



**ANNUAL REPORT**  
**2013-2014**

**INDIA CARBON LIMITED**

# India Carbon Limited

ANNUAL REPORT 2013-2014

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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. Hemant Kumar Khaitan

Mr. Manoj Mohanka

Mr. Mark Russell Jones  
(Alternate to Mr. Eric P. Johnson)

Mrs. Nilufar Alam Hazarika  
(Nominee of Government of Assam)

Mr. Soumendra Mohan Basu

Mr. Shaurya Veer Himatsingka  
(Deputy Managing Director)

Mr. Samar Jha

## CHIEF FINANCIAL OFFICER

Ms. Dolly Agarwal  
(Upto 15th March, 2014)

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Raj Kishore Gupta  
(Upto 5th February, 2014)

## 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, Parganas (South)  
Kolkata -700137

## REGISTRAR & SHARE TRANSFER AGENT

C B Management Services (P) Limited  
P-22, Bondel Road, Kolkata 700 019  
Phone : 40116700/11/18/23, 2280-6692/93/94  
Fax : 033 4011 6739  
E-mail : rta@cbmsl.com

## NOTICE

NOTICE is hereby given that the Fifty-Second Annual General Meeting of the Members of INDIA CARBON LIMITED will be held on Thursday, the 18th day of September, 2014, at 10 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, 2014, the Profit & Loss Statement and Cash Flow Statement for the year ended 31st March, 2014 & notes on financial statements together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Eric P. Johnson (DIN: 00383407), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Gordon Kenneth McIntosh (DIN: 02244237), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company for a term of three years and to fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modification the following resolution, as an Ordinary Resolution:  
**"RESOLVED THAT** M/s. D.Basu & Co., Chartered Accountants (Registration No. 301111E), be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting, till the conclusion of fifty- fifth Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every Annual General Meeting), at such remuneration plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred as may be mutually agreed between the Board of Directors of the Company and the Auditors."

### AS SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:  
**"RESOLVED THAT** pursuant to Sections 149, 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Abhijit Barooah (DIN: 00287145), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years for a term up to the conclusion of the 57th Annual General Meeting of the Company in the calendar year 2019."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:  
**"RESOLVED THAT** pursuant to Sections 149, 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Hemant Kumar Khaitan (DIN: 00220049), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years for a term up to the conclusion of the 57th Annual General Meeting of the Company in the calendar year 2019."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:  
**"RESOLVED THAT** pursuant to Sections 149, 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Manoj Mohanka (DIN: 00128593), a non-executive director of the Company, who has

submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years for a term up to the conclusion of the 57th Annual General Meeting of the Company in the calendar year 2019."

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

**"RESOLVED THAT** pursuant to Sections 149, 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Samar Jha (DIN: 02936104), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years for a term up to the conclusion of the 57th Annual General Meeting of the Company in the calendar year 2019."

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

**"RESOLVED THAT** pursuant to Sections 149, 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Soumendra Mohan Basu (DIN: 01125409), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years for a term up to the conclusion of the 57th Annual General Meeting of the Company in the calendar year 2019."

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

**"RESOLVED THAT** pursuant to Section 148 and read with Section 141 of the Companies Act, 2013 and subject to the approval of the Central Government M/s Mitra Bose & Associates, Cost Accountants (Registration No. 000037) be and hereby appointed as the Cost Auditors of the company to conduct audit of cost accounting records maintained by the Company for Products(s) / Services(s) for the year ending on 31st March, 2015, at a remuneration of Rs. 30,000/- plus applicable taxes and out of pocket expenses."

**"RESOLVED FURTHER THAT** Mr. Rakesh Himatsingka, Managing Director, Mr. Shaurya Veer Himatsingka, Dy. Managing Director of the Company be and is hereby severally authorized to sign and submit the necessary application and file forms and to do all such acts as may be necessary and also to issue a certified copy of the resolution to anyone concerned or interested in the matter."

11. To consider and if thought fit, to pass with or without modification(s), the following resolutions 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, (DIN: 00632156) during the financial year 2013-14, 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 XII, of the Companies Act, 1956."

**"RESOLVED FURTHER** that the Board of Directors of the Company be and are severally authorized to file prescribed forms and returns with Registrar of Companies and to do all other acts, things and deeds as may be required for this purpose."

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

**"RESOLVED THAT** subject to the provisions of Section 198, 269, 302, 309, 310 and 311 read along with Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof), and subject to necessary sanctions, consent and permission of appropriate authorities, if any and subject further to the approval of the Members of the Company at the General Meeting, approval to the Board of Directors of the Company be and is hereby accorded for the re-appointment of Mr. Rakesh Himatsingka, as Managing Director of the Company (DIN: 00632156) for a period of 3 (three) years from 1st December 2013 to 30th November 2016 on the terms and conditions as mentioned in the Draft Agreement placed before the meeting and initialed by a Director of the Company, for the purpose of identification with authority to the Board of Directors of the company to vary, alter or modify the terms of appointment and remuneration, as set out in the said draft Agreement, within the ceiling limit laid down in Schedule XIII of the Companies Act 1956, as amended/revised/ altered/ modified and /or any other statutory modification or re-enactment thereof and/or any guidelines relating to managerial remuneration as may be notified by the Central Government from time to time and as may be agreed to by the Board of Directors of the Company and Mr. Rakesh Himatsingka, Managing Director, without any further approval of the Company in General Meeting".

**"RESOLVED THAT** the terms and conditions of Mr. Rakesh Himatsingka, Managing Director of the Company, which was approved by the Board on 26th December be altered with effect from 1st April, 2014 as per the Draft Supplementary Agreement placed before the meeting and initialed by a Director of the Company, for the purpose of identification".

**"RESOLVED FURTHER THAT** any two Directors of the Company be and are hereby authorized to execute the Supplementary Agreement with the Managing Director as approved by the Members of the Company at the next General Meeting and that the Common Seal of the Company be affixed thereon in presence of any two Directors and the Company Secretary of the Company in accordance with the Article of Association of the Company."

**"RESOLVED FURTHER THAT** the Directors of the Company be and is hereby authorized severally to file prescribed forms and returns with Registrar of Companies and to do all other acts, things and deeds as may be required for this purpose."

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

**"RESOLVED THAT** subject to the provisions of Section 190, 196, 197, 198 and 203 read along with Schedule V and other applicable provisions and Rules, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof), and subject to necessary sanctions, consent and permission of appropriate authorities, if any and subject further to the approval of the Members of the Company at the General Meeting, approval to the Board of Directors of the Company be and is hereby accorded for the re-appointment of Mr. Shaurya Veer Himatsingka (DIN: 01200202) as Deputy Managing Director of the Company for a period of 3 (three) years from 1st April, 2014 to 31st March, 2017 on the terms and conditions as mentioned in the Draft Agreement placed before the meeting and initialed by a Director of the Company, for the purpose of identification with authority to the Board of Directors of the company to vary, alter or modify the terms of appointment and remuneration, as set out in the said draft Agreement, within the ceiling limit laid down in Schedule V of the Companies Act 2013, as amended/revised/ altered/ modified and /or any other statutory modification or re-enactment thereof and/or any guidelines relating to managerial remuneration as may be notified by the Central Government from time to time and as may be agreed to by the Board of Directors of the Company and Mr. Shaurya Veer Himatsingka, Deputy Managing Director, without any further approval of the Company in General Meeting".

**"RESOLVED FURTHER** that any two Directors of the Company be and are hereby authorized to execute the Agreement with the Deputy Managing Director as approved by the Members of the Company at the next General Meeting and that the Common Seal of the Company be affixed thereon in presence of any two Directors and the CFO / Company Secretary of the Company if any in accordance with the Article of Association of the Company."

**"RESOLVED FURTHER** that the Board of Directors of the Company be and are severally authorized to file prescribed forms and returns with Registrar of Companies and to do all other acts, things and deeds as may be required for this purpose."

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

**"RESOLVED THAT** in supersession of all earlier resolutions passed by the Company under section 293 (1) (c) & 293 (1) (d) of the Companies Act, 1956 and pursuant to Section 180 and any other applicable provisions of the Companies Act, 2013 and the rules made there under [including any statutory modification(s) or re-enactment thereof for the time being in force], the consent of the members of the Company be & is hereby accorded to the Board of Directors of the Company or any Committee of the Board by way of Special Resolution to invest/borrow moneys, in one or more tranches, in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount invested/ borrowed outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs 100 Crores (Rupees One Hundred Crores) over and above the aggregate of the paid up share capital and free reserves of the Company."

**"RESOLVED FURTHER THAT** Mr. Rakesh Himatsingka or Mr. Shauryaveer Himatsingka any of the Directors of the Company be and is hereby severally authorized to do all such acts and things and deal with all such matters and take all such steps and approve, sign and execute all such applications/ agreements/ papers /forms/ deeds/ documents/ writings / file e-forms with the ROC/MCA as may be required in this connection and the Common Seal of the Company be affixed, if required, in terms of the Articles of Association to give effect to the aforesaid resolution."

By Order of the Board of Directors

Kolkata, 30th May, 2014

*Registered Office:*

Noonmati, Guwahati 781 020, Assam

CIN : L23101AS1961PLC001173

Email : icl@indiacarbonltd.com

**Rakesh Himatsingka**

*Chairman & Managing Director*

**NOTES:**

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 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 102 of the Companies Act, 2013 .
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
4. Members are requested to bring their copy of Annual Report to the meeting.
5. 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.
6. 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.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 11th September, 2014 to 18th September, 2014 (both days inclusive).
8. 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 4011 6739

E-mail: rta@cbmsl.com

Members are requested to send their queries relating to share transfer/transmission etc. to the above address.

9. All documents referred to in the Notice and accompanying Explanatory Statement and copy of Audited Financial Statement and every other documents required by law to be annexed or attached to the Financial Statements as per Section 136 of Companies Act, 2013 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. This notice and the Annual Report will also be available on the Company's website [www.indiacarbonltd.com](http://www.indiacarbonltd.com) for download.
10. The Notice of the Annual General Meeting along with the Annual Report 2013-14 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
11. Members are requested in their own interest:
  - a) To notify the Company / R & T Agent about any change in address/name with correct pin code, mandate/ bank details and their e-mail id, 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. As per the provisions of the Companies Act, 2013, facility for making nominations is available to the members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
14. 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. In terms of provisions of Section 205A of the Companies Act, 1956, the amount of dividend not encashed or claimed within 7 (Seven) years from the date of

its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government. It may be noted that the unclaimed dividend for the financial year 2006-07 declared on 14th September, 2007 can be claimed by the shareholders by 13th September, 2014. In terms of provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said Fund for the amounts so transferred. However, unclaimed amount once transferred to IEP Fund after due date, members can claim the same from the Authority constituted/ to be constituted by the Central Government under Section 205C of the Companies Act, 1956 in this behalf.

15. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ Depositories.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Company's Registrar & Share Transfer Agent.
17. Members seeking any information with regard to Accounts are requested to write to the Company at an early date, so as to enable the management to keep the information ready at the Meeting.
18. **VOTING THROUGH ELECTRONIC MEANS :**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 52nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting for Annual General Meeting. The instructions for e-voting are as under:

Instruction and other information relating to e-voting are as under:

1. In case of Members receiving AGM Notice by e-mail:

Log on to the e-voting website **www.evotingindia.com**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID (For **CDSL**: 16 digits beneficiary ID, For **NSDL**: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the "**Captcha Code**" as displayed and Click on Login.
  - {A **CAPTCHA** (an acronym for "Completely Automated Public Turing test to tell Computers and Humans Apart") is a type of challenge-response test used in computing to determine whether or not the user is human}
- (iv) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (v) Now, fill up the following details in the appropriate boxes:

For Members holding shares in Demat Form and Physical Form

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

\*Members who have not updated their PAN with the Company/Depository Participant can enter in the PAN field the 10 characters as First 2 Alphabets of the First Holder Name followed by:

- a) For shareholders holding in physical form - 8 characters consisting of Folio Number prefix by "00" No special characters will be taken from the name and folio number. Example: **Mr. AJAY SRIVASTAVA** and folio number is **A00640**, the **PAN to be entered will be AJ00A00640**.



- b) For shareholders holding shares in dematerialized form: 8 characters from right of CLIENT ID Number. No special characters will be taken from the name and Client Id. Example: Mr. AJAY SRIVASTAVA and Client id is 45436217 the PAN to be entered will be AJ45436217.
- # Please enters any one of the details (of Date of Birth / Dividend Bank details) in order to login. Incase both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.
- (vi) After entering these details appropriately, click on "SUBMIT" tab.
  - (vii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (ix) Click on the EVSN (140728003) for the relevant < **India Carbon Limited** > on which you choose to vote.
  - (x) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (xi) Click on the "**Resolutions File Link**" if you wish to view the Resolutions.
  - (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - (xv) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
  - (xvi) Institutional shareholders (i.e. other than Individuals, HUF, and NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as **Corporate**. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
2. (a) Voting can be exercised only by the shareholder or his/her duly constituted attorney or, in case of bodies corporate, the duly authorized person.
  - (b) Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at [compliance@indiacarbonltd.com](mailto:compliance@indiacarbonltd.com) or [sanjaylhila@yahoo.com](mailto:sanjaylhila@yahoo.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) before 11th September, 2014 without which the vote shall not be treated as valid.
  3. In case you have any queries or issues regarding e-voting, please contact the Company or Registrar & Share Transfer Agent or send mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [compliance@indiacarbonltd.com](mailto:compliance@indiacarbonltd.com).
  4. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
  5. E-voting period will commence from 11th September, 2014 at 10:00 a.m., and will end on 13th September, 2014 at 10:00 a.m.
  6. The E-voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as on 08th August, 2014.
  7. Mr. Sanjay Kumar Lhila, Practising Chartered Accountant (FCA 051215) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner, whose e-mail address is [sanjaylhila@yahoo.com](mailto:sanjaylhila@yahoo.com).

8. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
9. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.indiacarbonltd.com](http://www.indiacarbonltd.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company.
10. **Members who do not have any access to e-voting, may requisite a Physical Ballot Form from the Office of the Registrars & Share Transfer Agents of the Company. Members are required to fill the Physical Ballot Form and enclose it in a sealed envelope and send it "TO THE SCRUTINIZER. MR. SANJAY KUMAR LHILA (UNIT: INDIA CARBON LIMITED) C/O. C B MANAGEMENT SERVICES PRIVATE LIMITED, P-22, BONDEL ROAD, KOLKATA - 700019. Unsigned / wrongly signed, incomplete or incorrectly ticked forms shall be rejected. The Scrutinizer's decision on the validity of the form will be final. Members are required to vote either through the electronic system or through physical ballot and not in any other mode. In the event of Members casting votes through both the processes, the votes in the electronic system will be considered only. The Physical Ballot Form must be received by the Scrutinizer on or before 13th September, 2014 (10:00 a.m.).**

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **ITEM NO.5 to 9**

The Board of Directors of the Company comprises of Chairman & Managing Director Mr. Rakesh Himatsingka, an Executive Director, Mr. Shaurya Veer Himatsingka, (Dy. Managing Director) an Executive Director, Ms. Nilufar Alam Hazarika, Non- Executive Director and nominee of Govt. of Assam, Mr. Gordon Kenneth McIntosh, Non-Executive Director, Mr. Albert John Rolfe (Alternate to Mr. Gordon Kenneth McIntosh) Non -Executive Director , Mr. Eric P. Johnson, Non -Executive Director, Mr. Mark R. Jones (Alternate to Mr. Eric P. Johnson), Non -Executive Director, Mr. Abhijit Barooah, Non-Executive and Independent Director, Mr. Hemant Kumar Khaitan, Non-Executive and Independent Director, Mr. Manoj Mohanka, Non-Executive and Independent Director, Mr. Samar Jha, Non-Executive and Independent Director and Mr. Soumendra Mohan Basu, Non-Executive and Independent Director.

According to Section 149(4) of the Companies Act, 2013 every listed public company shall have at least one-third of the total number of directors as Independent Directors. Further, Section 149(5) of the same Act also provides that every company existing on or before the commencement of this Act shall, within one year from the commencement or from the date of notification of the rules in this regard as may be applicable comply with the requirements of the provisions of sub-section (4).

Section 149(10) of the Act inter alia provides that subject to the provisions of Section 152, an Independent Director shall hold office for a term of consecutive five years on the Board of a company. The proviso to sub-sections (10) and (11) of Section 149 of the Act further clarifies that, any tenure of an Independent Director before the commencement of this Act shall not be counted as a term under aforesaid sub-sections (10) and (11).

Our company is of the opinion that all of the above-mentioned 5 Directors (as mentioned in Item No. 5 to 9) fulfill the conditions specified in the Act and in the Listing Agreement regarding their appointment. They are also independent of the Management. Brief particulars of all the Directors who are proposed to be appointed as Independent Directors are annexed herewith in the Annexure to this Notice.

Eminent people having skill, expertise and standing in their respective fields / profession and whose association with the Company will bring immense benefit to the Company are considered by the Board to be appointed as Independent Directors.

Our Board has recommended for approval of shareholders under Agenda Item No. 5 to 9 of the accompanying Notice of Annual General Meeting, the classification of the aforesaid Directors as Independent Directors pursuant to Section 149 of the Companies Act, 2013 read with Rules made there under and Clause 49 of the Listing Agreement entered into with the Stock Exchanges, with their respective term of office for a term of 5 (five) consecutive years commencing from the date of this Annual General Meeting and continuing till the conclusion of the Annual General Meeting of the calendar year 2019.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act, proposing the candidatures of Mr. Abhijit Barooah, Non-Executive and Independent Director, Mr. Hemant Kumar Khaitan, Non-Executive and Independent Director, Mr. Manoj Mohanka, Non-Executive and Independent Director, Mr. Samar Jha, Non-Executive and Independent Director and Mr. Soumendra Mohan Basu, Non-Executive and Independent Director for the office of Director of the Company.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors proposes the appointment of Mr. Abhijit Barooah, Mr. Hemant Kumar Khaitan, Mr. Manoj Mohanka, Mr. Samar Jha, and Mr. Soumendra Mohan Basu, at the ensuing AGM of the Company, as Independent Directors not liable to retire by rotation, to hold office for a period of five consecutive years for a term up to the conclusion of the 57th Annual General Meeting of the Company in the calendar year 2019.

**Memorandum of Interest:**

Concerned Directors are interested in their respective resolutions being related to their own appointment. Other than the aforesaid, none of the Directors and Key Managerial Personnel and their relatives are interested or concerned in the Resolutions set out under Item Nos. 5 to 9 of the accompanying Notice. None of the Directors are related inter-se to each other.

**ITEM NO.10**

As per Section 148 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, the Companies (Cost Records and Audit) Rules, 2014 and any changes/ modifications in the Act, Rules, Circulars, Notifications thereafter the Audit Committee had recommended the appointment of M/s Mitra Bose & Associates, Cost Accountants as Cost Auditor of the Company for the financial year ending 31st March 2015 at a remuneration of Rs.30,000 /- plus applicable taxes and out of pocket expenses. The Board had on the recommendation of the Audit Committee appointed M/s Mitra Bose & Associates, Cost Accountants as Cost Auditor of the Company for the financial year ending 31st March 2015. As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014 the remuneration recommended by the Audit Committee which was considered and approved by the Board of Directors needs to be subsequently ratified by the shareholders.

Your Board proposes the resolution for approval of the Members as an Ordinary Resolution.

**Memorandum of Interest:**

None of the Directors of the Company and Key Managerial Personnel and their relatives are concerned or interested in the above resolution.

**ITEM NO.11**

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 2013-14. 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 2013-14, the Company has paid remuneration of Rs. 4109119/- 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	18,60,000.00
b Perquisites (Contribution to provident and superannuation Funds)	3,23,200.00
c Allowances and reimbursement of expenses	19,25,919.00
<b>Total</b>	<b>41,09,119.00</b>
Less: Perquisites not included in remuneration vide schedule XIII part II section II paragraph II	3,23,200.00
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	36,00,000.00
Remuneration paid in excess of limits specified under Table B of Section II, Part II of Schedule XIII of the Companies Act, 1956	1,85,919.00

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 Rs. 1,85,919.00 paid to Mr. Rakesh Himatsingka for the financial year 2013-14, subject to such other statutory waiver/approvals as may be required.

#### **Memorandum of Interest:**

None of the Directors of the Company and Key Managerial Personnel and their relatives except Mr. Rakesh Himatsingka, and Mr. Shaurya Veer Himatsingka, are concerned or interested in the above resolution.

#### **ITEM NO.12**

The tenure of Mr. Rakesh Himatsingka as Managing Director came to an end on 30th November, 2013. Subject to the approval of Shareholders in the next Annual General Meeting, the Board of Directors, at its Meeting held on 26th December, 2013, approved the re-appointment of Mr. Rakesh Himatsingka as Managing Director of the Company for a period of 3 years w.e.f. 1st December, 2013 to 30th November, 2016. The Remuneration Committee had recommended the re-appointment of the Managing Director. The terms and conditions of the re-appointment are set out in the Draft Agreement, the copy of which is available for inspection at the Registered Office of the Company.

Mr. Rakesh Himatsingka, aged about 62 years is a qualified Mechanical Engineer (BITS) and a Carbon Technologist. He is associated with the Company in various capacities since 1977 and has spearheaded the Company's growth as well as in-house R & D activities over the last 37 years. He has specialized in Company Management, Global Marketing, Project Co-ordination, Technology Transfer etc. Besides India Carbon Limited, he is a Director in the Board of Directors of Assam Carbon Products Ltd. 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 Ramakrishna Vivekananda Mission.

Material terms and conditions of the draft agreement are as follows:

#### **1. TERM**

The remuneration and other terms and conditions will be effective from 1st December, 2013 to 30th November, 2016.

#### **2. SALARY**

Rs. 1,40,000/- (Rupees One Lac Forty Thousand Only) per month, with an increment of Rs. 15,000/- (Rupees Fifteen Thousand Only) each year on 1st December. Dearness Allowance, if any, payable by the Company will be treated as part of the salary.

#### **3. COMMISSION**

One per cent of the net profits of the Company, determined in accordance with relevant provisions of the Companies Act, 1956 or Companies Act, 2013 where ever applicable.

#### **4. PERQUISITES**

In addition to salary, the Managing Director will also be entitled to the following perquisites, benefits and allowances:

##### **(i) Housing:**

The expenditure incurred by the Company on hiring furnished residential accommodation for the Managing Director will be subject to the following ceiling:

- a) Sixty percent of the Salary, over and above ten percent payable by the Managing Director.
- b) In case the Company owns the accommodation, ten percent of the Salary of the Managing Director shall be deducted by the Company.
- c) In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in (a) above.

**(ii) Gas, Water & Electricity Allowance:**

10% of the salary per year.

**(iii) Furnishing Allowance:**

One month's salary per year.

**(iv) Re-imbursement of House Maintenance Expenses :**

One month's salary per year.

**(v) Medical Re-imbursement :**

Re-imbursement of medical expenses incurred for self and family, subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

**(vi) Leave Travel :**

Leave travel allowance for self and family once in a year as per rules of the Company.

**(vii) Use of Car on Company's business and telephone/fax at residence :**

Personal long distance calls on telephone/fax and use of Company's car for personal purpose will be billed by the Company to the Managing Director.

**(viii) Club Fees :**

Fees of clubs, subject to a maximum of two clubs. This will not include admission and life membership fees.

**(ix) Mediclaim Insurance:**

Mediclaim Insurance covers for self and family. The premium shall not exceed Rs. 50,000/- Per annum.

**(x) Personal Accident Insurance :**

Personal Accident Insurance Premium not exceeding Rs. 50,000/- per annum.

**(xi) Leave:**

One month's leave on full pay and allowance for every eleven months' service.

**(xii) The Managing Director will also be entitled to the following perquisites, which shall not be included in the computation of the ceiling on remuneration, as specified below:**

- (a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service in addition to the gratuity already accrued for every completed year of continuous past service with the Company.
- (c) Encashment of leave at the end of the tenure.

**(xiii) Where the Company has profit in a financial year, the remuneration payable to the Managing Director by way of salary, dearness allowance, if any, commission, perquisites and other allowances shall be subject to the provisions of Companies Act, 1956 and Schedule XIII thereto.****5. MINIMUM REMUNERATION**

Wherein any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Managing Director shall be entitled to remuneration by way of salary, dearness allowance, perquisites, benefits and allowances specified above as Minimum Remuneration, not exceeding the ceiling limit linked with "Effective Capital" of the Company as specified in Schedule XIII to the Companies Act, 1956 or Companies Act, 2013 which ever applicable.

**6. OTHER TERMS:**

- (i) The Managing Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof of from the date of his re-appointment and he will not be subject to retirement by rotation.
- (ii) The Company shall reimburse the Managing Director,
  - (a) entertainment expenses incurred by him for the business of the Company.
  - (b) travelling expenses and all other incidental expenses for him as well as one attendant of him for the purpose of the business of the Company.

- (c) The above reimbursement shall not be considered as perquisite to the Managing Director but will be wholly and exclusively for the business purpose of the Company.
- (iii) The Managing Director shall not become interested or otherwise concerned directly or indirectly, in any Selling Agency of the Company without the prior approval of the Central Government.
- (iv) The Board of Directors of the Company is authorized and empowered to vary, alter or modify the terms and conditions of the agreement within the maximum remuneration payable in accordance with Schedule XIII to the Act, including any other statutory modifications, substitutions or re-enactment thereof, without any further approval of the Company in a General Meeting.

The Board agreed to make certain modifications in the terms and conditions of the agreement for the appointment of Mr. Rakesh Himatsingka, Managing Director of the Company as per the recommendation of the Nomination and Remuneration Committee in order to reflect the Changes brought by the Companies Act, 2013 pursuant to Sections 190, 196, 197, 198 and 203 read along with Schedule V and other applicable provisions and Rules, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof), and subject to necessary sanctions, consent and permission of appropriate authorities and to ensure a better Corporate Governance.

Thus the Draft Agreement containing the terms and conditions of appointment of Mr. Rakesh Himatsingka, Managing Director of the Company, which was approved by the Board on 26th December, 2013 was altered with effect from 1st April, 2014 as per the Draft Supplementary Agreement placed before the Nomination and Remuneration Committee Meeting and Board of Directors at its meeting dated 30th day of May, 2014 and initialed by a Director of the Company, for the purpose of identification. The copy of the Draft Supplementary Agreement containing the modified terms and conditions of the re-appointment is available for inspection at the Registered Office of the Company.

Material terms and conditions of the draft supplementary agreement are as follows:-

1. That the following clauses of the draft agreement (hereinafter referred as "the Main Agreement") as approved by the Board of Directors of the Company at its Meeting held on 26th December, 2013 be substituted as follows:
  - (a) That Clause No. 2 of the Main Agreement be substituted as follows:
2. **SALARY**  
 Rs. 1,55,000/- (Rupees One Lac Fifty Five Thousand Only) per month, with an increment of Rs. 15,000/- (Rupees Fifteen Thousand Only) each year on 1st December. Dearness Allowance, if any, payable by the Company will be treated as part of the salary.
  - b) That Clause No. 3 of the Main Agreement be substituted as follows:  
**"COMMISSION** One per cent of the net profits of the Company, determined in accordance with relevant provisions of the Companies Act, 2013."
  - c) That sub clause (xiii) of Clause 4 of the Main Agreement be substituted as follows:  
**"Where the Company has profit in a financial year, the remuneration payable to the Managing Director by way of salary, dearness allowance, if any, commission, perquisites and other allowances shall be subject to the provisions of the Companies Act, 2013 and its Schedules."**
  - d) That Clause 5 of the Main Agreement be substituted as follows:  
**"MINIMUM REMUNERATION** Wherein any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Managing Director shall be entitled to remuneration by way of salary, dearness allowance, perquisites, benefits and allowances specified above as Minimum Remuneration, not exceeding the ceiling limit as provided in Schedule V of the Companies Act, 2013."
  - e) That Subclause (iv) of Clause 6 of the Main Agreement be substituted as follows:  
**"The Board of Directors of the Company is authorized and empowered to vary, alter or modify the terms and conditions of the agreement within the maximum remuneration payable in accordance with Schedule V of the Companies Act, 2013, including any other statutory modifications, substitutions or re-enactment thereof, without any further approval of the Company in a General Meeting."**
  - f) That Clause 11 of the Main Agreement be substituted as follows:  
**"Save as otherwise provided herein or excluded hereby, the Managing Director in relation to the Company and the Company in relation to the Managing Director shall be entitled to do all such acts,**

deeds and things under the Companies Act, 2013, as may be done by a Managing Director of the Company or by a Company managed by the Managing Director(s) in such manner and to such extent and subject to such conditions as are prescribed in the said Act and/or Articles of Association of the Company.”

2. That the instant supplementary agreement be effective from the 1st Day of April, 2014

Hence, it is proposed to approve the above resolution as a Special Resolution to enable the Company to pay the remuneration to its Managing Director in the event of loss/inadequate of profits.

Your Board proposes the resolution for approval of the Members as Special Resolution.

**Memorandum of Interest:**

None of the Directors of the Company and Key Managerial Personnel and their relatives except Mr. Rakesh Himatsingka, and Mr. Shaurya Veer Himatsingka, are concerned or interested in the above resolution.

**ITEM NO. 13**

The tenure of Mr. Shaurya Veer Himatsingka as Deputy Managing Director came to an end on 31st March, 2014. Subject to the approval of Shareholders in the next Annual General Meeting, the Board of Directors, at its Meeting held on 30th May 2014, approved the re-appointment of Mr. Shaurya Veer Himatsingka as Deputy Managing Director of the Company for a period of 3 years w.e.f. 1st April, 2014 to 31st March, 2017. The Nomination and Remuneration Committee had recommended the re-appointment of the Deputy Managing Director. The terms and conditions of the re-appointment are set out in the Draft Agreement, the copy of which is available for inspection at the Registered Office of the Company.

Mr. Shaurya Veer Himatsingka aged about 32 years, has done his Masters in Business Administration mainly concentrating in Finance, Strategy, Operation and Management and Marketing from Carnegie Mellon University, Tepper School of Business from Pittsburgh, PA, United States of America.

Material terms and conditions of the draft agreement are as follows:-

**1. TERM**

The remuneration and other terms and conditions will be effective from 1st April, 2014 to 31st March, 2017.

**2. SALARY**

Rs. 1,40,000/- (Rupees One Lac Forty Thousand Only) per month, with an increment of Rs. 15,000/- (Rupees Fifteen Thousand Only) each year on 1st April. Dearness Allowance, if any, payable by the Company will be treated as part of the salary.

**3. COMMISSION**

One per cent of the net profits of the Company, determined in accordance with relevant provisions of the Companies Act, 2013.

**4. PERQUISITES**

In addition to salary, the Deputy Managing Director will also be entitled to the following perquisites, benefits and allowances:

**(i) Housing:**

The expenditure incurred by the Company on hiring furnished residential accommodation for the Deputy Managing Director will be subject to the following ceiling:

- Sixty percent of the Salary, over and above ten percent payable by the Deputy Managing Director.
- In case the Company owns the accommodation, ten percent of the Salary of the Deputy Managing Director shall be deducted by the Company.
- In case no accommodation is provided by the Company, the Deputy Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in (a) above.

**(ii) Gas, Water & Electricity Allowance:**

10% of the salary per year.

**(iii) Furnishing Allowance:**

One month's salary per year.

**(iv) Re-imbursement of House Maintenance Expenses :**

One month's salary per year.

**(v) Medical Re-imbursement :**

Re-imbursement of medical expenses incurred for self and family, subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

**(vi) Leave Travel :**

Leave travel allowance for self and family once in a year as per rules of the Company.

**(vii) Use of Car on Company's business and telephone/fax at residence :**

Personal long distance calls on telephone/fax and use of Company's car for personal purpose will be billed by the Company to the Deputy Managing Director.

**(viii) Club Fees :**

Fees of clubs, subject to a maximum of two clubs. This will not include admission and life membership fees.

**(ix) Special Allowances:**

Fees of Chamber/s of Commerce and/ or Entrepreneurs Organisation/s and/or Business & Trade Bodies and/or Business Clubs and/or other bodies of similar nature whether national or international, subject to a maximum two such bodies. This will include admission and life membership fees and related travelling expenses and other incidental expenses for attending the conferences, seminars, etc. anywhere in the World.

**(x) Mediclaim Insurance:**

Mediclaim Insurance covers for self and family. The premium shall not exceed Rs. 50,000/- per annum.

**(xi) Personal Accident Insurance :**

Personal Accident Insurance Premium not exceeding Rs. 50,000/- per annum.

**(xii) Leave:**

One month's leave on full pay and allowance for every eleven months' service.

**(xiii) The Deputy Managing Director will also be entitled to the following perquisites, which shall not be included in the computation of the ceiling on remuneration, as specified below:**

- (a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, Family Pension Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service in addition to the gratuity already accrued for every completed year of continuous past service with the Company.
- (c) Encashment of leave at the end of the tenure.

**(xiv) Where the Company has profit in a financial year, the remuneration payable to the Deputy Managing Director by way of salary, dearness allowance, if any, commission, perquisites and other allowances shall be subject to the provisions of Companies Act, 2013 and Schedule V thereto.****5. MINIMUM REMUNERATION**

Wherein any financial year during the currency of tenure of the Deputy Managing Director, the Company has no profits or its profits are inadequate, the Deputy Managing Director shall be entitled to remuneration by way of salary, dearness allowance, perquisites, benefits and allowances specified above as Minimum Remuneration, not exceeding the ceiling limit linked with "Effective Capital" of the Company as specified in Schedule V to the Companies Act, 2013.

**6. OTHER TERMS:**

- (i) The Deputy Managing Director from the date of his re-appointment will not be subject to retirement by rotation.
- (ii) The Company shall reimburse the Deputy Managing Director,
  - a. entertainment expenses incurred by him for the business of the Company.
  - b. travelling expenses and all other incidental expenses for him as well as one attendant of him for the purpose of the business of the Company.



- c. The above reimbursement shall not be considered as perquisite to the Deputy Managing Director but will be wholly and exclusively for the business purpose of the Company.
- (iii) The Deputy Managing Director shall not become interested or otherwise concerned directly or indirectly, in any Selling Agency of the Company without the prior approval of the Central Government.
- (iv) The Board of Directors of the Company is authorized and empowered to vary, alter or modify the terms and conditions of the agreement within the maximum remuneration payable in accordance with Schedule V of the Companies Act, 2013, including any other statutory modifications, substitutions or re-enactment thereof, without any further approval of the Company in a General Meeting.

Hence, it is proposed to approve the above resolution as a Special Resolution to enable the Company to pay the remuneration to its Deputy Managing Director in the event of loss/inadequate of profits.

Your Board proposes the resolution for approval of the Members as Special Resolution.

Memorandum of Interest:

None of the Directors of the Company except Mr. Rakesh Himatsingka, and Mr. Shaurya Veer Himatsingka, are concerned or interested in the above resolution.

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/ Clause (iv) of proviso to paragraph B of Section II of Part II of Schedule V to the Companies Act, 2013 for item Nos. 11, 12 & 13.

#### 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	2013-2014	2012-2013	2011-2012
Gross Turnover	1,80,30,34,222	1,90,52,71,543	2,04,55,52,417
Other Income	2,67,97,748	1,91,09,540	2,65,57,713
Profit Before Tax	(5,46,98,067)	(3,64,41,872)	5,56,62,650
Profit After Tax	(5,39,44,134)	(3,40,34,864)	4,66,71,125
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 & Surplus	34,71,08,808	40,11,95,118	4,35,367,298
Earnings Per Share	(20.36)	(12.84)	17.57
Equity Dividend	Nil	Nil	39,75,000
Dividend on Preference Shares	Nil	Nil	93,000

5. Export Performance and net Foreign Exchange Collaborations: During the year the Company has made export valued Rs. 47,69,522/-
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:

##### A. Rakesh Himatsingka

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 41

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, Raghunull 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 2012-13 was Rs. 41,09,119/-.
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. 11 & 12 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 Deputy Managing Director of the Company.

#### **B. Shaurya Veer Himatsingka**

1. Background Details:

Mr. Shaurya Veer Himatsingka aged about 32 years, has done his Masters in Business Administration mainly concentrating in Finance, Strategy, Operation and Management and Marketing from Carnegie Mellon University, Tepper School of Business from Pittsburgh, PA, United States of America.

Mr. Shaurya Veer Himatsingka has been actively involved in the affairs of the Company since April, 2006 and was appointed as Whole Time Director w.e.f. 04.03.2007. He was elevated to the position of Deputy Managing Director w.e.f. 01.04.2011.

2. Past remuneration: Remuneration of Mr. Shaurya Veer Himatsingka for the financial year 2012-2013 was Rs. 29,44,403/-.
3. Recognition or awards/job profile and his suitability: Please see (1) above.
4. Remuneration proposed: The remuneration proposed to Mr. Shaurya Veer Himatsingka is set out in the Notice read along with Item No. 13 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. Shaurya Veer 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. Shaurya Veer 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. Rakesh Himatsingka, father of Mr. Shaurya Veer Himatsingka is the Chairman and 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 Oil 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 Rs. 539 lakhs. Rupees 95 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.
- Very Strict control on credit sales is being maintained to significantly reduce / eliminate bad debts and delayed payments.
- Effective steps to improve operational efficiency have 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 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 the Explanatory Statement to item no.11, 12 and 13.

The Agreements referred to in the Resolution No. 12 and 13 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.

**ITEM NO. 14**

Looking into the requirements of the business activities carried by the Company and its plan for modernization, diversification and expansion it may require additional funds. It may also require to invest the spare funds of the Company as and when available for optimum utilization of Company's resources. Pursuant to the provisions of the Companies Act, 2013, the Board of Directors should be authorized to invest/ borrow money time to time at/from Banks, Financial Institutions and any other entities/ sources in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount invested/ borrowed outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs 100 Crores (Rupees One Hundred Crores) over and above the aggregate of the paid up share capital and free reserves of the Company.

Your Directors recommend to pass the resolution as set out in item No. 14 in the notice as special resolution.

**Memorandum of Interest:**

None of the Directors of the Company and Key Managerial Personnel and their relatives are concerned or interested in the above resolution.

By Order of the Board of Directors

Kolkata: 30th May, 2014

Registered Office:

Noonmati, Guwahati-781 020, Assam

**Rakesh Himatsingka**

*Chairman & Managing Director*

**BRIEF PARTICULARS OF DIRECTORS PROPOSED FOR APPOINTMENT/ REAPPOINTMENT**

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

<b>Name of the Director</b>	<b>Mr. Rakesh Himatsingka</b>	<b>Mr. Shaurya Veer Himatsingka</b>	<b>Mr. Hemant Kumar Khaitan</b>
Date of Birth	4th November, 1951	27th April, 1982	19th January, 1954
Date of Appointment	14.10.1977	01.02.2007	15.07.1996
Expertise in specific functional areas	Carbon Technologist	Finance	Management
Qualifications	B.E. (Hons.), Mechanical	Master's in Business Administration from Tepper School of Business at Carnegie Mellon University Pittsburgh Pennsylvania	B.Com (Hons.)
List of outside Directorship held	1. Assam Carbon Products Ltd. 2. APL Holdings & Investments	Nil	1. Steel Products Ltd. 2. Kanoria Chemicals & Industries Ltd. 3. Hind Galvanizing and Engineering Co. Ltd.
Chairman/Member of the Committee of other Companies in which he is a Director a) Audit Committee b) Shareholders / Investor Grievance Committee c) Remuneration Committee	Nil Nil Assam Carbon Products Ltd. (CM)	Nil Nil Nil	Kanoria Chemicals & Industries Ltd. (M) Kanoria Chemicals & Industries Ltd. (M) Kanoria Chemicals & Industries Ltd. (M)
Shareholding in the Company as on 31.03.14	10445	39196	Nil
Disclosure of relationship between Directors inter se	Mr. Rakesh Himatsingka is the Father of Mr. Shaurya Veer Himatsingka	Mr. Shaurya Veer Himatsingka is the Son of Mr. Rakesh Himatsingka	None

Name of the Director	Mr. Eric P. Johnson	Mr. Gordon Kenneth McIntosh	Mr. Manoj Mohanka
Date of Birth	22nd June, 1968	9th, August, 1967	5th March, 1963
Date of Appointment	29.06.2007	29.06.2007	29.06.2006
Expertise in specific functional areas	Refining, Aluminum and Calcining Industries	Marketing	Finance & Strategic Marketing
Qualifications	B. A. in Business Management from Oxford University	B.A. Industrial Relations & Economics	B.Com (Hons.), Master's Degree from Michael Smurfit Graduate School of Business, Chevening Scholarship from London School of Economics.
List of outside Directorship held	Nil	Nil	1. 3D Technopack Limited 2. Infomedia Press Limited 3. TV18 Broadcast Limited 4. Network 18 Media & Investments Limited 5. Titagarh Wagons Limited 6. Indian Terrain Fashions Limited
Chairman/Member of the Committee of other Companies in which he is a Director			
a) Audit Committee	Nil	Nil	1. TV 18 Broadcast Ltd. (CM) 2. Infomedia Press Ltd. (CM) 3. Indian Terrain Fashions Ltd. (M) 4. Titagarh Wagons Ltd. (M) 5. Network 18 Media & Investments Ltd. (CM)
b) Shareholders / Investor Grievance Committee	Nil	Nil	1. TV 18 Broadcast Ltd. (M) 2. Infomedia Press Ltd. (CM) 3. Titagarh Wagons Ltd. (M) 4. Network 18 Media & Investments Ltd. (CM)
c) Remuneration Committee	Nil	Nil	1. TV 18 Broadcast Ltd. (M) 2. Indian Terrain Fashions Ltd. (M) 3. Titagarh Wagons Ltd. (M) 4. Network 18 Media & Investments Ltd. (CM)
Shareholding in the Company as on 31.03.14	Nil	Nil	Nil
Disclosure of relationship between Directors interse	None	None	None

Name of the Director	Mr. Abhijit Barooah	Mr. Samar Jha	Mr. Soumendra Mohan Basu
Date of Birth	8th July, 1962	9th December, 1950	19th November, 1949
Date of Appointment	14.05.2010	30.03.2012	13.01.2009
Expertise in specific functional areas	Management & Advisory	Financial & Accounting Management & Railway Logistics	Organization, HR and Corporate Affairs
Qualifications	B. Tech (Chem. Engg) from IIT, Delhi, M.S. (Chemical Engg.) from University of Rochester, USA.	M.Sc. (Physics) from Jadavpur University, General & Strategic Management from Derby & Manchester Business School, U.K.	B. A. (Hons.) in English from Presidency College
List of outside Directorship held	1. Premier Cryogenics Limited 2. Assam Industrial Development Corporation Limited	OM Besco Rail Products Ltd.	Peerless Funds Management Co. Ltd.
Chairman/Member of the Committee of other Companies in which he is a Director			
a) Audit Committee	Nil	Nil	Nil
b) Shareholders / Investor Grievance Committee	Premier Cryogenics Limited (CM)	Nil	Nil
c) Remuneration Committee	Nil	Nil	Nil
Shareholding in the Company as on 31.03.14	Nil	Nil	Nil
Disclosure of relationship between Directors inter-se	None	None	None

**Note:**

- CM – Chairman of the Committee.
- M – Member of the Committee.
- Directorship in Pvt. Ltd. Co.'s, Foreign Co.'s & Companies U/s 8 of the Companies Act, 2013 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, 2014

To The Members,

Your Directors have pleasure in presenting the fifty second Annual Report on the business and operations of the Company and Audited Statement of Accounts of the Company for the year ended 31st March, 2014.

**FINANCIAL RESULTS**

	<b>Year Ended 31.03.2014 (Rs. in Lacs)</b>	<b>Year Ended 31.03.2013 (Rs. in Lacs)</b>
Profit before Interest, Depreciation & Tax	<b>(6.50)</b>	404.46
Less: Finance Cost	<b>404.87</b>	612.65
Less: Depreciation (Net of transfer from Revaluation Reserve)	<b>135.61</b>	156.23
<b>Profit / (Loss) Before Tax</b>	<b>(546.98)</b>	(364.42)
Less: Provision for Taxation (including Deferred Tax)	<b>(7.54)</b>	(24.07)
<b>Profit / (Loss) After Tax</b>	<b>(539.44)</b>	(340.35)
Add: Balance brought forward from previous year	<b>508.58</b>	848.93
<b>Amount available for Appropriation</b>	<b>(30.86)</b>	508.58
<b>Appropriations:</b>		
Proposed Dividend on Preference Shares	<b>Nil</b>	Nil
Proposed Dividend on Equity Shares	<b>Nil</b>	Nil
Tax on Dividend	<b>Nil</b>	Nil
Transfer to General Reserve	<b>Nil</b>	Nil
Balance carried forward to Balance Sheet	<b>(30.86)</b>	508.58

**DIVIDEND**

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

**OPERATIONAL PERFORMANCE**

During the year, even though both production and sales for CPC was higher as compared to the previous year, but due to continued very sluggish global demand, the price of CPC kept reducing, and the company kept losing on the inventory it was carrying, as well as the forward finalization of raw materials.

This was very pronounced for company's Budge Budge unit, which is totally dependent on imported raw materials, and supplies mainly to Nalco, where there was cut throat competition due to huge slowdown in export orders with company's port based competitors, who dumped huge supplies in the domestic market at very low rates.

This is evident from the fact that despite an increase of 9.23 % in the production & 6.64 % in the sales of CPC, the turnover declined from Rs. 190.53 crores to Rs. 180.30 crores.

CPC sales at Guwahati were significantly better as compared to, the previous year at 23,214 Mts as compared to 16,904 Mts., and increase of over 37 %, but on the other hand Budge Budge plant's CPC sales were down at 35,930 Mts as compared to 38,556 Mts for the previous year, a reduction of over 7.3 %.

To improve the productivity at its Budge Budge plant, the company during the year set up a facility for the production of Dessicated Petroleum Coke Powder, at an investment of approx. Rs. 1,88,00,447.49/- . During the year, this facility produced 3,876 Mts, sold 3,536 Mts., and contributed a sale of Rs. 608.81 Lakhs.

During the year, your company managed expenses quite well, in spite of the severe inflation and over all price increase. Employees costs showed a minor increase of around 2.8 % only, other expenses an increase of around 4.3 % whereas, combined production of CPC & Paste increased from 64,176 Mts to 69,698 Mts., and increase of approx. 8.6 %.

Major savings were achieved in significantly better management of Finances, as a result of which the Finance Cost reduced from Rs. 397.35 Lakhs to Rs. 309.06 Lakhs a reduction of nearly Rs. 88.29 Lakhs or over 28.6 %. In addition during the year, company was able to much better manage its foreign exchange outflows, as a result of which the Loss on account of foreign currency transactions reduced from Rs. 215.30 Lakhs to Rs 95.81 Lakhs, a saving of approx. Rs 119.49 Lakhs.

Operational efficiency was achieved in terms of reduction in consumption of Furnace Oil / HSD from 5.2 ltrs to 4.6 ltrs/ Mt and above all, the yield from a low of 70 % was improved to 73.5 %.

Regrettably, in spite of much improved operations and financial management, company's losses increased from Rs. 340.35 Lakhs to Rs. 539.44 Lakhs.

Some of the reasons contributing to this loss were:

1. Poor Capacity Utilization.
2. In spite of all round increase in all costs, due to dumping from China and severe internal competition, prices of CPC & Paste went down in real terms.
3. Increase in cost of Furnace Oil from an average of approx. Rs. 51.9 / ltr. in the previous year to Rs. 61.3 / ltr.,
4. Increase in cost of Electricity from an average of Rs. 5.96 / unit to Rs. 8.23 / unit.

## **FUTURE OUTLOOK**

For the year under review, the economic climate continued to be weak, and the GDP for the year ended March, 2014 barely increased to 4.7 % as compared to 4.5 % for the year ended March, 2013, but very high inflation and very low spending on infrastructure continued to spell very difficult times for industry.

Fortunately, with the change in Government at the centre, there is an up beat mood and green shoots all around are visible. The GDP as per IMF is forecast at 6.4 % for the current year which should give fillip to industry.

New Smelter capacities of Aditya Birla Group, at Jharsuguda and Mahan, delayed for around 2 years, have finally come on stream, and your company has received orders from them for its Budge Budge plant.

After a long time, Automobile Sales are also picking up and so is Housing and demand for other white goods, which shall translate into much higher demand for CPC and ECP.

Vedanta & Balco Smelters are also gradually starting their new capacities, and going forward these will also contribute to improved capacity utilization and better realizations.

## **DIRECTORS**

In accordance with the Articles of Association of the Company, Mr. Eric P. Johnson (DIN: 00383407) and Mr. Gordon Kenneth McIntosh (DIN: 02244237) retire by rotation as Directors at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mrs. Nilufar Alam Hazarika (DIN: 06832203) joined the Board w.e.f. 26th December 2013 in place of Mr. Rajat Baran Mahanta as a nominee of Government of Assam.

## **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 52nd Annual General Meeting and being eligible are recommended for reappointment. The Company has received consent under section 139 and certificate from them to the effect that their appointment, if made would be within the prescribed limits under section 141(3)(g) of the Companies Act, 2013. Pursuant to the requirement of Section 139 of the Companies Act, 2013, the Auditors are proposed to be appointed for a term of 3 years.

## **AUDITORS' OBSERVATIONS**

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

## **COST AUDITORS**

The Board of Directors of your Company has appointed M/s. Mitra Bose & Associates, Cost Accountants, to conduct audit of your Company's cost records for the financial year 2014-15. The remuneration of Cost Auditor is subject to



ratification by the shareholders at the ensuing Annual General Meeting. The Cost Audit report will be filed with the Central Government within the prescribed time.

### **PUBLIC FIXED DEPOSITS**

The Company does not have any matured unclaimed deposits as on 31.03.2014.

### **CREDIT RATINGS**

ICRA, has reaffirmed the long-term rating for the captioned Line of Credit (LOC) at [ICRA] BBB (pronounced ICRA triple B). The outlook on the long-term rating remains 'Stable'. The Rating Committee of ICRA has also reaffirmed the short-term rating for the captioned LOC at [ICRA] A2 (pronounced ICRA A two).

### **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 checkup, 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.

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

Time to time Company is participating in cultural and religious activities in the local areas and is also contributing to Chief Minister's Relief Fund. The Company also regularly provides Scholarship to needy students.

As required under the Companies Act, 2013, the Board, at its Meeting held on 30th May, 2014, constituted a Corporate Social Responsibility ("CSR") Committee consisting of Mr. Rakesh Himatsingka, Mr. S.V. Himatsingka and Mr. S.M. Basu. The Committee will work within the parameters of Section 135 of the Act and Schedule VII and the Rules thereof, [including any statutory modification(s) or re-enactment thereof for the time being in force] to take the Company's CSR committee forward.

### **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. The annual listing fees for the financial year 2014-15 have already been paid and shares 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 of the facility of dematerialization of the Company's Equity shares on either of the Depositories as aforesaid. However, the members would still have the option to hold the Equity shares of the Company in physical form. The ISIN number allotted to the Company is INE 743B01015.

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. 40116700, 40116711, 40116723, 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 remuneration paid to the Managing Director exceeded the limit specified under Schedule XIII to the Companies Act, 1956 by Rs. 185919 for the year which is subject to the approval from the Central Government. As regards excess remuneration paid in 2012-13, approval from the Central Government is yet to be received.

**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 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 31.03.2014 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.

Place : Kolkata  
Date : 30th May, 2014

By Order of the Board of Directors  
**Rakesh Himatsingka**  
Chairman & 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 are 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 gross turnover of Rs. 180.30 crore during the year under review as against Rs. 190.53 crore in the previous year, a decrease of 5.37 % as compared to the previous year.

Production of Calcined Petroleum Coke (CPC) during the year was 63,478 MT as against 58,112 MT in the previous year and Electrode Carbon Paste (ECP) production was 6,024 MT as against 6,025 MT in the previous year, a decrease of 9.23% and 0% respectively.

Further, Sales of CPC for the year under review was 59144 MT as against 55,460 MT in the previous year which is higher by 6.64%. ECP sales were at 5858 MT as against 6,177 MT in the previous year, which is lower by 5.16%.

Profitability of the Company was affected 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 Rs. 95.17 lacs on foreign exchange.

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 Rs. 180.30 Crore during the year under review as against Rs. 190.53 Crore in the previous year, a decrease of 5.37 % as compared to the previous year.

During the year under review, the Company incurred loss before tax of Rs. 5.47 Crore after setting of total foreign exchange loss of Rs. 95.17 Lacs.

The Earnings per Share of the Company as on 31.03.2014 is Rs. (-)20.36 as against Rs. (-)12.84 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 31.03.2014 was 187 as compared to 196 as on 31.03.2013.

**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, 2014. 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, 2014 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 (Deputy Managing Director)	Executive Director (Promoter)
3.	Mrs. Nilufar Alam Hazarika * (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. 26.12.2013

**Board Meetings:**

During the year 2013-14, four Board Meetings were held on 27.05.2013, 21.09.2013, 26.12.2013 and 28.03.2014.

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 31.03.2014
Mr. Rakesh Himatsingka	4	Yes	2	Nil	Father of Mr. Shaurya Veer Himatsingka	10445
Mr. Shaurya Veer Himatsingka	3	No	Nil	Nil	Son of Mr. Rakesh Himatsingka	39196
Mr. Rajat Baran Mahanta*	Nil	No	Nil	Nil	None	Nil
Mrs. Nilufar Alam Hazarika**	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	2	No	4	2	None	Nil
Mr. Manoj Mohanka	3	No	6	9 (5 as Chairman)	None	Nil
Mr. Samar Jha	4	No	1	Nil	None	Nil
Mr. Soumendra Mohan Basu	4	No	1	Nil	None	Nil
Mr. Abhijit Barooah	2	Yes	3	1 (as Chairman)	None	Nil

\* Ceased from Directorship w.e.f. 18.05.2013

\*\* Appointed as Nominee Director w.e.f. 26.12.2013

**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.
- 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 177 of the Companies Act, 2013.

**Composition of the Committee as on 31.03.2014 and its Meeting & Attendance during the financial year 2013-14:**

Name of the Member	Category	Position	No. of Meeting attended
Mr. Hemant Kumar Khaitan	Non-Executive and Independent Director	Chairman	4
Mr. Rakesh Himatsingka	Executive Director (Promoter)	Member	5
Mr. Soumendra Mohan Basu	Non-Executive and Independent Director	Member	5
Mr. Manoj Mohanka	Non-Executive and Independent Director	Member	4

All the Committee Members are financially literate and all of them have accounting or related financial management expertise. During the year 2013-14, five Audit Committee Meetings were held on 27.05.2013, 12.08.2013, 21.09.2013, 05.11.2013 and 14.02.2014.

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.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, 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.
9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism / Vigil mechanism.
14. 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.
15. 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 (Section 177 of the Companies Act, 2013 subsequent to its notification w.e.f. 1st April, 2014) 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 31.03.2014 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 27.05.2013 and 26.12.2013 during the year 2013-14.

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 2013-14:

**(i) Executive Directors – Managing Director/Deputy Managing Director:**

Name	Salary (Rs.)	Commission (Rs.)	Perquisites (Rs.)	Retirement Benefits (Rs.)	Total (Rs.)	Service Contract	Notice Period (in months)	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) 1.12.2013	6	Nil
Mr. Shaurya Veer Himatsingka (Deputy Managing Director)	13,20,000	Nil	13,64,000	3,13,400	29,97,400	3 year (w.e.f) 1.04.2014	6	Nil

Due to inadequacy of profits during the financial year 2013-14, commission will not be paid to Mr. Rakesh Himatsingka and Mr. Shaurya Veer Himatsingka.

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

Non-Executive Directors	Sitting Fees paid for attending Board/Committee Meetings (Rs.)
Mr. Abhijit Barooah	40000
Mr. Hemant. K. Khaitan	80000
Mr. Manoj Mohanka	100000
Mr. Samar Jha	80000
Mr. Soumendra Mohan Basu	130000

- Neither any stock option was issued nor any bonus was paid to any of the Directors. No severance fees is payable to Directors.
- Non-Executive Directors are being paid sitting fees of Rs. 20,000 and Rs.5,000 for attending each Board and Committee Meeting respectively.
- There has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year 2013-14.

**C) Share Transfer Committee:**

The composition of the Share Transfer Committee as on 31.03.2014 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 2013-14, Ten Share Transfer Committee Meetings were held on 17.04.2013, 09.05.2013, 27.05.2013, 19.06.2013, 12.08.2013, 04.09.2013, 17.09.2013, 15.10.2013, 05.11.2013 and 31.03.2014.

**D) Shareholders Grievance Committee:**

Composition of the Shareholders Grievance Committee as on 31.03.2014 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.

No Meeting of Shareholders Grievance Committee was held during the year 2013-14.

Investors Complaints: Balance as on 01.4.2013 – Nil, Received during the year - Nil, Disposed off during the year - Nil, Balance as on 31.03.2014 - Nil.

**4. General Body Meetings:**

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2012-13	18.09.2013	10.00 A.M.	Registered Office at Noonmati, Guwahati, Assam.
2011-12	07.09.2012	10.30 A.M.	Same as above
2010-11	30.07.2011	10.30 A.M.	Same as above

**5. Special Resolutions passed in the previous three AGMs :**

AGM held on 18.09.2013	Approval of the payment of remuneration to Mr. Rakesh Himatsingka, Chairman & Managing Director, during Financial Year 2012-13, exceeding the limits specified as per Companies Act, 1956.
AGM held on 07.09.2012	No Special Resolution was proposed.
AGM held on 30.07.2011	(1) Re-appointment of Mr. Rakesh Himatsingka as Managing Director. (2) Re-appointment of Mr. Shaurya Veer Himatsingka as Deputy Managing Director.

No special resolution requiring a postal ballot was proposed last year. No special resolution requiring a postal ballot is being proposed for the ensuing Annual General Meeting. However, pursuant to clause 35B of the Listing Agreement as amended vide SEBI circular No. CIR/CFD/POLICY CELL/2/2014, dated April 17, 2014, the members are provided with the facility to cast their vote electronically on all the resolutions set out in the Notice of 52nd Annual General Meeting.

**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](http://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.

Dated : 30th May, 2014

**Rakesh Himatsingka**  
*Chairman and Managing Director*

**7. Vigil Mechanism/ Whistle Blower Mechanism:**

A Vigil Mechanism/ Whistle Blower Policy has been formulated for Directors and Employees of the Company and the same is available on the Company's website.

**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 2013-2014 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 2013-14.

- (b) Risk Management:

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

- (c) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years : Not applicable

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

The Company has duly complied with all the mandatory requirements of the Clause 49 pertaining to Corporate Governance of the Listing Agreement with the Stock Exchanges. The Company has filed its confirmation to that effect with the concerned Stock Exchanges 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 of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41.

**10. Means of Communication:**

- a) Quarterly Results are published in daily newspapers viz. Business Standard (English) and Niyomiya Barta (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](http://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, 2014 at 10.00 AM at Registered Office at Noonmati, Guwahati, Assam.

- a) Financial Calendar : 1st April, 2014 to 31st March, 2015 (Tentative)

Financial Results for the quarter ending 30th June, 2014	Within 45 days of 1st Quarter ended
Financial Results for the quarter ending 30th September, 2014	Within 45 days of 2nd Quarter ended
Financial Results for the quarter ending 31st December, 2014	Within 45 days of 3rd Quarter ended
Financial Results for the quarter ending 31st March, 2015	Within 60 days of 4th Quarter ended

- b) The Company had transferred to Investor Education and Protection Fund requisite amount and had also filed FORM 5 INV having SRN NO. : S28326890 dated 02/12/2013 during the F.Y. 2012-13. There was no unpaid dividends, 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, 2014 to 18th September, 2014 (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 Exchange in Kolkata.

Name of the Stock Exchanges	Stock Code
The Calcutta Stock Exchange Ltd.	19205

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

No trading took place during the year 2013-14.

#### 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 dematerialization 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 dematerialization 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 dematerialized form.

#### Dematerialization:

The shareholders should open a demat account with a Depository Participant (DP) for dematerialization 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. Dematerialization of Shares:

As per the notification issued by SEBI, the shares of the Company are traded compulsorily in dematerialized form by all investors with effect from 26th March, 2001. As on 31st March, 2014, 48.18% of the Company's paid up equity capital representing 12,76,676 shares were held in demat form.

No. of shares in Physical segment	13,73,324	51.82%
No. of shares in Demat segment	12,76,676	48.18%

**18. Distribution of Shareholding as on 31st March, 2014:**

No. of Shares	No. of Shareholders	No. of Shares
1-500	4,341	2,97,130
501-1000	66	46,604
1001-2000	18	26,218
2001-3000	5	12,164
3001-4000	2	6,422
4001-5000	1	4,130
5001-10000	8	56,685
10001-50000	15	3,68,820
50001-100000	2	1,85,447
100001 and above	7	16,46,380
<b>TOTAL</b>	<b>4,465</b>	<b>26,50,000</b>

**Shareholding Pattern as on 31st March, 2014:**

Shareholders	Total No. of shares	Percentage to Total Issued Shares
Promoters	2,57,323	9.71
Persons acting in Concert	0	0
Mutual Funds, Banks, Financial Institutions and Insurance Companies	15,265	0.58
Others	23,77,412	89.71
<b>Total</b>	<b>26,50,000</b>	<b>100.00</b>

**19. Plant Locations :**

- A) Noonmati, Guwahati - 781020, Assam.  
 B) 35, Deshbandhu Chittaranjan Road, Budge Budge, 24 Parganas (South), Kolkata-700 137.

**20. Address for Correspondence:**

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

Any query on Annual Report

C B Management Services (P) Ltd  
 P-22, Bondel Road  
 Kolkata 700019  
 Telephone : 40116700,40116711  
 40116718, 40116723, 2280-6692/93/94  
 Fax No. : 033 4011 6739  
 E mail : rta@cbmsl.com  
 Secretarial Department  
 "Temple Chambers", 4th Floor  
 6, Old Post Office Street  
 Kolkata - 700 001  
 Telephone : (033) 2248-7856/9

By Order of the Board of Directors

Place : Kolkata  
 Date : 30th May, 2014

**Rakesh Himatsingka**  
 Chairman & Managing Director

**CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
India Carbon Limited

We have examined the compliance of conditions of corporate governance by India Carbon Limited for the year ended on 31st March, 2014, 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 : 30th May, 2014

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

## **INDEPENDENT AUDITOR'S 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, 2014, 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 subsection (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, 2014;
- (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 Rs.185919 for

the year which is subject to approval of the Central Government. As regards excess remuneration paid in 2012-13, approval from the Central Government is yet to be received.

### **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 subsection (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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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 : 30th May, 2014

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, 2014 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 Rs.	Period to which relates	Forum where the dispute is pending
W.B.VAT Act, 2003	Sales Tax	446710	2005-06	West Bengal Taxation Tribunal
W.B.VAT Act, 2003	Sales Tax	136273	2006-07	West Bengal Taxation Tribunal
W.B.VAT Act, 2003	Sales Tax	525728	2010-11	President, appellate & revisional board, Commercial Taxes, West Bengal
CST Act 1956	Sales Tax	99457	2010-11	President, appellate & revisional board, Commercial Taxes, West Bengal
Income Tax Act, 1961	Income Tax	24557760	2009-10	Commissioner of Income Tax (Appeals), Guwahati
Income Tax Act, 1961	Income Tax	19150150	2010-11	Commissioner of Income Tax (Appeals), Guwahati

- (x) The Company has no accumulated losses, has incurred cash losses in the financial year and also 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 : 30th May, 2014

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

**BALANCE SHEET**

AS AT 31ST MARCH , 2014

	Note No.	As at 31.03.2014		As at 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>					
(1) Shareholders' Funds					
(a) Share Capital	1	2,75,00,000		2,75,00,000	
(b) Reserves and Surplus	2	34,71,08,808		40,11,95,118	
			37,46,08,808		42,86,95,118
(2) Non-current Liabilities					
(a) Long-term Borrowings	3	1,36,69,014		2,14,50,473	
(b) Deferred Tax Liabilities (Net)	4	93,26,819		1,00,80,752	
(c) Other Long-term Liabilities	5	—		—	
			2,29,95,833		3,15,31,225
(3) Current Liabilities					
(a) Short-term Borrowings	6	46,20,88,261		54,85,13,946	
(b) Trade Payables	7	2,93,18,753		3,58,89,867	
(c) Other Current Liabilities	8	2,98,59,073		2,88,91,118	
(d) Short-term Provisions	9	27,620,311		2,28,65,089	
		54,88,86,398		63,61,60,020	
<b>TOTAL</b>			<b>9,46,491,039</b>		<b>10,96,386,363</b>
<b>II. ASSETS</b>					
(1) Non-current Assets					
(a) Fixed Assets	12				
(i) Tangible Assets		10,62,81,900		9,77,47,380	
(ii) Capital Work-in-progress		1,12,87,765		3,06,385	
		11,75,69,665		9,80,53,765	
(b) Non-current Investments	13	70,04,000		70,04,000	
(c) Long-term Loans & Advances	14	1,63,61,484		1,31,95,687	
			14,09,35,149		11,82,53,452
(2) Current Assets					
(a) Inventories	15	33,57,26,740		31,59,50,925	
(b) Trade Receivables	16	31,08,23,965		20,28,12,311	
(c) Cash and Bank Balances	17	6,48,36,649		34,35,94,070	
(d) Short-term Loans and Advances	18	6,75,03,557		8,48,55,291	
(e) Other Current Assets	19	2,66,64,979		3,09,20,314	
		80,55,55,890		97,81,32,911	
<b>TOTAL</b>		<b>94,64,91,039</b>		<b>1,09,63,86,363</b>	

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 : 30th May, 2014**Dolly Agarwal**  
Chief Financial Officer  
(Upto 15-03-2014)**Raj Kishore Gupta**  
Company Secretary  
(Upto 05-02-2014)On behalf of Board of Directors  
**Rakesh Himatsingka**  
Chairman & Managing Director  
**Shaurya Veer Himatsingka**  
Dy. Managing Director**Soumendra Mohan Basu**  
Director**Hemant Kumar Khaitan**  
Director

**PROFIT AND LOSS STATEMENT**

FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	Year Ended 31.03.2014		Year Ended 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
<b>I Revenue from Operations (Gross)</b>	20	<b>1,80,30,34,222</b>		1,90,52,71,543	
Less: Excise Duty / Service Tax		<u>18,06,63,359</u>		<u>18,32,76,427</u>	
Revenue from Operations (Net)		<b>1,62,23,70,863</b>		1,72,19,95,116	
<b>II Other Income</b>	21	<b>2,67,97,748</b>		1,91,09,540	
<b>III Total Revenue</b>		<b><u>1,64,91,68,611</u></b>		<u>1,74,11,04,656</u>	
<b>IV Expenses:</b>					
Cost of Materials Consumed	22	<b>1,38,86,68,711</b>		1,29,27,63,120	
Cost of Materials Sold	23	<b>8,03,32,879</b>		13,29,91,059	
Changes in Inventories of Finished Goods	24	<b>(1,72,47,634)</b>		8,41,93,198	
Employee Benefits Expense	25	<b>5,63,63,955</b>		5,48,45,121	
Finance Costs	26	<b>4,04,86,637</b>		6,12,65,388	
Depreciation and Amortization Expense	12	<b>1,37,92,070</b>		1,57,59,838	
Less: Transfer to Capital Work in Progress		<b>88,533</b>		—	
Less: Transfer from Revaluation Reserve	2	<u>1,42,176</u>	<u>1,35,61,361</u>	<u>1,37,316</u>	1,56,22,522
Other Expenses	27	<b>14,17,00,769</b>		13,58,66,120	
<b>Total Expenses</b>		<b><u>1,70,38,66,678</u></b>		<u>1,77,75,46,528</u>	
<b>V Profit (Loss) Before Tax</b>		<b>(5,46,98,067)</b>		(36441872)	
<b>VI Tax Expense:</b>					
(1) Current tax			—	—	
(2) Deferred tax		<u>(7,53,933)</u>	<u>(7,53,933)</u>	<u>(24,07,008)</u>	(24,07,008)
<b>VII Profit (Loss) for the Year (V-VI)</b>		<b><u>(5,39,44,134)</u></b>		<u>(3,40,34,864)</u>	
<b>VIII Earning (Loss) per equity share of Rs.10 each:</b>	33				
Basic and Diluted		<b>(20.36)</b>		(12.84)	

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 : 30th May, 2014**Dolly Agarwal**  
Chief Financial Officer  
(Upto 15-03-2014)**Raj Kishore Gupta**  
Company Secretary  
(Upto 05-02-2014)On behalf of Board of Directors  
**Rakesh Himatsingka**  
Chairman & Managing Director  
**Shaurya Veer Himatsingka**  
Dy. Managing Director  
**Soumendra Mohan Basu**  
Director**Hemant Kumar Khaitan**  
Director

**CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31ST MARCH, 2014

	Year Ended 31.03.2014		Year Ended 31.03.2013	
	Rs.	Rs.	Rs.	Rs.
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Profit before tax		(5,46,98,067)		(3,64,41,872)
Adjustments for :				
Depreciation / Amortisation Expense	1,35,61,361		1,56,22,522	
Finance Costs	4,04,86,637		6,12,65,388	
Net (Gain) Loss on Sale of Assets	(212.00)		–	
Interest Income	(1,54,79,731)		(1,50,77,864)	
Dividend Income	(3,49,500)		(3,49,500)	
Liabilities No Longer Required written back	–		(3,11,906)	
Bad Debts / Advances written off	–		40,654	
		<u>3,82,18,555</u>		<u>6,11,89,294</u>
Operating Profit before Working Capital changes		(1,64,79,512)		2,47,47,422
Adjustments for changes in Working Capital				
Trade and Other Receivables	1,19,75,117		(24,59,626)	
Inventories	(1,97,75,815)		14,05,83,443	
Trade and Other Payables	(2,96,462)	(80,97,160)	(11,21,512)	13,70,02,305
Cash Generated from Operations		(2,45,76,671)		16,17,49,727
Taxes Paid		(24,08,278)		(36,61,857)
<b>NET CASH FROM OPERATING ACTIVITIES - (A)</b>		<u>(2,69,84,950)</u>		<u>15,80,87,870</u>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets		(332,59,726)		(25,44,269)
Sale of Fixed Assets		40,501		–
Interest Income		1,54,79,731		1,50,77,864
Dividend Income		3,49,500		3,49,500
<b>NET CASH FROM INVESTING ACTIVITIES - (B)</b>		<u>(1,73,89,994)</u>		<u>1,28,83,095</u>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long Term Borrowings		(77,81,459)		(1,00,32,863)
Proceeds from Short Term Borrowings		(8,64,25,685)		7,00,54,815
Finance Costs		(4,04,86,637)		(6,12,65,388)
Dividend Paid		–		(40,68,000)
Dividend Tax Paid		–		(6,59,931)
<b>NET CASH FROM FINANCING ACTIVITIES - (C)</b>		<u>(13,46,93,781)</u>		<u>(59,71,367)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT</b>		<u>(17,90,68,725)</u>		<u>16,49,99,598</u>
Balance of Cash and Cash Equivalents As At 31.3.2013	18,08,86,361		1,58,86,763	
Balance of Cash and Cash Equivalents As At 31.3.2014	18,17,636	<u>(17,90,68,725)</u>	18,08,86,361	<u>16,49,99,598</u>

**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 : 30th May, 2014

**Dolly Agarwal**  
Chief Financial Officer  
(Upto 15-03-2014)

**Raj Kishore Gupta**  
Company Secretary  
(Upto 05-02-2014)

On behalf of Board of Directors  
**Rakesh Himatsingka**  
Chairman & Managing Director  
**Shaurya Veer Himatsingka**  
Dy. Managing Director  
**Soumendra Mohan Basu**  
Director

**Hemant Kumar Khaitan**  
Director

**NOTES TO THE FINANCIAL STATEMENTS**

	As at 31.03.2014 Rs.		As at 31.03.2013 Rs.	
<b>1. SHARE CAPITAL</b>				
<b>(a) Authorised</b>				
(i) 8500000 Equity Shares of Rs.10 Each		<b>8,50,00,000</b>		8,50,00,000
(ii) 150000 Preference Shares of Rs.100 Each		<b>1,50,00,000</b>		1,50,00,000
		<b>10,00,00,000</b>		10,00,00,000
<b>(b) Issued, Subscribed and Fully Paid</b>				
(i) 2650000 Equity Shares Of Rs.10 Each		<b>2,65,00,000</b>		2,65,00,000
(ii) 10000 9.3% Redeemable Cumulative Preference Shares of Rs. 100 each		<b>10,00,000</b>		10,00,000
		<b>2,75,00,000</b>		2,75,00,000
1.1 Details of shareholders holding more than 5 percent equity shares:	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
(i) Oxbow Calcining LLC, USA	<b>812377</b>	<b>30.66</b>	812377	30.66
(ii) Subhag Mercantile Pvt. Ltd.	<b>289638</b>	<b>10.93</b>	250000	9.43
(iii) Kallol Investments Ltd.	<b>145250</b>	<b>5.48</b>	0	0
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.				
<b>2. RESERVES &amp; SURPLUS</b>				
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>(a) Capital Reserves</b>				
As per Last Financial Statements		<b>6,400</b>		6,400
<b>(b) Capital Redemption Reserve</b>				
As per Last Financial Statements		<b>10,00,000</b>		10,00,000
<b>(c) Securities Premium Reserve</b>				
As per Last Financial Statements		<b>75,00,000</b>		75,00,000
<b>(d) Revaluation Reserve</b>				
As per Last Financial Statements	<b>85,80,901</b>		87,18,217	
Less: Transfer to Profit and Loss Statement being additional depreciation for the year arising out of revaluation of fixed assets	<b>1,42,176</b>	<b>84,38,725</b>	<b>1,37,316</b>	85,80,901
<b>(e) Central Capital Subsidy</b>				
As per Last Financial Statements		<b>20,00,000</b>		20,00,000
<b>(f) General Reserve</b>				
As per Last Financial Statements	<b>33,12,50,000</b>		33,12,50,000	
Add: Transfer from Surplus	<b>—</b>	<b>33,12,50,000</b>	<b>—</b>	33,12,50,000
<b>(g) Surplus</b>				
As per Last Financial Statements	<b>5,08,57,817</b>		<b>8,48,92,681</b>	
Add: Balance in Statement of Profit & Loss	<b>(5,39,44,134)</b>		<b>(3,40,34,864)</b>	
	<b>(30,86,317)</b>		<b>5,08,57,817</b>	
Less: Transfer to General Reserve	<b>—</b>	<b>—</b>	<b>—</b>	
Proposed Dividends and Tax thereto (Refer Note No.10)	<b>—</b>	<b>—</b>	<b>—</b>	
	<b>—</b>	<b>(30,86,317)</b>	<b>—</b>	5,08,57,817
		<b>34,71,08,808</b>		40,11,95,118

**NOTES TO THE FINANCIAL STATEMENTS**

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>3. LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
<b>Term Loans</b>		
(a) From Banks - UCO Bank	56,60,719	1,50,00,000
(b) Home Loans	80,08,295	54,57,555
(c) Auto Loans	—	9,92,918
	<b>1,36,69,014</b>	<b>2,14,50,473</b>
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		
<b>4. DEFERRED TAX LIABILITIES (NET)</b>		
(a) Deferred Tax Liability arising on account of :		
Depreciation	1,06,47,909	1,15,90,033
(b) Less: Deferred Tax Assets arising on account of :		
Employees Retirement Benefits	13,21,090	15,09,281
	<b>93,26,819</b>	<b>1,00,80,752</b>
<b>5. OTHER LONG-TERM LIABILITIES</b>		
Advances and Deposits	—	—
<b>6. SHORT-TERM BORROWINGS</b>		
(a) Secured		
From Banks		
(a) Cash Credit		
(i) UCO Bank	11,25,75,786	12779571
(ii) IDBI Bank Limited	3,78,16,049	9614910
(iii) United Bank of India	88,90,736	20364022
(iv) Axis Bank Limited	1,24,10,270	439792
	<b>17,16,92,841</b>	<b>43198295</b>
(b) Working Capital Demand Loan		
United Bank of India	—	—
	<b>17,16,92,841</b>	<b>43198295</b>
(b) Unsecured		
<b>From Banks</b>		
Buyers Credit Arrangements	27,08,95,420	505315651
<b>From Others</b>		
The National Small Industries Corporation Ltd.	1,95,00,000	—
	<b>46,20,88,261</b>	<b>548513946</b>

**NOTES TO THE FINANCIAL STATEMENTS**

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.

	<b>As at 31.03.2014 Rs.</b>	<b>As at 31.03.2013 Rs.</b>
<b>7. TRADE PAYABLES</b>		
(a) Due to Micro and Small Enterprises	—	—
(b) Due to Others	<b>2,93,18,753</b>	3,58,89,867
	<b><u>2,93,18,753</u></b>	<b><u>3,58,89,867</u></b>
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	—	—
<b>8. OTHER CURRENT LIABILITIES</b>		
(a) Current Maturities of Long-term Debt	<b>84,92,918</b>	1,13,08,233
(b) Interest Accrued but not due on borrowings	<b>2,07,756</b>	17,34,377
(c) Interest Accrued and due on borrowings	<b>1,63,709</b>	2,88,535
(d) Forward Exchange Premium Payable	—	3,416,166
(e) Unclaimed Dividends	<b>7,24,308</b>	7,25,795
(f) Advances and Deposits	<b>53,57,624</b>	26,27,807
(g) Statutory Dues	<b>39,11,151</b>	17,16,721
(e) Other Payables	<b>1,10,01,607</b>	70,73,484
	<b><u>2,98,59,073</u></b>	<b><u>2,88,91,118</u></b>
<b>9. SHORT-TERM PROVISIONS</b>		
(a) Provision for Employee Benefits	<b>42,75,372</b>	48,84,405
(b) Excise Duty on Stocks	<b>2,33,44,939</b>	1,74,29,209
(c) Income Tax ( Net of Payments )	—	5,51,475
(d) Proposed Dividends and Tax thereto (Refer Note No. 10)	—	—
	<b><u>2,76,20,311</u></b>	<b><u>2,28,65,089</u></b>
<b>10. PROPOSED DIVIDENDS FOR THE YEAR</b>		
(a) On preference Shares (Previous Year - Rs.Nil per share)	—	—
(b) On Equity Shares (Previous Year - Rs.Nil per share)	—	—
(c) Tax on Dividends		
(i) On Preference Dividend	—	—
(ii) On Equity Dividend	—	—
	<b><u>—</u></b>	<b><u>—</u></b>
	<b><u>—</u></b>	<b><u>—</u></b>



**NOTES TO THE FINANCIAL STATEMENTS**

**As at**  
**31.03.2014**  
**Rs.**

**As at**  
**31.03.2013**  
**Rs.**

**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	4,37,07,910	2,45,57,760
ii) Sales Tax	12,08,168	67,47,931
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	15,54,020
vi) Entry Tax	1,65,26,816	85,79,206
vii) Others	—	51,47,016

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	14,74,81,748	7,66,13,011
(c) Letter of Credit	12,62,09,580	—

**(ii) Commitments**

(a) Estimated Amount of contracts remaining to be executed on capital account and not provided for.

3,12,70,405 3,38,21,145

(b) Dividend on Cumulative Preference Shares 1,86,000 93,000

(c) Other Commitments 8,41,336 38,34,991

**12. FIXED ASSETS**

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 31.3.2013	Additions during year	Deductions during year	As at 31.3.2014	Up to 31.3.2013	For the year	Written back during year	Up to 31.3.2014	As at 31.3.2014	As at 31.3.2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>(I) TANGIBLE ASSETS</b>										
Land-Freehold	70,41,500	—	—	70,41,500	—	—	—	—	70,41,500	70,41,500
Land-Leasehold	49,15,236	—	—	49,15,236	2,25,988	56,497	—	2,82,485	46,32,751	46,89,248
Buildings	5,22,74,988	7,30,116	—	5,30,05,104	4,35,82,279	7,11,280	—	4,42,93,559	87,11,545	86,92,709
Railway Siding, Roads and Bridges	87,45,898	—	—	87,45,898	30,69,547	2,83,822	—	33,53,369	53,92,529	56,76,351
Plant and Equipment	15,02,35,912	2,05,88,704	—	17,08,24,616	9,67,88,547	85,65,509	—	10,53,54,056	6,54,70,560	5,34,47,365
Research and Development Equipment	51,25,216	—	—	51,25,216	50,15,054	15,324	—	50,30,378	94,838	1,10,162
Furniture and Fixtures	43,21,938	1,48,422	—	44,70,360	35,37,109	1,66,105	—	37,03,214	7,67,146	7,84,829
Utilities, Facilities and Service Equipments	57,75,710	3,60,787	—	61,36,497	37,80,363	2,84,110	—	40,64,473	20,72,024	19,95,347
Vehicles	2,28,81,936	53,527	2,74,037	2,26,61,426	1,37,91,294	25,26,903	2,33,748	1,60,84,449	65,76,977	90,90,642
Office Equipment	92,21,281	4,85,323	—	97,06,604	74,99,218	6,73,758	—	81,72,976	15,33,628	17,22,063
Floriculture Plants	91,11,186	—	—	91,11,186	76,01,080	2,10,056	—	78,11,136	13,00,050	15,10,106
Orchidarium	1,05,76,290	—	—	1,05,76,290	75,89,232	2,98,706	—	78,87,938	26,88,352	29,87,058
<b>Total</b>	<b>29,02,27,091</b>	<b>2,23,66,879</b>	<b>2,74,037</b>	<b>31,23,19,933</b>	<b>19,24,79,711</b>	<b>1,37,92,070</b>	<b>2,33,748</b>	<b>20,60,38,033</b>	<b>10,62,81,900</b>	<b>9,77,47,380</b>
Previous year	28,46,27,220	55,99,871	—	29,02,27,091	17,67,19,873	1,57,59,838	—	19,24,79,711		
<b>(II) CAPITAL WORK-IN-PROGRESS</b>	<b>30,63,85</b>	<b>1,09,81,380</b>	<b>—</b>	<b>1,12,87,765</b>					<b>1,12,87,765</b>	<b>3,06,385</b>
				32,36,07,698					11,75,69,665	9,80,53,765

**NOTES TO THE FINANCIAL STATEMENTS**

	No of Shares/ Bonds/ Warrants	Face Value (Per Share/ Bond/ warrant) Rs.	Rs.	As at 31.3.2014 Rs.	As at 31.3.2013 Rs.
<b>13. NON-CURRENT INVESTMENTS</b>					
(A) Government Securities					
7-Year National Plan Savings Certificates (Face Value-Rs.14,000 Deposited with Government Department)				14,000	14000
(B) Equity Investments					
(a) In Subsidiary Companies (Unquoted)					
Fully Paid Equity Shares :					
C & C Investments Limited	750130	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.	699000	10		69,90,000	69,90,000
(ii) Fully Paid Equity Shares (Unquoted)					
Him Containers Limited (In Liquidation)	1200000	10	1,20,00,000		
(iii) Detachable Warrants-10% Upfront paid (Unquoted)					
Him Containers Limited (In Liquidation)	1200000	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
	<b>As at 31.03.2014</b>			<b>As at 31.03.2013</b>	
	<b>Cost</b>	<b>Market Value</b>		<b>Cost</b>	<b>Market Value</b>
	<b>Rs.</b>	<b>Rs.</b>		<b>Rs.</b>	<b>Rs.</b>
Quoted	69,90,000	2,67,01,800		69,90,000	2,64,57,150
Unquoted	14,000	-		14,000	-
		<b>As at</b>			<b>As at</b>
		<b>31.03.2014</b>			<b>31.03.2013</b>
		<b>Rs.</b>			<b>Rs.</b>
<b>14. LONG-TERM LOANS AND ADVANCES</b>					
Unsecured : Considered good					
(a) Capital Advances		1,31,11,515			95,99,019
(b) Security Deposits		31,01,532			33,98,752
(c) Other Loans and Advances		1,48,437			1,97,916
		1,63,61,484			1,31,95,687

**NOTES TO THE FINANCIAL STATEMENTS**

	<b>As at 31.03.2014</b>		<b>As at 31.03.2013</b>	
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>15. INVENTORIES</b>				
(For basis of valuation Refer Note No.37(h) under Significant Accounting Policies)				
(a) Raw Materials		<b>13,01,36,942</b>		13,46,80,681
Includes in-transit Rs. 13984170 (As at 31.3.13 - Rs. 13345769)				
(b) Finished Goods		<b>18,72,72,705</b>		16,41,09,341
Includes in-transit Rs. Nil (As at 31.3.13 - Rs. Nil)				
(c) Stores and Spares		<b>1,83,17,093</b>		1,71,60,903
Includes in-transit Rs. 80310 (As at 31.3.13 - Rs.27522)				
		<b><u>33,57,26,740</u></b>		<b><u>31,59,50,925</u></b>
<b>16. TRADE RECEIVABLES</b>				
Unsecured : Considered good				
Due for more than 6 months - Rs. 31310882 (As at 31.3.2013 Rs.11836944)		<b><u>31,08,23,965</u></b>		<b><u>20,28,12,311</u></b>
<b>17. CASH AND BANK BALANCES</b>				
(a) Cash and Cash Equivalents				
(i) Balances with Banks on Current Accounts	<b>15,52,741</b>		3,53,71,578	
(ii) Deposit with Banks (Less than three months maturity)	-		14,52,22,265	
(iii) Cheques, drafts on hand	-		63,930	
(iv) Cash on hand	<b><u>2,64,895</u></b>		<b><u>2,28,588</u></b>	
		<b>18,17,636</b>		18,08,86,361
(b) Other Bank Balances				
(i) For Unclaimed Dividends on Current Accounts	<b><u>7,24,307</u></b>		<b><u>7,25,795</u></b>	
(ii) On Term Deposits	<b><u>6,22,94,706</u></b>		<b><u>16,19,81,914</u></b>	
With more than 12 months maturity - Rs. 100000 (As at 31.3.2013-Rs.6240500) Includes Rs.3300000 pledged with Banks as Collateral Security (As at 31.3.2013 - Rs.3300000) and Rs. 58994706 as Margin Money for Letters of Credit and Guarantees (As at 31.3.2013 - Rs.156054560)				
		<b><u>6,30,19,013</u></b>		<b><u>16,27,07,709</u></b>
		<b><u>6,48,36,649</u></b>		<b><u>34,35,94,070</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**

	As at 31.03.2014		As at 31.03.2013	
	Rs.	Rs.	Rs.	Rs.
<b>18. SHORT TERM LOANS &amp; ADVANCES</b>				
<b>(a) Loans and Advances to related parties</b>				
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>(b) Others</b>				
Unsecured : Considered good and recoverable in cash or in kind or for value to be received				
(i) Inter-corporate Deposits	—		2,00,00,000	
(ii) Advances for Raw Materials	4,37,73,863		2,64,83,092	
(iii) Advance Income Tax (Net of Provision)	18,56,803		—	
(iii) Prepaid Expenses	9,88,478		10,02,339	
(iv) Balances with Statutory Authorities	73,76,896		2,82,80,806	
(v) Advances and Deposits	1,35,07,517		90,89,054	
Includes due by officers - Rs. 167000 (As at 31.3.2013 Rs.50200)				
		6,75,03,557		8,48,55,291
		<u>6,75,03,557</u>		<u>8,48,55,291</u>
<b>19. OTHER CURRENT ASSETS</b>				
Unsecured : Considered good				
(a) Receivable from Statutory Authorities	2,47,26,879		2,75,64,247	
(b) Other Receivable	19,38,100		33,56,067	
	<u>2,66,64,979</u>		<u>3,09,20,314</u>	
<b>20. REVENUE FROM OPERATIONS</b>				
<b>(a) Sale of Products:</b>				
(i) Calcined Petroleum Coke	1,44,29,69,854		1,53,51,03,253	
(ii) Electrode Carbon Paste	20,41,95,239		21,86,26,230	
(iii) Thermal Carbon (Tamping) Paste	69,54,975		40,56,396	
(iv) Desiccated Petroleum Coke Powder	6,08,81,275		—	
(v) Raw Petroleum Coke	8,39,76,020		14,36,02,434	
(vi) Others	1,24,259		8,49,510	
	<u>1,79,91,01,622</u>		<u>1,90,22,37,823</u>	
<b>(b) Sale of Services:</b>				
Technical Assistance	39,32,600	1,80,30,34,222	30,33,720	19,052,71,543
<b>(c) Less: Excise Duty / Service Tax</b>				
(i) Excise Duty (Net)	18,02,30,759		18,29,42,707	
(ii) Service Tax	4,32,600	18,06,63,359	3,33,720	18,32,76,427
		<u>1,62,23,70,863</u>		<u>1,72,19,95,116</u>

**NOTES TO THE FINANCIAL STATEMENTS**

	Year Ended 31.03.2014		Year Ended 31.03.2013	
	Rs.	Rs.	Rs.	Rs.
<b>21. OTHER INCOME</b>				
(a) Interest Income				
(i) From Banks	61,53,773		83,98,791	
(ii) From Others	93,25,958	1,54,79,731	66,79,073	1,50,77,864
(b) Dividend Income		3,49,500		3,49,500
(c) Net Gain (Loss) on Sale of Assets		212		—
(d) Other Non-operating Income				
(i) Rent	27,64,800		27,64,800	
(ii) Liability no longer required written back	—		3,11,906	
(iii) Refunds & Claims Received	81,39,908			
(iv) Miscellaneous Receipts	—	1,09,04,708	41,338	31,18,044
(e) Net Gain on Exchange Difference		63,597		5,64,132
		<u>2,67,97,748</u>		<u>1,91,09,540</u>
<b>22. COST OF MATERIALS CONSUMED</b>				
(a) Opening Stock		13,46,80,682		17,74,59,111
(b) Add: Purchases				
(i) Raw Petroleum Coke	1,08,23,77,191		1,00,11,04,639	
(ii) Calcined Petroleum Coke	32,68,59,914		32,13,09,198	
(iii) Pitch	5,51,85,257		6,05,61,912	
(iv) Others	35,488	1,46,44,57,850	—	1,38,29,75,749
		<u>1,59,91,38,532</u>		<u>1,56,04,34,860</u>
(c) Deduct: Cost of Materials Sold		8,03,32,879		13,29,91,059
(d) Deduct: Closing Stock		<u>13,01,36,942</u>		<u>13,46,80,681</u>
(e) Cost of Materials Consumed				
(i) Raw Petroleum Coke	96,31,71,201		916811136	
(ii) Calcined Petroleum Coke	36,70,63,881		315721995	
(iii) Pitch	5,84,17,069		60197100	
(iv) Others	16,560		32889	
		<u>1,38,86,68,711</u>		<u>1,29,27,63,120</u>
<b>23. COST OF MATERIALS SOLD</b>				
(a) Raw Petroleum Coke		8,03,32,879		13,29,91,059
(b) Others	—	<u>8,03,32,879</u>	—	<u>13,29,91,059</u>
<b>24. CHANGES IN INVENTORIES OF FINISHED GOODS</b>				
(a) Opening Inventory	16,41,09,341		261055203	
Less: Closing Inventory	18,72,72,705	(2,31,63,364)	164109341	9,69,45,862
(b) Less: Excise Duty Provision on Inventory				
On Opening Inventory	1,74,29,209		30181873	
Less: On Closing Inventory	2,33,44,939	(59,15,730)	17429209	1,27,52,664
		<u>(1,72,47,634)</u>		<u>8,41,93,198</u>

**NOTES TO THE FINANCIAL STATEMENTS**

	Year Ended 31.03.2014		Year Ended 31.03.2013	
	Rs.	Rs.	Rs.	Rs.
<b>25. EMPLOYEE BENEFITS EXPENSE</b>				
(a) Salaries and Wages		4,80,33,112		4,81,20,080
(b) Contribution to Provident and other Funds		47,99,351		33,66,319
(c) Staff Welfare Expenses		35,31,492		33,58,722
		<u>5,63,63,955</u>		<u>5,48,45,121</u>
<b>26. FINANCE COSTS</b>				
(a) Interest Expense		1,92,26,005		2,63,13,585
(b) Other Borrowing Costs		1,16,79,969		1,34,21,695
(c) Net Loss (Gain) on Foreign Currency transactions and translation		95,80,663		2,15,30,108
		<u>4,04,86,637</u>		<u>6,12,65,388</u>
<b>27. OTHER EXPENSES:</b>				
(a) Stores, Spare-parts and Packing Materials		2,32,18,655		1,85,00,832
(b) Power, Fuel and Water		3,53,03,385		3,15,04,769
(c) Carriage and Handling		2,37,08,197		2,21,55,905
(d) Research and Development Expenses		—		1,37,806
(e) Repairs and Maintenance to Buildings		38,52,082		28,69,421
(f) Repairs and Maintenance to Machinery		80,14,581		1,18,31,232
(g) Repairs and Maintenance to Others		52,52,072		53,62,240
(h) Insurance		20,72,148		20,17,895
(i) Rent		6,56,720		7,36,338
(j) Rates and Taxes		83,39,604		12,08,531
(k) Miscellaneous Expenses				
Freight and Forwarding	59,21,341		1,06,38,726	
Advertisement and Publicity	1,26,749		2,37,374	
Bad Debts written off	—		40,654	
Travelling, Transport and Conveyance	1,05,65,923		1,03,68,587	
Professional and Legal Expenses	29,73,349		44,55,481	
Donations and Subscriptions	6,63,265		9,33,685	
Establishment Expenses	1,03,22,799		1,21,22,021	
Board Meeting Fees	4,30,000		4,50,000	
		<u>3,10,03,426</u>		<u>3,92,46,528</u>
(l) Auditors' Remuneration				
As Auditors	1,50,000		1,50,000	
For Tax Audits	45,000		45,000	
For Other Audits and Certifications	66,348		81,206	
Travelling Expenses	18,551	2,79,899	18,417	2,94,623
		<u>14,17,00,769</u>		<u>13,58,66,120</u>

**NOTES TO THE FINANCIAL STATEMENTS**

		Year Ended 31.03.2014		Year Ended 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
<b>28. (a) CIF VALUE OF IMPORTS</b>					
(i) Raw Materials			<b>30,97,64,267</b>		50,99,95,863
(ii) Components Stores and Spare-parts			—		—
(iii) Capital Goods			<b>45,34,674</b>		—
<b>(b) Expenditure in Foreign Currency</b>					
(i) Interest			<b>30,79,122</b>		1,02,76,485
(ii) Others			<b>6,03,594</b>		5,45,800
<b>(c) Earnings in Foreign Exchange</b>					
FOB value of export of goods			<b>47,69,522</b>		4,03,31,484
<b>(d) Value of Imported and Indigenous</b>					
Goods Consumed and Percentage		Rs.	%	Rs.	%
(i) Raw Materials					
Imported		<b>27,25,87,449</b>	<b>19.63</b>	41,73,61,037	32.28
Indigenous		<b>1,11,60,81,262</b>	<b>80.37</b>	87,54,02,083	67.72
		<b>1,38,86,68,711</b>	<b>100.00</b>	1,29,27,63,120	100.00
(ii) Stores, Spare-parts and Packing Materials (Refer Note No.34)					
Imported		<b>2,06,478</b>	<b>0.89</b>	3,31,213	1.79
Indigenous		<b>2,30,12,177</b>	<b>99.11</b>	1,81,69,619	98.21
		<b>2,32,18,655</b>	<b>100.00</b>	1,85,00,832	100.00
<b>(e) Dividend Remitted in Foreign Currencies</b>					
		Year ended 31.03.2014		Year ended 31.03.2013	
	No of Non- Resident Share holders	No of Equity Shares held	Dividend Remitted Rs.	No of Non- Resident Share holders	No of Equity Shares held Dividend Remitted Rs.
	—	—	0	1	812377
			(For 2012-13)		1218565 (For 2011-12)
<b>29. PARTICULARS OF FORWARD CONTRACT OUTSTANDING AND UN-HEDGED FOREIGN CURRENCY EXPOSURE</b>					
		As at 31.03.2014		As at 31.03.2013	
(a) Forward Contract outstanding		US	—		47,07,311
		Rs.	—		25,54,39,971
(b) Un-hedged Foreign Currency Exposure					
(i) Current Liabilities - Buyers Credit		US	<b>45,24,339</b>	US\$	46,50,624
		Rs.	<b>27,19,13,660</b>	Rs.	25,29,44,183
(ii) Current Assets-Trade Receivables		US\$	—	EURO	6,410
		Rs.	—	Rs.	3,48,635

## NOTES TO THE FINANCIAL STATEMENTS

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 Rs.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

	Year ended 31.03.2014 Rs.	Year ended 31.03.2013 Rs.
<b>(B) Detail of Transactions taken place with Key Management Personnel</b>		
(1) Nature of Transactions		
Remuneration of :		
Managing Director	41,09,119	41,09,119
Deputy Managing Director	29,97,400	29,44,403
	<b>As at 31.03.2014 Rs.</b>	<b>As at 31.03.2013 Rs.</b>
(2) Outstanding Payable		
(i) Mr. Rakesh Himatsingka, Managing Director	5,83,727	4,75,800
(ii) Mr. Shaurya Veer Himatsingka, Deputy Managing Director	4,56,070	2,47,038

(C) The Company has incurred expenses of C & C Investments Limited, the Subsidiary Company amounting to Rs.10440 (Previous year - Rs.3319) 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:	<b>2013-14 Rs.</b>	2012-13 Rs.
Employer's Contribution to Provident Fund	27,60,175	26,74,069
Employer's Contribution to Superannuation Fund	5,98,880	5,82,680

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.

Contd.....



**NOTES TO THE FINANCIAL STATEMENTS****32. DISCLOSURES AS PER ACCOUNTING STANDARD 15 "EMPLOYEE BENEFITS" ARE GIVEN BELOW *Contd..***

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2013-14 Rs.	2012-13 Rs.	2013-14 Rs.	2012-13 Rs.
<b>i) Reconciliation of opening and closing balances of Defined Benefit Obligation</b>				
Defined Benefit Obligation at beginning of year	77,12,675	78,01,580	48,84,405	47,51,810
Current Service Cost	7,34,360	8,31,215	2,71,608	2,66,522
Interest Cost	5,80,273	6,49,621	3,61,987	3,88,405
Plan Amendment	—	—	—	—
Actuarial (gain)/loss	8,10,916	(8,15,068)	(1,96,387)	1,03,459
Benefits paid	(14,42,858)	(7,54,673)	(10,46,241)	(6,25,791)
Defined Benefit Obligation at year end	83,95,366	77,12,675	42,75,372	48,84,405
<b>ii) Reconciliation of opening and closing balances of fair value of Plan Assets.</b>				
Fair Value of plan assets at beginning of year	77,12,675	78,01,580	N.A.	N.A.
Expected return on plan assets	6,40,046	6,54,415	N.A.	N.A.
Employer contribution	14,40,296	1,09,570	10,46,241	6,25,791
Actuarial gain/(loss)	45,207	(98,217)	N.A.	N.A.
Benefits paid	(14,42,858)	(7,54,673)	(10,46,241)	(6,25,791)
Fair value of plan assets at year end	83,95,366	77,12,675	N.A.	N.A.
Actual return on plan assets	6,85,253	5,56,198	N.A.	N.A.
<b>iii) Reconciliation of fair value of assets and obligations</b>				
Present value of obligation at year end	83,95,366	77,12,675	42,75,372	48,84,405
Fair value of plan assets at year end	83,95,366	77,12,675	N.A.	N.A.
Funded Status- surplus (deficit) at year end	—	—	(42,75,372)	(48,84,405)
Net asset/(liability) recognised in Balance Sheet	—	—	(42,75,372)	(48,84,405)
<b>iv) Expenses recognised during the year</b>				
Current Services Cost	7,34,360	8,31,215	2,71,608	2,66,522
Interest Cost	5,80,273	6,49,621	3,61,987	3,88,405
Expected return on plan assets	(6,40,046)	(6,54,415)	N.A.	N.A.
Past Service cost	—	—	—	—
Actuarial (gain)/loss	7,65,709	(7,16,851)	(1,96,387)	1,03,459
Total Expense recognised in Profit & Loss Account	14,40,296	1,09,570	4,37,208	7,58,386
<b>v) Investment Details</b>				
Investment with fund approved under the Income Tax Act, 1961	100%	100%	N.A.	N.A.
<b>vi) Actuarial assumptions</b>				
Mortality (LIC - Standard Table)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount rate (per annum)	8.50%	8.30%	8.50%	8.30%
Expected rate of return on plan assets (p.a.)	8.50%	8.30%	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**

	<b>Year Ended 31.03.2014</b>	<b>Year Ended 31.03.2013</b>
<b>33. EARNINGS (LOSS) PER SHARE - BASIC &amp; DILUTED</b>		
a) Profit (Loss) after tax	<b>Rs. (5,39,44,134)</b>	(3,40,34,864)
b) Preference dividend and tax thereon	<b>Rs. —</b>	—
c) Profit (Loss) attributable to Equity Shareholders	<b>Rs. (5,39,44,134)</b>	(3,40,34,864.49)
d) Weighted Number of Shares	<b>Nos. 26,50,000</b>	26,50,000.00
e) Earning(Loss) per Equity Share of Rs.10/- each	<b>Rs. (20.36)</b>	(12.84)
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. Rates & Taxes includes Rs.5886220/- being land revenue paid to The Govt.of Assam relating to earlier period which was not provided for earlier, as the matter was Sub-judice. The same was shown as Contingent liability in earlier peirod. The matter has been settled during the year and the payment has been made.		
37. Approval from the Central Government for excess Remuneration amounting to Rs.185919/- over the limit specified under Schedule XIII to the Companies Act.1956 paid to Mr. Rakesh Himatsingka, Managing Director, during the year 2012-13 is yet to be received. The matter is under process.		
Further, remuneration for the current year paid to the Managing Director again exceeded the limit specified under Schedule XIII to the Companies Act.1956 by Rs.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, subject to approval at the Annual General Meeting.		
38. The Company has decided to set-up a new project at Jharsuguda (Orissa). Land has been taken on lease on outright payment by the Company few years back for this purpose. The Company has incurred Rs.11287765/- on account of accussion of Fixed Assets, pre-operative expenditure etc. has been shown as Capital Work-in-Progress		
39. 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 :	27.09.2014	
Actual date of filing Cost Audit Report :	yet to be filed.	
40. Previous year's figures have been reclassified, regrouped and rearranged, wherever necessary.		
41. Significant Accounting Policies:		
<b>(a) General :</b>		
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>(b) Recognition of Income and Expenditure:</b>		
Items of income and expenditure are generally recognised on accrual basis. Refunds and claims are recognised on the basis of sanction/acceptance.		
<b>(c) Turnover:</b>		
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.		
<b>(d) Fixed Assets:</b>		
Fixed Assets are stated at cost or at revalued amount as per revaluation carried out as at 30th September,1985.		
<b>(e) Depreciation/ Amortisation:</b>		
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

### 41. 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

**Dolly Agarwal**  
Chief Financial Officer  
(Upto 15-03-2014)

**Raj Kishore Gupta**  
Company Secretary  
(Upto 05-02-2014)

On behalf of Board of Directors  
**Rakesh Himatsingka**  
Chairman & Managing Director  
**Shaurya Veer Himatsingka**  
Dy. Managing Director  
**Soumendra Mohan Basu**  
Director

**Hemant Kumar Khaitan**  
Director

Place : Kolkata  
Date : 30th May, 2014

# 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, 2014
- 3 Extent of interest of India Carbon Ltd. : 7,50,130 Equity Shares of Rs.10/- each in the Subsidiary Company out of paid up Share Capital of 7,50,200 Shares of Rs.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, 2014 : Rs.(1,31,84,226)
  - (b) for the previous financial year : Rs.(1,31,84,226)
- 5 Net aggregate amount of Profit or Loss of the Subsidiary Company Dealt with in the Holding Company's Account. :
  - (a) for the year ended March 31, 2014 : 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

**Dolly Agarwal**  
Chief Financial Officer  
(Upto 15-03-2014)  
**Raj Kishore Gupta**  
Company Secretary  
(Upto 05-02-2014)

On behalf of Board of Directors  
**Rakesh Himatsingka**  
Chairman & Managing Director  
**Shaurya Veer Himatsingka**  
Dy. Managing Director  
**Soumendra Mohan Basu**  
Director  
**Hemant Kumar Khaitan**  
Director

Place : Kolkata  
Date : 30th May, 2014

# **C & C Investments Limited**

*Registered Office:*  
Noonmati, Guwahati - 781020, Assam

## **ANNUAL REPORT 2013-2014**

## **DIRECTORS' REPORT**

### **TO THE MEMBERS**

The Directors submit the Thirty-eighth Annual Report for the year ended 31st March, 2014.

### **WORKINGS**

The Profit & Loss Statements for the year ended 31st March, 2014 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 Rs. 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 Rs. 74,36,500/- held by the Company in HCL(in liquidation) and advance of Rs. 57,50,000/- given by the Company to HCL was made as an Extraordinary item by charging the same to the Profit & Loss Account during the year ended 31st March, 2001.

Consequent upon the execution of joint guarantee with regard to the loans taken by HCL from their Bankers amounting to Rs. 26,88,80,000/-, the Banker has filled a petition before the Debt Recovery Tribunal, Kolkata praying recovery of Rs. 41,24,76,480 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. P.K. Misra, 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)**

Consequent upon the 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 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:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures, if any;
- 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;
- 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;
- 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.

For and on behalf of the Board of Directors

Place : Guwahati, 14th May, 2014

*Registered Office:*  
Noonmati, Guwahati - 781 020, Assam.

**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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014 (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 there under 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 there under.
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 23rd May, 2013, 20th August, 2013, 18th November, 2013 & 10th February, 2014 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, 2013 was held on 18th September, 2013 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.



- (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 Governments, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities as prescribed under the various provisions of the Act.
  18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
  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 receives by the Company for alleged offence under the Act and that no fines or penalties or any other punishment was imposed on the financial year.
  32. The Company has not received any money as security from its employees during the financial year.
  33. The Company has not deducted any contribution towards Provident Fund during the financial year, as the Provident Fund Rules/Regulations are not applicable.

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

Place : Kolkata  
Date : 14th May, 2014

**Rajat Jalan**  
*Partner*  
C.P. No. 5705

**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, 2014.

- |                             |                |   |
|-----------------------------|----------------|---|
| 1. Form- 20B                | Filed U/S 159  | Annual Return for AGM held on 18-09-2013 filed on 15-11-2013.             |
| 2. Form- 66                 | Filed U/S 383A | Compliance Certificate for the year ended 31-03-2013 filed on 08-10-2013. |
| 3. Form- 23AC & Form- 23ACA | Filed U/S 220  | Audited Account for the year ended 31-03-2013 filed on 17-10-2013.        |

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

Place : Kolkata  
Date : 14th May, 2014

**Rajat Jalan**  
*Partner*  
C.P. No. 5705

## **INDEPENDENT AUDITOR'S 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 2014, 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 2014,
- (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 NIL 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 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, 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  
(Firm Registration No. 302206E)

19A, Jawaharlal Nehru Road  
Kolkata – 700 087.

Dated : 14th May, 2014

**Rajesh Kr. 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  
(Firm Registration No. 302206E)

19A, Jawaharlal Nehru Road  
Kolkata – 700 087.

Dated : 14th May, 2014

**Rajesh Kr. Singhania**  
Partner  
M. No. 52722

**BALANCE SHEET**

AS AT 31ST MARCH, 2014

	Note No.	As at 31.03.2014		As at 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>					
(1) Shareholders' Funds					
(a) Share Capital	1	<b>75,02,000</b>		75,02,000	
(b) Reserves and Surplus	2	<b>(1,31,84,226)</b>	<b>(56,82,226)</b>	<b>(1,31,84,226)</b>	<b>(56,82,226)</b>
(2) Current Liabilities					
(a) Short-term Borrowings	3		<b>56,94,173</b>		56,94,173
(b) Trade Payables	4	<b>3,366</b>	<b>56,97,539</b>	3,366	56,97,539
<b>TOTAL</b>			<b>15,313</b>		<b>15,313</b>
<b>II. ASSETS</b>					
(1) Non-current Assets					
Non-current Investments	7		–		–
(2) Current Assets					
(a) Cash and Bank Balances	5		<b>15,313</b>		15,313
(b) Short-term Loans and Advances	6	–	<b>15,313</b>	–	15,313
<b>TOTAL</b>			<b>15,313</b>		<b>15,313</b>

The Notes form an integral part of the Financial Statements.

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

For and on behalf of the Board

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

**D. K. Dutta**  
Director

**J. K. Nayak**  
Director

**RAJESH KUMAR SINGHANIA**  
Partner  
M. No. 52722

Place : Kolkata  
Date : 14th May, 2014

**PROFIT AND LOSS STATEMENT**

FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	Year ended 31.03.2014 Rs.	Year ended 31.03.2013 Rs.
<b>I Total Revenue</b>		—	—
<b>II Expenses:</b>			
Bank Charges		—	—
Total Expenses		<u>—</u>	<u>—</u>
<b>III Loss for the Year (I-II)</b>		<u>—</u>	<u>—</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 and on behalf of the Board

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

**D. K. Dutta**  
Director

**J. K. Nayak**  
Director

**RAJESH KUMAR SINGHANIA**  
Partner  
M. No. 52722

Place : Kolkata  
Date : 14th May, 2014

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	<b>As at 31.03.2014</b>		<b>As at 31.03.2013</b>	
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>1. SHARE CAPITAL</b>				
(a) Authorised				
1500000 Equity Shares of Rs.10 Each		<u>1,50,00,000</u>		<u>1,50,00,000</u>
(b) Issued, Subscribed and Fully Paid				
750200 Equity Shares of Rs.10 Each		<u>75,02,000</u>		<u>75,02,000</u>
1.1 Details of shareholders holding more than 5 percent equity shares:	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
India Carbon Limited (Holding Company)	<b>750130</b>	<b>99.99</b>	750130	99.99
<b>2. RESERVES &amp; SURPLUS</b>				
<b>Surplus</b>				
As per Last Financial Statements		<u>(1,31,84,226)</u>		<u>(1,31,84,226)</u>
Add:Balance in Statement of Profit & Loss		<u>-</u>		<u>-</u>
		<u>(1,31,84,226)</u>		<u>(1,31,84,226)</u>
<b>3. SHORT-TERM BORROWINGS</b>				
<b>Loans repayable on demand Un-Secured (Not Bearing Interest)</b>				
(i) From Holding Company				
India Carbon Limited		<u>40,95,000</u>		<u>40,95,000</u>
(ii) From Other Body Corporates		<u>15,99,173</u>		<u>15,99,173</u>
		<u>56,94,173</u>		<u>56,94,173</u>
<b>4. TRADE PAYABLES</b>				
Other Payables - Sundry Creditors		<u>3,366</u>		<u>3,366</u>
<b>5. CASH AND BANK BALANCES</b>				
Cash and Cash Equivalents				
Balances with Banks on Currernt Accounts		<u>15,313</u>		<u>15,313</u>
<b>6. SHORT TERM LOANS &amp; ADVANCES</b>				
Loans and Advances to related parties				
Unsecured : Considered doubtful				
Him Containter Ltd. (In Liquidation)		<u>57,50,000</u>		<u>57,50,000</u>
Less: Provision for doubtful advance		<u>57,50,000</u>		<u>57,50,000</u>
(Refer Note No. 11)		<u>-</u>		<u>-</u>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	No of Shares/ Bonds/ Warrants	Face Value (Per Share/ Bond/ warrant) Rs.		As at 31.3.2014 Rs.	As at 31.3.2013 Rs.
<b>7. NON-CURRENT INVESTMENTS</b>					
<b>NON-TRADE INVESTMENTS</b>					
<b>Equity Investments</b>					
<b>In Subsidiary Companies (Unquoted)</b>					
(i) Fully Paid Equity Shares (Unquoted) Him Containers Limited (In Liquidation)	6,76,150	10	<b>67,61,500</b>		
(ii) Detachable Warrants-10% Upfront paid (Unquoted) Him Containers Limited (In Liquidation)	6,75,000	10	<b>6,75,000</b>		
			<b>74,36,500</b>		
Less: Provision for Diminution in value (Refer Note No. 11)			<b>74,36,500</b>	—	—

**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. Auditors' Remuneration, Filling Fees & other expenses of Rs. 10439.63 has 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 31.03.2014	As at 31.03.2013
Joint Guarantees/Guarantees given to Financial Institutions for Term & Other Loans	<b>Rs. 1,58,00,000</b>	Rs. 1,58,00,000
Do	<b>St £ 6,56,740</b>	St £ 6,56,740
Do	<b>US \$ 5,17,183</b>	US \$ 5,17,183
Bank for Loans & Others purposes	<b>Rs. 26,88,80,000*</b>	Rs. 26,88,80,000*

\*Against above guarantee(s), the Bankers have filed a petition before the Debt Recovery Tribunal, Kolkata, claiming recovery of Rs. 412,476,480 from Him Containers Limited, and has also made C & C Investments Ltd. a party as Guarantor. Debt Recovery Tribunal vide its interim order dated 20.06.2003 has restrained the Company by way of; injunction to transfer, encumber or otherwise dispose off the movable and immovable properties, except in the usual course of business, till the disposal of the case. The case is being contested by the Company at the appropriate levels.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

11. Hon'ble Gauhati High Court vides order dated 1st September 2000 has issued order for winding up of Him Containers Limited (HCL) and Registrar of Companies, Assam has been appointed as its Official Liquidator. Consequent upon the said winding up order of HCL, its directors ceased to hold office except for the purpose of filing Statement of Affairs which has been filed with the Official Liquidator on 30.10.2000. As a result, C & C Investments Limited can no longer control the composition of the Board of Directors of HCL (in liquidation) and therefore, ceased to be the holding company of HCL. The Company's involvement in Him Containers Limited (in Liquidation), is to the extent of 676,150 Equity Shares of Rs.10/- each amounting to Rs. 6,761,500/- and 675,000 Detachable Warrants with upfront payment @ Re.1/- per Warrant amounting to Rs. 675,000/-. Further unsecured (Interest free) loans of Rs. 5,750,000/- had been given to Him Containers Limited. Provision for diminution in the value of investments held for Rs. 7,436,500/- and provision against advance of Rs. 5,750,000/- given by the Company in Him Containers Limited (in Liquidation) was charged to the Profit & Loss Account during the year ended 31.03.2001 under the head "Extraordinary Items.
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 rearranged, 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**  
Partner  
M. No. 52722

Place : Kolkata  
Date : 14th May, 2014

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 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(s)



## INDIA CARBON LIMITED

Regd. Office: Noonmati, Guwahati -781020, Assam.

CIN : L23101AS1961PLC001173

Website: www.indiacarbonltd.com, Tel: (033)22487856/9, Fax: 91-33-2230-7507

Email: icl@indiacarbonltd.com

### 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(S) ..... NAME AND ADDRESS OF THE PROXY (IF ANY) .....

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

No. of Share(s) held : .....

I/We hereby record my/our presence at the 52nd Annual General Meeting of the Company held on Thursday, 18th September, 2014 at 10.00 A.M. at the Registered Office of the Company at Noonmati , Guwahati-781 020, Assam.

\_\_\_\_\_  
Signature of the Shareholder(s) or proxy

## INDIA CARBON LIMITED

Regd. Office: Noonmati, Guwahati -781020, Assam.

CIN : L23101AS1961PLC001173

Website: www.indiacarbonltd.com, Tel: (033)22487856/9, Fax: 91-33-2230-7507, Email: icl@indiacarbonltd.com

### FORM MGT-11

#### Proxy Form

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

Name of the member (s): ..... Address .....

E-mail ID : ..... Folio No./ Client ID ..... DP ID No. ....

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

(1) Name ..... Address .....

Email ID ..... Signature ..... or failing him/ her: .....

(2) Name ..... Address .....

Email ID ..... Signature ..... or failing him/ her: .....

(3) Name ..... Address .....

Email ID ..... Signature .....

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the FIFTY SECOND Annual General Meeting of the Company, to be held on 18th day of September, 2014 at 10.00 a.m. at Noonmati, Guwahati -781020, Assam and at any adjournment thereof, in respect of such resolutions as are indicated below:

### RESOLUTIONS

#### Ordinary Business

- 1 Adoption of the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit & Loss & Cash Flow Statement for the year ended on that date together with the Reports of the Directors & Auditors thereon.
- 2 Appointment of Director in place of Mr. Eric P. Johnson (DIN: 00383407), who retires by rotation and being eligible, offers himself for re-appointment.
- 3 Appointment of Director in place of Gordon Kenneth McIntosh (DIN: 02244237), who retires by rotation and being eligible, offers himself for re-appointment.

4. Appointment of M/s. D. Basu & Co., Chartered Accountants (Registration No. 301111E), as Auditors from the conclusion of this Annual General Meeting, till the conclusion of 55th Annual General Meeting and the Board to fix their remuneration.

**Special Business**

5. Appointment of Mr. Abhijit Barooah (DIN: 00287145) as an Independent Director.
6. Appointment of Mr. Hemant Kumar Khaitan (DIN: 00220049) as an Independent Director.
7. Appointment of Mr. Manoj Mohanka (DIN: 00128593) as an Independent Director.
8. Appointment of Mr. Samar Jha (DIN: 02936104) as an Independent Director.
9. Appointment of Mr. Soumendra Mohan Basu (DIN: 01125409) as an Independent Director.
10. Ratification of remuneration to be paid to the Cost Auditors of the Company M/s Mitra Bose & Associates, Cost Accountants, (Registration No. 000037) for Cost Audit of cost records of the Company for the Financial year 2014-15
11. Application to the Central Government for waiver/ approval of excess remuneration paid to Mr. Rakesh Himatsingka (DIN: 00632156), Managing Director, during the financial year 2013-14
12. Re-appointment of Mr. Rakesh Himatsingka, as Managing Director of the Company (DIN: 00632156) for a period of 3 (three) years form 1st December 2013 to 30th November 2016 & payment of remuneration to him.
13. Re-appointment of Mr. Shaurya Veer Himatsingka, as Deputy Managing Director of the Company (DIN: 01200202) for a period of 3 (three) years form 1st April, 2014 to 31st March, 2017 & payment of remuneration to him.
14. Consent of the members of the Company under section 180 of the Companies Act, 2013 to the Board of Directors of the Company or any Committee of the Board by way of Special Resolution to invest/borrow moneys, in one or more tranches, upto Rs 100 Crores (Rupees One Hundred Crores)

Signed this.....day of .....2014

Signature of Shareholder .....

Signature of Proxy holder(s) .....

Affix  
Revenue  
Stamp

**NOTE**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Please complete all details including details of member(s) in above box before submission.
3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 52nd Annual General Meeting.



*If undelivered, please return to :*

**INDIA CARBON LIMITED**

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