



**RP - Sanjiv Goenka
Group**



Phillips Carbon Black Limited

Report & Accounts 2011-12



A photograph of the Phillips Carbon Black Plant at Kochi which has recently won the Golden Peacock Environment Management Award 2012.



Phillips Carbon Black Limited

Contents	<i>Page No.</i>
Notice	2
Directors' Report and Management Discussion and Analysis	6
Corporate Governance Report	11
Auditors' Report	16
Balance Sheet	18
Statement of Profit & Loss	19
Cash Flow Statement	20
Notes to Financial Statements	21
Consolidated Financial Statements alongwith Auditors' Report	37
Information regarding Subsidiary Companies	55
Financial Summary	56

Dr R P Goenka
Chairman Emeritus

Board of Directors

Mr Sanjiv Goenka, Chairman
Mr Ashok Goyal, Managing Director & CEO
Mr C R Paul
Mr O P Malhotra
Dr Ram S Tarneja
Mr K S B Sanyal
Mr Paras K Chowdhary
Mr Pradip Roy

Company Secretary

Mr Kaushik Mukherjee

Banks

Bank of Baroda
Allahabad Bank
State Bank of India
State Bank of Bikaner & Jaipur
IDBI Bank Limited
State Bank of Travancore
Export Import Bank of India
ICICI Bank Limited
Syndicate Bank
Citibank, N. A.

Auditors

Price Waterhouse
Chartered Accountants

Solicitors

Khaitan & Co.

Registered Office

31 Netaji Subhas Road
Kolkata 700 001

Notice

Notice is hereby given that the Fifty-first Annual General Meeting of the Members of Phillips Carbon Black Limited will be held at "Uttam Mancha", 10/1/1, Monoharpukur Road, Kolkata-700 026 on Friday, the 27th July, 2012 at 10.30 a.m. to transact the following business:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2012, the Balance Sheet as at that date, and the Reports of the Directors and Auditors.
2. To declare Dividend for the year ended 31st March, 2012.
3. To appoint a Director in place of Mr. K S B Sanyal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sanjiv Goenka, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to authorise the Board to fix their remuneration.

AS SPECIAL BUSINESS:

To consider, and if thought fit, to pass with or without modification(s) the following resolution:

6. (As an Ordinary Resolution)

"Resolved that pursuant to the provisions of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging on such terms and conditions and at such time or times, and in such form and manner, as it may think fit, the Company's present and/or future properties, whether immovable or movable, tangible or intangible comprised in any existing or new undertaking or undertakings of the Company, as the case may be, in favour of the Lenders, Agents and/or Trustees for securing the long term, short term including working capital loans and medium term borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency) and fully/partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rate notes/bonds or other debt instruments issued/to be issued by the Company as also deferred sales tax loans availed/to be availed by various units of the Company, from time to time, subject to the limits approved / as may be approved by the Members under Section 293(1)(d) of the Companies Act, 1956 as also the interest on the principal amounts at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, premium (if any) on redemption, remuneration of agent(s)/trustee(s), all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all

other monies payable by the Company in terms of loan agreement(s), heads of agreement, debenture trust deed(s) and/or any other deed(s) or document(s) entered into/to be entered into between the Company and the lender(s)/agent(s)/trustee(s)/state government(s)/agency(ies) representing various state government(s) and/or other agencies, etc. in respect of the said loans /borrowings/debentures/securities/deferred sales tax loans and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors of the Company (including any Committee thereof) and the lender(s)/agent(s)/trustee(s)/state government(s)/agency(ies), etc.

Resolved Further that the securities to be created by the Company as aforesaid may rank prior / *pari passu* / subservient with / to the mortgages and / or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board of Directors or its Committee and as may be agreed to between the concerned parties.

Resolved Further that, the Board or its Committee or Persons authorized by the Board, be and is/are hereby authorized to finalise, settle and execute any and all agreements, documents, deeds, writings and papers as may be necessary for creating the mortgages and/or charges as aforesaid and to do all acts, deeds, matters and things as it/they may, in its/their absolute discretion consider necessary, desirable or expedient for implementing this resolution and to resolve any question, difficulty or doubt relating thereto, or otherwise considered to be in the best interest of the Company."

7. (As a Special Resolution)

Resolved that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by substituting the second sentence of Article 96 by the following sentence:

"The Directors shall also be entitled to receive a commission of not exceeding 5% of the net profits of the Company in any financial year (to be computed in a manner laid down in Section 309 of the Act) in such proportions as may be determined by the Board from time to time and in default of such determination in equal proportions."

8. (As a Special Resolution)

"Resolved that pursuant to Section 310 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") including any statutory modification(s) or re-enactment thereof and subject to all permissions, sanctions and approvals as may be necessary, consent of the Company be and is hereby accorded for payment of commission, to the Director(s) of the Company who is/are not in the whole time employment of the Company and not Managing Director(s)/Whole Time Director(s), up to 5% of the net profits of the Company, computed as per the provisions of the Act at the end financial year,

for a period of 2 years commencing from the financial year 2011-12, in such manner and up to such extent as the Board of Directors and/or Remuneration Committee constituted by the Board of Directors may determine from time to time AND THAT the said commission be paid in addition to the fee payable to the Directors for attending the meetings of the Board or any committee thereof.

Resolved Further that for the purpose of giving effect to this resolution, the Board of Directors and/or Remuneration Committee of the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

Registered Office :
31, Netaji Subhas Road
Kolkata-700 001
29th May, 2012

By Order of the Board
Kaushik Mukherjee
Company Secretary

NOTES:

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Special Business to be transacted at the Annual General Meeting is attached.
2. **A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member.**
3. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
4. The Register of Members of the Company shall remain closed from 18th July, 2012 to 27th July, 2012 (both days inclusive).
5. The Securities and Exchange Board of India has made it mandatory for all companies to use the Bank account details furnished by the depositories for depositing dividend through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend.
6. The Company has transferred all unclaimed or unpaid Dividend declared upto the financial year ended 30th September, 2003 to the Investor Education and Protection Fund (IEPF) of the Central Government pursuant to Section 205A(5) of the Companies Act, 1956.
7. Dividends for the Financial Year ended 31st March, 2005 and thereafter, which remain unclaimed or unpaid for a period of seven years will be transferred to the IEPF under Section 205A(5) of the Act. Members who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 2005 or any subsequent financial years are requested to submit their claims to the Registered Office of the Company. It may also be noted that once the unclaimed dividend is transferred to IEPF as stated above, no further claim shall be entertained by the Company in respect thereof. The dividend for the financial year ended 31st March, 2005 is due to be transferred to the aforesaid Fund immediately after 27th August, 2012.
8. Members can avail of the nomination facility, under Section 109A of the Companies Act, 1956 by submitting Form No. 2B of the Companies (Central Government's) General Rules and Forms, 1956 with the Company. Blank forms will be made available on request.
9. If the dividend as recommended by the Board of Directors, is declared, at the Meeting, will be paid on and from 31st July, 2012 to those Members whose names appear on the Company's Register of Members or who are notified as beneficiaries by the Depositories viz. National Securities Depository Ltd., and Central Depository Services (India) Ltd. at the close of business on 17th July, 2012.
10. Members are requested to notify immediately any change of address:
 - i) To their Depository Participant (DPs) in respect of the electronic shares accounts, and
 - ii) To the Registrars and Share Transfer Agent/Share Department of the Company in respect of physical shares accounts.

In case the mailing address mentioned on the Attendance Slip is without the PINCODE, Members are requested to kindly inform the PINCODE immediately.
11. PCBL is committed to make efforts for preserving the environment and has been working on a number of ways to reduce usage of paper. In line with the circular of the Ministry of Corporate Affairs, Government of India, the Company proposes to send to the Members notices, annual report and accounts and other communication through electronic mode. Members are, therefore, requested to update their e-mail address with the Depository Participant, if the holding is in electronic mode or intimate to the Company by sending an e-mail at pcbl.greeninitiative@rp-sg.in. Copies of all such communication can also be obtained in physical form from the Company free of cost, upon request.
12. Brief profile of Directors seeking re-appointment at the Annual General Meeting is annexed to this Notice.

Registered Office :
31, Netaji Subhas Road
Kolkata-700 001
29th May, 2012

By Order of the Board
Kaushik Mukherjee
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item no. 6

In order to meet the requirement of funds for financing of capital expenditure/working capital requirements and/or general corporate purposes, the Company has to raise funds from time to time from Banks/Financial Institutions/Investment Institutions/ Mutual Funds/Bodies Corporate/Foreign Financial Institutions/Individuals and/or any other agency or agencies by way of loans, both in rupee and foreign currency and/or Debentures (Partly convertible/Fully-convertible/Non-convertible) for Long Term/Short Term/Medium Term or any other nature of instrument as may be permissible by law which under Section 293(1)(a) of the Companies Act, 1956, are normally secured by a mortgage/charge over the immovable/movable properties of one or more units of the Company in such form and manner as may be determined by the Board of Directors of the Company or its Committee, from time to time, in consultation with the Lenders/ Agents/Trustees.

The Board of Directors of the Company recommends that the Resolution set out in Item No. 6 of the Notice be passed in the interest of Company.

No Director of the Company is concerned or interested in the above Resolution.

Item no. 7

In view of the proposed increase in the commission of the Directors of the Company as referred to in the Special Resolution under Item No. 8 of the Notice, it is consequently proposed to alter the Articles of the Association of the Company by a Special Resolution under Item No. 7 of the notice.

The Board of Directors accordingly recommends the Resolution set out at Item No. 7 of the Notice.

A copy of the Articles of Association along with the proposed alteration may be inspected by any member at the Registered Office of the Company on any working day prior to the date of the Meeting between the hours of 10.00 A.M. and 12.00 Noon and will also be available for inspection from 10.00 A.M. at the place and date of the Annual General Meeting.

All the non-executive Directors of the Company, may be deemed to be concerned or interested in this Resolution to the extent of commission that may be payable to them from time to time after the proposed alteration.

Item no. 8

Pursuant to the approval granted by the Shareholders at their Annual General Meeting held on 30th July, 2008 and the approval of Central Government vide its letter dated 15th November, 2010, the Non-Executive Directors or the Directors of the Company who is/are neither in the whole time employment nor Managing Director(s)/Whole Time Director(s) are paid commission up to a ceiling of 1% of the net profits of the Company computed in the manner specified in the Companies Act, 1956.

In the past years, the Company has undertaken many initiatives which has resulted in the growth of the business of the Company. The Non- Executive Directors of the Company with varied and rich background contributed in a very significant way for this growth process. The Company therefore, recognizes the need to suitably remunerate the Director(s) of the Company who are not in the whole time employment of the Company.

Keeping in view the growth of the Company, contribution, responsibilities and the time devoted by the Non-Executive Directors, it is proposed to increase in commission payable to Non- Executive Directors up to 5% of the net profits of the Company at the end of each financial year, for a period of two years commencing from the financial year 2011- 2012.

Accordingly, approval of the Members is requested to remunerate the non- executive Director(s) every year upto a period of two years commencing from the financial year 1st April, 2011, with commission upto 5% of the net profits of the Company at the end of each financial year. The said commission will be apportioned amongst the non-executive Director(s) as determined by the Board of Directors and/or Remuneration Committee of Directors of the Company.

The Board of Directors accordingly recommends the Resolution set out at Item No. 8 of the Notice.

All the non-executive Directors of the Company, may be deemed to be concerned or interested in this Resolution to the extent of commission that may be payable to them from time to time.

Registered Office :
31, Netaji Subhas Road
Kolkata-700 001
29th May, 2012

By Order of the Board

Kaushik Mukherjee
Company Secretary

Brief Profile of Directors seeking re-appointment at the Annual General Meeting

Mr. K S B Sanyal

Date of Birth	1st December, 1932
Qualification	MA, CBIM, FIP (LONDON)
Expertise in Specific Functional Areas	Mr. K S B Sanyal was the Chairman and Managing Director of Andrew Yule & Co. Limited. He was also the Sheriff of Calcutta. He is presently associated with various companies as Independent professional Director and is a member of governing body of Help Age India.
Directorship held in other Companies	IFGL Refractories Ltd., Woodlands Multispeciality Hospital Ltd., Cimmco Ltd., and IFGL Exports Ltd.
Shareholdings in the Company	Mr. K S B Sanyal does not hold any share in the Company

Mr. Sanjiv Goenka

Date of Birth	29th January, 1961
Qualification	B.Com
Expertise in Specific Functional Areas	Mr. Sanjiv Goenka is Chairman, RP-Sanjiv Goenka Group, one of India's top Industrial houses. The group's core activities include power & natural resources, carbon black, retail, media & entertainment, infrastructure & education.
Directorship held in other Companies	RPG Enterprises Ltd., CESC Limited, Saregama India Ltd., Spencer and Company Ltd., Spencer International Hotels Ltd., Harrisons Malayalam Ltd., STEL Holdings Limited, Graphite India Limited, Noida Power Company Ltd., Eveready Industries India Ltd., Woodlands Multispeciality Hospital Ltd.
Committee Membership in other Companies	Member of Audit Committee of CESC Limited and Eveready Industries India Ltd. Chairman of Shareholders/Investors Grievance Committee of CESC Limited and Saregama India Ltd.
Shareholdings in the Company	Mr. Sanjiv Goenka does not hold any share in the Company.

Directors' Report, Management Discussion and Analysis

Your Directors have pleasure in presenting the Fifty first Report and Accounts of Phillips Carbon Black Limited for the financial year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS
(Rs. in crore)

Year ended	31.03.12	31.03.11
Revenue -		
- Carbon Black	2,096.97	1,614.11
- Power	83.69	76.04
- Other Income	10.44	20.91
- Other Operating Revenues	6.12	5.57
Total Revenue	2,197.22	1,716.63
PBDIT	210.29	238.59
Less: Interest (net)	58.28	35.66
PBDT	152.01	202.93
Less: Depreciation	48.59	38.58
PBT	103.42	164.35
Provision for Taxation	16.30	48.07
PAT	87.12	116.28
Balance brought forward	215.85	133.41
Profit available for Appropriation	302.97	249.69
Proposed Dividend	13.79	16.61
Tax on aforesaid Dividend	2.24	2.69
Dividend including taxes on dividend paid on 4,964,376 shares to Qualified Institutional Buyers allotted during the year	—	2.89
Transfer to General Reserve	8.71	11.65
Balance carried forward to Balance Sheet	278.23	215.85

DIVIDEND

For approval of Members at the ensuing Annual General Meeting, your Directors recommend a dividend of 40% i.e., @ Rs. 4/- per share which will absorb Rs.13.79 crore. The tax on aforesaid dividend, to be borne by the Company, will be Rs. 2.24 crore.

INDUSTRY STRUCTURE & DEVELOPMENT

Global demand for carbon black rose by 5.8 % during 2011 from 10.2 million MT to 10.8 million MT. Global capacity for carbon black was 13.9 million MT and capacity utilization was 77% during 2011. The demand growth was led by North America (9.0%), European Union (11.0%) and Eastern Europe (14.7%), while Asia (excluding China) saw a modest growth of 5.2% compared to last year YOY growth of 18%.

In India, the demand for carbon black during FY12 was 657,000 MT vis-à-vis 641,000 MT in FY11, i.e., a growth of 2.5%. Total production during FY12 was 694,000 MT, which is at the same level as FY11. The total capacity of the Indian carbon black industry stood at 935,000 MT, with capacity utilization of 74%.

The domestic carbon black industry was impacted by a slowdown within the automobile sector as well as by the increasing dumping of carbon black into India by China and other countries. Total imports of carbon black in India rose to 117,000 MT during FY12 from 70,000 MT in the earlier year, and the major chunk of imports was from China, at 83,000 MT. As a result of this, domestic sales of carbon black were impacted and all carbon black companies resorted to production cuts during the second half of the year.

Your Company completed expansion of carbon black plant of 50,000 MT at Mundra and 10 MW Co-generation Power Plant at Kochi within the scheduled time. Your Company also debottlenecked capacity at its Durgapur facility by 11,000 MT and expects to shortly commission the second line of 50,000 MT capacity at Kochi. With this the total installed carbon black capacity of your Company will stand at 471,000 MT.

PERFORMANCE
Carbon Black

Your Company achieved profit before tax (PBT) of Rs. 103.42 crore in FY12 and Operating Profit (PBDIT) of Rs. 210.29 crore. The profit is lower compared to last year's PBT and PBDIT of Rs. 164.35 crore and Rs. 238.59 crore respectively.

Power

Revenue from sale of power was higher in FY12 Rs. 83.69 crore vis-à-vis Rs. 76.04 crore during FY11. The Company's overall power generation capacity rose to 68 MW with the commissioning of the 10 MW captive power plant at Kochi.

Manufacturing

Your Company improved its global ranking to No. 7 during the year. The strategic location of its four plants in different parts of India should facilitate your Company to optimize logistic costs within India and outside.

Research and Development

All the 4 R&D units located at Durgapur, Kochi, Palej and Mundra continue to receive recognition as in-house Research and Development units from the Department of Scientific and Industrial Research, Ministry of Science and Technology.

Special carbon black grades for non rubber applications continue to be accepted well by customers in the domestic market, as their performance is comparable to international standard. While the contribution of these grades in the overall top line of the Company was modest during FY12, the Company has chalked out plans to raise sales from this segment in the coming years.

Environment, Health, Safety and Social Responsibility

During the year, your Company took various initiatives to achieve greater heights in Environment, Health and Safety. New policies have been adopted for greener surroundings. The Company continues to work closely with India Trees Foundation, while strictly adhering to Environment, Health and Safety norms at all its manufacturing locations.

Concerted efforts in corporate social responsibility (CSR) continued during FY12 for e.g., eye check up camps, support in cataract surgeries, rural area development, free distribution of educational kits to Below Poverty Line (BPL) students. The CSR Team at Kochi completed the third & fourth batch of Computer Literacy Programme offered by IGNOU for house-wives from the local community. Our CSR Volunteers also provide regular educational support e.g. tuition to class VII and IX students from the local

community. The CSR Team at Durgapur conducted computer literacy course for the underprivileged jointly with Rotary Club of Durgapur.

Human Resource Development

Human Resource Development continues to remain a focus area for sustainable growth of your company. A number of special initiatives were taken to facilitate the growth of all employees at all locations.

To enhance the effectiveness of Performance Management System the entire PMS has been further redesigned to capture the entire process through on line e-system.

Employee engagement score has also improved substantially indicating higher retention of talent and commitment to excel in all aspects of your company's operations.

The Company's manpower requirements for the greenfield project at Vietnam and all units across India have been carefully planned.

Industrial relations scenario at all the units continue to remain healthy and forward looking.

Internal Control System and Adequacy

Your Company has adequate internal control systems in every area of operation. Services of internal and external auditors are utilized from time to time as also its in-house expertise and resources. The Company continuously upgrades these systems in line with the best available material practices. These reports and variance analysis are regularly discussed with members of Management Committee and actions taken whenever necessary.

An independent Audit Committee of the Board reviews the adequacy of Internal Control.

Opportunities and Threats

Your Company is always on the lookout for opportunities that exist in its business.

Opportunities

- 1 Expansion plans of all major tyre companies in India are on track and their plants are expected to come up during FY13 - FY15. JK Tyres commissioned its new plant during the year at Chennai, Tamil Nadu.
- 1 Government's thrust on development of infrastructure continues. While the short term growth outlook in India suffered a setback during FY12, the fundamentals of the economy remain strong. With the RBI expected to step in to lower interest rates during the coming year, investments are expected to pick up and the growth story would come back on track.
- 1 Power continues to be an attractive segment for your company for improving profitability.

Threats

- 1 Imports of carbon black from China continues to be a major threat for the entire domestic industry.
- 1 Expansion of carbon black manufacturing capacities simultaneously by all domestic competitors.
- 1 Withdrawal of Anti Dumping Duty on carbon black.
- 1 Inadequate infrastructure at ports, causing detention of vessels and higher freight cost.
- 1 Continuing high inflation which may put a dampner on the purchasing power of customers.
- 1 Depreciation of Rupee, increase in financing cost.

Segmentwise Performance

The Performance of Carbon Black and Power segment has been covered in this Report earlier.

Risks and Concern

The main raw material for the Company - Carbon Black Feedstock (CBFS) is residual oil from distillation process of crude and is subject to frequent volatility, whereas the price of finished carbon black is revised every quarter. In the event the Company is unable to timely pass on increased CBFS cost, it may have adverse impact on the Company's profit. Increase in carbon black import or drop in carbon black demand may have serious implications on the activity level of the carbon black segment and consequently the availability of lean gas for the power segment.

The Company is also exposed to risks from fluctuation of Indian Rupee vis-à-vis other currencies, interest rate, realisation for surplus power and regulations relating to environment.

Major Expansion Plans

Your Company expects to shortly commission the 8 MW capacity captive power plant at its Mundra facility, which will take its total power generation capacity from 68 MW to 76 MW.

Your Company is also planning to set up a greenfield carbon black plant of capacity 140,000 MT at Chennai along with a 25 MW power plant, and is in process of obtaining all approvals for the same. Memorandum of Understanding (MoU) for the same has been signed with the Tamilnadu Government.

The Company's global footprint plan is in place with the greenfield plant at Vietnam expected to be commissioned in FY14.

The Company's new carbo-chemical business will start by the end of the coming year with setting up of a new coal tar distillation plant in Orissa with capacity of 1,50,000 mtpa coal tar processing and 50,000 mtpa soft pitch processing. The plant is expected to be commissioned in FY14.

Qualified Institutional Placement (QIP) and Preferential Warrants issue

Pursuant to SEBI Guidelines and necessary approval of the members, 12,50,000 convertible warrants of Rs. 196/- each which were allotted on 30th April, 2010, were converted into 12,50,000 Equity Shares of Rs. 10/- each at a premium of Rs. 186/- per share fully paid up on 28th October, 2011.

Subsidiaries

In accordance with the general exemption granted by Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956, ('the Act') the accounts of the subsidiaries namely, Phillips Carbon Black Cyprus Holdings Limited, PCBL Netherlands Holdings B.V, Phillips Carbon Black Vietnam Joint Stock Company and Goodluck Dealcom Private Limited for the year 2011-12 and the related detailed information will be made available to the holding and subsidiary companies investors seeking such information at any point of time and are not attached. Copies of the annual accounts of the subsidiary companies will also be kept open for inspection by any investor in the Registered Office of the Company and of the subsidiary companies concerned. The Company shall furnish a hard copy of accounts of subsidiaries to any shareholder on demand. The Company publishes Consolidated Financial Statements of the Company and its subsidiaries duly audited by Messrs Price Waterhouse, Kolkata, Auditors, prepared in compliance with the applicable Accounting Standards and the Listing Agreement with the Stock Exchanges.

The Consolidated Financial Statements for the year 2011-12 form part of the Annual Report and Accounts.

FUTURE OUTLOOK

Carbon Black

Demand growth for carbon black continues to be robust with the global demand expected to grow at a CAGR of 4.6% from 2010 to 2015. Expansion plans of all tyre manufacturers in India as well as a few global majors are on track and are expected to be completed within FY13-FY14. Domestic demand for carbon black is expected to grow @ 7-8% during FY13. With the expansion plans as detailed in this respect, your Company is well poised to meet the increasing demand in the domestic market.

Overseas demand for carbon black is expected to grow further during FY13. Your Company has made significant forays into overseas markets such as South East Asia and US. The Company will continue to place emphasis on exports during FY13 to mitigate any possible situation of excess supply in domestic markets.

Power

Your Company's initiative to create additional revenue from power is likely to grow further in the coming years, with the forthcoming commissioning of 8 MW CPP at Mundra and further 8 MW planned at Palej, the total installed capacity is expected to reach 84 MW.

Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed. This forms an integral part of this Report.

Public Deposits

The Company does not have any Fixed Deposit Scheme and has repaid all Fixed Deposits that matured and were claimed by the depositors under the earlier Fixed Deposit Schemes. Matured unclaimed deposits as on 31st March, 2012 amounted to Rs. 1.87 lakh. Apart from matured unclaimed deposits, no amount is outstanding as on 31st March 2012. Reminders have been sent to depositors who have not claimed repayment of matured deposits.

Particulars of Employees

The information as required in accordance with Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975, as amended, is set out in an annexure to this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the Report and the Accounts are being sent to all the Shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company. The said information is also available for inspection at the Registered Office during the working hours up to the date of the Annual General Meeting.

Corporate Governance

Under Clause 49 of the Listing Agreement with the Stock Exchanges, a section on Corporate Governance together with a certificate from the Company's Auditors confirming compliance is set out in the Annexure forming part of this Annual Report.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed, and that there are no material departures;
- ii) appropriate accounting policies have been selected and applied consistently and made judgments 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 financial year and of profit or loss of the Company for the period;
- iii) proper and sufficient care have been taken, for the 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 fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

Auditors

The Auditors, Messrs Price Waterhouse, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

Cost Audit

The Central Government has approved the appointment of Messrs Shome & Banerjee, Cost Accountants, for conducting cost audit for the financial year ended 31st March, 2012.

Messrs Shome & Banerjee, Cost Accountants, have given their consent along with their Certificate of Independence for conducting the audit of the cost accounts for the financial year ending 31st March, 2013, if appointed.

Cost Audit Report for the financial year ended 31st March, 2011 was filed on 26th September, 2011.

Directors

Mr. K. S. B. Sanyal and Mr. Sanjiv Goenka retire by rotation and being eligible offer themselves for re-appointment.

Forward - looking Statement

This Report contains forward-looking statements that involve risks and uncertainties. Actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. Significant factors that could make a difference to the Company's operations include domestic and international economic conditions affecting demand-supply and price conditions, foreign exchange fluctuations, changes in government regulations, tax regimes and other statutes.

Acknowledgement

Your Directors record their grateful appreciation for the encouragement, assistance and co-operation received from members, government authorities, banks and customers. They also thank them for the trust reposed in the Management and wish to thank all employees for their eager commitment and contributions.

For and on behalf of the Board

Kolkata
29th May, 2012

Sanjiv Goenka
Chairman

Annexures to Directors' Report

Statement in accordance with Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2012.

1.A. Conservation of Energy

(a) Energy conservation measures taken:

The process of manufacture of Carbon Black results in generation of lean gases which have both sensible heat and low calorific value.

Instead of wasting the energy, PCBL has installed extremely specialised and state of the art 12 MW Co-generation Power Plant (CPP) at Baroda, 30 MW Co-generation Power Plant at Durgapur, 16 MW Co-generation Power Plant at Mundra and 10 MW Co-generation Power Plant at Kochi.

10 MW Co-generation Power Plant at Kochi has started commercial operation from 1st April, 2011.

The entire lean gas is used to generate power for meeting the entire internal process requirements for production of Carbon Black as well as to sell the surplus.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Additional Investments are being undertaken for setting up 8 MW CPP at Mundra and 8 MW CPP at Palej.

(c) Impact of measures (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

To be realised in coming years.

(d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule thereto:

Form – A

Form for disclosure of particulars with respect to Conservation of Energy

	Current Year	Previous Year
A. Power and Fuel consumption :		
1. Electricity		
(a) Purchased units (KWH)	11540453	9295847
Total amount (Rs. in lakhs)	1100.57	900.73
Rate per unit (Rs.)	9.54	9.69
(b) Own generation		
(i) Through diesel generators units (KWH)	—	—
Units per ltr. of diesel oil (KWH)	—	—
Cost per unit (Rs.)	—	—
(ii) Through steam/turbine generators units (KWH)	—	—
Units per ltr. of fuel/gas oil (KWH)	—	—
Cost per unit (Rs.)	—	—
(iii) Through co-gen power plants (off-gas burning) units (KWH)	94352877	97053636
Units per ltr. of fuel oil (KWH)	3057.07	1361.62
Cost per unit (Rs.)	0.12	—

	Current Year	Previous Year
2. Coal (specify quality and where used)		
Quantity (tonnes)	—	—
Total Cost (Rs. in lakhs)	—	—
Average rate (Rs.)	—	—
3. Furnace Oil		
Quantity (K. ltr.)	—	—
Total Cost (Rs. in lakhs)	—	—
Average rate (Rs.)	—	—
4. Others/internal generation [process steam Quantity (MT)]	751943.00	446932.68
Total Cost (Rs. in lakhs)	40.02	37.03
Average rate (Rs.)	5.32	8.29
5. Consumption per unit of production : CARBON BLACK		
(i) Electricity (KWH/MT)	335	348
(ii) Furnace Oil (Ltr./MT)	—	—
(iii) Coal	—	—
(iv) Others – process steam (MT/MT)	2.38	1.46

B. Technology Absorption :

- (a) Efforts made in technology absorption as per Form – B of the Annexure.

Form – B

Form for disclosure of particulars, with respect to absorption :

Research & Development (R&D) :

1. Specific areas in which R&D carried out by the Company :

- PCBL has successfully developed new grades for international and domestic markets.
- Improvement of product characteristics to meet more stringent customer specifications.
- Continuous recasting of Standard Operating Procedures.

2. Benefits derived as a result of the above R&D :

- Improved sales in domestic market.
- Higher price realisation in markets.

3. Future Plan of Action :

- Development of specialised grades for specific applications in conjunction with customers.
- Improved Reactor design for higher yield and improved quality.

4. Expenditure on R&D :

	(Rs. in Lakhs)	
	Current Year	Previous Year
(a) Capital	—	51.78
(b) Recurring	1857.33	855.70
(c) Total	1857.33	907.48
(d) Total R&D Expenditure as a percentage of total expenditure	0.89	0.58

Technology absorption, adaptation & innovation :

1. Efforts in brief towards technology absorption, adaptation & innovation :
 - The revision in Standard Operating Procedures resulted in improved yields, lower consumption of power to produce Carbon Black and overall lower costs to produce each ton of product.
2. Benefits derived as a result of the above efforts :
 - Improved quality of the product.
3. Particulars of Imported Technology in the last 5 years :
 - (a) Technology Imported : Not applicable
 - (b) Year of Import : Not applicable
 - (c) Has the technology been fully absorbed? : Not applicable
 - (d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action : Not applicable

C. Foreign Exchange Earnings and Outgo :

- (a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans :

Various initiatives relating to improvement in quality and service, developing new markets, etc. have resulted in exports of Rs. 64,298.95 lakhs.

- (b) Total foreign exchange used and earned :

	(Rs. in Lakhs)	
	<u>Current Year</u>	<u>Previous Year</u>
Foreign Exchange used	147589.82	104332.58
Foreign Exchange earned	64298.95	32455.71

For and on behalf of the Board

Kolkata
29th May, 2012

Sanjiv Goenka
Chairman

Corporate Governance Report

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company continues to focus on good Corporate Governance, which aims to improve the Company's efficiency, effectiveness and social responsibility. The basic philosophy of Corporate Governance in the Company emphasizes on highest levels of transparency, accountability and equity, in all respects of its operations. The Company believes that the governance process should ensure economic prosperity and long term value creation for the enterprise and its shareholders keeping in view the needs and interests of all its stakeholders. The Company also respects the rights of its shareholders and other stakeholders to information on the performance of the Company based on highest professional, ethical and financial reporting standards.

II. COMPOSITION OF THE BOARD OF DIRECTORS AS ON 31ST MARCH, 2012

- (a) The Board of Directors of the Company comprises
- 1 2 Non - Executive Directors
 - 1 5 Non - Executive Independent Directors
 - 1 1 Executive Director who is Managing Director

The names and categories of Director, the number of Directorships and Committee positions held by them in other companies and also the shareholdings in the Company are given below:

Name of the Director	Category of Director	No. of Directorships in other Public Limited Companies incorporated in India	No. of other Committee Membership(s)/ Chairman-ship(s) held #	No. of Shares held in the Company
Mr. Sanjiv Goenka	Non-Executive (Chairman)	11	4 (including 2 as Chairman)	NIL
Mr. C. R. Paul	Non-Executive & Independent	1	1	NIL
Dr. Ram S. Tarneja	Non-Executive & Independent	11	7 (including 2 as Chairman)	NIL
Mr. K. S. B. Sanyal	Non-Executive & Independent	4	3 (including 2 as Chairman)	NIL
Mr. Paras K. Chowdhary	Non-Executive	7	2	NIL
Mr. O. P. Malhotra	Non-Executive & Independent	7	—	NIL
Mr. Pradip Roy	Non-Executive & Independent	3	1	NIL
Mr. Ashok Goyal	Managing Director	2	—	NIL

Committee positions held only in Audit and Shareholders/Investors Grievance Committees of other companies are considered.

- (b) Attendance Record of the Directors at the Board Meetings held on 3rd May, 2011, 29th July, 2011, 14th November, 2011 and 7th February, 2012 and Annual General Meeting held on 29th July, 2011 are given below:

Name of the Director	Board Meetings		Attendance at the last Annual General Meeting
	Held during tenure	Attended	
Mr. Sanjiv Goenka	4	4	No
Mr. C. R. Paul	4	4	Yes
Dr. Ram S. Tarneja	4	4	Yes
Mr. K. S. B. Sanyal	4	4	Yes
Mr. Paras K. Chowdhary	4	1	No
Mr. O. P. Malhotra	4	4	Yes
Mr. Pradip Roy	4	4	Yes
Mr. Ashok Goyal	4	4	Yes

III. AUDIT COMMITTEE

1. Terms of Reference

The terms of reference include the powers as stipulated in Clause 49II(C), the role of the Audit Committee as laid down in Clause 49II (D) and review of information pursuant to Clause 49II (E) of the Listing Agreement with the stock exchanges. The terms of reference also fully conform to the requirements of Section 292A of the Companies Act, 1956.

2. Composition

The Audit Committee comprises 5 Directors out of which 4 are Non - Executive Independent Directors and 1 is Non-Executive Director. The composition of the Audit Committee meetings held and attendance thereof are as below:

Name of the Director	Position held	No. of Meetings	
		Held during tenure	Attended
Mr. K. S. B. Sanyal (Non-Executive & Independent)	Chairman	4	4
Mr. P. K. Chowdhary (Non-Executive)	Member	4	1
Mr. C. R. Paul (Non-Executive & Independent)	Member	4	4
Mr. O. P. Malhotra (Non-Executive & Independent)	Member	4	4
Dr. Ram S Tarneja (Non-Executive & Independent)	Member	4	4

3. Meetings

- 1 Audit Committee Meetings were held on 3rd May, 2011, 29th July, 2011, 14th November, 2011 and 7th February, 2012. The Annual Accounts for the year ended 31st March, 2011 was reviewed by the Audit Committee at its meeting held on 3rd May, 2011. The Audit Committee also reviewed the audited financial results for the year ended 31st March, 2011 and unaudited financial results for the quarters ended 30th June, 2011, 30th September, 2011 and 31st December, 2011 before recommending their adoption to the Board.

1. Audit Committee Meetings were also attended by the Managing Director, Chief Financial Officer, Internal Auditor, Statutory Auditors and Cost Auditors of the Company.
1. The Company Secretary acts as Secretary to the Audit Committee.
1. Members of the Audit Committee are eminent persons in their fields having expertise in Finance and Accounting.
1. The Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on 29th July, 2011.

IV. REMUNERATION COMMITTEE

1. Terms of Reference

The Remuneration Committee has been constituted to review and recommend to the Board of Directors the remuneration payable to the Managing Director.

2. Composition

The Remuneration Committee comprises 3 Directors, all of whom are Non - Executive Independent Directors. The composition of the Remuneration Committee, meetings held and attendance thereof are as below :

Name of the Director	Position held	No. of Meetings	
		Held during tenure	Attended
Mr. K. S. B. Sanyal	Chairman	1	1
Mr. C. R. Paul	Member	1	1
Mr. O. P. Malhotra	Member	1	1

3. Meetings

During the year ended 31st March, 2012 the Remuneration Committee met once on 29th July, 2011.

4. Remuneration Policy

- a. Remuneration structure for the Managing Director comprises salary, perquisites as well as contribution to the Provident Fund, Superannuation Fund, Gratuity Fund, Performance Bonus and Management Supplement as per the Agreement entered between the Managing Director and the Company. The Agreement of Mr. Ashok Goyal was placed before the Board for approval and the approval of the shareholders was obtained at the Annual General Meeting of the Company held on 23rd July, 2010.
- b. The Non-Executive Directors get sitting fees for attending the Board and Committee Meetings at the rate of Rs. 20,000/- per Board and Audit Committee Meeting, and at the rate of Rs. 5,000/- per Meeting for all other Committee Meetings. Further, in terms of the Special Resolution passed by the Members of the Company on 30th July, 2008, Non-Executive Directors are also entitled to commission @ of 1% on the Company's net profit for the year computed in accordance with Section 309 of the Companies Act, 1956 for each of the five financial years commencing from 1st April, 2008, payable subject to such limit and in such manner and up to such extent as the Board of Directors may determine from time to time.

The Board of Directors of the Company at its Meeting held on 29th May, 2012 has approved the payment of commission at an increased rate of 5% of the net profits of the Company

computed in accordance with Section 309 of the Companies Act, 1956 subject to approval of the Members in the forthcoming Annual General Meeting and of the Central Government as required under Section 310 of the Companies Act, 1956.

5. Details of Sitting Fees/Remuneration

A. Sitting Fees/Commission paid to the Non-Executive Directors

The sitting fees for the Board and the Committee meetings and Commission paid to the Non-Executive Directors during the year ended 31st March, 2012 are as follows:

Mr. Sanjiv Goenka – Sitting Fee Rs. 80,000 and Commission Rs. 1,51,00,000/- , Mr. C R Paul – Sitting Fee Rs. 1,80,000/- and Commission Rs. 1,50,000/- , Dr. Ram S Tarneja – Sitting Fee Rs. 1,60,000/- and Commission Rs. 1,50,000/- , Mr. K S B Sanyal – Sitting Fee Rs. 1,75,000/- and Commission Rs. 1,50,000/- , Mr. Paras K Chowdhary – Sitting Fee Rs. 40,000 and Commission Rs. 1,50,000/- , Mr. O P Malhotra – Sitting Fee Rs. 1,70,000/- and Commission Rs. 1,50,000/- and Mr. Pradip Roy – Sitting Fee Rs. 80,000/- and Commission Rs. 1,50,000/-.

In terms of the Special Resolution passed by the Members of the Company in the Annual General Meeting held on 30th July, 2008, commission of Rs. 1,09,57,000/- i.e., 1% of the Company's net profit for the year ended 31st March, 2012 is payable to the Non-Executive Directors of the Company.

The Board of Directors at its Meeting held on 29th May, 2012 has approved payment of commission at an increased rate of 5% of the net profit of the Company computed in accordance with Section 309 of the Companies Act, 1956 subject to approval of Members in the forthcoming Annual General Meeting and of the Central Government as required under Section 310 of the Companies Act, 1956. Accordingly, commission of Rs. 1,90,43,000/- in excess of 1% of the net profits mentioned herein above, is also payable to Non – Executive Directors of the Company for the year ended 31st March, 2012, subject to approval of Members and of the Central Government as stated above.

B. Remuneration paid to the Executive Director

Executive Director	Business relationships with the Company, if any	All elements of remuneration package, i.e. salary, benefits, bonuses, pension etc. for the year ended 31st March, 2012	
		Description	Amount (Rs. in lakhs)
Mr. Ashok Goyal #	Managing Director	Salary and Allowances,	242.85
		Contribution to Provident, Gratuity and Superannuation Funds,	20.14
		Perquisites	3.63
Total			266.62

- # Service Contract : For a period of three years from 23rd October, 2009.
- # Notice Period : Ninety days notice from either side.
- # Severance Fees : Ninety days salary in lieu of notice.
- # Stock Options : None

V. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

1. Composition

The Shareholders/Investors Grievance Committee of the Board of Directors under the Chairmanship of a Non-Executive Independent Director meets at regular intervals and specifically looks into the aspect of redressal of Shareholders/Investors Grievances. The composition of the Shareholders/Investors Grievance Committee meetings held and attendance thereof are as below:

Name of the Director	Position held	No. of Meetings	
		Held during tenure	Attended
Mr. C. R. Paul	Chairman	2	2
Mr. K. S. B. Sanyal	Member	2	2

Name and designation of Compliance Officer : Mr. Kaushik Mukherjee, Company Secretary.

2. Status of Shareholders' Complaints

Number of complaints received during the year ended 31st March, 2012 as per records of the Company	Number of complaints resolved during the year ended 31st March, 2012	Number of complaints pending as on 31st March, 2012
Nil	Nil	NIL**

** The Company has received confirmations from National Stock Exchange of India Limited, Bombay Stock Exchange Limited and The Calcutta Stock Exchange Ltd., that no investor complaints are pending against the Company as on 31st March, 2012.

3. Share Transfer

Mr. Ashok Goyal, Managing Director, Mr. Jatin Kapoor, Chief Financial Officer and Mr. Kaushik Mukherjee, Company Secretary are severally authorised to approve share transfers in physical mode.

4. Meetings

During the year ended 31st March, 2012, Shareholders/ Investors Grievance Committee met twice on 29th July, 2011 and 7th February, 2012 which was attended by all the members.

VI. GENERAL BODY MEETINGS

- Location and time of the last 3 Annual General Meetings (AGM) held :

AGM	Date	Venue	Time	Special Resolution Passed
50th	29th July, 2011	"Uttam Mancha"	10.30 A.M.	Yes
49th	23rd July, 2010	"Vidya Mandir"	10.30 A.M.	Yes
48th	24th July, 2009	"Madhusudan Mancha"	10.30 A.M.	No

Neither any resolution was put through postal ballot last year nor any resolution is proposed to be conducted through postal ballot in the ensuing Annual General Meeting.

- Disclosure regarding appointment or reappointment of Directors in accordance with Clause 49IV (G) (i) of the Listing Agreement has been provided in the Notice convening the Annual General Meeting of the Company.

VII. DISCLOSURES

- Disclosures on materially significant related party transactions, i.e. transactions 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 interests of the Company at large :

No such transactions took place during the year ended 31st March, 2012.

2. Disclosure by Senior Management in accordance with Clause 49IV(F) (ii) of the Listing Agreement:

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 with the Company that may have a potential conflict with the interests of the Company at large.

3. Disclosures 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.

4. Whistle Blower Policy:

The Company does not have any Whistle Blower Policy as of now but no personnel are being denied any access to the Audit Committee.

5. Details of compliance with mandatory requirements and adoption of non mandatory requirements

All mandatory requirements have been complied with and the non-mandatory requirements are dealt with at the end of the Report.

6. Certificate from the Managing Director and the Head of Finance

Certificate from Mr. Ashok Goyal, Managing Director and Mr. Jatin Kapoor, Chief Financial Officer, in terms of Clause 49 (V) of the Listing Agreements with the Stock Exchanges for the financial year ended 31st March, 2012 was placed before the Board of Directors of the Company in its meeting held on 29th May, 2012.

7. Code of Conduct

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company which is posted on the website of the Company.

All Board Members and Senior Management personnel have affirmed compliance with the Code on an annual basis. A declaration to this effect signed by the Managing Director forms part of this Annual Report.

VIII. MEANS OF COMMUNICATION

- In compliance with Clause 41 of the Listing Agreement, the Company sends the quarterly/half yearly/ audited results to the Stock Exchanges. Results are published in the Business Standard (all editions) and Aajkal (Kolkata).
- Information and details of the Company in all respects are posted on the Company's website: www.pcblltd.com.
- Whenever the Company issues any press release, it is sent to the Stock Exchanges as well as posted on the Company's website.
- Management Discussion and Analysis forms a part of the Directors' Report.

IX. GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting date, time and venue:

Date: 27th July, 2012 at 10.30 a.m. to be held at "Uttam Mancha", 10/1/1, Monoharpukur Road, Kolkata - 700 026

Financial Year: 1st April, 2011 to 31st March, 2012.

Book Closure: 18th July, 2012 to 27th July, 2012 (both days inclusive)

Dividend Payment date: Dividend, if declared, at the ensuing Annual General Meeting will be paid on and from 31st July, 2012.

Listing on Stock Exchanges and Stock Codes:

- a) The Calcutta Stock Exchange Ltd. - 26125
7, Lyons Range,
Kolkata – 700 001.
- b) Bombay Stock Exchange Limited - 506590 (B2)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.
- c) National Stock Exchange of India Ltd. - PHILPCARB
Exchange Plaza,
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051
- Listing Fees for all the above Stock Exchanges for 2012 – 2013 have been paid.

Market Price high, low, close during each month from April, 2011 to March, 2012 (in Rs.) (as available from the website of National Stock Exchange of India Limited and Bombay Stock Exchange Limited)

Month	High		Low		Close	
	NSE	BSE	NSE	BSE	NSE	BSE
Apr. '11	162.70	159.30	145.70	145.10	147.10	146.30
May '11	153.50	150.50	132.75	133.05	144.05	143.45
Jun. '11	149.80	148.80	125.70	126.35	139.20	140.40
Jul. '11	149.90	150.00	135.25	137.60	145.00	145.40
Aug. '11	150.70	149.95	125.10	126.10	146.90	147.05
Sep. '11	159.00	158.50	120.05	140.10	140.35	140.35
Oct. '11	145.25	146.40	132.25	133.00	142.20	142.60
Nov. '11	144.00	142.05	103.55	104.00	105.95	105.45
Dec. '11	106.50	109.70	76.05	77.05	87.20	86.40
Jan. '12	101.00	100.70	85.10	80.00	91.15	90.95
Feb. '12	121.50	121.95	89.75	89.00	107.60	108.05
Mar. '12	112.40	112.05	99.70	99.95	111.95	111.35

Monthly Comparison Chart of the Share Prices (in Rs.) with the NSE Nifty and BSE SENSEX along with the No. of Shares traded during the period April, 2011 to March, 2012.

Month	Nifty/Sensex (Close)		Share Price (Close) (Rs.)		No. of Shares Traded	
	NSE	BSE	NSE	BSE	NSE	BSE
Apr. '11	5749.50	19135.96	147.10	146.30	529139	211667
May '11	5560.15	18503.25	144.05	143.45	546503	178857
Jun. '11	5647.40	18845.87	139.20	140.40	342588	106677
Jul. '11	5482.00	18197.20	145.00	145.40	729547	254072
Aug. '11	5001.00	16676.75	146.90	147.05	611108	252719
Sep. '11	4943.25	16453.76	140.35	140.35	1395038	156238
Oct. '11	5326.60	17705.01	142.20	142.60	345939	135680
Nov. '11	4832.05	16123.46	105.95	105.45	417864	116228
Dec. '11	4624.30	15454.92	87.20	86.40	600172	255711
Jan. '12	5199.25	17193.55	91.15	90.95	615142	196372
Feb. '12	5385.20	17752.68	107.60	108.05	1676297	894329
Mar. '12	5295.55	17404.20	111.95	111.35	698023	188961

Registrars and Share Transfer Agent :

Link Intime India Pvt. Ltd.
59-C, Chowringhee Road, 3rd Floor
Kolkata - 700 020
Telephone : (033) 2289-0539/40, Fax : (033) 2289-0539
E-mail : kolkata@linkintime.co.in

Share Transfer Process

The shares in physical form for transfer should be lodged at the office of the Company's Registrar and Share Transfer Agent, Link Intime India Pvt. Ltd., Kolkata or at the Registered Office of the Company. The transfers are processed within 10 days from the date of receipt of such request for transfer, if technically found to be in order and complete in all respects. As per directives issued by SEBI it is compulsory to trade in securities of any Company's equity shares in dematerialized form.

Dematerialisation

The process of conversion of shares from physical form to electronic form is known as dematerialisation. For dematerializing the shares, the shareholders should open a demat account with a Depository Participant (DP). He/She is required to submit a Demat Request Form duly filled up along with the share certificates to his/her DP. The DP will allocate a demat request number and shall forward the request physically as well as electronically, through NSDL/CDSL, to the Registrar and Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialised and an electronic credit of shares is given in the account of the shareholder.

Distribution of Shareholding as on 31st March, 2012

Shareholding Pattern – Size of Holdings	No. of Shares	Percentage (%) to Share Capital	No. of Shareholders	Percentage (%) to Total holders
1 – 500	2762822	8.02	29050	93.46
501 – 1000	884818	2.57	1139	3.66
1001 – 2000	681792	1.98	459	1.48
2001 – 3000	370393	1.07	146	0.47
3001 – 4000	227737	0.66	64	0.21
4001 – 5000	220246	0.64	47	0.15
5001 – 10000	593475	1.72	83	0.27
10001 & above	28726289	83.34	94	0.30
TOTAL	34467572	100.00	31082	100.00

Shareholding Pattern as on 31st March, 2012

No. of holdings	No. of Shareholders	No. of Shares	Percentage of Holdings
Non Resident Indians	818	254947	0.74
Institutional Investors	59	7042121	20.43
Promoter* * Includes Persons acting in concert	8	18014057	52.26
Bodies Corporate	639	3655813	10.61
Resident Individuals	29559	5500634	15.96
TOTAL	31083	34467572	100.00

Dematerialisation of shares :

	Shares	%
NSDL	31913686	92.59
CDSL	1616793	4.69
TOTAL	33530479	97.28

1 ISIN NO. INE 602A01015

1 Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

12,50,000 convertible warrants allotted on 30th April, 2010 on Preferential basis in accordance with the SEBI Guidelines were converted into 12,50,000 equity shares of Rs. 10/- each at a premium of Rs. 186/- per share, fully paid up, on 28th October, 2011.

1 Plant Locations

A list of locations of Company's Plants has been given separately in this Annual Report.

1 Address for correspondence :

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

Link Intime India Pvt. Ltd.
59-C, Chowringhee Road, 3rd Floor
Kolkata - 700 020
Telephone : (033) 2289-0539/40
Fax : (033) 2289-0539
E-mail : kolkata@linkintime.co.in

2) Company

(For any other matter and unresolved complaints)
Company Secretary
Phillips Carbon Black Limited
31, Netaji Subhas Road, Kolkata - 700 001
Phones : (033) 6625 1000, 2242 0839
Fax : (033) 2248 0140
E-mail : kaushik.mukherjee@rp-sg.in

X. STATUS OF ADOPTION OF THE NON MANDATORY REQUIREMENTS

Remuneration Committee

The Company has a Remuneration Committee as reported in Section IV above.

Other Items

The rest of the Non-Mandatory Requirements will be implemented by the Company as and when required and/or deemed necessary by the Board.

For and on behalf of the Board

Kolkata
29th May, 2012

Sanjiv Goenka
Chairman

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49I (D)(ii) OF THE LISTING AGREEMENT

I, Ashok Goyal, Managing Director of Phillips Carbon Black Limited declare that all the Members of the Board of Directors and Senior Management personnel have, for the year ended 31st March, 2012 affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Listing Agreement entered with the Stock Exchanges.

Kolkata
29th May, 2012

Ashok Goyal
Managing Director

Auditors' Certificate

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of

Phillips Carbon Black Limited

We have examined the compliance of conditions of Corporate Governance by Phillips Carbon Black Limited, for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and 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 Agreements.

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

Place : Kolkata
Date : 29th May, 2012

For PRICE WATERHOUSE
Firm Registration Number 301112E
Chartered Accountants
Pinaki Chowdhary
Partner
(Membership Number 57572)

Auditors' Report

Auditors' Report to the Members of Phillips Carbon Black Limited

1. We have audited the attached Balance Sheet of Phillips Carbon Black Limited (the "Company") as at 31st March, 2012, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we further report that:
 - (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion the frequency of verification is reasonable.
 - (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
 - (ii) (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
 - (iii) (a) The Company has granted unsecured loans, to two companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated to Rs.4966 lakhs and Rs. Nil, respectively.
 - (b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
 - (c) In respect of the aforesaid loans, the parties have repaid the principal amounts, as stipulated, and were also regular in payment of interest, as applicable.
 - (d) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.
 - (e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - (iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. The Company has not sold any services during the year. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weakness have been noticed or reported.
 - (v) (a) In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
 - (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
 - (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
 - (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
 - (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
 - (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, professional tax, sales tax and Value added tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty as at 31st March, 2012 which have not been deposited on account of a dispute (there being no such cases with regard to income tax and wealth tax), are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs. in lakhs)	Note No.	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	99.34	1	Calcutta High Court Appellate and Revision Board Senior Joint Commissioner Commercial Taxes Additional Commissioner Commercial Taxes
		918.54		
		138.61		
West Bengal Sales Tax Act, 1994	Sales Tax	9.14	2	Taxation Tribunal Appellate and Revision Board
		41.73		
		108.38		
Central Excise Act, 1944	Excise Duty	202.76	3	Commissioner (Appeals) Customs, Excise & Service Tax Appellate Tribunal High Court, Kerala
		1268.55	4	
		1.37	5	
Customs Act, 1962	Customs Duty	15.13		Commissioner (Appeals) Customs, Excise & Service Tax Appellate Tribunal
		24.80		
Finance Act, 1994	Service Tax	80.43		Customs, Excise & Service Tax Appellate Tribunal Commissioner Appeals
		19.62		

1. Stay orders for disputed dues aggregating to Rs. 604.45 received.
2. Stay orders for disputed dues aggregating to Rs. 104.75 received.
3. Stay orders for disputed dues aggregating Rs. 24.62 lakhs received.
4. Stay orders for disputed dues aggregating Rs. 357.52 lakhs received.
5. Stay orders for disputed dues aggregating Rs. 1.37 lakhs received.

- (x) The Company has no accumulated losses as at 31st March, 2012 and it has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable as at the balance sheet date.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
- (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- (xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion, and according to the information and explanations given to us, funds raised

on a short-term basis, aggregating Rs. 9093.45 lakhs, have been used for long-term investment in Tangible Asset.

- (xviii) The Company has made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. In our opinion, and according to the information and explanations given to us, the price at which such shares have been issued is not prejudicial to the interest of the Company.
- (xix) The Company has not issued any debentures during the year; and does not have any debentures outstanding as at the year end.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

4. Further to our comments in paragraph 3 above, we report that:

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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 appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
- (e) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For PRICE WATERHOUSE
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
(Membership Number 57572)

Kolkata
29th May, 2012

Balance Sheet as at 31st March 2012

	Note	As at 31st March, 2012 Rupees in Lakhs	As at 31st March, 2011 Rupees in Lakhs
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2	3,446.70	3,321.70
Reserves and surplus	3	57,730.44	48,295.64
Money received against share warrants		—	612.50
		<u>61,177.14</u>	<u>52,229.84</u>
NON-CURRENT LIABILITIES			
Long-term borrowings	4	17,024.02	21,419.40
Deferred tax liabilities (Net)	5	7,286.56	5,689.54
Other Long term liabilities	6	58.90	58.00
Long-term provisions	7	292.02	363.16
		<u>24,661.50</u>	<u>27,530.10</u>
CURRENT LIABILITIES			
Short-term borrowings	8	48,456.10	22,973.71
Trade payables	9	61,035.63	55,728.55
Other current liabilities	10	11,953.24	11,774.79
Short-term provisions	11	1,733.30	1,970.31
		<u>123,178.27</u>	<u>92,447.36</u>
		<u>209,016.91</u>	<u>172,207.30</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	12		
Tangible assets		71,437.45	57,829.65
Intangible assets		—	—
Capital work-in-progress		9,798.28	17,926.01
		<u>81,235.73</u>	<u>75,755.66</u>
Non-current investments	13	7,236.67	5,761.72
Long-term loans and advances	14	4,440.90	3,829.52
Other non-current assets	15	7,620.00	5,500.00
		<u>100,533.30</u>	<u>90,846.90</u>
CURRENT ASSETS			
Inventories	16	36,034.08	25,532.76
Trade receivables	17	54,733.88	36,254.66
Cash and Bank Balances	18	1,348.36	6,525.34
Short-term loans and advances	19	14,568.40	10,098.84
Other current assets	20	1,798.89	2,948.80
		<u>108,483.61</u>	<u>81,360.40</u>
		<u>209,016.91</u>	<u>172,207.30</u>

This is the Balance Sheet referred to in our report of even date.

The notes are an integral part of the financial statements

For PRICE WATERHOUSE
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
(Membership Number 57572)

Kolkata
Date : 29th May, 2012

Kaushik Mukherjee
Company Secretary

Ashok Goyal
Managing Director

K. S. B. Sanyal
O. P. Malhotra
Directors

Statement of Profit & Loss for the year ended 31st March 2012

		Year ended 31st March, 2012 Rupees in Lakhs	Year ended 31st March, 2011 Rupees in Lakhs
	Note		
Revenue from operations (Gross)	21	241,056.06	188,441.17
Less: Excise Duty		22,377.97	18,869.60
Revenue from operations (Net)		218,678.09	169,571.57
Other income	22	1,044.28	2,090.84
Total Revenue		219,722.37	171,662.41
Expenses :			
Cost of materials consumed	23	170,180.33	122,816.96
Changes in inventories of finished goods	24	(4,357.30)	1,124.42
Employee benefits expense	25	5,235.40	4,770.24
Finance costs	26	6,762.51	4,375.10
Depreciation and amortization expense		4,858.98	3,857.72
Other expenses	27	26,700.58	18,282.79
Total expenses		209,380.50	155,227.23
Profit before tax		10,341.87	16,435.18
Tax expense :			
Current tax	28	32.69	–
Deferred tax		1,597.02	4,806.78
Profit for the Year		8,712.16	11,628.40
Earnings per equity share : (in Rupees)			
- Equity Shares of Rs. 10 Each	29		
Basic		25.82	35.43
Diluted		25.82	35.43

This is the Statement of Profit and Loss referred to in our report of even date.

The notes are an integral part of the financial statements

For PRICE WATERHOUSE
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
(Membership Number 57572)

Kolkata
Date : 29th May, 2012

Kaushik Mukherjee
Company Secretary

Ashok Goyal
Managing Director

K. S. B. Sanyal
O. P. Malhotra
Directors

Cash Flow Statement for the year ended 31st March 2012

	Year ended 31st March, 2012 Rupees in Lakhs	Year ended 31st March, 2011 Rupees in Lakhs
A. Cash Flow from Operating Activities		
Net Profit before taxation	10,341.87	16,435.18
Adjustments for:		
Depreciation/Amortization	4,858.98	3,857.72
Loss on Disposal of Fixed Assets (net)	11.59	28.33
Unrealised (gain)/loss (net) on foreign exchange fluctuation	670.07	742.96
Income from Dividend	(51.48)	(210.14)
Interest (Received/Receivable on Inter Corporate Deposits etc.)	(479.74)	(409.82)
Profit on sale of Non-Current Investment	—	(4.00)
Interest Expense	5,827.76	3,565.98
Provision for Doubtful Debts	105.55	89.02
Adjustment on account of investments	—	(100.05)
Liabilities no longer required written back	(423.72)	—
	10,519.01	7,560.00
Operating Profit before Working Capital Changes	20,860.88	23,995.18
Adjustments for:		
Inventories	(10,501.32)	(5,870.75)
Trade and Other Receivables	(22,508.87)	(8,645.67)
Trade Payables	5,468.60	11,839.71
	(27,541.59)	(2,676.71)
Cash Generated from/(used in) Operations	(6,680.71)	21,318.47
Direct Taxes Paid (including Tax Deducted at Source)	(1,997.85)	(2,433.72)
Net Cash from/(used in) Operating Activities	(8,678.56)	18,884.75
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(9,060.33)	(12,966.57)
Sale proceeds of Fixed Assets	19.82	208.25
Purchase of Long Term Investments	—	(1.00)
Proceeds from Sale of Long Term Investments	—	2,619.90
Investment in Subsidiary	(1,575.00)	(4,930.17)
Advance recovered from Subsidiary	1,115.75	—
Advance to Subsidiary	(220.04)	—
Purchase of Current Investment	(17,049.71)	(30,506.00)
Proceeds from Sale of Current Investments	17,049.71	30,506.00
Dividend received from Investment	51.48	210.14
Inter Corporate Deposits given	(5,716.00)	(5,998.92)
Inter Corporate Deposits realised	5,716.00	5,998.92
Interest Received on Inter Corporate Deposits etc.	479.74	409.82
Net Cash (used in) Investing Activities	(9,188.58)	(14,449.63)
C. Cash Flow from Financing Activities		
Proceeds from Share Issue on conversion of Warrants	1,837.50	9,928.81
Proceeds from Issue of Convertible Warrants	—	612.50
Share issue Expenses	—	(238.05)
Proceeds from Long Term Borrowings	—	15.00
Proceeds from Short Term Borrowings	32,254.18	17,240.50
Repayment of Long Term Borrowings	(5,693.31)	(7,584.42)
Repayment of Short Term Borrowings	(16,111.74)	(17,500.00)
Proceeds from Issue of Commercial Paper	—	2,500.00
Repayment of Commercial Paper	—	(5,000.00)
Increase in Cash Credit and other working capital facilities from banks	8,290.81	5,169.64
Dividends paid [including Tax on Dividend Rs. 269.48 lakhs (Previous year- Rs. 275.85 lakhs)]	(1,920.61)	(1,923.22)
Interest paid	(5,966.67)	(4,433.40)
Net Cash from/(used in) Financing Activities	12,690.16	(1,212.64)
Net increase/(decrease) in Cash and Cash Equivalents	(5,176.98)	3,222.48
Opening Cash and Cash Equivalents	6,516.07	3,293.59
Closing Cash and Cash Equivalents	1,339.09	6,516.07

Notes:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard (AS) 3 Cash Flow Statement.
- Cash and Cash Equivalents (Refer Note 18 to financial statements) include Unpaid Dividend Account not available for use by the Company.
- Previous year's figures have been regrouped/ rearranged, where considered necessary. This is the Cash Flow Statement referred to in our report of even date.

For PRICE WATERHOUSE
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
(Membership Number 57572)

Kolkata
29th May, 2012

Kaushik Mukherjee
Company Secretary

Ashok Goyal
Managing Director

K. S. B. Sanyal
O. P. Malhotra
Directors

1. Significant Accounting Policies:

1.1. Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis except for certain tangible fixed assets which are being carried at revalued amounts. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006 as amended] and the other relevant provisions of the Companies Act, 1956.

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

1.2. Fixed Assets

Fixed assets are stated at revalued amounts (for items revalued)/ cost of acquisition/construction (for items not revalued) less accumulated depreciation/ amortization, impairment loss, if any and inclusive of borrowing cost, where applicable, and adjustments for exchange difference referred to in Note 1.7 below. Cost includes inward freight, non refundable duties/ taxes and incidental expenses directly related to acquisition/ installation. Computer Software is capitalized in the period in which the software is implemented for use, where it is expected to provide future enduring economic benefit; such capitalization costs include license fees and cost of implementation/system integration services.

1.3. Impairment

The Carrying amounts of fixed assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of fixed assets of a cash generating unit exceeds its recoverable amount (i.e., higher of net selling price and value in use).

1.4. Borrowing Cost

Borrowing costs attributable to acquisition/ construction of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

1.5. Depreciation/ Amortization

Depreciation on the incremental amount added on revaluation in respect of revalued items is calculated on straight line method at rates considered applicable by valuers.

Computer Software capitalized are amortized over a period of three years from the date of capitalization.

Depreciation on original cost of other fixed assets is provided either on straight line basis or on written down value method at rates specified in Schedule XIV to the Companies Act, 1956.

Also refer Note 43 below.

1.6. Government Grants

Grants of Capital nature (not related to specific fixed assets) are credited to Capital Reserve. Grants related to revenue are credited to related expense account.

1.7. Foreign Currency Transaction as applicable under Accounting Standard 11 on 'The effect of changes in Foreign Exchange Rates'

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end exchange rates. Gains/ losses (other than relating to reporting of long-term foreign currency monetary items) arising out of settlement of foreign currency transaction or from year end restatement are recognized in the Statement of Profit and Loss in the period in which they arise. Exchange differences arising on reporting of long-term foreign currency monetary items (i) relating to acquisition of depreciable capital assets are adjusted to the carrying amount of such assets (to be adjusted over the balance life of the related asset) and (ii) in other cases accumulated in a 'Foreign Currency Monetary item Translation Difference Account' (to be adjusted over the balance period of the related long term monetary asset/ liability). Differences between the forward exchange rates and the exchange rates at the date of transactions are accounted for as income/ expense over the life of the contracts.

1.8. Investments

Long Term Investments are valued at cost less provision for diminution (other than temporary) in the carrying amount thereof as determined by the Board of Directors based on periodical review.

1.9. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of Stores and Spares is determined on weighted average basis. Cost of Raw Materials is determined on First in First out basis. Cost includes expenditure incurred in the normal course of business in bringing inventories to its location and condition, labour and overhead, where applicable.

1.10. Revenue

Revenue from sales is recognized on transfer of ownership to customers based on the contract with the customer for delivery. Sales include excise duty and are net of sales returns, discounts and exclude sales tax/ value added tax where applicable.

1.11. Employee Benefits

a. Short term

Short term Employee Benefits (i.e. benefits falling due within one year after the end of the period in which employees render the related service) are recognized as expense in the period in which employee services are rendered as per the Company's scheme based on expected obligations on undiscounted basis.

b. Post-employment

Post-employment benefits comprise of Provident Fund, Superannuation Fund, Gratuity and Post Retirement Medical Benefit which are accounted for as follows:

i) Provident Fund

This is a defined contribution plan for certain employees and contributions are remitted to Provident Fund authorities in accordance with relevant statute and charged to the Statement of Profit and Loss in the period in which the related employee services are rendered. The Company has no further obligations for future Provident Fund benefits other than its monthly contributions.

Certain employees of the Company receive provident fund benefits, which are administered by the Provident Fund Trust set up by the Company. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employees and the Company make monthly contributions at specified percentage of the employees' salary to such Provident Fund Trust. The Company has an obligation to fund any shortfall in return on plan assets over the interest rates prescribed by the authorities from time to time. In view of the Company's obligation to meet the shortfall this is a defined benefit plan. Actuarial valuation of the Company's liability under such scheme is carried out under the Projected Unit Credit Method at the year end and the charge/ gain, if any, is recognized in the Statement of Profit and Loss. Actuarial gains/ losses are recognized immediately in the Statement of Profit and Loss as income/ expense.

ii) Superannuation Fund

This is a defined contribution plan. The Company contributes a certain % of the eligible salary for employees covered under the scheme towards superannuation fund administered by the Trustees and managed by Life Insurance Corporation of India (LIC). The Company has no further obligations for future superannuation benefits other than its contributions and recognizes such contributions as expense in the period in which the related employee services are rendered.

iii) Gratuity

This is a defined benefit plan. The Company's scheme is administered by LIC. The liability is determined based on year-end actuarial valuation using Projected

Unit Credit Method. Actuarial gains/losses are recognised immediately in the Statement of Profit and Loss as income/expense.

iv) Post Retirement Medical Benefit

Post Retirement Medical Benefits [comprising payment of annual medical insurance premium to cover hospitalizations and reimbursement of domiciliary medical expenses within a defined monetary limit] are extended to certain categories of employees. The liability in respect thereof is determined by actuarial valuation at the year end based on the Projected Unit Credit Method and are recognized as a charge on accrual basis. This is a defined benefit plan.

c. Other Long term

Other long term employee benefits represent compensated absence (defined benefit plan) which is provided for based on year end actuarial valuation using Projected Unit Credit Method. Actuarial gains/losses are recognised immediately in the Statement of Profit and Loss as income/expense.

d. Termination benefits

Termination benefits represent compensation towards Voluntary Retirement Scheme which is expensed as incurred.

1.12. Research and Development

Revenue expenditure on research and development is charged off during the period in which it is incurred. Capital expenditure on R & D is capitalized.

1.13. Derivative Contracts

In respect of derivative contracts (other than forward exchange contracts covered under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'), gains/ losses on settlement and mark to market loss (net) relating to outstanding contracts as at the Balance Sheet date is recognised in the Statement of Profit and Loss. Refer Note 1.7 above for forward exchange contracts covered under Accounting Standard 11 on "The effects of Changes in Foreign Exchange Rates."

1.14. Taxes on Income

Current tax is provided as the amount of tax payable in respect of taxable income for the year measured using applicable tax rules and laws.

Deferred tax is provided on timing differences between taxable income and accounting income measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only if there is a virtual/ reasonable certainty, as applicable, in keeping with Accounting Standard 22 on 'Accounting for Taxes on Income' that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are reviewed for the appropriateness of their respective carrying amount at each Balance Sheet date.

Notes forming part of the Financial Statements

		As at 31st March, 2012 Rupees in Lakhs	As at 31st March, 2011 Rupees in Lakhs
2 SHARE CAPITAL			
AUTHORISED			
50,000,000 Equity Shares of Rs. 10/- each		5,000.00	5,000.00
ISSUED, SUBSCRIBED AND PAID UP			
34,467,572 (31.03.2011 - 33,217,572) Equity Shares of Rs. 10/- each fully paid up		3,446.77	3,321.77
Less : Allotment Money receivable		0.07	0.07
		3,446.70	3,321.70

a. Reconciliation of Shares outstanding at the beginning and at the end of the reporting period

	Number	Value	Number	Value
Shares at the beginning of the period	33,217,572	3,321.70	28,253,196	2,825.26
Add: Shares issued during the period*	1,250,000	125.00	4,964,376	496.44
Outstanding at the end of the period	34,467,572	3,446.70	33,217,572	3,321.70

*Conversion of 1,250,000 share warrant into equity share of Rs. 10 each @ a premium of Rs. 186 per share.

No additional shares were allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash during the last five years. Further, none of the shares were bought back by the company during the last five years.

b. Detail of shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2012		As at 31st March, 2011	
Equity Shares of Rs.10/- each	Number	Holding	Number	Holding
i Universal Industrial Fund Limited	5,856,762	16.99%	5,856,762	17.63%
ii Adorn Investments Limited	4,163,749	12.08%	3,763,749	11.33%
iii Ujala Agency Private Limited	2,736,019	7.94%	2,736,019	8.24%
iv Offshore India Limited	2,699,655	7.83%	2,249,655	6.77%
v Adapt Investments Limited	2,296,039	6.66%	854,439	2.57%

c. Terms/ Rights attached to Equity Shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

d. Allotment of 1823 shares is pending against Rights Issue made during 1993-94

e. 48 Shares have not been issued to the concerned non-resident shareholders pending approval of the Reserve Bank of India

	As at 31st March, 2012 Rupees in Lakhs	As at 31st March, 2011 Rupees in Lakhs
3 RESERVES AND SURPLUS		
Capital Reserve	156.81	156.81
Securities Premium Account		
Balance as at the beginning of the year	20,086.43	10,814.87
Add: Received during the year #	2,325.00	9,432.37
Less: Share Issue Expenses (Net of Tax Effect Rs. Nil (Previous Year- Rs. 77.24 lakhs)	0.00	160.81
Balance as at the end of the year	22,411.43	20,086.43
General Reserve		
Balance as at the beginning of the year	6,467.21	5,302.21
Add: Transferred during the year	871.22	1,165.00
Balance as at the end of the year	7,338.43	6,467.21
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	21,585.19	13,341.58
Profit for the year	8,712.16	11,628.40
Less: Appropriations		
Proposed Dividend on Equity Shares for the year [Rs. 4 Per share (Previous year Rs. 5 per share)]	1,378.70	1,660.88
Dividend distribution tax on Proposed dividend on Equity Shares	223.66	269.48
Dividend on Equity Shares relating to earlier year	-	248.22
Dividend distribution tax on dividend on Equity Shares relating to earlier year	-	41.21
Transfer to General Reserve	871.22	1,165.00
Balance as at the end of the year	27,823.77	21,585.19
	57,730.44	48,295.64

Rs. 2,325 lacs received on conversion of 1,250,000 share warrants to an equivalent number of equity shares (Previous Year: Rs. 9,432.32 lakhs received on 4,964,376 Equity Shares issued) and Rs. Nil (Previous year Rs. 0.05 lakhs) received against realisation of arrear allotment money

Notes forming part of the Financial Statements

4 LONG -TERM BORROWINGS

	As at 31st March, 2012 Rupees in Lakhs	As at 31st March, 2011 Rupees in Lakhs
SECURED LOANS		
Term Loans		
From Banks	22,336.32	26,650.54
Less: Current maturities of Long Term Debt referred to in Note 10	5,490.51	5,520.05
	<u>16,845.81</u>	<u>21,130.49</u>
	<u>16,845.81</u>	<u>21,130.49</u>
UNSECURED LOANS		
Deferred Payment Liabilities		
Sales Tax Deferred Loans	288.91	462.16
Less: Current maturities of Long Term Debt referred to in Note 10	110.70	173.25
	<u>178.21</u>	<u>288.91</u>
	<u>178.21</u>	<u>288.91</u>
Total Long Term Borrowings	<u>17,024.02</u>	<u>21,419.40</u>

a. Nature of Security and terms of repayment for Secured Borrowings availed from the Banks

Nature of Security	Terms of Repayment
i. Term loan from Banks excluding adjustment for foreign exchange difference amounting to Rs 2,861.44 lakhs (31.03.2011: Rs. 4,292.16 lakhs) for 30 MW Co-generation power plant at Durgapur in West Bengal is secured by an exclusive charge on all the immovable and movable properties of the Company, present and future pertaining to the said Co-generation Power Plant.	Loan availed Rs. 7153.60 lakhs is repayable in 20 equal quarterly installments after a moratorium of 2 years, the first such installment being due at the end of 27th months from the first drawdown date of the facility i.e on April 16, 2009 and at the end of every 3 months there after. Interest to be paid half yearly at the rate of 1 year G-sec rate + 3.12% on the outstanding amount beginning July 16, 2007 and half year there after. Interest rate is to be reset on January 16th of every year.
ii. Term loan from Banks excluding adjustment for foreign exchange difference amounting to Rs. 18,269.04 lakhs (31.03.2011: Rs. 22,328.83 lakhs) are secured by way of pari-passu first charge created/to be created on all the immovable properties of the Company situated in Durgapur in West Bengal (excluding those properties which have been charged exclusively relating to 30 MW Co-generation power plant at Durgapur in West Bengal), Palej and Mundra in Gujarat and Karimugal in Kerala and also on the Company's movable Plant and Machinery, Machinery Spares, Tools and Accessories and other movable properties both present and future excluding those properties which have been charged exclusively relating to 30 MW Co-generation power plant at Durgapur in West Bengal. The above term loan from Banks are also secured by pari-passu second charge on the Company's existing and future stock of Raw Materials, Finished and Semi Finished Goods, Consumables Stores and Spares, including Stock in transit and in the possession of any third party, present and future Book debts, Monies Receivable, Claims etc held by any third party to the order of the disposition of the Company excluding those relating to 30 MW Co-generation Power Plant at Durgapur in West Bengal.	Loan availed Rs. 24358.72 lakhs is repayable in 12 equal semi-annual installments, first installment being due at the end of 30 months from the first drawdown date of the facility i.e on March 29, 2011 and at the end of every six months there after.
iii. Vehicle loans from the banks amounting to Rs. Nil (31.03.2011 : Rs. 29.55 lakhs) are secured by way of hypothecation of vehicles financed by such loans.	Repayable in 36 equal monthly installments beginning March 1, 2009 along with interest of 11.41% p.a. The same has been squared up during the current financial year.

b. Terms of repayment for unsecured borrowings:

Borrowings	Terms of Repayment
i. Sales Tax Deferred Loans/ Output Tax Deferred Loans allowed by the State Government of West Bengal.	Repayable in stipulated periodic installments commencing from August 2006 and ending on April 2014.

Notes forming part of the Financial Statements

	As at 31st March, 2012 Rupees in Lakhs	As at 31st March, 2011 Rupees in Lakhs
5 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability on account of -		
- Depreciation	8,676.81	7,049.04
	<u>8,676.81</u>	<u>7,049.04</u>
Deferred Tax Asset on account of -		
- Items allowable for tax purpose on payment/adjustments	516.82	1,221.94
- Share Issue Expenses	-	61.79
- Unabsorbed Depreciation @	769.29	-
- Others	104.14	75.77
	<u>1,390.25</u>	<u>1,359.50</u>
	<u><u>7,286.56</u></u>	<u><u>5,689.54</u></u>
@ Considered based on future taxable income against which it can be realised.		
6 OTHER LONG TERM LIABILITIES		
Security Deposits	58.90	58.00
	<u>58.90</u>	<u>58.00</u>
7 LONG-TERM PROVISIONS		
Provisions for Employee Benefits		
Provision for compensated absences	227.17	214.93
Provision for post retirement medical liability	64.85	148.23
	<u>292.02</u>	<u>363.16</u>
8 SHORT-TERM BORROWINGS		
SECURED LOANS FROM BANKS		
Loans repayable on demand (Cash Credit)	6,440.90	156.36
Other Loans	25,852.00	18,076.85
	<u>32,292.90</u>	<u>18,233.21</u>
UNSECURED LOAN FROM BANKS	<u>16,163.20</u>	<u>4,740.50</u>
Total Short Term Borrowings	<u><u>48,456.10</u></u>	<u><u>22,973.71</u></u>

Nature of Security on Secured Borrowings availed from the Banks

Secured Loan from banks are secured by way of hypothecation in favour of the banks as and by way of first charge, ranking pari-passu among themselves, of the Company's existing and future stock of Raw Materials, Finished and Semi Finished Goods, Consumables Stores and Spares, including Stock in transit and in the possession of any third party, present and future Book debts, Monies Receivable, Claims etc. held by any third party to the order of the disposition of the Company (excluding those relating to 30 MW Co-generation power plant at Durgapur in West Bengal) and also by a pari-passu second charge created/to be created on the fixed assets of the Company at Durgapur in West Bengal (excluding those relating to 30 MW Co-Generation power plant at Duragpur in West Bengal), Palej and Mundra in Gujarat and Karimugal in Kerala.

	As at 31st March, 2012 Rupees in Lakhs	As at 31st March, 2011 Rupees in Lakhs
9 TRADE PAYABLES		
Sundry Creditors		
- Dues to Micro Enterprises and Small Enterprises [Refer Note 9.1]	13.81	13.81
- Others	61,021.82	55,714.74
	<u>61,035.63</u>	<u>55,728.55</u>
	<u><u>61,035.63</u></u>	<u><u>55,728.55</u></u>
9.1 Information relating to Micro, Small and Medium Enterprises (MSME)s:		
(i) The Principal amount and interest due thereon remaining unpaid to suppliers under MSMED		
Principal	13.10	13.81
Interest	-	-
(ii) The amount of interest paid in terms of Section 16 of MSMED along with the amount of payment made to suppliers beyond the appointed day during the year		
Principal	-	-
Interest	-	-
(iii) The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED		
Principal	35.22	-
Interest	0.71	-
(iv) The amount of interest accrued and remaining unpaid at the end of the year [including Rs.Nil (Previous year Rs.Nil) being interest outstanding as at the beginning of the accounting year]	0.71	-
(v) The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED	0.71	-

Notes forming part of the Financial Statements

	As at 31st March, 2012 Rupees in Lakhs	As at 31st March, 2011 Rupees in Lakhs
10 OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Refer Note 4)	5,601.21	5,693.30
Interest accrued but not due on borrowings	200.60	169.35
Unpaid dividends [Refer Note (a) below]	63.10	53.35
Unpaid matured deposits and interest accrued thereon [Refer Note (a) below]	1.87	2.93
Other Payables:		
Due to Subsidiary	—	0.13
Advance from Customer	999.59	269.38
Non Executive Directors' Commission	300.00	160.00
Security Deposit	3.16	3.06
Employee Benefits payable	250.79	170.05
Capital Creditors	1,453.52	1,233.41
Statutory dues including provident fund and tax deducted at source	1,100.96	536.10
Liability for Export Obligation	1,978.44	3,483.73
	11,953.24	11,774.79

a. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

11 SHORT TERM PROVISIONS

Provisions for Employee Benefits

Provision for gratuity	76.24	—
Provision for compensated absences	51.40	32.51
Provision for post retirement medical liability	3.30	7.44

Other Provisions

Provision for Proposed Dividend on Equity Shares	1378.70	1,660.88
Provision for dividend distribution tax on proposed dividend on Equity Shares	223.66	269.48
	1,602.36	1,930.36
	1,733.30	1,970.31

12 FIXED ASSETS

GROSS BLOCK							DEPRECIATION				NET BLOCK	
DESCRIPTION	Original/ Revalued cost of Assets at April 1, 2011	Additions/ during the year at cost	Adjustments during the year Borrowing Cost	Exchange Differences (Refer Note 1.7 above)	Disposal during the year	Total Original /Revalued cost as at March 31, 2012	Depreciation as at April 1, 2011	Depreciation during the year	Adjustment of Depreciation on sales etc.	Depreciation as at March 31, 2012	Balance as at March 31, 2012	Balance as at April 1, 2011
TANGIBLE ASSETS												
Freehold Land	2,159.37	—	—	—	—	2,159.37	—	—	—	—	2,159.37	2,159.37
Leasehold Land Acquisition and Development Expenses	799.34	—	—	—	—	799.34	—	—	—	—	799.34	799.34
Buildings (a)	6,352.04	900.02	—	—	—	7,252.06	1,295.73	216.30	—	1,512.03	5,740.03	5,056.31
Non-Factory Buildings and Flats	2,352.55	399.93	—	—	—	2,752.48	395.20	50.45	—	445.65	2,306.83	1,957.35
Plant and Equipment	67,965.80	12,646.48	1,930.81	1,205.84	0.46	83,748.47	22,604.03	4,247.14	0.30	26,850.87	56,897.60	45,361.77
Furniture and Fixtures	463.86	26.42	—	—	9.45	480.83	283.80	18.18	1.96	300.02	180.81	180.06
Office Equipment	643.05	70.40	—	—	1.42	712.03	331.62	59.55	0.66	390.51	321.52	311.43
Vehicles	427.85	82.19	—	—	34.95	475.09	165.45	60.12	16.55	209.02	266.07	262.40
Electrical Installations	3,052.91	1,236.10	—	—	16.81	4,272.20	1,311.90	207.24	12.21	1,506.93	2,765.27	1,741.01
Railway Sidings	89.62	—	—	—	—	89.62	89.01	—	—	89.01	0.61	0.61
	84,306.39	15,361.54	1,930.81	1,205.84	63.09	102,741.49	26,476.74	4,858.98	31.68	31,304.04	71,437.45	57,829.65
Previous Year	82,584.39	2,462.45	—	—	740.45	84,306.39	23,268.36	3,857.72	649.34	26,476.74	57,829.65	—
INTANGIBLE ASSETS												
Computer Software-Acquired	207.02	—	—	—	—	207.02	207.02	—	—	207.02	—	—
	207.02	—	—	—	—	207.02	207.02	—	—	207.02	—	—
	—	—	—	—	—	—	—	—	—	—	—	—
Previous Year	207.02	—	—	—	—	207.02	207.02	—	—	207.02	—	—
Capital Work-in-Progress											9,798.28	17,926.01

(a) Cost and accumulated depreciation include Rs. 3,952.55 lakhs (31.03.2011 - Rs. 3,952.55 lakhs) and Rs. 1,220.84 lakhs (31.03.2011 - Rs. 1,102.42 lakhs) respectively in respect of Buildings on Leasehold Land.

(b) Capital Work-in-Progress includes interest on borrowed capital amounting to Rs. 631.50 lakhs (31.03.2011 - Rs. 2392.15 lakhs)

Notes forming part of the Financial Statements

	As at 31st March, 2012 Rupees in Lakhs	As at 31st March, 2011 Rupees in Lakhs
13 NON-CURRENT INVESTMENT (Unquoted unless otherwise stated)		
<i>Other than Trade Investment</i>		
Investment in Equity Instruments- At cost unless otherwise indicated		
In Subsidiaries		
18,118 Fully paid Equity Shares of Euro 1/- each in Phillips Carbon Black Cyprus Holdings Limited	3,022.40	3,022.40
8,390,000 (Previous year-5,240,000) Fully Paid Equity Shares of Rs. 10/- each in Goodluck Dealcom Private Limited	4,195.00	2,620.00
In Others		
7,186 Fully paid Equity Shares of Rs.10/- each in Bank of Baroda (Quoted)	16.53	16.53
11,400 Fully paid Equity Shares of Rs.10/- each in Indian Overseas Bank (Quoted)	2.74	2.74
600,000 Fully paid Equity Shares of Rs.10/- each in Norplex Oak India Ltd. (Quoted)*	60.00	60.00
1,910,000 Fully paid Equity Shares of Rs.10/- each in Maple Circuits Ltd. (Quoted)*	191.01	191.01
Nil (Previous year - 1,000,480) Fully Paid Equity Shares of Rs. 10/- each in Woodlands Multispeciality Hospital Ltd. (Sold during the year)	—	100.05
	270.28	370.33
Investment in preference shares-		
At cost unless otherwise indicated		
50 Fully paid Preference Shares of Rs.100/- each in Norplex Oak India Ltd.*	0.05	0.05
50 Fully paid Preference Shares of Rs.100/- each in Maple Circuits Ltd.*	0.05	0.05
	0.10	0.10
	7,487.78	6,012.83
Less: *Provision for diminution in carrying amount of Investments in Norplex Oak India Ltd and Maple Circuits Ltd	(251.11)	(251.11)
	7,236.67	5,761.72
Notes: (a) Aggregate amount of Quoted Investments	270.28	270.28
(b) Aggregate amount of Unquoted Investments	7,217.50	5,742.55
(c) Aggregate provision for diminution in value of investments	(251.11)	(251.11)
	7,236.67	5,761.72
(d) Market value of Quoted Investments (excluding Norplex Oak India Ltd. and Maple Circuits Ltd. in absence of any current quotation)	67.78	85.58
14 LONG TERM LOANS AND ADVANCES - Unsecured Considered Good		
Capital Advances	2,946.82	2,660.84
Security Deposits @	1,092.14	1,074.33
Advances given to related parties Phillips Carbon Black Cyprus Holding Limited (Subsidiary)	219.91	--
Other Loans & Advances Loans to Employees #	182.03	94.35
	4,440.90	3,829.52

Loans to Employees includes Rs. 0.27 lakhs (31.03.2011- Rs. 0.43 lakhs) due by an officer of the company.

@ Security deposit includes Rs. 23 lakhs (31.03.2011- Rs. Nil) given to a Private Limited Company in which a director is a member.

Notes forming part of the Financial Statements

	As at 31st March, 2012 Rupees in Lakhs	As at 31st March, 2011 Rupees in Lakhs
15 OTHER NON-CURRENT ASSETS		
MAT Credit Entitlement	7,620.00	5,500.00
	<u>7,620.00</u>	<u>5,500.00</u>
16 INVENTORIES (Valued at lower of Cost and net realisable value)		
Raw Materials [includes in transit Rs.473.49 lacs (31.03.2011: Rs. 935.08 lacs)]	25,173.35	20,070.94
Finished Goods	7,854.77	3,497.47
Stores and Spares (including packing materials)	3,005.96	1,964.35
	<u>36,034.08</u>	<u>25,532.76</u>
17 TRADE RECEIVABLES		
Unsecured		
Outstanding for a period exceeding 6 months from the date they are due for payment		
Considered Good	41.04	820.15
Considered Doubtful	275.21	198.56
Less : Provision for doubtful debts	<u>275.21</u>	<u>198.56</u>
	-	-
	<u>41.04</u>	<u>820.15</u>
Other Debts - Considered Good	54,692.84	35,434.51
	<u>54,733.88</u>	<u>36,254.66</u>
18 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand	4.11	3.09
Cheques, drafts on hand	-	999.78
Remittances in Transit	1,002.13	1,176.22
Balances with Banks		
- On Current Accounts	269.75	4,283.63
- On Unpaid Dividend Accounts*	63.10	53.35
Total (A)	<u>1,339.09</u>	<u>6,516.07</u>
Other bank balances		
- On Margin Money Account against Guarantee (with maturity more than 3 months and less than 12 months).	9.27	9.27
Total (B)	<u>9.27</u>	<u>9.27</u>
Total (A+B)	<u>1,348.36</u>	<u>6,525.34</u>
* earmarked for payment of unpaid dividend only.		
19 SHORT TERM LOANS AND ADVANCES - Unsecured Considered Good		
Advance given to related parties		
Goodluck Dealcom Private Ltd (Subsidiary)	100.05	1,115.75
Others		
Advances to Suppliers/ Service providers	3,546.06	1,988.67
Gratuity	-	16.93
Balances with statutory/government authorities	8,487.43	5,307.41
Advance payment of Taxes, etc. [Net of Provision for Taxation Rs 14,271.38 lakhs (31.03.2011 - Rs.12,118.69 lakhs)]	736.51	891.35
Loans to Employees #	107.48	71.67
Advances to Employees	13.13	10.86
Prepaid Expenses	640.73	512.74
Unamortised premium on forward contracts	937.01	183.46
	<u>14,568.40</u>	<u>10,098.84</u>
# Loans to Employees includes Rs. 0.16 lakhs (31.03.2011- Rs 0.16 lakhs) due by an officer of the company		
20 OTHER CURRENT ASSETS		
Accruals under Duty Exemption Scheme/ Duty Drawback pertaining to exports /deemed exports	1,798.89	2,948.80
	<u>1,798.89</u>	<u>2,948.80</u>

Notes forming part of the Financial Statements

	Year ended 31st March, 2012 Rupees in Lakhs	Year ended 31st March, 2011 Rupees in Lakhs
21 REVENUE FROM OPERATION		
Sales of Products		
Carbon Black [Net of transfer to Capital work in progress Rs. 1,291.45 lakhs (Previous year- Nil)]	232,074.59	180,280.31
Less : Excise Duty	22,377.97	18,869.60
	209,696.62	161,410.71
Power	8,368.71	7,603.64
Other Operating Revenues		
Sale of Carbon Credit	356.87	249.08
Scrap Sale	255.89	308.14
	218,678.09	169,571.57
22 OTHER INCOME		
Interest Income		
On Inter Corporate Deposit	421.68	388.03
On Others	58.06	21.79
	479.74	409.82
Dividend from Long Term Investments		
Trade Investments	-	166.23
Others	1.76	15.24
	1.76	181.47
Dividend from Current Investments-Other than Trade	49.72	28.67
Profit on Sale of Non Current Investments	-	4.00
Net gain on foreign currency transaction/translation	-	1,347.15
Liability no longer required written back	423.72	-
Miscellaneous Income	89.34	119.73
	1,044.28	2,090.84
23 Cost of Materials Consumed		
Opening Stock	20,070.94	13,378.51
Add : Purchases	175,282.74	129,509.39
	195,353.68	142,887.90
Less : Closing Stock	25,173.35	20,070.94
	170,180.33	122,816.96
23.1 Details of Raw Materials consumed		
Carbon Black Feed Stock	160,277.92	119,477.74
Tar Oil	7,627.43	3,953.40
Others	3,782.94	1,165.10
	171,688.29	124,596.24
Less: Consumption through Research and Development/ Trial runs		
- Carbon Black Feed Stock	1,380.12	1,673.16
- Tar Oil	127.84	106.12
	170,180.33	122,816.96
23.2 Details of Raw Material Inventory		
Carbon Black Feed Stock	23,675.37	19,608.57
Tar Oil	1,375.72	347.16
Others	122.26	115.21
	25,173.35	20,070.94

23.3 Raw material purchase is net of Rs. 3,990.24 lakhs (Previous year - Rs. 3,106.15 lakhs) being benefits under duty exemption schemes pertaining to exports/deemed exports.

Notes forming part of the Financial Statements

23.4 VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORE AND SPARE PARTS CONSUMED:

	Year ended 31st March, 2012		Year ended 31st March, 2011	
Raw Materials	%	Rs in lakhs	%	Rs in lakhs
Imported	78.94	134,344.60	81.62	100,249.27
Indigenous	21.06	35,835.73	18.38	22,567.69
Total	100.00	170,180.33	100.00	122,816.96
Stores and Spares including packing material				
Imported	2.74	153.69	2.95	134.71
Indigenous	97.26	5,446.70	97.05	4,429.91
Total	100.00	5,600.39	100.00	4,564.62
	Year ended 31st March, 2012 Rupees in Lakhs		Year ended 31st March, 2011 Rupees in Lakhs	
24 CHANGES IN INVENTORIES OF FINISHED GOODS				
Closing Stock (Carbon Black)		7,854.77		3,497.47
Less: Opening Stock (Carbon Black)		3,497.47		4,621.89
		(4,357.30)		1,124.42
25 EMPLOYEE BENEFITS EXPENSE				
Salaries and Wages		4,352.68		4,003.15
Contribution to Provident and Other Funds		436.33		290.54
Staff Welfare Expense		446.39		476.55
		5,235.40		4,770.24
26 FINANCE COSTS				
Interest expense [Net of interest capitalized Rs.170.16 lakhs (Previous Year - Rs. 851.99 lakhs)]		5,827.76		3,565.98
Other borrowing costs		934.75		809.12
		6,762.51		4,375.10
27 OTHER EXPENSES				
Consumption of Stores and Spare parts		2,440.19		2,126.36
Consumption of Packing Materials		3,160.20		2,438.26
Power and Fuel		1,756.36		1,310.50
Water Charges		129.50		119.97
Rent		173.75		124.14
Rates and Taxes		140.89		96.73
Repairs and Maintenance :				
- Buildings	227.55		177.96	
- Plant and Machinery	884.79		656.30	
- Others	144.27		342.85	
		1,256.61		1,177.11
Insurance		177.91		116.87
Travelling and Transport Expenses		847.03		673.50
Subscriptions and Donations		165.79		211.33
Freight Outward		3,522.95		3,310.96
Commission to Selling Agents		1,832.60		1,330.09
Directors' Fees		8.85		7.95
Research and Development Expenses		1,857.32		855.70
Commission to Non Executive Directors		300.00		160.00
Net loss on foreign currency transaction/translation		2,478.44		-
Loss on Disposal of Fixed Assets (net)		11.59		28.33
Bad Debts written off (Net of adjustment against Provision for Doubtful Debts Rs. 28.90 lakhs (Previous year - Rs. 100.91 lakhs))		-		-
Provision for Doubtful Debts		105.55		89.02
Miscellaneous Expenses		6,335.05		4,105.97
		26,700.58		18,282.79

Notes forming part of the Financial Statements

	Year ended 31st March, 2012 Rupees in Lakhs	Year ended 31st March, 2011 Rupees in Lakhs
27.1 PAYMENT TO AUDITORS		
Auditors' Remuneration:		
Audit Fees	25.00	20.00
Tax Audit	5.00	4.00
Others (Certifications etc.) [including Rs. 2.25 lakhs (Previous year- Rs. Nil) relating to prior year]	20.40	8.25
Reimbursement of Expenses	0.38	0.39
	<u>50.78</u>	<u>32.64</u>
28 CURRENT TAX		
Current Tax [including Rs 32.69 lakhs (31.03.2011: Rs Nil) in respect of earlier years]	2,152.69	3,250.00
Less: MAT Credit Entitlement	<u>2,120.00</u>	<u>3,250.00</u>
	32.69	-
	<u>32.69</u>	<u>0.00</u>
29 EARNING PER SHARE		
Basic and Diluted		
(i) Number of Equity Shares at the beginning of the year	33,217,572	28,253,196
(ii) Number of Equity Shares at the end of the year	34,467,572	33,217,572
(iii) Weighted average number Equity Shares outstanding during the year	33,746,944	32,823,142
(iv) Face value of each Equity Shares (Rs)	10	10.00
(v) Profit after Tax available for Equity Shareholders (Rs in lakhs)	8,712.16	11,628.40
(vi) Basic and Diluted Earning per Share (Rs) [(v) / (iii)]	25.82	35.43
30 PROPOSED DIVIDEND		
On Equity Shares of Rs.10 each		
Amount of dividend proposed	1,378.70	1,660.88
Dividend per Equity Share	Rs. 4/- per Share	Rs. 5/- per Share
	As at 31st March, 2012	As at 31st March, 2011
	Rupees in Lakhs	Rupees in Lakhs
31 CONTINGENT LIABILITIES		
Contingent Liabilities for :		
(a) Claims against the Company not acknowledged as debts :		
Income-tax matters under dispute	232.60	245.12
Excise Duty matters under dispute	91.03	49.63
(b) Outstanding Bank Guarantees etc.	1097.94	807.10
(c) Guarantees or Counter Guarantees or Counter Indemnity given by the Company :		
On behalf of bodies corporate and others		
- Limit	9.00	9.00
- Outstanding	9.00	9.00
32 CAPITAL COMMITMENTS		
Capital Commitments	5,460.62	2,390.19

	Rupees in Lakhs				
	Total	Durgapur	Kochi	Baroda	Mundra
	Year ended 31st March, 2012				
33 RESEARCH AND DEVELOPMENT EXPENSES					
Raw Materials Consumed	1,507.94	549.49	249.46	370.53	338.46
	(643.81)	(520.73)	(72.41)	(50.67)	-
Salaries Wages and Bonus	248.62	78.54	59.71	58.44	51.93
	(173.76)	(56.08)	(42.09)	(40.77)	(34.82)
Contribution to Provident Fund, Superannuation Fund and Gratuity Funds	13.19	4.31	2.88	3.49	2.51
	(13.20)	(3.79)	(3.33)	(3.63)	(2.45)
Labour and Staff Welfare	4.00	0.97	1.26	1.08	0.69
	(4.91)	(1.12)	(2.03)	(1.26)	(0.50)
Miscellaneous Expenses	83.57	21.95	20.01	20.17	21.44
	(20.02)	(16.33)	(2.81)	(0.44)	(0.44)
Total	1,857.32	655.26	333.32	453.71	415.03
	(855.70)	(598.05)	(122.67)	(96.77)	(38.21)
Capital Expenditure on R&D	-	-	-	-	-
	(51.78)	-	(0.65)	(51.13)	-

Note: Figures in brackets indicate Previous Years figures.

Notes forming part of the Financial Statements

34. RELATED PARTY DISCLOSURES

(In accordance with Accounting Standard-18 notified under Section 211(3C) of the Companies Act, 1956.)

i) Related Parties

Name	Relationship
a) Where control exists	
List the Name of the Related Parties	
Phillips Carbon Black Cyprus Holding Limited	Wholly owned Subsidiary Company
PCBL Netherlands Holding B.V.	Wholly owned Subsidiary Company of Phillips Carbon Black Cyprus Holding Limited
Phillips Carbon Black Vietnam Joint Stock Company	Subsidiary Company of PCBL Netherlands Holdings BV
Goodluck Dealcom Private Limited	Wholly Owned Subsidiary Company
b) Others	
Mr. Ashok Goyal, Managing Director	Key Management Personnel

ii) Particulars of Transactions during the year ended 31st March, 2012

A) Subsidiary Companies		
a) Equity Contribution to the Subsidiary	-	2,994.36
Phillips Carbon Black Cyprus Holding Limited		
Goodluck Dealcom Pvt. Limited	1,575.00	2,620.00
b) Sale of Shares to Goodluck Dealcom Private Ltd.	100.05	1,115.75

	Year ended 31st March, 2012 Rupees in Lakhs	Year ended 31st March, 2011 Rupees in Lakhs
c) Loans and Advances given		
Phillips Carbon Black Cyprus Holding Limited	220.04	-
d) Balance Outstanding Receivable/(Payable) at the year end		
Phillips Carbon Black Cyprus Holding Limited	219.91	(0.13)
Goodluck Dealcom Pvt. Limited	100.05	1,115.75
B) Key Management Personnel		
a) Directors' Remuneration	266.62	240.88

35 CIF VALUE OF IMPORTS

(a) Raw Materials	144,812.15	102,649.42
(b) Stores and Spares	664.15	206.89
(c) Capital Equipment	641.82	695.53

36 EXPENDITURE IN FOREIGN CURRENCY

DURING THE YEAR ON ACCOUNT OF

(a) Commission on Export Sales	194.78	235.11
(b) Interest	917.69	299.23
(c) Professional and Consultancy Fees	73.81	75.02
(d) Others	285.42	171.38

37 EARNINGS IN FOREIGN

CURRENCY ON ACCOUNT OF

Export Sales (F.O.B. Value)	64,298.95	32,455.71
-----------------------------	-----------	-----------

38. SEGMENT REPORTING

- a) Information relating to the two business segments, being Carbon black and Power has been disclosed as Primary Segment.
- b) Inter-Segment transfers being power consumed for manufacture of Carbon Black are based on price paid for power purchased from external Sources.
- c) Segment Revenues, Results and other information:

Business Segment

(Rupees in Lakhs)

(Rupees in Lakhs)

		Year ended 31st March, 2012			Year ended 31st March, 2011		
		Carbon Black	Power	Total	Carbon Black	Power	Total
(i)	Segment Revenue						
	External Sales	209,696.62	8,368.71	218,065.33	161,410.71	7,603.64	169,014.35
	Inter-segment Sales	—	3,287.00	3,287.00	—	2,711.84	2,711.84
		209,696.62	11,655.71	221,352.33	161,410.71	10,315.48	171,726.19
(ii)	Segment Results						
	Profit before interest and tax	12,572.93	8,583.00	21,155.93	14,867.52	7,535.48	22,403.00
	Unallocated (expenses)/income (net)			(4,986.30)			(2,401.84)
	Interest			(5,827.76)			(3,565.98)
	Profit before tax			10,341.87			16,435.18
(iii)	Segment Assets						
	Unallocated	151,967.47	36,739.89	188,707.36	120,035.48	32,942.33	152,977.81
				20,309.55			19,229.49
				209,016.91			172,207.30
(iv)	Segment Liabilities						
	Unallocated	65,929.50	892.59	66,822.09	61,807.11	—	61,807.11
				81,017.68			58,170.35
				147,839.77			119,977.46
(v)	Capital Expenditure	4,509.61	5,380.61	9,890.22	12,141.30	1,313.84	13,455.14
(vi)	Depreciation	2,839.66	1,847.98	4,687.64	2,432.74	1,348.10	3,780.84
(vii)	Non Cash Expense other than Depreciation (unallocated)	—	—	—	—	—	—

Notes forming part of the Financial Statements
Geographical Segment

Rupees in Lakhs

	Year ended 31st March, 2012		
	Within India	Outside India	Total
(i) Segment Revenue	153,766.38	64,298.95	218,065.33
(ii) Capital Expenditure	9,890.22	—	9,890.22
(iii) Segment Assets	177,986.24	10,721.12	188,707.36

Rupees in Lakhs

Year ended 31st March, 2011		
Within India	Outside India	Total
136,558.64	32,455.71	169,014.35
13,455.14	—	13,455.14
148,742.60	4,235.21	152,977.81

39. In terms of the Guidance on implementing Accounting Standard 15 on employee benefits issued by the Accounting Standard Board of the Institute of Chartered Accountants of India, a provident fund setup by the Company is a defined benefit plan in view of the Company's obligation to meet shortfall, if any, on account of interest.

Unlike previous year, consequent upon issuance of Guidance Note by the Institute of Actuaries of India in 2011-12, actuarial valuation of provident fund as at the year end has been done under the Projected Unit Credit Method and the resultant charge/gain has been recognised in the accounts. Information pertaining to the year required to be considered as per AS 15 in this regard is also disclosed. However, in the absence of a Guidance Note from the Institute of Actuaries of India in earlier years, such exercise was not carried out and the related information has not been disclosed in respect of earlier years.

39.1 Reconciliation of opening and closing balances of the present value of defined benefit obligations –

Rupees in Lakhs

	Funded			Unfunded	
	Gratuity		Provident Fund	Medical	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Opening balance	723.78	755.02	2,588.58	155.66	105.11
Liability taken over from other entries or transferred employees	54.62	—	—	—	—
Current Service Cost	52.73	45.62	278.47	—	—
Interest cost	54.84	59.36	212.63	13.12	8.93
Actuarial loss/(gain)	52.78	(22.85)	1.69	(97.96)	41.62
(Benefits paid)	(157.21)	(113.37)	(301.00)	(2.67)	—
Closing balance	781.54	723.78	2,780.37	68.15	155.66

39.2 Reconciliation of opening and closing balances of the fair value of plan assets –

Rupees in Lakhs

	Gratuity		Provident Fund
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012
Opening balance	740.71	773.59	2,587.25
Adjustment@	3.40	7.82	—
Expected return on Plan Asset	69.20	72.67	213.45
Actuarial (loss)/gain	(4.80)	—	(38.51)
Company's contribution	54.00	—	278.47
Benefits paid	(157.21)	(113.37)	(301.00)
Closing balance	705.30	740.71	2,739.66

@ Represent accretion to plan assets relating to earlier year communicated by LIC during the year which has been adjusted against gratuity expense recognised in the accounts.

The expected return on plan assets is determined after taking into consideration composition of plan assets held, assessed risks of asset management, historical results of return on plan assets, company's policies for plan asset management and other relevant factors.

39.3 Actual Return on Plan Assets –

Rupees in Lakhs

	Gratuity		Provident Fund
	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2012
Actual Return on Plan Assets	64.40	72.67	174.94

Notes forming part of the Financial Statements

39.4 Composition of Plan Assets –

	Provident Fund
	As at 31st March, 2012
Central Government Securities	20.93%
State Government Securities	11.45%
PSU Bonds	38.06%
Special Deposit Scheme	21.99%
Others (including bank balance)	7.57%
Total	100.00%

Plan assets for gratuity is funded with Life Insurance Corporation of India.

39.5 Amount recognised in Balance Sheet –

Rupees in Lakhs

	Funded			Unfunded	
	Gratuity		Provident Fund	Medical	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Present value of obligation	781.54	723.78	2,780.37	68.15	155.66
Fair Value of Plan Asset	705.30	740.71	2,739.66	–	–
Net Asset / (Liability)	(76.24)	16.93	(40.71)	(68.15)	(155.66)

39.6 Amount recognised in Profit and Loss Account –

Rupees in Lakhs

	Gratuity		Provident Fund	Medical	
	For the year ended 31st March, 2012	For the year ended 31st March, 2011	For the year ended 31st March, 2012	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Current service cost	52.73	45.62	278.47	–	–
Interest cost	54.84	59.36	212.63	13.12	8.93
Expected Return on Plan Asset	(69.20)	(72.67)	(213.45)	–	–
Actuarial loss / (gain)	57.58	(22.85)	40.20	(97.96)	41.62
Recognised in Profit and Loss Account	95.95	9.46	317.85	(84.84)	50.55

The expenses for the above mentioned benefits have been included and disclosed under the following line items:-

Gratuity - under 'Contribution to Provident and other Funds' in Note 25

Provident Fund - under 'Contribution to Provident and other Funds' in Note 25, other than employees' statutory contributions, voluntary contribution etc. which are recovered from their salaries, as included under 'Salaries and Wages' in Note 25

Post Retirement Medical Benefit - under 'Staff Welfare Expenses' in Note 25

39.7 (a) Principal Actuarial Assumptions used (Gratuity) –

	Year ended 31st March, 2012	Year ended 31st March, 2011
Mortality Table	LICI 1994-1996	LICI 1994-1996
Discount rate	8.50%	8.50%
Inflation rate	5.00%	5.00%
Expected Return on assets	9.30%	8.00%

(b) Principal Actuarial Assumptions used (Post Retirement Medical Benefit) –

	Year ended 31st March, 2012	Year ended 31st March, 2011
Mortality Table	LICI 1994-1996	LICI 1994-1996
Discount rate	8.50%	8.50%

Notes forming part of the Financial Statements

(c) Principal Actuarial Assumptions used (Provident Fund) –

	Year ended 31st March, 2012
Expected Return on assets	8.25%
Statutory Interest Rate	8.25%

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

39.8 Effect of increase / decrease of one percentage point in the assumed medical cost trend rates on –

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	Increase	Decrease	Increase	Decrease
	Rupees in Lakhs		Rupees in Lakhs	
Aggregate of current service cost and interest cost	6.74	6.74	6.97	6.97
Accumulated Post Employment benefit obligation for medical cost	1.42	1.42	1.30	1.30

39.9 Other Disclosures

Rupees in Lakhs

	2011-2012		2010-2011	
	Gratuity	Medical	Gratuity	Medical
a) Present value of obligation at end of the year	781.54	68.15	723.78	155.66
b) Fair value of Plan Assets as at end of the year	705.30	–	740.71	–
c) (Surplus)/Deficit as at the end of the year	76.24	68.15	(16.93)	155.66
d) Experience Adjustment on Plan Obligation [(Gain)/Loss]	(22.71)	17.03	28.97	43.04
e) Experience Adjustments on Plan Assets [(Gain)/Loss]	4.80	–	(18.20)	–

Rupees in Lakhs

	2009-2010		2008-2009	
	Gratuity	Medical	Gratuity	Medical
a) Present value of obligation at end of the year	755.02	105.11	621.65	70.42
b) Fair value of Plan Assets as at end of the year	773.59	–	569.26	–
c) (Surplus)/Deficit as at the end of the year	(18.57)	105.11	52.39	70.42
d) Experience Adjustment on Plan Obligation [(Gain)/Loss]	104.36	40.21	9.64	10.19
e) Experience Adjustments on Plan Assets [(Gain)/Loss]	(1.45)	–	41.28	–

Rupees in Lakhs

	2007-2008	
	Gratuity	Medical
a) Present value of obligation at end of the year	581.24	53.03
b) Fair value of Plan Assets as at end of the year	515.98	–
c) (Surplus)/Deficit as at the end of the year	65.26	53.03
d) Experience Adjustment on Plan Obligation [(Gain)/Loss]	1.89	8.16
e) Experience Adjustments on Plan Assets [(Gain)/Loss]	32.57	–

39.10 For the Defined Contribution plans amount aggregating Rs 184.05 lakhs (previous year- Rs. 299.22 lakhs) have been recognized as an expense during the year. The Contribution to the defined benefits plan expected to be made by the company during the annual period beginning after the balance sheet date is yet to be reasonably determined.

Notes forming part of the Financial Statements

40 Change in Accounting Policy

The Company has exercised the option as set out in paragraph 46A of Accounting Standard 11 on "The Effects of Changes in Foreign Exchange Rates", pursuant to the notification dated 29th December, 2011. Accordingly, exchange differences arising on restatement of long term foreign currency loans obtained for the purpose of acquisition of depreciable capital assets, which were until previous year being recognized in the Statement of Profit and Loss, is adjusted in the cost of depreciable asset, which would be depreciated over the balance life of the asset.

Had the Company continued to follow the earlier accounting policy, the net foreign exchange loss recognized in the Statement of Profit and Loss would have been higher by Rs. 1205.84 lakhs with corresponding decrease in net profit for the year and Fixed Assets would have been lower to the same extent.

41 For the purpose of these accounts, following methods and rates of depreciation have been used for depreciating the original cost of fixed assets:

- Certain items of Plant and Machinery being energy saving devices added during the period ended 31st March, 1987: Under Straight line method at rates specified in Schedule XIV of the Companies Act, 1956.
- Other assets added up to 31st March, 1987: Under written down value method at rates specified in Schedule XIV of the Companies Act, 1956.
- Additions since 1st April, 1987: Under Straight line method at rates specified in Schedule XIV of the Companies Act, 1956.

42 Based on the valuation reports submitted by the valuers appointed for the purpose, certain items of the Company's fixed assets [viz., Land (Freehold/Leasehold), Acquisition and Development Expenses, Buildings on such Land, Flats, Electrical Installations, Plant and Machinery and Railway Siding] were revalued on 30th November, 1984, on 30th September, 1991 and also on 30th September, 2001 (except Railway Siding) after considering the following factors:

- Estimated current market value pertaining to Land (Freehold/Leasehold), Acquisition and Development Expenses, Buildings on such land and Flats.
- Values of Electrical Installations, Plant and Machinery and Railway Siding (when applicable) based on their current cost of replacement.
- Adjustments for the condition, the standard of maintenance, depreciation up to valuation dates, etc.

The resultant revaluation surplus of Rs.1,011.07 lakhs, Rs.2,994.04 lakhs and Rs. 5,995.27 lakhs arising from the aforesaid revaluations were transferred to Revaluation Reserve in the Company's annual accounts for the years 1983-84, 1990-91 and 2000-01 respectively. Such Revaluation Reserves have however been fully adjusted in earlier years.

43 Depreciation for the year ended 31st March, 2012 on items of fixed assets revalued include an additional charge of Rs. 196.04 lakhs (Previous Year - Rs. 214.22 lakhs) over that calculated on original cost at rates prescribed under Schedule XIV of the Companies Act, 1956 as amended during 1993-94 representing

depreciation on the incremental amounts added on revaluation calculated at the rates considered applicable by the valuers.

- Capital Work in Progress as at 31st March 2012 includes Raw Materials Consumed Rs.15.17 lakhs (Previous Year-1183.24 lakhs, Salaries, Wages and Bonus Rs. 195.65 Lakhs (Previous Year-107.66 lakhs), Contribution to Provident Fund, Super Annuation Fund, Gratuity, Other Funds Rs. 9.88 lakhs (Previous Year-7.24 lakhs), Labour and Staff Welfare Rs. 9.18 lakhs (Previous Year- 7.43 lakhs), Consumption of Stores and spares parts Rs. 14.04 lakhs (Previous Year-17.48 lakhs), Rent Rs. 1.50 lakhs (Previous Year- 8.42 lakhs), Rates and Taxes Rs. 4.55 lakhs (Previous Year-4.09 lakhs), Repairs and Maintenance Rs. 9.84 lakhs (Previous Year-13.61 lakhs), Insurance Rs.4.78 lakhs (Previous Year-9.31 lakhs) incurred on various projects under implementation.
- Pending completion of the relevant formalities of transfer of certain assets acquired pursuant to the Scheme of Amalgamation of Transmission Holdings Limited with the Company in 2001-2002, such assets remain included in the books of the Company under the name of the transferor company.
- On exercise of the option to subscribe to the Company's Equity Shares by the holders of 12,50,000 convertible warrants of Rs. 196/- each allotted on 30th April, 2010 pursuant to the approval of the members of the Company in accordance with SEBI Guidelines, 12,50,000 Equity Shares of Rs. 10/- each fully paid up have been issued and allotted on 28th October, 2011 on conversion of said warrants. Consequently, out of the proceeds of Rs. 2,450 lakhs of the Convertible Warrants Rs. 125 lakhs and Rs.2,325 lakhs have been transferred to Share Capital and Securities Premium Account respectively.
- Rent of Rs. 57.02 lakhs (Previous Year - Rs. 75.07 lakhs) relates to cancellable operating leases taken on or after 1.04.2001. These lease arrangements range from 11 months to 3 years and are primarily in respect of accommodation for offices; warehouses etc. and inter alia include escalation clause and option for renewal.
- Members of the Company in the Annual General Meeting held on 30th July, 2008 and the Central Government vide its letter dated 15th Nov, 2010 approved payment of commission to Non Executive Directors up to a ceiling of 1% of the net profits of the Company. The Board of Directors in its meeting held on 29th May, 2012 has approved payment of commission up to 5% of the net profits of the Company subject to approval of members in the ensuing Annual General Meeting and of the Central Government as required under section 310 of the Companies Act, 1956. Accordingly, Commission of Rs. 190.43 lakhs in excess of 1% of the net profits is subject to approval of the members and of the Central Government as stated above.
- The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

For PRICE WATERHOUSE
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
(Membership Number 57572)

Kolkata
Date : 29th May, 2012

Kaushik Mukherjee
Company Secretary

Ashok Goyal
Managing Director

K. S. B. Sanyal
O. P. Malhotra
Directors

Auditor's Report on the Consolidated Financial Statements

The Board of Directors of Phillips Carbon Black Limited

1. We have audited the attached consolidated Balance Sheet of Phillips Carbon Black Limited (the "Company") and its subsidiaries, hereinafter referred to as the "Group" (refer Note 43 to the attached consolidated financial statements) as at March 31, 2012, the related consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of two subsidiaries included in the consolidated financial statements, which constitute total assets of Rs. 7,765.30 lakhs and net assets of Rs. 7,650.98 lakhs as at March 31, 2012, total revenue of Rs. 76.90 lakhs, net loss of Rs. 151.40 lakhs and net cash flows amounting to Rs. 126.41 lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived

from such financial statements is based solely on the report of such other auditors.

4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements notified under sub-section 3C of Section 211 of the Companies Act, 1956.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For PRICE WATERHOUSE
Firm Registration Number 301112E
Chartered Accountants

Kolkata
29th May, 2012

Pinaki Chowdhury
Partner
(Membership Number 57572)

Consolidated Balance Sheet as at 31st March 2012

	Notes	As at 31st March, 2012 Rupees in Lakhs	As at 31st March, 2011 Rupees in Lakhs
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2	3,446.70	3,321.70
Reserves and surplus	3	57,277.54	47,608.06
Money received against share warrants		—	612.50
		<u>60,724.24</u>	<u>51,542.26</u>
MINORITY INTEREST		671.34	549.99
NON-CURRENT LIABILITIES			
Long-term borrowings	4	17,024.02	21,419.40
Deferred tax liabilities (Net)	5	7,286.56	5,689.54
Other Long term liabilities	6	58.90	58.00
Long-term provisions	7	292.02	363.16
		<u>24,661.50</u>	<u>27,530.10</u>
CURRENT LIABILITIES			
Short-term borrowings	8	48,456.10	22,974.21
Trade payables	9	61,148.40	55,869.41
Other current liabilities	10	11,954.79	11,775.13
Short-term provisions	11	1,733.30	1,970.31
		<u>123,292.59</u>	<u>92,589.06</u>
		<u>209,349.67</u>	<u>172,211.41</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	12		
Tangible assets		71,439.74	57,830.69
Intangible assets		2,833.86	2,544.65
Capital work-in-progress		10,167.38	18,094.17
		<u>84,440.98</u>	<u>78,469.51</u>
Non-current investments	13	3,764.77	3,850.27
Long-term loans and advances	14	4,363.94	3,829.52
Other non-current assets	15	7,620.00	5,500.00
		<u>100,189.69</u>	<u>91,649.30</u>
CURRENT ASSETS			
Inventories	16	36,034.08	25,532.76
Trade receivables	17	54,733.88	36,254.66
Cash and Bank Balances	18	1,521.83	6,572.40
Short-term loans and advances	19	14,985.80	9,253.49
Other current assets	20	1,884.39	2,948.80
		<u>109,159.98</u>	<u>80,562.11</u>
		<u>209,349.67</u>	<u>172,211.41</u>

This is the Consolidated Balance Sheet referred to in our report of even date.

The notes are an integral part of the Consolidated financial statements

For PRICE WATERHOUSE
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
(Membership Number 57572)

Kolkata
Date : 29th May, 2012

Kaushik Mukherjee
Company Secretary

Ashok Goyal
Managing Director

K. S. B. Sanyal
O. P. Malhotra
Directors

Consolidated Statement of Profit & Loss for the year ended 31st March 2012

	Note	Year ended 31st March, 2012 Rupees in Lakhs	Year ended 31st March, 2011 Rupees in Lakhs
Revenue from operations (Gross)	21	241,056.06	188,441.17
Less: Excise Duty		22,377.97	18,869.60
Revenue from operations(Net)		218,678.09	169,571.57
Other income	22	1,121.18	2,094.79
Total Revenue		219,799.27	171,666.36
Expenses :			
Cost of materials consumed	23	170,180.33	122,816.96
Changes in inventories of finished goods	24	(4,357.30)	1,124.42
Employee benefits expense	25	5,284.94	4,782.26
Finance costs	26	6,762.51	4,375.10
Depreciation and amortization expense		4,925.23	3,857.72
Other expenses	27	26,854.61	18,716.23
Total expenses		209,650.32	155,672.69
PROFIT BEFORE TAXATION AND MINORITY INTEREST		10,148.95	15,993.67
Tax expense :			
Current tax	28	33.69	–
Deferred tax		1,597.02	4,806.78
PROFIT AFTER TAXATION AND BEFORE MINORITY INTEREST		8,518.24	11,186.89
Share of Loss transferred to Minority Interest		42.52	82.98
PROFIT AFTER TAXATION AND MINORITY INTEREST		8,560.76	11,269.87
Earnings per equity share : (in Rupees)			
- Equity Shares of Rs. 10 Each	29		
Basic		25.37	34.33
Diluted		25.37	34.33

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

The notes are an integral part of the Consolidated financial statements

For PRICE WATERHOUSE
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
(Membership Number 57572)

Kolkata
Date : 29th May, 2012

Kaushik Mukherjee
Company Secretary

Ashok Goyal
Managing Director

K. S. B. Sanyal
O. P. Malhotra
Directors

Consolidated Cash Flow Statement for the year ended 31st March 2012

	Year ended 31st March, 2012	Year ended 31st March, 2011
	Rupees in Lakhs	Rupees in Lakhs
A. Cash Flow From Operating Activities		
Net Profit before taxation and Minority Interest	10,148.95	15,993.67
Adjustments for:		
Depreciation/Amortisation	4,925.23	3,857.72
Loss on Disposal of Fixed Assets (net)	11.59	28.33
Unrealised (gain) / loss (net) on foreign exchange fluctuation	670.07	742.96
Foreign Currency Translation Reserve	382.57	(284.67)
Adjustment on account of reinstatement of fixed assets	(354.79)	-
Income from Dividend	(118.93)	(210.14)
Interest (Received/ Receivable on Inter Corporate Deposits etc.)	(488.66)	(410.46)
Profit on sale of Non-Current Investment	-	(4.00)
Interest Expense	5,827.76	3,565.98
Provision for Doubtful Debts	105.55	89.02
Adjustment on account of investments	-	(100.05)
Liabilities no longer required written back	(423.72)	-
	10,536.67	7,274.69
Operating Profit before Working Capital Changes	20,685.62	23,268.36
Adjustments for:		
Inventories	(10,501.32)	(5,870.75)
Trade and Other Receivables	(22,758.51)	(8,228.30)
Trade Payables	5,441.60	11,960.23
	(27,818.23)	(2,138.82)
Cash Generated from/ (used in) Operations	(7,132.61)	21,129.54
Direct Taxes Paid (including Tax Deducted at Source)	(1,997.86)	(2,433.72)
Net Cash from/(used in) Operating Activities	(9,130.47)	18,695.82
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(9,404.53)	(15,676.42)
Sale proceeds of Fixed Assets	19.82	208.25
Purchase of Long Term Investments	-	(2,616.21)
Proceeds from Sale of Long Term Investments	-	2,619.91
Purchase of Current Investments	(17,049.71)	(30,506.00)
Proceeds from Sale of Current Investments	17,049.71	30,506.00
Consideration for Acquisition of a Subsidiary	-	(5.00)
Dividend received from Investments	118.93	210.14
Inter Corporate Deposits given	(5,716.00)	(5,998.92)
Inter Corporate Deposits realised	5,716.00	5,998.92
Interest Received on Inter Corporate Deposits etc.	488.66	410.46
Net Cash (used in) Investing Activities	(8,777.12)	(14,848.87)
C. Cash Flow from Financing Activities		
Proceeds from Share Issue on Conversion of Warrants	1,837.50	9,928.81
Proceeds from Issue of Convertible Warrants	-	612.50
Proceeds from issue of shares/ advance received on account of issue of shares by a Subsidiary Company to its Minority Shareholders	163.87	632.97
Share issue Expenses	-	(238.05)
Proceeds from Long Term Borrowings	-	15.00
Proceeds from Short Term Borrowings	32,254.18	17,241.00
Repayment of Long Term Borrowings	(5,693.31)	(7,584.42)
Repayment of Short Term Borrowings	(16,111.74)	(17,500.00)
Proceeds from Issue of Commercial Paper	-	2,500.00
Repayment of Commercial Paper	-	(5,000.00)
Increase in Cash Credit and other working capital facilities from banks	8,290.29	5,169.64
Dividends paid [including Tax on Dividend of Rs. 269.48 lakhs (Previous year - Rs. 275.85 lakhs)]	(1,920.61)	(1,923.22)
Interest paid	(5,966.67)	(4,433.40)
Net Cash from/(used in) Financing Activities	12,853.51	(579.17)
D. Exchange differences on Translation of Foreign Currency Cash and Cash Equivalents	3.51	0.03
Net increase/(decrease) in Cash and Cash Equivalents	(5,050.57)	3,267.81
Opening Cash and Cash Equivalents	6,563.13	3,294.32
Add: Acquisition from a Subsidiary	-	1.00
	6,563.13	3,295.32
Closing Cash and Cash Equivalents	1,512.56	6,563.13

Notes:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard (AS) 3 Cash Flow Statement.
- Cash and Cash Equivalents (Refer Note 18 to Consolidated Financial Statements) include Unpaid Dividend Account not available for use by the Company.
- Previous year's figures have been regrouped or rearranged, where considered necessary.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For PRICE WATERHOUSE
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
(Membership Number 57572)

Kolkata
Date : 29th May, 2012

Kaushik Mukherjee
Company Secretary

Ashok Goyal
Managing Director

K. S. B. Sanyal
O. P. Malhotra
Directors

Notes forming part of the Consolidated Financial Statements

1. Significant Accounting Policies:

1.1. Basis of preparation

These Consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis except for certain tangible fixed assets which are being carried at revalued amounts. These Consolidated financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006 as amended].

All assets and liabilities have been classified as current or non-current as per the Group's (Phillips Carbon Black Limited and its subsidiaries) normal operating cycle. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current-non current classification of assets and liabilities.

1.2. Fixed Assets

Fixed assets are stated at revalued amounts (for items revalued)/ cost of acquisition/construction (for items not revalued) less accumulated depreciation/ amortization, impairment loss, if any and inclusive of borrowing cost, where applicable, and adjustments for exchange difference referred to in Note 1.7 below. Cost includes inward freight, non refundable duties/ taxes and incidental expenses directly related to acquisition/ installation. Computer Software is capitalized in the period in which the software is implemented for use, where it is expected to provide future enduring economic benefit; such capitalization costs include license fees and cost of implementation/ system integration services.

1.3. Impairment

The Carrying amounts of fixed assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of fixed assets of a cash generating unit exceeds its recoverable amount (i.e., higher of net selling price and value in use).

1.4. Borrowing Cost

Borrowing costs attributable to acquisition/ construction of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

1.5. Depreciation/ Amortization

Depreciation on the incremental amount added on revaluation in respect of revalued items is calculated on straight line method at rates considered applicable by valuers.

Computer Software capitalized are amortized over a period of three years from the date of capitalization.

Land use rights are amortised on a straight line basis over forty two years being the lease period in keeping with the agreement to use the land.

Depreciation on original cost of other fixed assets is provided either on straight line basis or on written down value method at rates specified in Schedule XIV to the Companies Act, 1956.

Also refer Note 36 below.

1.6. Government Grants

Grants of Capital nature (not related to specific fixed assets) are credited to Capital Reserve. Grants related to revenue are credited to related expense account.

1.7. Foreign Currency Transaction as applicable under Accounting Standard 11 on 'The effect of changes in Foreign Exchange Rates'

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end exchange rates. Gains/ losses (other than relating to reporting of long-term foreign currency monetary items) arising out of settlement of foreign currency transaction or from year end restatement are recognized in the Statement of Profit and Loss in the period in which they arise. Exchange differences arising on reporting of long-term foreign currency monetary items (i) relating to acquisition of depreciable capital assets are adjusted to the carrying amount of such assets (to be adjusted over the balance life of the related asset) and (ii) in other cases accumulated in a 'Foreign Currency Monetary item Translation Difference Account' (to be adjusted over the balance period of the related long term monetary asset/ liability). Differences between the forward exchange rates and the exchange rates at the date of transactions are accounted for as income/ expense over the life of the contracts.

1.8. Investments

Long Term Investments are valued at cost less provision for diminution (other than temporary) in the carrying amount thereof as determined by the Board of Directors based on periodical review.

1.9. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of Stores and Spares is determined on weighted average basis. Cost of Raw Materials is determined on First in First out basis. Cost includes expenditure incurred in the normal course of business in bringing inventories to its location and condition, labour and overhead, where applicable.

1.10. Revenue

Revenue from sales is recognized on transfer of ownership to customers based on the contract with the customer for delivery. Sales include excise duty and are net of sales returns, discounts and exclude sales tax/ value added tax where applicable.

1.11. Employee Benefits

a. Short term

Short term Employee Benefits (i.e. benefits falling due within one year after the end of the period in which employees render the related service) are recognized as expense in the period in which employee services are rendered as per the Company's scheme based on expected obligations on undiscounted basis.

b. Post-employment

Post-employment benefits of Parent Company comprise of Provident Fund, Superannuation Fund, Gratuity and Post Retirement Medical Benefit which are accounted for as follows:

i) Provident Fund

This is a defined contribution plan for certain employees and contributions are remitted to Provident Fund authorities in accordance with relevant statute and charged to the Statement of Profit and Loss in the period in which the related employee services are rendered. The Parent Company has no further obligations for future Provident Fund benefits other than its monthly contributions.

Certain employees of the Parent Company receive provident fund benefits, which are administered by the Provident Fund Trust set up by the Parent Company. Aggregate contributions along with interest thereon are

paid at retirement, death, incapacitation or termination of employment. Both the employees and the Parent Company make monthly contributions at specified percentage of the employees' salary to such Provident Fund Trust. The Parent Company has an obligation to fund any shortfall in return on plan assets over the interest rates prescribed by the authorities from time to time. In view of the Parent Company's obligation to meet the shortfall this is a defined benefit plan. Actuarial valuation of the Parent Company's liability under such scheme is carried out under the Projected Unit Credit Method at the year end and the charge/ gain, if any, is recognized in the Statement of Profit and Loss. Actuarial gains/ losses are recognized immediately in the Statement of Profit and Loss as income/ expense.

ii) Superannuation Fund

This is a defined contribution plan. The Parent Company contributes a certain % of the eligible salary for employees covered under the scheme towards superannuation fund administered by the Trustees and managed by Life Insurance Corporation of India (LIC). The Parent Company has no further obligations for future superannuation benefits other than its contributions and recognizes such contributions as expense in the period in which the related employee services are rendered.

iii) Gratuity

This is a defined benefit plan. The Parent Company's scheme is administered by LIC. The liability is determined based on year-end actuarial valuation using Projected Unit Credit Method. Actuarial gains / losses are recognised immediately in the Statement of Profit and Loss as income/ expense.

iv) Post Retirement Medical Benefit

Post Retirement Medical Benefits [comprising payment of annual medical insurance premium to cover hospitalizations and reimbursement of domiciliary medical expenses within a defined monetary limit] are extended to certain categories of employees in the Parent Company. The liability in respect thereof is determined by actuarial valuation at the year end based on the Projected Unit Credit Method and are recognized as a charge on accrual basis. This is a defined benefit plan.

c. Other Long term

Other long term employee benefits represent compensated absence (defined benefit plan) which is provided for based on year end actuarial valuation using Projected Unit Credit Method. Actuarial gains/losses are recognised immediately in the Statement of Profit and Loss as income/expense.

d. Termination benefits

Termination benefits represent compensation towards Voluntary Retirement Scheme which is expensed as incurred.

1.12. Research and Development

Revenue expenditure on research and development is charged off during the period in which it is incurred. Capital expenditure on R & D is capitalized.

1.13. Derivative Contracts

In respect of derivative contracts (other than forward exchange contracts covered under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'), gains/ losses on settlement and mark to market loss (net) relating to outstanding contracts as at the Balance Sheet date is recognised in the Statement of Profit and Loss. Refer Note 1.7 above for forward exchange contracts covered under Accounting Standard 11 on 'The effects of Changes in Foreign Exchange Rates.'

1.14. Taxes on Income

Current tax is provided as the amount of tax payable in respect of taxable income for the year measured using applicable tax rules and laws.

Deferred tax is provided on timing differences between taxable income and accounting income measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only if there is a virtual/ reasonable certainty, as applicable, in keeping with Accounting Standard 22 on 'Accounting for Taxes on Income' that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are reviewed for the appropriateness of their respective carrying amount at each Balance Sheet date.

1.15 Consolidation

a) Consolidated financial statements relate to Phillips Carbon Black Limited, the Parent Company and its subsidiaries (the Group). The consolidated financial statements are in conformity with the Accounting Standard – 21 on Consolidated Financial Statements notified under Section 211(3C) of the Companies Act, 1956 of India (the Act) and are prepared as set out below:

- i. The financial statements of the Parent Company and its subsidiaries have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after adjustments / elimination of inter-company balances, transactions including unrealized profits on inventories etc, if any.
- 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 required and possible, in the same manner as the Parent Company's separate financial statements.
- iii. The translation of the functional currencies into Indian Rupees (reporting currency) of foreign subsidiaries (non integral foreign operations) is performed for assets and liabilities using closing exchange rates at the Balance Sheet date, for revenues, costs, and expenses using average rates prevailing during the period. The resultant exchange difference arising out of such transactions is recognized as part of equity (Foreign Currency Translation Reserve) by the Parent Company until the disposal of Investment.
- iv. The excess of cost to the Parent Company of its investment in the subsidiaries over the Parent's portion of equity of the subsidiaries at the dates they became subsidiaries is recognized in the financial statements as Goodwill.
- v. Minority interest in the consolidated financial statements is identified and recognized in the consolidated balance sheet separate from liabilities and the equity of the Company's Shareholders after taking into consideration:
 - The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.
 - The minorities' share of movement in equity since the date parent-subsidiary relationship came into existence.
 - Adjustment of the losses attributable to the minorities against the minority interest in the equity of the subsidiaries and thereafter adjustment of the excess of loss, if any, over the minority interest in the equity against the majority interest.

Notes forming part of the Consolidated Financial Statements

		As at 31st March, 2012 Rupees in Lakhs	As at 31st March, 2011 Rupees in Lakhs
2 SHARE CAPITAL			
AUTHORISED			
50,000,000 Equity Shares of Rs. 10/- each		5,000.00	5,000.00
ISSUED, SUBSCRIBED AND PAID UP			
34,467,572 (31.03.2011- 33,217,572) Equity Shares of Rs. 10/- each fully paid up		3,446.77	3,321.77
Less : Allotment Money receivable		0.07	0.07
		3,446.70	3,321.70

a. Reconciliation of Shares outstanding at the beginning and at the end of the reporting period

	Number	Value	Number	Value
Shares at the beginning of the period	33,217,572	3,321.70	28,253,196	2,825.26
Add: Shares issued during the period*	1,250,000	125.00	4,964,376	496.44
Outstanding at the end of the period	34,467,572	3,446.70	33,217,572	3,321.70

*Conversion of 1,250,000 share warrant into equity share of Rs. 10 each @ a premium of Rs. 186 per share.

No additional shares were allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash during the last five years. Further, none of the shares were bought back by the Parent Company during the last five years.

b. Allotment of 1823 shares is pending against Rights Issue made during 1993-94

c. 48 Shares have not been issued to the concerned non-resident shareholders pending approval of the Reserve Bank of India

3 RESERVES AND SURPLUS

	As at 31st March, 2012 Rupees in Lakhs	As at 31st March, 2011 Rupees in Lakhs
Capital Reserve	156.81	156.81
Securities Premium Account		
Balance as at the beginning of the year	20,086.43	10,814.87
Add: Received during the year#	2,325.00	9,432.37
Less: Share Issue Expenses	-	160.81
[Net of Tax Effect Nil (Previous Year- Rs. 77.24 lacs)]		
Balance as at the end of the year	22,411.43	20,086.43
General Reserve		
Balance as at the beginning of the year	6,467.21	5,302.21
Add: Transferred during the year	871.22	1,165.00
Balance as at the end of the year	7,338.43	6,467.21
Foreign Currency Translation Reserve		
Balance as at the beginning of the year	(282.87)	1.77
Add/(Less): Adjustment during the year	386.08	(284.64)
	103.21	(282.87)
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	21,180.48	13,295.40
Profit for the year after tax and minority interest	8,560.76	11,269.87
Less: Appropriations		
Proposed Dividend on Equity Shares for the year	1,378.70	1,660.88
[Rs. 4 Per share (Previous year Rs. 5 per share)]		
Dividend distribution tax on		
Proposed dividend on Equity Shares	223.66	269.48
Dividend on Equity Shares relating to earlier year	-	248.22
Dividend distribution tax on dividend on		
Equity Shares relating to earlier year	-	41.21
Transfer to General Reserve	871.22	1,165.00
Balance as at the end of the year	27,267.66	21,180.48
	57,277.54	47,608.06

Rs. 2,325 lakhs received on conversion of 1,250,000 share warrants to an equivalent number of equity shares (Previous Year: Rs. 9,432.32 lakhs received on 4,964,376 Equity Shares issued) and Rs.Nil (Previous year Rs. 0.05 lakhs) received against realisation of arrear allotment money.

Notes forming part of the Consolidated Financial Statements
4 LONG - TERM BORROWINGS

	As at 31st March, 2012 Rupees in Lakhs	As at 31st March, 2011 Rupees in Lakhs
SECURED LOANS		
Term Loans		
From Banks	22,336.32	26,650.54
Less: Current maturities of Long Term Debt referred to in Note 10	<u>5,490.51</u>	<u>5,520.05</u>
	<u>16,845.81</u>	21,130.49
	<u>16,845.81</u>	<u>21,130.49</u>
UNSECURED LOANS		
Deferred Payment Liabilities		
Sales Tax Deferred Loans	288.91	462.16
Less: Current maturities of Long Term Debt referred to in Note 10	<u>110.70</u>	<u>173.25</u>
	<u>178.21</u>	288.91
	<u>178.21</u>	<u>288.91</u>
Total Long Term Borrowings	<u>17,024.02</u>	<u>21,419.40</u>

5 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability on account of -		
- Depreciation	8,676.81	7,049.04
	<u>8,676.81</u>	<u>7,049.04</u>
Deferred Tax Asset on account of -		
- Items allowable for tax purpose on payment/adjustments	516.82	1,221.94
- Share Issue Expenses	-	61.79
- Unabsorbed Depreciation @	769.29	-
- Others	104.14	75.77
	<u>1,390.25</u>	<u>1,359.50</u>
	<u>7,286.56</u>	<u>5,689.54</u>

@ Considered based on future taxable income against which it can be realised.

6 OTHER LONG TERM LIABILITIES

Security Deposits	58.90	58.00
	<u>58.90</u>	<u>58.00</u>

7 LONG-TERM PROVISIONS

Provisions for Employee Benefits		
Provision for compensated absences	227.17	214.93
Provision for post retirement medical liability	64.85	148.23
	<u>292.02</u>	<u>363.16</u>

8 SHORT-TERM BORROWINGS
SECURED LOANS FROM BANKS

Loans repayable on demand (Cash Credit)	6,440.90	156.36
Other Loans	25,852.00	18,076.85
	<u>32,292.90</u>	<u>18,233.21</u>

UNSECURED LOANS

From Banks	16,163.20	4,740.50
From Body Corporate	-	0.50
	<u>16,163.20</u>	<u>4,741.00</u>

Total Short Term Borrowings

<u>48,456.10</u>	<u>22,974.21</u>
------------------	------------------

9 TRADE PAYABLES

Sundry Creditors	61,148.40	55,869.41
	<u>61,148.40</u>	<u>55,869.41</u>

Notes forming part of the Consolidated Financial Statements

	As at 31st March, 2012 Rupees in Lakhs	As at 31st March, 2011 Rupees in Lakhs
10 OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Refer Note 4)	5,601.21	5,693.30
Interest accrued but not due on borrowings	200.60	169.35
Unpaid dividends [Refer Note (a) below]	63.10	53.35
Unpaid matured deposits and interest accrued thereon [Refer Note (a) below]	1.87	2.93
Other Payables:		
Advance from Customer	999.59	269.38
Non Executive Directors' Commission	300.00	160.00
Security Deposit	3.16	3.06
Employee Benefits payable	252.34	170.05
Capital Creditors	1,453.52	1,233.41
Statutory dues including provident fund and tax deducted at source	1,100.96	536.57
Liability for Export Obligation	1,978.44	3,483.73
	6,088.01	5,856.20
	11,954.79	11,775.13

a. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

11 SHORT TERM PROVISIONS

Provisions for Employee Benefits

Provision for gratuity	76.24	—
Provision for compensated absences	51.40	32.51
Provision for post retirement medical liability	3.30	7.44

Other Provisions

Provision for Proposed Dividend on Equity Shares	1378.70	1,660.88
Provision for dividend distribution tax on proposed dividend on Equity Shares	223.66	269.48
	1,602.36	1,930.36
	1,733.30	1,970.31

12 FIXED ASSETS

GROSS BLOCK								DEPRECIATION				NET BLOCK	
DESCRIPTION	Original/ Revalued cost of Assets as at April 1, 2011	Adjustment on account of Reinstatement	Additions/ during the year at cost	Adjustments during the year			Total Original /Revalued cost as at March 31, 2012	Depreciation as at April 1, 2011	Depreciation during the year	Adjustment of Depreciation on sales etc.	Depreciation as at March 31, 2012	Balance as at March 31, 2012	Balance as at April 1, 2011
				Borrowing Cost	Exchange Differences (Refer Note 1.7 above)	Disposal during the year							
TANGIBLE ASSETS													
Freehold Land	2,159.37	—	—	—	—	—	2,159.37	—	—	—	—	2,159.37	2,159.37
Leasehold Land Acquisition and Development Expenses	799.34	—	—	—	—	—	799.34	—	—	—	—	799.34	799.34
Buildings (a)	6,352.04	—	900.02	—	—	—	7,252.06	1,295.73	216.30	—	1,512.03	5,740.03	5,056.31
Non-Factory Buildings and Flats	2,352.55	—	399.93	—	—	—	2,752.48	395.20	50.45	—	445.65	2,306.83	1,957.35
Plant and Equipment	67,965.80	—	12,646.48	1,930.81	1,205.84	0.46	83,748.47	22,604.03	4,247.14	0.30	26,850.87	56,897.60	45,361.77
Furniture and Fixtures	463.86	—	26.42	—	—	9.45	480.83	283.80	18.18	1.96	300.02	180.81	180.06
Office Equipment	644.09	0.14	72.32	—	—	1.42	715.13	331.62	60.36	0.66	391.32	323.81	312.47
Vehicles	427.85	—	82.19	—	—	34.95	475.09	165.45	60.12	16.55	209.02	266.07	262.40
Electrical Installations	3,052.91	—	1,236.10	—	—	16.81	4,272.20	1,311.90	207.24	12.21	1,506.93	2,765.27	1,741.01
Railway Sidings	89.62	—	—	—	—	—	89.62	89.01	—	—	89.01	0.61	0.61
	84,307.43	0.14	15,363.46	1,930.81	1,205.84	63.09	102,744.59	26,476.74	4,859.79	31.68	31,304.85	71,439.74	57,830.69
Previous Year	82,584.39	—	2,463.49	—	—	740.45	84,307.43	23,268.36	3,857.72	649.34	26,476.74	57,830.69	—
INTANGIBLE ASSETS													
Goodwill on Consolidation	4.00	—	—	—	—	—	4.00	—	—	—	—	4.00	4.00
Computer Software-Acquired	207.02	—	—	—	—	—	207.02	207.02	—	—	207.02	—	—
Land use rights	2,540.65	354.65	—	—	—	—	2,895.30	—	65.44	—	65.44	2,829.86	2,540.65
	2,751.67	354.65	—	—	—	—	3,106.32	207.02	65.44	—	272.46	2,833.86	2,544.65
Previous Year	207.02	—	2,544.65	—	—	—	2,751.67	207.02	—	—	207.02	2,544.65	—
Capital Work-in-Progress												10,167.38	18,094.17

(a) Cost and accumulated depreciation include Rs. 3,952.55 lakhs (31.03.2011 - Rs. 3,952.55 lakhs) and Rs. 1,220.84 lakhs (31.03.2011 - Rs. 1,102.42 lakhs) respectively in respect of Buildings on Leasehold Land.

(b) Capital Work-in-Progress includes interest on borrowed capital amounting to Rs. 631.50 lakhs (31.03.2011 - Rs. 2392.15 lakhs)

Notes forming part of the Consolidated Financial Statements

13 INVESTMENTS

	As at 31st March, 2012 Rupees in Lakhs	As at 31st March, 2011 Rupees in Lakhs
NON CURRENT INVESTMENT (Unquoted unless otherwise stated)		
Other than Trade Investment		
Investment in Equity Instruments at Cost unless otherwise indicated		
7,186 Fully paid Equity Shares of Rs.10/- each in Bank of Baroda (Quoted)	16.53	16.53
11,400 Fully paid Equity Shares of Rs.10/- each in Indian Overseas Bank (Quoted)	2.74	2.74
600,000 Fully paid Equity Shares of Rs.10/- each in Norplex Oak India Ltd. (Quoted) *	60.00	60.00
1,910,000 Fully paid Equity Shares of Rs.10/- each in Maple Circuits Ltd. (Quoted) *	191.01	191.01
145,480 (Previous year 1,000,480) Fully Paid Equity Shares of Rs. 10/- each in Woodlands Multispeciality Hospital Limited (8,55,000 Equity Shares sold during the year)	14.55	100.05
1,686,198 Fully paid Equity Shares of Rs. 10/- each in CESC Ltd. (Quoted)	3,730.95	3,730.95
	4,015.78	4,101.28
Investment in Preference Shares at cost unless otherwise indicated		
50 Fully paid Preference Shares of Rs.100/- each in Norplex Oak India Ltd.*	0.05	0.05
50 Fully paid Preference Shares of Rs.100/- each in Maple Circuits Ltd.*	0.05	0.05
	0.10	0.10
	4,015.88	4,101.38
Less: * Provision for diminution in carrying amount of Investments in Norplex Oak India Ltd. and Maple Circuits Ltd.	(251.11)	(251.11)
	3,764.77	3,850.27
Notes: (a) Aggregate amount of Quoted Investments	4,001.23	4,001.23
(b) Aggregate amount of Unquoted Investments	14.65	0.10
(c) Aggregate provision for diminution in value of investments	(251.11)	(251.11)
	3,764.77	3,750.22
(d) Market value of Quoted Investments (excluding Norplex Oak India Ltd. and Maple Circuits Ltd. in absence of any current quotation)	4,649.18	5,354.95
14 LONG TERM LOANS AND ADVANCES - Unsecured Considered Good		
Capital Advances	3,088.16	2,660.84
Security Deposits	1,093.75	1,074.33
Other Loans & Advances		
Loans to Employees	182.03	94.35
	4,363.94	3,829.52
15 OTHER NON CURRENT ASSETS		
MAT Credit Entitlement	7,620.00	5,500.00
	7,620.00	5,500.00
16 INVENTORIES (Valued at lower of Cost and net realisable value)		
Raw Materials [Includes in transit Rs. 473.49 lakhs (31.03.2011- Rs. 935.08 lakhs)]	25,173.35	20,070.94
Finished Goods	7,854.77	3,497.47
Stores and Spares (including Packing Materials)	3,005.96	1,964.35
	36,034.08	25,532.76

Notes forming part of the Consolidated Financial Statements

	As at 31st March, 2012 <u>Rupees in Lakhs</u>	As at 31st March, 2011 <u>Rupees in Lakhs</u>
17 TRADE RECEIVABLES		
Unsecured		
Outstanding for a period exceeding 6 months from the date they are due for payment		
Considered Good	41.04	820.15
Considered Doubtful	275.21	198.56
Less : Provision for doubtful debts	<u>275.21</u>	<u>198.56</u>
	41.04	820.15
Other Debts - Considered Good	54,692.84	35,434.51
	<u>54,733.88</u>	<u>36,254.66</u>
18 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand	4.61	4.11
Cheques, drafts on hand	-	999.78
Remittances in Transit	1,002.13	1,176.22
Balances with Banks		
- On Current Accounts	442.72	4,329.67
- On Unpaid Dividend Accounts*	63.10	53.35
Total (A)	<u>1,512.56</u>	<u>6,563.13</u>
Other bank balances		
- On Margin Money Account against Guarantee (with maturity more than 3 months and less than 12 months).	9.27	9.27
Total (B)	<u>9.27</u>	<u>9.27</u>
Total (A+B)	<u>1,521.83</u>	<u>6,572.40</u>
* earmarked for payment of unpaid dividend only.		
19 SHORT TERM LOANS AND ADVANCES - Unsecured Considered Good		
Advances to Suppliers/ Service providers	4,063.02	1,997.77
Gratuity	-	16.93
Balances with statutory/government authorities	8,488.64	5,567.49
Advance payment of Taxes, etc.		
[Net of Provision for Taxation Rs. 14,272.38 lakhs (31.03.2011 - Rs.12,118.69 lakhs)]	735.52	891.35
Loans to Employees	107.48	71.67
Advances to Employees	13.13	10.86
Prepaid Expenses	641.00	513.96
Unamortised premium on forward contracts	937.01	183.46
	<u>14,985.80</u>	<u>9,253.49</u>
20 OTHER CURRENT ASSETS		
Accruals under Duty Exemption Scheme/ Duty Drawback pertaining to exports /deemed exports	1,798.89	2,948.80
Receivable on account of sale of investment	85.50	-
	<u>1,884.39</u>	<u>2,948.80</u>

Notes forming part of the Consolidated Financial Statements

21 REVENUE FROM OPERATION	Year ended 31st March, 2012		Year ended 31st March, 2011	
	Rupees in Lakhs		Rupees in Lakhs	
Sales of Products				
Carbon Black [Net of transfer to Capital work in progress Rs. 1,291.45 lakhs (Previous Year- Rs. Nil)]	232,074.59		180,280.31	
Less : Excise Duty	<u>22,377.97</u>		<u>18,869.60</u>	
	209,696.62		161,410.71	
Power	8,368.71		7,603.64	
Other Operating Revenues				
Sale of Carbon Credit	356.87		249.08	
Scrap Sale	255.89		308.14	
	<u>218,678.09</u>		<u>169,571.57</u>	
22 OTHER INCOME				
Interest Income				
On Inter Corporate Deposit	424.80		388.67	
On Others	<u>63.86</u>		<u>21.79</u>	
	488.66		410.46	
Dividend from Long Term Investments				
Trade Investments	-		166.23	
Others	<u>69.21</u>		<u>15.24</u>	
	69.21		181.47	
Dividend from Current Investments-Other than Trade	49.72		28.67	
Profit on Sale of Non Current Investments	-		4.00	
Net gain on foreign currency transaction/translation	-		1,350.41	
Liability no longer required written back	423.72		-	
Miscellaneous Income	89.87		119.78	
	<u>1,121.18</u>		<u>2,094.79</u>	
23 COST OF MATERIALS CONSUMED				
Opening Stock	20,070.94		13,378.51	
Add : Purchases	175,282.74		129,509.39	
	195,353.68		142,887.90	
Less : Closing Stock	<u>25,173.35</u>		<u>20,070.94</u>	
	<u>170,180.33</u>		<u>122,816.96</u>	
23.1 Raw material purchase is net of Rs. 3,990.24 lakhs (Previous year - Rs. 3,106.15 lakhs) being benefits under duty exemption schemes pertaining to exports/deemed exports.				
24 CHANGES IN INVENTORIES OF FINISHED GOODS				
Closing Stock (Carbon Black)	7,854.77		3,497.47	
Less: Opening Stock (Carbon Black)	<u>3,497.47</u>		<u>4,621.89</u>	
	<u>(4,357.30)</u>		<u>1,124.42</u>	
25 EMPLOYEE BENEFITS EXPENSE				
Salaries and Wages	4,402.22		4,015.17	
Contribution to Provident and Other Funds	436.33		290.54	
Staff Welfare Expense	446.39		476.55	
	<u>5,284.94</u>		<u>4,782.26</u>	
26 FINANCE COSTS				
Interest expense [Net of interest capitalized Rs.170.16 lakhs (Previous Year- Rs. 851.99 lakhs)]	5,827.76		3,565.98	
Other borrowing costs	934.75		809.12	
	<u>6,762.51</u>		<u>4,375.10</u>	

Notes forming part of the Consolidated Financial Statements

	Year ended 31st March, 2012 Rupees in Lakhs	Year ended 31st March, 2011 Rupees in Lakhs
27 OTHER EXPENSES		
Consumption of Stores and Spare parts	2,440.19	2,126.36
Consumption of Packing Materials	3,160.20	2,438.26
Power and Fuel	1,756.36	1,310.50
Water Charges	129.50	119.97
Rent	198.22	133.45
Rates and Taxes	140.89	96.73
Repairs and Maintenance :		
- Buildings	227.55	177.96
- Plant and Machinery	884.79	656.30
- Others	144.27	342.85
	<u>1,256.61</u>	<u>1,177.11</u>
Insurance	177.91	116.87
Travelling and Transport Expenses	873.43	684.73
Subscriptions and Donations	165.79	211.33
Freight Outward	3,522.95	3,310.96
Commission to Selling Agents	1,832.60	1,330.09
Directors' Fees	8.85	7.95
Research and Development Expenses	1,857.32	855.70
Commission to Non Executive Directors	300.00	160.00
Net Loss on Foreign Exchange transaction/translation	2,477.82	-
Loss on Disposal of Fixed Assets (net)	11.59	28.33
Bad Debts written off [Net of adjustment against Provision for Doubtful Debts Rs. 28.90 lakhs (Previous Year - Rs. 100.91 lakhs)]	-	-
Provision for Doubtful Debts	105.55	89.02
Pre-operating and Pre-licensing Expenses written off	22.36	340.78
Miscellaneous Expenses	6,416.47	4,178.09
	<u>26,854.61</u>	<u>18,716.23</u>
28 CURRENT TAX		
Current Tax [including Rs. 32.69 lakhs (31.03.2011: Rs. Nil) in respect of earlier years]	2,153.69	3,250.00
Less: MAT Credit Entitlement	<u>2,120.00</u>	<u>3,250.00</u>
	<u>33.69</u>	-
	<u>33.69</u>	-
29 EARNING PER SHARE		
Basic and Diluted		
(i) Number of Equity Shares at the beginning of the year	33,217,572	28,253,196
(ii) Number of Equity Shares at the end of the year	34,467,572	33,217,572
(iii) Weighted average number of Equity Shares outstanding during the year	33,746,944	32,823,142
(iv) Face value of each Equity Shares (Rs.)	10.00	10.00
(v) Profit after Tax and Minority Interest available for Equity Shareholders (Rs. in lakhs)	8,560.76	11,269.87
(vi) Basic and Diluted Earning per Share (Rs.) [(v)/(iii)]	25.37	34.33
	<u>As at 31st March, 2012 Rupees in Lakhs</u>	<u>As at 31st March, 2011 Rupees in Lakhs</u>
30 CONTINGENT LIABILITIES		
Contingent Liabilities for :		
(a) Claims against the Company not acknowledged as debts :		
Income-tax matters under dispute	232.60	245.12
Excise Duty matters under dispute	91.03	49.63
(b) Outstanding Bank Guarantees etc.	1097.94	807.10
(c) Guarantees or Counter Guarantees or Counter Indemnity given by the Company :		
On behalf of bodies corporate and others		
- Limit	9.00	9.00
- Outstanding	9.00	9.00
31 CAPITAL COMMITMENTS		
Capital Commitments	5,931.33	2,598.50

Notes forming part of the Consolidated Financial Statements

32 RELATED PARTY DISCLOSURES

(In accordance with Accounting Standard-18 notified under Section 211(3C) of the Companies Act, 1956.)

i) Related Parties

Name	Relationship
Mr. Ashok Goyal, Managing Director of the Parent Company	Key Management Personnel

(ii) Particulars of Transactions during the year ended 31st March, 2012

	Year ended 31st March, 2012 Rupees in Lakhs	Year ended 31st March, 2011 Rupees in Lakhs
A) Key Management Personnel		
a) Managing Director's Remuneration	266.62	240.88

33 SEGMENT REPORTING

- a Information relating to the two business segments, being Carbon Black and Power has been disclosed as Primary Segment.
- b Inter-Segment transfers being power consumed for manufacture of Carbon Black are based on price paid for power purchased from external Sources.
- c Segment Revenues, Results and other information:

Business Segment

(Rupees in Lakhs)

(Rupees in Lakhs)

		Year ended 31st March, 2012			Year ended 31st March, 2011		
		Carbon Black	Power	Total	Carbon Black	Power	Total
(i)	Segment Revenue						
	External Sales	209,696.62	8,368.71	218,065.33	161,410.71	7,603.64	169,014.35
	Inter-segment Sales	—	3,287.00	3,287.00	—	2,711.84	2,711.84
		209,696.62	11,655.71	221,352.33	161,410.71	10,315.48	171,726.19
(ii)	Segment Results						
	Profit before interest and tax	12,572.93	8,583.00	21,155.93	14,867.52	7,535.48	22,403.00
	Unallocated (expenses)/income (net)			(5,179.22)			(2,843.35)
	Interest			(5,827.76)			(3,565.98)
	Profit before tax			10,148.95			15,993.67
(iii)	Segment Assets						
	Unallocated	155,210.92	36,739.89	191,950.81	122,744.21	32,942.33	155,686.54
				17,398.86			16,524.87
				209,349.67			172,211.41
(iv)	Segment Liabilities						
	Unallocated	65,941.28	892.59	66,833.87	61,807.10	—	61,807.10
				81,120.22			58,312.06
				147,954.09			120,119.16
(v)	Capital Expenditure	4,742.19	5,380.61	10,122.80	14,851.15	1,313.84	16,164.99
(vi)	Depreciation	2,905.10	1,847.98	4,753.08	2,432.74	1,348.10	3,780.84
(vii)	Non Cash Expense other than Depreciation (Unallocated)	—	—	—	—	—	—

Geographical Segment

		Year ended 31st March, 2012			Year ended 31st March, 2011		
		Within India	Outside India	Total	Within India	Outside India	Total
(i)	Segment Revenue	153,766.38	64,298.95	218,065.33	136,558.64	32,455.71	169,014.35
(ii)	Capital Expenditure	9,890.22	232.58	10,122.80	13,455.14	2,709.85	16,164.99
(iii)	Segment Assets	177,986.24	13,964.57	191,950.81	148,742.59	6,943.95	155,686.54

- 34 In terms of the Guidance on implementing Accounting Standard 15 on employee benefits issued by the Accounting Standard Board of the Institute of Chartered Accountants of India, a provident fund setup by the Parent Company is a defined benefit plan in view of the Parent Company's obligation to meet shortfall, if any, on account of interest.

Unlike previous year, consequent upon issuance of Guidance Note by the Institute of Actuaries of India in 2011-12, actuarial valuation of provident fund as at the year end has been done under the Projected Unit Credit Method and the resultant charge/gain has been recognised in the accounts. Information pertaining to the year required to be considered as per AS 15 in this regard is also disclosed. However, in the absence of a Guidance Note from the Institute of Actuaries of India in earlier years, such exercise was not carried out and the related information has not been disclosed in respect of earlier years.

Notes forming part of the Consolidated Financial Statements

34.1 Reconciliation of opening and closing balances of the present value of defined benefit obligations--

Rupees in Lakhs

	Funded			Unfunded	
	Gratuity		Provident Fund	Medical	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Opening balance	723.78	755.02	2,588.58	155.66	105.11
Liability taken over from other entities for transferred employees	54.62	–	–	–	–
Current Service Cost	52.73	45.62	278.47	–	–
Interest cost	54.84	59.36	212.63	13.12	8.93
Actuarial loss / (gain)	52.78	(22.85)	1.69	(97.96)	41.62
(Benefits paid)	(157.21)	(113.37)	(301.00)	(2.67)	–
Closing balance	781.54	723.78	2,780.37	68.15	155.66

34.2 Reconciliation of opening and closing balances of the fair value of plan assets –

Rupees in Lakhs

	Gratuity		Provident Fund
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012
Opening balance	740.71	773.59	2,587.25
Adjustment @	3.40	7.82	–
Expected return on Plan Asset	69.20	72.67	213.45
Actuarial (loss) / gain	(4.80)	–	(38.51)
Company's contribution	54.00	–	278.47
(Benefits paid)	(157.21)	(113.37)	(301.00)
Closing balance	705.30	740.71	2,739.66

@ Represent accretion to plan assets relating to earlier year communicated by LIC during the year which has been adjusted against gratuity expense recognised in the accounts.

The expected return on plan assets is determined after taking into consideration composition of plan assets held, assessed risks of asset management, historical results of return on plan assets, company's policies for plan asset management and other relevant factors.

34.3 Actual Return on Plan Assets –

Rupees in Lakhs

	Gratuity		Provident Fund
	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2012
Actual Return on Plan Assets	64.40	72.67	174.94

34.4 Composition of Plan Assets –

	Provident Fund
	As at 31st March, 2012
Central Government Securities	20.93%
State Government Securities	11.45%
PSU Bonds	38.06%
Special Deposit Scheme	21.99%
Others (including bank balance)	7.57%
Total	100.00%

Plan assets for gratuity is funded with Life Insurance Corporation of India.

Notes forming part of the Consolidated Financial Statements

34.5 Amount recognised in Balance Sheet –

Rupees in Lakhs

	Funded			Unfunded	
	Gratuity		Provident Fund	Medical	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Present value of obligation	781.54	723.78	2,780.37	68.15	155.66
Fair Value of Plan Asset	705.30	740.71	2,739.66	–	–
Net Asset / (Liability)	(76.24)	16.93	(40.71)	(68.15)	(155.66)

34.6 Amount recognised in Statement of Profit and Loss –

Rupees in Lakhs

	Gratuity		Provident Fund	Medical	
	For the year ended 31st March, 2012	For the year ended 31st March, 2011	For the year ended 31st March, 2012	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Current service cost	52.73	45.62	278.47	–	–
Interest cost	54.84	59.36	212.63	13.12	8.93
Expected Return on Plan Asset	(69.20)	(72.67)	(213.45)	–	–
Actuarial loss / (gain)	57.58	(22.85)	40.20	(97.96)	41.62
Recognised in Statement of Profit and Loss	95.95	9.46	317.85	(84.84)	50.55

The expenses for the above mentioned benefits have been included and disclosed under the following line items:-

Gratuity - under 'Contribution to Provident and other Funds' in Note 25

Provident Fund - under 'Contribution to Provident and other Funds' in Note 25, other than employees' statutory contributions, voluntary contribution etc. which are recovered from their salaries, as included under 'Salaries and Wages' in Note 25

Post Retirement Medical Benefit - under 'Staff Welfare Expenses' in Note 25

34.7 (a) Principal Actuarial Assumptions used (Gratuity) –

	Year ended 31st March, 2012	Year ended 31st March, 2011
Mortality Table	LICI 1994-1996	LICI 1994-1996
Discount rate	8.50%	8.50%
Inflation rate	5.00%	5.00%
Expected Return on assets	9.30%	8.00%

(b) Principal Actuarial Assumptions used (Post Retirement Medical Benefit) –

	Year ended 31st March, 2012	Year ended 31st March, 2011
Mortality Table	LICI 1994-1996	LICI 1994-1996
Discount rate	8.50%	8.50%

(c) Principal Actuarial Assumptions used (Provident Fund) –

	Year ended 31st March, 2012
Expected Return on assets	8.25%
Statutory Interest Rate	8.25%

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market

Notes forming part of the Consolidated Financial Statements

34.8 Effect of increase / decrease of one percentage point in the assumed medical cost trend rates on –

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	Increase	Decrease	Increase	Decrease
	Rupees in Lakhs		Rupees in Lakhs	
Aggregate of current service cost and interest cost	6.74	6.74	6.97	6.97
Accumulated Post Employment benefit obligation for medical cost	1.42	1.42	1.30	1.30

34.9 Other Disclosures

Rupees in Lakhs

	2011-2012		2010-2011	
	Gratuity	Medical	Gratuity	Medical
a) Present value of obligation at end of the year	781.54	68.15	723.78	155.66
b) Fair value of Plan Assets as at end of the year	705.30	–	740.71	–
c) (Surplus)/Deficit as at the end of the year	76.24	68.15	(16.93)	155.66
d) Experience Adjustment on Plan Obligation [(Gain)/Loss]	(22.71)	17.03	28.97	43.04
e) Experience Adjustments on Plan Assets [(Gain)/Loss]	4.80	–	(18.20)	–

Rupees in Lakhs

	2009-2010		2008-2009	
	Gratuity	Medical	Gratuity	Medical
a) Present value of obligation at end of the year	755.02	105.11	621.65	70.42
b) Fair value of Plan Assets as at end of the year	773.59	–	569.26	–
c) (Surplus)/Deficit as at the end of the year	(18.57)	105.11	52.39	70.42
d) Experience Adjustment on Plan Obligation [(Gain)/Loss]	104.36	40.21	9.64	10.19
e) Experience Adjustments on Plan Assets [(Gain)/Loss]	(1.45)	–	41.28	–

Rupees in Lakhs

	2007-2008	
	Gratuity	Medical
a) Present value of obligation at end of the year	581.24	53.03
b) Fair value of Plan Assets as at end of the year	515.98	–
c) (Surplus)/Deficit as at the end of the year	65.26	53.03
d) Experience Adjustment on Plan Obligation [(Gain)/Loss]	1.89	8.16
e) Experience Adjustments on Plan Assets [(Gain)/Loss]	32.57	–

34.10 For the Defined Contribution plans amount aggregating Rs 184.05 lakhs (previous year - Rs. 299.22 lakhs) have been recognized as an expense during the year. The Contribution to the defined benefits plan expected to be made by the company during the annual period beginning after the balance sheet date is yet to be reasonably determined.

Notes forming part of the Consolidated Financial Statements

35 Change in Accounting Policy

The Parent Company has exercised the option as set out in paragraph 46A of Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates', pursuant to the notification dated 29th December 2011. Accordingly, exchange differences arising on restatement of long term foreign currency loans obtained for the purpose of acquisition of depreciable capital assets, which were until previous year being recognized in the Statement of Profit and Loss, is adjusted in the cost of depreciable asset, which would be depreciated over the balance life of the asset.

Had the Parent Company continued to follow the earlier accounting policy, the net foreign exchange loss recognized in the Statement of Profit and Loss would have been higher by Rs. 1,205.84 lakhs with corresponding decrease in net profit for the year and Fixed Assets would have been lower to the same extent.

36 For the purpose of these accounts, following methods and rates of depreciation have been used for depreciating the original cost of fixed assets:

- Certain items of Plant and Machinery being energy saving devices added during the period ended 31st March, 1987: Under Straight line method at rates specified in Schedule XIV of the Companies Act, 1956.
- Other assets added up to 31st March, 1987: Under written down value method at rates specified in Schedule XIV of the Companies Act, 1956.
- Land use rights: Under Straight line method over a period of forty two years.
- Other additions since 1st April, 1987: Under Straight line method at rates specified in Schedule XIV of the Companies Act, 1956.

37 Based on the valuation reports submitted by the valuers appointed for the purpose, certain items of the Parent Company's fixed assets [viz., Land (Freehold/Leasehold), Acquisition and Development Expenses, Buildings on such Land, Flats, Electrical Installations, Plant and Machinery and Railway Siding] were revalued on 30th November, 1984, on 30th September, 1991 and also on 30th September, 2001 (except Railway Siding) after considering the following factors:

- Estimated current market value pertaining to Land (Freehold/Leasehold), Acquisition and Development Expenses, Buildings on such land and Flats.
- Values of Electrical Installations, Plant and Machinery and Railway Siding (when applicable) based on their current cost of replacement.
- Adjustments for the condition, the standard of maintenance, depreciation up to valuation dates, etc.

The resultant revaluation surplus of Rs.1,011.07 lakhs, Rs. 2,994.04 lakhs and Rs. 5,995.27 lakhs arising from the aforesaid revaluations were transferred to Revaluation Reserve in the Parent Company's accounts for the years 1983-84, 1990-91 and 2000-01 respectively. Such Revaluation Reserves have however been fully adjusted in earlier years.

38 Depreciation for the year ended 31st March, 2012 on items of fixed assets revalued include an additional charge of Rs. 196.04 lakhs (Previous Year - Rs. 214.22 lakhs) over that calculated on

original cost at rates prescribed under Schedule XIV of the Companies Act, 1956 as amended during 1993-94 representing depreciation on the incremental amounts added on revaluation calculated at the rates considered applicable by the valuers.

- Pending completion of the relevant formalities of transfer of certain assets acquired pursuant to the Scheme of Amalgamation of Transmission Holdings Limited with the Parent Company in 2001-2002, such assets remain included in the books of the Parent Company under the name of the transferor company.
- On exercise of the option to subscribe to the Parent Company's Equity Shares by the holders of 12,50,000 convertible warrants of Rs. 196/- each allotted on 30th April, 2010 pursuant to the approval of the members of the Parent Company in accordance with SEBI Guidelines, 12,50,000 Equity Shares of Rs. 10/- each fully paid up have been issued and allotted on 28th October, 2011 on conversion of said warrants. Consequently, out of the proceeds of Rs. 2,450 lakhs of the Convertible Warrants Rs. 125 lakhs and Rs. 2,325 lakhs have been transferred to Share Capital and Securities Premium Account respectively.
- Rent of Rs. 81.49 lakhs (Previous Year - Rs. 75.07 lakhs) relates to cancellable operating leases taken on or after 1.04.2001. These lease arrangements range from 11 months to 3 years and are primarily in respect of accommodation for offices; warehouses etc. and inter alia include escalation clause and option for renewal.
- Members of the Parent Company in the Annual General Meeting held on 30th July, 2008 and the Central Government vide its letter dated 15th November, 2010 approved payment of commission to Non Executive Directors up to a ceiling of 1% of the net profits of the Parent Company. The Board of Directors of Parent Company in its meeting held on 29th May, 2012 has approved payment of commission up to 5% of the net profits of the Parent Company subject to approval of members in the ensuing Annual General Meeting and of the Central Government as required under section 310 of the Companies Act, 1956. Accordingly, Commission of Rs. 190.43 lakhs in excess of 1% of the net profits is subject to approval of the members of Parent Company and of the Central Government as stated above.
- The Consolidated Financial Statements comprise the financial statements of the Parent Company and its subsidiary companies as detailed below:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest
Phillips Carbon Black Cyprus Holdings Limited	Cyprus	100%
PCBL Netherlands Holdings B.V.	The Netherlands	100%
Phillips Carbon Black Vietnam Joint Stock Company	Vietnam	80%
Goodluck Dealcom Private Limited	India	100%

- The previous year's figures have been regrouped/reclassified to conform with this year's classification. However such reclassification does not impact recognition and measurement principles followed for preparation of consolidated financial statements.

For PRICE WATERHOUSE
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
(Membership Number 57572)

Kolkata
Date: 29th May, 2012

Kaushik Mukherjee
Company Secretary

Ashok Goyal
Managing Director

K. S. B. Sanyal
O. P. Malhotra
Directors

The information in aggregate for each subsidiary including subsidiaries of subsidiaries of the company in terms of direction under Section 212(8) of the Companies Act, 1956

Figs. in Lakhs

Sr. No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserves (including Surplus)	Total Assets (including Investments)	Total Liabilities (excluding Capital and Reserves & Surplus)	Details of Investment (except in case of investment in the Subsidiaries)	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend
1.	Phillips Carbon Black Cyprus Holdings Ltd.	INR	12.30	3,226.68	3,369.54	130.56	—	—	(13.03)	—	(13.03)	—
		Euro	0.18	47.54	49.64	1.92	—	—	(0.19)	—	(0.19)	—
2.	PCBL Netherlands Holding B.V.	INR	12.22	(86.55)	3,290.76	3,365.10	—	—	(35.73)	—	(35.73)	—
		Euro	0.18	(1.28)	48.48	49.58	—	—	(0.53)	—	(0.53)	—
3.	Phillips Carbon Black Vietnam Joint Stock Co.	INR	2,935.96	(260.13)	3,782.11	1,106.28	—	—	(203.38)	—	(203.38)	—
		VND	1,201,623.91	(106,467.36)	1,547,931.45	452,774.90	—	—	(83,237.11)	—	(83,237.11)	—
4.	Goodluck Dealcom Pvt. Ltd.	INR	839.00	3,413.63	4,355.18	102.54	3,745.50	—	67.07	1.00	66.07	—
		INR	839.00	3,413.63	4,355.18	102.54	3,745.50	—	67.07	1.00	66.07	—

Exchange rates as at year end considered for conversion:

Euro 1 = Rs. 67.876

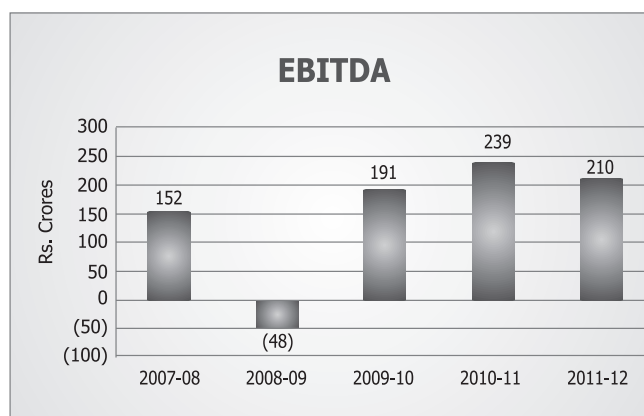
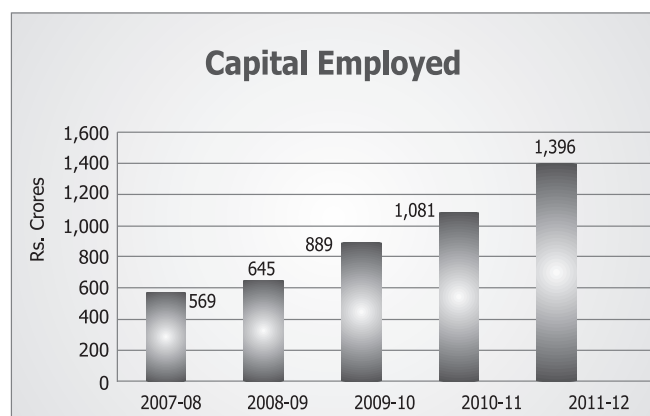
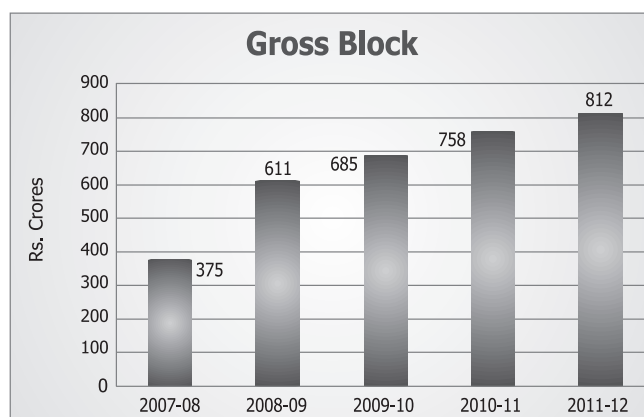
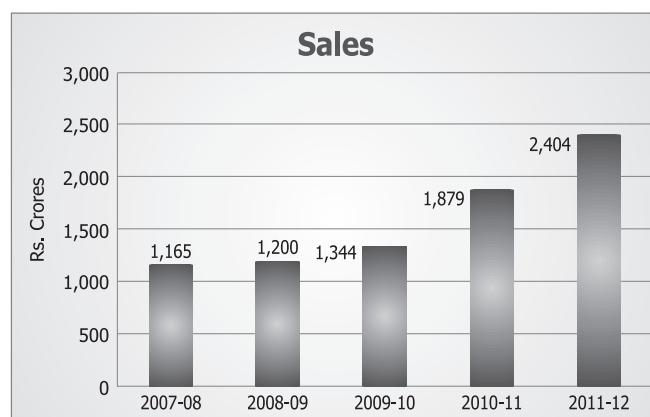
Euro 1 = VND 27780.13

VND 1 = Rs. 0.002443329 Derived

Financial Summary : 2007 - 2012

(Rupees in Lakhs)

	2011-12	2010-11	2009-10	2008-09	2007-08
Sales	240,443.30	187,883.95	134,437.91	120,033.02	116,477.28
Other Income	1,177.30	891.09	281.14	1,444.17	533.77
Expenses	231,278.73	172,339.86	121,660.66	131,207.24	105,732.61
Profit Before Tax	10,341.87	16,435.18	13,058.39	(9,730.05)	11,278.44
Taxation	1,629.71	4,806.78	788.90	(3,245.91)	2,347.59
Profit After Tax	8,712.16	11,628.40	12,269.49	(6,484.14)	8,930.85
Dividend (including Tax)	1,602.36	2,219.79	1,647.30	—	1,181.80
Retained Profits/(Loss)	7,109.80	9,408.61	10,622.19	(6,484.14)	7,749.05
Capital Employed	139,604.23	108,063.79	88,946.72	64,545.34	56,851.23
Application of Funds Fixed Assets (including CWIP)	81,235.73	75,755.66	68,546.77	61,074.51	37,541.49
Investments	7,236.67	5,761.72	3,777.96	3,776.10	2,805.52
Net Current Assets	(14,694.66)	(11,086.96)	16,621.99	(377.64)	16,416.21





Phillips Carbon Black Limited

Head Office

31 Netaji Subhas Road
Kolkata - 700 001
Phone : (033) 6625 1000, 6625 1500
6625 1461-64
Fax : (033) 2248-0140
E-Mail : pcbl@rp-sg.in

Works

Durgapur

27 R. N. Mukherjee Road
Durgapur - 713 201
Dist. Burdwan
Phone : (0343) 2556693-94
Fax : (0343) 2556392
E-Mail : nl.lee@rp-sg.in

Palej

National Highway No. 8
Palej : 392 220
Dist. : Bharuch
Gujarat
Phone : (02642) 277158
Fax : (02642) 278134
E-Mail : soumyendra.lahiri@rp-sg.in

Kochi

Karimugal
Brahmapuram P.O.
Kochi - 682 303
Phone : (0484)-2720833/947/
331/383
Fax : (0484) 2720649
E-Mail : k.muralidharan@rp-sg.in

Mundra

Survey No. 47, SH - 46
Vill : Mokha (Near Vadala)
Mundra - 370421
Dist. : Kutch, Gujarat
Phone : (02838) 283635/6/7
Fax : (02838) 283636
E-Mail : girish.singh@rp-sg.in

Regional Offices

Mumbai

103 Janki Centre, 1st Floor
Shah Industrial Estate
Off Veera Desai Road
Andheri (West), Mumbai - 400 053
Phone : (022) 67061626-27-28
(3 lines)
Fax : (022) 67061629
E-Mail : sudeep.nagar@rp-sg.in

Chennai

60 Marshalls Road
Egmore, Chennai - 600 008
Phone : (044) 2854 7524
Fax : (044) 2855-3257
E-Mail : k.velu@rp-sg.in

Delhi

423 & 425, Ansal Chambers - II
6, Bhikaji Cama Place
New Delhi - 110 066
Phone : (011) 4161 8221
E-Mail : kaushal.sirohi@rp-sg.in

Export Office

31 Netaji Subhas Road
Kolkata - 700 001
Phone : (033) 6625 1000, 6625 1500
6625 1461-64
Fax : (033) 2248-0140
E-Mail : gautam.kalia@rp-sg.in



A night view of PCBL Plant at Mundra.