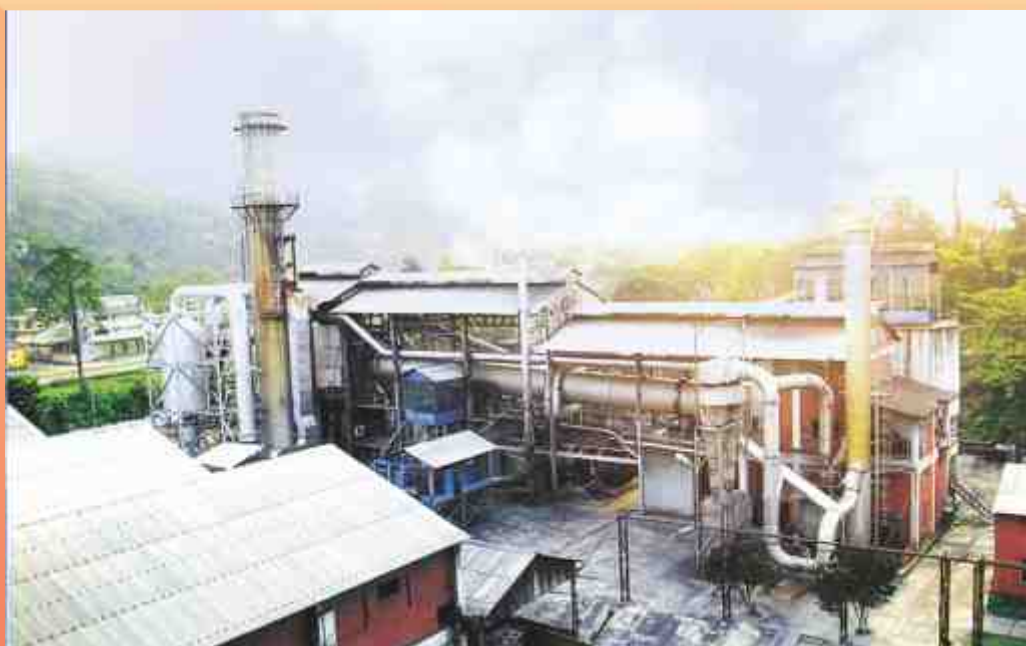




**ANNUAL REPORT**  
**2015-2016**

**INDIA CARBON LIMITED**



# India Carbon Limited

## ANNUAL REPORT 2015-2016

### BOARD OF DIRECTORS

Mr. Rakesh Himatsingka  
(Chairman and Managing Director)  
Mr. Shaurya Veer Himatsingka  
Mr. Eric Paul Johnson  
Mr. Gordon Kenneth McIntosh  
Mr. Mark Russell Jones  
(Alternate to Mr. Eric P. Johnson)  
Mr. Albert John Rolfe  
(Alternate to Mr. Gordon Kenneth McIntosh)  
Mr. Rajendra Prasad Das  
(Nominee of Government of Assam)  
Mr. Hemant Kumar Khaitan  
Mr. Manoj Mohanka  
Mr. Soumendra Mohan Basu  
Mr. Samar Jha  
Mr. Sunirmal Talukdar  
Mrs. Susmita Ghose  
(Additional Director)

### CHIEF FINANCIAL OFFICER

Mr. Pankaj Kumar Misra

### COMPANY SECRETARY

Mr. Bhaskar Rakshit

### 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 No. 40116700/11/18/23, 2280-6692/93/  
Fax : 033 4011-6739, E-mail : rta@cbmsl.com

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**REPORT OF THE DIRECTORS**

FOR THE YEAR ENDED 31ST MARCH, 2016

To The Members,

Your Directors have pleasure in presenting the Fifty Fourth Annual Report on the business and operations of the Company and Audited Statement of Accounts of the Company for the financial year ended 31st March, 2016.

**1. FINANCIAL SUMMARY OF THE COMPANY:**

<b>FINANCIAL RESULTS</b>	<b>YEAR ENDED 31.03.2016 (In ₹)</b>	<b>YEAR ENDED 31.03.2015 (In ₹)</b>
Revenue from Operation(Net)	190,41,30,361	176,76,66,249
Other Income	1,69,84,456	1,33,36,009
<b>TOTAL REVENUE</b>	<b>192,11,14,817</b>	<b>178,10,02,258</b>
<b>TOTAL EXPENSES</b>	<b>191,99,89,814</b>	<b>181,27,75,454</b>
Profit / (Loss) Before Tax	11,25,003	(3,17,73,196)
Less: Provision for Taxation (including Deferred Tax)	(9,04,866)	(97,78,564)
Profit / (Loss) After Tax	20,29,869	(2,19,94,632)
Earnings (Loss) per equity share of ₹10/- each	0.72	(8.33)

**2. STATE OF COMPANY'S AFFAIRS**

During the financial year (F.Y) ended 31.03.2016, your Company has achieved a gross revenue from operation amounting to ₹ 211.71 Crore as against Rs.195. 26 Crore in the last financial year, an increase of 8.42 % as compared to the previous F.Y.

Production of Calcined Petroleum Coke (CPC) during the year was 83,432 MT as against 74,392 MT in the previous year and Electrode Carbon Paste (ECP) production was 4,033MT as against 5,006 MT in the previous year, an increase of 12.15% and decrease of 19.44% respectively.

Further, Sales of CPC for the year under review was 82,839 MT as against 66,406 MT in the previous year which is increased by 24.75%. ECP sales were 3,995 MT as against 5,094 MT in the previous year, which is lower by 21.58%.

During the year production and sales of Calcined Petroleum Coke (CPC) which is the major constituent of the Company's gross turnover increased as compared to the previous Financial Year. However the production and sales of Electrode Carbon Paste (ECP) decreased during the financial year. This resulted in earning a modest amount of profit by your Company during the F.Y after incurring a loss over the last three consecutive financial years.

During the year, even though both production and sales of CPC was higher as compared to the previous year, but due to continuance of sluggish demand & fierce competition in the market, the price of CPC kept reducing and consequently your Company kept losing on the inventory it was carrying, as well as on 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 during the year supplied mainly to Hindalco's new smelter at Mahan, 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 15.52% in the production & 41.04% in the sales of CPC at Budge Budge unit; the average price per MT of CPC has reduced during the year by ₹ 338.43/- (approx) as compared to previous F.Y; which leads to a loss around 1.70% per MT average price of CPC in the last year.

For Guwahati unit too both the production and sales of CPC increased during the year under review to the extent around 7.57% & 2.9% respectively. However the average price per MT of CPC produced by Guwahati unit also reduced during the year by ₹ 330.40/- (approx) as compared to previous year which leads to a loss around 1.40% per MT average price of CPC in the last F.Y.

However the directors are happy to report that despite of many a challenging issue prevailed in the market; Your Company has earned a modest profit during the F.Y of ₹ 20, 29,869/- as compared to a loss incurred in the last year of ₹ 2, 19, 94,632/-.

### Future Outlook

India is the Sixth largest proven reserves of Bauxite at around 1,400 Million Metric ton and the fourth largest proven reserves of coal. Both these are essential raw material for the manufacture of all metal and Aluminum is the metal of the present and future, because of its unique properties. In India Aluminum metal is mainly used by the Electric and Electronic sectors, Automotive & Transportation, Building & Construction, Packing & Consumer durables and Industrial & Defense applications.

India started Aluminum production in 1943, became self sufficient in 1989 and in the current financial year is expected to produce around 3.3 Million Metric ton and is now a significant net exporter of the Metal. The average per capita Aluminum consumption in India presently is around 4 Kgs as against the World average of approx 11 Kgs with China at around 21 Kgs. The averaged consumption by 2020 is forecast at around 5 Kgs and expected to grow at a healthy rate.

The GDP of India grew by around 7.6% in the fiscal year 2015-16 as against GDP around 7.2% in F.Y 2014-15 and is expected to rise to 7.9% in 2016-17, followed by further acceleration to 8% in 2017-18. Such a sustained growth shall fuel increased demand for Aluminum and Steel, which also is a significant user of our product and thus, we are sure of continuous and steady increase in the demand for CPC.

Furthermore India's government has begun to implement reforms to unlock the country's investment potential to improve the business environment, liberalize FDI, boost both public and private investment in infrastructure, quickly resolves corporate disputes, simplifying taxation and lower corporate taxes. The government has made progress in several policy areas and long-term prospects for growth remain bright for India.

### 3. CHANGE IN NATURE OF BUSINESS:

There has been no change in nature of business of the Company during the F.Y. 2015-2016.

### 4. DIVIDEND

In view of inadequate profit during the F.Y, the Directors express their inability to declare any dividend on Equity shares of the Company. However in view of the redemption of preference share as on 25th December, 2016, the board recommends to pay the entire dividend @9.3% on 10,000 Preference shares of Rs.100/- each which was due and unpaid inclusive of the dividend for the current financial year ending 31st March, 2016.

### 5. RESERVES

During the year no amount has been transferred to any reserve.

### 6. CHANGE OF NAME

The Company has not changed its name during the financial year ended 31.03.2016.

### 7. CHANGES IN SHARE CAPITAL

There has been no change in share capital of the Company during the F.Y. 2015-2016.

### 8. DIRECTORS & KEY MANAGERIAL PERSON:

#### Directors

Mr. Eric P. Johnson (DIN: 00383407) and Mr. Gordon Kenneth McIntosh (DIN: 02244237) Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

During the year, Mrs. Susmita Ghose (DIN: 07333557) has been appointed as an Additional (Independent) Directors by the Board for a term of 5 years subject to confirmation of the shareholders at the ensuing Annual General Meeting w.e.f 09.11.2015. Further Mr. Rajendra Prasad Das (DIN: 03279113) has been appointed as Nominee Director on behalf of the Government of Assam in place of Mrs. Nilufar Alam Hazarika w.e.f. 24th July, 2015.

#### Key Managerial Personnel

The following employees were designated as whole-time key managerial personnel by board of directors during the year 2015—2016, pursuant to section 203 of Companies Act 2013 and rules made thereon:

- Mr. Bhaskar Rakshit, an associate member of Institute of Company Secretaries of India has been appointed as Company Secretary & Compliance Officer of the Company w.e.f 15th Day of June, 2015.
- Mr. Pankaj Kumar Misra as Chief Financial Officer of the Company

### 9. PARTICULARS OF EMPLOYEES

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees of the Company are in receipt of remuneration exceeding the limit prescribed under rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**10. NUMBER OF BOARD MEETINGS**

During the Financial Year 2015-16, 4(Four) number of meetings of the Board of Directors of the Company were held as on 30th May,2015, 12th Day of August,2015, 09th Day of November,2015 & 09th Day of February,2016.

**11. FORMAL ANNUAL EVALUATION:**

Pursuant to the provisions of section 134 of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing obligation and disclosure requirement) Regulation, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder Relationship Committee.

According to the SEBI Listing Regulation, 2015 and as per provisions of Companies Act 2013 read with rules and schedule thereon, a meeting of the Independent Directors was held wherein the performance of non-independent directors, including chairman was evaluated and found satisfactory.

The nomination & remuneration committee is of the view that board is versatile and diversified and all members have vast exposures which enhances the integrity of the Company.

**12. DECLARATION BY AN INDEPENDENT DIRECTOR(S)**

The Independent directors have confirmed and declared that they are not disqualified to act as an Independent Director in compliance with the provisions of Section 149 of the Companies Act, 2013 & SEBI (Listing obligation and disclosure requirement) Regulation, 2015. The Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 & SEBI (Listing obligation and disclosure requirement) Regulation, 2015 making them eligible to act as Independent Director.

**13. REMUNERATION POLICY**

The Board has framed a policy on the recommendation of the Nomination & Remuneration Committee for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

**14. MANAGERIAL REMUNERATION**

The statement containing the disclosure as required in accordance with the provisions of Section 197(12) of the Companies Act 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure - V and forms a part of the Board Report.

Further, none of the employees of the Company are in receipt of remuneration exceeding the limit prescribed under rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. So statement pursuant to Section 197(12) of the Companies Act 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be included in this report.

**15. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES**

During the year under review the Company did not have any Joint Venture or Associate as defined by the Companies Act, 2013. However the Company has a subsidiary namely M/s. C & C Investment Ltd (CIN: U67120AS1976PLC001654) having extent of holding 99.9% in the equity shares of the Company. The details of the subsidiary(Form AOC-I) pursuant to Section 129(3) of Companies Act, 2013 read with rule 5 of Companies (Accounts) Rule has been annexed herewith as Annexure - I and forms a part of the Directors Report.

The Company has also formulated a policy for determining 'material' subsidiaries. The Policy is stated in the Corporate Governance Report.

**16. CONSOLIDATED FINANCIAL STATEMENT**

The Financial Statements of C & C Investments Ltd has not been consolidated in the light of Para 11(b) of AS 21 (Severe long- term restriction of transfer of funds).

**17. ISSUE OF EMPLOYEE STOCK OPTIONS**

Your Company has not granted any stock option to its employee during the year as provided in rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014

**18. STATUTORY AUDITORS & AUDITORS' REPORT**

M/s. D. Basu & Co, Chartered Accountants were appointed as Statutory Auditors of the Company for a period of 3 years pursuant to section 139(2) of the Companies Act 2013 and rules made thereon in the Annual General Meeting held on 18th September 2014. Further the Auditors have confirmed their eligibility under section 141 of the Companies Act 2013 and rules framed there under and also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI. As required under section 139 of Companies Act 2013, the appointment of Statutory Auditor is required to be placed before the members in every general meeting for their ratification.

Accordingly a resolution seeking member's ratification for the appointment of M/s D. Basu & Co, Chartered Accountants as statutory Auditor for the F.Y. 2016-2017 is included in the Notice convening the Annual General meeting.

The Auditor report are self-explanatory in nature and do not call for any further comments.

**19. SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/S. R.K. Jain & Co, a firm of Company Secretaries in whole time practice to undertake the Secretarial Audit of the Company for the year ended 31.03.2017. The Report of the Secretarial Audit Report for the financial year ended 31.03.2016 is enclosed in the report as Annexure –III, and is self-explanatory in nature and does not call for any further comments.

**20. INTERNAL AUDITOR:**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014 the Company has appointed M/s. CKJK & Associates, Chartered Accountants, to undertake the Internal Audit of the Company for the F.Y. 2016-2017. There stood no serious adverse finding & reporting by the Internal Auditor in the Internal Audit Report for the year ended 31st March 2016.

**21. 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 2016-17. The remuneration of Cost Auditor is subject to ratification by the shareholders at the ensuing Annual General Meeting. Your Company submits its Cost Audit Report with the Ministry of Corporate Affairs within the stipulated time period

**22. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The details in respect of Internal Financial Controls and their adequacy are included in the Management Discussion and Analysis Report.

**23. RISK AND AREA OF CONCERN**

The Company has laid down a well defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor and non-business risks. The Audit Committee and the Board periodically review the risks and suggest steps to be taken to manage/ mitigate the same through a properly defined framework.

**24. VIGIL MECHANISM**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at <http://www.indiacarbonltd.com>

**25. CODE OF CONDUCT**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website <http://www.indiacarbonltd.com>. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure. All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

**26. EXTRACT OF ANNUAL RETURN:**

Companies Act, 2013 makes mandatory for every Company to prepare an extract in the format prescribed MGT 9. The details forming part of the extract of Annual Return as on 31st March 2016 is attached in Annexure - II.

**27. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report

**28. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE:**

There are no significant material orders passed by the Regulators / Courts/Tribunals which would impact the going concern status of the Company and its future operations.

**29. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Board has adopted the policy and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding the assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records and timely preparation of the reliable financial data

**30. DEPOSITS**

The Company has not accepted any deposit as covered under Chapter V of Companies Act, 2013.

**31. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. The details of all the related parties is part of this report and attached as Annexure IV

**32. CORPORATE GOVERNANCE CERTIFICATE**

The Compliance certificate from the statutory auditor of the Company regarding compliance of conditions of corporate governance as stipulated in Schedule V of SEBI (Listing obligation and disclosure requirement) Regulation, 2015 is annexed with the report.

**33. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis forms part of this Annual Report

**34. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In order to prevent sexual harassment of women at work place your Company has followed adequate policy for prevention of Sexual Harassment of Women at Workplace and has set up a committee for implementation of the said policy. During the year Company has not received any complaint of harassment

**35. CORPORATE SOCIAL RESPONSIBILITY:**

The provisions of Section 135 of Companies Act, 2013 with regards to Corporate Social Responsibilities are not applicable to the Company

**36. HUMAN RESOURCES**

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis.

**37. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

**a) Conservation of Energy:**

Steps taken for conservation	Constant efforts are on to conserve and reduce energy consumption. Variable Frequency Drives (VFDs) have been installed on all the motor to control and reduce energy consumption. Energy for each activity are recorded by individual meters and monitored by daily recording of the actual consumption.
Steps taken for utilizing alternate sources of energy	Various studies have been made to examine usage of alternate energy source, including the service of Dr. Gon Chowdhury, ex Director of WBREDA (West Bengal Renewable Energy Development Authority), but regrettably no workable alternate could be identified till date.
Capital investment on energy conservation equipments	N.A.



**b) Technology Absorption:**

Efforts made for technology absorption	N/A
Benefits derived	N/A
Expenditure on Research & Development, if any	N/A
Details of technology imported, if any	N/A
Year of import	N/A
Whether imported technology fully absorbed	N/A
Areas where absorption of imported technology has not taken place, if any	N/A

**c) Foreign Exchange Earnings/ Outgo:**

Earnings	₹ 1,19,66,243/-
Outgo	₹.42,34,930/-

**38. DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that :

- in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors had 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 as at 31st March, 2016 and of the profit /loss of the Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**39. TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to Section 205A and 205C of the Companies Act, 1956, relevant amounts which remain unpaid or unclaimed for a period of Seven Years from the date of transfer to the unpaid dividend account have been transferred by the Company, from time-to-time on due dates, to the Investor education and protection funds (IEPF).

During the year under review your Company transferred an amount of Rs.82,569/- to the IEPF being the unclaimed dividend for the financial year ended 31.03.2008.

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has filed the necessary form with ROC during the financial year 2015-16.

**40. 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 2015-16 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, 40116718, 40116723, 2280-6692/93/94,

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

**41. COMMITTEES**

With a view to have a more focused attention on business and for better governance and accountability, and in accordance with the Companies Act 2013, your Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee. The details of the committee with terms of reference along with composition and meeting held during the year are provided in the Report on Corporate Governance, a part of this Annual Report. In addition to that for better governance your Company has also constituted Share Transfer Committee and Risk Management Committee of the Board of Directors of the Company.

- **AUDIT COMMITTEE:**

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by its terms of reference which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Schedule II of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and disclosed in the Corporate Governance report.

Further the Board has recorded all the recommendations of the Audit Committee and accordingly has proceeded with their recommendations.

- **NOMINATION AND REMUNERATION COMMITTEE:**

Pursuant to section 178 of Companies Act 2013 and Schedule II of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Company has formed a Nomination & Remuneration Committee. The details of terms and the details of meeting held during the year are disclosed in the Corporate Governance report.

The Nomination & Remuneration committee has framed remuneration policy as per section 178 (3) of Companies Act, 2013 and Schedule II of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015. The summary of the Remuneration policy and appointment of directors and key managerial personnel is stated in the corporate governance report.

The details of criteria for performance evaluation as laid by Nomination & Remuneration committee are disclosed in the Corporate Governance report, which forms a part to the Annual report.

- **STAKEHOLDER RELATIONSHIP COMMITTEE:**

Pursuant to section 178(5) of Companies Act 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Company has formed a Stakeholder Relationship Committee. The details of terms are disclosed in the Corporate Governance report, which forms a part to the Annual report.

- **SHARE TRANSFER COMMITTEE:**

Your Company has formed a share transfer committee of the Board of Directors for facilitating smooth operation of the share transfer process of the Company. The details of terms and the details of meeting held during the year are disclosed in the Corporate Governance report, which forms a part to the Annual report.

- **RISK MANAGEMENT COMMITTEE:**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Company has constituted a business risk management committee.

The details of the committee and its terms of reference and the policy framed by it are set out in the Corporate Governance report.

#### **42. HEALTH AND SAFETY**

Your Company is wholeheartedly committed to health and safety of its employees and all stakeholders. 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. The Company has on its rolls a well qualified full time officer to monitor, control, advice and implement its policy on health, safety and environment.

#### **43. 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.

#### **44. 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.

#### **45. FAMILIARIZATION PROGRAMMES FOR INDEPENDENT DIRECTORS**

Your Company undertakes familiarization programme for its independent directors of the Company to familiarize themselves with the code of conduct and working of the Company. The details of terms are disclosed in the Corporate Governance report, which forms a part to the Annual report.

#### **46. PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186**

During the year your Company has not given any guarantee, loan or made investment under the provisions of section 186 of the Companies Act, 2013.

#### **47. CREDIT RATING**

ICRA has reaffirmed the long term rating for the captioned line of Credit (LOC) at [ICRA] BB+ (pronounced as ICRA Double 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] A4+ (pronounced ICRA A four plus).

#### **48. PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. The Directors and the designated employees have confirmed compliance with the Code.

#### **49. DISCLOSURE REQUIREMENTS**

In terms of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.

- Details of the familiarization programme of the independent directors are available on the website of the Company ([www.indiacarbonltd.com](http://www.indiacarbonltd.com)).
- Policy for determining material subsidiaries of the Company is available on the website of the Company ([www.indiacarbonltd.com](http://www.indiacarbonltd.com)).

- Policy on dealing with related party transactions is available on the website of the Company ([www.indiacarbonltd.com](http://www.indiacarbonltd.com)).
- Policy for Whistle Blower Policy to provide Vigil Mechanism is available at Companies website ([www.indiacarbonltd.com](http://www.indiacarbonltd.com)).
- Remuneration policy of the nomination and remuneration committee is available on the website of the Company ([www.indiacarbonltd.com](http://www.indiacarbonltd.com)).
- The Code of practices & procedures for fair disclosure of unpublished Price sensitive information Under Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 is available on the Company's website ([www.indiacarbonltd.com](http://www.indiacarbonltd.com)).
- Policy framed for risk management have been uploaded on the Company's website([www.indiacarbonltd.com](http://www.indiacarbonltd.com)).
- Criteria for evaluation of independent Directors and Board are available on the Company's website ([www.indiacarbonltd.com](http://www.indiacarbonltd.com)).
- Director performance evaluation policy is available on the Company's website ([www.indiacarbonltd.com](http://www.indiacarbonltd.com)).

**50. ACKNOWLEDGEMENTS:**

Your Directors take the opportunity to thanks the Regulators, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For & on behalf of the Board of Directors

**Rakesh Himatsingka**

(DIN: 00632156)

*Chairman and Managing Director*

Date: 17th May, 2016

Place: Kolkata

**Annexure-I****Form AOC-I**

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

**Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures**

**Part “A”: Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1. Name of the subsidiary: C & C Investments Limited (CIN: U67120AS1976PLC001654)
2. Reporting period for the subsidiary concerned, if different from the holding Company's reporting period: NA
3. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries: NA
4. Share capital: Rs.75, 02,000/-
5. Reserves & surplus: Rs. (-) 1, 31, 85,011/-
6. Total assets: Rs.14, 528/-
7. Total Liabilities: Rs.56, 97,539/-
8. Investments: NA
9. Turnover: Nil
10. Profit before taxation: Rs. (-) 630/-
11. Provision for taxation: NIL
12. Profit after taxation: Rs. (-) 630/-
13. Proposed Dividend: NIL
14. % of shareholding: 99.99

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: NA
2. Names of subsidiaries which have been liquidated or sold during the year: NA

**Part “B”: Associates and Joint Ventures**

During the F. Y 2015-16 the Company had no Associate Companies and Joint Ventures Pursuant to Section 129 (3) of the Companies Act, 2013

For & on behalf of the Board of Directors

Date: 17th May, 2016  
Place: Kolkata

**Rakesh Himatsingka**  
(DIN: 00632156)  
*Chairman and Managing Director*



Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the beginning of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	—	—	—	—	—	—	—	—	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any other	—	—	—	—	—	—	—	—	—
<b>Sub-total (A)(1):-</b>	<b>244135</b>	<b>13188</b>	<b>257323</b>	<b>9.71</b>	<b>244135</b>	<b>13188</b>	<b>257323</b>	<b>9.71</b>	No Change
<b>(2)Foreign</b>									
a) NRIs individuals	—	—	—	—	—	—	—	—	—
b) Other-individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Banks/FIs	—	—	—	—	—	—	—	—	—
e) Any others	—	—	—	—	—	—	—	—	—
<b>Sub-total(A)(2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks / FI	148	348	496	0.02	148	348	496	0.02	No Change
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	14472	297	14769	0.56	14472	297	14769	0.56	No Change
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>14620</b>	<b>645</b>	<b>15265</b>	<b>0.58</b>	<b>14620</b>	<b>645</b>	<b>15265</b>	<b>0.58</b>	No Change
<b>2. Non-Institutions</b>									
a) Bodies Corp.	813030	284232	1097262	41.41	806386	284232	1090618	41.16	0.25% Decrease
i) Indian									
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals	—	—	—	—	—	—	—	—	—
i) Individual Shareholders holding nominal share capital up to ₹ 1 lakh	167916	218264	386180	14.57	174854	217780	392634	14.82	0.25% Increase
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	20097	55900	75997	2.87	20097	55900	75997	2.87	No Change
c) Others (specify)									
Non Resident Indians/OCB	4277	1186	5463	0.21	4467	1186	5653	0.21	No Change
Foreign Nationals	—	—	—	—	—	—	—	—	—
Clearing Members	—	—	—	—	—	—	—	—	—
Trusts	133	-	133	0.00	133	-	133	0.00	No Change
Foreign Body Corporate	14517	797860	812377	30.65	14517	797860	812377	30.65	No Change

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the beginning of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (B)(2):-	1019970	1357442	2377412	89.71	1020454	1356958	2377412	89.71	No Change
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1034590</b>	<b>1358087</b>	<b>2392677</b>	<b>90.29</b>	<b>1035074</b>	<b>1357603</b>	<b>2392677</b>	<b>90.29</b>	No Change
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B+C)</b>	<b>1278725</b>	<b>1371275</b>	<b>2650000</b>	<b>100.00</b>	<b>1279209</b>	<b>1370791</b>	<b>2650000</b>	<b>100.00</b>	No Change

**B) Shareholding of Promoter-**

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	ANITA HIMATSINGKA	133415	5.03%	0.00	133415	5.03%	0.00	No Change
2	SONAL H. MODI	36492	1.38%	0.00	36492	1.38%	0.00	No Change
3	SHAURYA VEER HIMATSINGKA	51996	1.96%	0.00	51996	1.96%	0.00	No Change
4	MAALIKA HIMATSINGKA	24975	0.95%	0.00	24975	0.95%	0.00	No Change
5	RAKESH HIMATSINGKA	10445	0.39%	0.00	10445	0.39%	0.00	No Change

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

SN	Particulars	Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares shares of the company	% of total	No. of shares shares of the company	% of total
1	At the beginning of the year	257323	9.71%	—	—
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change	No Change		
3	At the end of the year	257323	9.71%	—	—

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

SN	Name of the Shareholder	Shareholding at the beginning of the year		Change in shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	OXBOW CALCINING LLC	812377	30.65	No Change	No Change	812377	30.65
2.	SUBHAG MERCANTILE PVT.LTD.	250000	9.43	No Change	No Change	250000	9.43
3.	KALLOL INVESTMENTS LIMITED	145250	5.48	No Change	No Change	145250	5.48
4.	FUND FLOW INVESTMENT AND TRADING CO. LTD.	111984	4.23	No Change	No Change	111984	4.23
5.	GONERIL INVESTMENT AND TRADING CO. LTD.	107840	4.07	No Change	No Change	107840	4.07
6.	TOWER INVESTMENT & TRADING CO. LTD.	100046	3.78	No Change	No Change	100046	3.78



SN	Name of the Shareholder	Shareholding at the beginning of the year		Change in shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7.	JYOTSANA INVESTMENT COMPANY LIMITED	94680	3.57	No Change	No Change	94680	3.57
8.	GULMOHUR TRADING CO. PVT. LTD.	90767	3.43	No Change	No Change	90767	3.43
9.	SUBHAG MERCANTILE PVT.LTD.	39638	1.5	No Change	No Change	39638	1.5
10	B.H. ENTERPRISES PVT. LTD.	39076	1.47	No Change	No Change	39076	1.47

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Name of the Shareholder	Shareholding at the beginning of the year		Change in shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	RAKESH HIMATSINGKA	10445	0.39	No change	No change	10445	0.39
2.	SHAURYA VEER HIMATSINGKA	51996	1.96	12800	0.48% Increase	51996	1.96

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	16,71,86,079	33,33,11,758	-	50,04,97,837
ii) Interest due but not paid	1,11,687	-	-	1,11,687
iii) Interest accrued but not due	-	7,11,367	-	7,11,367
<b>Total (i+ii+iii)</b>	<b>16,72,97,766</b>	<b>33,40,23,125</b>	<b>-</b>	<b>50,13,20,891</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	7,33,96,672		-	7,33,96,672
* Reduction		16,29,38,918	-	16,29,38,918
<b>Net Change (increase)</b>	<b>7,33,96,672</b>	<b>16,29,38,918</b>	<b>-</b>	<b>23,63,35,590</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	23,97,51,507	17,07,29,969	-	41,04,81,476
ii) Interest due but not paid	9,42,931	-	-	9,42,931
iii) Interest accrued but not due	-	3,54,238	-	3,54,238
<b>Total (i+ii+iii)</b>	<b>24,06,94,438</b>	<b>17,10,84,207</b>	<b>-</b>	<b>41,17,78,645</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (in ₹)

SN	Particulars of Remuneration	Name of MD	Name of MD	Total Amount
		RAKESH HIMATSINGKA	SHAURYA VEER HIMATSINGKA	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2100000/-	1860000/-	3960000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2435976/-	2322700/-	4758676/-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—

SN	Particulars of Remuneration	Name of MD	Name of MD	Total Amount
		RAKESH HIMATSINGKA	SHAURYA VEER HIMATSINGKA	
4	Commission - as % of profit - others, specify...	—	—	—
5	LESS: Refund of Excess remuneration paid to Mr. Rakesh Himatsingka, CMD for the Year 2012-2013	—	—	—
	Remuneration			
	Total (A)	4535976/-	4182700/-	8718676/-
	Ceiling as per the Act	8400000/-	8400000/-	16800000/-

**B. Remuneration to other directors** (in ₹)

Sl No	Particulars of Remuneration	Name of Directors						Total Amount
		HEMANT KUMAR KHAITAN	MANOJ MOHANKA	SUNIRMAL TALUKDAR	SOURMENDRA MOHAN BASU	SUSMITA GHOSE	SAMAR JHA	
1	Independent Directors							
	Fee for attending board committee meetings	70000	135000	110000	140000	40000	80000	575000
	Commission	—	—	—	—	—	—	—
	Others, please specify							
	<b>Total (1)</b>	<b>70000</b>	<b>135000</b>	<b>110000</b>	<b>140000</b>	<b>40000</b>	<b>80000</b>	<b>575000</b>
2	Other Non-Executive Directors	RAJENDA PRASAD DAS	ERIC PAUL JOHNSON	GORDON KENNETH MCINTOSH	ALBERT JOHN ROLFE	MARK RUSSELL JONES		
	Fee for attending board committee meetings	—	—	—	—	—	—	—
	Commission	—	—	—	—	—	—	—
	Others, please specify	—	—	—	—	—	—	—
	<b>Total (2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
	<b>Total (B)=(1+2)</b>	<b>70000</b>	<b>135000</b>	<b>110000</b>	<b>140000</b>	<b>40000</b>	<b>80000</b>	<b>575000</b>
	Overall Ceiling as per the Act	Remuneration is within limits of provisions of law						

**\*Note:** In terms of the provisions of the Companies Act, 2013, the sitting fees payable to a director for attending meetings of Board or committees thereof, such sum as may be decided by the board thereof which shall not exceed one lakh rupees per board meeting or committee thereof. The remuneration paid to the directors is well within the said limit.

**REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl No	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL		
		CS	CFO	TOTAL
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,02,118/-	6,12,003/-	9,14,121/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission	—	—	—
	- as % of profit	—	—	—
	others, specify...	—	—	—
5	Others, please specify	—	—	—
	<b>Total</b>	<b>3,02,118/-</b>	<b>6,12,003/-</b>	<b>9,14,121/-</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ Court]	Appeal made, if any (give Details)
A.	COMPANY					
	Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
	Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
	Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
B.	DIRECTORS					
	Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
	Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
	Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
C.	OTHER OFFICERS IN DEFAULT					
	Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
	Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
	Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

For &amp; on behalf of the Board of Directors

**Rakesh Himatsingka**

(DIN: 00632156)

*Chairman and Managing Director*

Date: 17th May, 2016

Place: Kolkata

**Annexure-III****Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

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

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by INDIA CARBON LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the INDIA CARBON LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by INDIA CARBON LIMITED ("the Company") for the financial year ended on 31st March, 2016, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015);
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - Not Applicable as there was no reportable event;
  - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - Not Applicable as there was no reportable event;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not Applicable as there was no reportable event;
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not Applicable as there was no reportable event;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not Applicable as there was no reportable event; and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not Applicable as there was no reportable event;

(vi) Other laws/acts/rules as may be applicable specifically to the company:

- (a) Payment of Bonus Act, 1965;
- (b) Payment of Gratuity Act, 1972;
- (c) Payment of Wages Act, 1936;
- (d) Trade Unions Act, 1926;
- (e) Workmen's Compensation Act, 1923;
- (f) Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- (g) Employees' State Insurance Act, 1948;
- (h) Minimum Wages Act, 1948 and its Rules;
- (i) The Factories Act, 1948 & its Rules;
- (j) Pollution Control Board Clearance (Environment Protection) Act, 1986 and its Rules;
- (k) Central Excise Act, 1944 and its Rules;
- (l) Income Tax Act, 1961 and its Rules;
- (m) Central Sales Tax Act, 1956 and its Rules;
- (n) VAT Act and its Rules;
- (o) Profession Tax and its Rules;
- (p) Shops and Establishments Act and its Rules;
- (q) Industrial Disputes Act 1947 and its Rules;
- (r) Service Tax Act and its Rules;
- (s) Contract Labour (Regulation and Abolition) Act, 1970.

I have also examined the required licenses specific to the Company and found them duly up to date/applied for renewal.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement entered into by the Company with The Calcutta Stock Exchange Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has passed resolution pursuant to Section 180 and any other applicable provisions of the Companies Act, 2013 and the rules made there under for obtaining the consent of the members of the Company for power accorded to the Board of Directors or any Committee of the Board by way of Special Resolution to invest/borrow moneys not exceeding Rs. 200 Crores (Rupees Two Hundred Crores) over and above the aggregate of the paid up share capital and free reserves of the Company, in one or more tranches.

Signature:

Name of Company Secretary in practice / Firm:

**Rajat Kumar Jalan** (ACS / FCS No.:14895, C P No.: 5705)

**For, R.K. Jain & Company**

Place: Kolkata

Date: 03.05.2016

**Annexure-IV****FORM NO. AOC -2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transaction entered into during the year ended March 31st, 2016 which was not at Arm Length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis for the year ended 31.03.2016 are as follows:

<b>Name of the Related party &amp; Nature of Contract</b>	<b>Nature of Relationship</b>	<b>Duration of Contract</b>	<b>Salient Terms</b>	<b>Amount in ₹</b>
Assam Carbon Products Ltd  Sale and Purchase of Goods	Mr. Rakesh Himatsingka; Managing Director is interested	April,1st 2015- March, 31st 2016	Omnibus approval accorded for Sale, Purchase or supply of any goods or material and avail or render any service not exceeding ₹ 5.00 Crore for the F.Y 2015-16	Sale of Goods Amounting of ₹1,51,000/- (Net of Tax)
Mr. Rakesh Himatsingka  Payment of Remuneration	Managing Director (Key Managerial Personnel )	01st December, 2013-30th November,2016	Agreement executed between the Company and Mr. Rakesh Himatsingka for appointment his as Managing Director for 3 Year	₹ 45,35,976/-
Mr. Shaurya Veer Himatsingka  Payment of Remuneration	Company Secretary(Key Managerial Personnel )	01st April,2014- 31st March, 2017	Agreement executed between the Company and Mr. Shaurya Veer Himatsingka for appointment his as Managing Director for 3 Year	₹ 41,82,700/-
Mr. Bhaskar Rakshit Payment of Remuneration	Company Secretary(Key Managerial Personnel )	N.A.	N.A.	₹ 3,02,118/-
Mr. Pankaj Kumar Mishra Payment of Remuneration	Chief Financial Officer(Key Managerial Personnel )	N.A.	N.A.	₹ 6,12,003/-
C & C Investment Ltd Expenses for payment of Audit fees & Other Misc. Expenses	Subsidiary Company	N.A.	N.A.	₹ 15,605/-

For & on behalf of the Board of Directors

Date: 17th May, 2016  
Place: Kolkata

**Rakesh Himatsingka**  
(DIN: 00632156)  
Chairman and Managing Director

**Annexure-V****DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- i) The percentage increase in remuneration of each Director, Chief Financial officer and Company Secretary during the financial year 2015-16, ratio of remuneration of each Director to the median remuneration of each key managerial personnel(KMP) against the performance of the Company are as under:

Sl. No.	Name of the Director/ KMP and Designation	Remuneration of Director/ KMP for F.Y 2014-15 in ₹	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Shri Rakesh Himatsingka (Managing Director)	₹ 45,35,976/-	6.77	24:1	The Company has earned a profit after tax during the F.Y of ₹ 20,29,869/- as compared to a loss incurred by the Company of ₹ 2,19,94,632/- in the last F.Y. Further the Company has been able to earn a moderate amount of profit after incurring a loss in the three previous consecutive financial years.
2	Shri Shauryaveer Himatsingka (Deputy Managing Director)	₹ 41,82,700/-	10.87	22:1	
3	Shri Pankaj Kumar Misra (Chief Financial Officer)	₹ 6,12,003/-	11.37	N.A.	The Company has earned a profit after tax during the F.Y of ₹ 20,29,869/- as compared to a loss incurred by the Company of ₹ 2,19,94,632/- in the last F.Y. Further the Company has been able to earn a moderate amount of profit after incurring a loss in the three previous consecutive financial years.
4	Shri. Bhaskar Rakshit (Company Secretary)	₹ 3,02,118/-	N.A.	N.A.	

**Note:**

- Calculation of median is taken on the figures as at the end of Financial Year.
- No other Director other than Managing Director and Deputy Managing Director received any remuneration other than sitting fees during the Financial Year 2015-16.
  - The Median Remuneration of Employees as on March 31, 2016 was ₹ 1,87,944/- and as on March 31, 2015 was Rs. 1, 40,712/-.
  - The percentage increase in the median remuneration of employees was 33.57% during the financial year.
  - There were 181 (One Hundred and Eighty One) permanent employees on the rolls of Company as on March 31, 2016;
  - The Company has earned a profit after tax during the F.Y of ₹ 20,29,869/- as compared to a loss incurred by the Company of Rs.2,19,94,632/- in the last F.Y. Further the Company has been able to earn a moderate amount of profit after incurring a loss in the last three previous consecutive financial years. The increase in median remuneration was 33.57%. The average increase in median remuneration was in line with the performance of the Company and partly on individual performance of the Company.
  - Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The average increase in the remuneration of Chief Financial Officer was in line with the performance of the Company and partly on his individual performance. Further as the Company Secretary

has been appointed during the financial year 2015-16 pursuant to section 203 of the Companies Act, 2013 and hence no increment was made in his salary being a KMP.

- vi) Variation in the market capitalization of the Company, pricing earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in market quotation of the shares of the Company in comparison to the rate at which the Company Came out with the last public offer: There is no trading took place during the financial year 2015-16 and hence it is not possible to compare the variation in the market capitalization of the Company, pricing earnings ratio as at the closing date of the current financial year and previous financial year. Furthermore the Company did not make any Public issue or right issue and therefore comparison with Current Share Price with public offer price is not applicable to the Company. The Company's share is listed on Calcutta Stock Exchange (CSE).
- vii) Average percentage increase made in the salaries employees other than the managerial personnel in the last financial year i.e. 2015-16 was 6 % whereas the average percentage increase made in the salaries of managerial personnel is 7.25%. Further there was no exceptional increase in the salary during the Financial Year ended 31.03.2016 as compared above.
- viii) The Key parameters for the variable component of remuneration availed by the managing directors and Senior Management Personnel are based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration policy for directors and senior Management Personnel.
- ix) Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: The Managing Director is the highest paid Director. No employees received remuneration higher than the Managing Director.
- x) It is hereby affirmed that the remuneration paid during the year ended 31st Day of March, 2016 is as per the Remuneration Policy of the Company.

For & on behalf of the Board of Directors

Date: 17th May, 2016  
Place: Kolkata

**Rakesh Himatsingka**  
(DIN: 00632156)  
*Chairman and Managing Director*



## 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 Electric and Electronic sectors, Automotive & Transportation, Building & Construction, Packing & Consumer durables and in Industrial & Defense applications.

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

#### Threats

1. Location disadvantage especially for the Company's Budge Budge unit as compared to newer port based plants.
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

Your Company has achieved gross revenue from operation during the year amounting to ₹ 211.71 Crore as against ₹ 195.26 Crore in the last financial year, an increase of 8.42 % as compared to the previous F.Y

Production of Calcined Petroleum Coke (CPC) during the year was 83,432 MT as against 74,392 MT in the previous year and Electrode Carbon Paste (ECP) production was 4,033MT as against 5,006 MT in the previous year, an increase of 12.15% and decrease of 19.44% respectively.

Further, Sales of CPC for the year under review was 82,839 MT as against 66,406 MT in the previous year which is increased by 24.75%. ECP sales were 3,995 MT as against 5,094 MT in the previous year, which is lower by 21.58%.

### 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 customer's satisfaction.

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

**RISKS & CONCERNS**

The 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. 253.85 Lakh 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.

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 Internal Control Systems commensurate with the nature and size of its business. The Board of Directors is ultimately responsible for ensuring that such internal control systems are sound in theory and efficacious in practice and expressly reiterates this responsibility in the Directors' Responsibility Statement. Corporate policies, appropriate risk management processes and management information and reporting systems for key operational and functional areas underpin the overall control mechanism. Apart from identifying and documenting "Entity level policies and controls", the exercise involves identification and documentation of significant business processes followed by control assessments, mitigation plans and periodic reporting and monitoring. Responsibility and Ownership start from process owners and upwards, leading to the MD and CFO certification.

In order to supplement the internal control processes, the Company has appointed independent professional firms to function as Internal Auditors who are authorized by the Audit Committee to assess the adequacy of control processes and report key audit observations and recommendations to the Audit Committee on a periodic interval.

Further, in compliance with the Companies' Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has laid down a system of internal financial controls over financial reporting and adequacy and operating effectiveness of such controls. During the year, the Company appointed a reputed external firm to evaluate the internal financial controls in the system. Based on its evaluation, the Board has concluded that, as of March 31, 2016, the internal financial controls were adequate and operating effectively. The Statutory Auditors have also certified on adequacy of internal controls and their operating effectiveness.

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The Company has achieved gross revenue from operation during the year of Rs.211.71 Crore as against Rs.195. 26 Crore in the last financial year, an increase of 8.42 % as compared to the previous F.Y.

Foreign Exchange loss during the year was ₹ 253.85 Lakh, as against loss of ₹ 153.53 Lakh in the last financial year. In spite of an increase of 65.34% in the foreign exchange loss coupled with several Challenging issue such as like Poor Capacity utilization, cut throat internal competition due to dumping from China and reduction in the prices of CPC; your Company has earned during the year a token amount of profit ₹ 20. 29 Lakh against loss of ₹153.53 Lakh in the last 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 31.03.2016 was 181 as compared to 184 as on 31.03.2015.

**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

[Pursuant to Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015]

### 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 Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 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 SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

#### 2. BOARD OF DIRECTORS – COMPOSITION:

The Board of Directors of the Company consists of an optimal mix of Executive/Non 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 thirteen Directors including two alternate Directors as on 31st March, 2016. The Board is headed by Mr. Rakesh Himatsingka, who is also the Managing Director. The Board meets the requirement not less than one half being Independent Directors. The size and composition of the Board confirms the requirements of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015).

Independent directors are non-executive directors as defined under SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under Companies Act, 2013 and Reg. 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2016 have been made by the directors. The terms and conditions of appointment of the independent directors are disclosed on the website of the Company. Except Mr. Rakesh Himatsingka & Mr. Shaurya Veer Himatsingka none of the Directors are related to each other.

The names and categories of the directors on the board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2016 are given herein below. Other directorships do not include directorships of private limited companies, Section 8 Companies and Companies incorporated outside India. Chairmanships / memberships of board committees shall include only audit committee and stakeholders' relationship committee.

During the year a separate meeting of the independent directors was held inter-alia to review the performance of non-independent directors and the board as a whole. The Board periodically reviews compliance reports of all laws applicable to the Company.

The Composition and Category of Director as on 31st March, 2016 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)

Sl No	Name of the Director	Category
3.	Mr. Rajendra Prasad Das (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 and Independent Director
8.	Mr. Sunirmal Talukdar	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
13.	Mrs. Susmita Ghose*	Non-Executive and Independent Director

\*appointed as Additional Director w.e.f. 09.11.2015

### Director Induction, Familiarization and Training

The Company provides suitable training to the Independent Directors to familiarize them with the Company, their role, nature of the Industry in which the Company operates, business model of the Company etc.

The Company acknowledges the importance of continuous education and training of the Directors to enable effective discharge of their responsibility. The Company has been organizing visits of the directors to its plants located at both Guwahati and Budge Budge with a view to familiarize them with the nature of Industry, operation, process and to interact with the management personnel and staff.

Directors are regularly briefed about the Industry specific issue by the Chairman to enable them understands the business environment. To enhance their knowledge and skill the directors are regularly updated on the changes in the policies, law and regulations, development in the business environment etc.

The details of such familiarization programmes have been uploaded in the website of the Company at [www.indiacarbonltd.com](http://www.indiacarbonltd.com).

### Board Meetings:

During the year 2015-16, four Board Meetings were held on 30th Day of May, 2015, 12th Day of August, 2015, 9th Day of November, 2015 & 9th Day of February, 2016. The necessary quorum was present for all the meetings. Video / Tele-conferencing facilities were used to facilitate directors travelling / residing abroad or at other locations to participate in the meetings. During the year 2015-16, information as mentioned in the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 has been placed before the board for its consideration.

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 31.03.2016
Mr. Rakesh Himatsingka	4	Yes	1	Nil	Father of Mr. Shaurya Veer Himatsingka	10445
Mr. Shaurya Veer Himatsingka	4	Yes	Nil	Nil	Son of Mr. Rakesh Himatsingka	51996
Mr. Gordon Kenneth McIntosh	Nil	No	Nil	Nil	None	Nil
Mr. Albert John Rolfe (Alternate to Mr. Gordon Kenneth McIntosh)	1	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)	1	No	Nil	Nil	None	Nil
Mr. Hemant Kumar Khaitan	2	No	4	4	None	Nil

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 31.03.2016
Mr. Manoj Mohanka	4	No	3	3	None	Nil
Mr. Samar Jha	4	No	2	1	None	Nil
Mr. Soumendra Mohan Basu	4	No	1	1	None	Nil
Mr. Sunirmal Talukdar	3	No	4	2	None	Nil
Mrs. Susmita Ghosh	2	No	Nil	Nil	None	Nil
Mr. Rajendra Prasad Das*	Nil	No	2	Nil	None	Nil
Mrs. Nilufar Alam Hazarika**	Nil	No	1	Nil	None	Nil

\*Appointed as Nominee Director w.e.f 24.07.2015

\*\* Ceased from Directorship w.e.f. 24.07.2015

**Note :**

1. Excludes directorship in Private Limited Companies and Foreign Companies
2. Only Audit Committee and Shareholders'/ Stakeholders' Relationship Committee have been considered for the Committee position.

**Code of Conduct:** The Board of Directors has laid down a code of Conduct for all Board Members and the employees in Management grade of the Company. All Board Members and senior management personnel have confirmed Compliance with the Code. A declaration signed by the Managing Director is attached and form part of this Annual Report

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

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

**Rakesh Himatsingka**

Dated: 17th May, 2016

Chairman and Managing Director

**Code of Conduct for independent Directors:** As per provisions of Section 149(8) of the Companies Act, 2013 the Company and Independent Directors shall abide by the provisions specified in schedule IV. Further schedule IV lays down a code for the Independent Directors of the Company. Pursuant to the said provisions of the Companies Act, 2013, the Company has drafted a code for Independent Directors of the Company and the same has also been placed in the Website of the Company.

**3. COMMITTEE OF DIRECTORS:**

A) Audit Committee:

The Audit Committee functions in accordance with Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and Section 177 of the Companies Act, 2013.

Composition of the Committee as on 31.03.2016 and its Meeting & Attendance during the financial year 2015-16:

Name of the Member	Category	Position	No. of Meeting attended
Mr. Sunirmal Talukdar	Non-Executive and Independent Director	Member	3
Mr. Hemant Kumar Khaitan	Non-Executive and Independent Director	Member	2
Mr. Rakesh Himatsingka	Executive Director (Promoter)	Member	4
Mr. Soumendra Mohan Basu	Non-Executive and Independent Director	Member	4
Mr. Manoj Mohanka	Non-Executive and Independent Director	Member	4
Mr. Shaurya Veer Himatsingka	Executive Director (Promoter)	Member	4

All the Committee Members are financially literate and all of them have accounting or related financial management expertise. During the year 2015-16, four Audit Committee Meetings were held on 30th May, 2015, 12th August, 2015, 9th November, 2015 and 9th February, 2016.

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 Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the Cost auditors, the performance of internal auditors and the Company's risk management policies. The terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 as well as Section 177 of the Companies Act, 2013.

**B) Nomination and remuneration committee:**

The Board has framed Nomination and Remuneration policy, which is generally in line with the existing industry practice and applicable laws. The policy has been displayed on the Company's website viz. [www.indiacarbonltd.com](http://www.indiacarbonltd.com). The broad terms of reference of the nomination and Remuneration Committee are as under:

**Terms of reference:** The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors and senior management based on their performance and defined assessment criteria. The Committee formulates the criteria for evaluation of the performance of Independent Directors and the Board of Directors; identifying the persons who are qualified to become directors, and who may be appointed in senior management and recommend to the Board their appointment and removal. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as Section 178 of the Companies Act, 2013.

**The composition of the Committee as on 31.03.2016 is as follows:**

One number of Remuneration Committees Meeting was held on 30.05.2015 during the year 2015-16.

Name of the Member	Category	Position	Number of Meeting Attended
Mr. Soumendra Mohan Basu	Independent Director	Chairman	1
Mr. Manoj Mohanka	Independent Director	Member	1
Mr. Hemant Kumar Khaitan	Independent Director	Member	1

The broad terms of reference of the Nomination & Remuneration is to determine on behalf of the Board of Directors of the Company, the Company's policy on specific remuneration packages for Managing Director/ Key Management Personnel and other senior employee of the Company.

Details of Remuneration paid to all Directors during the financial year 2015-16:

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

Name	Salary (₹)	Commission (₹)	Perquisites (₹)	Retirement Benefits (₹)	Total (₹)	Service Contract	Notice Period (in months)	Severance fees
Mr. Rakesh Himatsingka (Chairman & Managing Director)	21,00,000	Nil	21,83,976	2,52,000	45,35,976	3 years (w.e.f 01/12/2013)	3	Nil
Mr. Shaurya Veer Himatsingka (Deputy Managing Director)	18,60,000	Nil	19,22,000/	4,00,700	41,82,700	3 year (w.e.f ) 01/04/2014	3	Nil

During the financial year 2015-16 no commission were 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 (₹)
Mr. Hemant. K. Khaitan	70000
Mr. Manoj Mohanka	135000
Mr. Samar Jha	80000

Non-Executive Directors	Sitting Fees paid for attending Board/Committee Meetings (₹)
Mr. Soumendra Mohan Basu	140000
Mr. Sunirmal Talukdar	110000
Mrs. Susmita Ghosh	40000

- Neither any stock option or nor any bonus paid to any of the Directors. No severance fees is payable to Directors.
- Upto 12th August, 2015 Non-Executive Directors were paid sitting fees of ₹ 20,000/- for attending each Board and ₹ 5,000/- for other committee meeting. The sitting fees for audit committee meeting increased to ₹ 20,000/- from 12th August, 2015 onward and for other committee meeting the fees remain same as before.
- There has been no pecuniary relationship

**C) Stakeholders Relationship Committee:**

In Compliance with the provisions of Section 178 of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 the Board has formed a "Stakeholders Relationship Committee"

Composition of the Shareholders Grievance Committee as on 31.03.2016 is as follows :

Name of the Member	Position
Mr. Hemant Kumar Khaitan (Non-Executive Director)	Chairman
Mr. Samar Jha (Non-Executive Director)	Member
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 and 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 2015-16.

Investors Complaints: Balance as on 01.4.2015 – Nil, Received during the year - Nil, Disposed off during the year - Nil, Balance as on 31.03.2016 - Nil.

**Warning against Insider Trading**

Comprehensive guidelines advising and cautioning the management, staff and other relevant business associates on the procedure to be followed while dealing with the securities of the Company have been issued and implemented.

**D) Share Transfer Committee:**

Your Company has formed a share transfer committee of the Board of Directors facilitating smooth operation of the share transfer process of the Company. The composition of the Share Transfer Committee as on 31.03.2016 is as follows:

Name of the Member	Position	Number of Meeting Attended
Mr. Rakesh Himatsingka	Chairman	4
Mr. Shaurya Veer Himatsingka	Member	4
Mr. Hemant Kumar Khaitan	Member	Nil

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 2015-16, Four Share Transfer Committee Meetings were held on 27.04.2015, 29.05.2015, 14.07.2015 & 05.10.2015.

**4. GENERAL BODY MEETINGS:** The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2014-15	18.09.2015	10.00 A.M.	Registered Office at Noonmati, Guwahati, Assam
2013-14	18.09.2014	10.00 A.M.	Same as above
2012-13	18.09.2013	10.30 A.M.	Same as above

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

AGM held on 18.09.2015	(1) Approval of share holder accorded to the Board for borrowing fund in excess of paid up share capital and free reserve under section 180 of Companies Act, 2013 up to a limit of ₹ 200 Crore
AGM held on 18.09.2014	(1) Re-appointment of Mr. Rakesh Himatsingka as Managing Director. (2) Re-appointment of Mr. Shaurya Veer Himatsingka as Deputy Managing Director. (3) Waiver of payment of remuneration to Mr. Rakesh Himatsingka as Managing Director (4) Approval of share holder accorded to the Board for borrowing fund in excess of paid up share capital and free reserve under section 180 of Companies Act, 2013 up to a limit of ₹ 100 Crore
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.

No special resolution requiring a postal ballot was proposed last year. No special resolution requiring a postal ballot is being proposed for the ensuing AGM. However the members are provided with the facility to cast their vote electronically on all the resolutions set out in the Notice of 54th Annual General Meeting.

**5. DISCLOSURES****(a) Disclosure on materially significant related party transactions**

During the financial year ended 31st March, 2016 there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in Note no. 30 of the financial statements.

**(b) Disclosure on accounting treatment**

In the preparation of the Accounts the Company has followed the Accounting Standards referred to in section 133 of the Companies Act, 2013. The significant Accounting Policies which are consistently applied have been set out in the Notes to the Financial Statements.

**(c) Details of Non Compliance by the Company, Penalties, Strictures imposed on the Company by the Stock Exchanges, SEBI or any statutory Authority on matters relating to the capital Markets:**

There has been no instance of non-compliance of any requirement of the Uniform Listing Agreement entered with the stock exchange as well as regulation and guideline of SEBI as may be applicable to the Company. No Penalties or Strictures were imposed by SEBI, Stock Exchange or any other statutory authority on matters relating to capital markets during the last three years.

**(d) Risk Management**

The Company has set up a risk management committee and has a well-defined risk management framework in place. A detailed exercise is being carried out to identify, evaluate, manage and monitor risks of the Company. During the year one Risk Management Committee meeting was held on the 9th Day of November, 2015 and no major risks were noticed, which may threaten the existence of the Company.

**(e) Vigil Mechanism/ Whistle Blower Mechanism:**

A Vigil Mechanism/ Whistle Blower Policy pursuant to Section 177(9) of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 have been formulated for Directors and Employees of the Company and the same is available on the Company's website.

**(f) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015:**

The Company in view of good corporate practice has voluntarily complied with the requirements of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 pertaining to Corporate Governance. Adoptions of non-mandatory requirements of the aforesaid regulations are being reviewed by the Board from time to time.



**6. 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

**7. SUBSIDIARY COMPANIES**

There is no major non-listed Indian Subsidiary Company requiring appointment of Independent Director of the Company on the Board of Directors of the Company on the Board of Directors of the Subsidiary Companies. The requirement of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 with regards to subsidiary Company has been complied with.

**8. PREVENTION OF INSIDER TRADING**

The Company has adopted a code of conduct with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires a pre-clearance for dealing in the Company's shares and prohibits the purchase and sale of Company shares by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when trading window is closed. The Company Secretary is responsible for implementation of the code. The Code of practices & procedures for fair disclosure of unpublished Price sensitive information Under Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 has been uploaded into the Company's website.

All directors of the Company and designated employee has confirmed with compliance with the code

**9. MD & CFO CERTIFICATION**

The Managing Director and the Chief Financial officer of the Company have issued necessary certificate pursuant to the provisions of Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is attached and form part of the Annual Report.

**10. COMPLIANCE CERTIFICATE OF THE AUDITOR**

Certificate from Company's statutory Auditor confirming compliance with the conditions of Corporate Governance as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached and forms part of the Annual Report.

**11. GENERAL SHAREHOLDERS INFORMATION:**

- a) Annual General Meeting is proposed to be held on 29th September, 2016 at 10.00 AM at Registered Office at Noonmati, Guwahati, Assam.
- b) Financial Calendar : 1st April, 2016 to 31st March, 2017 (Tentative)

Financial Results for the quarter ending 30th June, 2016	Within 45 days of 1st Quarter ended
Financial Results for the quarter ending 30th September, 2016	Within 45 days of 2nd Quarter ended
Financial Results for the quarter ending 31st December, 2016	Within 45 days of 3rd Quarter ended
Financial Results for the quarter ending 31st March, 2017	Within 60 days of 4th Quarter ended

- c) Date of Book Closure:

The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2016 to 29th September, 2016 (both days inclusive).

- d) Dividend Payment Date: Not Applicable

The Company had transferred to Investor Education and Protection Fund requisite amount and had also filed necessary form with Register of Companies during the F.Y. 2015-16. There were no unpaid dividends, matured deposits, debentures or accrued interest thereon, application money due for refund which has remained unpaid or unclaimed for seven years or more.

## e) 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 re-materialization 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.

## f) 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.

## g) Distribution of Shareholding as on 31st March, 2016:

No. of Shares	No. of Shareholders	No. of Shares
1-500	4340	2,96,386
501-1000	67	47,159
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	14	3,16,998
50001-100000	3	2,37,443
100001 and above	7	16,46,395
<b>TOTAL</b>	<b>4465</b>	<b>26,50,000</b>

## Shareholding Pattern as on 31st March, 2016:

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>

## h) 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, 2016, 48.27% of the Company's paid up equity capital representing 12,79,209 shares were held in Demat form.

No. of shares in Physical segment	13,70,791	51.73%
No. of shares in Demat segment	12,79,209	48.27%

## 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.

## i) Listing of Equity Shares on Stock Exchange:

The Company's equity shares are listed on the Stock Exchange in Kolkata.

Name of the Stock Exchanges: The Calcutta Stock Exchange Ltd

Stock Code : 19205

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

No trading took place during the year 2015-16

**12. PLANT LOCATIONS :**

A) Noonmati, Guwahati - 781020, Assam.

B) 35, Deshbandhu Chittaranjan Road, Budge Budge, 24 Parganas (South), Kolkata-700 137.

**13. 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.

: C B Management Services (P) Ltd  
P-22 , Bondel Road, Kolkata 700019  
Telephone : 40116700,40116711  
40116718, 40116723, 2280-6692/93/94  
Fax No. : 033 2230 7507  
E mail : rta@cbmsl.com

Any query on Annual Report

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

For & on behalf of the Board of Directors

Date: 17th May, 2016  
Place: Kolkata

**Rakesh Himatsingka**  
(DIN: 00632156)  
*Chairman and Managing Director*

### MD/CFO CERTIFICATION

(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

To,  
The Board of Directors,  
**INDIA CARBON LIMITED**  
NOONMATI, GUWAHATI  
Assam- 781020

In terms of regulation 17(8) of SEBI (LODR) Regulations, 2015, Managing Director and Chief Financial officer of the Company has certified to the Board that:

- A. We have reviewed financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and steps have been taken to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
- (1) there has not been any significant change in internal control over financial reporting during the year;
  - (2) there has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - (3) we are not aware of any instances during the year of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date : 17.05.2016  
Place : Kolkata

For, **INDIA CARBON LIMITED**  
**Mr. Pankaj Kumar Misra**  
(Chief Financial Officer)

For, **INDIA CARBON LIMITED**  
**Mr. 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, 2016, as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Uniform Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Kolkata  
Dated 17th May, 2016

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

1. We have audited the accompanying financial statements of India Carbon Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies which has been redrafted with no significant changes and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
6. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by company directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs as at March 31, 2016, and its Profit and its Cash Flow for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order 2016 ("the Order") as amended, issued by Central Government of India in terms of subsection (11) of Section 143 of the act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 & 4 of the order.

10. As required by section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the act read with Rule 7 the companies (Accounts) Rules 2014.
- e. On the basis of written representations received from the directors as on March 31,2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2016, from being appointed as a director in terms of sub section(2) of section 164 of the Act.
- f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies(Audit & Auditors) Rules 2014, in our opinion and to best of our information and according to the explanation given to us:
  - i) The Company has disclosed the impact of pending litigation on its financial position in its financial statement if any.
  - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There has been no delay in transferring amounts, required to be transferred to the investor's education and protection fund by the Company.

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

**ATANU CHATTERJEE**  
*Partner*  
Membership No.: 050105

Kolkata  
Dated 17th May, 2016

## “ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 9 of the Independent Auditors Report of even date to the members of India Carbon Limited on the Financial Statements as of and for the year ended March 31, 2016

- (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 title deeds of immovable properties are held in the name of the Company.
- (ii) (a) The management has conducted the physical verification of inventory during the year.
- (b) No material discrepancies have been noticed in physical verification of the inventory.
- (iii) The Company has not granted any Loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the Register maintained under sec 189 of the act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security if any.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73, 74, 75 & 76 of the Act and the Companies (acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central Government has specified the maintenance of Cost Records under section 148(1) of the Act for any of the products of the Company. We have broadly reviewed the books of account maintained by the Company 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.
- (vii) (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing with appropriate authorities undisputed statutory dues in respect of income tax, sales tax, customs duty, excise duty, service tax and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, custom duty, excise duty and value added tax 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	502031	2005-06	Settlement of Dispute
W.B.VAT Act, 2003	Sales Tax	98552	2006-07	Settlement of Dispute
W.B.VAT Act, 2003	Sales Tax	42139	2009-10	Settlement of Dispute
W.B.VAT Act, 2003	Sales Tax	407904	2010-11	President, appellate & revisional board, Commercial Taxes, West Bengal
CST Act 1956	Sales Tax	56173	2009-10	Settlement of Dispute

- (viii) 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 banks and financial institutions. The Company has not taken any loan from the Government and has not issued any debentures.
- (ix) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions of banks of debenture holders as at balance sheet date.
- (x) According to the Audit procedures performed and the information and explanations given to us by management, we have noticed no fraud by the Company or its officers or employees during the year.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the managerial remuneration has been paid as per the provisions of section 197 read with Schedule V to the Companies Act.

- (xii) The Company is not a Nidhi Company. Therefore, the provisions of this clause of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us by management, the Company has no transaction with the related parties during the year which requires compliance with section 177 and 188 of Companies Act, 2013.
- (xiv) According to the information and explanations given to us by management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of this clause of the Order are not applicable to the Company.
- (xv) According to the audit procedures performed and the information and explanations given to us by management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of this clause of the Order are not applicable to the Company.
- (xvi) Since the Company is a manufacturing Company, hence the provisions of this clause of the order are not applicable to the Company.

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

**ATANU CHATTERJEE**  
Partner

Kolkata  
Dated 17th May, 2016

Membership No.: 050105

## **“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INDIA CARBON LIMITED**

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

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

### **Management’s Responsibility for Internal Financial Controls**

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

### **Auditors’ Responsibility**

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



- iv. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- v. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

- viii. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Kolkata  
Dated 17th May, 2016

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

**ATANU CHATTERJEE**  
*Partner*  
Membership No.: 050105

**BALANCE SHEET**

AS AT 31ST MARCH, 2016

(Amount in ₹)

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<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	31,52,26,544	31,45,07,436
		<b>34,27,26,544</b>	34,20,07,436
(2) Non-current Liabilities			
(a) Long-term Borrowings	3	90,49,146	92,83,665
(b) Long-term Provisions	4	20,23,715	27,37,202
		<b>1,10,72,861</b>	1,20,20,867
(3) Current Liabilities			
(a) Short-term Borrowings	5	40,11,49,403	48,36,78,453
(b) Trade Payables	6	8,59,42,889	24,04,62,913
(c) Other Current Liabilities	7	1,79,28,954	2,52,24,467
(d) Short-term Provisions	8	1,57,54,777	3,29,80,269
		<b>52,07,76,023</b>	78,23,46,102
<b>TOTAL</b>		<b>87,45,75,428</b>	<b>1,13,63,74,405</b>
<b>II. ASSETS</b>			
(1) Non-current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		7,88,04,876	6,77,60,549
(ii) Capital Work-in-progress		1,84,59,725	1,73,37,848
		<b>9,72,64,601</b>	8,50,98,397
(b) Non-current Investments	11	70,04,000	70,04,000
(c) Deferred Tax Assets (Net)	12	13,56,611	4,51,745
(d) Long-term Loans & Advances	13	32,19,472	1,77,43,487
		<b>10,88,44,684</b>	11,02,97,629
(2) Current Assets			
(a) Inventories	14	31,58,49,754	52,91,63,848
(b) Trade Receivables	15	32,44,08,905	33,27,35,542
(c) Cash and Bank Balances	16	2,78,33,046	6,59,61,777
(d) Short-term Loans and Advances	17	7,62,72,602	7,16,21,380
(e) Other Current Assets	18	2,13,66,437	2,65,94,229
		<b>76,57,30,744</b>	1,02,60,76,776
<b>TOTAL</b>		<b>87,45,75,428</b>	<b>1,13,63,74,405</b>

The Notes form an integral part of the Financial Statements

Per Our Report attached.

On behalf of Board of Directors

For **D.BASU & CO.**  
Chartered Accountants**Rakesh Himatsingka**  
Chairman & Managing Director  
DIN : 00632156**Sunirmal Talukdar**      **Manoj Mohanka**  
Director                      Director  
DIN : 00920608          DIN : 00128593**ATANU CHATTERJEE**  
PartnerPlace : Kolkata,  
Date : 17th May, 2016**Pankaj Kumar Misra**  
Chief Financial Officer**Bhaskar Rakshit**  
Company Secretary

**PROFIT AND LOSS STATEMENT**

FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹)

PARTICULARS	Note No.	Year ended 31.03.2016	Year ended 31.03.2015
<b>I Revenue from Operations (Gross)</b>	<b>19</b>	<b>2,11,71,41,108</b>	<b>1,95,25,77,012</b>
Less: Excise Duty / Service Tax		<b>21,30,10,747</b>	<b>18,49,10,763</b>
Revenue from Operations (Net)		<b>1,90,41,30,361</b>	<b>1,76,76,66,249</b>
<b>II Other Income</b>	<b>20</b>	<b>1,69,84,456</b>	<b>1,33,36,009</b>
<b>III Total Revenue</b>		<b>1,92,11,14,817</b>	<b>1,78,10,02,258</b>
<b>IV Expenses:</b>			
Cost of Materials Consumed	<b>21</b>	<b>1,44,18,81,461</b>	<b>1,45,62,35,464</b>
Cost of Materials Sold	<b>22</b>	<b>5,08,99,706</b>	<b>9,63,07,818</b>
Changes in Inventories of Finished Goods	<b>23</b>	<b>8,53,94,733</b>	<b>(4,73,60,623)</b>
Employee Benefits Expense	<b>24</b>	<b>5,97,64,395</b>	<b>5,93,88,531</b>
Finance Costs	<b>25</b>	<b>6,57,51,477</b>	<b>4,94,56,737</b>
Depreciation and Amortization Expense	<b>10</b>	<b>1,44,69,551</b>	<b>2,99,66,782</b>
Less: Transfer to Capital Work in Progress		<b>95,764</b>	<b>1,29,237</b>
Less: Transfer from Revaluation Reserve	<b>2</b>	<b>12,526</b>	<b>13,485</b>
Other Expenses	<b>26</b>	<b>20,19,36,781</b>	<b>16,89,23,467</b>
<b>Total Expenses</b>		<b>1,91,99,89,814</b>	<b>1,81,27,75,454</b>
<b>V Profit (Loss) Before Tax</b>		<b>11,25,003</b>	<b>(3,17,73,196)</b>
<b>VI Tax Expense:</b>			
(1) Current tax		<b>0</b>	<b>0</b>
(2) Deferred tax		<b>(9,04,866)</b>	<b>(97,78,564)</b>
<b>VII Profit (Loss) for the Year (V-VI)</b>		<b>20,29,869</b>	<b>(2,19,94,632)</b>
<b>VIII Earning (Loss) per equity share of ₹10 each:</b>	<b>32</b>		
Basic and Diluted		<b>0.72</b>	<b>(8.33)</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 : 17th May, 2016**Rakesh Himatsingka**  
Chairman & Managing Director  
DIN : 00632156**Pankaj Kumar Misra**  
Chief Financial Officer

On behalf of Board of Directors

**Sunirmal Talukdar**      **Manoj Mohanka**  
Director                      Director  
DIN : 00920608          DIN : 00128593**Bhaskar Rakshit**  
Company Secretary

**CASH FLOW STATEMENT**

(Amount in ₹)

FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31.03.2016	Year ended 31.03.2015
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	11,25,003	(3,17,73,196)
Adjustments for :		
Depreciation / Amortisation Expense	1,43,61,261	2,98,24,060
Finance Costs	6,57,51,477	4,94,56,737
Net (Gain) Loss on Sale of Assets	-	(46,957)
Interest Income	(97,33,922)	(95,29,748)
Dividend Income	(20,97,000)	(6,99,000)
Liabilities No Longer Required written back	(4,78,405)	-
Bad Debts / Advances written off	2,95,93,087	-
	<b>9,73,96,498</b>	<b>6,90,05,092</b>
Operating Profit before Working Capital changes	<b>9,85,21,501</b>	<b>3,72,31,896</b>
Adjustments for changes in Working Capital		
Trade and Other Receivables	2,43,55,834	(2,39,01,986)
Inventories	21,33,14,094	(19,34,37,108)
Trade and Other Payables	(17,87,80,502)	5,88,89,426
	<b>5,88,89,426</b>	<b>21,20,02,940</b>
Cash Generated from Operations	<b>15,74,10,927</b>	<b>3,18,95,742</b>
Taxes Paid	<b>57,60,650</b>	<b>(22,43,413)</b>
<b>NET CASH FROM OPERATING ACTIVITIES - (A)</b>	<b>16,31,71,577</b>	<b>2,96,52,329</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,74,00,184)	(83,37,310)
Sale of Fixed Assets	9,688	4,24,736
Interest Income	97,33,922	95,29,748
Dividend Income	20,97,000	6,99,000
<b>NET CASH FROM INVESTING ACTIVITIES - (B)</b>	<b>(1,55,59,574)</b>	<b>23,16,174</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	(2,34,519)	(43,85,349)
Proceeds from Short Term Borrowings	(8,25,29,050)	2,15,90,192
Finance Costs	(6,57,51,477)	(4,94,56,737)
Dividend Paid	-	-
Dividend Tax Paid	-	-
<b>NET CASH FROM FINANCING ACTIVITIES - (C)</b>	<b>(14,85,15,046)</b>	<b>(3,22,51,894)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>(9,03,043)</b>	<b>(2,83,391)</b>
Balance of Cash and Cash Equivalents As At 31.3.2014	15,34,245	18,17,636
Balance of Cash and Cash Equivalents As At 31.3.2015	<b>6,31,202</b>	<b>15,34,245</b>
	<b>(9,03,043)</b>	<b>(2,83,391)</b>

**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.

On behalf of Board of Directors

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

**Rakesh Himatsingka**  
Chairman & Managing Director  
DIN : 00632156

**Sunirmal Talukdar**  
Director  
DIN : 00920608

**Manoj Mohanka**  
Director  
DIN : 00128593

**ATANU CHATTERJEE**  
Partner

Place : Kolkata,  
Date : 17th May, 2016

**Pankaj Kumar Misra**  
Chief Financial Officer

**Bhaskar Rakshit**  
Company Secretary

**NOTES TO THE FINANCIAL STATEMENTS**

(Amount in ₹)

Note No.	As at 31.03.2016	As at 31.03.2015
<b>1. SHARE CAPITAL</b>		
<b>(a) Authorised</b>		
(i) 8500000 Equity Shares of ₹10 Each	8,50,00,000	8,50,00,000
(ii) 150000 Preference Shares of ₹100 Each	1,50,00,000	1,50,00,000
	<b>10,00,00,000</b>	<b>1,00,00,000</b>
<b>(b) Issued, Subscribed and Fully Paid</b>		
(i) 2650000 Equity Shares of ₹10 Each	2,65,00,000	2,65,00,000
(ii) 10000 9.3% Redeemable Cumulative Preference Shares of ₹ 100 each	10,00,000	10,00,000
	<b>2,75,00,000</b>	<b>2,75,00,000</b>
<b>1.1 Details of shareholders holding more than 5 percent equity shares:</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
(i) Oxbow Calcining LLC, USA	812377	30.66
(ii) Subhag Mercantile Pvt. Ltd.	250000	9.43
(iii) Kallol Investments Ltd.	145250	5.48
(iv) Anita Himatsingka	133415	5.03
<b>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>		
	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b>2. RESERVES &amp; SURPLUS</b>		
<b>(a) Capital Reserves</b>		
As per Last Financial Statements	6,400	6,400
<b>(b) Capital Redemption Reserve</b>		
As per Last Financial Statements	10,00,000	10,00,000
<b>(c) Securities Premium Reserve</b>		
As per Last Financial Statements	75,00,000	75,00,000
<b>(d) Revaluation Reserve</b>		
As per Last Financial Statements	65,37,048	84,38,725
Less: Transfer to Profit and Loss Statement being additional depreciation for the year arising out of revaluation of fixed assets	12,526	13,485
Less: On expiry of useful lives of assets	<b>0</b>	<b>18,88,193</b>
<b>(e) Central Capital Subsidy</b>		
As per Last Financial Statements	20,00,000	20,00,000
<b>(f) General Reserve</b>		
As per Last Financial Statements	32,06,56,745	33,12,50,000
Less: Adjustment relating to Fixed Assets (Refer Note No.36)	8,50,506	1,05,93,255
	<b>31,98,06,239</b>	<b>32,06,56,745</b>
<b>(g) Surplus</b>		
As per Last Financial Statements	(2,31,92,756)	(30,86,317)
Add: Balance in Statement of Profit & Loss	20,29,869	(2,19,94,632)
Add: Transferred from Revaluation Reserve	<b>0</b>	<b>18,88,193</b>
	<b>(2,11,62,887)</b>	<b>(2,31,92,756)</b>
Less: Proposed Dividends on Preference Shares and Tax thereto	4,47,730	0
	<b>31,52,26,544</b>	<b>31,45,07,436</b>

**NOTES TO THE FINANCIAL STATEMENTS**

(Amount in ₹)

Note No.	As at 31.03.2016	As at 31.03.2015
<b>3. LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
<b>Term Loans</b>		
Home Loans	<u>90,49,146</u>	<u>92,83,665</u>
	<u>90,49,146</u>	<u>92,83,665</u>
3.1 Home Loans are secured by way of mortgage of Property and have been guaranteed by Mr. Rakesh Himatsingka, Managing Director of the Company. Repayable in 180 months and last intalment due on 05.03.2031		
<b>4. LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits	<u>20,23,715</u>	<u>27,37,202</u>
<b>5. SHORT-TERM BORROWINGS</b>		
<b>(a) Secured</b>		
<b>From Banks</b>		
Cash Credit		
(i) UCO Bank	14,36,76,852	7,34,94,378
(ii) IDBI Bank Limited	4,67,48,125	4,74,94,965
(iii) United Bank of India	2,81,76,535	1,84,68,731
iv) Axis Bank Limited	<u>1,18,17,922</u>	<u>1,09,08,621</u>
	23,04,19,434	15,03,66,695
<b>(b) Unsecured</b>		
<b>From Banks</b>		
Buyers Credit Arrangements	15,32,29,969	32,38,19,138
<b>From Others</b>		
The National Small Industries Corporation Ltd.	<u>1,75,00,000</u>	<u>94,92,620</u>
	<u>40,11,49,403</u>	<u>48,36,78,453</u>
5.1 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>6. TRADE PAYABLES</b>		
(a) Due to Micro and Small Enterprises	—	—
(b) Due to Others	<u>8,59,42,889</u>	<u>24,04,62,913</u>
	<u>8,59,42,889</u>	<u>24,04,62,913</u>
6.1 Details of dues to Micro, Medium 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	—	—

**NOTES TO THE FINANCIAL STATEMENTS**

(Amount in ₹)

Note No.	As at 31.03.2016	As at 31.03.2015
<b>7. OTHER CURRENT LIABILITIES</b>		
(a) Current Maturities of Long-term Debt	2,82,927	75,35,719
(b) Interest Accrued but not due on borrowings	3,54,238	7,11,367
(c) Interest Accrued and due on borrowings	9,42,931	1,11,687
(d) Unclaimed Dividends	5,51,941	6,35,941
(e) Advances and Deposits	7,90,169	28,46,976
(f) Statutory Dues	58,47,185	33,66,618
(g) Other Payables	91,59,563	1,00,16,159
	<b>1,79,28,954</b>	<b>2,52,24,467</b>
<b>8. SHORT-TERM PROVISIONS</b>		
(a) Provision for Employee Benefits	8,44,166	18,65,483
(b) Excise Duty on Stocks	1,28,02,447	2,85,11,013
(c) Income Tax (Net of Advance Tax)	16,60,434	26,03,773
(d) Proposed Dividends and Tax thereto	4,47,730	—
	<b>1,57,54,777</b>	<b>3,29,80,269</b>
<b>9. CONTINGENT LIABILITIES AND COMMITMENTS</b> (To the extent not provided for)		
<b>(i) Contingent Liabilities</b>		
(a) Claims against the Company not acknowledged as debts;		
i) Income Tax	0	4,37,07,910
ii) Sales Tax	11,06,799	11,83,988
iii) Excise duty	0	12,83,067
iv) Custom Duty	1,26,25,733	1,26,25,733
v) Employees State Insurance	15,54,020	15,54,020
vi) Entry Tax	3,40,11,021	2,50,68,021
vii) Kolkata Port Trust	42,960	42,960
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	8,76,32,634	9,18,26,304
(c) Letter of Credit	0	0
<b>(ii) Commitments</b>		
(a) Estimated Amount of contracts remaining to be executed on capital account and not provided for.	0	34,70,035
(b) Dividend on Cumulative Preference Shares	0	2,79,000
(c) Other Commitments	93,81,875	4,85,905

**NOTES TO THE FINANCIAL STATEMENTS**

(Amount in ₹)

**Note No.10 - FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2015	Additions during year	Deductions during year	As at 31.3.2016	Up to 31.3.2015	For the year	Written back during year	Up to 31.3.2016	As at 31.3.2016	As at 31.3.2015
<b>(I) TANGIBLE ASSETS</b>										
Land-Freehold	70,41,500	4,32,000	0	74,73,500	0	0	0	0	74,73,500	70,41,500
Land-Leasehold	49,15,236	0	0	49,15,236	3,38,982	56,497	0	3,95,479	45,19,757	45,76,254
Buildings	5,30,05,104	1,83,70,517	0	7,13,75,621	4,60,97,586	10,13,501	0	4,71,11,087	2,42,64,534	69,07,518
Railway Siding, Roads and Bridges	87,45,898	0	0	87,45,898	81,56,890	92,358	0	82,49,248	4,96,650	5,89,008
Plant and Equipment	17,19,08,293	69,45,306	1,70,711	17,86,82,888	13,29,25,221	1,15,50,676	1,62,175	14,43,13,722	3,43,69,166	3,89,83,072
Research and Development Equipment	51,25,216	0	0	51,25,216	50,47,907	12,078	0	50,59,985	65,231	77,309
Furniture and Fixtures	44,89,297	54,500	0	45,43,797	39,72,327	1,72,016	0	41,44,343	3,99,454	5,16,970
Utilities, Facilities and Service Equipments	27,77,553	79,726	0	28,57,279	18,02,116	2,85,110	0	20,87,226	7,70,053	9,75,437
Vehicles	2,20,34,426	0	0	2,20,34,426	1,80,52,090	13,83,148	0	1,94,35,238	25,99,188	39,82,336
Office Equipment	1,38,14,420	4,92,023	23,038	1,42,83,405	1,25,87,399	5,19,990	21,886	1,30,85,503	11,97,902	12,27,021
Floriculture Plants	91,11,186	0	0	91,11,186	86,55,627	0	0	86,55,627	4,55,559	4,55,559
Orchidarium	1,05,76,290	0	0	1,05,76,290	81,47,725	2,34,683	0	83,82,408	21,93,882	24,28,565
Total	31,35,44,419	2,63,74,072	1,93,749	33,97,24,742	24,57,83,870	1,53,20,057	1,84,061	26,09,19,866	7,88,04,876	6,77,60,549
Previous year	31,23,19,933	24,16,465	11,91,979	31,35,44,419	20,60,38,033	4,05,60,037	8,14,200	24,57,83,870		
<b>(II) CAPITAL WORK-IN-PROGRESS</b>	1,73,37,848	11,21,877		1,84,59,725					1,84,59,725	1,73,37,848
	33,08,82,267			35,81,84,467					9,72,64,601	8,50,98,397

Note: See Note No.36

Note No.	Particulars	No of Shares / Bonds / Warrants	Face Value (Per Share/ Bond/warrant)	As at 31.03.2016	As at 31.03.2015
<b>11 NON-CURRENT INVESTMENTS</b>					
<b>(A) NON-TRADE INVESTMENTS</b>					
<b>(A) Government Securities</b>					
	7-Year National Plan Savings Certificates (Face Value - ₹14,000 Deposited with Government Department)			14,000	14,000
<b>(B) Equity Investments</b>					
<b>(a) In Subsidiary Companies (Unquoted)</b>					
	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>(b) Others</b>					
<b>(i) Fully Paid Equity Shares (Quoted)</b>					
	Amines & Plasticizers Ltd.	6990000	2	69,90,000	69,90,000
	(Inclusive of 3495000 Bonus Shares of Rs.2/- each) (Previous Year 699000 shares of Rs.10/- each)				
<b>(ii) Fully Paid Equity Shares (Unquoted)</b>					
	Him Containers Limited (In Liquidation)	1200000	10	1,20,00,000	
<b>(iii) Detachable Warrants-10% Upfront paid (Unquoted)</b>					
	Him Containers Limited (In Liquidation)	1200000	10	12,00,000	
				1,32,00,000	
	Less: Provision for Diminution in value (Refer Note No.29)			1,32,00,000	—
				<b>70,04,000</b>	<b>70,04,000</b>
		<b>As at 31.03.2016</b>		<b>As at 31.03.2015</b>	
		<b>Cost</b>	<b>Market Value</b>	<b>Cost</b>	<b>Market Value</b>
Quoted		6990000	117082500	6990000	21459300
Unquoted		14000	—	14000	—



**NOTES TO THE FINANCIAL STATEMENTS**

(Amount in ₹)

Note No.	As at 31.03.2016	As at 31.03.2015
<b>12. DEFERRED TAX ASSETS (NET)</b>		
(a) Deferred Tax Assets arising on account of : Employees Retirement Benefits	8,86,175	14,22,230
(b) Less: Deferred Tax Liability arising on account of : Depreciation	<u>(4,70,436)</u>	<u>9,70,485</u>
	<u>13,56,611</u>	<u>4,51,745</u>
<b>13. LONG-TERM LOANS AND ADVANCES</b>		
Unsecured : Considered good		
(a) Capital Advances	0	1,55,99,674
(b) Security Deposits	31,69,989	20,44,851
(c) Other Loans and Advances	<u>49,483</u>	<u>98,962</u>
	<u>32,19,472</u>	<u>1,77,43,487</u>
<b>14. INVENTORIES</b>		
(For basis of valuation Refer Note No.39(k) under Significant Accounting Policies)		
(a) <b>Raw Materials</b>	15,98,80,636	27,06,30,558
Includes in-transit ₹ 53678753 (As at 31.3.15 - ₹ 190802128)		
(b) <b>Finished Goods</b>	13,86,96,103	23,97,99,402
Includes in-transit ₹ Nil (As at 31.3.15 - ₹ Nil)		
(c) <b>Stores and Spares</b>	1,72,73,015	1,87,33,888
Includes in-transit ₹ 1111975 (As at 31.3.15 - ₹ 333056)		
	<u>31,58,49,754</u>	<u>52,91,63,848</u>
<b>15. TRADE RECEIVABLES</b>		
Unsecured : Considered good		
Due for more than 6 months - ₹ 8619900 (As at 31.3.2015 ₹ 26068897)	<u>32,44,08,905</u>	<u>33,27,35,542</u>
<b>16. CASH AND BANK BALANCES</b>		
(a) <b>Cash and Cash Equivalents</b>		
(i) Balances with Banks on Current Accounts	4,12,874	11,90,409
(ii) Cash on hand	<u>2,18,328</u>	<u>3,43,836</u>
	6,31,202	15,34,245
(b) <b>Other Bank Balances</b>		
(i) For Unclaimed Dividends on Current Accounts	5,51,941	6,35,940
(ii) On Term Deposits	<u>2,66,49,903</u>	<u>6,37,91,592</u>
With more than 12 months maturity - ₹ 3,17,926 (As at 31.3.2015 - ₹ Nil) Includes ₹ 33,00,000 pledged with Banks as Collateral Security (As at 31.3.2015 - ₹ 33,00,000) and ₹ 2,33,49,903 as Margin Money for Letters of Credit and Guarantees (As at 31.3.2015 - ₹ 5,80,91,592)		
	<u>2,72,01,844</u>	<u>6,44,27,532</u>
	<u>2,78,33,046</u>	<u>6,59,61,777</u>

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

Note No.	As at 31.03.2016	As at 31.03.2015
<b>17. 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 (Refer Note No.29)	40,95,000	40,95,000
<b>(b) Others</b>		
Unsecured : Considered good and recoverable in cash or in kind or for value to be received		
(i) Advances for Raw Materials	5,58,56,902	2,98,54,316
(ii) Advance Income Tax	0	67,03,989
(iii) Prepaid Expenses	18,92,427	16,96,878
(iv) Balances with Statutory Authorities	34,78,248	96,41,787
(v) Advances and Deposits	1,50,45,025	2,37,24,410
Includes due by officers - ₹ NIL (As at 31.3.2015 ₹ Nil)		
	<u>7,62,72,602</u>	<u>7,16,21,380</u>
	<u>7,62,72,602</u>	<u>7,16,21,380</u>
<b>18. OTHER CURRENT ASSETS</b>		
Unsecured : Considered good		
(a) Receivable from Statutory Authorities	2,01,99,921	2,41,25,010
(b) Other Receivable	11,66,516	24,69,219
	<u>2,13,66,437</u>	<u>2,65,94,229</u>
	<b>Year Ended 31.03.2016</b>	<b>Year Ended 31.03.2015</b>
<b>19. REVENUE FROM OPERATIONS</b>		
<b>(a) Sale of Products: *</b>		
(i) Calcined Petroleum Coke	1,93,00,43,560	1,58,85,09,126
(ii) Electrode Carbon Paste	12,21,57,850	17,08,22,601
(iii) Thermal Carbon (Tamping) Paste	40,12,001	59,46,121
(iv) Desiccated Petroleum Coke Powder	1,34,885	5,82,59,414
(v) Raw Petroleum Coke	5,29,89,059	10,09,73,107
(vi) Others	1,58,553	19,52,315
	<u>2,10,94,95,908</u>	<u>1,92,64,62,684</u>
<b>(b) Sale of Services:</b>		
Technical Assistance	40,07,500	39,32,600
<b>(c) Conversion Charges</b>		
Conversion Charges (Net of Service Tax ₹ 2,01.756/- (Previous Year ₹ 27,41,674/-)	36,37,700	2,21,81,728
<b>(d) Less: Excise Duty / Service Tax</b>		
(i) Excise Duty (Net)	21,25,03,247	18,44,78,163
(ii) Service Tax	5,07,500	4,32,600
	<u>21,30,10,747</u>	<u>18,49,10,763</u>
	<u>1,90,41,30,361</u>	<u>1,76,76,66,249</u>

\* Net of Rebates &amp; Discounts amounting to ₹ 93,53,532 (Previous year ₹ 1,69,66,432)

**NOTES TO THE FINANCIAL STATEMENTS**

(Amount in ₹)

Note No.	Year Ended 31.03.2016		Year Ended 31.03.2015	
<b>20. OTHER INCOME:</b>				
(a) Interest Income				
(i) From Banks	40,88,058		60,97,484	
(ii) From Others	<u>56,45,864</u>	97,33,922	<u>34,32,264</u>	95,29,748
(b) Dividend Income		20,97,000		6,99,000
(c) Net Gain (Loss) on Sale of Assets		0		46,957
(d) Other Non-operating Income				
(i) Rent	16,84,800		27,64,800	
(ii) Liability no longer required written back	4,78,405		0	
(iii) Refunds & Claims Received	27,31,620		3,07,925	
(iv) Miscellaneous Receipts	<u>2,800</u>	48,97,625	<u>0</u>	30,72,725
(e) Net Gain on Exchange Difference		<u>2,55,909</u>		(12,421)
		<u>1,69,84,456</u>		<u>1,33,36,009</u>
<b>21. COST OF MATERIALS CONSUMED</b>				
(a) Opening Stock		27,06,30,558		13,01,36,942
(b) Add: Purchases				
(i) Raw Petroleum Coke	1,05,27,90,217		1,37,73,77,684	
(ii) Calcined Petroleum Coke	29,68,68,877		26,08,61,217	
(iii) Pitch	3,03,22,277		4,84,46,678	
(iv) Others	<u>20,49,874</u>	1,38,20,31,245	<u>63,51,319</u>	1,69,30,36,898
		1,65,26,61,803		1,82,31,73,840
(c) Deduct: Cost of Materials Sold		5,08,99,706		9,63,07,818
(d) Deduct: Closing Stock		15,98,80,636		27,06,30,558
(e) Cost of Materials Consumed				
(i) Raw Petroleum Coke	1,08,98,48,751		1,15,14,25,118	
(ii) Calcined Petroleum Coke	31,92,09,789		25,31,85,371	
(iii) Pitch	3,03,51,580		4,97,87,589	
(iv) Others	<u>24,71,341</u>	18,37,385	<u>18,37,385</u>	
		<u>1,44,18,81,461</u>		<u>1,45,62,35,464</u>
<b>22. COST OF MATERIALS SOLD</b>				
(a) Raw Petroleum Coke	5,08,99,706		9,63,07,818	
(b) Others	<u>—</u>	<u>5,08,99,706</u>	<u>—</u>	9,63,07,818
<b>23. CHANGES IN INVENTORIES OF FINISHED GOODS</b>				
(a) Opening Inventory	23,97,99,402		18,72,72,705	
Less: Closing Inventory	<u>13,86,96,103</u>	10,11,03,299	<u>23,97,99,402</u>	(5,25,26,697)
(b) Less: Excise Duty Provision on Inventory				
On Opening Inventory	2,85,11,013		2,33,44,939	
Less: On Closing Inventory	<u>1,28,02,447</u>	1,57,08,566	<u>2,85,11,013</u>	(51,66,074)
		<u>8,53,94,733</u>		<u>(4,73,60,623)</u>
<b>24. EMPLOYEE BENEFITS EXPENSE</b>				
(a) Salaries and Wages		5,10,30,925		5,03,69,075
(b) Contribution to Provident and other Funds		48,88,131		53,12,100
(c) Staff Welfare Expenses		<u>38,45,339</u>		<u>37,07,356</u>
		<u>5,97,64,395</u>		<u>5,93,88,531</u>
<b>25. FINANCE COSTS:</b>				
(a) Interest Expense		3,01,11,821		2,29,58,153
(b) Other Borrowing Costs		99,98,884		1,11,58,117
(c) Net Loss (Gain) on Foreign Currency transactions and translation		2,56,40,772		1,53,40,467
		<u>6,57,51,477</u>		<u>4,94,56,737</u>

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

Note No.	Year Ended 31.03.2016	Year Ended 31.03.2015		
<b>26. OTHER EXPENSES:</b>				
(a) Stores, Spare-parts and Packing Materials	2,91,58,831	2,99,41,877		
(b) Power, Fuel and Water	3,47,53,983	4,26,36,928		
(c) Carriage and Handling	3,68,74,439	3,57,53,940		
(d) Repairs and Maintenance to Buildings	48,29,615	60,33,607		
(e) Repairs and Maintenance to Machinery	1,36,34,864	86,52,877		
(f) Repairs and Maintenance to Others	68,31,271	89,17,987		
(g) Insurance	33,17,702	24,23,925		
(h) Rent	6,43,464	6,42,631		
(i) Rates and Taxes	83,86,630	42,06,298		
(j) Miscellaneous Expenses				
Freight and Forwarding	49,03,613	43,81,159		
Advertisement and Publicity	12,82,118	1,33,705		
Commission on Sales	11,00,627	0		
Travelling, Transport and Conveyance	1,08,61,924	1,03,77,776		
Professional and Legal Expenses	42,49,985	39,15,242		
Donations and Subscriptions	8,69,133	5,35,664		
Establishment Expenses	97,43,043	96,97,644		
Board Meeting Fees	5,75,000	3,60,000		
Bad Debts / Advances written off	2,95,93,087	0		
	6,31,78,530	2,94,01,190		
(k) Auditors' Remuneration				
As Auditors	1,50,000	1,50,000		
For Tax Audits	45,000	45,000		
For Other Audits and Certifications	1,06,040	1,05,203		
Travelling Expenses	26,412	12,004		
	3,27,452	3,12,207		
	20,19,36,781	16,89,23,467		
<b>27. (a) CIF Value of Imports</b>				
(i) Raw Materials	15,71,76,015	62,64,46,038		
(ii) Components Stores and Spare-parts	7,46,283	3,71,765		
(iii) Capital Goods	20,34,344	2,34,632		
<b>(b) Expenditure in Foreign Currency</b>				
(i) Interest	29,65,808	31,79,427		
(ii) Others	12,69,122	8,15,688		
<b>(c) Earnings in Foreign Exchange</b>				
FOB value of export of goods	1,19,66,243	1,93,05,168		
<b>(d) Value of Imported and Indigenous Goods Consumed and Percentage</b>	₹	%	₹	%
(i) <b>Raw Materials</b>				
Imported	28,80,98,840	19.98	42,16,37,324	28.95
Indigenous	1,15,37,82,621	80.02	1,03,45,98,140	71.05
(ii) <b>Stores, Spare-parts and Packing Materials (Refer Note No.33)</b>	1,44,18,81,461	100	1,45,62,35,464	100
Imported	10,59,269	3.63	80,459	0.27
Indigenous	2,80,99,562	96.37	2,98,61,418	99.73
	2,91,58,831	100	2,99,41,877	100
<b>(e) Dividend Remitted in Foreign Currencies</b>				

Year ended 31.03.2016			Year ended 31.03.2015		
No of Non Resident Share holders	No of Equity Shares held	Dividend Remitted ₹	No of Non Resident Share holders	No of Equity Shares held	Dividend Remitted ₹
—	—	—	—	—	—

**NOTES TO THE FINANCIAL STATEMENTS**

(Amount in ₹)

Note No.		As at 31.03.2016		As at 31.03.2015
<b>28. Particulars of forward contract outstanding and un-hedged foreign currency exposure:</b>				
(a) Forward Contract outstanding	US ₹	—		—
(b) Un-hedged Foreign Currency Exposure				
(i) Current Liabilities - Buyers Credit	US ₹	23,25,350	US\$ ₹	51,92,697
		15,42,47,215		32,50,15,080
(ii) Current Assets-Trade Receivables	US\$ ₹	—	US\$ ₹	—
<b>29.</b> Hon'ble Gauhati High Court on 1.9.2000 ordered for winding up of Him Containers Limited (HCL) and appointed Registrar of Companies, Assam as the official liquidator of HCL. Consequently there was diminution in the value of Company's investments in HCL (in liquidation) and also in its wholly owned subsidiary C & C Investments Limited (CCIL) whose resources are fully invested in HCL. As required by Accounting Standard-13, full provision was made for diminution in the value of such investments and also advances to CCIL, as extraordinary item, totaling ₹ 24796300 by charge to Profit and Loss Account during the year ended 31st March, 2001.				
<b>30. Related parties disclosure:</b>				
(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				
(iii) Mr. Bhaskar Rakshit, Company Secretary				
(iv) Mr. Pankaj Kumar Misra, Chief Finance Officer				
(c) Company in which Director is interested as Director				
Assam Carbon Products Ltd. (Resigned on 23.11.2015)				
(B) Detail of Transactions taken place with Key Management Personnel		<b>Year Ended 31.03.2016</b>	<b>Year Ended 31.03.2015</b>	
(1) Nature of Transactions				
Remuneration of :				
Managing Director		45,35,976		42,48,319
Deputy Managing Director		41,82,700		37,72,600
Company Secretary		3,02,118		3,61,108
Chief Finance Officer		6,12,003		3,78,414
(2) Outstanding Payable		<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>	
(i) Mr. Rakesh Himatsingka, Managing Director		7,24,598		6,72,735
(ii) Mr. Shaurya Veer Himatsingka, Deputy Managing Director		6,13,241		6,20,009
(iii) Company Secretary		25,458		26,190
(iv) Chief Finance Officer		45,917		39,250
(C) The Company has incurred expenses of C & C Investments Limited, the Subsidiary Company amounting to ₹ 15605 (Previous year - ₹ 9515) towards Audit Fees, Filing Fees and Compliance Certificate Fees.				
(D) The Company has sold goods to Assam Carbon Products Ltd. amounting to ₹ 151000 (Net of Tax) (Previous Year - ₹ 396500) and also bought goods from them amounting to ₹ Nil (Net of Tax) (Previous Year - ₹ 60887).				

**Balance outstanding as on 31.3.2016 ₹ 13766 (Previous Year ₹ Nil)****Note :** Related party relationship is as identified by the Company and relied upon by the Auditors.

## NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

Note

No.

**31. 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:

	2015-16	2014-15
Employer's Contribution to Provident Fund	30,47,388	28,53,242
Employer's Contribution to Superannuation Fund	3,35,080	4,91,240

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.

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
<b>i) Reconciliation of opening and closing balances of Defined Benefit Obligation</b>				
Defined Benefit Obligation at beginning of year	91,07,237	83,95,366	46,02,685	42,75,372
Current Service Cost	9,27,666	8,00,318	3,04,365	2,66,985
Interest Cost	6,87,563	6,23,135	3,15,051	3,36,712
Plan Amendment	0	0	0	0
Actuarial (gain)/loss	6,20,953	14,17,155	(11,55,220)	3,51,721
Benefits paid	(7,85,747)	(21,28,737)	(11,99,000)	(6,28,105)
Defined Benefit Obligation at year end	1,05,57,672	91,07,237	28,67,881	46,02,685
<b>ii) Reconciliation of opening and closing balances of fair value of Plan Assets.</b>				
Fair Value of plan assets at beginning of year	91,07,237	83,95,366	N.A.	N.A.
Expected return on plan assets	7,46,962	7,06,759	N.A.	N.A.
Employer contribution	15,05,663	19,67,618	11,99,000	6,28,105
Actuarial gain/(loss)	(16,443)	1,66,231	N.A.	N.A.
Benefits paid	(7,85,747)	(21,28,737)	(11,99,000)	(6,25,105)
Fair value of plan assets at year end	1,05,57,672	91,07,237	N.A.	N.A.
Actual return on plan assets	7,30,519	8,72,990	N.A.	N.A.
<b>iii) Reconciliation of fair value of assets and obligations</b>				
Present value of obligation at year end	1,05,57,672	91,07,237	28,67,881	46,02,685
Fair value of plan assets at year end	1,05,57,672	91,07,237	N.A.	N.A.
Funded Status- surplus (deficit) at year end	0	0	(28,67,881)	(46,02,685)
Net asset/(liability) recognised in Balance Sheet	0	0	28,67,881	46,02,685
<b>iv) Expenses recognised during the year</b>				
Current Services Cost	9,27,666	8,00,318	3,04,365	2,66,985
Interest Cost	6,87,563	6,23,135	3,15,051	3,36,712
Expected return on plan assets	(7,46,962)	(7,06,759)	N.A.	N.A.
Past Service cost	0	0	0	0
Actuarial (gain)/loss	6,37,396	12,50,924	(11,55,220)	3,51,721
Total Expense recognised in Profit & Loss Account	15,05,663	19,67,618	(5,35,804)	9,55,418

**NOTES TO THE FINANCIAL STATEMENTS**

(Amount in ₹)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
v) <b>Investment Details</b>				
Investment with fund approved under the Income Tax Act, 1961	100%	100%	N.A.	N.A.
vi) <b>Actuarial assumptions</b>				
Mortality (LIC - Standard Table)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount rate (per annum)	7.80%	7.89%	7.80%	7.87%
Expected rate of return on plan assets (p.a.)	7.89%	8.50%	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.

- 32. Earnings (Loss) per Share - Basic & Diluted:**
- |  | Year ended<br>31.03.2016 | Year ended<br>31.03.2015 |
|--|--------------------------|--------------------------|
| a) Profit (Loss) after tax                           | ₹ 20,29,869              | (2,19,94,632)            |
| b) Preference dividend and tax thereon               | ₹ 1,11,933               | 93,000                   |
| c) Profit (Loss) attributable to Equity Shareholders | ₹ 19,17,936              | (2,20,87,632)            |
| d) Weighted Number of Shares                         | Nos. 26,50,000           | 26,50,000                |
| e) Earning(Loss) per Equity Share of Rs.10/- each    | ₹ 0.72                   | (8.33)                   |
- 33.** 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. 26(a) and Note No.27(d)(ii) do not include stores and spare-parts consumed and charged to other heads.
- 34.** 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).
- 35.** 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 ₹ 18459725/-on account of accisition of Fixed Assets, pre-operative expenditure etc. has been shown as Capital Work-in-Progress.
- 36.** During the year the Company has identified components of few item of fixed assets whose cost is significant to total cost of the whole asset and useful life of that component is different from the useful life of the remaining asset. The depreciation rate has been recomputed based on the useful lives of the component.TheWDV of the components as on 1.4.2015 has been recomputed with revised depreciation rates from the date of acquisition. The difference between the carrying amount as on 1.4.2015 and the WDV as recomputed amounting to ₹ 850506/- have been adjusted from brought forward balance of General Reserve. This amount has been included under depreciation for the year, as stated in Note No.10, amounting to ₹ 14373787/-.
- 37. 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 : 27.09.2016  
Actual date of filing Cost Audit Report : yet to be filed.
- 38.** Previous year's figures have been reclassified, regrouped and rearranged, wherever necessary.

## NOTES TO THE FINANCIAL STATEMENTS

### 39. Significant Accounting Policies:

#### (a) General :

The Financial Statements are prepared under the historical cost convention and comply with the Generally Accepted Accounting Principals in India including the Accounting Standards notified under the relevant provisions of the Companies Act 2013.

All the assets and liabilities have been considered and classified by the company as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The company has ascertained its operating cycle as 12 months for the purpose of current and noncurrent classification of assets and liabilities.

#### (b) Recognition of Income and Expenditure:

Items of income and expenditure are generally recognised on accrual basis. Refunds and claims are recognised on the basis of sanction/acceptance.

#### (c) Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### (d) Fixed Assets:

Fixed assets are stated at cost of acquisition (net of CENVAT) less accumulated depreciation and impairment loss, if any. Cost of acquisition includes taxes, duties, freight and other costs that are directly attributable to bringing assets to their working condition for their intended use. As regards Fixed Assets which were revalued as per revaluation carried out as at 30th September 1985 were stated at revalued amount.

Fixed assets under construction are disclosed as capital work in progress.

#### (e) Depreciation/ Amortisation:

##### *Tangible Fixed Assets:*

Depreciation on Fixed Assets has been provided for on Diminishing Balance Method and at the rates and in the manner specified in Schedule II to the Companies Act, 2013. 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. Depreciation on additions / deletions are provided on pro-rata basis in the year of purchase / disposal.

##### *Intangible Fixed Assets:*

Application Software is amortised over the estimated economic useful life of 5 years.

#### (f) Impairment:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### (g) 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.

#### (h) 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.



## NOTES TO THE FINANCIAL STATEMENTS

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.

(i) **Lease :**

- a) Operating Leases: Rentals are expensed on a straight line basis with reference to the lease terms and other considerations.
- b) Finance leases: The lower of the fair value of the assets and present value of the minimum lease rentals is capitalised as Fixed Assets with corresponding amount disclosed as lease liability. The principal Component in the lease rental is adjusted against the lease liability and the interest component is charged to Profit and Loss Statement.

(j) **Investments:**

Long Term Investments are stated at cost. Diminution in the value of Investments, other than temporary fluctuations, are provided for.

Current Investments are stated at lower of cost or quoted/fair value.

(k) **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. The cost comprises of raw material consumed, labour and manufacturing expenses. Excise Duty on goods manufactured and remaining in inventory is included as a part of valuation of Finished Goods.

(l) **Revenue:**

Revenue from sale of goods is recognised when significant risks and rewards of ownership in the goods are transferred to customers and it is not unreasonable to expect ultimate collection of the sale consideration that is being recognised as revenue. Turnover is stated net of returns, rebates, discounts and includes packing charges. Excise Duty is stated net of refunds under Government Scheme.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

(m) **Income from Government Grant:**

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attached conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

(n) **Borrowing Costs:**

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit and Loss Statement in the period in which they are incurred.

(o) **Employees Benefits:**

The Company's obligations towards various employee benefits have been recognised as follows:

*Short term benefits*

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

*Post employment benefits*

- a) Monthly contributions to Provident Funds which are in the nature of defined contribution schemes are charged to Statement of Profit and Loss and deposited with the Provident Fund administered through the Company's trust on a monthly basis

- b) The administration of the gratuity scheme which is in the nature of defined benefit plan, has been entrusted to the Company's trust. Annual charge is recognised on the basis of actuarial valuation at the Balance Sheet date, conducted by an independent actuary appointed by the Company and payments are made to the trust on the basis of annual demand received from them. The Company recognizes all actuarial gains and losses in the Statement of Profit and Loss.

*Other long term benefits*

Cost of long term benefit by way of accumulating compensated absences are recognised when the employees render the service that increases their entitlement to future compensated absences. Such costs are recognised based on actuarial valuation of the Company's year end obligation in this regard by an independent actuary.

*Termination benefits*

Costs of termination benefits have been recognised only when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle such obligation and the amount of the obligation can be reliably estimated.

(p) **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.

(q) **Provision and Contingent Liabilities:**

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(r) **Earning per Share:**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding at the year end, except where the results would be anti dilutive.

Per Our Report attached.

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

**ATANU CHATTERJEE**  
Partner

Place : Kolkata,  
Date : 17th May, 2016

**Rakesh Himatsingka**  
Chairman & Managing Director  
DIN : 00632156

**Pankaj Kumar Misra**  
Chief Financial Officer

**Sunirmal Talukdar**      **Manoj Mohanka**  
Director                      Director  
DIN : 00920608          DIN : 00128593

**Bhaskar Rakshit**  
Company Secretary

On behalf of Board of Directors

## DIRECTORS' REPORT

TO THE MEMBERS OF C & C INVESTMENT LIMITED

The Directors submit the Fortieth Annual Report for the year ended 31st March, 2016.

### STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Profit & Loss Statements for the year ended 31st March, 2016 resulted in nil profit as there was neither any income nor any expenses during the usual course of business. The accumulated loss now stands at ₹ 13,185,011/- which is in excess of the paid-up share capital and reserves of the Company.

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

Consequent upon the execution of joint guarantee with regard to the loans taken by HCL from their Bankers amounting to ₹ 26,88,80,000/-, the Banker has filed a petition before the Debt Recovery Tribunal, Kolkata praying recovery of ₹ 41,24,76,480/- including proportionate interest from the defendants including your company as a Guarantor.

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

- **DIVIDEND**

No Dividend was declared for the current financial year due to loss incurred by the Company.

- **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which these financial statements relate on the date of this report.

- **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange inflow or Outflow during the year under review.

- **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

- **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

- **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

Auditors Remuneration, Filing Fees & other expenses of ₹ 15,605/- has been incurred by M/s. India Carbon Limited, the holding company.

- **EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

- **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

- **ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Form MGT-9 and the same is being attached to this Report as Annexure A.

- **NUMBER OF BOARD MEETINGS AND AUDIT COMMITTEE MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

During the Financial year under review (4) Board Meetings were convened and held on 27th May 2015, 10th August 2015, 6th November 2015 and 5th February 2016. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

- **DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed;
- (b) the directors had 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 profit and loss of the company for the year under review;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

- **SUBSIDIARIES**

The company is a subsidiary company of M/s. India Carbon Limited.

**HIM CONTAINERS LTD. (HCL)**

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

- **DEPOSITS**

The Company has neither accepted nor renewed any deposits during the year under review.

- **DIRECTORS**

Mr. Pankaj Kumar Misra, Director of the Company retires at this Annual General Meeting and being eligible, offer 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.

- **AUDITOR'S REPORT**

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013

- **SHARES**

**a. BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

**b. SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

**c. BONUS SHARES**

No Bonus Shares were issued during the year under review.

**d. EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the employees.

- ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to shareholders, bankers, Financial Institutions, business associates, customers, suppliers and various Government Authorities for their extended support and confidence reposed on Companies activities during the year under review.

Your Directors also acknowledges the support and services of all its workers, staffs and executives, which is largely reflected in the performance of the company.

For and on behalf of the Board of Directors

Place : Guwahati, 17th May, 2016  
Registered Office:  
Noonmati, Guwahati - 781 020, Assam.

**D. K. Dutta**  
*Director*  
(DIN : 01979995)

**S. K. Bhattacharjya**  
*Director*  
(DIN : 07007069)



Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the beginning of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) State Govt(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FII's	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
<b>Sub-total (B)(1):</b>	—	—	—	—	—	—	—	—	—
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	—	—	—	—	—	—	—	—	—
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals		60	60	0.01%	—	60	60	0.01%	No Change
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	—	—	—	—	—	—	—	—	—
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	—	—	—	—	—	—	—	—	—
c) Others (specify)	—	—	—	—	—	—	—	—	—
Non Resident Indians	—	—	—	—	—	—	—	—	—
Overseas Corporate Bodies	—	—	—	—	—	—	—	—	—
Foreign Nationals	—	—	—	—	—	—	—	—	—
Clearing Members	—	—	—	—	—	—	—	—	—
Trusts	—	—	—	—	—	—	—	—	—
Foreign Bodies - D R	—	—	—	—	—	—	—	—	—
<b>Sub-total (B)(2):</b>	—	—	—	—	—	—	—	—	—
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>		7,50,200	7,50,200	100%	—	7,50,200	7,50,200	100%	No Change
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B+C)</b>		7,50,200	7,50,200	100%	—	7,50,200	7,50,200	100%	No Change

**B) Shareholding of Promoter-**

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SHYAMAL KUMAR BHATTACHARJYA	10	0.001%	—	10	0.001%	—	No Change
2	INDIA CARBON LIMITED	750130	99.99%	—	750130	99.99%	—	No Change

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

SN	Particulars	Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	750140	99.99%	—	—
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	—	—	—	—
3	At the end of the year	750140	99.99%	—	—

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

SI No	Shareholder's Name	Shareholding at the beginning of the year		Change in shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	MR. SANTOSH KUMAR MOUR	10	0.001%	No Change	No Change	10	0.001%
2	MR. B.K. JAIN	10	0.001%	No Change	No Change	10	0.001%
3	MR. SANTOSH KUMAR BAJAJ	10	0.001%	No Change	No Change	10	0.001%
4	MR. SANDIP MODI	10	0.001%	No Change	No Change	10	0.001%
5	MR. PRANAB JYOTI BORA	10	0.001%	No Change	No Change	10	0.001%
6	MR. SUSHEEL KUMAR SHARMA	10	0.001%	No Change	No Change	10	0.001%

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Name of the Shareholder	Shareholding at the beginning of the year		Change in shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	SHYAMAL KUMAR BHATTACHARJYA	10	0.001%	10	0.001%	10	0.001%

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	—	56,94,173	—	56,94,173
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>		<b>56,94,173</b>		<b>56,94,173</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	—	—	—	—
* Reduction	—	—	—	—
<b>Net Change (increase)</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	—	56,94,173	—	56,94,173
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>		<b>56,94,173</b>		<b>56,94,173</b>



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

SN	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	—
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	—	—
2	Stock Option	—	—
3	Sweat Equity	—	—
4	Commission - as % of profit - others, specify...	—	—
5	Other, Please specify	—	—
	Total (A)	—	—
	Ceiling as per the Act	—	—

**B. Remuneration to other directors (in ₹)**

SI No	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	—	—	—	—
	Fee for attending board committee meetings	—	—	—	—
	Commission	—	—	—	—
	Others, please specify	—	—	—	—
	<b>Total (1)</b>	—	—	—	—
2	Other Non-Executive Directors	—	—	—	—
	Fee for attending board committee meetings	—	—	—	—
	Commission	—	—	—	—
	Others, please specify	—	—	—	—
	<b>Total (2)</b>	—	—	—	—
	<b>Total (B)=(1+2)</b>	—	—	—	—
	Total Managerial Remuneration	—	—	—	—
	Overall Ceiling as per the Act	—	—	—	—

**C. Remuneration To Key Managerial Personnel other than MD/MANAGER/WTD**

SI No	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.		N.A.	N.A.
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
2	Stock Option	N.A.	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.	N.A.
4	Commission	N.A.	N.A.	N.A.	N.A.
	- as % of profit	N.A.	N.A.	N.A.	N.A.
	others, specify...	N.A.	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>				

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ Court]	Appeal made, if any (give Details)
<b>A.</b>	<b>COMPANY</b>					
	Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
	Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
	Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>B.</b>	<b>DIRECTORS</b>					
	Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
	Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
	Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>C.</b>	<b>OTHER OFFICERS IN DEFAULT</b>					
	Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
	Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
	Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

For and on behalf of the Board of Directors

Place : Guwahati, 17th May, 2016  
Registered Office:  
Noonmati, Guwahati - 781 020, Assam.

**D. K. Dutta**  
Director  
(DIN : 01979995)

**S. K. Bhattacharjya**  
Director  
(DIN : 07007069)

## 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 2016, 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

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

### Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2016,
- (b) In the case of the statement of Profit and Loss account, 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought & obtained all the information & explanation which to best of our knowledge and belief were necessary for 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014.

- (e) On the basis of written representations received from the directors as on 31st March 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B', and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The company does not have any pending litigations which would impart its financial position except as mentioned in note 10 & 11 of the annexed Accounts.
  - (ii) The company has no long term contracts including derivative contracts.
  - (iii) There are no amounts which are required to be transferred to the Investor Education and Protection Fund.

For **S. K. SINGHANIA & CO.**  
**CHARTERED ACCOUNTANTS,**  
 (Firm Registration No. 302206E)  
**RAJESH KR. SINGHANIA**  
 (M. No. 52722)  
**PARTNER**

19A, Jawaharlal Nehru Road,  
 Kolkata - 700 087

Dated : 17th May 2016

#### **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

As required by section 143(3) of the Act, we report that

1. Since the company does not have any tangible fixed assets, clause (a), (b) & (c) of section (i) of para 3 of the Order is not applicable.
2. Since the company does not hold any inventory, section (ii) of para 3 of the Order is not applicable.
3. The company had granted unsecured loans of Rs. 57.50 lakhs to M/S. Him Containers Ltd. (parties covered in the register maintained u/s. 189 of the Act) in earlier year which company is under liquidation and full provision has been made for such loan as the chances of recovery is not there.
4. In our opinion and according to the information & explanations given to us the company has complied with the provision of Section 185 & 186 of the Act, with respect to loans and investments made.
5. Since the company has not accepted any deposits, section (v) of para 3 of the Order is not applicable.
6. Since maintenance of cost records has not been specified by the Central Government under sub section (1) of the section 148 of the Act, nothing is reportable under section (vi) of para 3 of the Order.
7. (a) The company is regularly depositing statutory dues applicable to the company with appropriate authorities & there are no any outstanding statutory dues as at last date of financial year concerned for period of six months from date they became payable.  
 (b) Since there are no such dues of income tax, sales tax, service tax or excise duty which have not been deposited on account of any dispute, clause (b) of section (vii) of para 3 of the Order is not applicable.
8. Since the company has not taken any loan from Bank or Financial Institutions, section (viii) of para 3 of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
10. According to the information and explanations give to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. Since the company has not paid / provided any managerial remuneration, section (xi) of para 3 of the Order is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company, as such section (xii) of para 3 of the Order is not applicable.
13. According to the information and explanations give to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not make any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them, as such section (xv) of para 3 of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For **S. K. SINGHANIA & CO.**  
**CHARTERED ACCOUNTANTS,**  
 (Firm Registration No. 302206E)  
**RAJESH KR. SINGHANIA**  
 (M. No. 52722)  
**PARTNER**

19A, Jawaharlal Nehru Road,  
 Kolkata - 700 087

Dated : 17th May 2016

**ANNEXURE B TO THE AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of C & C INVESTMENTS LIMITED ('the Company') as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitation of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, and adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. K. SINGHANIA & CO.**  
**CHARTERED ACCOUNTANTS,**  
 (Firm Registration No. 302206E)  
**RAJESH KR. SINGHANIA**  
 (M. No. 52722)  
**PARTNER**

19A, Jawaharlal Nehru Road,  
 Kolkata - 700 087  
 Dated : 17th May 2016

**BALANCE SHEET**

AS AT 31ST MARCH, 2016

PARTICULARS	Note No.	As at 31.03.2016		As at 31.03.2015	
		₹	₹	₹	₹
<b>I. EQUITY AND LIABILITIES</b>					
(1) <b>Shareholders' Funds</b>					
(a) Share Capital	1	75,02,000		75,02,000	
(b) Reserves and Surplus	2	(1,31,85,011)	(56,83,011)	(1,31,84,381)	(56,82,381)
(2) <b>Current Liabilities</b>					
(a) Short-term Borrowings	3	56,94,173		56,94,173	
(b) Trade Paybles	4	3,366	56,97,539	3,366	56,97,539
<b>TOTAL</b>			<u>14,528</u>		<u>15,158</u>
<b>II. ASSETS</b>					
(1) <b>Non-current Assets</b>					
Non-current Investments	7		—		—
(2) <b>Current Assets</b>					
(a) Cash and Bank Balances	5	14,528		15,158	
(b) Short-term Loans and Advances	6	0	14,528	0	15,158
<b>TOTAL</b>			<u>14,528</u>		<u>15,158</u>

The Notes form an integral part of the Financial Statements

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

For **S. K. SINGHANIA & CO.**  
*Chartered Accountants*  
 (Registration No. 302206E)  
**RAJESH KUMAR SINGHANIA**  
 M. No. 52722  
*Partner*

Place : Kolkata  
 Date : 17th May 2016

For and on behalf of the Board of Directors

**D. K. Dutta**                      **S. K. Bhattacharjya**  
*Director*                              *Director*  
 (DIN : 01979995)                  (DIN : 07007069)

**PROFIT AND LOSS STATEMENT**

FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Note No.	Year ended 31.03.2016		Year ended 31.03.2015	
		₹	₹	₹	₹
<b>I Total Revenue</b>			—		—
<b>II Expenses:</b>			<u>630</u>		<u>155</u>
Bank Charges			<u>630</u>		<u>155</u>
<b>Total Expenses</b>					
<b>III Loss for the Year (I-II)</b>			<u>(630)</u>		<u>(155)</u>

The Notes form an integral part of the Financial Statements

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

For **S. K. SINGHANIA & CO.**  
*Chartered Accountants*  
 (Registration No. 302206E)  
**RAJESH KUMAR SINGHANIA**  
 M. No. 52722  
*Partner*

Place : Kolkata  
 Date : 17th May 2016

For and on behalf of the Board of Directors

**D. K. Dutta**                      **S. K. Bhattacharjya**  
*Director*                              *Director*  
 (DIN : 01979995)                  (DIN : 07007069)

**CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31.3.2016	Year ended 31.3.2015
₹	₹	₹
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit / (Loss) before tax	(630)	(155)
<b>NET CASH USED IN OPERATING ACTIVITIES - (A)</b>	<b>(630)</b>	<b>(155)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>Nil</b>	<b>Nil</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>Nil</b>	<b>Nil</b>
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>(630)</b>	<b>(155)</b>
Balance of Cash and Cash Equivalents As At 31.3.2015	<b>15158</b>	15313
Balance of Cash and Cash Equivalents As At 31.3.2016	<b>14528</b>	15158

**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.

For **S. K. SINGHANIA & CO.**  
Chartered Accountants  
(Registration No. 302206E)  
**RAJESH KUMAR SINGHANIA**  
M. No. 52722  
Partner

Place : Kolkata  
Date : 17th May 2016

For and on behalf of the Board of Directors

<b>D. K. Dutta</b> Director (DIN : 01979995)	<b>S. K. Bhattacharjya</b> Director (DIN : 07007069)
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## NOTES FORMING PART OF FINANCIAL STATEMENTS

Note No.		As at 31.03.2016 ₹	As at 31.03.2015 ₹		
1.	<b>SHARE CAPITAL</b>				
	<b>(a) Authorised</b>				
	1500000 Equity Shares of ₹10 Each	<u>1,50,00,000</u>	<u>1,50,00,000</u>		
	<b>(b) Issued, Subscribed and Fully Paid</b>				
	750200 Equity Shares of ₹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)	750130	99.99	750130	99.99
2.	<b>RESERVES &amp; SURPLUS</b>	₹	₹	₹	₹
	<b>Surplus</b>				
	As per Last Financial Statements	(1,31,84,381)		(1,31,84,226)	
	Add:Balance in Statement of Profit & Loss	(630)		(155)	
		<u>(1,31,85,011)</u>		<u>(1,31,84,381)</u>	
3.	<b>SHORT-TERM BORROWINGS</b>				
	Loans repayable on demand				
	<b>Un-Secured (Not Bearing Interest)</b>				
	<b>(i) From Holding Company</b>				
	India Carbon Limited	40,95,000		40,95,000	
	<b>(ii) From Other Body Corporates</b>	15,99,173		15,99,173	
		<u>56,94,173</u>		<u>56,94,173</u>	
4	<b>TRADE PAYABLES</b>				
	Other Payables - Sundry Creditors	<u>3,366</u>		<u>3,366</u>	
5	<b>CASH AND BANK BALANCES</b>				
	Cash and Cash Equivalents				
	Balances with Banks on Currernt Accounts	<u>14,528</u>		<u>15,158</u>	
6	<b>SHORT TERM LOANS &amp; ADVANCES</b>				
	Loans and Advances to related parties				
	Unsecured : Considered doubtful				
	Him Containter Ltd. (In Liquidation)	57,50,000		57,50,000	
	Less: Provision for doubtful advance	57,50,000		57,50,000	
	(Refer Note No. 11)				



## NOTES FORMING PART OF FINANCIAL STATEMENTS

Note No.	Particulars	No of Shares / Bonds / Warrants	Face Value (Per Share/ Bond/warrant)	₹	As at 31.03.2016 ₹	As at 31.03.2015 ₹
<b>7</b>	<b>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	67,61,500		
	(ii) Detachable Warrants-10% Upfront paid (Unquoted)					
	Him Containers Limited (In Liquidation)	6,75,000	10	<u>6,75,000</u>		
				<u>74,36,500</u>		
	Less: Provision for Diminution in value (Refer Note No. 11)			74,36,500	—	—

### 8 SIGNIFICANT ACCOUNTING POLICIES :

- Basis of Accounting :** The financial statements are prepared in accordance with generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The Accounting policies are consistently applied by the Company. The financial statements are prepared to comply in all material respects with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of Companies Act, 2013.
- Recognition of Income & Expenditure:** Items of Income & Expenditure are generally recognized on accrual basis.
- Investments:** Investments are stated at cost. Provision for diminution in the value of investments, other than temporary are made.
- 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.
- Contingent Liability:** Liability of contingent natures are not provided for and are disclosed separately in the notes on accounts as and when becomes necessary.
- General:** Accounting Policies, not specifically referred to, are consistent with the generally accepted accounting practices.

9 Auditors' Remuneration, Filing Fees & other expenses of Rs. 15605.00 have been incurred by M/S. India Carbon Ltd., the holding Company.

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

	As at 31.03.2016		As at 31.03.2015	
Joint Guarantees/Guarantees given to Financial Institutions for Term & Other Loans	₹	15800000	₹	15800000
Do	St £	656740	St £	656740
Do	US \$	517183	US \$	517183
Bank for Loans & Others purposes	₹	268880000*	₹	268880000*

\*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 Previous year's figure's have been reclassified, regrouped and reaaranged, wherever necessary.

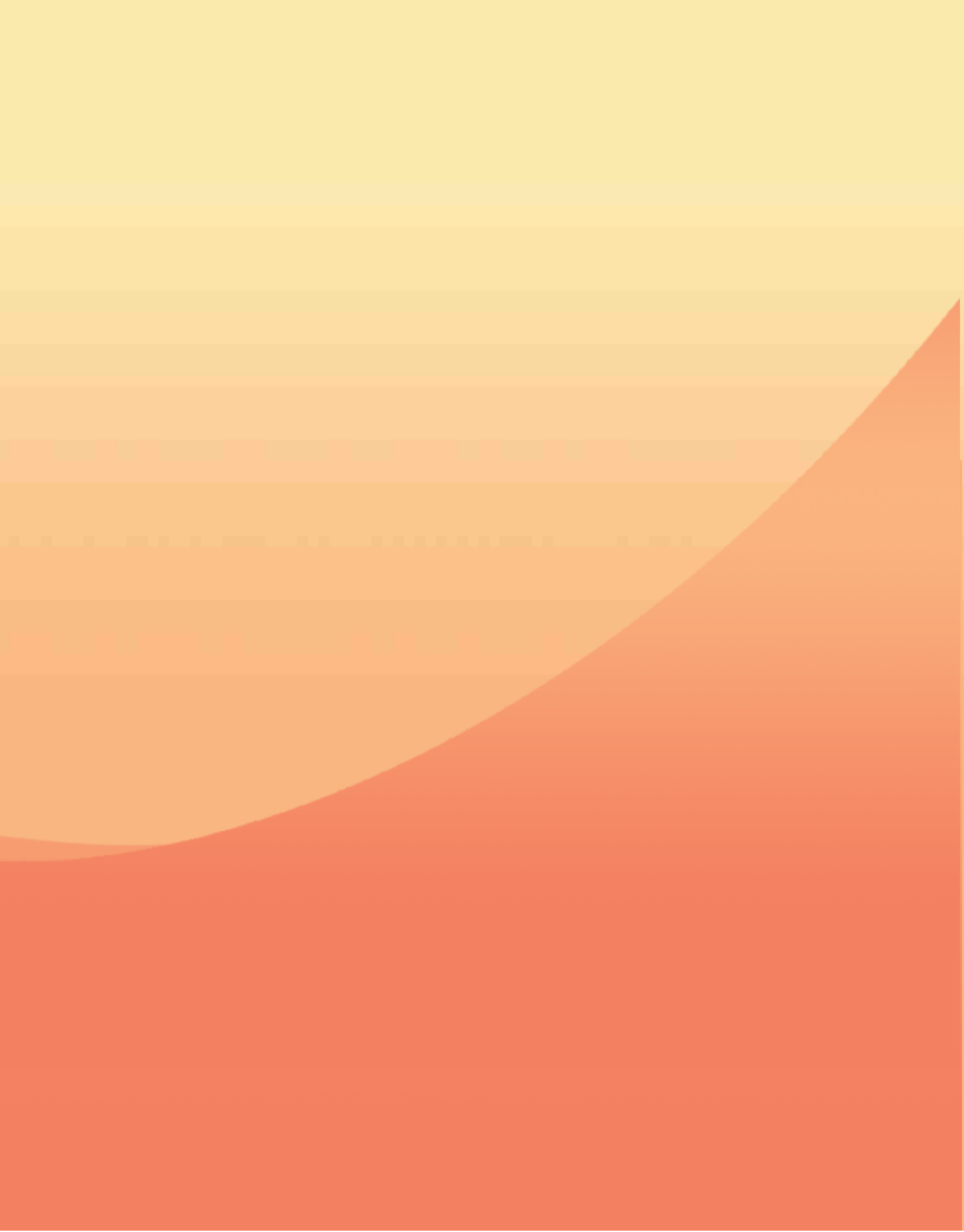
In terms of our report of even date annexed on the Balance Sheet.

For **S. K. SINGHANIA & CO.**  
*Chartered Accountants*  
(Registration No. 302206E)  
**RAJESH KUMAR SINGHANIA**  
M. No. 52722  
*Partner*

Place : Kolkata  
Date : 17th May 2016

For and on behalf of the Board of Directors

<b>D. K. Dutta</b>	<b>S. K. Bhattacharjya</b>
<i>Director</i>	<i>Director</i>
(DIN : 01979995)	(DIN : 07007069)



*If undelivered, please return to :*



**India Carbon Limited**

Temple Chambers, 4th Floor

6, Old Post Office Street

Kolkata - 700 001

CIN : L23101AS1961PLC001173