20,29.78
Current maturities of Housing Loans	-	35.72
Current maturities of Vehicle Loans	45.05	38.71
Current maturities of Deposits	87.00	2,10.44
Interest accrued and due on Borrowings	28.47	43.35
Interest accrued but not due on Borrowings	-	2.77
Advance Received from and Credit Balance of Customers	1,42.80	68.59
Unpaid Dividend	99.21	78.02
Unpaid and Unclaimed Matured Deposits & interest accrued thereon #	21.41	19.71
Creditors for Capital Goods	4,69.81	82.47
Statutory Dues Payable	3,63.67	3,93.39
Employees Liabilities	6,64.71	4,55.86
Security Deposits	8.90	8.90
Directors' Commission	42.41	39.69
Other Payable	2,10.07	1,36.61
	<u>44,00.22</u>	<u>36,44.01</u>

Includes Rs. 12.95; (Previous year Rs. 12.95) under legal disputes between the Joint Holders of the deposits.

ORIENTAL CARBON & CHEMICALS LIMITED

10 FIXED ASSETS

(Rs. in lakhs)

Description	GROSS BLOCK COST / BOOK VALUE				DEPRECIATION & AMORTISATION					NET BLOCK	
	As at March 31, 2015	Additions	Deductions/ Adjustments	As at March 31, 2016	As at March 31, 2015	For the Year	Impairment Loss	Deductions/ Adjustments	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
A. Tangible Assets											
Freehold Land	1,41.34*	-	-	1,41.34	-	-	-	-	-	1,41.34	1,41.34
Leasehold Land	8,47.57	1,85.66	-	10,33.23	1,13.72	29.25	-	-	1,42.97	8,90.26	7,33.85
Leasehold Building	14,32.52	1.90	-	14,34.42	2,15.63	38.54	-	-	2,54.17	11,80.25	12,16.89
Buildings	75,11.92	26.40	-	75,38.32	12,12.61	3,39.95	-	-	15,52.56	59,85.76	62,99.31
Plant and Equipment	1,82,81.78	9,60.90	1,71.76	1,90,70.92	71,42.02	9,00.34	2,50.00	1,03.97	81,88.39	1,08,82.53	1,11,39.76
Electrical Installations	19,32.96	4.72	-	19,37.68	8,61.65	2,09.48	-	-	10,71.13	8,66.55	10,71.31
Furniture & Fixtures	4,26.50	12.15	0.05	4,38.60	1,86.82	41.71	-	0.05	2,28.48	2,10.12	2,39.68
Vehicles	4,66.45	40.44	8.87	4,98.02	1,55.85	1,12.26	-	3.74	2,64.37	2,33.65	3,10.60
Air-Conditioners & Coolers	97.23	6.82	3.09	1,00.96	29.94	11.48	-	1.14	40.28	60.68	67.29
Office Equipment	3,63.40	27.16	7.46	3,83.10	2,36.64	50.99	-	6.76	2,80.87	1,02.23	1,26.76
Total	3,15,01.67	12,66.15	1,91.23	3,25,76.59	1,01,54.88	17,34.00	2,50.00	1,15.66	1,20,23.22	2,05,53.37	2,13,46.79
Previous Year	3,09,06.75	10,56.59	4,61.67	3,15,01.67	88,38.26	15,93.02	-	2,76.40	1,01,54.88	2,13,46.79	
B. Intangible Assets											
Software	2,85.86	45.09	-	3,30.95	1,60.21	50.40	-	-	2,10.61	1,20.34	1,25.65
Total	2,85.86	45.09	-	3,30.95	1,60.21	50.40	-	-	2,10.61	1,20.34	1,25.65
Previous Year	2,53.89	31.97	-	2,85.86	1,15.18	45.03	-	-	1,60.21	1,25.65	-

* Includes amount added on revaluation Rs. 63.91.

Notes:

- Gross Block includes Rs. 1,76.21; (Previous Year Rs.1,50.06) purchased under Car Finance Scheme.
- The Holding Company has exercised option under notification no. GIR 914 (E) dated 29th December'2011 issued by Ministry of Corporate Affairs and accordingly net exchange loss for the year amounting to Rs. 1,38.39; (Previous Year Net Exchange Gain Rs. 99.97) on long term foreign currency borrowing has been adjusted with the depreciable fixed assets acquired. As at 31st March 2016, Rs. 4,43.74; (Previous Year Rs.3,27.18) remain to be amortised over the balance life of the assets.
- During the year the Subsidiary Company has discontinued its Tube Valve product line of ABU Division post the Balance Sheet date and the assets pertaining to this product line have been impaired to their realisable value resulting in an Impairment Loss of Rs. 2,50.00 which has been provided in the current year.
- During the year the Company has identified Significant Components of the fixed assets having different useful life from the useful life of remaining fixed assets. Due to which depreciation for the year is higher by Rs. 3,23.40

(Rs. in Lakhs)

As at
31st March, 2016

As at
31st March, 2015

11 NON-CURRENT INVESTMENTS

Long Term Investment (Non Trade)

Investment in Equity Shares - Quoted (at Cost)

2.08

2.08

2.08

2.08

Investment in Equity Shares - Unquoted (at Cost)

15.60

15.60

15.60

15.60

17.68

17.68

Aggregate amount of Quoted Investments

2.08

2.08

Aggregate amount of Unquoted Investments

15.60

15.60

Aggregate market value of Quoted Investments

12.53

12.53

ORIENTAL CARBON & CHEMICALS LIMITED

12 LOANS AND ADVANCES

(Rs. in Lakhs)

(Unsecured, Considered Good)

	Long - Term		Short - Term	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
Loans to Other Companies	39.00	4,03.00	5,00.00	-
Capital Advances*	30,74.81	22,39.42	-	-
Security Deposits	3,69.00	3,82.21	0.42	21.97
Loan and Advances to Employees	32.72	35.49	44.30	42.23
Balances with Government Authorities	-	-	1,45.39	1,48.62
Income Tax Refund Receivable (Net)	-	-	2,81.85	2,14.11
Other Advances	-	-	1,57.17	1,75.44
Prepaid Expenses	4.38	5.82	1,50.23	87.76
MAT Credit Entitlement	13,43.32	12,44.31	-	-
	<u>48,63.23</u>	<u>43,10.25</u>	<u>12,79.36</u>	<u>6,90.13</u>

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

13 CURRENT INVESTMENTS

Quoted (At Cost or Fair Value whichever is Lower)

	As at 31st March, 2016	As at 31st March, 2015
Investments in Mutual Funds	15,48.49	26,60.74
	<u>15,48.49</u>	<u>26,60.74</u>
Aggregate amount of Unquoted Investments (at Cost)	15,48.49	26,60.74
Aggregate Net Asset Value of Unquoted Investments	15,65.38	26,94.58
Aggregate of excess of carrying cost over fair value	-	-

14 INVENTORIES

(Valued at lower of cost or net realisable value)

Raw Materials	17,50.06	19,72.82
Work-in-Progress	2,13.88	3,42.22
Finished Goods	24,53.18	22,25.73
Traded goods	8.42	10.81
Scrap	15.54	27.20
Stores and Spares	6,10.24	6,73.42
Fuel	30.09	50.81
	<u>50,81.41</u>	<u>53,03.01</u>
Includes in transit :		
Raw Materials	85.36	1,76.87
Stores & Spares	5.67	5.41

15 TRADE RECEIVABLES

Outstanding for a period exceeding six months (from due date)

Secured, Considered Good	0.39	-
Unsecured, Considered Good	91.04	41.39
Unsecured, Considered Doubtful	1,38.68	82.53
	2,30.11	1,23.92
Less: Provision for Doubtful Debts	1,38.68	82.53
	<u>91.43</u>	<u>41.39</u>
Outstanding for a period less than six months		
Secured, Considered Good	5.70	7.78
Unsecured, Considered Good	59,93.53	67,09.08
	<u>59,99.23</u>	<u>67,16.86</u>
	<u>60,90.66</u>	<u>67,58.25</u>

ORIENTAL CARBON & CHEMICALS LIMITED

(Rs. in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
16 CASH AND BANK BALANCES		
(a) Cash and Cash Equivalents		
Cash on hand	2.56	1.95
Cheques on hand	3.25	-
Balance with Banks:		
In Current Accounts	3,99.01	9,60.06
Fixed Deposit with Maturity less than 3 months	-	2,95.81
	<u>4,04.82</u>	<u>12,57.82</u>
(b) Other Bank Balances		
Earmarked Balances with Banks		
Unpaid Dividend Account	99.21	78.02
Deposit Repayment Reserve Account*	35.00	-
Fixed Deposit with Bank*	-	29.57
Other Fixed Deposit with Maturity more than 12 months **	5,58.26	4,59.82
	<u>6,92.47</u>	<u>5,67.41</u>
	<u>10,97.29</u>	<u>18,25.23</u>

* Under Rule 13 of the Companies (Acceptance of Deposits) Rules, 2014.

** Includes Rs. 98.65 (Previous Year Rs. 91.02) pledged with Government Authority and Rs. 4,59.61 (Previous Year Rs. 3,68.80) against margin money which can be withdrawn at any point of time without prior notice or exit costs on the principal amount.

17 OTHER CURRENT ASSETS

Unsecured, Considered Good

Export Incentive Receivable	3,04.25	6.04
Accrued Interest Income	40.78	75.97
Fixed Assets held for sale (At lower of Book Value and Net Realisable Value)	14.54	5.18
Other Receivables (Comprises of Service Tax, CST, Excise Duty Receivable, etc.)	1,69.55	3,67.30
	<u>5,29.12</u>	<u>4,54.49</u>

ORIENTAL CARBON & CHEMICALS LIMITED

NOTES FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT & LOSS

			(Rs. in Lakhs)
	For the Year Ended 31st March, 2016		For the Year Ended 31st March, 2015
18 REVENUE FROM OPERATIONS			
Sale of Products			
Insoluble Sulphur	2,61,99.58	2,73,28.23	
Sulphuric Acid & Oleum	22,74.28	21,33.44	
Passenger and Truck Valves	28,06.08	31,37.67	
Hydraulic and Pneumatic Equipments	37,12.76	32,12.84	
Others	<u>6,19.80</u>	7,11.09	3,65,23.27
Other Operating Revenues			
Export and Other Incentives		<u>3,42.99</u>	43.94
Gross Revenue from operations		<u>3,59,55.49</u>	3,65,67.21
Less: Excise Duty		<u>21,42.80</u>	19,00.59
Net Revenue from operations		<u>3,38,12.69</u>	<u>3,46,66.62</u>
19 OTHER INCOME			
Dividend on Current Investments		1,27.74	1,01.60
Profit on Redemption of Current Investments		28.59	-
Dividend on Non-Current Investments		0.64	0.55
Interest Income			
- On Deposits	73.61	98.95	
- On Loans	35.48	40.30	
- Others	<u>9.87</u>	27.79	1,67.04
Loans and Debts earlier written-off, now recovered		-	30.00
Net gain on Foreign currency translations and transactions (Not Considered as Finance Cost)		1,65.55	9,58.66
Rent Received		10.13	20.71
Provision for Doubtful Debts written back		-	3.11
Provision no longer Required / Advance Received written back		84.25	16.31
Adjustment to the carrying amount of Long-term Investments		-	0.81
Profit on Sale of Investment (Net)		-	3.07
Insurance Claim Received		3.78	-
Scrap Sales		15.89	26.22
Subsidy Received - IPS 2007 Scheme		-	10.45
Miscellaneous Income (comprises of Support Services, Cash discount, Claims and other receipts)		<u>12.30</u>	24.23
		<u>5,67.83</u>	<u>13,62.76</u>

ORIENTAL CARBON & CHEMICALS LIMITED

	For the Year Ended 31st March, 2016	(Rs. in Lakhs) For the Year Ended 31st March, 2015
20 COST OF MATERIALS CONSUMED		
Sulphur	34,36.84	35,97.93
Carbon di sulphide	2,88.08	3,62.49
Coating Oil	30,66.22	39,35.13
Metal	10,21.80	12,72.35
Rubber	1,88.50	3,05.96
Others	33,86.74	37,39.63
	<u>1,13,88.18</u>	<u>1,32,13.49</u>
21 PURCHASES OF TRADED GOODS		
Sulphuric Acid	-	16.39
Valve Cores & High Pressure Valves	43.18	46.57
	<u>43.18</u>	<u>62.96</u>
22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
I Inventories as at the beginning of the Year		
Finished Goods	22,25.73	18,00.47
Work-in-Progress	3,42.22	4,61.75
Traded goods	10.81	20.07
Scrap	27.20	33.05
	<u>26,05.96</u>	<u>23,15.34</u>
II Inventories as at end of the Year		
Finished Goods	24,53.18	22,25.73
Work-in-Progress	2,13.88	3,42.22
Traded goods	8.42	10.81
Scrap	15.54	27.20
	<u>26,91.02</u>	<u>26,05.96</u>
Changes in Inventories (I - II)	(85.06)	(2,90.62)
23 EMPLOYEES BENEFIT EXPENSES		
Salaries, Wages and Bonus	37,99.40	33,09.73
Contribution to Provident and Other Funds	2,46.31	2,54.58
Employee Welfare Expenses	4,21.45	4,32.02
	<u>44,67.16</u>	<u>39,96.33</u>
Less: Transfer to Capital Work-in-Progress	1,11.62	55.79
	<u>43,55.54</u>	<u>39,40.54</u>

ORIENTAL CARBON & CHEMICALS LIMITED

(Rs. in Lakhs)

	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
24 OTHER EXPENSES		
Stores Consumed	1,92.04	2,17.07
Packing Cost	7,50.50	7,67.00
Power and Fuel	35,65.25	42,00.72
Water Charges	70.07	54.32
Rent*	2,65.69	2,72.54
Rates and Taxes	64.77	1,29.79
Insurance	1,32.23	1,37.58
Repairs to Buildings	64.63	59.95
Repairs to Machinery	8,68.95	10,88.30
Repairs to Others	1,26.53	1,12.55
Job Charges	2.66	-
Freight & Forwarding	17,21.95	16,47.67
Commission and Discount	4,03.97	3,83.90
Travelling	3,07.92	3,12.09
Legal and Professional	2,72.65	2,26.84
Service Charges	1,72.78	1,37.44
Loss on Sale /Discard of Fixed Assets (Net)	59.67	1,16.15
Bad Advances / Debts	30.63	39.01
Provision for Doubtful Debts	56.14	79.35
Donations [Includes for CSR Activities Rs. 1,02.89 (Previous year Rs. 90)]	1,02.99	90.15
Excise Duty on Increase of finished goods Stock	19.10	37.72
Directors' Commission & Fees	71.60	67.20
Prior Period	0.99	1.16
Miscellaneous **	7,32.44	7,45.81
	1,00,56.15	1,09,24.31
Less: Transfer to Capital Work-in-Progress	1,22.00	2.68
	99,34.15	1,09,21.63
* Net of recovery of Rs. 20.63; (Previous year Rs. 18.05).		
** Miscellaneous include Auditors' Remuneration as follows :		
(i) Statutory Auditor:		
As Auditor	17.14	14.90
For Limited Review	4.65	3.90
For Tax Audit	3.50	3.25
For Certification, Consolidation and other Matters	3.20	3.50
Travelling and other out of pocket Expenses	0.98	0.88
	29.47	26.43
(ii) Cost Auditor:		
As Auditor	1.25	1.15
Travelling and other out of pocket expenses	-	0.04
	1.25	1.19
	30.72	27.62

ORIENTAL CARBON & CHEMICALS LIMITED

	For the Year Ended 31st March, 2016	(Rs. in Lakhs) For the Year Ended 31st March, 2015
25 FINANCE COSTS		
Interest	7,73.47	9,49.06
Other Borrowing Cost	<u>73.75</u>	<u>86.02</u>
	8,47.22	10,35.08
Less: Transfer to Capital Work-in-Progress	<u>6.00</u>	<u>-</u>
	8,41.22	10,35.08
26 DEPRECIATION AND AMORTISATION (Note No. 10)		
Depreciation on tangible assets including Impairment Loss	19,84.00	15,93.02
Amortisation of Intangible Assets	<u>50.40</u>	<u>45.03</u>
	20,34.40	16,38.05
27 CURRENT TAX		
Current Tax for the year	13,60.00	13,10.00
Less: MAT Credit Entitlement	3,98.50	4,12.55
Add: Write down of MAT Credit Entitlement	2,99.50	-
Add: Taxation adjustments in respect of earlier years (Net)	<u>0.01</u>	<u>(183.07)</u>
	12,61.01	7,14.38

28 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Accounting

The financial statements have been prepared to comply with the Accounting Standards referred to in section 133 and other relevant provisions of The Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

(B) Use of Estimates

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

(C) Classification of Assets and Liabilities as Current and Non Current

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current/ non-current classification of assets and liabilities.

(D) Revenue Recognition

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

(E) Fixed Assets

Fixed assets are stated at cost or at revalued amount less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The carrying amounts are reviewed at each balance sheet date, if there is any indication of impairment

ORIENTAL CARBON & CHEMICALS LIMITED

based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing, value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. (Also refer note no. 10 (ii) & 10 (iii))

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

(F) Depreciation

Tangible Assets

Depreciation on Fixed Assets has been provided on straight line method with reference to the economic useful life of its fixed assets as prescribed in Schedule II to the Companies Act, 2013 except in case of Vehicles useful life is considered by 5 Years instead of 8 Years. Depreciation on machinery spares is provided retrospectively from the date the related assets are put to use. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure. Additions to Fixed Assets on leased land and premises are amortised over the lease period. Moreover in case of Subsidiary Company Asset purchased for value not exceeding Rs. 5000/- is fully depreciated in the year of Purchase.

Intangible Assets

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

(G) Expenditure on new projects , substantial expansion and during construction period

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

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

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

(H) Foreign Currency Transactions

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Monetary items related to foreign currency transactions are restated at year end exchange rates. All exchange differences arising from such conversion including gain or loss on cancellation of foreign currency forward covers are included in the Statement of Profit & Loss except exchange difference arising on long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets are capitalised. (refer note no. 10(ii)). Premium / Discount on forward covers, covered under AS-11(i.e. The Effects of Changes in Foreign Exchange Rates) are recognised over the tenure of the contract.

(I) Inventories

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

(J) Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Primary Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Revenue, Expense, Assets and Liabilities, which relate to the Company as a whole and could not be allocated to segments on a reasonable basis, have been classified as unallo-

ORIENTAL CARBON & CHEMICALS LIMITED

cated. Secondary segment is identified based on geography by location of customers i.e. in India and outside India. Inter-segment revenue have been accounted for based on the transaction price agreed to between the segments, which is primarily market based.

(K) Retirement and other employee benefits

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

(L) Investments

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

(M) Taxation

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

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

(N) Borrowing Cost

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

(O) Operating Leases

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

(P) Derivatives

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

(Q) Cash & Cash Equivalents

Cash & Cash Equivalents comprises Cash on hand, Balances with Banks and Deposits with Banks maturing within three months from the Balance Sheet date.

(R) Provisions

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

(S) Contingent Liabilities

A disclosure is made for possible or present obligations that may but probably will not require outflow of resources or where a reliable estimate cannot be made, as a contingent liability in the financial statements.

28.01 Principles of Consolidation

- (a) The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, and the Accounting Standards referred to in Section 133 and the relevant provisions of the Companies Act, 2013.

ORIENTAL CARBON & CHEMICALS LIMITED

- (b) Consolidated Financial Statements relates to M/s Oriental Carbon & Chemicals Limited (the Company) and its Subsidiary M/s Schrader Duncan Limited, a Company incorporated in India.

The Company's interest in Subsidiary is 50.01 % .

The Consolidated Financial Statements are in conformity with the AS-21 referred to in Section 133 and the relevant provisions of the Companies Act, 2013 and prepared on the following basis:

- i) The financial statements of the company and its subsidiary have been combined on a line by line basis by adding together the book values of like items of assets , liabilities , income and expenses after fully eliminating inter company balances and transactions.
- ii) The consolidated Financial Statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except provision for depreciation for some assets, which is not material to the Consolidated Financial Statements.
- iii) Minority interest in the consolidated financial statements is identified and recognised after taking into consideration the amount of equity attributable to minority at date on which investments in subsidiary is made.

(Rs. in Lakhs)

	As At 31st March' 2016	As At 31st March' 2015
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29 CONTINGENT LIABILITIES & COMMITMENTS:

29.01 Contingent Liabilities

(i) Bank Guarantees given to various Govt.Authorities/Others (Margin money/Short Term Deposits Rs. 8.96; Previous year Rs. 5.64)	65.20	48.79
(ii) Bills discounted with Banks	13,01.93	13,91.02
(iii) Corporate guarantee given to a bank for loan taken by Subsidiary Company(to the extent loan outstanding)	11,92.06	14,69.21
(iv) Matters under Litigations / Appeals		
(a) Central Excise & Service Tax Matters (Deposited Rs. 85.58; Previous year Rs.85.58)	1,40.12	1,45.26
(b) Other Matters (Deposited Rs. 12.00 ; Previous year Rs. 12.00)	22.69	22.69
(c) Income Tax Matters (Deposited Rs. 23.75; Previous year Rs. 24.57)	1,00.26	46.60
(d) Sales Tax Matters	50.76	66.80
(v) Subsidiary Company's Statutory Bonus Liabilities for the Financial year 2014-15 pursuant to the retrospective amendment in the Bonus Act, 1965. The Company is hopeful of favourable decisions and expect no outflow of resources, hence no provision is made in the books of account.	30.36	-

29.02 Commitments

(i) Estimated amount of capital commitments outstanding and not provided for (Gross) (Advance paid Rs. 29,99.81; Previous year Rs.21,64.42)	56,45.77	21,41.17
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30 OTHER NOTES ON ACCOUNTS

30.01 Segment Reporting

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

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

The following tables present the revenue, profit, assets and liabilities information relating to the Business/Geographical segment for the year ended 31.03.2016.

ORIENTAL CARBON & CHEMICALS LIMITED
Information about Business Segment - Primary
(Rs. In Lakhs)

Reportable Segments	Chemicals		Automotive Products		Fluid Power & Auto- mation		Total	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Revenue								
External	2,74,71.72	2,82,57.35	30,45.55	35,12.01	32,95.42	28,97.26	3,38,12.69	3,46,66.62
Total Revenue from operations	2,74,71.72	2,82,57.35	30,45.55	35,12.01	32,95.42	28,97.26	3,38,12.69	3,46,66.62
Result								
Segment Result	69,67.68	69,65.10	(3,23.75)	(4,03.12)	3,73.14	3,63.33	70,17.07	69,25.31
Unallocated Corporate Income (Net)							3,06.94	3,81.98
Finance costs							8,41.22	10,35.08
Profit before Exceptional Items and Tax							58,68.91	55,08.25
Exceptional items							-	-
Profit before Tax and Minority Interest							58,68.91	55,08.25
Less: Provision for Taxation(Including Deferred Tax)							12,63.09	9,81.51
Profit for the year before Minority Interest etc							46,05.82	45,26.74
Less: Profit / (Loss) attributable to Minority Interest							(3,46.36)	(3,02.34)
Profit for the year attributable to Holding Company							49,52.18	48,29.08
Other Information								
Segment Assets	3,60,93.50	3,31,06.20	23,77.29	32,95.93	24,04.60	24,92.75	4,08,75.39	3,88,94.88
Unallocated Corporate Assets							42,62.59	50,36.50
Total Assets	3,60,93.50	3,31,06.20	23,77.29	32,95.93	24,04.60	24,92.75	4,51,37.98	4,39,31.38
Segment Liabilities	27,92.37	25,95.75	3,28.48	7,36.32	9,07.25	8,88.59	40,28.10	42,20.66
Unallocated Corporate Liabilities (Including Deferred tax Liabilities Rs. 21,13.68 (Previous year Rs. 21,11.60) and Borrowings Rs. 86,67.25 (Previous year Rs. 1,07,88.53))							1,16,78.63	1,38,31.95
Total Liabilities	27,92.37	25,95.75	3,28.48	7,36.32	9,07.25	8,88.59	1,57,06.73	1,80,52.61
Capital Expenditure	46,98.75	10,97.45	25.75	1,21.46	1,04.11	37.28	48,28.61	12,56.19
Unallocated Capital Expenditure							0.50	42.00
Total Capital Expenditure							48,29.11	12,98.19
Depreciation	15,65.12	13,08.05	3,78.02	2,48.93	61.25	51.01	20,04.39	16,07.99
Unallocated Depreciation							30.01	30.06
							20,34.40	16,38.05
Secondary Segment - Geographical by location of customers								
Reportable Segments	Domestic		Export		Total			
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15		
Revenue	1,66,16.50	1,54,60.34	1,71,96.19	1,92,06.28	3,38,12.69	3,46,66.62		
Carrying amount of Trade Receivables	33,89.58	36,51.62	27,01.08	31,06.63	60,90.66	67,58.25		
Finished Goods Stock	9,68.76	9,82.72	14,92.84	12,53.82	24,61.60	22,36.54		
Other Information:								
The company has common assets for producing goods for domestic market and overseas market.								

ORIENTAL CARBON & CHEMICALS LIMITED

Notes:

- (i) The Company is organised into three main business segments, namely;
- Chemicals (Including Insoluble Sulphur, Sulphuric Acid and Oleum);
 - Automotive Products
 - Fluid Power & Automation
- Segments have been identified and reported taking into account, the nature of products, the differing risks and returns, the organisation structure, and the internal financial reporting systems.
- (ii) The segment revenue in the geographical segments considered for disclosure are as follows:
- (a) Revenue within India includes sales to customers located within India and earnings in India.
- (b) Revenue outside India includes sales to customers located outside India and earnings outside India and export incentives/benefits.
- (iii) Segment, Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

30.02 Related Party Disclosures (To the extent Identified by the Company)

1 Name & Relationship of the Related Parties:

- (a) Duncan International (India) Limited : Enterprise over which relative of key management personnel is having significant influence.
- (b) Cosmopolitan Investments Ltd. : Enterprise over which key management personnel is having significant influence.
(w.e.f 17.12.2015)
- (c) Haldia Investments Ltd. : Subsidiary of Cosmopolitan Investments Ltd.
(w.e.f. 17.12.2015)
- (d) Disciplined Investments Ltd. : Subsidiary of Cosmopolitan Investments Ltd.
(w.e.f. 17.12.2015)
- (e) Mr. Arvind Goenka - Managing Director : Key Management Personnel
- (f) Mr. Akshat Goenka- Vice President : Key Management Personnel
(From 01.04.15 to 31.05.15) : Key Management Personnel
Joint Managing Director
(From 01.06.15 onwards)
- (g) Mr.Shreyans Goenka - Sr.Manager : Relative of Key Management Personnel
- (h) Mrs. Aparna Goenka } : Relative of Key Management Personnel
- (i) Mrs. Uma Goenka } (From 01.04.2015 : Relative of Key Management Personnel
- (j) Ms. Shreya Goenka } to 12.08.2015) : Relative of Key Management Personnel
- (k) Ms. Sujata Goenka } : Relative of Key Management Personnel

2 Transactions with Related Parties during the year:

(Rs. in lakhs)

Particulars	Enterprise over which relative of key management personnel having significant influence		Enterprise over which key management personnel having significant influence		Key Management Personnel		Key Management Personnel		Relative of Key Management Personnel		Relative of Key Management Personnel		Relative of Key Management Personnel		Relative of Key Management Personnel		Relative of Key Management Personnel	
	Refer 1 (a)		Refer 1 (b)		Refer 1(e)		Refer 1(f)		Refer 1(g)		Refer 1(h)		Refer 1(i)		Refer 1(j)		Refer 1(k)	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
(a) Service charges reimbursed	64.20	60.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Expenses Reimbursed / (Recovered) (Net)	(5.49)	(2.84)	17.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Remuneration@	-	-	-	-	1,57.43	1,43.27	1,24.57	37.06	24.37	13.70	-	-	-	-	-	-	-	-
(d) Dividend Paid	84.54	78.79	-	-	13.28	12.50	8.50	8.00	5.70	8.29	29.93	31.50	10.11	14.71	6.80	9.89	1.15	1.68
(e) Outstanding Payable as on 31.03.2016	-	-	-	-	47.75	48.26	40.08	9.17	1.61	1.62	-	-	-	-	-	-	-	-

@ Excludes Actuarial Valuation of Retirement Benefits.

ORIENTAL CARBON & CHEMICALS LIMITED

30.03 Earnings per Share (EPS)

	Before Exceptional Items (net of tax expense) For the year ended		After Exceptional Items (net of tax expense) For the year ended	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Profit attributable to the Equity Shareholders (A) (Rs. in Lakhs)	49,52.18	48,29.08	49,52.18	48,29.08
Number of Equity Shares (B)	10296062	10296062	10296062	10296062
Nominal value of Equity Shares (Rs.)	10.00	10.00	10.00	10.00
Basic and Diluted Earnings per Share (Rs.)-A/B	48.10	46.90	48.10	46.90

30.04 i) Outstanding Forward Covers in respect of foreign currencies for Hedging.

(Foreign currency and Indian currency in Lakhs)

Currency	Cross Currency	As On	
		31st March, 2016	31st March, 2015
Future Export sales			
USD	INR	49.72	54.99
EURO	USD	28.10	36.00
EURO	INR	17.45	12.00

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

Currency	Cross Currency	Payables				Receivables			
		As On		As On		As On		As On	
		31st March, 2016		31st March, 2015		31st March, 2016		31st March, 2015	
		Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR
USD	INR	9.14	6,07.98	32.55	20,37.16	7.35	4,87.69	5.49	3,43.26
EURO	INR	15.24	11,43.74	16.76	11,35.03	10.96	8,23.21	14.06	9,48.91
GBP	INR	-	-	-	-	0.32	30.42	0.43	40.08
JPY	INR	-	-	-	-	2,74.49	1,62.12	-	-

30.05 (a) Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary:

Particulars	As at 31st March 2016				As at 31st March 2015			
	Net Assets i.e. Total Asset less Total Liabilities		Share in Profit / (Loss)		Net Assets i.e. Total Asset less Total Liabilities		Share in Profit / (Loss)	
	As % of Consolidated Net Assets	Amount (in Lakhs)	As % of Consolidated Profit/ (Loss)	Amount (in Lakhs)	As % of Consolidated Net Assets	Amount (in Lakhs)	As % of Consolidated Profit/ (Loss)	Amount (in Lakhs)
Parent								
Oriental Carbon & Chemicals Limited *	92.45	2,72,10.12	115.04	52,98.73	88.74	2,29,64.72	113.36	51,31.60
Subsidiary Company								
Schrader Duncan Limited	7.55	22,21.13	(15.04)	(6,92.91)	11.26	29,14.05	(13.36)	(6,04.86)
Total	100.00	2,94,31.25	100.00	46,05.82	100.00	2,58,78.77	100.00	45,26.74

*after eliminating investment in subsidiary company

ORIENTAL CARBON & CHEMICALS LIMITED

30.05 (b) Statement containing salient features of the financial statement of Subsidiary Company, Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Name of the subsidiary : Schrader Duncan Limited

Particulars	As at 31st March 2016	As at 31st March 2015
Reporting period	1st April 2015 to 31st March 2016	1st April 2014 to 31st March 2015
Reporting currency	INR	INR
Share capital	3,69.60	3,69.60
Reserves & surplus	18,51.53	25,44.45
Total assets	54,07.48	64,82.10
Total Liabilities	31,86.35	35,68.05
Investments	0.80	0.80
Turnover (Net)	63,51.34	64,14.37
Profit/ (Loss) before taxation	(6,07.42)	(7,87.95)
Provision for taxation	85.50	(1,83.10)
Profit/(Loss) after taxation	(6,92.92)	(6,04.85)
Percentage of shareholding	50.01%	50.01%

30.06 Previous year figures have been regrouped to conform current year figures.

In terms of our Report of even date attached.

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

B.K. SIPANI
Partner

Membership No. 088926

Place : New Delhi
Date : 30th May, 2016

For and on behalf of the Board of Directors

ARVIND GOENKA
Managing Director

O.P. DUBEY
Director

P.K. MAITY
Company Secretary

ANURAG JAIN
Chief Financial Officer

ATTENDANCE SLIP

ORIENTAL CARBON & CHEMICALS LIMITED

CIN – L24297WB1978PLC031539

Regd. Off.: 31, Netaji Subhas Road, Kolkata – 700 001

Email: investorfeedback@occlindia.com; Website: www.occlindia.com

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP Id*	
--------	--

Folio No.	
-----------	--

Client Id*	
------------	--

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

NAME AND ADDRESS OF SHAREHOLDER

I hereby record my/our presence at 36th Annual General Meeting of the Company on Friday, the 22nd July, 2016 at 10.30 a.m. at ICC Auditorium (10th Floor), Indian Chamber of Commerce, ICC Towers, 4, India exchange Place, Kolkata – 700001

* Applicable for investors holding shares in electronic form

Signature of shareholder/Proxy

..... cut here.....

ORIENTAL CARBON & CHEMICALS LIMITED

CIN – L24297WB1978PLC031539

Regd. Off.: 31, Netaji Subhas Road, Kolkata – 700 001

Email: investorfeedback@occlindia.com; Website: www.occlindia.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):		Email Id:	
Registered address:		Folio No./*Client Id:	
		DP Id:	

I/We, being the member(s) of shares of the above named Company hereby appoint:

- 1) _____ of _____ having email id _____ or failing him
- 2) _____ of _____ having email id _____ or failing him
- 3) _____ of _____ having email id _____

and whose signature (s) are appended below as my / our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company, to be held on Friday, the 22nd July, 2016 at 10.30 a.m. at ICC Auditorium (10th Floor), Indian Chamber of Commerce, ICC Towers, 4, India exchange Place, Kolkata – 700001 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in box below:

Resolutions		For	Against
ORDINARY:			
1.	Adoption of Financial Statements for the year ended 31st March, 2016		
2.	Approval of Final Dividend and confirm the payment of interim dividend on Equity shares for the year 2015-16		
3.	Re-appointment of Mr. H S Shashikumar who retires by rotation		
4.	Ratification of Appointment of Auditors and fixing of their remuneration		
5.	Approval of the Remuneration of the Cost Auditor		
SPECIAL:			
6.	Approval under Section 180(a) of the Companies Act, 2013		

Signed this day of2016.

.....
Signature of member

.....
Signature of proxy holder(s)

Affix revenue stamp of not less than ₹0.15
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Notes:

- This form, in order to be effective, should be duly stamped, completed, signed, deposited at the registered office of the Company, not less than 48 hours before the meeting.**
- A proxy need not be a member of the Company.**
- This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.**
- Appointing a proxy does not prevent a member from attending the meeting in person, if he so wishes.



ORIENTAL CARBON & CHEMICALS LTD

31, Netaji Subhas Road, Kolkata-700001