

India Carbon Limited

ANNUAL REPORT 2012-2013

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BOARD OF DIRECTORS

MR. RAKESH HIMATSINGKA
(Chairman and Managing Director)
 MR. ABHIJIT BAROOAH
 MR. ALBERT JOHN ROLFE
(Alternate to Mr. Gordon Kenneth McIntosh)
 MR. ERIC PAUL JOHNSON
 MR. GORDON KENNETH MCINTOSH
 MR. RAJAT BARAN MAHANTA
(Nominee of Government of Assam)
 MR. HEMANT KUMAR KHAITAN
 MR. MANOJ MOHANKA
 MR. MARK RUSSELL JONES
(Alternate to Mr. Eric P. Johnson)
 MR. SOUMENDRA MOHAN BASU
 MR. SHAURYA VEER HIMATSINGKA
(Deputy Managing Director)
 MR. SAMAR JHA

CHIEF FINANCIAL OFFICER

MS. DOLLY AGARWAL

COMPANY SECRETARY & COMPLIANCE OFFICER

MR. RAJ KISHORE GUPTA

STATUTORY AUDITORS

D BASU & CO.
Chartered Accountants

BANKERS

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

REGISTERED OFFICE & WORKS

Noonmati, Guwahati - 781020
 Assam

CENTRAL OFFICE

'Temple Chambers', 4th Floor
 6, Old Post Office Street, Kolkata - 700001

BUDGE BUDGE WORKS

35, Deshbandhu Chittaranjan Road, Budge Budge
 24, Paragnas (South), Kolkata -700137

REGISTRAR & SHARE TRANSFER AGENT

C B Management Services (P) Limited
 P-22, Bondel Road, Kolkata 700 019
 Phone No. (033) 4011-6700/11/18/23,
 2280-6692/93/94

Fax No.: (033) 2287-0263

E mail: rta@cbmsl.com

NOTICE

NOTICE is hereby given that the fifty first Annual General Meeting of the Members of INDIA CARBON LIMITED will be held on Wednesday, the 18th day of September 2013, at 10.00 A.M. at the Registered Office of the Company situated at Noonmati, Guwahati - 781020, Assam, to transact the following business :

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013, the Profit & Loss Statement and Cash Flow Statement for the year ended 31st March, 2013 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Soumendra Mohan Basu, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Hemant Kumar Khaitan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Eric P Johnson, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

AS SPECIAL BUSINESS

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

"RESOLVED that subject to such waiver/ approvals as may be deemed necessary, the Company do hereby grant its approval to the payment of remuneration to Mr. Rakesh Himatsingka, Chairman & Managing Director, during the financial year 2012-13, as per the agreement entered into by the Company, notwithstanding that the same exceeds the limits specified under Table B of Section II, Part II of Schedule XIII, of the Companies Act, 1956.

"RESOLVED further that Board or any Committee thereof be and is hereby authorized to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution."

By Order of the Board of Directors

Kolkata, 27th May, 2013
Registered Office :
Noonmati, Guwahati - 781 020
Assam

Raj Kishore Gupta
*Company Secretary &
Compliance Officer*

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 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. Members 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 11th September, 2013 to 18th September, 2013 (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, 2004 has been already transferred to the Investor Education & Protection Fund.

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
31.03.2007	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
31.03.2010	21.09.2010	26.10.2017	25.11.2017
31.03.2011	30.07.2011	05.09.2018	04.10.2018
31.03.2012	07.09.2012	12.10.2019	11.11.2019

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.6

At the 49th Annual General Meeting of the Company held on 30th July, 2011 the shareholders had approved the reappointment and terms of remuneration of Mr. Rakesh Himatsingka by ordinary resolutions pursuant to the provisions of Section 198, 269, 309 and 310 of the Companies Act, 1956 read with Schedule XIII to the Act. During that time, managerial remuneration was well within the limits as specified in the Companies Act, 1956 as the Company had adequate profits.

Due to adverse business condition, the profits of the Company, computed in accordance with Section 309(5) of the Companies Act, 1956 were inadequate to meet the remuneration paid to Mr. Rakesh Himatsingka, Chairman and Managing Director for the financial year 2012-13. As a result, provisions of Table B of Section II Part II of Schedule XIII of the Companies Act, 1956, has become applicable.

During financial year 2012-13, the Company has paid remuneration of ₹ 41,09,119/- to Mr. Rakesh Himatsingka, Chairman and Managing Director, in accordance with the terms and condition of Agreement entered into the Company and Mr. Rakesh Himatsingka, which exceeds the limits specified under Table B of Section II Part II of Schedule XIII of the Companies Act, 1956 details as follows :

Particulars	Amount
a. Salaries & Allowances	18,60,000
b. Perquisites (Contribution to provident and superannuation Funds)	3,23,200
c. Allowances and reimbursement of expenses	19,25,919
Total	41,09,119
Less: Perquisites not included in remuneration vide schedule XIII part II section II paragraph II	3,23,200
Less: Maximum Remuneration that can be paid as per limits specified under Table B of Section II, Part II of Schedule XIII of the Companies Act, 1956	36,00,000
Remuneration paid in excess of limits specified under Table B of Section II, Part II of Schedule XIII of the Companies Act, 1956	1,85,919

The Remuneration Committee and the Board at their meeting held on 27th May, 2013 have approved the remuneration paid to Mr. Rakesh Himatsingka, Chairman and Managing Director. While the other terms and conditions for appointment/ re-appointment of Mr. Rakesh Himatsingka, Chairman and Managing Director will remain unchanged as approved by the Shareholders at 49th Annual General Meeting held on 30th July, 2011, approval of shareholders by way of Special Resolution is sought for the waiver of excess amount of ₹ 1,85,919.00 paid to Mr. Rakesh Himatsingka for the financial year 2012-13, subject to such other statutory waiver/approvals as may be required.

Information required under Clause (iv) of proviso to paragraph 1(B) of Section II of Part II of Schedule XIII to the Companies Act, 1956 for item No. 6.

I. General Information :

1. Nature of Industry : The Company is primarily engaged in the manufacture and sale of Calcined Petroleum Coke, Electrode Carbon Paste and Thermal Carbon (Tamping) Paste.
2. Date of commencement of commercial production: 15th November, 1962.
3. In case of new Companies, expected date of commencement of activities: Not applicable.
4. Financial performance based on given indicators: Key financials for last three years are as given below :

Particulars	2012-2013 ₹	2011-2012 ₹	2010-2011 ₹
Gross Turnover	1,90,52,71,543	2,04,55,52,417	1,76,46,99,348
Other Income	18,32,76,427	2,65,57,713	1,60,44,24,113
Profit Before Tax	(3,64,41,872)	5,56,62,650	1,49,40,59,454
Profit After Tax	(3,40,34,864)	4,667,1,125	9,17,89,461
Paid up Equity Share Capital	2,65,00,000	2,65,00,000	2,65,00,000
Paid up Preference Share Capital	10,00,000	10,00,000	10,00,000
Reserves and Surplus	5,08,57,817	8,48,92,681	8,26,99,487
Earnings per share	(12.84)	17.57	34.60
Equity dividend	Nil	39,75,000	39,75,000
Dividend on Preference Shares	Nil	93,000	93,000

5. Export Performance and net Foreign Exchange Collaborations: During the year the Company has made export valued ₹ 4,03,31,484/-.

6. Foreign Investors or collaborators: The Company, since inception, has been in Technical & Financial Collaboration with Oxbow Calcining LLC (formerly Great Lakes Carbon LLC) USA -World Leaders in the Calcined Petroleum Coke field. Oxbow Calcining LLC is holding 30.65% of the paid up equity capital of the Company.

II. Information about the Appointees :

1. Background Details :

Mr. Rakesh Himatsingka currently serving as Chairman & Managing Director of India Carbon Limited, has been the Managing Director of the Company since May, 1996 and then took over as Chairman in 1999. He completed his Mechanical Engineering from Birla Institute of Technology and Science (BITS), Pilani. He is also Chairman of Assam Carbon Products Ltd and has over 40 years of industry experience. Furthermore, he has served as the National President of The Confederation of Export Units and is a member of the Board of Governors of the Institute of Modern Management, Kolkata. He has also served on the Board of Directors of Morganite Electrical Carbon Ltd., UK, a subsidiary of Morgan Crucible Company plc, UK, from 1992 to 2003.

Deeply involved in social welfare, he is the Secretary General of the National Diabetics Association of India and also an active member of various Public Trusts such as the India Carbon Charitable Trust, Manav Kalyan Trust, Raghumull Charity Trust, Ghanshyamdas Charitable Trust, Jan Seva Nidhi Trust, Shree Shyam Seva Nidhi Trust and the Ramkrishna Vivekananda Mission.

2. **Past Remuneration** : Remuneration of Mr. Rakesh Himatsingka for the financial year 2011-12 was ₹ 38,60,648/-.
3. **Recognition or awards/job profile and his suitability** : Please see (1) above.
4. **Remuneration proposed** : The remuneration proposed to Mr. Rakesh Himatsingka is set out in the Notice read along with Item No. 6 of the Explanatory Statement.
5. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person** : The remuneration proposed for Mr. Rakesh Himatsingka is reasonably in line with the remuneration in similar sized companies in the same segment of business.
6. **Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any** :

Mr. Rakesh Himatsingka does not have any pecuniary relationship, directly or indirectly, with the Company and its managerial personnel that may have potential conflict with the interest of the Company at large. However it is disclosed that Mr. Shaurya Veer Himatsingka, son of Mr. Rakesh Himatsingka is the Dy. Managing Director of the Company

III. Other information :

Reasons of loss or inadequate profits :

The main reason for loss has been a major fall in demand by the aluminum smelters & steel plants due to the continued slowdown in the economy.

Further, due to a major change in Ministry of Petroleum & Natural Gas, RPC marketing policy, from "Cash & Carry" to "Open e-auction", based on monthly quota, as assessed by Indian Oli Corporation" (Main Producer of RPC in India), a few calciners went to courts against the same, resulting in the Hon'ble Patna High Court granting stay on sales of the product by the refineries for 3 months.

Due to falling demand, prices of both CPC & ECP were also under great pressure, resulting in low to negative margins, and finally loss of ₹ 340 lakhs. ₹ 209 lakhs was on account of loss on foreign exchange, on imported raw material.

Steps taken or proposed to be taken for improvement :

- ♦ The Company has initiated all round cost cutting measures including freezing the salaries etc. of its senior executives including the Managing Director & Deputy Managing Director.
- ♦ Very Strict control on credit sales is being maintained to significantly reduce / eliminate bad debts and delayed payments.
- ♦ Effective steps to improve operational efficiency has been taken.
- ♦ Company has got itself registered for direct import of its main raw material RPC instead of buying it through agents.
- ♦ Company has started forward booking import consignment.

Expected increase in productivity and profits in measurable terms –

It is difficult at this stage to quantify the effect of the measures taken by the Company to improve the overall performance in financial terms.

However, efforts will continue to be made to recover in the area of the adverse impact from the market, to the extent practicable.

IV. Disclosures :

The required disclosures as to remuneration package, etc. have been appropriately provided in the notice read along with of the Explanatory Statement to item no. 6.

The Agreements referred to in the Resolution No. 6 will be available for inspection at the Registered Office of the Company at Noonmati, Guwahati, Assam on any working day up to the date of the Annual general Meeting between 10.00 A.M. to 12.00 Noon and will also be available at the meeting.

Memorandum of Interest :

Mr. Shaurya Veer Himatsingka as relatives of Mr. Rakesh Himatsingka may be deemed to be concerned or interested in the Special Resolution at Item no. 6.

By Order of the Board of Directors

Kolkata, 27th May, 2013
Registered Office :
Noonmati, Guwahati - 781 020
Assam

Raj Kishore Gupta
*Company Secretary &
Compliance Officer*

The details of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr. Soumendra Mohan Basu	Mr. Hemant Kumar Khaitan	Mr. Eric P. Johnson
Date of Birth	19th November, 1949	19th January, 1954	22nd June, 1968
Date of Appointment	13/01/2009	15/07/1996	29/06/2007
Expertise in specific functional areas	Organization, HR and Corporate Affairs	Management	Refining, Aluminum and Calcining Industries
Qualifications	B. A. (Hons.) in English from Presidency College	B.Com (Hons.)	B. A. in Business Management from Oxford University
List of outside Directorship held	Endurance Technologies Ltd	1. Steel Products Ltd. 2. Kanoria Chemicals & Industries Ltd. 3. Hind Galvanizing and Engineering Co. Ltd.	Nil
Chairman/Member of the Committee of other Companies in which he is a Director			
a. Audit Committee	None	Kanoria Chemicals & Industries Ltd. (M)	Nil
b. Shareholders / Investor Grievance Committee	None	Kanoria Chemicals & Industries Ltd. (M)	Nil
c. Remuneration Committee	None	Kanoria Chemicals & Industries Ltd. (M)	Nil
Shareholding in the Company	Nil	Nil	Nil
Disclosure of relationship between Directors inter-se	NA	NA	NA

Notes :

- CM - Chairman of the Committee
- M - Member of the Committee
- Directorship in Pvt. Ltd. Co.'s, Foreign Co.'s & Companies U/s 25 of the Companies Act, 1956 are excluded.
- Chairmanship/Membership of the Audit Committee, Shareholders' Grievance Committee and Remuneration Committee alone has been considered.

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH, 2013

To The Members,

Your Directors have pleasure in presenting the fifty first Annual Report on the business and operations of the Company and Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS

	Year Ended 31.03.2013 (₹ in Lacs)	Year Ended 31.03.2012 (₹ in Lacs)
Profit before Interest, Depreciation & Tax	404.46	1,493.93
Less : Finance Cost	612.65	766.41
Less : Depreciation (Net of transfer from Revaluation Reserve)	156.22	170.89
Profit / (Loss) Before Tax	(364.42)	556.63
Less : Provision for Taxation (including Deferred Tax)	(24.07)	89.92
Profit / (Loss) After Tax	(340.35)	466.71
Add : Balance brought forward from previous year	848.92	826.99
Amount available for Appropriation	508.58	1,293.70
Appropriations :		
Proposed Dividend on Preference Shares	—	0.93
Proposed Dividend on Equity Shares	—	39.75
Tax on Dividend	—	6.60
Transfer to General Reserve	—	397.50
Balance carried forward to Balance Sheet	508.58	848.92

DIVIDEND

In view of the loss incurred during the year, your Directors express their inability to declare any dividend.

OPERATIONAL PERFORMANCE

During the year under review, your Company achieved a gross turnover of ₹ 190.53 Crore as against ₹ 204.56 Crore in the previous year, an increase of 6.86 % as compared to the previous year.

Production of Calcined Petroleum Coke (CPC) during the year was 58113 MT as against 63890 MT in the previous year and Electrode Carbon Paste (ECP) production was 6025 MT as against 6103 MT in the previous year, a decrease of 9.04% and 1.28% respectively.

Further, Sales of CPC for the year under review was 55460 MT as against 59507 MT in the previous year which is lower by 6.80%. ECP sales were at 6177 MT as against 6767 MT in the previous year, which is lower by 8.72%.

Both CPC and EPC Production and Sales have been lower due to a significant fall in demand resulting from the economic slowdown through which the Country is passing and the Aluminium, Steel and Ferro Alloys production units are being particularly affected, which are the main consumers of our product.

The Company has incurred loss during the year compared to profit during the last year because of lower margins on CPC & EPC sales and reduction in sales, as well as significant outgo on accounts of foreign exchange loss (net) of ₹ 209.66 lacs.

FUTURE OUTLOOK

Housing, Automobiles, White Goods and Consumer Durables amongst other have taken a major hit in demand. As a result demand for Aluminium & Steel in particular has reduced, resulting in weaker demand for your Company's products. Continued slowdown in Global Economy has contributed to the slow down in both growth and demand.

It is feared that this situation will continue in the current year till the global economy show some signs of improvement and only thereafter growth rebound is expected.

However, for the medium to long term the outlook is very promising and new capacities especially for aluminum metal are coming on stream from the second half of this year, which will give a boost to the demand for CPC.

Your Company is poised to take full advantage of this upcoming opportunity.

DIRECTORS

In accordance with the Articles of Association of the Company, Mr. Soumendra Mohan Basu, Mr. Hemant Kumar Khaitan and Mr. Eric P. Johnson retire by rotation as Directors at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Rajat Baran Mahanta joined the Board w.e.f. 24th September 2012 in place of Mr. Jatinderbir Singh.

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;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss 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 Messrs D. Basu & Co, Chartered Accountants as 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(1B) 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 31.03.2013.

CREDIT RATINGS

ICRA has revised the long term rating from BBB+ (pronounced as 'ICRA Triple B Plus) to BBB [pronounced ICRA triple B] to your Company. ICRA has also reaffirmed the short term rating of (ICRA) A2 to your Company for its Line of Credit (LOC) limits of fund based/non-fund based facilities sanctioned by the Banks.

HEALTH, SAFETY AND ENVIRONMENT

Your Company puts great emphasis on Health, Safety and Environment. Every possible effort is being taken by the Company to comply with the relevant regulations and their effective management.

As a commitment to this, your Company has recently appointed a qualified specialist to oversee and ensure highest level of compliance.

Health and Safety

Your Company is committed to health and safety of its employees. The Company in addition to normal medical check up, also arranges special medical test of its employees

Safety measures have been designed and circulated at the plant site to the responsible person. Training is periodically given to employees to follow these safety measures. Senior persons have been deputed to enforce safety plans.

The Company has also taken group personal accident policy for its employees.

Environment

The Company has continued with its floriculture division and has identified a portion of land in Guwahati unit as green area.

The Company has in place at both its Plants, State of the Art Pollution Control Systems which improves the emission norms further and enable a cleaner environment. The Company continuously strives on environmental management to minimize any adverse impact.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has long tradition of Corporate Philanthropy and is deeply committed and aware of its Corporate Social Responsibility.

The Company has been contributing to a Charitable Institute named 'The Akshaya Patra Foundation' for mid-day meals, for the under-privileged Children. The Akshaya Patra Foundation has recognised your Company as Corporate Donors in their Trustees Report 2012-13.

During the year, your Company Contributed to 'Hope Foundation' to support the nutrition programmed for Street and Slum Children.

During this year, the Company organised several medical camps in and around its Guwahati Plant for the inhabitants of the area, where free medical check up was done and requisite medicines & fruits etc. distributed.

Time to time Company is participating in cultural and religious activities in the local areas.

The Company also regularly provides Scholarship to needy students and has contributed to the "Anant Education Initiative" for providing scholarship to 100 scholars.

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

The Company does not have any employee covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended up-to-date.

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

The Equity Shares of the Company continues to be listed with The Calcutta Stock Exchange Limited and The Gauhati Stock Exchange Ltd. The annual listing fees for the financial year 2013-14 have already been paid and are tradable 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 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) 4011-6700, 4011-6711, 4011-6718, 4011-6723, 2280-6692/93/94

Fax No. : (033) 2287-0263, E mail : rta@cbmsl.com

AUDIT REPORT

The Emphasis of Matter reported by the Statutory Auditors in their Report are self explanatory. The Company is in process of filing the application to the Central Government seeking, its approval for the said remuneration paid in excess of limit prescribed under schedule XIII to the Companies Act, 1956 by ₹ 1,85,919/- and also approval of the shareholders at the forthcoming Annual General Meeting.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

Your Company is committed to the application of the best management practices, compliance with law, adherence to ethical standards and discharge of social responsibilities. Your Company has in all spheres of its activities adequate checks and balances to ensure protection of interest of all stakeholders. Your Company also endeavours to share with its stakeholders openly and transparently information on matters which have a bearing on their economic and reputational interest. This calls for a great degree of judgment and discretion so as not to put business and commercial interest of the Company at risk.

Corporate Governance Report as well as Corporate Governance Compliance Certificate received from the Statutory Auditors as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges is provided as separate Annexure to this Report.

The Managing Director and the GM-(Accounts & Finance) who is also the chief financial officer of the company, have certified to the Board w.r.t. financial reporting, in the manner required under the Clause, concerning the annual financial statement.

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 continued cooperation for maintaining harmonious industrial relation 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 31.03.2013 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 : 27th May, 2013

Rakesh Himatsingka
Chairman and Managing Director

ANNEXURE TO DIRECTORS' REPORT

Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report :-

A) CONSERVATION OF ENERGY

- a) **Energy conservation measures taken.**
- b) **Additional investments and proposals, if any, being implemented for reduction of consumption of energy :**

Wherever possible, energy conservation measures have already been implemented. However, efforts to conserve and optimize the use of energy through improved operational methods and other means are continued on a going basis.

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

The energy consumption and the cost of production is being kept under control.

- d) **Total energy consumption and energy consumption per unit of production :**

Not Applicable to the Company.

B) TECHNOLOGY ABSORPTION

- a) **Research & Development (R&D) :**

- i) During the year under review, no R&D carried out.
- ii) Benefits derived as a result of above R&D : Not Applicable.
- iii) Future Plan of action : If required, R&D activities shall be carried out in future.
- iv) Expenditure on R&D : During the year, no capital as well as recurring expenditure were made on R&D.

- b) **Technology, Absorption, Adaptation and Innovation :**

- i) Effort, in brief, made towards technology absorption, adaptation and innovation : The Company has fully absorbed the technology on existing product line.
- ii) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.
 - a) Improved quality of Company's finished products.
 - b) Increase customer satisfaction.
- iii) Imported Technology : The Company did not import any technology during the last 5 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 Note 28 of the Accounts.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

Calcined Petroleum Coke (CPC) is one of the essential raw materials for the production of Aluminium Metal. With the rapid growth in Aluminium production in the Country, demand for CPC is also growing rapidly. Other than for Aluminium, CPC is used for the production of Steel, Titanium Dioxide, Graphite Electrodes and for Electrode Carbon Paste (ECP) for the Ferro Alloy Industries. All these industries are also growing rapidly in the Country, and thereby demand for your Company's both main products CPC as well as ECP is growing concurrently.

As reported last year, the main growth in Eastern India is coming on stream as expected and shall continue for the next 4-5 years at least as per present approvals/projects in hand.

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. Large quantities are being imported and imports will continue to increase in the coming years.

OPPORTUNITIES & THREATS

Your Company constantly examines the opportunities and threats that exist in its business and already has plans to exploit the opportunity available going forward as well as equipped to handle threats.

Opportunities

The Company's two products Calcined Petroleum Coke (CPC) and Electrode Carbon Paste (ECP) are used mainly for the production of Aluminium, Steel, Graphite Electrodes, 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 and Steel across all the Sectors.

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

Threats

1. Excess installed capacity in the Country for CPC.
2. Cheap import of CPC from China.
3. Huge shortage of Raw Petroleum Coke (RPC) leading to increased dependence on imports.
4. RPC being a Crude Oil based product is subject to severe price fluctuations.
5. Inadequate and poor infrastructure at Ports, resulting in much higher freight by vessels prepared to come to Kolkata Port.
6. Very poor transport infrastructure leading to much higher transportation cost.
7. 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 ₹190.53 crore during the year under review as against ₹ 204.56 crore in the previous year, a decrease of 6.86 % as compared to the previous year.

Production of Calcined Petroleum Coke (CPC) during the year was 58,113 MT as against 63,890 MT in the previous year and Electrode Carbon Paste (ECP) production was 6,025 MT as against 6,103 MT in the previous year, a decrease of 9.04% and 1.28% respectively.

Further, Sales of CPC for the year under review was 55,460 MT as against 63,890 MT in the previous year which is lower by 6.80%. ECP sales were at 6,177 MT as against 6,767 MT in the previous year.

Both CPC and ECP production and sales have been lower due to significant fall in demand resulting due to the economic slowdown through which the country is passing and the Aluminium, Steel Ferro Alloys production units are particularly affected, which are the main consumers of our product.

OUTLOOK

The outlook for the Company continues to be optimistic based on the growth in the demand for company's both products, viz, CPC & Carbon Paste barring the present economic downturn leading to a severe reduction in demand. The Company is consolidating 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 plant, which is brought in shiploads and at times has inventory of 6 months or more. The RPC and CPC have 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 has incurred loss of ₹ 209.66 lacs on foreign exchange 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.

In the current year, the Company has also faced difficulty in getting indigenous raw material and freights rates have increased hugely. Labour availability at both Guwahati as well as Budge Budge Unit is also disturbing the paste production, and the labour costs are increasing astronomically.

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.

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

The Company achieved a turnover of ₹ 190.53 Crore during the year under review as against ₹ 204.56 Crore in the previous year, a decrease of 6.86% as compared to the previous year.

During the year under review, the Company incurred loss before tax of ₹ 3.64 Crore after setting of total foreign exchange loss of ₹ 209.66 Lacs.

The Earnings per Share of the Company as on 31.03.2012 is ₹ (-)12.84 as against ₹ 17.57 in the corresponding previous year.

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 up gradation of job knowledge and other related skills amongst its employees.

Industrial relations have been cordial during the year. The total number of people employed in the Organization as on 31.03.2013 was 196 as compared to 207 as on 31.03.2012.

CAUTIONARY STATEMENT

Statement in the "Management's Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions 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

The Company always focuses on Good Corporate Governance - which is a key driver of sustainable corporate growth and long term value creation. Your Company believes in conducting its affairs with the highest level of integrity, with proper authorizations, accountability, disclosure and transparency.

The details of the Corporate Governance compliance by the Company as per the Clause 49 of the Listing Agreement with Stock Exchanges are as under :

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

Corporate Governance is the system by which companies are directed and managed. Good Corporate Governance structure encourages Companies to create value through entrepreneurship, innovation, development and exploration and provide accountability and control systems commensurate with the risk involved.

India Carbon believes in ensuring true Corporate Governance Practices to enhance long term Shareholder's value through corporate performance, transparency, integrity and accountability.

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 of Directors of the Company consists of an optimal mix of Executive Directors and Independent Directors who have in-depth knowledge of business, in addition to expertise in their areas of specialization. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that management adheres to high standards of ethics, transparency and disclosure.

The Board consisted of twelve Directors including two alternate Directors as on 31st March, 2013. The Board is headed by Mr. Rakesh Himatsingka, who is also an Executive Director (Managing Director). The Board meets the requirement of not less than one half being independent Directors. The size and composition of the Board confirms the requirements of Clause 49 of the Listing Agreement with Stock Exchanges.

The Composition and Category of Director as on 31st March, 2013 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 Dy. Managing Director	Executive Director (Promoter)
3	Mr. Ratan Baran Mahanta - A.C.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. Mark R. Jones (Alternate to Mr. Eric P. Johnson)	Non-Executive Director (Non-Promoter)
8	Mr. Abhijit Barooah	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. Samar Jha	Non-Executive and Independent Director
12	Mr. Soumendra Mohan Basu	Non-Executive and Independent Director

* appointed as Nominee Director w.e.f. 24.09.2012.

Board Meetings :

During the year 2012-13, four Board Meetings were held on 23.06.2012, 25.09.2012, 20.12.2012 and 26.03.2013.

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 31.03.2013
Mr. Rakesh Himatsingka	4	Yes	2	1 (as Chairman)	Father of Mr. Shaurya Veer Himatsingka	9,838
Mr. Shaurya Veer Himatsingka	3	Yes	Nil	Nil	Son of Mr. Rakesh Himatsingka	37,555
Mr. Jatindrabir Singh*	Nil	No	7	Nil	None	Nil
Mr. Rajat Baran Mahanta**	Nil	No	Nil	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. Mark R. Jones (Appointed as an Alternate Director to Mr. Eric P Johnson)	Nil	No	Nil	Nil	None	Nil
Mr. Hemant Kumar Khaitan	3	No	4	2	None	Nil
Mr. Manoj Mohanka	4	No	6	4 (2 as Chairman)	None	Nil
Mr. Samar Jha	3	No	Nil	Nil	None	Nil
Mr. Soumendra Mohan Basu	3	No	Nil	Nil	None	Nil
Mr. Abhijit Barooah	1	Yes	2	1 (as Chairman)	None	Nil

* Ceased from Directorship w.e.f. 24.09.2012.

** Appointed as Nominee Director w.e.f. 24.09.2012.

Note : Excludes directorship in Private Limited Companies, Foreign Companies and Companies U/s 25 of the Companies Act, 1956. Only Audit Committee and Shareholders/Investors Grievance Committee have been considered for the Committee position.

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 31.03.2013 and its Meeting & Attendance during the financial year 2012-13 :

Name of the Member	Category	Position	No. of Meetings Attended
Mr. Hemant K. Khaitan	Non-Executive and Independent Director	Chairman	5
Mr. Rakesh Himatsingka	Executive Director (Promoter)	Member	5
Mr. Soumendra Mohan Basu	Non-Executive and Independent Director	Member	6
Mr. Manoj Mohanka	Non-Executive and Independent Director	Member	6

All the Committee Members are financially literate and all of them have accounting or related financial management expertise. During the year 2012-13, six Audit Committee Meetings were held on 07.05.2012, 23.06.2012, 14.08.2012, 10.11.2012, 20.12.2012 and 14.02.2013.

The Chief Finance Officer and the representatives of Statutory & Internal Auditors and 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.
 - 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 6. Reviewing, with the management, performance of statutory and internal auditors, and 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.
 - 12A. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 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) : The Company has set up an Audit Committee pursuant to the provisions of Section 292A of the Companies Act, 1956 as well as the Listing Agreement of the Stock Exchanges.

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 functions in accordance with the provisions of the revised Clause 49 of the Listing Agreement with the Stock Exchanges.

The composition of the Committee as on 31.03.2013 is as follows :

Name of the Member	Category	Position
Mr. Hemant Kumar Khaitan	Independent Director	Chairman
Mr. Manoj Mohanka	Independent Director	Member
Mr. Soumendra Mohan Basu	Independent Director	Member

Remuneration Committee Meeting was held on 23.06.2012 and 26.03.2013 during the year 2012-13.

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 Managing Director/ Whole Time Director of the Company.

Remuneration Policy :

- 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.
- 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 during the financial year 2012-13 :

(i) Executive Directors - Managing Director/Dy. Managing Director :

Name	Salary (₹)	Commission (₹)	Perquisites (₹)	Retirement Benefits (₹)	Total (₹)	Service Contract	Notice Period (in month)	Severance Fees
Mr. Rakesh Himatsingka Chairman & Managing Director	18,60,000	Nil	19,25,919	3,23,200	41,09,119	3 years (w.e.f.) 01/12/2010	6	Nil
Mr. Shaurya Veer Himatsingka Dy. Managing Director	13,20,000	Nil	13,64,000	2,60,403	29,44,403	3 years (w.e.f.) 01/04/2011	6	Nil

Due to inadequacy of profits during the financial year 2012-13, commission will not be paid to Mr. Rakesh Himatsingka and Mr. Shaurya Veer Himatsingka. During the financial year 2012-13, the Company paid ₹ 37,85,919 (provident fund and superannuation fund not included) as Managerial Remuneration to the Managing Director, which has exceeded the limit calculated under Schedule XIII to the Companies Act, 1956, by ₹ 1,85,919. The Company is in process of filing the application to the Central Government seeking its approval for the said remuneration paid over the limit and also approval of the Shareholders at the forthcoming Annual General Meeting.

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

Non-Executive Directors	Sitting Fees paid for attending Board/Committee Meetings (₹)
Mr. Abhijit Barooah	20,000
Mr. Hemant K. Khaitan	1,15,000
Mr. Manoj Mohanka	1,40,000
Mr. Samar Jha	60,000
Mr. Soumendra Mohan Basu	1,15,000

- a) Neither any stock option was issued nor any bonus was paid to any of the Directors. No severance fees is payable to Directors.
- b) Non-Executive Directors are being paid sitting fees of ₹ 20,000 and ₹ 5,000 for attending each Board and Committee Meeting respectively.
- c) There has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year 2012-13.

C) Share Transfer Committee :

The composition of the Share Transfer Committee as on 31.03.2013 is as follows :

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

During the year 2012-13, Nine Share Transfer Committee Meetings were held on 07.05.2012, 19.06.2012, 21.08.2012, 01.09.2012, 02.11.2012, 14.12.2012, 07.01.2013, 11.02.2013 and 11.03.2013.

D) Shareholders Grievance Committee :

Composition of the Shareholders Grievance Committee as on 31.03.2012 is as follows :

Name of the Member	Position
Mr. Hemant Kumar Khaitan (Non-Executive Director)	Chairman
Mr. Rakesh Himatsingka	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 appointed Mr. Raj Kishore Gupta as Company Secretary and Compliance Officer in place of Mr. Kumar Chandra Mohan w.e.f 26.03.2013.

No Meeting of Shareholders Grievance Committee was held during the year 2012-13.

Investors Complaints: Balance as on 01.4.2012 - Nil, Received during the year - Nil, Disposed off during the year - Nil, Balance as on 31.03.2013 - Nil.

4. General Body Meetings :

The last three Annual General Meetings were held as under :

Financial Year	Date	Time	Venue
2011-12	07.09.2012	10.30 A.M.	Registered Office at Noonmati, Guwahati, Assam
2010-11	30.07.2011	10.30 A.M.	Same as above
2009-10	21.09.2010	10.00 A.M.	Same as above

5. Special Resolutions passed in the previous three AGMs :

AGM held on 07.09.2012	No Special Resolution was proposed.
AGM held on 30.07.2011	(i) Re-appointment of Mr. Rakesh Himatsingka as Managing Director.
	(2) Appointment of Mr. Shaurya Veer Himatsingka as Dy. Managing Director.
AGM held on 21.09.2010	No Special Resolution was proposed.

No Special Resolution requiring a postal ballot was proposed last year. No special resolution requiring a postal ballot is being proposed for the ensuing AGM.

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.

Rakesh Himatsingka

Dated : 27th May, 2013

Chairman and Managing Director

7. Whistle Blower Mechanism :

The Company has not adopted any Whistle Blower Policy. However, the Company promotes ethical behavior in all its business activities and has put in place mechanism of reporting illegal or unethical behavior. Employees are free to report to the management, concerns about unethical behavior, 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 2012-2013 are disclosed in Note No. 31 of Notes on Accounts in the Annual Report.

Any transactions with Senior Management Personnel, in case there is any personal interest involved are reported to the Board. However, no such instance was found during the year 2012-13.

(c) 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.

(d) 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 : Not applicable

(e) 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 on quarterly basis. Adoptions of non-mandatory requirements of Clause 49 of the Listing Agreement are being reviewed by the Board from time to time.

9. CEO/CFO Certification :

The Chairman and Managing Director and the GM (Finance & Accounts) 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 GM (Finance & Accounts) 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 18th September, 2013 at 10.00 a.m. at Registered Office at Noonmati, Guwahati, Assam.

a) Financial Calendar : 1st April, 2013 to 31st March, 2014 (Tentative)

Financial Results for the quarter ending 30th June, 2013	Within 45 days of 1st Quarter ended
Financial Results for the quarter ending 30th September, 2013	Within 45 days of 2nd Quarter ended
Financial Results for the quarter ending 31st December, 2013	Within 45 days of 3rd Quarter ended
Financial Results for the quarter ending 31st March, 2014	Within 60 days of 4th Quarter ended

- b) The Company was not required to transfer any amount to Investor Education and Protection Fund as there was no unpaid dividend, matured deposits, debentures or accrued interest thereon, application money due for refund which have remained unpaid or unclaimed for seven years or more.

12. Date of Book Closure :

The Register of Members and Share Transfer Books of the Company will remain closed from 11th September, 2013 to 18th September, 2013 (both days inclusive).

13. Dividend Payment Date : Not Applicable**14. Listing of Equity Shares on Stock Exchange :**

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

<u>Name of the Stock Exchanges</u>	<u>StockCode</u>
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The Gauhati Stock Exchange Ltd.	: Physical
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The Calcutta Stock Exchange Ltd.	: 19205
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Stock Market Price of the Company's Share vis-a-vis Sensex :

No trading took place during the year 2012-13.

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 743B01015.

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, 2013, 15.79% of the Company's paid up equity capital representing 4,18,511 shares were held in demat form.

No. of shares in Physical segment	22,31,489	84.21%
No. of shares in Demat segment	4,18,511	15.79%

18. Distribution of Shareholding as on 31st March, 2013

No. of Shares	No. of Shareholders	No. of Shares
1-500	4,332	2,97,255
501-1000	66	46,604
1001-2000	19	27,906
2001-3000	3	7,019
3001-4000	2	6,422
4001-5000	0	0
5001-10000	9	60,210
10001-50000	14	3,27,709
50001-100000	6	5,08,487
100001 and above	5	13,68,388
Total	4,456	26,50,000

Shareholding Pattern as on 31st March, 2013 :

Shareholders	Total No. of shares	Percentage to total Issued Shares
Promoters	1,27,442	4.81
Persons acting in Concert	—	—
Mutual Funds, Banks, Financial Institutions and Insurance Companies	15,265	0.58
Others	25,07,293	94.61
Total	26,50,000	100.00

19. Plant Locations :

A) Noonmati, Guwahati - 781 020, 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.

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

Any query on Annual Report

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

For and on behalf of the Board of Directors

Place : Kolkata
Date : 27th May, 2013

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 Limited for the year ended on 31st March, 2013, 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 the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement.

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 : 27th May, 2013

For **D. BASU & CO.**
Chartered Accountants
Registration No. 301111E
Atanu Chatterjee
Partner
Membership No. 050105

INDEPENDENT AUDITORS' REPORT

To the Members of

INDIA CARBON LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of India Carbon Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No.37 to the Financial Statements regarding remuneration paid to the Managing Director exceeded the limit specified under Schedule XIII to the Companies Act, 1956 by ₹ 1,85,919 for the year which is subject to approval of the Central Government and also to Note No.36 regarding change in method of valuation of inventory of Finished Goods having no effect on the Financial Statements for the year.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227 (3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

10, Old Post Office Street
Kolkata - 700 001
Dated : 27th May, 2013

For **D. BASU & CO.**
Chartered Accountants
Registration No. 301111E
Atanu Chatterjee
Partner
Membership No. 050105

Annexure to the Independent Auditors' Report

Referred to in Paragraph 1 Under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under :-

- (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, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 that exceed the value of rupees five lakhs in respect of any party during the year.
- (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) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima-facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (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, 2013 for a period of more than six months from the date they 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 ₹	Period to which relates	Forum where the dispute is pending
W.B.VAT Act, 2003	Sales Tax	4,46,710	2005-06	West Bengal Taxation Tribunal
W.B.VAT Act, 2003	Sales Tax	1,36,273	2006-07	West Bengal Taxation Tribunal
W.B.VAT Act, 2003	Sales Tax	61,64,948	2009-10	Joint Commissioner, Commercial Taxes, Kolkata
Income Tax Act, 1961	Income Tax	2,45,57,760	2009-10	Commissioner of Income Tax (Appeals), Guwahati

- (x) The Company has no accumulated losses, has incurred cash losses in the financial year and has not incurred cash losses 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) On the basis of records examined by us and according to the information and explanations given to us, in our opinion term loans obtained by the Company have been applied for the purposes for which they were obtained.
- (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.

10, Old Post Office Street
Kolkata - 700 001
Dated : 27th May, 2013

For **D. BASU & CO.**
Chartered Accountants
Registration No. 301111E
Atanu Chatterjee
Partner
Membership No. 050105

INDIA CARBON LIMITED

BALANCE SHEET

as at 31st March, 2013

	Note No.	As at 31.03.2013	As at 31.03.2012
		₹	₹
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	2,75,00,000	2,75,00,000
(b) Reserves and Surplus	2	40,11,95,118	43,53,67,298
		42,86,95,118	46,28,67,298
(2) Non-Current Liabilities			
(a) Long-term Borrowing	3	2,14,50,473	3,14,83,336
(b) Deferred Tax Liabilities (Net)	4	1,00,80,752	1,24,87,760
(c) Other Long-term Liabilities	5	—	10,80,000
		3,15,31,225	4,50,51,096
(3) Current Liabilities			
(a) Short-term Borrowings	6	54,85,13,946	47,84,59,131
(b) Trade Payables	7	3,58,89,867	2,43,37,132
(c) Other Current Liabilities	8	2,88,91,118	2,81,77,202
(d) Short-term Provision	9	2,28,65,089	4,38,74,946
		63,61,60,020	57,48,48,411
TOTAL		1,09,63,86,363	1,08,27,66,805
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		9,77,47,380	10,79,07,347
(ii) Capital Work-in-Progress		3,06,385	33,61,987
		9,80,53,765	11,12,69,334
(b) Non-current Investments	13	70,04,000	70,04,000
(c) Long-term Loans & Advances	14	1,31,95,687	1,12,05,930
		11,82,53,452	12,94,79,264
(2) Current Assets			
(a) Inventories	15	31,59,50,925	45,65,34,368
(b) Trade Receivable	16	20,28,12,311	16,20,98,734
(c) Cash and Bank Balances	17	34,35,94,070	11,99,38,081
(d) Short-term Loans and Advances	18	8,48,55,291	19,00,36,466
(e) Other Current Assets	19	3,09,20,314	2,46,79,892
		97,81,32,911	95,32,87,541
TOTAL		1,09,63,86,363	1,08,27,66,805

The Notes form an integral part of the Financial Statements.

Per Our Report attached.

For **D. BASU & CO.**
Chartered Accountants**Atanu Chatterjee**
PartnerPlace : Kolkata
Date : 27th May, 2013**Dolly Agarwal**
Chief Financial Officer**Raj Kishore Gupta**
Company Secretary

On behalf of Board of Directors

Rakesh Himatsingka
Chairman & Managing Director**Soumendra Mohan Basu**
Director**Samar Jha**
Director

PROFIT AND LOSS STATEMENT
 for the year ended 31st March, 2013

	Note No.	Year ended 31.03.2013 ₹	Year ended 31.03.2012 ₹
I Revenue from Operations (Gross)	20	1,90,52,71,543	2,04,55,52,417
Less : Excise Duty / Service Tax		<u>18,32,76,427</u>	<u>19,57,51,952</u>
Revenue from Operations (Net)		1,72,19,95,116	1,84,98,00,465
II Other Income	21	1,91,09,540	2,65,57,713
III Total Revenue (I+II)		1,74,11,04,656	1,87,63,58,178
IV Expenses :			
Cost of Materials Consumed	22	1,29,27,63,120	1,48,96,58,890
Cost of Materials Sold	23	13,29,91,059	6,22,86,479
Changes in Inventories of			
Finished Goods	24	8,41,93,198	(2,26,91,225)
Employee Benefits Expense	25	5,48,45,121	5,63,24,012
Finance Costs	26	6,12,65,388	7,66,41,413
Depreciation and Amortization Expense	12	1,57,59,838	1,73,22,104
Less: Transfer from Revaluation Reserve	2	<u>1,37,316</u>	<u>2,32,918</u>
Other Expenses	27	13,58,66,120	14,13,86,773
Total Expenses		1,77,75,46,528	1,82,06,95,528
V Profit (Loss) Before Tax (III-IV)		(3,64,41,872)	5,56,62,650
VI Tax Expense :			
(1) Current tax		—	1,15,00,000
(2) Deferred tax		<u>(24,07,008)</u>	<u>(25,08,475)</u>
VII Profit (Loss) for the Year (V-VI)		(3,40,34,864)	4,66,71,125
VIII Earning (Loss) per equity share of ₹ 10 each	33		
Basic and Diluted		(12.84)	17.57

The Notes form an integral part of the Financial Statements.

Per Our Report attached.

For **D. BASU & CO.**
Chartered Accountants

Atanu Chatterjee
Partner

Place : Kolkata
Date : 27th May, 2013

Dolly Agarwal
Chief Financial Officer

Raj Kishore Gupta
Company Secretary

On behalf of Board of Directors

Rakesh Himatsingka
Chairman & Managing Director

Soumendra Mohan Basu
Director

Samar Jha
Director

INDIA CARBON LIMITED

CASH FLOW STATEMENT

for the year ended 31st March, 2013

	Year ended 31.3.2013	Year ended 31.3.2012
₹	₹	₹
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	(3,64,41,872)	5,56,62,650
Adjustments for :		
Depreciation / Amortisation Expense	1,56,22,522	1,70,89,186
Finance Costs	6,12,65,388	7,66,41,413
Net (Gain) Loss on Sale of Assets	—	(80,32,736)
Interest Income	(1,50,77,864)	(1,54,01,247)
Dividend Income	(3,49,500)	—
Liabilities No Longer Required written back	(3,11,906)	—
Bad Debts / Advances written off	40,654	—
Provision for Duty on Stocks	(1,27,52,664)	40,41,478
Provision for Employees Benefits	1,32,595	8,72,612
Operating Profit before Working Capital changes	1,21,27,353	13,08,73,356
Adjustments for changes in Working Capital		
Trade and Other Receivables	(24,59,626)	(12,28,19,710)
Inventories	14,05,83,443	4,63,89,040
Trade and Other Payables	1,14,98,557	(3,13,07,116)
Cash Generated from Operations	16,17,49,727	2,31,35,570
Taxes Paid	(36,61,857)	(64,83,821)
NET CASH FROM OPERATING ACTIVITIES - (A)	15,80,87,870	1,66,51,749
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(25,44,269)	(1,47,66,226)
Sale of Fixed Assets	—	81,00,000
Interest Income	1,50,77,864	1,54,01,247
Dividend Income	3,49,500	—
NET CASH FROM INVESTING ACTIVITIES - (B)	1,28,83,095	87,35,021
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	(1,00,32,863)	(18,90,474)
Proceeds from Short Term Borrowings	7,00,54,815	7,23,96,431
Finance Costs	(6,12,65,388)	(7,66,41,413)
Dividend Paid	(40,68,000)	(40,68,000)
Dividend Tax Paid	(6,59,931)	(6,59,931)
NET CASH FROM FINANCING ACTIVITIES - (C)	(59,71,367)	(1,08,63,387)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	16,49,99,598	1,45,23,383
Balance of Cash and Cash Equivalents As At 31.3.2012	1,58,86,763	13,63,380
Balance of Cash and Cash Equivalents As At 31.3.2013	18,08,86,361	1,58,86,763

Note : 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.

Per Our Report attached.

For **D. BASU & CO.**

Chartered Accountants

Atanu Chatterjee

Partner

Place : Kolkata

Date : 27th May, 2013

Dolly Agarwal
Chief Financial Officer

Raj Kishore Gupta
Company Secretary

On behalf of Board of Directors

Rakesh Himatsingka
Chairman & Managing Director

Soumendra Mohan Basu
Director

Samar Jha
Director

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31.03.2013 ₹	As at 31.03.2012 ₹
1.	SHARE CAPITAL		
	(a) Authorised		
(i)	8500000 Equity Shares of ₹ 10 Each	8,50,00,000	8,50,00,000
(ii)	150000 Preference Shares of ₹ 100 Each	1,50,00,000	1,50,00,000
		<u>10,00,00,000</u>	<u>10,00,00,000</u>
	(b) Issued, Subscribed and Fully Paid		
(i)	2650000 Equity Shares of ₹ 10 Each	2,65,00,000	2,65,00,000
(ii)	10000 9.3% Redeemable Cumulative Preference Shares of ₹ 100 each	10,00,000	10,00,000
		<u>2,75,00,000</u>	<u>2,75,00,000</u>
1.1	Details of shareholders holding more than 5 percent equity shares :		
		<u>No. of Shares held</u>	<u>% of Holding</u>
(i)	Oxbow Calcining LLC, USA	8,12,377	30.66
(ii)	Subhag Mercantile Pvt. Ltd.	2,50,000	9.43
1.2	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 and are fully held by Government of Assam.		
2.	RESERVES & SURPLUS		
	(a) Capital Reserves		
	As per Last Financial Statements	6,400	6,400
	(b) Capital Redemption Reserve		
	As per Last Financial Statements	10,00,000	10,00,000
	(c) Securities Premium Reserve		
	As per Last Financial Statements	75,00,000	75,00,000
	(d) Revaluation Reserve		
	As per Last Financial Statements	87,18,217	89,51,135
	Less : Transfer to Profit and Loss Statement being additional depreciation for the year arising out of revaluation of fixed assets	1,37,316	2,32,918
		<u>85,80,901</u>	<u>87,18,217</u>
	(e) Central Capital Subsidy		
	As per Last Financial Statements	20,00,000	20,00,000
	(f) General Reserve		
	As per Last Financial Statements	33,12,50,000	29,15,00,000
	Add : Transfer from Surplus	—	3,97,50,000
		<u>33,12,50,000</u>	<u>33,12,50,000</u>
	(g) Surplus		
	As per Last Financial Statements	8,48,92,681	8,26,99,487
	Add : Balance in Statement of Profit & Loss	(3,40,34,864)	4,66,71,125
		<u>5,08,57,817</u>	<u>12,93,70,612</u>
	Less : Transfer to General Reserve	—	3,97,50,000
	Proposed Dividends and Tax thereto (Refer Note No.10)	—	47,27,931
		<u>5,08,57,817</u>	<u>4,44,77,931</u>
		<u>40,11,95,118</u>	<u>43,53,67,298</u>

NOTES TO THE FINANCIAL STATEMENTS

Note	As at	As at
No. Particulars	31.03.2013	31.03.2012
	₹	₹
3. LONG-TERM BORROWINGS		
Secured		
Term Loans		
(a) From Banks - UCO Bank	1,50,00,000	2,25,00,000
(b) Home Loans	54,57,555	41,82,185
(c) Auto Loans	9,92,918	48,01,151
	<u>2,14,50,473</u>	<u>3,14,83,336</u>
3.1 Secured Loan from Bank is 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. Repayable in Quarterly Installments and last installment due on 30.01.2015.		
3.2 Home Loans are secured against 2 no. flats under construction per Agreement for Sale and have been guaranteed by Mr. Rakesh Himatsingka, Managing Director of the Company. Repayable in 180 months after final disbursement.		
3.3 Auto Loans are secured by way of hypothecation of automobiles and have been guaranteed by Mr. Rakesh Himatsingka, Managing Director of the Company. Repayable in 3/5 years by monthly EMIs as per respective agreements.		
	As at	As at
	31.03.2013	31.03.2012
	₹	₹
4. DEFERRED TAX LIABILITIES (NET)		
(a) Deferred Tax Liability arising on account of :		
Depreciation	1,15,90,033	1,40,29,247
(b) Less: Deferred Tax Assets arising on account of :		
Employees Retirement Benefits	15,09,281	15,41,487
	<u>1,00,80,752</u>	<u>1,24,87,760</u>
5. OTHER LONG-TERM LIABILITIES		
Advances and Deposits	—	10,80,000
6. SHORT-TERM BORROWINGS		
(a) Secured		
From Banks		
(a) Cash Credit		
(i) UCO Bank	1,27,79,571	10,09,02,838
(ii) IDBI Bank Limited	96,14,910	5,86,52,063
(iii) United Bank of India	2,03,64,022	47,01,915
(iv) Axis Bank Limited	4,39,792	1,08,64,684
	<u>4,31,98,295</u>	<u>17,51,21,500</u>
(b) Working Capital Demand Loan		
(i) United Bank of India	—	2,50,00,000
	4,31,98,295	20,01,21,500
(b) Unsecured		
From Banks		
Buyers Credit Arrangements	50,53,15,651	27,83,37,631
	<u>54,85,13,946</u>	<u>47,84,59,131</u>

NOTES TO THE FINANCIAL STATEMENTS**Note****No. Particulars**

- 6.1** 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.

	As at		As at	
	31.03.2013		31.03.2012	
	₹	₹	₹	₹
7. TRADE PAYABLES				
(a) Due to Micro and Small Enterprises		—		—
(b) Due to Others		3,58,89,867		2,43,37,132
		3,58,89,867		2,43,37,132
7.1 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 :				
(i) Principal amount as at the end of the year		—		—
Interest thereon as at the end of the year		—		—
(ii) Amount paid beyond the respective due date during the year		—		—
Interest paid thereon in terms of Sec.16 during the year		—		—
8. OTHER CURRENT LIABILITIES				
(a) Current Maturities of Long-term Debt		1,13,08,233		1,22,12,988
(b) Interest Accrued but not due on borrowings		17,34,377		54,713
(c) Interest Accrued and due on borrowings		2,88,535		—
(d) Forward Exchange Premium Payable		34,16,166		—
(e) Unclaimed Dividends		7,25,795		5,60,688
(f) Advances and Deposits		26,27,807		47,99,791
(g) Statutory Dues		17,16,721		28,31,376
(h) Other Payables		70,73,484		77,17,646
		2,88,91,118		2,81,77,202
9. SHORT-TERM PROVISIONS				
(a) Provision for Employee Benefits		48,84,405		47,51,810
(b) Excise Duty on Stocks		1,74,29,209		3,01,81,873
(c) Income Tax (Net of Payments)		5,51,475		42,13,332
(d) Proposed Dividends and Tax thereto (Refer Note No.10)		—		47,27,931
		2,28,65,089		4,38,74,946
10. PROPOSED DIVIDENDS FOR THE YEAR				
(a) On preference Shares		—		93,000
(Previous Year - ₹ 9.30 per share)				
(b) On Equity Shares		—		39,75,000
(Previous Year - ₹1.50 per share)				
(c) Tax on Dividends				
(i) On Preference Dividend	—		15,087	
(ii) On Equity Dividend	—	—	6,44,844	6,59,931
		—		47,27,931

NOTES TO THE FINANCIAL STATEMENTS

Note	As at 31.03.2013	As at 31.03.2012
No. Particulars	₹	₹
11. CONTINGENT LIABILITIES AND COMMITMENTS		
(To the extent not provided for)		
(i) Contingent Liabilities		
(a) Claims against the Company not acknowledged as debts;		
i) Income Tax	2,45,57,760	1,01,86,330
ii) Sales Tax	67,47,931	5,64,654
iii) Excise duty	15,25,030	15,25,030
iv) Custom Duty	1,26,25,733	1,26,25,733
v) Employees State Insurance	15,54,020	48,94,239
vi) Entry Tax	85,79,206	-
vii) Others	51,47,016	39,07,811
It is not probable that an outflow of economic resources will be required to settle the obligations and therefore, no provision is considered necessary.		
(b) Indemnity Bonds/Guarantees through Banks	7,66,13,011	12,18,95,533
(ii) Commitments		
(a) Estimated Amount of contracts remaining to be executed on capital account and not provided for	3,38,21,145	3,50,96,515
(b) Dividend on Cumulative Preference Shares	93,000	-
(c) Other Commitments	38,34,991	10,80,970

12. FIXED ASSETS

(Amount in ₹)

	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 31.3.2012	Additions during year	Deductions during year	As at 31.3.2013	Up to 31.3.2012	For the year	Written back during year	Up to 31.3.2013	As at 31.3.2013
(I) TANGIBLE ASSETS									
Land-Freehold	70,41,500	-	-	70,41,500	-	-	-	-	70,41,500
Land-Leasehold	49,15,236	-	-	49,15,236	1,69,491	56,497	-	2,25,988	46,89,248
Buildings	5,15,33,754	7,41,234	-	5,22,74,988	4,28,24,475	7,57,804	-	4,35,82,279	86,92,709
Railway Siding, Roads and Bridges	87,45,898	-	-	87,45,898	27,70,787	2,98,760	-	30,69,547	56,76,351
Plant and Equipment	14,63,21,653	39,14,259	-	15,02,35,912	8,75,68,553	92,19,994	-	9,67,88,547	5,34,47,365
Research and Development Equipment	51,25,216	-	-	51,25,216	49,97,254	17,800	-	50,15,054	1,10,162
Furniture and Fixtures	42,03,330	1,18,608	-	43,21,938	33,86,666	1,50,443	-	35,37,109	7,84,829
Utilities, Facilities and Service Equipments	50,39,949	7,35,761	-	57,75,710	35,14,074	2,66,289	-	37,80,363	19,95,347
Vehicles	2,28,81,936	-	-	2,28,81,936	1,02,78,082	35,13,212	-	1,37,91,294	90,90,642
Office Equipment	91,31,272	90,009	-	92,21,281	65,96,070	9,03,148	-	74,99,218	17,22,063
Floriculture Plants	91,11,186	-	-	91,11,186	7357084	2,43,996	-	76,01,080	15,10,106
Orchidarium	1,05,76,290	-	-	1,05,76,290	7257337	33,1,895	-	7589232	2987058
Total	28,46,27,220	55,99,871	-	29,02,27,091	176719873	1,57,59,838	-	192479711	9,77,47,380
Previous year	26,77,12,227	1,75,78,329	6,63,336	28,46,27,220	15,99,93,841	1,73,22,104	5,96,072	17,67,19,873	
(II) CAPITAL WORK-IN-PROGRESS	33,61,987	14,27,710	44,83,312	3,06,385					3,06,385
	28,79,89,207		29,05,33,476					9,80,53,765	11,12,69,334

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	No. of Shares/ Bonds/ Warrants	Face Value (Per Share/ Bonds) ₹	₹	As at 31.03.2013	As at 31.03.2012
					₹	₹
13.	NON-TRADE INVESTMENTS					
	(A) Government Securities					
	7-Year National Plan Savings Certificates (Face Value - Rs.14,000 Deposited with Government Department)				14,000	14,000
	(B) Equity Investments					
	(a) In Subsidiary Companies (Unquoted)					
	Fully Paid Equity Shares :					
	C & C Investments Limited	7,50,130	10	75,01,300		
	Less: Provision for Diminution in Value (Refer Note No.30)			75,01,300	—	—
	(b) Others					
	(i) Fully Paid Equity Shares (Quoted)					
	Amines & Plasticizers Ltd.	6,99,000	10	69,90,000		69,90,000
	(ii) Fully Paid Equity Shares (Unquoted)					
	Him Containers Limited (In Liquidation)	12,00,000	10	1,20,00,000		
	(iii) Detachable Warrants- 10% Upfront paid (Unquoted)					
	Him Containers Limited (In Liquidation)	12,00,000	10	12,00,000		
				1,32,00,000		
	Less: Provision for Diminution in value (Refer Note No.30)			1,32,00,000	—	—
					70,04,000	70,04,000

	As at 31.03.2013		As at 31.03.2012	
	Cost ₹	Market Value ₹	Cost ₹	Market Value ₹
Quoted	69,90,000	2,64,57,150	69,90,000	2,93,58,000
Unquoted	14,000	—	14,000	—

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31.03.2013		As at 31.03.2012	
		₹	₹	₹	₹
14. LONG-TERM LOANS AND ADVANCES					
	Unsecured : Considered good				
	(a) Capital Advances	95,99,019		75,98,728	
	(b) Security Deposits	33,98,752		33,59,807	
	(c) Other Loans and Advances	1,97,916		2,47,395	
		<u>1,31,95,687</u>		<u>1,12,05,930</u>	
15. INVENTORIES					
	(For basis of valuation Refer Note No.37(h) under Significant Accounting Policies)				
	(a) Raw Materials	13,46,80,681		17,74,59,111	
	Includes in-transit ₹ 1,33,45,769 (As at 31.3.12 - ₹ 5,28,52,452)				
	(b) Finished Goods	16,41,09,341		26,10,55,203	
	Includes in-transit ₹ Nil (As at 31.3.12 - ₹ 22,97,364)				
	(c) Stores and Spares	1,71,60,903		1,80,20,054	
	Includes in-transit ₹ 27,522 (As at 31.3.12 - ₹ 10,80,490)				
		<u>31,59,50,925</u>		<u>45,65,34,368</u>	
16. TRADE RECEIVABLES					
	Unsecured : Considered good				
	Due for more than 6 months - ₹ 1,18,36,944 (As at 31.3.2012 ₹ 1,29,97,467)	20,28,12,311		16,20,98,734	
17. CASH AND BANK BALANCES					
	(a) Cash and Cash Equivalents				
	(i) Balances with Banks on Current Accounts	3,53,71,578	1,54,85,268		
	(ii) Deposit with Banks (Less than three months maturity)	14,52,22,265	0		
	(iii) Cheques, drafts on hand	63,930	0		
	(iv) Cash on hand	<u>2,28,588</u>	<u>4,01,495</u>		
		18,08,86,361		1,58,86,763	
	(b) Other Bank Balances				
	(i) For Unclaimed Dividends on Current Accounts	7,25,795	5,60,688		
	(ii) On Term Deposits	<u>16,19,81,914</u>	<u>10,34,90,630</u>		
		16,27,07,709		10,40,51,318	
	With more than 12 months maturity - ₹ 62,40,500 (As at 31.3.2012-₹1,21,68,530) Includes ₹ 33,00,000 pledged with Banks as Collateral Security (As at 31.3.2012 - ₹33,00,000) and ₹ 15,60,54,560 as Margin Money for Letters of Credit and Guarantees (As at 31.3.2012 - ₹ 10,01,90,630)				
		<u>34,35,94,070</u>		<u>11,99,38,081</u>	

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31.03.2013		As at 31.03.2012	
		₹	₹	₹	₹
18. SHORT TERM LOANS & ADVANCES					
(a) Loans and Advances to related parties					
Unsecured : Considered doubtful					
To Subsidiary Company					
C & C Investments Ltd.	40,95,000		40,95,000		
Less : Provision for doubtful advance	40,95,000		40,95,000		
(Refer Note No.30)			-		-
(b) Others					
Unsecured : Considered good and recoverable in cash or in kind or for value to be received					
(i) Inter-corporate Deposits	2,00,00,000		2,50,00,000		
(ii) Advances for Raw Materials	2,64,83,092		14,33,26,637		
(iii) Prepaid Expenses	10,02,339		9,74,713		
(v) Balances with Statutory Authorities	2,82,80,806		1,67,44,093		
(vi) Advances and Deposits	90,89,054		39,91,023		
Includes due by officers - ₹ 50,200 (As at 31.3.2012 ₹ 5,325)		8,48,55,291		19,00,36,466	
		8,48,55,291		19,00,36,466	
19. OTHER CURRENT ASSETS					
Unsecured : Considered good					
(a) Receivable from Statutory Authorities	2,75,64,247		1,83,24,551		
(b) Other Receivable	33,56,067		63,55,341		
	3,09,20,314		2,46,79,892		
		Year Ended 31.03.2013		Year Ended 31.03.2012	
	₹	₹	₹	₹	
20. REVENUE FROM OPERATIONS					
(a) Sale of Products :					
(i) Calcined Petroleum Coke	1,53,51,03,253		1,73,74,70,022		
(ii) Electrode Carbon Paste	21,86,26,230		21,37,62,519		
(iii) Thermal Carbon (Tamping) Paste	40,56,396		1,90,05,381		
(iv) Raw Petroleum Coke	14,36,02,434		6,97,20,118		
(v) Others	8,49,510		42,15,627		
	1,90,22,37,823		2,04,41,73,667		
(b) Sale of Services :					
Technical Assistance	30,33,720	1,90,52,71,543	1,37,87,50	2,04,55,52,417	
(c) Less : Excise Duty / Service Tax					
(i) Excise Duty (Net)	18,29,42,707		19,56,23,202		
(ii) Service Tax	3,33,720	18,32,76,427	1,28,750	19,57,51,952	
		1,72,19,95,116		1,84,98,00,465	

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	Year Ended 31.03.2013		Year Ended 31.03.2012	
		₹	₹	₹	₹
21. OTHER INCOME					
(a) Interest Income					
(i) From Banks	83,98,791		80,45,414		
(ii) From Others	66,79,073	1,50,77,864	73,55,833	1,54,01,247	
(b) Dividend Income		3,49,500			
(c) Net Gain (Loss) on Sale of Assets		—		80,32,736	
(d) Other Non-operating Income					
(i) Rent	27,64,800		27,64,800		
(ii) Liability no longer required written back	3,11,906		—		
(iii) Miscellaneous Receipts	41,338	31,18,044	20,300	27,85,100	
(e) Net Gain on Exchange Difference		5,64,132		3,38,630	
		<u>1,91,09,540</u>		<u>2,65,57,713</u>	
22. COST OF MATERIALS CONSUMED					
(a) Opening Stock		17,74,59,111		25,28,19,954	
(b) Add : Purchases					
(i) Raw Petroleum Coke	1,00,11,04,639		1,27,94,03,424		
(ii) Calcined Petroleum Coke	32,13,09,198		13,87,29,558		
(iii) Pitch	6,05,61,912		5,68,21,691		
(iv) Others	—	1,38,29,75,749	16,29,853	1,47,65,84,526	
		<u>1,56,04,34,860</u>		<u>1,72,94,04,480</u>	
(c) Deduct : Cost of Materials Sold		13,29,91,059		6,22,86,479	
(d) Deduct : Closing Stock		13,46,80,681		17,74,59,111	
(e) Cost of Materials Consumed					
(i) Raw Petroleum Coke	91,68,11,136		1,29,44,13,142		
(ii) Calcined Petroleum Coke	31,57,21,995		13,95,83,790		
(iii) Pitch	6,01,97,100		5,27,58,632		
(iv) Others	32,889		29,03,326		
		<u>1,29,27,63,120</u>		<u>1,48,96,58,890</u>	
23. COST OF MATERIALS SOLD					
(a) Raw Petroleum Coke	13,29,91,059		5,82,12,325		
(b) Others	—		40,74,154		
		<u>13,29,91,059</u>		<u>6,22,86,479</u>	
24. CHANGES IN INVENTORIES OF FINISHED GOODS					
(a) Opening Inventory	26,10,55,203		23,43,22,500		
Less : Closing Inventory	16,41,09,341	9,69,45,862	26,10,55,203	(2,67,32,703)	
(b) Less : Excise Duty Provision on Inventory					
On Opening Inventory	3,01,81,873		2,61,40,395		
Less : On Closing Inventory	1,74,29,209	1,27,52,664	3,01,81,873	(40,41,478)	
		<u>8,41,93,198</u>		<u>(2,26,91,225)</u>	

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	Year Ended 31.03.2013		Year Ended 31.03.2012	
		₹	₹	₹	₹
25. EMPLOYEE BENEFITS EXPENSE					
	(a) Salaries and Wages		4,81,20,080		4,67,59,600
	(b) Contribution to Provident and other Funds		33,66,319		39,53,195
	(c) Staff Welfare Expenses		33,58,722		56,11,217
			5,48,45,121		5,63,24,012
26. FINANCE COSTS					
	(a) Interest Expense		2,63,13,585		2,73,42,266
	(b) Other Borrowing Costs		1,34,21,695		97,89,320
	(c) Net Loss (Gain) on Foreign Currency transactions and translation		2,15,30,108		3,95,09,827
			6,12,65,388		7,66,41,413
27. OTHER EXPENSES					
	(a) Stores, Spare-parts and Packing Materials		1,85,00,832		1,96,29,580
	(b) Power, Fuel and Water		3,15,04,769		3,17,21,038
	(c) Carriage and Handling		2,21,55,905		2,35,91,592
	(d) Research and Development Expenses		1,37,806		1,38,000
	(e) Repairs and Maintenance to Buildings		28,69,421		49,56,039
	(f) Repairs and Maintenance to Machinery		1,18,31,232		1,36,07,659
	(g) Repairs and Maintenance to Others		53,62,240		77,73,878
	(h) Insurance		20,17,895		21,94,459
	(i) Rent		7,36,338		6,81,814
	(j) Rates and Taxes		12,08,531		20,24,374
	(k) Miscellaneous Expenses				
	Freight and Forwarding	1,06,38,726		38,36,904	
	Advertisement and Publicity	2,37,374		5,20,651	
	Bad Debts written off	40,654		0	
	Travelling, Transport and Conveyance	1,03,68,587		1,19,79,180	
	Professional and Legal Expenses	44,55,481		53,51,812	
	Donations and Subscriptions	9,33,685		14,55,970	
	Establishment Expenses	1,21,22,021		1,12,45,915	
	Board Meeting Fees	4,50,000		4,05,000	
			3,92,46,528		3,47,95,432
	(l) Auditors' Remuneration				
	As Auditors	1,50,000		1,50,000	
	For Tax Audits	45,000		45,000	
	For Other Audits and Certifications	81,206		62,000	
	Travelling Expenses	18,417	2,94,623	15,908	2,72,908
			13,58,66,120		14,13,86,773

NOTES TO THE FINANCIAL STATEMENTS**Note
No.**

30. 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, totaling ₹ 24796300 by charge to Profit and Loss Account during the year ended 31st March, 2001.

31. 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, Deputy Managing Director

**(B) Detail of Transactions taken place
with Key Management Personnel****Year ended
31.03.2013****Year ended
31.03.2012**

₹

₹

(1) Nature of Transactions**Remuneration of :**

Managing Director

41,09,119

38,60,648

Deputy Managing Director

29,44,403

27,34,000

**As at
31.03.2013****As at
31.03.2012**

₹

₹

(2) Outstanding Payable

(i) Mr. Rakesh Himatsingka, Managing Director

4,75,800

2,49,536

(ii) Mr. Shaurya Veer Himatsingka, Deputy Managing Director

2,47,038

4,11,333

- (C) The Company has incurred expenses of C & C Investments Limited, the Subsidiary Company amounting to ₹ 3319 (Previous year - ₹11955) towards Audit Fees, Filing Fees and Compliance Certificate Fees.

Note : Related party relationship is as identified by the Company and relied upon by the Auditors.

32. 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 :**2012-13****2011-12**

₹

₹

Employer's Contribution to Provident Fund

26,74,069

28,96,541

Employer's Contribution to Superannuation Fund

5,82,680

5,42,360

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.

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Gratuity (Funded)		Leave Encashment (Unfunded)	
32. contd...	2012-13 ₹	2011-12 ₹	2012-13 ₹	2011-12 ₹
i) Reconciliation of opening and closing balances of Defined Benefit Obligation				
Defined Benefit Obligation at beginning of year	7801580	86,17,239	47,51,810	38,79,198
Current Service Cost	831215	7,60,956	2,66,522	2,70,747
Interest Cost	649621	6,13,538	3,88,405	3,15,380
Plan Amendment	—	—	—	—
Actuarial (gain)/loss	(815068)	2,60,282	1,03,459	4,45,354
Benefits paid	(754673)	(24,50,435)	(6,25,791)	(1,58,869)
Defined Benefit Obligation at year end	7712675	78,01,580	48,84,405	47,51,810
ii) Reconciliation of opening and closing balances of fair value of Plan Assets				
Fair Value of plan assets at beginning of year	78,01,580	86,17,239	N.A.	N.A.
Expected return on plan assets	6,54,415	6,34,881	N.A.	N.A.
Employer contribution	1,09,570	5,14,294	6,25,791	1,58,869
Actuarial gain/(loss)	(98,217)	4,85,601	N.A.	N.A.
Benefits paid	(7,54,673)	(24,50,435)	(6,25,791)	(1,58,869)
Fair value of plan assets at year end	77,12,675	78,01,580	N.A.	N.A.
Actual return on plan assets	5,56,198	11,20,482	N.A.	N.A.
iii) Reconciliation of fair value of assets and obligations				
Present value of obligation at year end	77,12,675	78,01,580	48,84,405	47,51,810
Fair value of plan assets at year end	77,12,675	78,01,580	N.A.	N.A.
Funded Status- surplus (deficit) at year end	—	—	(48,84,405)	(47,51,810)
Net asset/(liability) recognised in Balance Sheet	—	—	(48,84,405)	(47,51,810)
iv) Expenses recognised during the year				
Current Services Cost	8,31,215	7,60,956	2,66,522	2,70,747
Interest Cost	6,49,621	6,13,538	3,88,405	3,15,380
Expected return on plan assets	(6,54,415)	(6,34,881)	N.A.	N.A.
Past Service cost	—	—	—	—
Actuarial (gain)/loss	(71,68,51)	(2,25,319)	1,03,459	4,45,354
Total Expense recognised in Profit & Loss Account	1,09,570	5,14,294	7,58,386	10,31,481
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)	2006-08 (Ultimate)	1994-96 (Ultimate)	2006-08 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8.30%	8.75%	8.30%	8.75%
Expected rate of return on plan assets (p.a.)	8.30%	8.75%	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.

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Year ended 31.03.2013	Year ended 31.03.2012
33. Earnings (Loss) per Share - Basic & Diluted :		
a) Profit (Loss) after tax	₹ (3,40,34,864)	4,66,71,125
b) Preference dividend and tax thereon	₹ —	1,08,087
c) Profit (Loss) attributable to Equity Shareholders	₹ (3,40,34,864)	4,65,63,038
d) Weighted Number of Shares	Nos. 26,50,000	26,50,000
e) Earning(Loss) per Equity Share of ₹ 10/- each	₹ (12.84)	17.57
34. Valuation of Inventories and consumption of Raw Materials, Fuel, Stores, Spare-parts and Packing Materials have been certified by the Management. Stores, Spares parts and Packing Materials consumed shown in Note No.27(a) and Note No.28(d)(ii) do not include stores and spare-parts consumed and charged to other heads.		
35. 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).		
36. During the year the Company has changed the method of valuation of inventory of Finished Goods by not considering interest cost. This change in Accounting Policy has no effect on the Financial Statements for the year under review.		
37. During the year remuneration paid to Mr. Rakesh Himatsingka, Managing Director exceeded the limit specified under Schedule XIII to the Companies Act, 1956 by ₹ 185919. The Company is in the process of filing the application to the Central Government seeking its approval for the said remuneration paid in excess of the limit and subsequent approval at the Annual General Meeting.		
38. Cost Audit		
(a) Particulars of Cost Auditors : Mitra Bose & Associates, Cost Accountants, 7 Chittaranjan Avenue Kolkata-700072, Membership No.00037		
(b) Due date of filing Cost Audit Report : 27.09.2013 Actual date of filing Cost Audit Report : yet to be filed.		
39. Previous year's figures have been reclassified, regrouped and rearranged, wherever necessary.		
40. 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.		

NOTES TO THE FINANCIAL STATEMENTS

**Note
No.**

40. Significant Accounting Policies (Contd.)**(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 Statement in the period in which they arise.

In case of transactions which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of contracts is recognised as exchange difference for the period and the premium / discount on forward contracts is recognised over the life of the contracts. Profit or Loss arising on cancellation or renewal of forward exchange contracts is recognised as income or expense for the period.

(h) Inventories :

Raw Materials, Packing Materials and Stores have been valued at cost on FIFO basis. Finished Goods have been valued at average 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.

Per Our Report attached.

For **D. BASU & CO.**

Chartered Accountants

Atanu Chatterjee

Partner

Place : Kolkata

Date : 27th May, 2013

Dolly Agarwal
Chief Financial Officer

Raj Kishore Gupta
Company Secretary

On behalf of Board of Directors

Rakesh Himatsingka
Chairman & Managing Director

Soumendra Mohan Basu
Director

Samar Jha
Director

**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, 2013
3. Extent of interest of India Carbon Ltd. in the Subsidiary Company : 7,50,130 Equity Shares of ₹10/- each out of paid up Share Capital of 7,50,200 Shares of ₹10/- each and ₹ 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, 2013 : ₹ 1,31,84,226/-
 - (b) for the previous financial year : ₹ 1,31,84,201/-
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, 2013 : NIL
 - (b) for the previous financial years since it became a subsidiary. : NIL

Per Our Report attached.

For **D. BASU & CO.**
Chartered Accountants

Atanu Chatterjee
Partner

Place : Kolkata
Date : 27th May, 2013

Dolly Agarwal
Chief Financial Officer

Raj Kishore Gupta
Company Secretary

On behalf of Board of Directors

Rakesh Himatsingka
Chairman & Managing Director

Soumendra Mohan Basu
Director

Samar Jha
Director

C & C Investments Limited

Registered Office :
Noonmati, Guwahati - 781 020, Assam

ANNUAL REPORT 2012-2013

DIRECTORS' REPORT

To The Members

TO THE MEMBERS

The Directors submit the Thirty-seventh Annual Report for the year ended 31st March, 2013.

WORKINGS

The Profit & Loss Statements for the year ended 31st March, 2013 resulted in nil profit as there was neither any income nor any expenses during the usual course of business. The accumulated loss now stands at ₹ 13,184,226/- 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 ₹ 74,36,500/- held by the Company in HCL (in liquidation) and advance of ₹ 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 ₹ 26,88,80,000/-, the Banker has filled a petition before the Debt Recovery Tribunal, Kolkata praying recovery of ₹ 41,24,76,480 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 wound up.

DIRECTORS

In accordance with the Articles of Association of the Company, Mr. D. K. Dutta, Director 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.

ERSTWHILE SUBSIDIARY COMPANY : HIM CONTAINERS LTD. (HCL)

INDIA CARBON LIMITED

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.

DIRECTOR'S 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 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Annual 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.

Place : Guwahati, 23rd May, 2013
Registered Office
Noonmati, Guwahati - 781 020, Assam

For and on behalf of the Board

D. K. Dutta
Director

J. K. Nayak
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, 2013 (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 20th June, 2012, 29th September, 2012, 24th December, 2012 & 18th March, 2013 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, 2012 was held on 7th September, 2012 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. No shares were lodged for transfer/ transmission during the financial year.
 - (i) The Company was not required to deposit any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (ii) 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.
 - (iii) 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.

INDIA CARBON LIMITED

- (iv) The Company has duly complied with the requirements of section 217 of the Act to the extent applicable.
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 Government, 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 during the financial year. The Company is under 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 received by the Company for alleged offence under the Act and that no fines or penalties or any other punishment was imposed in 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 : 12th April, 2013

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, 2013.

- | | | |
|-------------------------------|----------------|---|
| 1. Form - 20B | Filed U/S 159 | Annual Return for AGM held on 07-09-2012 filed on 6-11-2012. |
| 2. Form - 66 | Filed U/S 383A | Compliance Certificate for the year ended 31-03-2012 filed on 04-10-2012. |
| 3. Form - 23AC & Form - 23ACA | Filed U/S 220 | Audited Account for the year ended 31-03-2012 filed on 19-11-2012. |

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

Place : Kolkata
 Dated : 12th April, 2013

Rajat Jalan
Partner
 C.P. No. 5705

INDEPENDENT AUDITORS' REPORT

To the Shareholders of **C & C Investments Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of C & C INVESTMENTS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India and Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the attached financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013,
- (b) In the case of the statement of Profit and Loss account, of the NIL for the year ended on that date, and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;
- (e) On the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **S. K. SINGHANIA & CO.**
Chartered Accountants
Registration No. 302206E

19A, Jawaharlal Nehru Road
Kolkata - 700 087
Dated : 23rd May, 2013

Rajesh Kumar Singhania
Partner
M. No. 52722

Annexure to the Independent Auditor's Report

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (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 are more than the net worth of the Company. The Company has not incurred cash loss during the financial year, but had incurred cash loss during 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. 11.
- (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 are not applicable in the case of the Company.

For **S. K. SINGHANIA & CO.**
Chartered Accountants
Registration No. 302206E

19A, Jawaharlal Nehru Road
Kolkata - 700 087
Dated : 23rd May, 2013

Rajesh Kumar Singhania
Partner
M. No. 52722

INDIA CARBON LIMITED

BALANCE SHEET
as at 31st March, 2013

	Note No.	₹	As at 31.03.2013 ₹	₹	As at 31.03.2012 ₹
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	75,02,000		75,02,000	
(b) Reserves and Surplus	2	(1,31,84,226)	(56,82,226)	(1,31,84,226)	(56,82,226)
(2) Current Liabilities					
(a) Short-term Borrowings	3	56,94,173		56,94,173	
(b) Trade Paybles	4	3,366	56,97,539	3,366	56,97,539
TOTAL			15,313		15,313
II. ASSETS					
(1) Non-current Assets					
Non-current Investments	7		—		—
(2) Current Assets					
(a) Cash and Bank Balances	5	15,313		15,313	
(b) Short-term Loans and Advances	6	—	15,313	—	15,313
TOTAL			15,313		15,313

The Notes form an integral part of the Financial Statements.

In terms of our report of even date annexed on the Balance Sheet.

For **S. K. SINGHANIA & CO.**
Chartered Accountants
(Registration No. 302206E)
RAJESH KUMAR SINGHANIA
M. NO. 52722
Partner
Place : Kolkata
Date : 23rd May, 2013

For and on behalf of the Board
D. K. Dutta **J. K. Nayak**
Director Director

PROFIT AND LOSS STATEMENT
for the year ended 31st March, 2013

	Note No.	Year ended 31.03.2013 ₹	Year ended 31.03.2012 ₹
I Total Revenue		—	—
II Expenses :			
Bank Charges		—	25
Total Expenses		<u>—</u>	<u>25</u>
III Loss for the Year (I-II)		<u>—</u>	<u>25</u>

The Notes form an integral part of the Financial Statements.

In terms of our report of even date annexed on the Balance Sheet.

For **S. K. SINGHANIA & CO.**
Chartered Accountants
(Registration No. 302206E)
RAJESH KUMAR SINGHANIA
M. NO. 52722
Partner
Place : Kolkata
Date : 23rd May, 2013

For and on behalf of the Board
D. K. Dutta **J. K. Nayak**
Director *Director*

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note No.	PARTICULARS	As at 31.03.2013 ₹	As at 31.03.2012 ₹
1. SHARE CAPITAL			
(a) Authorised			
15,00,000 Equity Shares of ₹ 10 Each	1,50,00,000	1,50,00,000	
(b) Issued, Subscribed and Fully Paid			
7,50,200 Equity Shares of ₹ 10 Each	75,02,000	75,02,000	
1.1 Details of shareholders holding more than 5 percent equity shares :	No. of Shares held	% of Holding	No. of Shares held
India Carbon Limited (Holding Company)	7,50,130	99.99	7,50,130
			99.99
2. RESERVES & SURPLUS		₹	₹
Surplus			
As per Last Financial Statements	(1,31,84,226)	(1,31,84,201)	
Add: Balance in Statement of Profit & Loss	—	(25)	
	(1,31,84,226)	(1,31,84,226)	
3. SHORT-TERM BORROWINGS			
Loans repayable on demand			
Un-Secured (Not Bearing Interest)			
(i) From Holding Company			
India Carbon Limited	40,95,000	40,95,000	
(ii) From Other Body Corporates	15,99,173	15,99,173	
	56,94,173	56,94,173	
4. TRADE PAYABLES			
Other Payables - Sundry Creditors	3,366	3,366	
5. CASH AND BANK BALANCES			
Cash and Cash Equivalents			
Balances with Banks on Current Accounts	15,313	15,313	
6. SHORT TERM LOANS & ADVANCES			
Loans and Advances to related parties			
Unsecured : Considered doubtful			
Him Containter Ltd. (In Liquidation)	57,50,000	57,50,000	
Less : Provision for doubtful advance (Refer Note No. 11)	57,50,000	57,50,000	
	—	—	

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note No.	Particulars	No. of Shares/ Bonds/ Warrants	Face Value (Per Share/ Bonds) ₹	As at	
				31.03.2013	31.03.2012
				₹	₹
7.	NON-CURRENT INVESTMENTS				
	NON-TRADE INVESTMENTS				
	Equity Investments				
	In Subsidiary Companies (Unquoted)				
(i)	Fully Paid Equity Shares (Unquoted) Him Containers Limited (In Liquidation)	6,76,150	10	67,61,500	
(ii)	Detachable Warrants- 10% Upfront (Unquoted) Him Containers Limited (In Liquidation)	6,75,000	10	6,75,000	
				74,36,500	
	Less : Provision for Diminution in value (Refer Note No.11)			74,36,500	—

8. 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.
9. Filling Fee expenses of ₹ 3,319 have been incurred by M/s. India Carbon Ltd., the holding Company.
10. Contingent Liabilities for Joint Guarantees/Guarantees given in respect of Him Containers Limited (in liquidation):

	As at		As at	
	31.03.2013		31.03.2012	
Joint Guarantees/Guarantees given to Financial Institutions for Term & Other Loans	₹	1,58,00,000	₹	1,58,00,000
- Do -	St £	6,56,740	St £	6,56,740
- Do -	US \$	5,17,183	US \$	5,17,183
Bank for Loans & Others purposes	₹	26,88,80,000*	₹	26,88,80,000*

* Against above guarantee(s), the Bankers have filed a petition before the Debt Recovery Tribunal, Kolkata, claiming recovery of ₹ 41,24,76,480 from Him Containers Limited, and has also made C & C Investments Ltd. a party as Guarantor.

NOTES TO THE FINANCIAL STATEMENTS**Note****No. Particulars**

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.

11. Hon'ble Gauhati High Court vide 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 6,76,150 Equity Shares of ₹ 10/- each amounting to ₹ 67,61,500/- and 6,75,000 Detachable Warrants with upfront payment @ ₹ 1/- per Warrant amounting to ₹ 6,75,000/-. Further unsecured (Interest free) loans of ₹ 57,50,000/- had been given to Him Containers Limited.

Provision for diminution in the value of investments held for ₹ 74,36,500/- and provision against advance of ₹ 57,50,000/- 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.

12. This year's Financial Statements are prepared under the New Schedule - VI to the Companies Act, 1956 and accordingly Previous year's figure's have been reclassified, regrouped and reaaranged, wherever necessary.

In terms of our report of even date annexed on the Balance Sheet.

For **S. K. SINGHANIA & CO.**

Chartered Accountants

(Registration No. 302206E)

RAJESH KUMAR SINGHANIA

M. NO. 52722

Partner

Place : Kolkata

Date : 23rd May, 2013

For and on behalf of the Board

D. K. Dutta

Director

J. K. Nayak

Director

Shareholder's Communiqué "GREEN INITIATIVE"

Service of Documents by Electronic Mode

Esteemed members may please note the Ministry of Corporate Affairs ("MCA"), Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies vide Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011.

In whole-hearted support of the Green Initiative of the MCA, the Company henceforth proposes to send all Notices, information's, Documents, Annual Reports etc. required to be sent to members from time to time in electronic form to the e-mail addresses registered with the Company.

The "Green Initiative" will not only contribute towards Greener Environment by reducing paper use and saving trees but also ensure timely delivery of Notices, Intimations, Documents, Annual Reports and other communications etc. without any possibility of delay/ loss in postal transit. Therefore, members are requested to make success this initiative by registering their e-mail addresses.

To support this green initiative in full measure, members desirous of receiving the above mentioned documents in electronic mode, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in Physical Form are requested to fill up the details in the attached Mandate Form and send the same to us at : *Share Department, India Carbon Limited, "Temple Chambers", 4th Floor, 6, Old Post Office Street, Kolkata - 700 001.*

Members are also advised to keep their email address updated from time to time, as the same e-mail address will be used by the Company to send all Notices, Intimations, Documents, Annual Reports etc. required to be sent to members from time to time.

Mandate Form for Electronic Communication

I/We hereby authorize you to register/update the following e-mail address for sending the all shareholder communication and Annual Reports to me/us in electronic mode :

Name of First/Sole shareholder	
DP ID & Client ID/Folio	
E-Mail ID	

I/We will keep the Company or RTA informed as and when there is a change in my e-mail address.

.....
Signature of Shareholder

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 51st Annual General Meeting of the Company held on Wednesday, 18th September, 2013 at 10.00 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 51st Annual General Meeting of the Company to
be held on Wednesday, 18th September, 2013 at 10.00 A.M. or at any adjournment thereof.

Signed this..... day of.....2013

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.

