



ANNUAL REPORT
2009–2010

INDIA CARBON LIMITED



India Carbon Limited

ANNUAL REPORT 2009-2010

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BOARD OF DIRECTORS

RAKESH HIMATSINGKA
Chairman and Managing Director
 ERIC P. JOHNSON
 GORDON KENNETH MCINTOSH
 GAUTAM PRASAD BARUA (upto 15th May, 2010)
 RAVI CAPOOR, I.A.S.
Nominee of Government of Assam
 HEMANT KUMAR KHAITAN
 MANOJ MOHANKA
 MANISH GUPTA
 SOUMENDRA MOHAN BASU
 ABHIJIT BAROOAH (w.e.f. 14th May, 2010)
 ALBERT JOHN ROLFE
(Alternate to Mr. Gordon Kenneth McIntosh)
 CHRISTOPHER JOHN BARNES (upto 5th August, 2010)
(Alternate to Mr. Eric P. Johnson)
 MARK R. JONES (w.e.f. 5th August, 2010)
(Alternate to Mr. Eric P. Johnson)
 SHAURYA VEER HIMATSINGKA
Wholtime Director

CHIEF FINANCIAL OFFICER

PINKIE GARG

STATUTORY AUDITORS

D BASU & CO.
Chartered Accountants

SOLICITORS & ADVOCATES

B. K. JAIN & CO.

BANKERS

UCO Bank
 IDBI Bank Limited
 United Bank of India
 AXIS Bank Limited

REGISTERED OFFICE & WORKS

Noonmati, Guwahati - 781 020, Assam

CENTRAL OFFICE

'Temple Chambers', 4th Floor
 6, Old Post Office Street, Kolkata - 700 001

BUDGE BUDGE WORKS

35, Deshbandhu Chittaranjan Road, Budge Budge,
 24, Paragnas (South), Kolkata - 700 137

REGISTRAR & SHARE TRANSFER AGENT

C B Management Services (P) Ltd.
 P-22, Bondel Road, Kolkata - 700 019
 Phone : (033) 4011 6700/11/18/23, 2280 6692/93/94
 Fax : (033) 2287 0263, E-mail : rta@cbmsl.com

NOTICE

NOTICE is hereby given that the Forty-eighth Annual General Meeting of the Members of INDIA CARBON LIMITED will be held on Tuesday, the 21st day of September, 2010 at 10.30 A.M. at the Registered Office of the Company at Noonmati, Guwahati - 781020, Assam to transact the following business :

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet of the Company as at 31st March, 2010, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Preference & Equity Shares.
3. To appoint a Director in place of Mr. Manoj Mohanka who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Manish Gupta who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Soumendra Mohan Basu who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

AS SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

“RESOLVED that Mr. Abhijit Barooah be and is hereby appointed as a Director liable to retire by rotation.”

Place : Kolkata
Date : 5th August, 2010
Registered Office :
Noonmati, Guwahati - 781 020
Assam

By Order of the Board of Directors

Rakesh Himatsingka
Chairman & Managing Director

NOTES :

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
2. **Details under the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/re-appointment at the Annual General Meeting is contained in the Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.**
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

4. **THE PROXY FORMS TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
5. Shareholders are requested to bring their copy of Annual Report to the meeting.
6. Members/Proxies should fill the Attendance Slip for attending the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in Physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
7. In case of joint holders attending the meeting only such joint holder who is higher in the order of names will be entitled to vote.
8. The Register of Members and the Share Transfer Books of the Company will remain closed from 14th September, 2010 to 21st September, 2010 (both days inclusive).
9. The Company has appointed the following Registrar & Share Transfer Agent (RTA) to deal with both Physical and Demat shares.

C. B. Management Services (P) Limited
P-22, Bondel Road, Kolkata - 700 019
Phone No. : (033) 40116700, 40116711, 40116718, 40116723, 2280 6692/93/94
Fax No. : (033) 2287 0263
E-mail : rta@cbmsl.com

Members are requested to send their queries relating to share transfer/transmission etc. to the above address.
10. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturdays between 10.00 a.m. and 12.00 Noon up to the date of the Annual General Meeting.
11. Members are requested in their own interest :
 - a) To notify the Company/R & T Agent about any change in address with correct pin code, mandate/bank details etc.
 - b) To quote correct Folio No./Client ID. No. and DP ID. No. in all correspondence with the Company/ R & T Agent to facilitate better service to the members.
 - c) To dematerialize the Equity Shares of the Company.
12. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
13. Consequent upon the introduction of Section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nomination, are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents.
14. Pursuant to the provisions of Section 205A of the Companies Act, 1956 unclaimed dividend for the year ended 31st March, 2002 has been already transferred to the Investor Education & Protection Fund.

INDIA CARBON LIMITED

Information in respect of unclaimed dividend is given below :

Financial Year ended	Date of Declaration of Dividend	Last Date for claiming of Unpaid Dividend	Last date for transfer to IEP Fund
31.03.2003	09.09.2003	08.09.2010	08.10.2010
31.03.2004	18.09.2004	17.09.2011	17.10.2011
31.03.2007	14.09.2007	20.10.2014	20.11.2014
31.03.2008	22.07.2008	28.08.2015	27.08.2015
31.03.2009	21.08.2009	27.09.2016	26.10.2016

Members who have not so far encashed their dividend warrant(s) are requested to seek issue of duplicate warrant(s), revalidation of the existing warrants to Company's Share Department at "Temple Chambers" 4th Floor, 6, Old Post Office Street, Kolkata - 700 001 immediately. Members are requested to note that no claim shall lie against the Company or the said fund in respect of any amounts transferred to Investor Education and Protection Fund (IEPF).

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

ITEM NO. 7

Mr. Abhijit Barooah was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 effective from 14th May, 2010 to hold office up to the ensuing Annual General Meeting.

Mr. Abhijit Barooah, 48, is a B. Tech. (Chem Engg.) from IIT, Delhi and M.S. (Chemical Engg.) from University of Rochester, USA. He is the Chairman of Assam Financial Corporation and the Member of following bodies : CII National Committee on SME, Pollution Control Board (Assam), Assam Institute of Management, Standing Committee on Employment Generation (Constituted by Govt. of Assam), Coordination Forum (constituted by Govt. of Assam under the Electricity Act, 2003), Board of Management, Centre for Management Studies (Dibrugarh University), Study Committee on State Public Sector Enterprises (Constituted by the Govt. of Assam) and Director of Assam Industrial Development Corporation Ltd. Mr. Barooah has specialization in various areas such as chemical, management, advisory services. He serves on the Board of several Companies.

The Company has received a notice from a Member under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Abhijit Barooah for the office of the Director of the Company.

The Board of Directors recommend the Resolution set out in Item No. 7 of the Notice for approval of the Members.

Apart from Mr. Abhijit Barooah, none of the other Directors of the Company is in any way, concerned or interested in the said Ordinary Resolution.

The details of the Directors seeking continuation/re-appointment in the Annual General Meeting to be held on 21st day of September, 2010 are as follows :

Name of the Director	Mr. Manoj Mohanka	Mr. Manish Gupta, IAS (Retd.)	Mr. Abhijit Barooah	Mr. Soumendra Mohan Basu
Date of Birth	5th March, 1963	11th November, 1941	8th July, 1962	19th November, 1949
Date of Appointment	29/06/2006	29/09/2008	14/05/2010	13/01/2009
Expertise in specific functional areas	Finance & Strategic Marketing	Management & Administration	Management & Advisory	Organization, HR and Corporate Affairs
Qualifications	B. Com (Hons.), Master's degree from Michael Smurfit Graduate School of Business, Chevening Scholarship from London School of Economics	B.Sc., Certificate in Field Engineering (College of Military Engg., Pune)	B. Tech (Chem. Engg) from IIT, Delhi, M.S. (Chemical Engg) from University of Rochester, USA	B.A. (Hons.) in English from Presidency College
List of outside Directorship held	1. 3D Technopack Ltd. 2. Television Eighteen India Ltd. 3. IBN 18 Broadcast Ltd. 4. Network 18 Media and Investments Ltd. 5. Titagarh Wagons Ltd. 6. Infomedia 18 Limited	1. Tata Metaliks Ltd. 2. Texmaco Ltd. 3. Calcom Cement India Ltd.	Premier Cryogenics Ltd	Endurance Technologies Ltd.
Chairman/Member of the Committee of other Companies in which he is a Director	1. Television Eighteen India Ltd. (CM) 2. Network 18 Media and Investments Ltd. (CM) 3. Titagarh Wagons Ltd (M) 4. ibn 18 Broadcast Ltd. (CM)	Texmaco Ltd. (M)	None	Endurance Technologies Ltd. (M)
a. Audit Committee				
b. Shareholders / Investor Grievance Committee	1. Television Eighteen India Ltd (CM) 2. Network 18 Media and Investments Ltd. (CM) 3. Titagarh Wagons Ltd. (M) 4. ibn 18 Broadcast Ltd.(M)	Tata Metaliks Ltd.- (CM)	Premier Cryogenics Ltd. (M)	Endurance Technologies Ltd. (CM)
c. Remuneration Committee	1. Television Eighteen India Limited (CM) 2. Network 18 Media and Investments Ltd. (CM) 3. Titagarh Wagons Ltd (M) 4. ibn 18 Broadcast Ltd(M)	Calcom Cement India Ltd. (M)	None	None
Shareholding in the Company	Nil	Nil	Nil	Nil
Disclosure of relationship between Directors inter-se	None	None	None	None

Note

- CM - Chairman of the Committee
- M - Member of the Committee
- Directorship in Pvt. Ltd. Co.'s & Foreign Co.'s are excluded.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH, 2010

To The Members,

Your Directors have pleasure in presenting the Forty-eighth Annual Report on the business and operations of the Company and Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS

	Year Ended 31.03.2010 Rs. in lacs	Year Ended 31.03.2009 Rs. in lacs
Profit before Interest, Depreciation & Tax	1750.07	871.48
Less : Interest	194.69	177.27
Less : Depreciation (Net of transfer from Revaluation Reserve)	99.82	84.96
Profit Before Tax	1455.56	609.25
Less : Provision for Taxation (including Fringe Benefit Tax and Deferred Tax)	309.05	134.33
Profit After Tax	1146.51	474.92
Add : Balance brought forward from previous year	712.30	534.48
Amount available for Appropriation	1858.81	1009.40
Appropriations :		
Proposed Dividend on Preference Shares	0.93	0.93
Proposed Dividend on Equity Shares	39.75	26.50
Tax on Dividend	6.75	4.66
Transfer to General Reserve	1060.00	265.00
Balance carried forward to Balance Sheet	751.38	712.30

DIVIDEND

The Board is pleased to recommend a dividend of Rs. 9.30 (9.3%) per redeemable Cumulative Preference Share of Rs. 100/- each and Rs. 1.50 per Equity Share of Rs. 10/- each for the current year.

OPERATIONAL PERFORMANCE :

During the year under review, your Company achieved a gross turnover of Rs. 15494.34 lacs which is marginally lower than the previous year turnover of Rs. 15725.41 lacs.

However, Sales of your Company's main product viz, CPC significantly increased from 50894 MT to 70798 MT and that of Carbon Paste from 5995 MT to 10051 MT, which is an increase of 39.19% in the case of CPC and 68% in the case of Carbon Paste.

This improvement in sales resulted in higher capacity utilization and thereby contributed to a significantly higher gross profit of Rs. 1455.56 lacs as comparable to Rs. 609.25 lacs in previous year.

FUTURE OUTLOOK

In the first quarter of the financial year, the effects of the global recession were continuing, though signs of recovery in the country were becoming visible, therefore resulting in sluggish initially which quickly picked up as the Indian Economy very smartly bounced back from recession from the second half of the financial year.

Domestic economy inspite of continued global slowdown recorded a GDP growth of around 8.5%, thereby continuing to be the second fastest growing economy in the World.

During the year under review, Vedanta Aluminium brought into stream approx. 2.5 lacs MT new smelting capacity and BALCO also completed the addition of their new 1.2 lacs MT pot line. For the current year

it is expected that Vedanta will add another 2.5 lacs MT new capacity and there will be some capacity addition at Hindalco's Renukoot and Hirakund Smelter and at NALCO's Angul smelter.

In addition with the economy once again booming there is growing demand for Steel as a result of which there is increase in demand of CPC and Paste by the Steel Plants as well as Ferro Alloy Plants.

Your Company has already increased its customer base for both its product and continues to do so in the current year as well.

Directors are pleased to inform that the Company's expansion/modernization completed in the Financial Year ending March, 2009 at its Guwahati Plant continued to perform as expected.

During the year under review Company successfully commissioned Air Pollution Control System (Gas Cleaning System) at Budge Budge plant to further improve upon the emission norms.

As reported last year, planning to start some activities at the 11.427 acres land allotted last year at Jharsuguda Growth Centre, Jharsuguda has commenced and the 1st phase of the same is expected to be completed during the current financial year. This shall open up new opportunity for the Company's products, specially in Orissa and neighbouring states, which are the fastest growing region for your Company's products.

The Company also continues to invest in modernizing and updating wherever possible including technology up gradation in all spheres.

DIRECTORS

In accordance with the Articles of Association of the Company, Mr. Manoj Mohanka, Mr. Manish Gupta and Mr. Soumendra Mohan Basu retire by rotation as Directors at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Abhijit Barooah was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956, effective from 14th May, 2010, and holds office up to the ensuing Annual General Meeting. The Company has received a notice from a Member under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Abhijit Barooah for the office of the Director of the Company.

Mr. Mark R. Jones was appointed as alternate director in place of Mr. Christopher John Barnes to Mr. Eric P Johnson by the Board of Directors of the Company pursuant to Article No. 141 of the Articles of Association of the Company.

Mr. G. P. Barua resigned from the Board w.e.f 15th May, 2010. The Board places on record its appreciation to the valuable contribution made by him during the tenure of his Directorship.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 217 (2AA) of the Companies Act 1956, your Directors confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, wherever applicable.
- ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the Directors have prepared the annual accounts on a going concern basis.

AUDITORS

The term of appointment of Messers D. Basu & Co, Chartered Accountants and Statutory Auditors of the Company expires on the conclusion of the forthcoming Annual General Meeting and being eligible are recommended for reappointment. The Company has received letter from them to the effect that their appointment, if made would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956.

AUDITORS' OBSERVATIONS

The report of the Auditors is self-explanatory and does not call for any further comments from the Directors.

PUBLIC FIXED DEPOSITS

The Company does not have any matured unclaimed deposits as on 31.03.2010.

INVESTOR EDUCATION PROTECTION FUND

Your Company has transferred Rs.77,861.00 to the Investors Education And Protection Fund set up by the Central Government Pursuant to the provisions of Section 205C of the Companies Act, 1956.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTIONS, FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rule, 1988 prescribed particulars as applicable, are given in an Annexure forming part of the Directors Report.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 (the Act), read with the Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is given in Annexure to the Directors' Report.

LISTING OF SHARES AT THE STOCK EXCHANGES AND TRADEABILITY IN DEMATERIALISATION FORM

The Equity Shares of the Company continues to be listed with Guwahati and Calcutta Stock Exchanges. The listing fees for the financial year 2009-10 have already been paid and are traded in dematerialization form.

The Company is having connectivity with both the depositories, i.e., National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialization of the Company's Equity shares on either of the Depositories as aforesaid. However, the members would still have the option to hold the Equity shares of the Company in physical form. The ISIN number allotted to the Company is INE743B01015.

Presently, M/s. C B Management Services Pvt. Ltd., is acting as Registrar and Share Transfer Agents of the Company, for shares under both physical and demat form. Members are requested to send their communications/correspondences/queries regarding share matters at the following address :

C B Management Services (P) Limited

P-22, Bondel Road, Kolkata - 700 019

Phone No. (033) 40116700, 40116711, 40116718, 40116723

Fax No. : (033) 2287 0263

E-mail : rta@cbmsl.com

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Management Discussion and Analysis Report is attached herewith and forms part of this Report.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance forms part of the Annual Report. A certificate from the Auditors of the Company in respect of compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges is attached to this Report.

The Managing Director and the Chief Financial Officer have certified to the Board w.r.t. financial reporting, in the manner required under the Clause, concerning the annual financial statement.

COMPLIANCE CERTIFICATE

In accordance with Section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules 2001, the Company has obtained a Certificate from a Secretary in Whole Time Practice confirming that the Company has complied with all provisions of the Companies Act, 1956 and a copy of such Certificate is attached.

INDUSTRIAL RELATIONS

The relation of the Company with its employees and workers continued to be cordial and peaceful during the year under review. Your directors record their sincere appreciation to the employees & workers at large for their cooperation and continued cooperation for maintaining harmonious industrial relations in and around the plants.

SUBSIDIARY & CONSOLIDATED FINANCIAL STATEMENTS

The Company is having a subsidiary viz., C&C Investments Limited. The audited statement of accounts of the Subsidiary Company for the year ended 31.03.2010 together with the Reports of the Directors and the Auditors and the statement pursuant to Section 212 of the Companies Act, 1956 are attached with the Annual Accounts of the Company.

The Consolidated Financial Statements required under Accounting Standard 21 issued by the Institute of Chartered Accountants of India are not prepared as because the Subsidiary Company operates under severe long-term restrictions which significantly impair its ability to transfer funds to the Company.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank its Shareholders, Customers, Financial Institutions, Bankers, Suppliers, the Government of India, the State Governments & the Local Authorities.

Your Directors also take the opportunity to acknowledge the support and services of all its workers, staffs and executives, which is largely reflected in the performance of the Company.

For & on behalf of the Board of Directors

Place : Kolkata
Date : 5th August, 2010

Rakesh Himatsingka
Chairman and Managing Director

ANNEXURE TO DIRECTORS' REPORT

A) CONSERVATION OF ENERGY

Energy conservation measures taken :

At Budge Budge Plant

- i) The Air Pollution Control System (Gas Cleaning System) project was commissioned in March, 2010. Initially the power consumption was 2800-2900 KWH units/day and after optimization on the number of Axial fans running in FDC, the power consumption dropped to 2300-2400 KWH units/day.
- ii) The high energy ID fan motor with 110KW/150 HP capacity has been provided with VVFD drive so that the motor draws current proportional to its speed which commensurate with actual load on the system.

The estimated power savings on this account is 25-30%.

At Guwahati Plant

- i) Cooler cyclone fan with 50 HP Motor has been provided with VVFD, that has resulted into reduction in power demand by approximately 15KVA.

Impact of the measures taken for reduction of energy consumption and consequent impact on the cost of production of goods :

The measures undertaken, as indicated above already have enabled the Company to reduce costs on account of Fuel and Power saving. As always, continuous efforts are being made to further identify and improve energy consumption and reduce cost of production.

Total energy consumption and energy consumption per unit of production : Not applicable to the Company.

B) TECHNOLOGY ABSORPTION

Technology Absorption, Adaptation and Innovation :

At Budge Budge Plant

ICL technical team developed its technical consultants, a dry flue gas treatment system, as against wet scrubbing in Guwahati Plant. Thus the Gas Cleaning System, which was initially envisaged for environmental protection only has started serving dual purpose of Pollution Control as well as coke recovery. Apart from ensuring that there is no discharge of carbon fines to the atmosphere, the Company is now able to coke fines that has good marketing potential.

Benefits derived as a result of the above efforts :

Increase in Plant Capacity, productivity, cost reduction, energy savings and environment friendly working conditions etc.

Imported Technology :

The Company did not import any technology during the last five years.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- i) *Activities relating to exports :*

The company is consistently putting efforts for exports of its products.

- ii) *Foreign Exchange used and earned :*

Details of Foreign Exchange used and earned are given in Schedule L of the Accounts.

ANNEXURE TO THE DIRECTORS' REPORT**Statement pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975**

Name	Designation /Nature of Duties	Remuneration (Rs)	Qualification	Experience (Yrs)	Date of Commencement of employment	Age (Yrs)	Last Employment before joining the Company	% of Equity capital held
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(A) Personnel who are in receipt of remuneration aggregating not less than Rs. 24,00,000 per annum and employed throughout the year :

Mr. Rakesh Himatsingka	Chairman & Managing Director	4837533	B. E.(Hons.) Mechanical	37	14.10.1977	58	Joint Managing Director Assam Carbon Products Limited	0.37
Mr. Shurya Veer Himatsingka	Whole-time Director	3133754	Master's in Business Administration from The Tepper School of Business at Carnegie Mellon University, Pittsburgh, Pennsylvania	5	01.06.2005	28	–	1.42

(B) Personnel who are in receipt of remuneration aggregating not less than Rs 2,00,000 per month and employed for the part of the year :

N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
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Notes :

1. Remuneration includes Salary, House Rent Allowance, Provident Fund, Medical Reimbursement, LTC and taxable value of Perquisites.
2. The Appointment is contractual as per the policy/rules of the Company.
3. Terms and conditions are as per the appointment letter given to the appointee from time to time.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

The Calcined Petroleum Coke (CPC) industry continues to grow in the country on the back of a rapidly growing Aluminium Industry, both Greenfield and Brownfield. The country is poised to add over 6/8,00,000 MTs. new capacity every year for the next 5 years at least. This will require the addition of 2/3,00,000 MTs CPC each year.

Further, as CPC is used for Steel Production, Ferro Alloys, Graphite Electrode and Titanium Dioxide, demand in each of these sectors is increasing rapidly, and will continue to supplement the demand.

What however, is of interest is that most of the demand is emanating from the Eastern Zone and its neighbouring states, where most of the new capacities as well as expansion are coming in Aluminium, Steel and Ferro Alloys.

Raw Petroleum Coke (RPC) is the sole raw material for the production of CPC, but the same has been in acute shortage for the last several years, and whilst some new production this year and in the future for RPC is being set up, but it will continue to be well below the demand, requiring most new capacities in CPC to be based on imported RPC.

In fact, it is estimated that the shortfall between domestic RPC production and demand shall continue to grow, and thus the future of CPC industry will be more and more East India Port based, dependent on imported raw material.

OPPORTUNITIES & THREATS

Your company constantly examines the opportunities and threats that exist in its business and is geared to undertake course corrections whenever necessary.

Opportunities

The Company's two products Calcined Petroleum Coke (CPC) and Electrode Carbon Paste (ECP) which is used mainly for the production of Aluminium, Steel, Ferro Alloys and Titanium Dioxide.

Aluminium Metal amongst its many uses, in India is primarily used in the field of Power Transmission, Automobiles and domestic use.

With a booming economy, rapidly increasing industrialization there is a major surge in the demand for both Aluminium & Steel by all the Sectors.

There are huge new capacities being set up for production of Aluminium, Steel and other industries dependent on CPC and ECP.

On the other hand, the Company has one major raw material, Raw Petroleum Coke (RPC), which is in very short supply. However, new refineries to produce RPC are being set up and existing ones are increasing their capacities.

Threats

1. Excess installed capacity in the country for CPC.
2. Cheap import of CPC from China.
3. Increased dependence on imported RPC, which being a crude oil based product is subject to severe price fluctuations.

4. Inadequate and poor infrastructure at Ports, resulting in much higher freight by vessels prepared to come to Kolkata Port.
5. Very poor transport infrastructure leading too much higher transportation cost.
6. Cost and carry policy of IOC Ltd for Indian RPC resulting in much higher inventory carrying cost.

SEGMENT-WISE/PRODUCT-WISE PERFORMANCE

The company achieved a turnover of Rs. 154.94 crore during the year under review as against Rs. 157.25 crore in the previous year, a marginal drop as compared to the previous year.

However, production of Calcined Petroleum Coke (CPC) during the year was 68633 MT as against 60414 MT in the previous year and Electrode Calcined Petroleum (ECP) production is 9673 MT as against 5004 MT in the previous year, an increase of 13.6% and 93.3% respectively.

Further, Sales of CPC for the year was 70788 MT as against 50894 MT in the previous year and ECP sales were at 9436 MT as against 5295 MT in the previous year, an increase of 39.19% and 78.29% respectively.

Both ECP production and sales recorded highest ever growth. Though the production and sales quantity of ECP and CPC has increased, the overall turnover has decreased due to the continuous fall in the CPC prices, during the year, owing to the fall in Petroleum Prices as well global recession.

OUTLOOK

The outlook for the Company continues to be optimistic backed up by a very healthy growth in the demand for Company's both products, viz, CPC & Carbon Paste. The Company continues to increase its customer base and also continues to expand, upgrade and modernize its Plants. The Company is also exploring new growth opportunities as well as optimum utilization of its available resources.

Constant efforts are on towards achieving savings, improving operational efficiency, increasing market share, optimum utilization of production capacities and Customers satisfaction.

The Management is optimistic about the growth and profitability of the Company.

RISKS & CONCERNS

Company is dependent on imported raw material for one of its plants, which is brought in shiploads and at times has inventory of 6 months or more. The RPC and CPC is quite a volatile market and so is the foreign exchange as all imports are in US Dollars.

With some orders, there is no Price Variation Clause and thus the Company is exposed to changes in the Global Price and/or exchange risk.

For the year under review, the Company was able to successfully manage both its inventories as well as foreign exchange and earned on both accounts unlike the previous year.

In addition the Company is always exposed to the risk of imported raw material upon arrival not conforming to expectations or to the specifications, which can lead to higher consumption, lower price realization and/or longer carrying of such slow moving inventory.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

The Company has proper and adequate internal control system commensurate with its size and nature of business. It ensures that all assets are safeguarded and protected against improper use and that transactions are authorized, recorded and reported correctly.

INDIA CARBON LIMITED

Internal Audit is conducted by independent auditing firm at all locations of the company. The internal audit reports are reviewed by the Audit Committee and adequate remedial measures are taken in time.

The end result was a positive assurance on sustenance as well as improvement in the level of the internal controls across locations and functions.

The CEO & CFO certification as required under Clause 49 of the Listing Agreement with Stock Exchanges authenticates, the effectiveness of internal controls for financial reporting.

The Audit Committee is vested with wide powers to review any transaction and has been empowered with the term of reference as mandated by Clause 49 of the Listing Agreement with Stock Exchanges.

The consulting initiatives through facilitation of the standard operating procedure as well as Control Self Assessment continued to bring in further benefits.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year the Company achieved a turnover of Rs.154.94 Crore and a profit before tax is reported to be all time high of Rs. 14.56 Crore. However, this was achieved inspite of the sharp decrease in the realization price of the CPC as the Company was able to effectively manage both inventories and foreign exchange risk.

The Earnings Per Share of the Company as on 31.03.2010 is Rs. 43.22 as against Rs. 17.88 in the corresponding previous year.

Though the profitability of the Company has improved compared to the earlier years the Company is still facing the risk of raw material constraint and lower domestic price compared to imported price of raw material especially at its Budge Budge Plant which is mainly dependent on imported raw materials.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

The Company has always given prime importance to Human Resources. Continued efforts towards manpower rationalization are being made for reduction of cost and optimization of productivity. The Company continues to provide thrust on regular training programmes for upgradation of job knowledge and other related skills amongst its employees.

Industrial relations have been cordial and during the year the Company successfully concluded Workmen's Wage Agreement for three years for Budge Budge Plant, and at Central Office, Kolkata, The Guwahati Works Workmen's Wage Agreement concluded in 2008 is valid up to May, 2011.

The total number of people employed in the organization as on 31.03.2010 was 201 as compared to 192 as on 31.03.2009.

CAUTIONARY STATEMENT

Statement in the "Management's Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predications may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied in this report. Important factors that would make a difference to the Company's operations include global and Indian demand/supply conditions, raw materials prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations/policies, tax regimes, economic developments within the country and other factors such as litigation and labour negotiations. The Company assumes no responsibility to modify or revise any forward-looking statements on the basis of any future events or new information. Actual results may differ from those mentioned in the report.

CORPORATE GOVERNANCE REPORT

(As required by Clause 49 of the Listing Agreement with the Stock Exchanges)

INTRODUCTION

Corporate Governance is a synonym for sound management, transparency and disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a company to take sound decisions, thus maximizing long term shareholders value.

The detailed report on implementation by the Company, of the Corporate Governance as incorporated in Clause 49 of the Listing Agreement with the Stock Exchanges, is set out below :

1. Company's Philosophy on Code of Corporate Governance :

Corporate Governance to us relates to systems and processes that direct corporate resources and management strategies towards maximization of value for stakeholders ensuring at the same time accountability, probity and openness in the conduct of business within the acceptable legal and ethical framework. A good governance process should thus provide sufficient transparency, several corporate policies, strategies and the decision making process while strengthening internal control systems and build relationship with stakeholders including employees and shareholders.

We believe that corporate governance is a voluntary and self-discipline code which ensures compliance with regulatory requirements while being responsive to our stakeholders needs.

The Company is fully committed to and continues to follow procedures and practices in conformity with the Corporate Governance enshrined in the Listing Agreement.

2. Board of Directors - Composition :

The Board is headed by Mr. Rakesh Himatsingka, Chairman & Managing Director and consists of twelve Directors including two alternate Directors.

The Composition and Category of Director as on 31st March, 2010 is as under :

Sl. No.	Name of the Director	Category
1	Mr. Rakesh Himatsingka - Chairman & Managing Director	Executive Director (Promoter)
2	Mr. Shaurya Veer Himatsingka - Whole Time Director	Executive Director (Promoter)
3	Mr. Ravi Capoor - I.A.S. (Nominee of Government of Assam)	Non-Executive Director (Non-Promoter)
4	Mr. Gordon Kenneth McIntosh	Non-Executive Director (Non-Promoter)
5	Mr. Albert John Rolfe (Alternate to Mr. Gordon Kenneth McIntosh)	Non-Executive Director (Non-Promoter)
6	Mr. Eric P. Johnson	Non-Executive Director (Non-Promoter)
7	Mr. Christopher John Barnes (Alternate to Mr. Eric P. Johnson)	Non-Executive Director (Non-Promoter)
8	Mr. Gautam Prasad Barua	Non-Executive and Independent Director
9	Mr. Hemant Kumar Khaitan	Non-Executive and Independent Director
10	Mr. Manoj Mohanka	Non-Executive and Independent Director
11	Mr. Manish Gupta	Non-Executive and Independent Director
12	Mr. Soumendra Mohan Basu	Non-Executive and Independent Director

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Board Meetings :

During the year four Board Meetings were held on 06.07.2009 (Adjourned meeting of 29.06.2009), 23.09.2009, 07.12.2009 & 30.01.2010.

The details of the attendance at the Board Meetings during the year and the last Annual General Meeting as also number of other Directorships and Committee Memberships and disclosure of relationship between Directors inter-se are given below :-

Name of the Director	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships	No. of other Committee Membership/ Chairmanship	Disclosure of relationship between Directors Inter-se	No. of Shares held by Director as on 31.03.2010
Mr. Rakesh Himatsingka	4	No	2	3	Father of Mr. Shaurya Veer Himatsingka	9778
Mr. Shaurya Veer Himatsingka	4	Yes	Nil	Nil	Son of Mr. Rakesh Himatsingka	37543
Mr. Ravi Capoor	Nil	No	11	Nil	None	Nil
Mr. Gordon Kenneth McIntosh	Nil	No	Nil	Nil	None	Nil
Mr. Albert John Rolfe (Alternate to Mr. Gordon Kenneth McIntosh)	Nil	No	Nil	Nil	None	Nil
Mr. Eric P. Johnson	Nil	No	Nil	Nil	None	Nil
Mr. Hemant Kumar Khaitan	4	No	10	3	None	Nil
Mr. Manoj Mohanka	1	No	8	11 (7 as Chairman)	None	Nil
Mr. Manish Gupta	3	No	3	5 (1 as Chairman)	None	Nil
Mr. Soumendra Mohan Basu	4	No	Nil	Nil	None	Nil
Mr. R. C. Dickie*	Nil	No	Nil	Nil	None	Nil
Mr. Christopher Barnes (Alternate to Mr. Eric P. Johnson)	Nil	No	Nil	Nil	None	Nil
Mr. Gautam Prasad Barua	2	No	1	2 (1 as Chairman)	None	70

* Resigned w.e.f. 11.05.2009

3. Committee of Directors :

A) Audit Committee :

The Audit Committee functions in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956.

Composition of the Committee as on 31.03.2010 and its Meeting & Attendance during the financial year 2009-2010 :

Sl. No.	Name of the Member	Category	Position	No. of Meetings Attended
1.	Mr. Hemant K. Khaitan	Non-Executive and Independent Director	Chairman	5
2.	Mr. Rakesh Himatsingka	Executive Director (Promoter)	Member	5
3.	Mr. Gautam P. Barua	Non-Executive and Independent Director	Member	2
4.	Mr. Soumendra Mohan Basu	Non-Executive and Independent Director	Member	4

All the Committee Members are financially literate and all of them have accounting or related financial management expertise. During the year five Audit Committee Meetings were held on 25.06.2009, 06.07.2009, 25.07.2009, 28.10.2009 and 30.01.2010.

The CFO, Internal Auditors and the representatives of the Statutory Auditors and such other officials of the Company are invited to attend the Audit Committee Meetings as and when required.

The Minutes of the Audit Committee Meetings are noted by the Board of Directors in their subsequent Meeting.

Terms of reference :

The Powers & terms of the reference of the Audit Committee are as follows :

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

7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i) : The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii) : If the company has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions/features as is contained in this clause.

B) Remuneration Committee :

The remuneration policy is decided by the Remuneration Committee of the Board within the statutory framework and approved by the General Body. The Remuneration Committee function in accordance with the provisions of the revised Clause 49 of the Listing Agreement with the Stock Exchanges.

The composition of the Committee during the financial year 2009-10 as follows :

Name of the Member	Category	Position
Mr. Hemant Kumar Khaitan	Independent Director	Chairman
Mr. Manoj Mohanka	Independent Director	Member
Mr. Gautam Prasad Barua	Independent Director	Member

One Meeting of Remuneration Committee was held on 30th January, 2010 which was attended by Mr. Hemant Kumar Khaitan and Mr. Gautam Prasad Barua.

The broad terms of reference of the Remuneration Committee is to determine on behalf of the Board of Directors of the Company, the Company's policy on specific remuneration packages for Whole-time Directors/Managing Director of the Company.

Remuneration Policy :

- a. Remuneration structure for the Managing Director/Whole time Director comprises salary, perquisites, Commission as well as contribution to the Provident, Superannuation, Gratuity Fund as per the Agreement entered between the respective Managing Director/Whole time Director and the Company. The Agreement is placed before this committee and thereafter before the Board for approval and subsequently the approval of the shareholders is obtained at the Annual General Meeting/General Meeting of the Company.
- b. The Non-Executive Directors do not draw any remuneration from the Company except the sitting fees for Board and Committee Meetings.

Details of Remuneration paid to all Directors for the year ended 31.03.2010 :**(i) Executive Directors - Wholetime Directors/Managing Director**

Name	Salary (Rs.)	Commission (Rs.)	Perquisites (Rs.)	Retirement Benefits (Rs.)	Total (Rs.)
Mr. Rakesh Himatsingka Chairman & Managing Director	13,60,000	15,37,153	15,19,180	4,21,200	48,37,533
Mr. Shaurya Veer Himatsingka Wholetime Director	6,80,000	15,37,153	7,06,001	2,10,600	31,33,754

Name	Service Contract (No. of Years)	Notice Period (No. of months)	Severance fees (Rs.)
Mr. Rakesh Himatsingka Chairman & Managing Director	5 (w.e.f.01/05/2006)	6	NIL
Mr. Shaurya Veer Himatsingka Wholetime Director	5 (w.e.f. 04/03/2007)	6	NIL

(ii) Non-Whole time/Non-Executive Directors

Non-Executive Directors	Sitting Fees paid for attending Board Meetings (Rs.)
Mr. Hemant K. Khaitan	Rs. 67,500.00
Mr. Gautam P. Barua	Rs. 27,500.00
Mr. Manoj Mohanka	Rs. 10,000.00
Mr. Manish Gupta	Rs. 30,000.00
Mr. Soumendra Mohan Basu	Rs. 52,500.00

- Neither any stock option was issued nor any bonus was paid to any of the Directors. No severance fees is payable to Directors.
- Non-Executive Directors are being paid sitting fees of Rs. 10,000 and Rs.2,500 for attending each Board and Committee Meeting respectively.
- The Non-Executive Directors except Mr. Gautam P. Barua do not hold any shares and/or convertible instruments in the Company. Mr. Gautam P. Barua holds 70 equity shares.
- There has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year under review.

C) Share Transfer Committee :

The composition of the Share Transfer Committee as on 31.03.2010 is as follows :

Name of the Member	Position
Mr. Rakesh Himatsingka	Chairman
Mr. Shaurya Veer Himatsingka	Member
Mr. Hemant Kumar Khaitan	Member
Mr. Gautam Prasad Barua	Member

The Share Transfer Committee mainly reviews the process of share transfers, issue of duplicate certificates and certificates after splits/consolidation/renewal and re-materialization. This Committee meets as and when required.

D) Shareholders Grievance Committee

Composition of the Shareholders Grievance Committee as on 31.03.2010 is as follows :

Mr. Hemant Kumar Khaitan (Non-Executive Director)	Chairman
Mr. Rakesh Himatsingka	Member
Mr. Gautam Prasad Barua	Member
Mr. Shaurya Veer Himatsingka	Member

The Committee looks into redressal of shareholders' complaints like transfer of shares, non-receipt of declared dividends, non receipt of Balance Sheet etc. The Committee oversees the performance of the Registrar and Share Transfer Agents and recommends measures for overall improvement in the quality of investor services. The Board has designated Mrs. Pinkie Garg, Chief Financial Officer as the Compliance Officer w.e.f. 06.07.2009.

The total number of Complaints received and replied to the satisfaction of shareholders during the year ended March 31, 2010 were Nil. There were no complaints outstanding as on March 31, 2010.

4. General Body Meetings :

The last three Annual General Meetings were held as under :

Financial Year	Date	Time	Venue	Whether any Special Resolutions passed
31.03.2009	21.08.2009	10.00 A.M.	Registered Office at Noonmati, Guwahati, Assam	No
31.03.2008	22.07.2008	10.00 A.M.	Same as above	Yes
31.03.2007	14.09.2007	10.00 A.M.	Same as above	No

5. Postal Ballot :

The Company has had no occasion to use the postal ballot during the year.

6. Code of Ethics and Business Conduct :

The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct is available on the website of the Company, www.indiacarbonltd.com. The declaration of Chairman and Managing Director is given below :

**To the Shareholders of India Carbon Ltd.
Compliance with Code of Conduct**

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors.

Date : 5th August, 2010

Rakesh Himatsingka
Chairman and Managing Director

7. Whistle Blower Mechanism :

The Company has not adopted any Whistle Blower Policy. However, the Company promotes ethical behaviour in all its business activities and has put in place mechanism of reporting illegal or unethical behaviour. Employees are free to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Directors

and Senior Management are obliged to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practices.

No person has been denied access to the Audit Committee.

8. Disclosures :

- (a) **Disclosure on material significant related party transactions i.e. transactions of the Company of a 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. Declarations have been received from the senior management personnel to this effect.**

There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

The material financial and commercial transactions with related parties are reported to Audit Committee regularly. Transactions with the related parties as per Accounting Standard -18 issued by the Institute of Chartered Accountants of India, during the year 2009-2010 are disclosed in Note No. 9 of Schedule M of Notes on Accounts in the Annual Report.

Transactions with Senior Management Personnel are reported in case there is any personal interest involved.

- (b) **Risk Management :**

Business risk evaluation and management is an ongoing process within the Company. In compliance with the requirements of the revised Clause 49 of the Listing Agreement, the Company is always in the process for identification and mitigation of the Risks and periodical review is undertaken by all departments for mitigation of risks.

- (c) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years :**

During the Financial year 2007-2008 M/s Oxbow Calcining LLC, the Company's financial and technical partner made a Public Announcement for acquisition of upto 530000 Equity Shares of the Company under the provisions of SEBI (Substantial Acquisitions of Shares and Takeover) Regulations 1997 (hereinafter referred as the "Regulation"). The Company being the "Target Company" under the Regulation was asked by SEBI through Yes Bank (Manager to the Offer for acquisition of shares by Oxbow Calcining LLC) to submit the details of all the forms and returns filed by the Company as well as its Promoters under the provisions of SEBI (Substantial Acquisitions of Shares and Takeover) Regulations 1997. The Company provided all the information/documents required by SEBI sans few old documents/information which were not readily traceable by the Company. On suggestion of Yes Bank, the Company voluntarily applied to SEBI for its Consent Order. Company's application for Consent Order was accepted and approved by SEBI vide its Order No. CO/933/219/2009 dtd. 18.05.2009 and the matter was duly settled vide the said Consent Order. The Company paid Rs. 2,00,000/- towards settlement charges and Rs. 25,000/- as administrative charges.

- (d) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49 :**

The Company has duly complied with all the mandatory requirements of the Clause 49 pertaining to Corporate Governance of the Listing Agreement with the Stock Exchanges. The Company

has filed its confirmation to that effect with the concerned Stock Exchanges. Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement are being reviewed by the Board from time to time.

9. CEO and CFO Certification :

The Chairman and Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41.

10. Means of Communication :

- a) Quarterly Results are published in daily newspapers viz. Business Standard (English) and Amar Assam (Assamese - local language). The Annual Report is posted to every Shareholder of the Company. The quarterly as well as annual financial results have also been posted on the Company's website - www.indiacarbonltd.com.
- b) Management's Discussions & Analysis Report forms part of this Annual Report, which is also being posted to all Shareholders of the Company.
- c) Official news releases, if any, are given to the press from time to time.
- d) Presentations to institutional investors or to the analysts: As and when made.

11. General Shareholders Information :

Annual General Meeting is proposed to be held on Tuesday, the 21st September, 2010 at 10.30 A.M. at Registered Office at Noonmati, Guwahati, Assam.

- a) Financial Calendar : 1st April, 2010 to 31st March, 2011

Annual Results of 2009-10	05.08.2010
First Quarter Results (30th June, 2009)	Within 45 days of 1st Quarter ended
Annual General Meeting	21st September, 2010
Second Quarter Results (30th September, 2010)	Within 45 days of 2nd Quarter ended
Third Quarter Results (31st December, 2010)	Within 45 days of 3rd Quarter ended

- b) During the year under review, pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, Rs. 77,861.00 Unclaimed/Unpaid Refund Amount has been transferred to the Investor Education and Protection Fund (the Fund) of the Central Government. The Company is regularly transferring the remaining unclaimed/unpaid amount to the said Fund as per maturity date.

12. Date of Book Closure :

The Register of Members and Share Transfer Books of the Company will remain closed from 14th Day of September, 2010 to 21st September, 2010 (both days inclusive).

13. Dividend Payment Date :

On or after 21st September, 2010.

14. Listing of Equity Shares on Stock Exchange :

The Company's shares are listed on the Stock Exchanges in Guwahati and Kolkata.

Stock code - Physical : Guwahati Stock Exchange Ltd.
The Calcutta Stock Exchange
Association Ltd. - 19205

Stock Market Price of the Company's Share vis-a-vis Sensex :

No trading took place during the year.

15. Registrars and Share Transfer Agent :

M/s. C. B. Management Services (P) Limited, P-22, Bondel Road, Kolkata - 700 019, a SEBI registered Registrar, are the Registrars & Share Transfer Agent of the Company and are processing the transfers, sub-division, consolidation, splitting of securities, etc. The Company's shares can be traded in the Stock Exchanges only in the dematerialized form and any request for dematerialisation and rematerialisation should be sent directly to M/s. C. B. Management Services (P) Limited, P-22, Bondel Road, Kolkata - 700 019. The Company has already entered into agreements with NSDL and CDSL for the purpose of dematerialisation of shares.

Demat ISIN Number in NSDL and CDSL : INE 00743B01015.

16. Share Transfer System :

The shares in physical form for transfer should be lodged at the Office of the Company's Registrar and Share Transfer Agent, CB Management Services (P) 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 dematerialised form.

Dematerialisation

The shareholders should open a demat account with a Depository Participant (DP) for dematerialisation of shares. The person has to submit a Demat request Form duly filled up along with the share certificates to his DP. The DP will allocate a demat request number and shall forward the same physically as well as electronically, through NSDL/CDSL, to the Registrar and Share Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialized and an electronic credit of shares is given in the account of the shareholder.

17. Dematerialisation of Shares :

As per the notification issued by SEBI, the shares of the Company are traded compulsorily in dematerialised form by all investors with effect from 26th March, 2001. As on 31st March, 2010, 14.66% of the Company's paid up equity capital representing 388415 shares were held in demat form.

No. of shares in Physical segment	2261585	85.34%
No. of shares in Demat segment	388415	14.66%

18. Distribution of Shareholding as on 31st March, 2010

No. of Shares	No. of Shareholders	No. of Shares
1-500	4442	305620
501-1000	70	49991
1001-2000	20	29262
2001-3000	2	4519
3001-4000	2	6422
4001-5000	—	—
5001-10000	8	53566
10001-50000	13	309042
50001-100000	6	508487
And above	5	1383091
TOTAL	4568	2650000

Shareholding Pattern as on 31st March, 2010 :

Shareholders	Total No. of shares	Percentage to Total Issued Shares
Promoters	135148	5.10
Persons acting in Concert	—	—
Mutual Funds, Banks, Financial Institutions and Insurance Companies	15265	0.58
Others	2499587	94.32
Total	2650000	100.00

19. Plant Locations :

- A) Noonmati, Guwahati, Assam.
 B) 35, Deshbandhu Chittaranjan Road, Budge Budge, 24 parganas (South), Kolkata - 700 137.

20. Address for Correspondence :

For transfer/dematerialisation of shares, payment of dividend on shares, interest and redemption of debentures, and any other query relating to the shares and debentures of the Company.

Any query on Annual Report

: C B Management Services (P) Ltd
 P-22, Bondel Road, Kolkata - 700 019
 Telephone : (033) 40116700, 40116711
 (033) 40116718, 40116723
 Fax No. : 033 2287 0263
 E mail : rta@cbmsl.com

: Secretarial Department
 "Temple Chambers", 4th Floor
 6, Old Post Office Street, Kolkata - 700 001
 Ph : (033) 2248-7856/9

Place : Kolkata

Date : 5th August, 2010

On behalf of the Board of Directors

Rakesh Himatsingka
 Chairman and Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
India Carbon Ltd.

We have examined the compliance of conditions of corporate governance by India Carbon Ltd. for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the 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 of the Stock Exchanges) 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 the Corporate Governance. It is neither an audit nor an expression of opinion of 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 Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2010, no investor grievances are pending against the Company as per the records maintained by the Company and presented to the Shareholders' Grievance Committee.

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

10, Old Post Office Street
Kolkata - 700 001
Dated : 5th August, 2010

For **D. BASU & CO.**
Chartered Accountants
Registration No. 301111E

Anil Kumar Chattopadhyay
Partner
Membership No. 001332

COMPLIANCE CERTIFICATE

[(Rule 3 of Companies Compliance) Rules 2001]

To,
The Members,
India Carbon Limited
Noonmati Guwahati
Assam - 781020.

CIN : L23101AS1961PLC001173
Authorised Capital : Rs. 10,00,00,000/-
Paid-up Capital : Rs. 2,75,00,000/-

We have examined the registers, records, books and papers of **India Carbon Limited** (the company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies (ROC) as prescribed under the Act and the rules made there under.
3. The Company is a public limited company.
4. The Board of Directors duly met 4 (Four) times on 06.07.2009, 23.09.2009, 07.12.2009 and 30.01.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The register of members and share transfer books were closed from 11.08.2009 to 21.08.2009 (both days inclusive) and the provisions of Section 154 of the Act was duly complied with.
6. The annual general meeting for the financial year ended on 31.03.2009 was held on 21.08.2009 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No extra-ordinary general meeting was held during the year under report.
8. The provisions of Section 295 of the Act are not attracted.
9. The provisions of Section 297 of the Act are not attracted.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act for the disclosures made by the directors pursuant to the provisions of the Section 299 of the Act.
11. The provisions of Section 314 of the Act are not attracted.
12. Duplicate share certificate was issued during the year under report.
13. The Company has :
 - (i) issued the share certificate within time after processing the request for transfer of shares received during the year.
 - (ii) declared dividend during the year under report and has complied with the provision of the Act;

(iii) transferred the unpaid/unclaimed dividend due for transfer during the year to the Investor Education & Protection Fund;

(iv) complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted and there were appointment of additional directors during the year under report for which necessary compliance were made.
15. The provisions of Section 269 of the Act are not applicable to the Company.
16. No sole-selling agent was appointed during the year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and rules made there under.
19. The Company has not issued any new shares during the year.
20. The Company has not bought back any shares during the year.
21. The Company does not have any preference shares/debentures.
22. The Company has not issued any right/bonus shares etc. during the year.
23. The Company has not accepted/renewed any fresh deposits attracting the provisions of Section 58A of the Act.
24. The borrowings made by the Company are within the statutory limit.
25. The investments, loans and advances made by the Company are in compliance with the provisions of the Act.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered the provisions of the Articles of Association of the Company during the year under scrutiny.
31. The Company has not received any show cause notice for any alleged offence during the year under report.
32. The Company has not received any security from its employees during the year under certification.
33. The provisions of Section 418 of the Act were not attracted.

For **A. K. LABH & CO.**
Company Secretaries
CS A. K. Labh
Proprietor
 C. P. No. 3238

Place : Kolkata
 Date : 05.08.2010

Annexure - A

Registers as maintained by the Company :

1. Register of Members u/s 150
2. Register of Index of Members u/s 151
3. Register of transfer of shares u/s 108
4. Register of charges u/s 143
5. Register of Directors, Manager, etc. u/s 303
6. Register of Directors' shareholding u/s 307
7. Minutes of Board Meeting
8. Minutes of General Meeting
9. Books of Accounts u/s 209

Annexure - B

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on 31st March, 2010 :

1. Form 20B u/s 159 (doct. dated 21.08.2009 filed on 20.10.2009)
2. Form 23AC & ACA u/s 220 (doct. dated 31.03.2009 filed on 18.09.2009)
3. Form 32 u/s 260 (doct. dated 12.05.2009 filed on 06.06.2009)
4. Form 32 u/s 303 (doct. dated 11.05.2009 filed on 02.06.2009)
5. Form 32 u/s 383A (doct. dated 20.06.2009 filed on 08.07.2009)
6. Form 32 u/s 303(2) (doct. dated 21.08.2009 filed on 18.09.2009)
7. Form I (dtd. 26.10.2009 u/s 205(C) for transfer of fund to investor Education & Protection Fund)
8. Form 8 u/s 135 (doct.date 30.05.2009 filed on 26.06.2009)
9. Form 8 u/s 135 (dact. dated 20.07.2009 filed on 06.08.2009)
10. Form 8 u/s 135 (doct. dated 13.08.2009 filed on 09.09.2009)
11. Din applied on 06.04.2009

AUDITORS' REPORT**TO THE SHAREHOLDERS OF
INDIA CARBON LIMITED**

- I. We have audited the attached Balance Sheet of INDIA CARBON LIMITED as at 31st March, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, on the basis of such checks as we considered appropriate, we report on the matters specified in paragraphs 4 and 5 of the said Order :
 - (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets except furniture and fittings have been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed on such verification.
 - (c) The Company has not disposed off a substantial part of its fixed assets during the year.
 - (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory. No material discrepancies were noticed between the physical verification of stocks and book records.
 - (iii) During the year the Company has neither granted nor taken any Loans, secured or unsecured to / from Companies, firms, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
 - (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
 - (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under

INDIA CARBON LIMITED

section 301 of the Companies Act, 1956 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 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 the size and nature of its business.
- (viii) The maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 for the products manufactured by the Company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts in respect of such statutory dues were in arrears, as at 31st March, 2010 for a period of more than six months from the date the became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute, except following :

Name of the Statute	Nature of dues	Amount Rs.	Period to which relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Sales Tax	69674	2005-06	West Bengal Commercial Taxes Appellate & Revisional Board
W.B. VAT Act, 2003	Sales Tax	377036	2005-06	- Do -
W.B. VAT Act, 2003	Sales Tax	185436	2006-07	Sr. Joint Commissioner Commercial Taxes, West Bengal
Central Sales Tax Act, 1956	Sales Tax	65277	2006-07	Asstt. Commissioner of Taxes, Assam
Income Tax Act, 1961	Income Tax	43490	2006-07	Addl. Commissioner of Income Tax, Guwahati

- (x) The Company has neither accumulated losses nor has incurred cash losses in the financial year or in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us, 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) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the said Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the said Order are not applicable to the Company.

- (xv) According to the information and explanations given to us and to the best of our knowledge the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
 - (xvi) The Company has not availed any term loan during the year and therefore paragraph 4 (xvi) of the said Order is not applicable.
 - (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on short-term basis which have been used for long-term investment.
 - (xviii) According to the information and explanations given to us the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
 - (xix) The Company has not issued any debentures during the year.
 - (xx) The Company has not raised any money by public issue during the year.
 - (xxi) According to the information and explanations given to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit for the year.
4. We further report that :
- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by the Companies Act, 1956 have been kept by the Company so far as appears from our examination of those books;
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is, prima facie, disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts alongwith significant accounting policies, the schedules and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India :
 - (a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2010 ;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of cash flow statement, of the cash flows for the year ended on that date.

10, Old Post Office Street
Kolkata - 700 001
Dated : 5th August, 2010

For **D. BASU & CO.**
Chartered Accountants
Registration No. 301111E
Anil Kumar Chattopadhyay
Partner
Membership No. 001332

INDIA CARBON LIMITED

BALANCE SHEET
as at 31st March, 2010

	Schedule	Rs.	As at 31.3.2010 Rs.	Rs.	As at 31.3.2009 Rs.
I. SOURCES OF FUNDS					
(1) Shareholders' Funds					
(a) Share Capital	A	27500000		27500000	
(b) Reserves and Surplus	B	306796854		197108624	
			334296854		224608624
(2) Loan Funds	C				
(a) Secured Loans		189020322		139738438	
(b) Unsecured Loans		—		38256908	
			189020322		177995346
(3) Deferred Tax Liability (Net)	M(8)		13743947		7938408
TOTAL			537061123		410542378
II. APPLICATION OF FUNDS					
(1) Fixed Assets	D				
(a) Gross Block		253918748		216202447	
(b) Less : Depreciation		143605775		135389960	
(c) Net Block		110312973		80812487	
(d) Capital Work-in-Progress		4078404		3375564	
			114391377		84188051
(2) Investments	E		7004000		11124000
(3) Current Assets, Loans and Advances	F				
(a) Inventories		394182176		325998425	
(b) Sundry Debtors		163811439		80382616	
(c) Cash and Bank Balances		42232766		36634333	
(d) Other Current Assets		21229056		30617494	
(e) Loans and Advances		72239245		68269799	
		693694682		541902667	
(4) Less : Current Liabilities and Provisions	G				
(a) Current Liabilities		268789736		219980183	
(b) Provisions		9239200		6692157	
		278028936		226672340	
Net Current Assets			415665746		315230327
TOTAL			537061123		410542378
Notes on Accounts	L , M				
Per Our Report attached.					
For D. BASU & CO. Chartered Accountants			Rakesh Himatsingka Chairman & Managing Director		
Anil Kumar Chattopadhyay Partner			Shaurya Veer Himatsingka Wholetime Director		
Place : Kolkata Date : 5th August , 2010			Hemant Kumar Khaitan Director		
			Pinkie Garg Chief Financial Officer		

PROFIT AND LOSS ACCOUNT

for the year ended 31st March, 2010

	Schedule	Year ended 31.3.2010 Rs.	Year ended 31.3.2009 Rs.
INCOME			
Turnover		1549431918	1572541348
Less : Excise Duty (Net)		150930257	173904818
Net Turnover		1398501661	1398636530
Other Income	H	25916997	15896756
		1424418658	1414533286
Increase/(Decrease) in Stock of Finished Goods		(165665585)	139005840
		1258753073	1553539126
EXPENDITURE			
Materials	I	921644118	1230870171
Manufacturing, Marketing and Administrative Expenses	J	173599025	247416362
Depreciation		10201230	8734762
Less : Transfer from Revaluation Reserve		219140	238652
		9982090	8496110
Managerial Remuneration	K	7971287	5831170
		1113196520	1492613813
Profit for the Year before tax		145556553	60925313
Provision for Taxation – Current		25100000	11400000
– Deferred	M(8)	5805539	1265339
– Fringe Benefit		–	767904
		30905539	13433243
Profit after tax		114651014	47492070
Surplus Brought Forward from Previous Year		71230587	53447690
Balance Available for Appropriation		185881601	100939760
APPROPRIATIONS			
Proposed Dividend			
Preference Shares		93000	93000
Equity Shares		3975000	2650000
Tax on Dividend		675644	466173
Transfer to General Reserve		106000000	26500000
Balance Carried to Balance Sheet		75137957	71230587
		185881601	100939760
Earnings per Shares of Rs.10 each (Basic and Diluted)	M(9)	43.22	17.88
Notes on Accounts	L , M		

Per Our Report attached.

For **D. BASU & CO.**
Chartered Accountants**Anil Kumar Chattopadhyay**
PartnerPlace : Kolkata
Date : 5th August , 2010**Pinkie Garg**
Chief Financial Officer**Rakesh Himatsingka**
Chairman & Managing Director**Shaurya Veer Himatsingka**
Wholetime Director**Hemant Kumar Khaitan**
Director

INDIA CARBON LIMITED

CASH FLOW STATEMENT
for the year 31st March, 2010

		Year ended 31.3.2010		Year ended 31.3.2009
	Rs.	Rs.	Rs.	Rs.
(A) CASH FLOW FROM OPERATING ACTIVITIES :				
Profit before tax		145,556,553		60,925,313
Adjustments for :				
Depreciation	9,982,090		8,496,110	
Interest Expenditure	19,469,286		17,727,401	
Profit on Sale of Assets	(36,875)		(47,198)	
Loss on Assets	51,568		5,182	
Interest (Income)	(2,930,256)		(3,097,678)	
Liabilities No Longer Required written back	(809,147)		(113,534)	
Bad Debts/Advances written off	-		20,718,629	
Provision for Leave Salaries	486,151	26,212,817	317,242	44,006,154
Operating Profit before Working Capital changes		171,769,370		104,931,467
Adjustments for changes in Working Capital				
Trade and Other Receivables	(78,009,831)		(49,042,405)	
Inventories	(68,183,751)		(6,499,873)	
Trade Payables	49,618,700	(96,574,882)	(36,868,368)	(92,410,646)
Cash Generated from Operations		75,194,488		12,520,821
Taxes Paid		(24,573,579)		(15,834,112)
NET CASH FROM OPERATING ACTIVITIES - (A)		50,620,909		(3,313,291)
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(40,648,412)		(34,119,151)
Sale of Fixed Assets		229,163		162,085
Redemption of Investments		4,120,000		-
Interest Received		2,930,256		3,097,678
NET CASH FROM INVESTING ACTIVITIES - (B)		(33,368,993)		(30,859,388)
(C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings		(10,000,000)		(10,135,000)
Proceeds from Short Term Borrowings		21,024,976		66,103,629
Interest Expenditure		(19,469,286)		(17,727,401)
Dividend Paid		(2,743,000)		(2,743,000)
Dividend Tax Paid		(466,173)		(466,173)
NET CASH FROM FINANCING ACTIVITIES - (C)		(11,653,483)		35,032,055
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT		5,598,433		859,376
Balance of Cash and Cash Equivalents As At 31.3.2009	36,634,333		35,774,957	
Balance of Cash and Cash Equivalents As At 31.3.2010	42,232,766	5,598,433	36,634,333	859,376

Note : (1) The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard-3 issued by the Institute of Chartered Accountants of India.

(2) Cash and Cash Equivalents as at 31.03.2010 includes Deposits **Rs.3,19,32,753** as Margin money for Letters of Credit and Guarantees (As at 31.03.2009 - Rs.2,75,43,300) and **Rs. 33,00,000** pledged with UCO Bank as Collateral Security (As at 31.03.2009 - Rs.33,00,000)

Per Our Report attached.

For **D. BASU & CO.**

Chartered Accountants

Anil Kumar Chattopadhyay

Partner

Place : Kolkata

Date : 5th August , 2010

Pinkie Garg
Chief Financial Officer

Rakesh Himatsingka
Chairman & Managing Director

Shaurya Veer Himatsingka
Wholetime Director

Hemant Kumar Khaitan
Director

Schedule A

	As at 31.3.2010 Rs.	As at 31.3.2009 Rs.
SHARE CAPITAL		
Authorised		
85,00,000 Equity Shares of Rs.10 each	85000000	85000000
1,50,000 Preference Shares of Rs.100 each	15000000	15000000
	<u>100000000</u>	<u>100000000</u>
Issued and Paid up		
i) Equity		
26,50,000 Equity Shares of Rs.10 each fully paid	26500000	26500000
ii) Preference		
10,000 9.3% Redeemable Cumulative Preference Shares of Rs.100 each fully paid	1000000	1000000
	<u>27500000</u>	<u>27500000</u>

Notes :

1. Issued and Paid up Equity Shares include 40,000 Shares of Rs.10 each fully paid, allotted for consideration other than cash and 6,00,000 Shares of Rs.10 each fully paid, issued as Bonus Shares by capitalisation of General Reserve.
2. Preference Shares are redeemable at par at the option of the Company at any time after expiry of 10 years, but not later than 15 years from December 26, 2001.

Schedule B

	Rs.	As at 31.3.2010 Rs.	Rs.	As at 31.3.2009 Rs.
RESERVES AND SURPLUS				
Capital Reserve				
As per last Accounts		6400		6400
Capital Redemption Reserve				
As per last Accounts		1000000		1000000
Central Capital Subsidy				
As per last Accounts		2000000		2000000
Share Premium Account				
As per last Accounts		7500000		7500000
Revaluation Reserve				
As per last Accounts	9371637		9610289	
Less : Transfer to Profit & Loss Account being additional depreciation for the year arising out of revaluation of fixed assets	<u>219140</u>		<u>238652</u>	
		9152497		9371637
General Reserve				
As per last Accounts	106000000		79500000	
Add : Transfer from Profit & Loss Account	<u>106000000</u>		<u>26500000</u>	
		212000000		106000000
Profit and Loss Account Surplus				
		<u>75137957</u>		<u>71230587</u>
		<u>306796854</u>		<u>197108624</u>

INDIA CARBON LIMITED

Schedule C

	Rs.	As at 31.3.2010 Rs.	Rs.	As at 31.3.2009 Rs.
LOAN FUNDS				
(a) Secured Loans				
From Banks				
(i) Cash Credit				
UCO Bank	104346832		40455916	
IDBI Bank Limited	48247396		48109689	
United Bank of India	13661349		17559006	
AXIS Bank Limited	12764745		13613827	
	<u>179020322</u>		<u>119738438</u>	
(ii) Term Loan				
IDBI Bank Limited	10000000		20000000	
		189020322		139738438
(b) Unsecured Loans				
Inter-Corporate Deposits		-		38256908
		<u>189020322</u>		<u>177995346</u>

Note : Secured Loans from Banks are secured by way of hypothecation of Stocks, Stores, Book Debts and equitable mortgage of Fixed Assets of the Company; and have been guaranteed by Mr. Rakesh Himatsingka, Managing Director of the Company.

Schedule D

FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.3.2009 Rs.	Additions during year Rs.	Deductions during year Rs.	As at 31.3.2010 Rs.	Up to 31.3.2009 Rs.	For the year Rs.	Written back during year Rs.	Up to 31.3.2010 Rs.	As at 31.3.2010 Rs.	As at 31.3.2009 Rs.
Land-Freehold	7041500	-	-	7041500	-	-	-	-	7041500	7041500
Land-Leasehold	4915236	-	-	4915236	-	56497	-	56497	4858739	4915236
Buildings	48249036	2495411	-	50744447	40789898	615651	-	41405549	9338898	7459138
Plant, Machinery & Factory Equipments (*)	101524201	33497126	357514	134663813	60705261	6527822	317780	66915303	67748510	40818940
Research and Development Equipments	5903438	-	778222	5125216	5633214	37562	718213	4952563	172653	270224
Railway Siding, Roads and Bridges	7775224	565065	-	8340289	1862928	305939	-	2168867	6171422	5912296
Utilities, Facilities and Service Equipments	3894837	338339	-	4233176	3112051	138012	-	3250063	983113	782786
Vehicles (*)	9210168	2642498	1093535	10759131	4973598	1167207	949422	5191383	5567748	4236570
Office Equipments, Furniture and Fixtures	8001332	407133	-	8408465	5927420	514860	-	6442280	1966185	2073912
Floriculture Plants	9111185	-	-	9111185	6362047	382405	-	6744452	2366733	2749138
Orchidarium	10576290	-	-	10576290	6023543	455275	-	6478818	4097472	4552747
	216202447	39945572	2229271	253918748	135389960	10201230	1985415	143605775	110312973	80812487
Previous year	185128697	32059398	985648	216202447	127520777	8734762	865579	135389960		
Capital work-in-progress	3375564	31524041	30821201	4078404					4078404	3375564
									114391377	84188051

(*) Include assets acquired on hire purchase - Cost **Rs.52,64,548** (As at 31.03.2009 - Rs.54,75,360) and Net Block **Rs.38,58,038** (As at 31.03.2009 Rs. 36,14,788)

Schedule E

	No. of Shares/ Bonds/Warrants	Face value (Per Share/ Bond/Warrant) Rs.		As at 31.3.2010 Rs.	As at 31.3.2009 Rs.
INVESTMENTS					
LONG TERM (NON - TRADE)					
(A) Government Securities					
7-Year National Plan Savings Certificates (Face Value - Rs.14,000 Deposited with Government Department)				14000	14000
(B) Bonds					
Non-convertible Redeemable Taxable Bonds of Rural Electrification Corporation Ltd. (Redeemed on 31.03.2010)				-	4120000
(C) In Subsidiary Companies (Unquoted)					
Fully Paid Equity Shares :					
C & C Investments Limited	750130	10	7501300		
Less : Provision for Diminution in Value (Refer Note 4 of Schedule - M)			<u>7501300</u>	-	-
(D) Others					
(i) Fully Paid Equity Shares (Quoted)					
Amines & Plasticizers Ltd.	699000	10		6990000	6990000
(ii) Fully Paid Equity Shares (Unquoted)					
Him Containers Limited (In Liquidation)	1200000	10	12000000		
Detachable Warrants - 10% Upfront paid (Unquoted)					
Him Containers Limited (In Liquidation)	1200000	10	<u>1200000</u>		
			13200000		
Less : Provision for Diminution in value (Refer Note 4 of Schedule - M)			<u>13200000</u>	-	-
				<u>7004000</u>	<u>11124000</u>
	As at 31.03.2010		As at 31.03.2009		
	Cost Rs.	Market Value Rs.	Cost Rs.	Market Value Rs.	
Quoted	6990000	25408650	6990000	18208950	
Unquoted	14000	-	4134000	-	

INDIA CARBON LIMITED

Schedule F

		Rs.	As at 31.3.2010 Rs.	Rs.	As at 31.3.2009 Rs.
CURRENT ASSETS, LOANS AND ADVANCES					
(a) Inventories					
(As certified by the Management)					
Raw Materials	(1)	332001378		99310418	
Stock-in-Trade		49371330		215036915	
Stores and Spares		12809468		11651092	
			394182176		325998425
(b) Sundry Debtors					
(Unsecured : Considered good)					
Due for more than 6 months - Rs. 8404296					
(As at 31.03.2009 - Rs.53,84,670)			163811439		80382616
(c) Cash and Bank Balances					
Cash and Cheques in hand		127398		90197	
Current Accounts with Scheduled Banks		6872615		5679836	
Fixed Deposits with Scheduled Banks	(2)	35232753		30864300	
			42232766		36634333
(d) Other Current Assets					
(Unsecured : Considered good)			21229056		30617494
(e) Loans and Advances					
Unsecured : Considered doubtful					
To Subsidiary Company					
C & C Investments Ltd.		4095000		4095000	
Less : Provision for doubtful advance		4095000		4095000	
(Refer Note 4 of Schedule - M)		—		—	
Unsecured : Considered good and recoverable in cash or in kind or for value to be received					
(i) To Suppliers for Raw Materials		45974937		37396707	
(ii) To Others					
Security and Other Deposits		21907631		19407224	
Prepaid Expenses		1814482		1252906	
Other Loans and Advances	(3)	2542195		10212962	
		26264308		30873092	
			72239245		68269799
			693694682		541902667

(1) Includes Rs. **68,50,547** in - Transit (As at 31.03.2009 - Rs. 60,45,618).

(2) Includes Deposits Rs. **3,19,32,753** as Margin money for Letters of Credit and Guarantees (As at 31.03.2009 Rs. 2,75,43,300) and Rs. **33,00,000** pledged with UCO Bank as Collateral Security (As at 31.03.2009 - Rs.33,00,000)

(3) Includes Debts due from Officers - Rs. **4,500** (As at 31.03.2009 - Rs. 13,750).
Maximum during the year - Rs. **2,61,150** (Previous year - Rs. 2,40,346).

Schedule G

	Rs.	As at 31.3.2010 Rs.	Rs.	As at 31.3.2009 Rs.
CURRENT LIABILITIES AND PROVISIONS				
(a) Current Liabilities				
Sundry Creditors (Refer Note 5 of Schedule M)				
Due to Micro and Small Enterprises	—		—	
Due to Others	248435301		190467470	
Advances and Deposits	2666131		2640384	
Unclaimed Dividends	430104		418384	
Other Liabilities	17258200		26453945	
		268789736		219980183
(b) Provisions				
Proposed Dividend - Preference Shares	93000		93000	
- Equity Shares	3975000		2650000	
Tax on Dividend	675644		466173	
Income Tax (Net of payments)	1458957		700472	
Fringe Benefit Tax	—		232064	
Leave Salaries	3036599		2550448	
		9239200		6692157
		278028936		226672340
Contingent Liabilities (As submitted by the Management)				
1. Indemnity Bonds/Guarantees through Banks		12956554		54752500
2. Letters of Credit		—		60112553
3. Estimated Amount of contracts remaining to be executed on capital account and not provided for.		26525000		33592801
4. Claims against the Company not acknowledged as debts;				
i) Income Tax		43490		—
ii) Sales Tax		697423		2231761
iii) Excise duty		91963		—
iv) Custom Duty		12625733		12625733
v) Employees State Insurance		4431041		4199442
vi) Others		500000		500000

It is not probable that an outflow of economic resources will be required to settle the obligations and therefore, no provision is considered necessary.

Schedule H

	Rs.	Year ended 31.3.2010 Rs.	Rs.	Year ended 31.3.2009 Rs.
OTHER INCOME				
Interest (Gross)				
From Banks	2557167		2551548	
From Others	373089		546130	
[Tax deducted at source Rs. 379086/- (Previous Year Rs. 488294)]		2930256		3097678
Rent		3744712		5367168
Miscellaneous Receipts		1675556		7228758
Profit on Sale of Assets		36875		47198
Miscellaneous refunds and claims in respect of earlier years		5399		42420
Liability no longer required writtenback		809147		113534
Gain on Foreign Exchange (Net)		16715052		—
		25916997		15896756

INDIA CARBON LIMITED

Schedule I

		Year ended 31.3.2010		Year ended 31.3.2009
	Rs.	Rs.	Rs.	Rs.
MATERIALS				
(a) Raw Materials Consumed				
[Refer Item 'B' of Schedule L]				
Opening Stock	99310418		228476382	
Add : Purchases	1154335078		1101704207	
[Include Freight & Handling-Rs. 98540642 (Previous year Rs. 6,06,13,092)]				
	<u>1253645496</u>		<u>1330180589</u>	
Deduct : Cost of Materials Sold	50117827		59677352	
	<u>1203527669</u>		<u>1270503237</u>	
Deduct : Closing Stock	332001378	871526291	99310418	1171192819
(b) Cost of Materials Sold		<u>50117827</u>		<u>59677352</u>
		<u>921644118</u>		<u>1230870171</u>

Schedule J

		Year ended 31.3.2010		Year ended 31.3.2009
	Rs.	Rs.	Rs.	Rs.
MANUFACTURING, MARKETING AND ADMINISTRATIVE EXPENSES				
Difference in Excise Duty on Stocks		(11755268)		7141103
Carriage and Handling		20754146		24333610
Processing Charges		2001522		—
Power, Fuel and Water		26980638		26698097
Stores, Spares and Packing Materials		16762305		14844762
Research and Development Expenses		114000		105600
Repairs and Maintenance				
Plant and Machineries	10170637		9048063	
Buildings	3284887		4430936	
Others	6803883	20259407	4042950	17521949
Payment to and Provisions for Employees				
Salaries, Wages and Bonus	29534738		28944862	
Gratuity and Superannuation Contribution	900075		1662926	
Provident Fund Contribution	1696444		1602965	
Workmen and Staff Welfare	3224690	35355947	3454602	35665355
Interest				
On Term Loans	1788629		2891513	
On Others	17680657	19469286	14835888	17727401
Hire Purchase Charges		217930		388039
Commission and Bank Charges		8396429		12128612
Freight and Forwarding		7878410		7131648
Advertisement and Publicity		256420		404814
Rent (Net)		638980		594318
Rates and Taxes		1515431		1908220
Insurance		1661914		1610887
Travelling, Transport and Conveyance		9235437		8102054
Professional and Legal Expenses		3820288		8438174
Auditors' Remuneration				
As Auditors	125000		125000	
For Tax Audits	45000		55000	
For Other Audits & Certifications	62000		42250	
Travelling Expenses	13128	245128	22713	244963
Donations and Subscriptions		2700725		1927217
Miscellaneous Expenses		6850882		3915644
Board Meeting Fees		187500		155000
Bad Debts written off		—		20718629
Loss on Assets		51568		5182
Loss on Foreign Exchange (Net)		—		35705084
		<u>173599025</u>		<u>247416362</u>

Schedule K

	Rs.	Year ended 31.3.2010 Rs.	Rs.	Year ended 31.3.2009 Rs.
MANAGERIAL REMUNERATION				
To Managing Director - Mr. Rakesh Himatsingka				
Salary	1360000		1240000	
Contribution to Provident, Superannuation and Gratuity Funds	421200		383800	
Perquisites	1519180		1288585	
	3300380		2912385	
Commission - 1% of Net Profit (Previous year - Maximum permissible u/s 198/349)	1537153	4837533	433189	3345574
To Whole Time Director - Mr. S. V. Himatsingka				
Salary	680000		620000	
Contribution to Provident, Superannuation and Gratuity Funds	210600		191900	
Perquisites	706001		644001	
	1596601		1455901	
Commission - 1% of Net Profit	1537153	3133754	669114	2125015
To Whole Time Director - Mr. R. K. Rawat (01.04.2008 to 21.08.2008)				
Salary	-		168387	
Perquisites	-	-	192194	360581
		7971287		5831170
NET PROFIT UNDER SECTION 198/349 OF THE COMPANIES ACT, 1956				
Profit before tax as per Profit and Loss Account		145556553		60925313
Add : Managerial Remuneration		7971287		5831170
: Board Meeting Fees		187500		155000
Net Profit		153715340		66911483

Schedule L

	Quantity MTs.	Year ended 31.3.2010 Value Rs.	Quantity MTs.	Year ended 31.3.2009 Value Rs.
NOTES FORMING PART OF ACCOUNTS INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3,4C AND 4D OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956				
(A) Turnover				
Calcined Petroleum Coke	70798	1271540156	50894	1313834333
Electrode Carbon Paste	9436	207006179	5295	172163826
Thermal Carbon (Tamping) Paste	615	13593599	700	20766644
Raw Petroleum Coke	6070	53967092	7033	58957157
Others		3324892		6819388
		1549431918		1572541348
Less : Excise Duty		150930257		173904818
		1398501661		1398636530
(B) Raw Materials Consumed				
Raw Petroleum Coke (*)	94236	791470276	82755	1081718329
Pitch	2379	60370995	1336	35553034
Calcined Petroleum Coke - Purchased	884	11824295	1596	45377336
Calcined Petroleum Coke - Captive Consumption	6536	-	2331	-
Others		7860725		8544120
		871526291		1171192819
(*) Includes Transit Loss	836		80	

INDIA CARBON LIMITED

(C) Stock of Goods Produced		Opening	Closing	Opening	Closing
		MTs.	MTs.	MTs.	MTs.
Calcined Petroleum Coke		11173	2472	3989	11173
Electrode Carbon Paste		253	490	603	253
Thermal Carbon (Tamping) Paste		63	1	18	63
(D) Capacity and Production		Annual		Annual	
(Installed Capacity being a technical matter, accepted by auditors as certified by management)		Installed Capacity	Actual Production	Installed Capacity	Actual Production
		MTs.	MTs.	MTs.	MTs.
Calcined Petroleum Coke		91800	68633	91800	60414
Electrode Carbon Paste		10000	9673	10000	5004
Thermal Carbon (Tamping) Paste		3000	553	3000	745
Calcined Anthracite Coal		5000	—	5000	—
Carbon/Graphite Cements and Surface Primers		1000	—	1000	—
		Year ended 31.3.2010		Year ended 31.3.2009	
		Rs.		Rs.	
(E) (a) Value of Imports Calculated on CIF Basis					
(i) Raw Materials			218724163		182543905
(ii) Spare Parts and Components			455134		—
(iii) Capital Goods			503958		—
(b) Expenditure in Foreign Currency					
Professional Fees			221880		3999639
Interest			1936843		—
Others			1534602		777177
(c) Value of Imported and Indigenous Goods Consumed and Percentage		Rs.	%	Rs.	%
(i) Raw Materials					
Imported		193187299	22	228306027	19
Indigenous		678338992	78	942886792	81
		<u>871526291</u>	<u>100</u>	<u>1171192819</u>	<u>100</u>
(ii) Stores, Spares and Packing Materials					
(Excluding for Repairs etc)					
Imported		148921	1	316807	2
Indigenous		16613384	99	14527955	98
		<u>16762305</u>	<u>100</u>	<u>14844762</u>	<u>100</u>
		No of Non-Resident Share holders	No of Equity Shares held	No of Non-Resident Share holders	No of Equity Shares held
(d) Dividends Remitted in Foreign Currencies		1	797860	1	794000
			797860		794000
			(for 2008-09)		(for 2007-08)
(e) Earnings in Foreign Exchange			Rs.		Rs.
FOB value of exports			7268589		3056860

Schedule M
NOTES FORMING PART OF ACCOUNTS

1. Significant Accounting Policies :

- (a) **General** : The Financial Statements are prepared under the historical cost convention and comply with the accounting standards, as applicable, issued by the Institute of Chartered Accountants of India referred to in Section 211(3C) of the Companies Act, 1956.
 - (b) **Recognition of Income and Expenditure** : Items of income and expenditure are generally recognised on accrual basis. Refunds and claims are recognised on the basis of sanction/acceptance.
 - (c) **Turnover** : Turnover is stated net of returns, rebates, discounts and includes packing charges and sale of R & D products. Excise Duty is stated net of refunds under Government Scheme.
 - (d) **Fixed Assets** : Fixed Assets are stated at cost or at revalued amount as per revaluation carried out as at 30th September, 1985.
 - (e) **Depreciation/Amortisation** : Depreciation on Fixed Assets has been provided for on Diminishing Balance Method and at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Depreciation on increase in the net book value arising on revaluation of Fixed Assets is provided for by transfer from Revaluation Reserve Account created on revaluation of Fixed Assets. Consideration for lease hold rights over land is being amortised over the period of the lease.
 - (f) **Research & Development** : Revenue expenditure on research and development is charged as expense in the year in which it is incurred. Capital expenditure on research and development is shown as an addition to Fixed Assets.
 - (g) **Foreign Currency Transactions** : 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 outstanding at the end of the year are translated at the year end exchange rates. Gains/Losses arising out of fluctuations in the exchange rates are recognised in Profit and Loss Account in the period in which they arise.
 - (h) **Inventories** : Raw Materials, Packing Materials and Stores have been valued at cost on FIFO basis. Finished Goods have been valued at average cost including interest cost or net realisable value, whichever is lower. Excise Duty on goods manufactured and remaining in inventory is included as a part of valuation of Finished Goods.
 - (i) **Investments** : Long Term Investments are stated at cost. Diminution in the value of Investments, other than temporary fluctuations, are provided for.
 - (j) **Retirement Benefits** : Contributions to Provident Fund and Superannuation Fund are charged to Profit & Loss Account. Gratuity and Leave encashment benefit are charged to Profit & Loss Account on the basis of actuarial valuation.
 - (k) **Voluntary Retirement Scheme** : Payments under the Voluntary Retirement Scheme are amortised over a period of five years.
 - (l) **Taxation** : Provision for tax for the year comprises current income-tax determined to be payable in respect of taxable income and deferred tax being the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period, and are capable of reversal in one or more subsequent period(s). Deferred tax assets arising mainly on account of carry forward of losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. The same are reviewed at each Balance Sheet date.
 - (m) **Impairment of Assets** : In case, the recoverable amount of Fixed Assets is lower than its carrying amount, a provision is made for impairment loss.
 - (n) **Contingent Liabilities** : Liabilities of contingent nature are not provided and are disclosed separately in the accounts.
2. Valuation of stocks and consumption of stores and fuel have been certified by the Management. Stores, Spares and Packing materials consumed shown in Schedule 'J' and Schedule 'L' do not include stores and spares consumed and charged to other heads.

Schedule M (Contd.)

3. The Financial Statements of C & C Investments Ltd., have not been consolidated in the light of Para 11(b) of AS 21.(Severe long-term restriction on transfer of funds).
4. Hon'ble Gauhati High Court on 1.9.2000 ordered for winding up of Him Containers Limited (HCL) and appointed Registrar of Companies, Assam as the official liquidator of HCL. Consequently there was diminution in the value of Company's investments in HCL (in liquidation) and also in its wholly owned subsidiary C & C Investments Limited (CCIL) whose resources are fully invested in HCL. As required by Accounting Standard-13, full provision was made for diminution in the value of such investments and also advances to CCIL, as extraordinary item, totalling Rs. 2,47,96,300 by charge to Profit & Loss Account during the year ended 31st March, 2001.
5. (a) Sundry Creditors include Rs. **35,27,207** (As at 31.3.09- Rs. 29,53,648) on account of hire purchase and Instalments payable within one year - Rs. **12,87,196** (As at 31.3.2009 - Rs.18,94,728).
- (b) Details of dues to Micro and Small Enterprises as per section 22 of the Micro, Small and Medium Enterprises Development Act,2006, based on the available information with the Company are as under :

	As at/Year ended 31.03.2010	As at/Year ended 31.03.2009
	Rs.	Rs.
(i) Principal amount as at the end of the year	Nil	Nil
Interest thereon as at the end of the year	Nil	Nil
ii) Amount paid beyond the respective due date during the year	Nil	Nil
Interest paid thereon in terms of Sec.16 during the year	Nil	Nil

6. Advance given to a foreign supplier for import of raw material during the year ended 31.03.2008, considered not recoverable amounting to Rs.1,93,71,053/- (US\$ 4,84,640) was written off during Financial Year 2008-09. The banker/authorised dealer has been requested to obtain approval, if any required from Reserve Bank of India.

7. **Particulars of forward contract outstanding and un-hedged foreign currencies exposure :**

	As at 31.03.2010	As at 31.03.2009
	Rs.	Rs.
a) Forward Contract outstanding	Nil	Nil
b) Un-hedged Foreign Currency Exposure		
i) Current Liabilities - Sundry Creditors	US\$ 4250901	3114520
	Rs. 191885668	158684804
ii) Current Assets - Sundry Debtors	Euro 25600	Nil
	Rs. 1550336	Nil

8. **Net Deferred Tax Assets and Liabilities are :**

Particulars	As at 31.3.2009 Rs.	For the year Rs.	As at 31.3.2010 Rs.
Deferred Tax Assets arising on account of :			
Retirement benefits	866,911	141,771	1,008,682
Less : Deferred Tax Liability arising on account of :			
Depreciation	8,805,319	5,947,310	14,752,629
Net Deferred Tax Assets/(Liabilities)	(7,938,408)	(5,805,539)	(13,743,947)

9. **Earnings per Share (EPS) - Basic & Diluted :**

	Year ended 31.03.2010	Year ended 31.03.2009
	Rs.	Rs.
a) Profit after tax	Rs. 114651014	47492070
b) Preference dividend and tax thereon	Rs. 108446	108805
c) Profit attributable to Equity Shareholders	Rs. 114542568	47383265
d) Weighted Number of Shares	Nos. 2650000	2650000
e) EPS per Equity Share of Rs.10/- each	Rs. 43.22	17.88

Schedule M (Contd.)**10. Related parties disclosure :****(A) List of related parties****(a) Subsidiary Company**

C & C Investments Ltd.

(b) Key Management Personnel

(i) Mr. Rakesh Himatsingka, Managing Director

(ii) Mr. Shaurya Veer Himatsingka, Director (Business Development)

(iii) Mr. Ravindra Kumar Rawat, Director (Technical) - upto 21.08.2008

(B) Detail of Transactions taken place with Key Management Personnel :

	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
(1) <u>Nature of Transactions</u>		
Remuneration of :		
Managing Director	4,837,533	3,345,574
Director (Business Development)	3,133,754	2,125,015
Director (Technical)	—	360,581
(2) <u>Outstanding Payable</u>	As at 31.03.2010	As at 31.03.2009
(i) Mr. Rakesh Himatsingka, Managing Director	1793782	767432
(ii) Mr. Shaurya Veer Himatsingka, Director (Business Development)	1679472	904231

Note : Related party relationship is as identified by the Company and relied upon by the Auditors.**11. Disclosures as per Accounting Standard 15 "Employee Benefits" are given below :****(a) Defined Contribution Plans**

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

	2009-10 Rs.	2008-09 Rs.
Employer's Contribution to Provident Fund	1941244	1826165
Employer's Contribution to Superannuation Fund	651500	463050

The Company's Provident Fund is exempted under Section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

The Company's Superannuation Fund, a fund approved under the Income Tax Act., 1961 contributes to Group Annuity Policy of Life Insurance Corporation of India.

(b) Defined Benefit Plans

The Employees' Gratuity Fund, managed by a Trust, is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method. The obligation for leave encashment is recognised in the same manner as gratuity.

Schedule M (Contd.)

11 (b) Defined Benefit Plans (Contd.)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2009-10 Rs.	2008-09 Rs.	2009-10 Rs.	2008-09 Rs.
i) Reconciliation of opening and closing balances of Defined Benefit Obligation				
Defined Benefit Obligation at beginning of year	6677883	6494906	2550448	2233206
Current Service Cost	641543	516201	177341	163963
Interest Cost	436697	474624	192798	162588
Actuarial (gain)/loss	435522	1208008	396967	442581
Benefits paid	(2438329)	(2015856)	(280955)	(451890)
Defined Benefit Obligation at year end	5753316	6677883	3036599	2550448
ii) Reconciliation of opening and closing balances of fair value of Plan Assets.				
Fair Value of plan assets at beginning of year	6777883	6594906	N.A.	N.A.
Expected return on plan assets	470120	550414	N.A.	N.A.
Employer contribution	635575	1552376	280955	451890
Actuarial gain/(loss)	508067	96043	N.A.	N.A.
Benefits paid	(2438329)	(2015856)	(280955)	(451890)
Fair value of plan assets at year end	5953316	6777883	N.A.	N.A.
Actual return on plan assets	978187	646457	N.A.	N.A.
iii) Reconciliation of fair value of assets and obligations				
Present value of obligation at year end	5753316	6677883	3036599	2550448
Fair value of plan assets at year end	5953316	6777883	N.A.	N.A.
Funded Status-surplus (deficit) at year end	200000	100000	(3036599)	(2550448)
Net asset/(liability) recognised in Balance Sheet	—	—	(3036599)	(2550448)
iv) Expenses recognised during the year				
Current Services Cost	641543	516201	177341	163963
Interest Cost	436697	474624	192798	162588
Expected return on plan assets	(470120)	(550414)	N.A.	N.A.
Actuarial (gain)/loss	27455	1111965	396967	442581
Total Expense recognised in Profit & Loss Account	635575	1552376	767106	769132
v) Investment Details				
Investment with fund approved under the Income Tax Act, 1961	100%	100%	N.A.	N.A.
vi) Actuarial assumptions				
Mortality (LIC - Standard Table)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8.38%	8%	8.38%	8%
Expected rate of return on plan assets (per annum)	8%	8%	N.A.	N.A.
Rate of escalation in salary(per annum)	5%	5%	5%	5%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets, over the accounting period, primarily invested in Government Bonds/Deposits, is based upon return on such investments.

The above information under 'Defined Benefit Plans' is certified by the Actuary, and relied upon by the Auditors.

12. Previous year's figures have been regrouped and rearranged, wherever necessary.

Per Our Report attached.

For D. BASU & CO.
Chartered Accountants

Anil Kumar Chattopadhyay
Partner

Place : Kolkata
Date : 5th August , 2010

Pinkie Garg
Chief Financial Officer

Rakesh Himatsingka
Chairman & Managing Director

Shaurya Veer Himatsingka
Wholetime Director

Hemant Kumar Khaitan
Director

Balance Sheet Abstract and Company's General Business Profile**I. Registration Details**

Registration/CIN No.	L23101AS1961PLC001173	State Code	02
Balance Sheet Date	31-03-2010		

II. Capital Raised During the year (Amount in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	815090	Total Assets	815090
-------------------	--------	--------------	--------

Sources of Funds

Paid-Up Capital	27500	Reserves & Surplus	306797
Secured Loans	189020	Unsecured Loans	—
Deferred Tax Liability (Net)	13744	Current Liabilities & Provisions	278029

Application of Funds

Net Fixed Assets	114391	Investments	7004
Current Assets, Loans & Advances	693695	Misc. Expenditure	NIL
Accumulated Losses			NIL

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

Turnover (Net of Excise)	1398502	Total Expenditure	1252945
Profit Before Tax	145557	Profit After Tax	114651
Earning Per Share in Rs.	43.22	Dividend Rate %	15

V. Generic Names of Three Principal Products/Services of Company (As per Monetary Terms)

Item Code No.(ITC Code)	27131200	Products Description	Calcined Petroleum Coke
Item Code No.(ITC Code)	38010000	Products Description	Electrode Carbon Paste
Item Code No.(ITC Code)	38010000	Products Description	Thermal Carbon (Tamping) Paste

Rakesh Himatsingka
Chairman & Managing Director

Shaurya Veer Himatsingka
Wholetime Director

Place : Kolkata
Date : 5th August , 2010

Pinkie Garg
Chief Financial Officer

Hemant Kumar Khaitan
Director

INDIA CARBON LIMITED

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANY**

- | | | |
|---|---|--|
| 1. Name of the Subsidiary Company | : | C & C Investments Limited |
| 2. Financial year ended on | : | 31st March, 2010 |
| 3. Extent of interest of India Carbon Ltd. in the Subsidiary Company | : | 7,50,130 Equity Shares of Rs.10/- each out of paid up Share Capital of 7,50,200 Shares of Rs.10/- each and Rs. 40,95,000 given as interest free loan (100%) (Fully provided for) |
| 4. Net aggregate amount of Profit & Loss of the Subsidiary Company not dealt with in the Holding Company's accounts : | | |
| (a) for the year ended March 31, 2010 | : | Rs. 13,184,201/- |
| (b) for the previous financial year | : | Rs. 13,181,486/- |
| 5. Net aggregate amount of Profit or Loss of the Subsidiary Company Dealt with in the Holding Company's Accounts. | | |
| (a) for the year ended March 31, 2010 | : | NIL |
| (b) for the previous financial years since it became a subsidiary. | : | NIL |

Rakesh Himatsingka
Chairman & Managing Director

Shaurya Veer Himatsingka
Whole Time Director

Hemant Kumar Khaitan
Director

Place : Kolkata
Date : 5th August, 2010

DIRECTORS' REPORT

TO THE MEMBERS

The Directors submit the Thirty-Forth Annual Report for the year ended 31st March, 2010.

WORKINGS

The Accounts for the year ended 31st March, 2010 resulted in a loss of Rs. 2,715/- after charging expenses in usual course of business. The accumulated loss now stands at Rs. 13,184,201/- which is in excess of the paid-up share capital and reserves of the Company.

Hon'ble Guwahati High Court vide order dated 1st September, 2000 ordered for winding up of Him Containers Ltd. (HCL) and Registrar of Companies, Assam has been appointed as its official Liquidator. Consequent upon the said winding up order of HCL, provision for diminution in the value of investments of Rs.74,36,500/- held by the Company in HCL(in liquidation) and advance of Rs. 57,50,000/- given by the Company to HCL was made as an Extraordinary item by charging the same to the Profit & Loss Account during the year ended 31st March, 2001.

Consequent upon the execution of joint guarantee with regard to the loans taken by HCL from their Bankers amounting to Rs. 26,88,80,000/-, the Banker has filled a petition before the Debt Recovery Tribunal, Kolkata praying recovery of Rs. 41,24,76,479.88 including proportionate interest from the defendants including your company as a Guarantor.

Debt Recovery Tribunal vide its interim order dated 20.06.2003 has restrained the Company by way of injunction to transfer, encumber or otherwise dispose off the movable and immovable properties, except in the usual course of business, till the disposal of the case. In view of the situation as explained above, the Directors are of the view that since your Company operates under Long Term restriction in dealing with the funds, it may be just and equitable for the Company to be wind up.

DIRECTORS

During the Financial year 2009-10 the following changes have taken place in the Board of Directors.

Mr. Asoke Kumar Banerjee, and Mr. A. K. Borkakoti the Nominees of holding Company, resigned from the Board of the Company.

ICL nominated Mr. J. K. Nayak as a Director of the Company.

In accordance with the Articles of Association of the Company, Mr. D. K. Dutta, Director and nominated by ICL retires by rotation and being eligible offers himself for re-appointment.

AUDITORS

M/s. S. K. Singhanian & Co., Statutory Auditors of the Company retires at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment.

EMPLOYEES

The Company does not have any employee in the Category specified under Section 217(2A) of the Companies Act, 1956.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company did not have any activity during the year under review and hence no details worth mentioning relating to the above could be furnished.

C & C INVESTMENTS LIMITED

ERSTWHILE SUBSIDIARY COMPANY: HIM CONTAINERS LTD. (HCL)

Consequent upon the winding-up order of HCL, its Directors ceased to hold office except for the purpose of filling Statement of Affairs, which has been filed with the Official Liquidator on 30th October, 2000. As a result, C & C INVESTMENTS LIMITED (CCIL) can no longer control the composition of the Board of Directors of HCL (in Liquidation) and hence, HCL is not considered to be a subsidiary of CCIL.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Sub- Section (2AA) of Section 217 of the Companies Act, 1956, the directors have to state that :

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures, if any.
- b) They have selected such accounting policies and applied them consistently and made judgment and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for that period.
- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956,
- d) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- e) The Accounts have been prepared on a going concern basis. However, Shareholders attention is drawn to Directors. Report on workings of the Company.

COMPLIANCE CERTIFICATE

In accordance with Section 383A of the Companies Act, 1956, and Companies (Compliance Certificate) Rules, 2001, the Company has obtained a certificate from a Secretary in Whole-Time Practice confirming that the Company has complied with all the provisions of the Companies Act, 1956 and a copy of such certificate is attached.

Noonmati, Guwahati - 781 020
Assam
Date : 31st May, 2010

For and on behalf of the Board

Pankaj Kumar Misra
Director

COMPLIANCE CERTIFICATE

(Rule 3 of Companies (Compliance Certificate) Rule, 2001)

To

The Members,

C & C INVESTMENTS LIMITED

Noonmati

Guwahati - 781 020, Assam

We have examined the registers, records, books and papers of C & C INVESTMENTS LIMITED (the company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010 (financial year). In our opinion and the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filled the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a public limited company, has the minimum prescribed paid up capital.
4. The Board of Directors duly met four times respectively on 30th May, 2009, 26th September, 2009, 19th December, 2009 & 15th March, 2010 in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company did not close its Register of Members during the year.
6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 21st August, 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act, during the financial year.
9. The Company has not entered into any contracts specified under section 297 of the Act, during the financial year.
10. The Company has made necessary entries in the register maintained under section 301 of the Act, wherever applicable.
11. As there were no instances falling within purview of Section 314 of the Act, the Company was not required to obtain any approvals from the Board of Directors, members or previous approval of Central Government, as the case may be.
12. The Company has not issued any duplicate certificates during the financial year.
13. (i) No shares were lodged for transfer/ transmission during the financial year.
 (ii) The Company was not required to deposit any amount in a separate Bank Account as no dividend was declared during the financial year.
 (iii) The Company was not required to post any dividend warrants to any member of the Company as no dividend was declared during the financial year.
 (iv) The Company was not required to transfer any amount to Investor Education and Protection Fund during the financial year as there were no unpaid or unclaimed amounts of such nature.
 (v) The Company has duly complied with the requirements of section 217 of the Act to the extent applicable.

C & C INVESTMENTS LIMITED

14. The Board of Directors of the Company is duly constituted and appointment(s)/ resignation of Directors have been duly made.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Governments, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities as prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preferential shares or debentures during the financial year.
22. There were no transaction necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of Shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A/58AA read with Companies (Acceptance of Deposit) Rules, 1975 during the financial year.
24. The Company has not made any borrowings during the financial year.
25. The Company has not made any loans and investments in compliance with the provisions of the Act. The Company has not given guarantees or provided securities to other bodies corporate during the financial year.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provision of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provision of the Memorandum with respect to share Capital of the Company during the year under Scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. We have been informed that there was no prosecution initiated against or show cause notice receives by the Company for alleged offence under the Act and that no fines or penalties or any other punishment was imposed on the financial year.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not deducted any contribution towards Provident Fund during the financial year, as the Provident Fund Rules/Regulations are not applicable.

For **R. K. JAIN & CO.**
Company Secretaries in Practice

Rajat Jalan
Partner
C.P. No. 5705

Place : Kolkata
Dated : 31st May, 2010

ANNEXURE - 'A'

1. Register of Members under section 150.
2. Register of Transfer and Transmission of shares.
3. Register of Renewed and Duplicate Share Certificates.
4. Register of Directors under section 303.
5. Register of Directors shareholding under section 307.
6. Register of Contracts under section 301.
7. Register of Investments/Loans under section 372A.
8. Books of Accounts under section 209.
9. Minutes Books of Board Meetings and General Meetings under section 193
10. Register and Returns under section 163.

ANNEXURE - 'B'

Forms/Returns filed with the ROC

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010

- | | | |
|-------------------------------|---------------------|--|
| 1. Form -32 | Filed U/S 283 | for cessation of Director |
| 2. Form- 20B | Filed U/S 159 | for filing of Annual Return for AGM held on 21-08-2009 |
| 3. Form- 66 | Filed U/S 383A | for filing of Compliance Certificate for the year ended 31-03-2009 |
| 4. Form - 23AC & Form - 23ACA | Filed U/S 220 | for filing of Audited Account for the year ended 31-03-2009 |
| 5. Form - 32 | Filed U/S 260 & 257 | for appointment and change in Director |

For **R. K. JAIN & CO.**
Company Secretaries in Practice

Place : Kolkata
Dated : 31st May, 2010

Rajat Jalan
Partner
C.P. No. 5705

AUDITORS' REPORT

To the Members of C & C Investments Limited

1. We have audited the attached Balance Sheet of C & C INVESTMENTS LIMITED as at 31st March, 2010 and the annexed Profit & Loss Account for the year ended on that date. 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 from any 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations give to us, we report that :
 - (i) In respect of loans, secured or unsecured, taken/granted from/to companies covered in the Register maintained u/s. 301 of the Companies Act, 1956 :
 - (a) The Company had taken in earlier years, unsecured loan of Rs. 4,095,000/- from its Holding Company and had also given unsecured interest free loan of Rs. 5,750,000/- to Him Containers Ltd., which has ceased to be a Subsidiary Company.
 - (b) The loan taken by the Company was free of interest. The terms & conditions on which loan was granted by the Company were not prima facie prejudicial to the interest of the Company.
 - (c) The Company has neither repaid the loan taken nor is repayment of principal forthcoming in case of loan granted by the Company.
 - (d) The Company to whom loan was granted is under winding up and chances of any recovery is negligible, as explained to us, and the same has been fully provided for.
 - (ii) The Company does not have a formal internal audit system, however the internal control procedure are adequate according to the size and nature of the business.
 - (iii) The accumulated losses of the Company at the end of the financial year is more than the net worth of the Company and the Company has incurred cash losses during the financial year as well as the immediately preceding financial year.
 - (iv) The Company had given guarantees to bank and financial institution for loan taken by M/s. Him Containers Ltd., which was a Subsidiary Company but has ceased to be so. The said Him Containers Ltd. has defaulted in repayment and is now under liquidation and winding up and court cases have been filed by the lender where the Company is also a party, refer Note no. 2 of Schedule 'A'.
 - (v) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit for the year.

(vi) Looking at the nature of activities being carried on, at present, by the Company and also considering the nature of the matters referred to in the various clauses of the Companies (Auditors' Report) Order, 2003, Clauses (i), (ii), (iv), (v), (vi), (viii), (ix), (xi), (xii), (xiii), (xiv), (xvi), (xvii), (xviii), (xix) and (xx) of Paragraph 4 of the aforesaid Order, we are of the opinion that the same is not applicable in the case of the Company.

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account of the Company;
- (iv) In our opinion, the Balance Sheet and the Profit & Loss Account dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) Based on the representations made by the Directors as on 31st March, 2010 and taken on record by the Board of Directors of the Company and the information and explanations given to us, none of the Directors is, as at 31st March, 2010, prima facie disqualified from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanation given to us, the said financial statements, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010, and
 - (b) In the case of the Profit & Loss Account, of the LOSS for the year ended on that date.

19A, Jawaharlal Nehru Road
Kolkata - 700 087
Dated : 31st May, 2010

For **S. K. SINGHANIA & CO.**
Chartered Accountants
Rajesh Kumar Singhania
Partner
M. No. 52722

BALANCE SHEET AS AT 31ST MARCH, 2010

FIGURES AS AT 31.03.09 (ROUNDED OFF)	LIABILITIES	FIGURES AS AT 31.03.10 AMOUNT RS.	FIGURES AS AT 31.03.09 (ROUNDED OFF)	ASSETS	FIGURES AS AT 31.03.10 AMOUNT RS.	FIGURES AS AT 31.03.10 AMOUNT RS.
	SHARE CAPITAL			INVESTMENTS : (At Cost - Unquoted)		
	Authorised			Long Term (Non Trade)		
15,000,000	15,00,000 Equity shares of Rs. 10/- each	15,000,000.00	11,500	1,150 fully paid equity shares of Rs. 10/- each	11,500	
	issued, Subscribed & Paid Up		6,750,000	675,000 fully paid equity shares		
7,502,000	750,200 equity shares of Rs. 10/- each	7,502,000.00	675,000	of Rs. 10/- each (New)	6,750,000.00	
	fully paid up in cash.			675,000 Detachable Warrant		
	(Out of this 750,130 equity shares are held			upfront payable @ Re 1/- each.	675,000.00	
	by India Carbon Ltd., the holding Company)		7,436,500		7,436,500.00	
			(7,436,500)	Less : Provision for diminution in		
				values of Investment (Refer note		
				No. 3 of Schedule 'A')	(7,436,500.00)	
4,095,000	UNSECURED LOAN : (Not bearing interest)			CURRENT ASSETS, LOANS & ADVANCES :		
1,599,173	From Holding Company 4,095,000.00	5,694,173.00		A) Current Assets		
	From Other Bodies Corporate 1,599,173.00			Cash & Bank Balances		
	CURRENT LIABILITIES & PROVISIONS :			Cash with a Schedule Bank	16,993.00	
6,706	A) Current Liabilities	5,021.00	21,393	in Current Account.		
	Sundry Creditors			B) Loans & Advances		
				(Unsecured considered doubtful)		
				Him Containers Ltd. (Liquidated)	5,750,000.00	
				Less : Provision for Doubtful	(5,750,000.00)	16,993.00
				Advance (Refer note No. 3 of schedule 'A')		
				PROFIT & LOSS ACCOUNT		
				Balance at debit	13,184,201.00	
13,202,879		13,201,194.00	13,202,879			13,201,194.00

Note : Significant Accounting Policy & Notes on Accounts as per Schedule 'A' annexed

As per our report of even date annexed herewith
For **S. K. SINGHANIA & CO.**

Chartered Accountants

Rajesh Kumar Singhania

Partner

M. No. 52722

19A, Jawaharlal Nehru Road
Kolkata - 700 087
Date : 31st May, 2010**Pankaj Kumar Misra**
D. K. Dutta
J. K. Nayak
Directors

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

FIGURES FOR THE PREVIOUS YR. (ROUNDED OFF)	PARTICULARS	FIGURES AS AT 31.03.2010 AMOUNT	FIGURES FOR THE PREVIOUS YR. (ROUNDED OFF)	PARTICULARS	FIGURES AS AT 31.03.2010 AMOUNT
RS.		RS.	RS.		RS.
5,300	TO FILLING FEES :	1,000.00	8,485.00	By Balance carried down	2,715.00
30	* BANK CHARGES :	60.00			
1,655	* AUDITOR'S REMUNERATION :	1,655.00			
1,500	* LEGAL & PROFESSIONAL CHARGES :				
8,485		2,715.00	8,485.00		2,715.00
8,485	TO BALANCE (Dr.) brought down	2,715.00	13,181,486.00		
13,173,001	* BALANCE as per last account	13,181,486.00		* Balance carried to Balance sheet	13,184,201.00
13,181,486		13,184,201.00	13,181,486.00		13,184,201.00

Note : Significant Accounting Policy & Notes on Accounts as per Schedule 'A' annexed.

In terms of our report of even date annexed on the Balance Sheet
For **S. K. SINGHANIA & CO.**

Rajesh Kumar Singhania
Chartered Accountants
Partner
M. No. 52722

Pankaj Kumar Misra
D. K. Dutta
J. K. Nayak
Directors

19A, Jawaharlal Nehru Road
Kolkata - 700 087
Date : 31st May, 2010

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

1. SIGNIFICANT ACCOUNTING POLICIES :

- (a) **General** : The Financial Statements are prepared under historical cost convention in accordance with generally accepted accounting principles and provisions of the Companies Act, 1956 as applicable.
- (b) **Recognition of Income & Expenditure** : Items of Income & Expenditure are generally recognized on accrual basis.
- (c) **Investments** : Investments are stated at cost. Provision for diminution in the value of investments, other than temporary are made.
- (d) **Taxation** : Owing to loss, provision for taxation has not been made. Moreover, provision for Deferred Tax Assets for carry forward of losses and unabsorbed depreciation has not been made as there is no convincing evidence that sufficient future taxable income shall be available against which such Deferred Tax Assets can be realized.
- (e) **Contingent Liability** : Liability of contingent natures are not provided for and are disclosed separately in the notes on accounts as and when becomes necessary.

NOTES ON ACCOUNTS :

2. Contingent Liabilities for Joint Guarantees/Guarantees given in respect of Him Containers Limited (in liquidation) :

	As at 31.03.2010	As at 31.03.2009
Joint Guarantees/Guarantees given to		
Financial Institutions for Term & Other Loans	Rs. 15,800,000	15,800,000
- Do -	St £ 656,740	656,740
- Do -	US\$ 514,183	514,183
Bankers for Loans & Other Purposes	Rs. 268,880,000*	268,880,000*

*Against above guarantee(s), the Bankers have filed a petition before the Debt Recovery Tribunal, Kolkata, claiming recovery of Rs. 412,476,479.88 from Him Containers Limited, and has also made C & C Investments Ltd. a party as Guarantor.

Debt Recovery Tribunal vide its interim order dated 20.06.2003 has restrained the Company by way of; injunction to transfer, encumber or otherwise dispose off the movable and immovable properties, except in the usual course of business, till the disposal of the case. The case is being contested by the Company at the appropriate levels.

3. Hon'ble Guwahati High Court vides order dated 1st September 2000 has issued order for winding up of Him Containers Limited (HCL) and Registrar of Companies, Assam has been appointed as its Official Liquidator. Consequent upon the said winding up order of HCL, its directors ceased to hold office except for the purpose of filing Statement of Affairs which has been filed with the Official Liquidator on 30.10.2000. As a result, C & C Investments Limited can no longer control the composition

of the Board of Directors of HCL (in liquidation) and therefore, ceased to be the holding company of HCL.

The Company's involvement in Him Containers Limited (in Liquidation), is to the extent of 676,150 Equity Shares (including 675,000 new shares) of Rs. 10/- each valued at Rs. 6,761,500/- and 675,000 Detachable Warrants with upfront payment @ Re. 1/- per Warrant valued at Rs. 675,000/-. Further unsecured (Interest free) loans of Rs. 57.50 lacs had been given to Him Containers Limited.

Provision for diminution in the value of investments held for Rs. 7,436,500 and provision against advance of Rs. 5,750,000 given by the Company in Him Containers Limited (in Liquidation) was charged to the Profit & Loss Account during the year ended 31.03.2001 under the head "Extraordinary Items."

Place : Kolkata
Date : 31st May, 2010

Pankaj Kumar Misra
D. K. Dutta
J. K. Nayak
Directors

**ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF SCHEDULE VI,
PART OF THE COMPANY ACT, 1956****Balance Sheet Abstract and Company's General Business Profile****I. Registration Details**

Registration/CIN No.	1654	State Code	021
Balance Sheet Date	31-03-2010		

II. Capital Raised During the year (Amount in Rs.)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	13,196,173	Total Assets	(13,196,173)
-------------------	------------	--------------	--------------

Sources of Funds

Paid-Up Capital	7,502,000	Reserves & Surplus	NIL
Share Application	NIL	Secured Loans	NIL
Unsecured Loans	5,694,173		

Application of Funds

Net Fixed Assets	NIL	Investments	NIL
Net Current Assets	11,972	Misc. Expenditure	NIL
Accumulated Losses	13,184,201		NIL

IV. Performance of Company (Amount in Rs.)

Turnover including Other Income	NIL	Total Expenditure	2,715
Profit/(Loss) Before Tax	(2,715)	Profit/(Loss) After Tax	(2,715)
Earning Per Share in Rs.	NIL	Dividend Rate %	NIL

V. Generic Names of Three Principal Products/Services of Company (As per Monetary Terms)

Item Code No.(ITC Code)	N.A.
Item Code No.(ITC Code)	N.A.

Place : Kolkata
Date : 31st May, 2010

Pankaj Kumar Misra
D. K. Dutta
J. K. Nayak
Directors

INDIA CARBON LIMITED

Registered Office : Noonmati, Guwahati - 781 020, Assam

ATTENDANCE SLIP

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

Membership Folio No.

DP I.D. No.

No. of Shares held

Client I.D. No.

NAME AND ADDRESS OF SHAREHOLDER

NAME AND ADDRESS OF THE PROXY (IF ANY)

.....
.....
.....

.....
.....
.....

No. of Share(s) held :

I hereby record my presence at the 48th Annual General Meeting of the Company held on Tuesday the 21st September, 2010, at 10.30 A.M. at the Registered Office of the Company at Noonmati Guwahati - 781 020, Assam.

Signature of the Shareholder or proxy

INDIA CARBON LIMITED

Registered Office : Noonmati, Guwahati - 781 020, Assam

PROXY

I/We.....

of.....

being Member(s) of INDIA CARBON LIMITED hereby appoint.....

..... of

or failing him/her.....

of or failing him/her.....

of.....as my/our proxy to attend and vote for me/us on my/our behalf at the Forty Eighth Annual General Meeting of the Company to be held on 21st September, 2010 or at any adjournment thereof.

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

Signed by the said.....

Membership Folio No.....

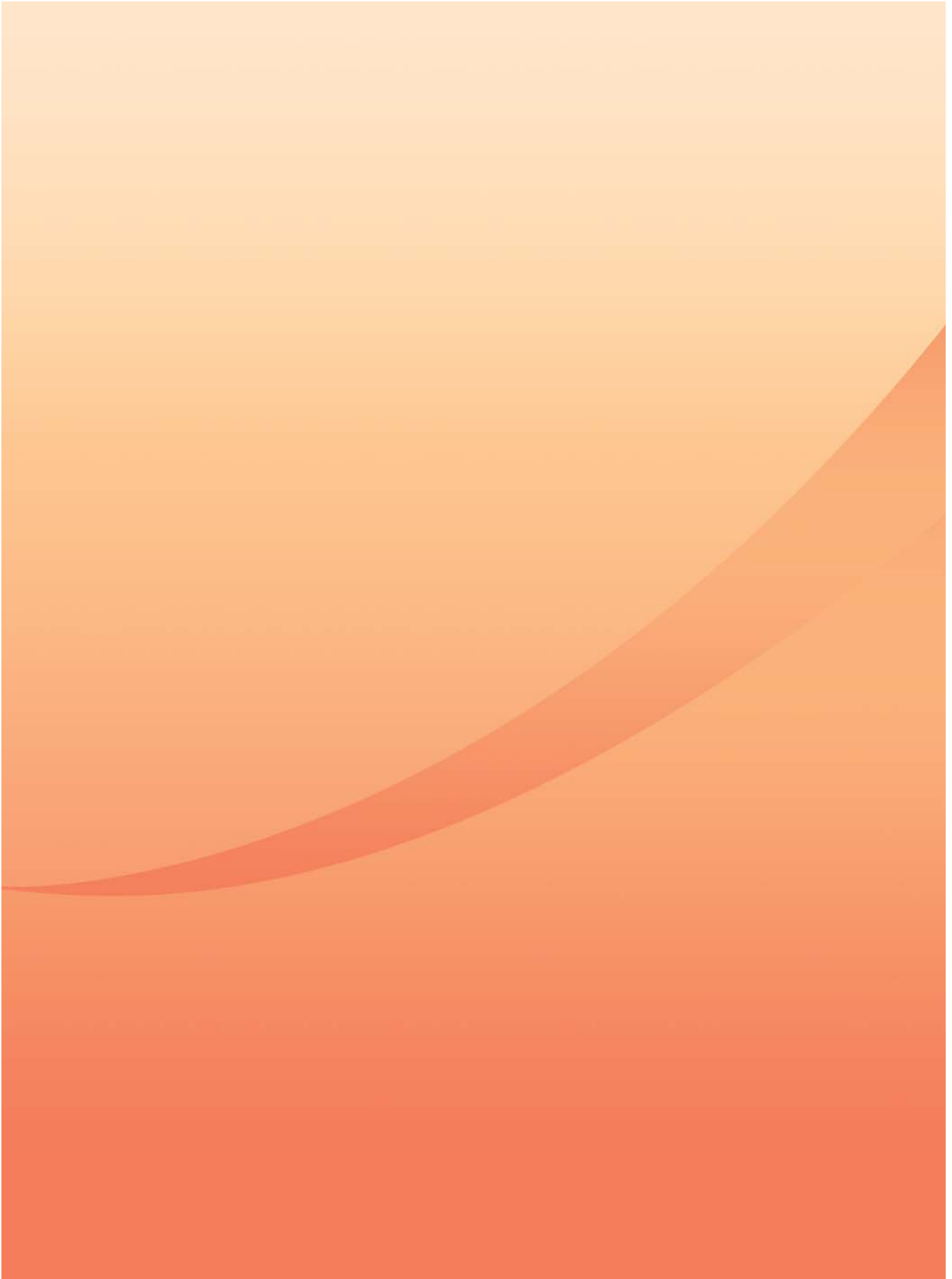
Affix
revenue
stamp

DP I.D. No.

No. of Shares held.....

Client I.D. No.

Note : The Proxy must be deposited at the Registered Office of the Company at Noonmati, Guwahati - 781 020, Assam not less than 48 hours before the commencement of the Meeting.



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