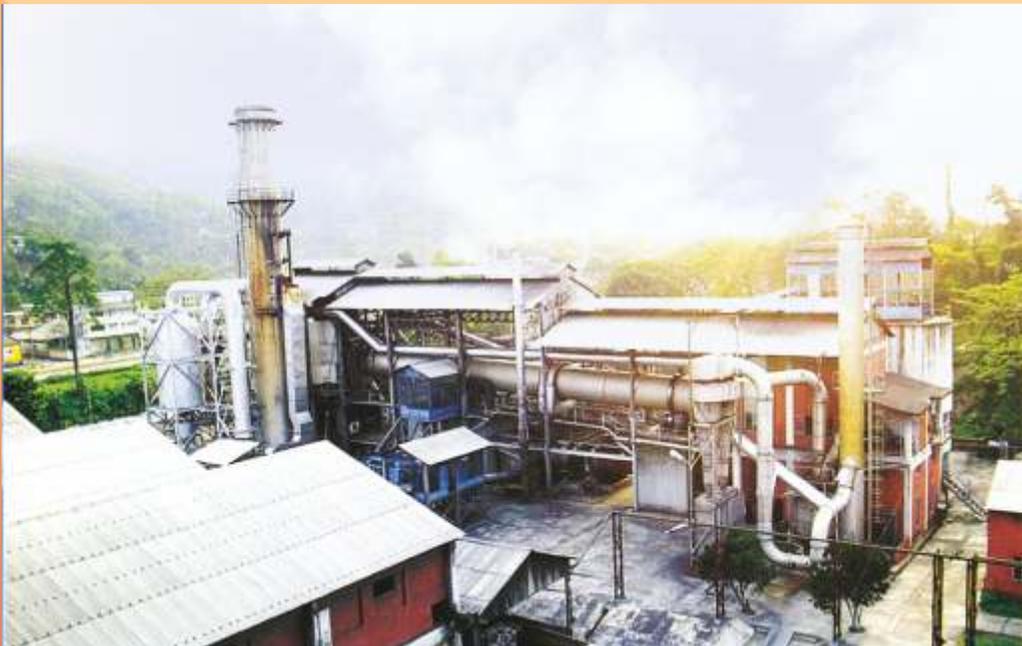




ANNUAL REPORT

2016-2017

INDIA CARBON LIMITED



India Carbon Limited
ANNUAL REPORT 2016-2017

BOARD OF DIRECTORS

Mr. Rakesh Himatsingka
(Chairman and Managing Director)
Mr. Shaurya Veer Himatsingka
(Deputy Managing Director & CEO)
Mr. Gordon Kenneth McIntosh
Mr. Tony William Grims
(Additional Director)
Mr. Mark Russell Jones
(Alternate to Mr. Tony William Grims)
Mr. Albert John Rolfe
(Alternate to Mr. Gordon Kenneth McIntosh)
Mr. Hemant Kumar Khaitan
Mr. Manoj Mohanka
Mr. Soumendra Mohan Basu
Mr. Samar Jha
Mr. Sunirmal Talukdar
Mrs. Susmita Ghose

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, 2280-6692/93/94,
Fax : 033 4011-6739, E-mail : rta@cbmsl.com

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Notice

INDIA CARBON LIMITED

Regd. Office: Noonmati, Guwahati -781020, Assam

CIN: L23101AS1961PLC001173

Tel: (033)22487856/9; Fax: 91-33-2230-7507

Email: icl@indiacarbonltd.com • Website: www.indiacarbonltd.com

NOTICE

NOTICE is hereby given that the Fifty-Fifth Annual General Meeting of the Members of INDIA CARBON LIMITED will be held on Monday, the 18th day of September, 2017, at 10 A.M. at the Registered Office of the Company situated at Noonmati, Guwahati - 781020, Assam to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2017, the Profit & Loss Statement and Cash Flow Statement for the year ended 31st March, 2017 & notes on financial statements together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on the equity shares if any and to ratify and approve by the shareholders the dividend paid by the Board of Directors on the 10,000 preference share held by Govt of Assam of Rs.100/- each @9.3% per annum on a proportionate basis for the period from 01st April, 2016 up to the date of redemption i.e 25th Day of December, 2016 amounting to Rs.68, 030/- pursuant to the terms and conditions of issuance of the said preference share.
3. To appoint Mr. Gordon Kenneth Mcintosh (DIN: 02244237), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modification the following resolution, as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. S. Samanta & Co., Chartered Accountants of Kolkata (Firm Registration No. 305020E) be and is hereby appointed as Statutory Auditors of the Company for a term of 5(Five) years from the conclusion of the ensuing Fifty Fifth Annual General Meeting (AGM) till the conclusion of the Sixtieth Annual General Meeting (Subject to ratification of their appointment at every Annual General Meeting) of the Company on such remuneration plus service tax, out-of pocket, travelling and living expenses, etc, as may be decided by the Board of Directors of the Company from time to time.”

AS SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:
“RESOLVED THAT pursuant to Section 148 and read with Section 141 of the Companies Act, 2013, M/s Mitra Bose & Associates, Cost Accountants (Registration No. 000037) be and hereby appointed as the Cost Auditors of the Company to conduct audit of cost accounting records maintained by the Company for Products(s) /Services(s) for the year ending on 31st March, 2018, at a remuneration of Rs.30,000/- plus applicable taxes and out of pocket expenses.
“FURTHER RESOLVED THAT Mr. Rakesh Himatsingka (DIN: 00632156) or Mr. Shaurya Veer Himatsingka (DIN: 01200202) be and are hereby severally authorized to sign and submit the necessary application and file forms and to do all such acts as may be necessary and also to issue a certified copy of the resolution to anyone concerned or interested in the matter.”
6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
“RESOLVED THAT Mr. Tony William Grims, (DIN: 07590220) who was appointed by the Board as an Additional Director of the Company w.e.f 11th November, 2016 and who holds office up to the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act for him, proposing his own candidature for the office of a Director and being eligible, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.”

Notice (Contd.)

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

"RESOLVED THAT in accordance with the provisions of Section 190, 196, 197, 198 and 203 read along with Schedule V and other applicable provisions and Rules, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof), and subject to necessary sanctions, consent and permission of appropriate authorities, if any and subject to further approval of the Members of the Company at the General Meeting, consent of the Board of Directors of the Company be and is hereby accorded for the re-appointment of Mr. Rakesh Himatsingka (DIN:00632156) as Managing Director of the Company for a period of 3 (three) years with effect from 1st December, 2016 to 30th November, 2019 on the terms and conditions as mentioned in the Draft Agreement placed before the meeting and initialed by a Director of the Company, for the purpose of identification with authority to the Board of Directors of the Company to vary, alter or modify the terms of appointment and remuneration, as set out in the said draft Agreement, in accordance with the applicable provisions of the Companies Act, 2013 and Schedule V of the Companies Act 2013, as amended/revised/ altered/ modified and /or any other statutory modification or re-enactment thereof and/or any guidelines relating to managerial remuneration as may be notified by the Central Government from time to time and as may be agreed to by the Board of Directors of the Company and Mr. Rakesh Himatsingka(DIN:00632156) as Managing Director, without any further approval of the Company in General Meeting".

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

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

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

"RESOLVED THAT in accordance with the provisions of Section 190, 196, 197, 198 and 203 read along with Schedule V and other applicable provisions and Rules, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof), and subject to necessary sanctions, consent and permission of appropriate authorities, if any and subject to further approval of the Members of the Company at the General Meeting, consent of the Board of Directors of the Company be and is hereby accorded for the re-appointment of Mr. Shaurya Veer Himatsingka (DIN:01200202) as Deputy Managing Director of the Company for a period of 3 (three) years with effect from 1st April, 2017 to 31st March, 2020 on the terms and conditions as mentioned in the Draft Agreement placed before the meeting and initialed by a Director of the Company, for the purpose of identification with authority to the Board of Directors of the Company to vary, alter or modify the terms of appointment and remuneration, as set out in the said draft Agreement, in accordance with the applicable provisions of the Companies Act, 2013 and Schedule V of the Companies Act 2013, as amended/ revised/ altered/ modified and /or any other statutory modification or re-enactment thereof and/or any guidelines relating to managerial remuneration as may be notified by the Central Government from time to time and as may be agreed to by the Board of Directors of the Company and Mr. Shaurya Veer Himatsingka (DIN:01200202) as Deputy Managing Director, without any further approval of the Company in General Meeting".

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

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

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

"RESOLVED THAT in supersession of earlier resolutions passed and pursuant to the provisions of Section 186 of the

Notice (Contd.)

Companies Act, 2013 read with the Rules framed there under and other applicable provisions, if any, (including any statutory modification or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called 'the Board') to give any loans/ any other form of debt to any person(s) or other body corporate(s) and / or to give guarantee and / or to provide security in connection with a loan/any other form of debt to any other body corporate(s) or person(s) and to make investment or acquire by way of subscription, purchase or otherwise the securities of any other body corporate(s) whether Indian or overseas up to maximum amount of Rs. 100 Crores (Rupees One Hundred Crore only) outstanding at any point of time not withstanding that the aggregate amount of all the loans / guarantees / securities / investments so far made together with the proposed loans / guarantees / securities / investments to be made, exceeds the prescribed limits under the Companies Act, 2013."

"**RESOLVED FURTHER** THAT Mr. Rakesh Himatsingka (DIN:00632156) as Managing Director and Mr. Shaurya Veer Himatsingka (DIN:01200202) as Deputy Managing Director be and is hereby severally authorized from time to time all decisions and steps in respect of the above loans, guarantees, securities and investment including the timing, amount and other terms and conditions of such loans, guarantees, securities and investment and varying the same either in part or in full as it may deem appropriate, and to do and perform all such acts, deeds, matters and things as may be necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard including power to sub-delegate in order to give effect to the aforesaid resolution."

Kolkata, 8th May, 2017
Registered Office:
Noonmati, Guwahati 781 020, Assam
CIN: L23101ASI961PLC001173
Email: icl@indiacarbonltd.com

By Order of the Board of Directors
Sd/-
Rakesh Himatsingka
(DIN: 00632156)
Chairman & Managing Director

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
2. Details under the provisions of SEBI Listing Regulation, 2015, in respect of Directors seeking appointment at the Annual General Meeting is contained at the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.
3. A MEMBER ENTITLED TO ATTEND AND VOTE ON A POLL AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY
4. Members are requested to bring their copy of Annual Report to the meeting.
5. Members / Proxies should fill the Attendance Slip for attending the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in Physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
6. In case of joint holders attending the meeting only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 12th September, 2017 to 18th September, 2017 (both days inclusive).

Notice (Contd.)

8. The Company has appointed the following Registrar & Share Transfer Agent (RTA) to deal with both Physical and Demat shares.

C. B. Management Services (P) Limited
P-22, Bondel Road, Kolkata - 700 019
Phone No. 033 40116700, 40116711, 40116718, 40116723, 2280-6692/93/94
Fax No. : 033 4011 6739
E-mail: rta@cbmsl.com

Members are requested to send their queries relating to share transfer/transmission etc to the above address.
9. All documents referred to in the Notice and accompanying Explanatory Statement and copy of Audited Financial Statement and every other document required by law to be annexed or attached to the Financial Statements as per Section 136 of Companies Act, 2013 are open for inspection at the Registered Office of the Company on all working days in between 10am to 5pm except second and fourth Saturday of the month up to the date of the Annual General Meeting. This notice and the Annual Report will also be available on the Company's website www.indiacarbonltd.com
10. The Notice of the Annual General Meeting along with the Annual Report 2016-17 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
11. Members are requested in their own interest:
 - a) To notify the Company / R & T agent about any change in address/name with correct pin code, mandate/ bank details and their e-mail id, etc with supporting documents.
 - b) To quote correct Folio No. / Client ID. No and DP ID. No. in all correspondence with the Company/ R & T agent to facilitate better service to the members
 - c) To dematerialize the Equity Shares of the Company held in physical mode.
12. As per the provisions of the Companies Act, 2013, facility for making nominations is available to the members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Transfer agents by members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
13. Pursuant to the provisions of Section 124 & 125 of the Companies Act, 2013 dividend for the financial year ended 31.03.2010 and thereafter, which remain unclaimed or unpaid for a period of 7 years will be transferred to the Investor Education and Protection Fund established by the Central Government Members. Members who have not so far encashed their dividend warrant(s) are requested to seek issue of duplicate warrant(s), revalidation of the existing warrants to Company's Share Department at "Temple Chambers" 4th Floor, 6, Old Post office street, Kolkata - 700 001 immediately.
14. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ Depositories.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Company's Registrar & Share Transfer agent.
16. Members seeking any information with regard to Accounts are requested to write to the Company at an early date, so as to enable the management to keep the information ready at the Meeting.

Notice (Contd.)**17. PROCEDURE FOR VOTING THROUGH ELECTONIC MEANS**

I.	In Compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies(Management and Administration) Rules,2014, as amended by Companies (Management and Administration) Rules, 2015 and Regulation 44 of the SEBI listing Regulation, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 55th Annual General Meeting (AGM) of the Company by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL) which includes remote e-voting.									
II	The instructions for shareholders voting electronically are as under:									
	(i)	The voting period begins on September 15, 2017 at 9.00 A.M. and ends on September, 17, 2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut- off date (i.e. September 11,2017), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The facility for voting through polling paper shall be made available at the AGM on September 18, 2016 and the members as on "cut-off date" i.e. September, 11, 2017, attending the meeting, who have not cast their vote by remote e-voting, shall be able to exercise their right to vote at the meeting through ballot paper/polling paper.								
	(ii)	The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.								
	(iii)	Click on "Shareholder" tab.								
	(iv)	Now Enter your User ID a. For CDSL: 16 digits beneficiary ID, b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID, c. Members holding shares in Physical Form should enter Folio Number registered with the Company.								
	(v)	Next enter the Image Verification as displayed and Click on Login.								
	(vi)	If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then you existing password is to be used.								
	(vii)	If you are a first time user follow the steps given below : For Members holding shares in Demat Form and Physical Form <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">PAN</td> <td>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</td> </tr> <tr> <td></td> <td>▪ Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number appearing on the enclosed Attendance Slip cum Electronic Voting Particulars in the PAN Field.</td> </tr> <tr> <td>DOB</td> <td>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in DD/MM/YYYY format.</td> </tr> <tr> <td>Dividend Bank Details</td> <td>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. ▪ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the dividend Bank details field as mentioned in instruction</td> </tr> </table>	PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)		▪ Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number appearing on the enclosed Attendance Slip cum Electronic Voting Particulars in the PAN Field.	DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in DD/MM/YYYY format.	Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. ▪ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the dividend Bank details field as mentioned in instruction
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)									
	▪ Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number appearing on the enclosed Attendance Slip cum Electronic Voting Particulars in the PAN Field.									
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in DD/MM/YYYY format.									
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. ▪ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the dividend Bank details field as mentioned in instruction									
	(viii)	After entering these details appropriately, click on "SUBMIT" tab.								
	(ix)	Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.								

Notice (Contd.)

(x)	For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
(xi)	Click on the EVSN for the relevant < India Carbon Limited > on which you choose to vote.
(xii)	On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
(xiii)	On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
(xiv)	After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
(xv)	Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
(xvi)	You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
(xvii)	If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
(xviii)	<p>Note for Institutional Shareholders</p> <ul style="list-style-type: none"> • Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com and register themselves as Corporate. • A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com. • After receiving the login details they have to create a compliance user which should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on. • The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. • A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
(xix)	In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Question ("FAQs") and e-voting manual available at www.Evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or rta@cbmsl.com
III	Any person who acquires shares and became Member after dispatch of Notice of the AGM and holds shares as of the cut-off date of September 11, 2017 may obtain the sequence number for remote e-voting by sending a request to the Company's RTA at rta@cbmsl.com
IV	Mr. Anant Kashliwal, Practicing Chartered Accountant (Membership No-302972) of M/s. Anant Kashliwal & Co ; has been appointed as Scrutinizer to Scrutinize the remote e-voting and voting process to be carried out at the AGM in a fair and transparent manner, whose email ID is kashliwalanant@yahoo.in/ report@caanantkashliwal.com
V	The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut- off date. In case of joint holders, only one of the joint holders may cast his vote.
VI	Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the meeting through ballot paper. The Member who has already cast their vote by remote e-voting prior to the meeting and attending the meeting shall not be entitled to cast their vote again.
VII	The Results on the resolutions will be declared not later than the prescribed time limits from conclusion of the AGM. The declared results along with the Scrutinizer's Report will be available on the Company's website at icl@indiacarbonltd.com and on the website of CDSL at www.evotingindia.com and will also be forwarded to the Stock Exchange where the Company's shares are listed. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of AGM.

Notice (Contd.)

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

ITEM NO.5

As per Section 148 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, the Companies (Cost Records and Audit) Rules, 2014 and any changes/ modifications in the Act, Rules, Circulars, Notifications thereafter the Audit Committee has made a recommendation to the Board for appointment of M/s Mitra Bose & Associates, Cost Accountants as Cost Auditor of the Company for the financial year ending 31st March 2018 at a remuneration of Rs.30,000 /- plus applicable taxes and out of pocket expenses. The Board based on the recommendation of the Audit Committee appointed M/s Mitra Bose & Associates, Cost Accountants as Cost Auditor of the Company for the financial year ending 31st March 2018. As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014 the remuneration recommended by the Audit Committee which was considered and approved by the Board of Directors needs to be subsequently ratified by the shareholders.

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

Memorandum of Interest:

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

ITEM NO.6

Mr. Tony William Grims, (DIN: 07590220) was appointed by the Board of Directors with effect from 11th November, 2016 as an Additional Director of the Company. As per the provisions of Section 161(1) of the Companies Act, 2013, Mr. Tony William Grims, (DIN: 07590220) holds office of Additional Director up to the date of forthcoming AGM and being eligible offers himself for re-appointment. The Directors are of the opinion that Mr. Grims, association as a member of the Board will be beneficial to the Company. Your Board recommends for the approval of shareholders the appointment of Mr. Grims as a Non-Executive Director of the Company, liable to retire by rotation.

The Company has received notice in writing from him along with a deposit of requisite amount under section 160 of the Companies Act, 2013, proposing his own candidature as a Non-Executive Director of the Company.

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

Memorandum of Interest:

Concerned Director is interested in the resolution being related to his own appointment. Apart from the aforesaid concern Director, none of the Directors of the Company and Key Managerial Personnel and their relatives are in any way concerned or interested in the above resolution.

ITEM NO.7

The tenure of Mr. Rakesh Himatsingka as Managing Director came to an end on 30th November, 2016. Subject to the approval of Shareholders in the next Annual General Meeting, the Board of Directors, at its Meeting held on 11th November, 2016, approved the re-appointment of Mr. Rakesh Himatsingka as Managing Director of the Company for a period of 3 years w.e.f. 1st December, 2016 to 30th November, 2019. The Nomination and Remuneration Committee had recommended the Re-appointment of the Managing Director. The terms and conditions of the re-appointment are set out in the Draft Agreement, the copy of which is available for inspection at the Registered Office of the Company.

Mr. Rakesh Himatsingka, aged about 66 years is a qualified Mechanical Engineer (BITS) and a Carbon Technologist. He is associated with the Company in various capacities since 1977 and has spearheaded the Company's growth as well as in-house R & D activities over the last 40 years. He has specialized knowledge in Company Management, Global Marketing, Project Co-ordination, Technology Transfer etc. Furthermore, he has served as the National President of The Confederation of Export Units and is a member of the Board of Governors of the Institute of Modern Management, Kolkata. He has also served on the Board of Directors of Morganite Electrical Carbon Ltd., UK, a subsidiary of Morgan Crucible Company plc, UK, from 1992 to 2003.

Deeply involved in social welfare, he is the Secretary General of the National Diabetics Association of India and also an active

Notice (Contd.)

member of various Public Trusts such as the India Carbon Charitable Trust, Manav Kalyan Trust, Raghumull Charity Trust, Ghanshyamdas Charitable Trust, Jan Seva Nidhi Trust, Shree Shyam Seva Nidhi Trust and the Ramakrishna Vivekananda Mission.

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

1. TERM

The remuneration and other terms and conditions will be effective from 1st December, 2016 to 30th November, 2019.

2. SALARY

Rs. 2,00,000/- (Rupees Two Lakh Only) per month, with an increment of Rs. 15,000/- (Rupees Fifteen Thousand Only) each year on 1st December. Dearness Allowance, if any, payable by the Company will be treated as part of the salary.

3. COMMISSION

Commission to be paid within the maximum over all limit enumerated under Section 197 or other applicable provisions of Companies Act, 2013, as may be decided by the Board from time to time.

4. PERQUISITES

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

(i) Housing:

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

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

(ii) Gas, Water & Electricity Allowance:

10% of the salary per year

(iii) Furnishing Allowance:

One month's salary per year

(iv) Re-imbursment of House Maintenance Expenses :

One month's salary per year

(v) Medical Re-imbursment :

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

(vi) Leave Travel :

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

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

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

Notice (Contd.)

(viii) Club Fees:

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

(ix) Mediclaim Insurance:

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

(x) Personal Accident Insurance :

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

(xi) Leave:

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

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

(a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

(b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service in addition to the gratuity already accrued for every completed year of continuous past service with the Company.

(c) Encashment of leave at the end of the tenure.

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

5. MINIMUM REMUNERATION

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

6. OTHER TERMS:

(i) The Managing Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof from the date of his re-appointment and he will not be subject to retirement by rotation.

(ii) The Company shall reimburse the Managing Director:

(a) entertainment expenses incurred by him for the business of the Company.

(b) travelling expenses and all other incidental expenses for him as well as one attendant of him for the purpose of the business of the Company.

(c) The above reimbursement shall not be considered as perquisite to the Managing Director but will be wholly and exclusively for the business purpose of the Company.

(iii) The Managing Director shall not become interested or otherwise concerned directly or indirectly, in any Selling Agency of the Company without the prior approval of the Central Government.

(iv) The Board of Directors of the Company is authorized and empowered to vary, alter or modify the terms and conditions of the agreement within the maximum remuneration payable in accordance with Schedule V and other applicable provisions of the Companies Act, 2013, including any other statutory modifications, substitutions or re-enactment thereof, without any further approval of the Company in a General Meeting.

Notice (Contd.)

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

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

Memorandum of Interest:

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

ITEM NO. 8

The tenure of Mr. Shaurya Veer Himatsingka as Deputy Managing Director came to an end on 31st March, 2017. Subject to the approval of Shareholders in the next Annual General Meeting, the Board of Directors, at its Meeting held on 11th November 2016, approved the re-appointment of Mr. Shaurya Veer Himatsingka as Deputy Managing Director of the Company for a period of 3 years w.e.f. 1st April, 2017 to 31st March, 2020. The Nomination and Remuneration Committee had recommended the re-appointment of the Deputy Managing Director. The terms and conditions of the re-appointment are set out in the Draft Agreement, the copy of which is available for inspection at the Registered Office of the Company.

Mr. Shaurya Veer Himatsingka aged about 35 years, has done his Masters in Business Administration mainly concentrating in Finance, Strategy, Operation and Management and Marketing from Carnegie Mellon University, Tepper School of Business from Pittsburgh, PA, United States of America.

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

1. TERM

The remuneration and other terms and conditions will be effective from 1st April, 2017 to 31st March, 2020.

2. SALARY

Rs. 1,85,000/- (Rupees One Lakh Eighty Five Thousand Only) per month, with an increment of Rs. 15,000/- (Rupees Fifteen Thousand Only) each year on 1st April. Dearness Allowance, if any, payable by the Company will be treated as part of the salary.

3. COMMISSION

Commission to be paid within the maximum over all limit enumerated under Section 197 or other applicable provisions of Companies Act, 2013 as may be decided by the Board from time to time.

4. PERQUISITES

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

(i) Housing:

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

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

(ii) Gas, Water & Electricity Allowance:

10% of the salary per year

Notice (Contd.)

(iii) Furnishing Allowance:

One month's salary per year

(iv) Re-imbusement of House Maintenance Expenses :

One month's salary per year

(v) Medical Re-imbusement :

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

(vi) Leave Travel :

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

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

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

(viii) Club Fees:

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

(ix) Special Allowances:

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

(x) Mediclaim Insurance:

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

(xi) Personal Accident Insurance :

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

(xii) Leave:

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

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

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

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

5. MINIMUM REMUNERATION

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

Notice (Contd.)**6. OTHER TERMS:**

- (i) The Deputy Managing Director from the date of his re-appointment will not be subject to retirement by rotation.
- (ii) The Company shall reimburse the Deputy Managing Director:
 - (a) entertainment expenses incurred by him for the business of the Company.
 - (b) travelling expenses and all other incidental expenses for him as well as one attendant of him for the purpose of the business of the Company.
 - (c) The above reimbursement shall not be considered as perquisite to the Deputy Managing Director but will be wholly and exclusively for the business purpose of the Company.
- (iii) The Deputy Managing Director shall not become interested or otherwise concerned directly or indirectly, in any Selling Agency of the Company without the prior approval of the Central Government.
- (iv) The Board of Directors of the Company is authorized and empowered to vary, alter or modify the terms and conditions of the agreement within the maximum remuneration payable in accordance with applicable provisions of Companies Act, 2013 and Schedule V of the Companies Act, 2013 including any other statutory modifications, substitutions or re-enactment thereof, without any further approval of the Company in a General Meeting.

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

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

Memorandum of Interest:

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

Information required under Clause (iv) of proviso to paragraph (B) of Section II of Part II of Schedule V to the Companies Act, 2013 for item Nos. 7 and 8.

I. General Information:

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

In Rs.

Particulars	2016-2017	2015-2016	2014-2015
Gross Turnover	1,42,28,88,205	2,11,71,41,108	1,95,25,77,012
Other Income	23,00,28,028	1,69,84,456	1,33,36,009
Profit Before Tax	2,30,82,5315	11,25,003	(3,17,73,196)
Profit After Tax	18,81,09,900	20,29,896	(2,19,94,632)
Paid up Equity Share Capital	2,65,00,000	2,65,00,000	2,65,00,000
Preference Share Capital	Nil	10,00,000	10,00,000
Reserves and Surplus	50,32,42,925	31,52,26,544	31,45,07,436
Earnings Per Share	70.95	0.72	(8.33)
Equity Dividend	66,25,000(Proposed)	Nil	Nil
Dividend on Preference Shares	Rs. 68,030/- paid on proportionate basis at the time of redemption	Rs. 3,72,000/- (inclusive of earlier year dividend)	Nil

Notice (Contd.)

5. Export Performance and net Foreign Exchange Collaborations: During the year the Company has made export valued Rs.20,33,735/-
6. Foreign Investors or collaborators: The Company, since inception, has been in Technical & Financial Collaboration with Oxbow Calcining LLC (formerly Great Lakes Carbon LLC) USA - World Leaders in the Calcined Petroleum Coke field. Oxbow Calcining LLC is holding 30.66% of the paid up equity capital of the Company.

II. Information about the Appointees:

A. Mr. Rakesh Himatsingka

1. *Background Details:*

Mr. Rakesh Himatsingka currently serving as Chairman & Managing Director of India Carbon Limited has been the Managing Director of the Company since May, 1996 and then took over as Chairman in 1999. He completed his Mechanical Engineering from Birla Institute of Technology and Science (BITS), Pilani. He is also Chairman of Assam Carbon Products Ltd and has over 44 years of industry experience. Furthermore, he has served as the National President of The Confederation of Export Units and is a member of the Board of Governors of the Institute of Modern Management, Kolkata. He has also served on the Board of Directors of Morganite Electrical Carbon Ltd., UK, a subsidiary of Morgan Crucible Company plc, UK, from 1992 to 2003.

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

2. *Past remuneration:* Remuneration of Mr. Rakesh Himatsingka for the financial year 2015-2016 was Rs. 45,35,976/-.
3. *Recognition or awards/job profile and his suitability:* Please see (1) above.
4. *Remuneration proposed:* The remuneration proposed to Mr. Rakesh Himatsingka is set out in the Notice read along with Item No. 7 of the Explanatory Statement.
5. *Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:* The remuneration proposed for Mr. Rakesh Himatsingka is reasonably in line with the remuneration in similar sized companies in the same segment of business.
6. *Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any:*

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

B. Mr. Shaurya Veer Himatsingka

1. *Background Details:*

Mr. Shaurya Veer Himatsingka aged about 35 years, has done his Masters in Business Administration mainly concentrating in Finance, Strategy, Operation and Management and Marketing from Carnegie Mellon University, Tepper School of Business from Pittsburgh, PA, United States of America.

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

Notice (Contd.)

2. *Past remuneration:* Remuneration of Mr. Shaurya Veer Himatsingka for the financial year 2015-2016 was Rs. 41,82,700/-.
3. *Recognition or awards/job profile and his suitability:* Please see (1) above.
4. *Remuneration proposed:* The remuneration proposed to Mr. Shaurya Veer Himatsingka is set out in the Notice read along with Item No. 8 of the Explanatory Statement.
5. *Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:* The remuneration proposed for Mr. Shaurya Veer Himatsingka is reasonably in line with the remuneration in similar sized companies in the same segment of business.
6. *Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any:*

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

III. Disclosures:

The required disclosures as to remuneration package, etc. have been appropriately provided in the notice read along with the Explanatory Statement to item no.5 and 6.

The Agreements referred to in the Resolution No. 7 and 8 will be available for inspection at the Registered Office of the Company at Noonmati, Guwahati, Assam on any working day up to the date of the Annual general Meeting between 10.00 A.M. to 12.00 Noon and will also be available at the meeting.

Memorandum of Interest:

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

1. Mr. Shaurya Veer Himatsingka as relative of Mr. Rakesh Himatsingka may be deemed to be concerned or interested in the Special Resolution at Item no. 7.
2. Mr. Rakesh Himatsingka as relative of Mr. Shaurya Veer Himatsingka may be deemed to be concerned or interested in the Special Resolution at Item no. 8.

ITEM NO. 9

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of i) Sixty per cent of the aggregate of the paid-up capital and free reserves and securities premium account or, ii) Hundred per cent of its free reserves and securities premium account, whichever is more, if special resolution is passed by the members of the Company. As a measure of achieving greater financial flexibility and to enable optimal financing structure, this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof, for making further investment, providing loans or give guarantee or provide security in connection with loans for an amount not exceeding Rs. 100 Crores. The investment(s), loan(s), guarantee(s) and security (ies), as the case may be, will be made in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made there under.

These investments are proposed to be made out of own/surplus funds/internal accruals and or any other sources including borrowings, if necessary, to achieve long term strategic and business objectives.

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

Notice (Contd.)**Memorandum of Interest:**

None of the Directors of the Company and Key Managerial Personnel and their relatives are in any way concerned or interested in the above resolution except as members.

Kolkata: 8th May, 2017

Registered Office:

Noonmati, Guwahati-781 020, Assam

By Order of the Board of Directors

Sd/-

Rakesh Himatsingka

Chairman & Managing Director

BRIEF PARTICULARS OF DIRECTORS PROPOSED FOR APPOINTMENT/ REAPPOINTMENT

The details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting in pursuance of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

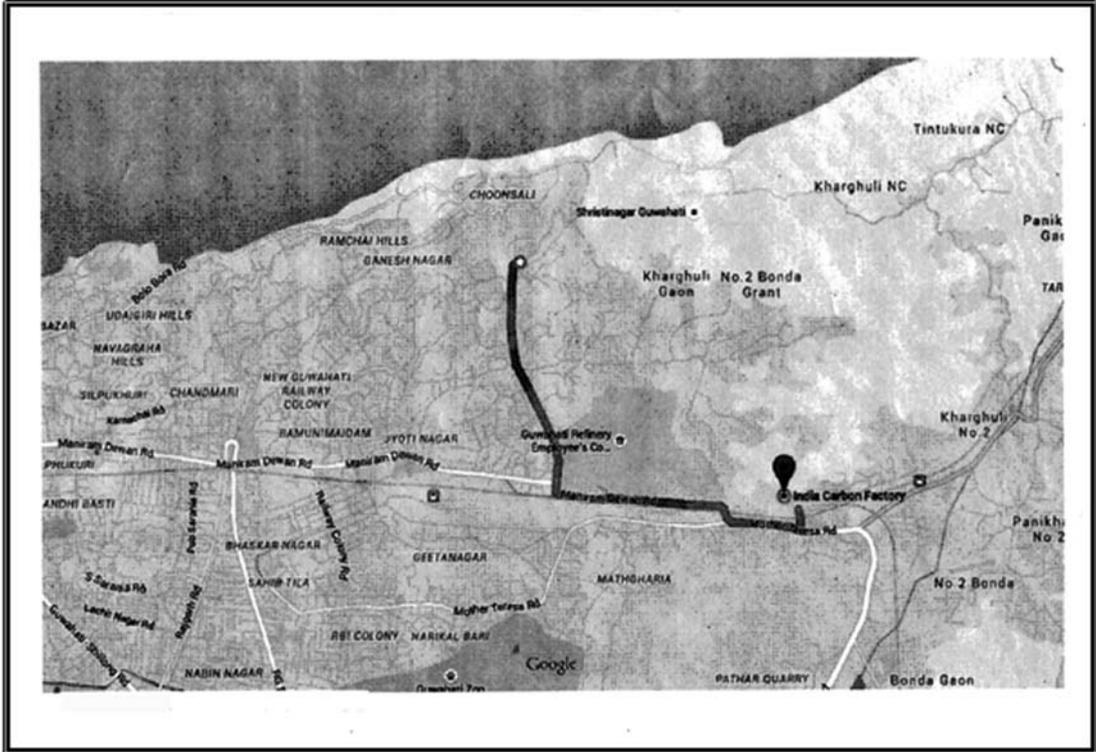
Name of the Director	Mr. Tony William Grims (DIN:00383407)	Mr. Gordon Kenneth McIntosh (DIN:02244237)	Mr. Rakesh Himatsingka (DIN:00632156)	Mr. Shaurya Veer Himatsingka (DIN: 01200202)
Date of Birth	29 th June, 1973	9 th , August, 1967	10 th June, 1955	27 th April, 1982
Date of Appointment	11.11.2016	12.05.2009	14.10.1977	01.02.2007
Expertise in specific functional areas	Accounting & Management	Marketing	Carbon Technologist	Finance
Qualifications	Bachelor's degree (4-year college degree) in Accounting from Lamar University in Texas.	B.A. Industrial Relations & Economics	B.E(Hons), Mechanical	Master's in Business Administration from Tepper School of Business at Carnegie Mellon University Pittsburgh Pennsylvania
List of outside Directorship held	Nil	Nil	3	1
Chairman/Member of the Committee of other Companies in which he is a Director				
a) Audit Committee	Nil	Nil	1	Nil
b) Shareholders / Investor Grievance Committee	Nil	Nil	1	Nil
c) Nomination and Remuneration Committee	Nil	Nil	1	Nil
Shareholding in the Company as on 31.03.17	Nil	Nil	10445	237439
Disclosure of relationship between Directors inter-se	None	None	Mr. Rakesh Himatsingka is father of Mr. Shaurya Veer Himatsingka	Mr. Shaurya Veer Himatsingka is the Son of Mr. Rakesh Himatsingka

Note:

- CM –Chairman of the Committee.
- M – Member of the Committee.
- Directorship in Pvt. Ltd. Co.'s, Foreign Co.'s & Companies U/s 8 of the Companies Act, 2013 are excluded.
- Chairmanship/Membership of the Audit Committee, Shareholders' Grievance Committee and Nomination & Remuneration Committee alone has been considered.

Notice (Contd.)

Route Map to the 55th Annual General Meeting of India Carbon Limite



REPORT OF THE DIRECTORS

To The Members,

Your Directors have pleasure in presenting the Fifty Fifth 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, 2017 as follows:

1. FINANCIAL SUMMARY OF THE COMPANY

FINANCIAL RESULTS	YEAR ENDED 31.03.2017 (In ₹)	YEAR ENDED 31.03.2016 (In ₹)
Revenue from Operation(Net)	128,81,91,805	190,41,30,361
Other Income	23,00,28,028	1,69,84,456
TOTAL REVENUE	151,82,19,833	192,11,14,817
TOTAL EXPENSES	128,73,94,518	191,99,89,814
Profit / (Loss) Before Tax	23,08,25,315	11,25,003
Less: Provision for Taxation (including Deferred Tax)	4,27,15,415	(9,04,866)
Profit After Tax	18,81,09,900	20,29,869
Earnings per equity share of Rs.10/- each	70.95	0.72

2. STATE OF COMPANY'S AFFAIRS

During the financial year ended 31.03.2017, your Company has achieved a gross revenue from operation amounting to Rs.142.29 Crore as against Rs.211.71 Crore in the last financial year, a decrease of 32.79 % as compared to the previous F.Y.

Production of Calcined Petroleum Coke (CPC) during the year was 60,432 MT as against 83,432 MT in the previous year and Electrode Carbon Paste (ECP) production was 4,331MT as against 4,033MT in the previous year, a decrease of 27.56% and an increase of 7.39% respectively.

Further, Sales of CPC for the year under review was 57,248 MT as against 82,839 MT in the previous year, a decrease of 30.89%. ECP sales were 4,268 MT as against 3,995 MT in the previous year, which is increased by 6.83%.

During the year both production and sales of Calcined Petroleum Coke (CPC) which is the major constituent of the Company's gross turnover decreased as compared to the previous Financial Year. However the production and sales of Electrode Carbon Paste (ECP) increased marginally during the financial year.

Both production & Sales, at Company's both plants at Guwahati & Budge Budge reduced significantly. Whilst, Production at Guwahati was lower by approx 17.13%, the same at Budge Budge was lower by 32.26%. On the other hand, Sales at Guwahati was lower by 14.80% & at Budge Budge it was lower by as much as 40.70%. As regards average sales price of CPC for the year, the same at Guwahati was marginally higher by 2.6% but at Budge Budge it was lower by Rs.2, 380/- MT or by 12.16%. This huge drop in both production & Sales contributed to the drop in turnover and poor financial performance.

Government of India vide Office Memorandum dated 1.4.2007 notified the North-East Industrial and Investment Promotion Policy (in short NEIIPP, 2007) granting various fiscal incentives to existing industries of the North Eastern region going for expansion, modernization as well as industries which were set up after 1st April, 2007 with a view to promote industrialization and create job opportunities in the north east region.

Your Directors report that in terms of the promise made by the Government of India in NEIIPP, 2007, Notification No. 20/2007-Central Excise dated 25/04/2007 issued by the Ministry of Finance Grants exemption from Excise Duty of so much of the duty of excise leviable as is equivalent to the amount of duty paid by the manufacturer of the goods other than the amount of duty paid by utilization of the CENVAT credit. Thus the full amount i.e. 100% of Excise duty

REPORT OF THE DIRECTORS (Contd.)

paid was to be refunded under the aforesaid notification. Being encouraged by the promise your Company went for modernization and commenced commercial production w.e.f. 17/10/2008, as reported at the relevant Board Meetings, Annual General Meetings and in the Annual Reports.

The aforesaid Notification No. 20/2007 of Central Excise dated 25/04/2007 was further amended vide Notification No. 20/2008 of Central Excise dated 27/03/2008 whereby the Excise Duty refund was restricted to a maximum of 36% on CPC and 34% on ECP and TP & the refund entitlement was co-related to the value addition. In the same manner, the percentage of the excise duty benefit was reduced to 15% to 75% for different units as applicable, as compared to 100%, as per the original notification.

Being aggrieved by such reduction in the Excise benefit, some of the beneficiaries approached the Honorable Guwahati High Court by way of filing Writ Petitions and High Court of Guwahati had passed an order for full refund of Excise Duty in terms of the original notification. The order of Guwahati High Court was then challenged before the Honorable Supreme Court by the Union of India. The Supreme Court directed the Government through an interim order dated 7th December, 2015 to refund 50% of the differential amount which comes to Rs.8,08,31,663/- (Rupees Eight Crore Eight Lakh Thirty One Thousand Six Hundred and Sixty Three only) to the Company on furnishing solvent surety. Thus, till the final order is passed by the Honorable Supreme Court the 50% of the differential amount is liable to be refunded on demand by the Government. Therefore, the same has been treated as other Current Liabilities in the Balance Sheet. This amount as required by Supreme Court order, your Company furnished solvent surety and received 50% of the differential amount for the period w.e.f. October, 2008 to October, 2016 amounting to Rs.8,08,31,663/- (Rupees Eight Crore Eight Lakh Thirty One Thousand Six Hundred and Sixty-Three only).

That in view of the provisions of Sec 15 (b) of the C.S.T. Act, 1956 your Company submitted claim for refund of Sales Tax paid on the purchase of R.P.C within the State of Assam before the appropriate authority. However, in spite of the claims for refund having been submitted regularly, the refunds were not granted to your Company. Refund claims from Financial Year 2000-2001 to 2011-12 of amounting Rs.21, 22, 11,042/- as approved were pending. The matter was challenged to Honorable Guwahati High Court. The High Court vide order dt. 16. 12. 1991 in C.R. No 163 of 1987 held that the company is entitled for Refund U/S 15 (b). In earlier occasions also, your company was denied the refund of the local Sales tax paid in the State.

The Government of Assam carried the matter in Appeal before Hon'ble Supreme Court. The Apex Court vide its order dt. 22.09.1995 dismissed the appeal filed by the State of Assam. After the Supreme Court order the company was granted refund from time to time. The last refund up to Financial Year 1999-2000 was granted vide office orders dt. 08.09.2006. Refund application from 2000-2001 to 2011-12 were neither rejected nor sanctioned.

In the meanwhile the refund applications of similarly placed Companies were rejected and they filed writ Petitions in Guwahati High Court for directions to grant them refund as above. The Hon'ble Court vide its orders dt. 12.12.2012 ordered for grant of refund. Against the said order Govt. of Assam preferred appeal to Supreme Court. The Apex Court passed an interim order on 12.07.2013 as below:

"Leave granted.

Hearing expedited.

Appeals to be listed for final hearing preferably within one year from today

The following interim order shall remain operative until further orders:

- (i) 50% of the refund amount pursuant to the impugned order shall be kept separately in a separate account by the appellants.
- (ii) Remaining 50% of the refund amount shall be deposited by the appellants with the Registrar of this Court within two months from today. The amount so deposited may be withdrawn by the respondents on furnishing suitable bank guarantee with the satisfaction of the Registrar and also an undertaking that in the event of Appeals being allowed the amount so withdrawn shall be restituted to the appellants along with 10% simple interest from the date of withdrawal.

REPORT OF THE DIRECTORS (Contd.)

(iii) In the event of Appeals being dismissed, the appellants shall pay to the respondents 50% of the amount which has been kept in separate account along with 10% simple interest from today.

In terms of the above order, operation of the impugned order shall remain stayed.”

Since, Company's refund were not being granted from 2000-2001 your Company filed W.P. (C) No 761/2014, for direction to Government of Assam to grant refund to us. The Hon'ble Court vide its order dt. 11.03.2015 was pleased to dispose of the writ Petition and basically confirm the above order for your Company as well.

In terms of above order Commissioner of Taxes vides its letter no. CTCA-5/2014(4)/152 Dt. 31.03.2016 informed about depositing an amount of Rs. 10,61,05,521/- with the Registrar of High Court being 50% of the total amount of Rs. 21,22,11,042/- and balance 50% Rs. 10,61,05,521/- was kept in a separate account with Additional Commissioner of Taxes. On our prayer the Hon'ble High Court was pleased to order the Registrar to keep Rs. 10,61,05,521/- in FD with Bank.

As the same is equally applicable to us , Your Company prayed to Registrar of the Guwahati High Court to encash the Fixed Deposit of Rs. 10,61,05,521/- along with interest made by the appellant pursuant to the final order of Supreme Court order dated 12th January, 2017 in the matter of Sales Tax refund under Section 15B of CST Act. This amount of Rs.10, 6 9, 81,458/- being Rs. 10, 61, 05,521/- principle and Rs.8, 75,937/- interest.

Your Company has also prayed to the High Court Guwahati for direction to the additional Commissioner of taxes for praying the balance of Rs.10.61 Crore along with interest kept in a separate account as per the interim order.

This resulted in earning good amount of profit after tax amounting to Rs. 18, 81, 09,900/-by your Company during the F.Y 2016-17 in spite of lower turnover of production and sales of CPC.

For the year under review, due to the Sharp fall in Turnover, because of fall in both Production and sales, Your Company had an operating loss of Rs.3,59,89,390/- . However owing to the profit of Rs.21,30,86,979/- on account of Sales Tax refund and Rs.1,10,12,311/- on account of maturity of Key man Insurance policy taken in the year 2002, for our Chairman Cum Managing Director Mr. Rakesh Himatsingka, your Company has reported a profit before tax Rs. 23,08,25,315/- and profit after tax ₹ 18,81,09,900/-.

3. FUTURE OUTLOOK

Aluminum is the second most abundant metallic element in the earth's crust after silicon and has been produced in commercial quantities since 1886. In 1900, annual output of Aluminum was only 1000 tonnes. By end 2016, annual production had reached over 55 million tonnes (mt), making Aluminium the world's second most used metal.

Aluminum can be used as an alloy with other metals, to extend the already impressive list of its properties. Its surface retains color well and is therefore remarkably suited for printing.

Aluminum also has the advantage of a practically infinite capacity for recycling, making it a choice solution in terms of environmental protection. The use of secondary aluminum, employing rejects or aluminum products at the end of their life cycle, requires only 5% of the power required to produce the primary metal. Today, Aluminum is used in the building industry as well as in manufacturing household articles, from lamps, to kettles and lemon squeezers, often with avant-garde designs.

Primary demand for increased consumption is expected to come from the Power Sector, where aluminum is a cheaper, lightweight substitute for copper in addition to Building & Construction, Automotive & Transportation, Electronics, Packaging, Industrial & Defense applications.

Aluminum, with its affordable production cost, is undeniably an exceptional and very versatile metal. Its future holds the promise of still unsuspected qualities that will attract even more attention to this "grey" gold.

Aluminum consumption in India is poised to grow from 3.3 million tonne (Mt) in 2015-16 to 5.3 million tonne (Mt) in 2020-21 riding on a host of government initiatives like, Make in India, Smart Cities, Housing for all, rural electrification, and freight corridors.

REPORT OF THE DIRECTORS (Contd.)

With the introduction of GST, resulting in the removal of interim check posts etc, movement of goods will be much quicker and resulting in lowering of prices, which will give a further boost to the GDP.

As per all forecasts, the Monsoons are expected to be above normal this year, which will result in the farmers having surplus income to spend and boost the economy.

Continued lower price of Crude Oil and renewable energy will give a further boost to Industry.

All the above Augments very well for your Company, and we are already seeing signs of the same in term of increased orders at more remunerative prices for both its Guwahati & Budge Budge factories.

4. CHANGE IN NATURE OF BUSINESS

There has been no change in nature of business of the Company during the F.Y. 2016-2017.

5. DIVIDEND

In view of good amount of profit earned by your Company during the F.Y as compared to previous years, your directors are happy to recommend for payment of dividend to the equity shareholders @25% i.e Rs.2.5/- per equity share of Rs.10/- each for the F.Y 2016-17 after payment of dividend distribution Tax as may be applicable amounting to Rs.66,25,000/-.

Further your Directors has paid dividend @ 9.3% per annum on proportionate basis on 10,000 preference share of Rs.100/- each during the financial year held by Govt of Assam for the period from 1st April, 2016 up to the date of redemption i.e. 25th Day of December, 2016 amounting to Rs.68,030/- which is also subject to ratification and approval by the share holders at the ensuing Annual General Meeting.

6. RESERVES

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

7. CHANGE OF NAME

The Company has not changed its name during the financial year ended 31.03.2017.

8. CHANGES IN SHARE CAPITAL

There has been no change in equity share capital of the Company during the F.Y. 2016-2017. However the Company has redeemed 10, 000 preference share of Rs.100/- each during the financial share

9. DIRECTORS & KEY MANAGERIAL PERSON

Directors

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, Mr. Tony William Grims(DIN: 07590220) has been appointed as an Additional Director by the Board w.e.f 11.11.2016 which is subject to confirmation by the shareholders at the ensuing Annual General Meeting. Further Mr. Mark Russell Jones (DIN: 03335697) has been appointed as Alternate Director of Tony William Grims w.e.f 11.11.2016. Mr. Rajendra Prasad Das (DIN: 03279113) has resigned from the office of Nominee Directorship due to withdrawal of nomination by Govt of Assam w.e.f 23.06.2016 and Mr. Eric Paul Johnson(DIN:00383407) vacated his office of Directorship due to non re-appointment by the shareholders at the previous Annual General Meeting.

Key Mangerial Personnel

The following employees were designated as whole –time key managerial personnel by board of directors during the year 2016–2017, 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 as Company Secretary & Compliance Officer of the Company.
- Mr. Pankaj Kumar Misra as Chief Financial Officer of the Company

REPORT OF THE DIRECTORS (Contd.)**10. PARTICULARS OF EMPLOYEES**

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, apart from Managing Director and Deputy Managing Director 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.

As per the provisions of Section 136 of this Act, this Annual Report and Accounts is being sent to each Member and others entitled thereto, excluding information on employee's particulars as per Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended. This information is readily available for inspection by members at the Companies Registered office between 3 PM and 5 PM on all working days (excluding Saturday) up to the date of the forthcoming Annual General Meeting. Should any member be interested in obtaining a copy should write to the Company at the Company's registered office.

11. NUMBER OF BOARD MEETINGS

During the Financial Year 2016-17, 4(Four) number of meetings of the Board of Directors of the Company were held as on 17th May,2016, 8th Day of August,2016, 11th Day of November, 2016 & 09th Day of February, 2017.

12. 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.

13. 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 Directors.

14. 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.

15. 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, apart from Managing Director and Deputy Managing Director 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 annexed herewith.

REPORT OF THE DIRECTORS (Contd.)

16. 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.

17. 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).

18. ISSUE OF EMPLOYEE STOCK OPTIONS

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

19. 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. As such M/s. D. Basu & Co, Chartered Accountants retires as Statutory Auditor at the ensuing Annual General meeting. In view of the provisions of Section 139 of Companies Act, 2013 M/s. D. Basu & Co can no more continue as Auditor. The Board, upon the advice of Audit Committee, wishes to recommend the appointment M/s. S. Samanta & Co., Chartered Accountants of Kolkata (Firm Registration No. 305020E), as statutory auditors for a period of five years from the conclusion of the ensuing Annual General Meeting. A resolution to this effect is proposed at the forthcoming AGM.

The report of the statutory Auditor for the year ended 31.03.2017, forming part of the Annual Report are self-explanatory in nature and do not call for any further comments.

20. 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, your 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 31.03.2018. The Report of the Secretarial Auditor for the financial year ended 31.03.2017 is enclosed in the report as Annexure –III are self-explanatory in nature and does not call for any further comments.

21. 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. 2017-2018. There stood no serious adverse finding & reporting by the Internal Auditor in his Internal Audit Report for the year ended 31st March 2017.

22. 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 2017-18. 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.

REPORT OF THE DIRECTORS (Contd.)

23. 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.

24. 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.

25. VIGIL MECHANISM

In pursuance of 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>

26. 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 of 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.

27. 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 2017 is attached in Annexure - II.

28. 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

29. 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.

30. 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

REPORT OF THE DIRECTORS (Contd.)

31. DEPOSITS

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

32. 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 are part of this report and attached as Annexure IV.

33. 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.

34. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms part of this Annual Report

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

In order to prevent sexual harassment 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 sexual harassment

36. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of Companies Act, 2013 with regards to Corporate Social Responsibilities has become applicable to your Company during the financial year ended 31.03.2017 and your Company has constituted a Corporate Social Responsibility Committee comprising of Ms. Susmita Ghose (Independent Director), Mr. Soumendra Mohan Basu (Independent Director), Mr. Rakesh Himatsingka (Managing Director) and Mr. Shaurya Veer Himatsingka (Deputy Managing Director).

37. 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.

38. 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, but regrettably no workable alternate could be identified till date.
Capital investment on energy conservation equipments	N.A

REPORT OF THE DIRECTORS (Contd.)**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

b) Technology Absorption:

Earnings	₹ 1,01,53,624/-
Outgo	₹ 35,91,517/-

39. 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, 2017, 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, 2017 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.

40. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the applicable provisions of Companies Act, 2013, 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 your 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 to Rs.88,713/-to the IEPF being the unclaimed dividend for the financial year ended 31.03.2009 and filed the necessary form with ROC during the financial year 2016-17.

41. 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 2016-17 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.

REPORT OF THE DIRECTORS (Contd.)

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

42. 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 and Corporate Social Responsibility 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.

- **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The provisions of Section 135 of Companies Act, 2013 with regards to Corporate Social Responsibilities has become applicable to your Company during the financial year ended 31.03.2017 and your Company has constituted a Corporate Social Responsibility Committee comprising of Ms. Susmita Ghose (Independent

REPORT OF THE DIRECTORS (Contd.)

Director), Mr. Soumendra Mohan Basu (Independent Director), Mr. Rakesh Himatsingka (Managing Director) and Mr. Shaurya Veer Himatsingka (Deputy Managing Director).

- 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 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.

43. 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.

44. 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.

45. 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.

46. 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.

47. 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.

48. CREDIT RATING

CARE assigns "CARE BBB-/CARE A3" ratings to the Bank facilities of India Carbon Limited.

49. 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

REPORT OF THE DIRECTORS (Contd.)

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.

50. 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).
- Policy for determining material subsidiaries of the Company is available on the website of the Company (www.indiacarbonltd.com).
- Policy on dealing with related party transactions is available on the website of the Company (www.indiacarbonltd.com).
- Policy for Whistle Blower Policy to provide Vigil Mechanism is available at Companies website (www.indiacarbonltd.com).
- Remuneration policy of the nomination and remuneration committee is available on the website of the Company (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).
- Policy framed for risk management have been uploaded on the Company's website(www.indiacarbonltd.com)
- Criteria for evaluation of independent Directors and Board are available on the Company's website (www.indiacarbonltd.com).
- Director performance evaluation policy is available on the Company's website (www.indiacarbonltd.com).

51. 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

Sd/-

Rakesh Himatsingka

(DIN: 00632156)

Chairman and Managing Director

Date: 8th May, 2017

Place: Kolkata

REPORT OF THE DIRECTORS (Contd.)

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, 85,644/-
6. Total assets: Rs.13895/-
7. Total Liabilities: Rs.56, 97,539/-
8. Investments: NA
9. Turnover: Nil
10. Profit before taxation: Rs. (-) 633/-
11. Provision for taxation: NIL
12. Profit after taxation: Rs. (-) 633/-
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 2016-17 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

Sd/-

Rakesh Himatsingka

(DIN: 00632156)

Chairman and Managing Director

Date: 8th May, 2017

Place: Kolkata

REPORT OF THE DIRECTORS (Contd.)

Annexure - II

FORM NO. MGT 9**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L23101AS1961PLC001173
2.	Registration Date	12/06/1961
3.	Name of the Company	INDIA CARBON LIMITED
4.	Category/Sub-category of the Company	Company limited by Shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	NOONMATI, GUWAHATI, ASSAM-781020
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	C B Management Services (P) Limited P-22, Bondel Road, Kolkata-700019 Phone: 40116700/11/18/23, 2280-6692/93/94 Fax: 033 4011 6739 Email : rta@cbmsl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Calcined Petroleum Coke	NA	89.36
2.	Electrode Carbon Paste	NA	8.86
3.	Thermal Carbon(Tempering) Paste	NA	0.19
4.	Desiceated Petroleum Coke Powder	NA	0.00
5.	Raw Petroleum Coke	19109	1.58
6.	Others	NA	0.01

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	Cin/Gln	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	C & C INVESTMENT LIMITED	U67120AST1976PLC001654	SUBSIDIARY	99.99	2(87)

IV. A) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	244135	13188	257323	9.71	244135	367691	611826	23.09	13.38

REPORT OF THE DIRECTORS (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	174854	217780	392634	14.82	168471	205975	374446	14.13	-0.69
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	20097	55900	75997	2.87	84664	0	84664	3.19	0.33
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians/OCB	4467	1186	5653	0.21	6839	1186	8025	0.30	0.09
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	133	-	133	0.01	193	0	193	0.01	0.00
Foreign Body Corporate	14517	797860	812377	30.66	14517	797860	812377	30.66	0.00
Sub-total (B)(2):	1020454	1356958	2377412	89.71	317078	1666755	1983833	74.86	-14.94
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1035074	1357603	2392677	90.29	331698	1667400	1999098	75.44	-14.94
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1279209	1370791	2650000	100.00	575833	2074167	2650000	100.00	-0.09

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	ANITA HIMATSINGKA	133415	5.03%	0.00	209615	7.91%	0.00	2.88% increase
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	237439	8.96%	0.00	7% increase
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
6	RIDDHIMA SV HIMATSINGKA	NIL	NIL	NIL	92860	3.50%	0.00	3.50% Change
7	SHREE SHYAM ORCHID ESTATES LTD	NIL	NIL	NIL	39076	1.47%	0.00	1.47% Change

REPORT OF THE DIRECTORS (Contd.)**C) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	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	257323	9.71%	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.):	393579	14.85%	650902	24.56%
3	At the end of the year			650902	24.56%

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	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	30.66	No Change	No Change	812377	30.66
2.	NABO BHARATI PROJECTS INDIA LTD.	0	0	162000	6.11	162000	6.11
3.	SUKANSUTI TEA COMPANY PVT. LTD.	0	0	142750	5.39	142750	5.39
4.	KAMRUP BUILDERS PVT. LTD.	0	0	131952	4.98	131952	4.98
5.	LUIT BUSINESS PVT. LTD.	0	0	106272	4.01	106272	4.01
6.	MEGATECH HOSPITALS LTD.	0	0	106000	4.00	106000	4.00
7.	AMISHA HIMATSINGKA	0	0	43667	1.65	43667	1.65
8.	DIPAKKUMAR GAURAVKUMAR	20900	0.79	No Change	No Change	20900	0.79
9.	MAHENDRA GIRDHARILAL	20097	0.76	No Change	No Change	20097	0.76
10	NEW LOOK INVESTMENT (BENGAL) LTD	12020	0.45	20	0.00	12000	0.45

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director and KMP	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	185443	7.00	237439	8.96

REPORT OF THE DIRECTORS (Contd.)**V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	239751507	170729969	-	410481476
ii) Interest due but not paid	942931	-	-	942931
iii) Interest accrued but not due	-	354238	-	354238
Total (i+ii+iii)	240694438	171084207	-	411778645
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	181144920	171009513	-	352154433
Net Change (increase)	181144920	171009513	-	352154433
Indebtedness at the end of the financial year				
i) Principal Amount	59549518	0	-	59549518
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	74694	-	74694
Total (i+ii+iii)	59549518	74694	-	59624212

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

(in ₹)

Sl. No.	Particulars of Remuneration	Name of MD	Name of DMD	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	22,80,000/-	20,40,000/-	43,20,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	26,43,610/-	25,37,800/-	51,81,410/-
	(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...	79,36,407/-	82,82,217/-	1,62,18,624/-
5	LESS: Refund of Excess remuneration paid	-	-	-
	Total (A)	1,28,60,017/-	1,28,60,017/-	2,57,20,034/-
	Ceiling as per the Act	1,28,60,017/-	1,28,60,017/-	2,57,20,034/-

REPORT OF THE DIRECTORS (Contd.)**B. Remuneration to other directors**

(in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors						TOTAL AMOUNT
		HEMANT KUMAR KHAITAN	MANOJ MOHANKA	SUNIRMAL TALUKDAR	SOUENDRA MOHAN BASU	SUSMITA GHOSE	SAMAR JHA	
1	Independent Directors							
	Fee for attending board committee meetings	1,15,000	50,000	1,70,000	1,40,000	90,000	90,000	6,55,000
	Commission	-	-	-	-	-	-	
	Others, please specify							
	Total (1)	1,15,000	50,000	1,70,000	1,40,000	90,000	90,000	6,55,000
2	Other Non-Executive Directors	GORDON KENNETH MCINTOSH	ALBERT JOHN ROLFE	TONY WILLIAM GRIMS	MARK RUSSELL JONES	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	1,15,000	50,000	1,70,000	1,40,000	90,000	90,000	6,55,000
	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 in Rs.			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,24,041/-	6,08,504/-	10,32,545/-
	(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	-	-	-
	Total	4,24,041/-	6,08,504/-	10,32,545/-

REPORT OF THE DIRECTORS (Contd.)**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 & on behalf of the Board of Directors

Sd/-

Rakesh Himatsingka

(DIN: 00632156)

Chairman and Managing Director

Date: 8th May, 2017

Place: Kolkata

REPORT OF THE DIRECTORS (Contd.)

Annexure-III

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[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, Assam - 781020

I 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 a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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 hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017, 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 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, 2017, 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 (Listing Obligations And Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) 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
 - (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;

REPORT OF THE DIRECTORS (Contd.)

- (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 Labor (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.

REPORT OF THE DIRECTORS *(Contd.)*

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 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.

Place: Kolkata
Date: 08.05.2017

Signature:
Name of Company Secretary in practice / Firm:
Rajat Kumar Jalan (ACS / FCS No.:14895, C P No.:5705)
For, **R. K. Jain & Company**

REPORT OF THE DIRECTORS (Contd.)**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, 2017 which was not at Arm Length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis for the year ended 31.03.2017 are as follows:

Name of the Related party & Nature of Contract	Nature of Relationship	Duration of Contract	Salient Terms	Amount in Rs.
Assam Carbon Products Ltd Sale of Goods	Mr. Rakesh Himatsingka; Managing Director is interested	April, 1 st 2016- March, 31 st 2017	Omnibus approval accorded for Sale, Purchase or supply of any goods or material and avail or render any service not exceeding Rs.5.00 Crore for the F.Y 2016-17	Sale of Goods Amounting of Rs. 5,20,098/- (Net of Tax)
Mr. Rakesh Himatsingka Payment of Remuneration	Managing Director (Key Managerial Personnel)	1 st December, 2016- 30 th November, 2019	Agreement executed between the Company and Mr. Rakesh Himatsingka for appointment his as Managing Director for 3 Year	Rs.1,28,60,017/-
Mr. Shaurya Veer Himatsingka Payment of Remuneration	Managing Director (Key Managerial Personnel)	01 st April,2017-31 st March, 2020	Agreement executed between the Company and Mr. Shaurya Veer Himatsingka for appointment his as Managing Director for 3 Year	Rs. 1,28,60,017/-
Mr. Bhaskar Rakshit Payment of Remuneration	Company Secretary (Key Managerial Personnel)	NA	NA	Rs. 4,24,041/-
Mr. Pankaj Kumar Mishra Payment of Remuneration	Chief Financial Officer (Key Managerial Personnel)	NA	NA	Rs. 6,08,504/-
C & C Investment Ltd Expenses for payment of Audit fees & Other Misc. Expenses	Subsidiary Company	NA	NA	Rs.12,466/-

For & on behalf of the Board of Directors
Sd/-

Rakesh Himatsingka
(DIN: 00632156)

Chairman and Managing Director

Date: 8th May, 2017

Place: Kolkata

REPORT OF THE DIRECTORS (Contd.)**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 2016-17, 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. 2016-17 in Rs.	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director to median remuneration of employees
1	Shri Rakesh Himatsingka (Managing Director)	₹ 1,28,60,017/-	183.5	72:1
2	Shri Shaurya veer Himatsingka (Deputy Managing Director)	₹ 1,28,60,017/-	207.45	72:1
3	Shri Pankaj Kumar Misra (Chief Financial Officer)	₹ 6,08,504/-	NA	3.4:1
4	Shri. Bhaskar Rakshit (Company Secretary)	₹ 4,24,041/-	40.35	2.34:1

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 2016-17.
 - The Median Remuneration of Employees as on March 31, 2017 was Rs. 1,78,656/- and as on March 31, 2016 was Rs. 1,87,944/-.
 - The percentage increase in the median remuneration of employees was 8% during the financial year.
 - There were 136 (One Hundred and Thirty Six) permanent employees on the rolls of Company as on March 31, 2017;
 - The Company has earned a profit after tax during the F.Y of Rs.18,81,09,900/- as compared to the profit earned by the Company of Rs. 20,29,869/- in the last F.Y. The increase in median remuneration was 8%. The average increase in median remuneration was in line with the performance of the Company and partly on individual performance of the Company.
 - Average percentage increase made in the salaries employees other than the managerial personnel in the last financial year i.e. 2016-17 was 8 % whereas the average percentage increase made in the salaries of managerial personnel is 107.825%. Further there was no exceptional increase in the salary during the Financial Year ended 31.03.2017 as compared above.
 - 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.
 - It is hereby affirmed that the remuneration paid during the year ended 31st Day of March, 2017 is as per the Remuneration Policy of the Company.

For & on behalf of the Board of Directors

Sd/-

Rakesh Himatsingka

(DIN: 00632156)

Chairman and Managing Director

Date: 8th May, 2017

Place: Kolkata

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

As per report titled "Indian Aluminum Industry Geared for growth", by CRISIL, a global ratings, research, risk and policy advisory service and Metalexs, launched at the World Non Ferro conference, 2016, The Aluminum consumption in India is poised to grow from 3.3 million tonne (Mt) in 2015-16 to 5.3 million tonne (Mt) in 2020-21 riding on a host of government initiatives like, Make in India, Smart Cities, Housing for all, rural electrification, and freight corridors.

Primary demand for increased consumption is expected to come from the power sector, where aluminum is a cheaper, lightweight substitute for copper in transmission and distribution. Secondary demand for aluminum consumption will ride on the growth in the automotive sector.

The present installed capacity for primary Aluminum Metal is approx 4 million MT, which means that a major shortage of Aluminum metal is looming ahead and as a result already the Aluminum major Vedant group is in the process of augmenting its capacity from the existing around 2.3 million tonne (Mt) to 3 million tonne (Mt).

Government of India has already approved expansion of both Alumina & Aluminum at Nalco's existing plant and other expansion announcement is expected soon.

With this growing demand and increased production, there will be commensurate increase in demand of CPC, as your management feels confident of taking full advantage of this and expect both factories to run to capacity.

As Raw Petroleum Coke (RPC) is the sole raw material for CPC, The management has taken and will ensure that adequate and timely imports are arranged for its Budge Budge factory.

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

Aluminum consumption in the Country from around 3.5 Mn Mts in 2016-17, is expected to increase to around 5.3 Mn Mts by 2020-21. As per Press Information Bureau, Govt of India, Ministry of Mines reporting, Vedanta Group produced over 1.21 Mn MT of Aluminum in 2016-17 as against 0.92 Mn MT in 2015-16 an increase of around 31%, and for the last quarter of 206-17, produced 0.353 Mn MT a run rate over 1.41 Mn MT as compared to just 0.226 Mn MT in the last quarter of 2015-16, which is an year to year increase of 56%.

Similar is the case with the other major producers both Hindalco and Nalco. Hindalco Aluminum metal production in the last quarter of "2016-17", increased by 19% on a year to year basis to 3,21,000 MTs as compared to just under 2,70,000 MTs in 2015-16 and in the current year is expected to marginally increase.

Increased Aluminum production means an increase in demand for CPC and your both factories are well poised to take maximum advantage of this.

In addition to above, CPC is being used for steel making, Graphaite Electrodes (Electric Arc Furnaces for Steel), Electrode Carbon Paste and Titanium Oxide. With a resurgent economy, in addition to Aluminum Demand, Steel is also picking up and as the various infrastructure projects mainly the Smart cities and Delhi to Mumbai & Amritsar Delhi, Kolkata Industrial Corridor amongst other start taking shape existing excess installed capacity for both Aluminum & Steel may start seeing tightness as early as 2018-19.

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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

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 **Rs.142.29 Crore** as against Rs.211.71 in the last financial year a decrease of **32.79 %** as compared to the previous F.Y

Production of Calcined Petroleum Coke (CPC) during the year was 60,432 MT as against 83,432 MT in the previous year and Electrode Carbon Paste (ECP) production was 4,331MT as against 4,033MT in the previous year, a decrease of 27.56% and an increase of 7.39% respectively.

Further, Sales of CPC for the year under review was 57,248 MT as against 82,839 MT in the previous year, a decrease of 30.89%. ECP sales were 4,269 MT as against 3,995 MT in the previous year, which is increased by 6.85%.

During the year both production and sales of Calcined Petroleum Coke (CPC) which is the major constituent of the Company's gross turnover decreased as compared to the previous Financial Year. However the production and sales of Electrode Carbon Paste (ECP) increased marginally during the financial year.

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.

As reported earlier, based on the uptrend in demand from the beginning of this calendar year along with increase in prices confirms the management optimism.

After a long Gap of over 2 years, your Company's Budge Budge factory secured an order from Nalco and much larger order with significant price increase from Kerala Mines & Minerals Limited is expected.

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. 50,21,228/- 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

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 CEO 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 periodical 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 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

Your Company has achieved gross revenue from operation during the year amounting to **Rs.142.29 Crore** as against Rs.211.71 in the last financial year a decrease of **32.79 %** as compared to the previous F.Y

Foreign Exchange loss during the year was **Rs. 50.21 Lakh**, as against loss of Rs. 253.85 Lakh in the last financial year. In spite of several Challenging issue such as like Poor Capacity utilization, cut throat internal competition due to dumping from China; your Company has earned during the year an amount of profit after tax **Rs. 18. 81 Crore** as against profit of Rs. 20. 29 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 31.03.2017 was 136 as compared to 181 as on 31.03.2016.

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.

For & on behalf of the Board of Directors

Sd/-

Rakesh Himatsingka

(DIN: 00632156)

Chairman and Managing Director

Date: 8th May, 2017

Place: Kolkata

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 12(Twelve) Directors including two alternate Directors as on 31st March, 2017. 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, 2017 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, 2017 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.

CORPORATE GOVERNANCE REPORT (Contd.)

The Composition and Category of Director as on 31st March, 2017 is as under:

Sl. No.	Name of the Director	Category
1.	Mr. Rakesh Himatsingka Chairman & Managing Director	Executive Director (Promoter)
2.	Mr. Shaurya Veer Himatsingka Deputy Managing Director	Executive Director (Promoter)
3.	Mr. Tony William Grims*	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. Mark R. Jones* (Alternate to Mr. Mr. Tony William Grims)	Non -Executive Director (Non- Promoter)
7.	Mr. Sunirmal Talukdar	Non-Executive and Independent Director
8.	Mr. Hemant Kumar Khaitan	Non-Executive and Independent Director
9.	Mr. Manoj Mohanka	Non-Executive and Independent Director
10.	Mr. Samar Jha	Non-Executive and Independent Director
11.	Mr. Soumendra Mohan Basu	Non-Executive and Independent Director
12.	Mrs. Susmita Ghose	Non-Executive and Independent Director

*appointed as Additional Director w.e.f.11.11.2016

*appointed as Alternate Director w.e.f.11.11.2016

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.

Board Meetings:

During the year 2016-17, four Board Meetings were held on 17th May, 2016, 8th Day of August, 2016, 11th Day of November, 2016 & 09th Day of February, 2017. 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 2016-17, 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 :-

CORPORATE GOVERNANCE REPORT (Contd.)

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 31.03.2017
Mr. Rakesh Himatsingka	3	Yes	3	2	Father of Mr. Shaurya Veer Himatsingka	10445
Mr. Shaurya Veer Himatsingka	4	No	1	Nil	Son of Mr. Rakesh Himatsingka	237439
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. Tony William Grims	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	7	3	None	Nil
Mr. Manoj Mohanka	1	No	4	2	None	Nil
Mr. Samar Jha	4	No	2	1	None	Nil
Mr. Soumendra Mohan Basu	3	No	3	2	None	Nil
Mr. Sunirmal Talukdar	4	Yes	4	3	None	Nil
Mrs. Susmita Ghosh	4	No	Nil	Nil	None	Nil
Mr. Rajendra Prasad Das*	Nil	No	2	Nil	None	Nil
Mr. Eric P. Johnson**	Nil	No	Nil	Nil	None	Nil

* Ceased from Nominee Directorship w.e.f 23.06.2016

** Ceased from Directorship w.e.f. 29.09.2016

- 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.

Dated: 8th May, 2017

Rakesh Himatsingka
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.

CORPORATE GOVERNANCE REPORT *(Contd.)*

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. Sunimal Talukdar	Non-Executive and Independent Director	Chairman	4
Mr. Hemant Kumar Khaitan	Non-Executive and Independent Director	Member	2
Mr. Rakesh Himatsingka	Executive Director (Promoter)	Member	3
Mr. Soumendra Mohan Basu	Non-Executive and Independent Director	Member	3
Mr. Manoj Mohanka	Non-Executive and Independent Director	Member	1
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 2016-17, four Audit Committee Meetings were held on 17th May, 2016, 8th Day of August, 2016, 11th Day of November, 2016 & 09th Day of February, 2017.

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. 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.

CORPORATE GOVERNANCE REPORT (Contd.)

The composition of the Nomination and remuneration Committee as on 31.03.2017 is as follows:

Two number of Remuneration Committees Meeting was held on 8.08.2016 and 11.11.2016 during the year 2016-17.

Name of the Member	Category	Position	Number of Meeting Attended
Mr. Soumendra Mohan Basu	Independent Director	Chairman	2
Mr. Hemant Kumar Khaitan	Independent Director	Member	2
Mr. Manoj Mohanka	Independent Director	Member	Nil

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 2016-17:

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

Name	Salary (Rs.)	Commission (Rs.)	Perquisites (Rs.)	Retirement Benefits (Rs.)	Total (Rs.)	Service Contract	Notice Period (in months)	Severance fees
Mr. Rakesh Himatsingka (Chairman & Managing Director)	22,80,000/-	79,36,407/-	23,70,010/-	2,73,600/-	1,28,60,017/-	3 years (w.e.f 01/12/2013)	3	Nil
Mr. Shaurya Veer Himatsingka (Deputy Managing Director)	20,40,000/-	82,82,217/-	21,08,000/-	4,29,800/-	1,28,60,017/-	3 year (w.e.f) 01/04/2017	3	Nil

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

Non-Executive Directors	Sitting Fees paid for attending Board/Committee Meetings (₹.)
Mr. Hemant. K. Khaitan	1,15,000
Mr. Manoj Mohanka	50,000
Mr. Samar Jha	90,000
Mr. Soumendra Mohan Basu	1,40,000
Mr. Sunirmal Talukdar	1,70,000
Mrs. Susmita Ghosh	90,000

- Neither any stock option or nor any bonus paid to any of the Directors. No severance fees is payable to Directors.
- Non-Executive Directors were paid sitting fees of Rs. 20,000/- for attending each Board and Audit Committee Meeting and Rs.5, 000/- for other committee meetings.
- There has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year 2016-17.

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"

CORPORATE GOVERNANCE REPORT (Contd.)

Composition of the Shareholders Grievance Committee as on 31.03.2017 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 2016-17.

Investors Complaints: Balance as on 01.4.2016 – Nil, Received during the year - Nil, Disposed off during the year - Nil, Balance as on 31.03.2017 - 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 31.03.2017 is as follows:

Name of the Member	Position	Number of Meeting Attended
Mr. Rakesh Himatsingka	Chairman	6
Mr. Shaurya Veer Himatsingka	Member	8
Mr.Hemant Kumar Khaitan	Member	3

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 2016-17, Nine Share Transfer Committee Meetings were held on 20.07.2016, 30.11.2016, 14.12.2016, 20.01.2017, 28.01.2017, 13.02.2017, 01.03.2017, 29.03.2017 & 31.03.2017.

E) Corporate Social Responsibility Committee

The provisions of Section 135 of Companies Act, 2013 with regards to Corporate Social Responsibilities has become applicable to your Company during the financial year ended 31.03.2017 . Your Directors at its meeting held on the 8th Day of May, 2017 has constituted a Corporate Social Responsibility Committee comprising of Ms. Susmita Ghose(Independent Director), Mr. Soumendra Mohan Basu (Independent Director), Mr. Rakesh Himatsingka(Managing Director) and Mr. Shaurya Veer Himatsingka(Deputy Managing Director).

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

Financial Year	Date	Time	Venue
2015-16	29.09.2016	10.00 A.M	Registered Office at Noonmati, Guwahati, Assam
2014-15	18.09.2015	10.00 A.M.	Same as above
2013-14	18.09.2014	10.00 A.M.	Same as above

CORPORATE GOVERNANCE REPORT (Contd.)**Special Resolutions passed in the previous three AGMs:**

AGM held on 29.09.2016	(1) Issue of fresh 10,000 nos.- 9.3% Redeemable Cumulative Preference Shares of Rs. 100/- each aggregating to Rs.10 lakh to the Government of Assam for the purpose of redemption of and/or in lieu of existing 10,000- 9.3% Redeemable Cumulative Preference Shares of Rs.100/- each held by them at par.
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 Rs.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 Rs.100 Crore

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 55th Annual General Meeting.

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

During the financial year ended 31st March, 2017 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 no Risk Management Committee meeting was held 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.

CORPORATE GOVERNANCE REPORT *(Contd.)*

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.
- 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 Director 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 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 & CEO CERTIFICATION

The Managing Director and the Chief Executive 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 18th September, 2017 at 10.00 AM at Registered Office at Noonmati, Guwahati, Assam.
- b) **Financial Calendar :** 1st April, 2017 to 31st March, 2018 (Tentative)

Financial Results for the quarter ending 30 th June, 2017	Within 45 days of 1st Quarter ended
Financial Results for the quarter ending 30 th September, 2017	Within 45 days of 2 nd Quarter ended
Financial Results for the quarter ending 31st December, 2017	Within 45 days of 3 rd Quarter ended
Financial Results for the quarter ending 31 st March, 2018	Within 60 days of 4 th Quarter ended

- c) **Date of Book Closure:**

The Register of Members and Share Transfer Books of the Company will remain closed from 12th September, 2017 to 18th September, 2017 (both days inclusive).

CORPORATE GOVERNANCE REPORT (Contd.)**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. 2016-17. 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, 2017:

No. of Shares	No. of Shareholders	No. of Shares
1-500	4,345	2,95,480
501-1000	68	47,730
1001-2000	15	22,066
2001-3000	4	9,464
3001-4000	2	6,422
4001-5000	–	–
5001-10000	6	41,645
10001-50000	12	2,80,295
50001-100000	2	1,03,998
100001 and above	10	18,42,900
TOTAL	4,464	26,50,000

Shareholding Pattern as on 31st March, 2017:

Shareholders	Total No. of shares	Percentage to Total Issued Shares
Promoters	6,50,902	24.56
Persons acting in Concert	0	0
Mutual Funds, Banks, Financial Institutions and Insurance Companies	15,265	0.58
Others	19,83,833	74.86
Total	26,50,000	100.00

CORPORATE GOVERNANCE REPORT (Contd.)

- a) 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, 2017, 21.18% of the Company's paid up equity capital representing 5,61,213 shares were held in Demat form.

No. of shares in Physical segment	20,88,787	78.82%
No. of shares in Demat segment	5,61,213	21.18%

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.

- b) 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 2016-17

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

Sd/-

Rakesh Himatsingka

(DIN: 00632156)

Chairman and Managing Director

Date: 8th May, 2017

Place: Kolkata

CORPORATE GOVERNANCE REPORT *(Contd.)*

MD/CEO CERTIFICATION

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

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: 08.05.2017
Place: Kolkata

For, **INDIA CARBON LIMITED**
Mr. Shaurya Veer Himatsingka
(Chief Executive Officer)

For, **INDIA CARBON LIMITED**
Mr. Rakesh Himatsingka
(Chairman & Managing Director)

CORPORATE GOVERNANCE REPORT *(Contd.)*

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, 2017, 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 exchanges.

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.

Place: Kolkata
Dated: 8th May, 2017

For **D. Basu & Co**
Chartered Accountants
Registration No. 301111E
Sd/-
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, 2017, 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 companies 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, 2017., and its Profit and its Cash Flow for the year ended on that date.

INDEPENDENT AUDITOR'S REPORT (Contd.)**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 31,2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2017, 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.
 - iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 38 to the financial statements.

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

ATANU CHATTERJEE
Partner
Membership No.: 050105

Kolkata
Dated 8th May, 2017

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S 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, 2017.

- (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 ₹	Period to which relates	Forum where the dispute is pending
W.B.VAT Act, 2003	Sales Tax	147304	2010-11	President, appellate & revisional board, Commercial Taxes, West Bengal

- (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.

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT *(Contd.)*

- (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
Membership No.: 050105

Kolkata
Dated 8th May, 2017

"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, 2017 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.

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INDIA CARBON LIMITED (Contd.)

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, 2017, 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 **D. BASU & CO.**
Chartered Accountants
Registration No. 301111E

ATANU CHATTERJEE
Partner
Membership No.: 050105

Kolkata
Dated 8th May, 2017

BALANCE SHEET as at 31st March, 2017

(Amount in ₹)

PARTICULARS	Note No.	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	26500000	27500000
(b) Reserves and Surplus	2	503242925	315226544
		529742925	342726544
(2) Non-current Liabilities			
(a) Long-term Borrowings	3	9109259	9049146
(b) Deferred Tax Liabilities (Net)	4	2825365	-
(c) Long-term Provisions	5	2182846	2023715
		14117470	11072861
(3) Current Liabilities			
(a) Short-term Borrowings	6	50125187	401149403
(b) Trade Payables	7	59236507	85942889
(c) Other Current Liabilities	8	117689668	17928954
(d) Short-term Provisions	9	23389773	15754777
		250441135	520776023
TOTAL		794301530	874575428
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		105436263	78804876
(ii) Capital Work-in-progress		23318049	18459725
		128754312	97264601
(b) Non-current Investments	12	6990000	7004000
(c) Deferred Tax Assets (Net)	4	-	1356611
(d) Long-term Loans & Advances	13	2935417	3219472
		138679729	108844684
(2) Current Assets			
(a) Inventories	14	267084253	315849754
(b) Trade Receivables	15	85660655	324408905
(c) Cash and Bank Balances	16	20877789	27833046
(d) Short-term Loans and Advances	17	52481521	76272602
(e) Other Current Assets	18	229517583	21366437
		655621801	765730744
TOTAL		794301530	874575428

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
Atanu Chatterjee
Partner

Rakesh Himatsingka
Chairman & Managing Director
DIN: 00632156

Sunirmal Talukdar
Director
Din:00920608

Hemant Kumar Khaitan
Director
Din: 00220049

Place: Kolkata,
Date: 8th May, 2017

Pankaj Kumar Misra
Chief Financial officer

Bhaskar Rakshit
Company Secretary

PROFIT AND LOSS STATEMENT for the year ended 31st March, 2017

(Amount in ₹)

PARTICULARS	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
I Revenue from Operations (Gross)	19	1422888205	2117141108
Less: Excise Duty / Service Tax		<u>134696400</u>	<u>213010747</u>
Revenue from Operations (Net)		1288191805	1904130361
II Other Income	20	<u>230028028</u>	<u>16984456</u>
III Total Revenue		<u>1518219833</u>	<u>1921114817</u>
IV Expenses:			
Cost of Materials Consumed	21	991086144	1441881461
Cost of Materials Sold	22	18365378	50899706
Changes in Inventories of Finished Goods	23	6297896	85394733
Employee Benefits Expense	24	81069746	59764395
Finance Costs	25	26024451	65751477
Depreciation and Amortization Expense	11	13069900	14469551
Less: Transfer to Capital Work in Progress		<u>79872</u>	95764
Less: Transfer from Revaluation Reserve	2	<u>11638</u>	12526
Other Expenses	26	<u>151572513</u>	<u>201936781</u>
Total Expenses		<u>1287394518</u>	<u>1919989814</u>
V Profit (Loss) Before Tax		230825315	1125003
VI Tax Expense:			
(1) Current tax		38533439	-
(2) Deferred tax		4181976	(904866)
		42715415	(904866)
VII Profit (Loss) for the Year (V-VI)		<u>188109900</u>	<u>2029869</u>
VIII Earning (Loss) per equity share of Rs.10 each:			
Basic and Diluted	32	70.95	0.72

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
Atanu Chatterjee
Partner

Rakesh Himatsingka
Chairman & Managing Director
DIN: 00632156

Sunirmal Talukdar
Director
Din:00920608

Hemant Kumar Khaitan
Director
Din: 00220049

Place: Kolkata,
Date: 8th May, 2017

Pankaj Kumar Misra
Chief Financial officer

Bhaskar Rakshit
Company Secretary

CASH FLOW STATEMENT for the year ended 31st March, 2017

(Amount in ₹)

	Year ended 31.3.2017	Year ended 31.3.2016
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	230825315	1125003
Adjustments for :		
Depreciation / Amortisation Expense	12978390	14361261
Finance Costs	26024451	65751477
Net (Gain) Loss on Sale of Assets	(14390)	-
Interest Income	(4121710)	(9733922)
Dividend Income	-	(2097000)
Liabilities No Longer Required written back	(45254)	(478405)
Bad Debts / Advances written off	4771783	29593087
	39593270	97396498
Operating Profit before Working Capital changes	270418585	98521501
Adjustments for changes in Working Capital		
Trade and Other Receivables	65574524	24355834
Inventories	48765501	213314094
Trade and Other Payables	72473898	186813923
Cash Generated from Operations	457232508	(178780502)
Taxes Paid	(29665894)	58889426
NET CASH FROM OPERATING ACTIVITIES - (A)	427566614	157410927
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(45278115)	(27400184)
Sale of Fixed Assets	812766	9688
Interest Income	4121710	9733922
Dividend Income	-	2097000
NET CASH FROM INVESTING ACTIVITIES - (B)	(40343639)	(15559574)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	60113	(234519)
Proceeds from Short Term Borrowings	(351024216)	(82529050)
Finance Costs	(26024451)	(65751477)
Redemption of Preference Shares	(1000000)	-
Preference Dividend Paid	(440030)	-
Dividend Tax Paid	(89580)	-
NET CASH FROM FINANCING ACTIVITIES - (C)	(378518164)	(148515046)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	8704811	(903043)
Balance of Cash and Cash Equivalents As At 31.3.2016	631202	1534245
Balance of Cash and Cash Equivalents As At 31.3.2017	9336013	8704811
		631202
		(903043)

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
Atanu Chatterjee
Partner

Rakesh Himatsingka
Chairman & Managing Director
DIN: 00632156

Sunirmal Talukdar
Director
Din:00920608

Hemant Kumar Khaitan
Director
Din: 00220049

Place: Kolkata,
Date: 8th May, 2017

Pankaj Kumar Misra
Chief Financial officer

Bhaskar Rakshit
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

Note No.	PARTICULARS	(Amount in ₹)		
		As at 31.03.2017	As at 31.03.2016	
1. SHARE CAPITAL				
(a) Authorised				
(i) 8500000 Equity Shares of ₹ 10 Each	85000000	85000000		
(ii) 150000 Preference Shares of ₹ 100 Each	15000000	15000000		
	100000000	100000000		
(b) Issued, Subscribed and Fully Paid				
(i) 2650000 Equity Shares of ₹10 Each	26500000	26500000		
(ii) 10000 9.3% Redeemable Cumulative Preference Shares of ₹ 100 each	–	1000000		
	26500000	27500000		
1.1 Reconciliation of number of 9.3% Redeemable Cumulative Preference Shares outstanding:				
As at beginning of the year	10,000	10,000		
Less: shares redeemed during the year	10,000	–		
As at end of the year	–	10,000		
1.2 Details of shareholders holding more than 5 percent equity shares:	No. of Shares held	% of Holding	No. of Shares held	% of Holding
(i) Oxbow Calcining LLC, USA	812377	30.66	812377	30.66
(ii) Subhag Mercantile Pvt. Ltd.	–	–	250000	9.43
(iii) Kallol Investments Ltd.	–	–	145250	5.48
(iv) Sukansuti Tea Company Pvt. Ltd.	142750	5.39	–	–
(v) Nobo Bharati Projects India Ltd.	162000	6.11	–	–
(vi) Anita Himatsingka	209615	7.91	133415	5.03
(vii) Shaurya Veer Himatsingka	237439	8.96	–	–
2. RESERVES & SURPLUS				
(a) Capital Reserves				
As per Last Financial Statements	6400		6400	
(b) Capital Redemption Reserve				
As per Last Financial Statements	1000000		1000000	
Add: Transferred from General Reserve	1000000	2000000	–	1000000
(c) Securities Premium Reserve				
As per Last Financial Statements	7500000		7500000	
(d) Revaluation Reserve				
As per Last Financial Statements	6524522		6537048	
Less: Transfer to Profit and Loss Statement being additional depreciation for the year arising out of revaluation of fixed assets	11638		12526	
	6512884		6524522	
(e) Central Capital Subsidy				
As per Last Financial Statements	2000000		2000000	
(f) General Reserve				
As per Last Financial Statements	319806239		320656745	
Less: Adjustment relating to Fixed Assets	–		850506	
Less: Transferred to Capital Redemption Reserve	1000000	318806239	–	319806239
(g) Surplus				
As per Last Financial Statements	(21610617)		(23192756)	
Add: Balance in Statement of Profit & Loss	188109899		2029869	
Add: Transferred from Revaluation Reserve	–		–	
	166499282		(21162887)	
Less: Dividends on Preference Shares and Tax thereto	81880	166417402	447730	(21610617)
	503242925		315226544	

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Note No.	PARTICULARS	(Amount in ₹)	
		As at 31.03.2017	As at 31.03.2016
3.	LONG-TERM BORROWINGS		
	Secured		
	Term Loans		
	Home Loans	9109259	9049146
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 01.11.2031		
4.	DEFERRED TAX LIABILITIES (NET)		
	(a) Deferred Tax Liabilities / (Assets) arising on account of :		
	Depreciation	3926187	(470436)
	(b) Deferred Tax Assets arising on account of :		
	Employees Retirement Benefits	1100822	886175
		2825365	(1356611)
5.	LONG-TERM PROVISIONS		
	Provision for Employee Benefits	2182846	2023715
6.	SHORT-TERM BORROWINGS		
	(a) Secured		
	From Banks		
	Cash Credit		
	(i) UCO Bank	30276405	143676852
	(ii) IDBI Bank Limited	—	46748125
	(iii) United Bank of India	19848782	28176535
	(iv) Axis Bank Limited	—	11817922
		50125187	230419434
	(b) Unsecured		
	From Banks		
	Buyers Credit Arrangements	—	153229969
	From Others		
	The National Small Industries Corporation Ltd.	—	17500000
		50125187	401149403
6.1	Secured Loans from Banks are secured by way of hypothecation of Stocks, Stores, Book Debts and equitable mortgage of Fixed Assets of the Company; and have been guaranteed by Mr. Rakesh Himatsingka, Managing Director of the Company.		

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Note No.	PARTICULARS	(Amount in ₹)	
		As at 31.03.2017	As at 31.03.2016
7.	TRADE PAYABLES		
	(a) Due to Micro and Small Enterprises	—	—
	(b) Due to Others	59236507	85942889
		59236507	85942889
7.1	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	—	—
8.	OTHER CURRENT LIABILITIES		
	(a) Current Maturities of Long-term Debt	315072	282927
	(b) Interest Accrued but not due on borrowings	74694	354238
	(c) Interest Accrued and due on borrowings	—	942931
	(d) Unclaimed Dividends	463147	551941
	(e) Advances and Deposits	5833393	790169
	(f) Subjudiced Adhoc Refund of Excise Incentive against furnishing solvent surety (Note No.37)	80831663	—
	(g) Statutory Dues	4122520	5847185
	(h) Other Payables	26049179	9159563
		117689668	17928954
9.	SHORT-TERM PROVISIONS		
	(a) Provision for Employee Benefits	997985	844166
	(b) Excise Duty on Stocks	11863809	12802447
	(c) Income Tax (Net of Advance Tax)	10527979	1660434
	(d) Proposed Dividends and Tax thereto	—	447730
		23389773	15754777
10.	CONTINGENT LIABILITIES AND COMMITMENTS		
	(To the extent not provided for)		
	(i) Contingent Liabilities		
	(a) Claims against the Company not acknowledged as debts;		
	i) Sales Tax	147304	1106799
	ii) Custom Duty	—	12625733
	iii) Employees State Insurance	1554020	1554020
	iv) Entry Tax	37745158	34011021
	v) Kolkata Port Trust	—	42960
	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	26962379	87632634
	(ii) Commitments		
	(a) Estimated Amount of contracts remaining to be executed on capital account and not provided for.	1849150	—
	(b) Other Commitments	7852494	9381875

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹)

Note No.11 - FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1.4.2016	Additions during year	Deductions during year	As at 31.3.2017	Up to 31.3.2016	For the year	Written back during year	Up to 31.3.2017	As at 31.3.2017	As at 31.3.2016
(I) TANGIBLE ASSETS										
Land-Freehold (1)	7473500	-	4,32,000	7041500	-	-	-	-	7041500	7473500
Land-Leasehold	4915236	-	-	4915236	395479	56497	-	451976	4463260	4519757
Buildings (1)	71375621	432000	-	71807621	47111087	1389096	-	48500183	23307438	24264534
Railway Siding, Roads and Bridges	8745898	-	-	8745898	8249248	8829	-	8258077	487821	496650
Plant and Equipment (2)	178682888	37939640	1304076	215318452	144313722	9007653	505700	152815675	62502777	34369166
Research and Development Equipment	5125216	-	-	5125216	5059985	8323	-	5068308	56908	65231
Furniture and Fixtures	4543797	8050	-	4551847	4144343	108606	-	4252949	298898	399454
Utilities, Facilities and Service Equipments	2857279	31285	-	2888564	2087226	213191	-	2300417	588147	770053
Vehicles	22034426	1866947	-	23901373	19435238	1141607	-	20576845	3324528	2599188
Office Equipment	14283405	653741	-	14937146	13085503	468535	-	13554038	1383108	1197902
Floriculture Plants (3)	9111186	-	-	9111186	8655627	455559	-	9111186	-	455559
Orchidarium	10576290	-	-	10576290	8382408	212004	-	8594412	1981878	2193882
Total	339724742	40931663	1736076	378920329	260919866	13069900	505700	273484066	105436263	78804876
Previous year	313544419	26374072	193749	339724742	245783870	15320057	184061	260919866	23318049	18459725
(II) CAPITAL WORK-IN-PROGRESS	18459725	4858324	-	23318049	-	-	-	-	23318049	18459725
	358184467	-	-	402238378	-	-	-	-	128754312	97264601

Note:

- (1) Inseparable land pertinent to a building amounting to ₹ 432000/- previously debited to Land- Freehold, transferred to Buildings during the year. This has no impact on the profits or losses and tangible fixed assets for the current year and the previous year.
- (2) Capital subsidy amounting to ₹ 459090/- received during the year has been shown as a deduction from Plant and Equipments.
- (3) Old floriculture plants which have become permanently useless have been fully depreciated.

Note No.	Particulars	No of Shares / Bonds / Warrants	Face Value (Per Share / Bond / warrant)	As at 31.3.2017	As at 31.3.2016
12	NON-CURRENT INVESTMENTS				
	NON-TRADE INVESTMENTS				
(A)	Government Securities				
	7-Year National Plan Savings Certificates (Face Value-Rs.14,000 Deposited with Government Department)				14000
(B)	Equity Investments				
(a)	In Subsidiary Companies (Unquoted)				
	Fully Paid Equity Shares :				
	C & C Investments Limited	750130	10	7501300	
	Less: Provision for Diminution in Value (Refer Note No.30)			7501300	-
(b)	Others				
	(i) Fully Paid Equity Shares (Quoted)				
	Amines & Plasticizers Ltd. (Inclusive of 3495000 Bonus Shares of Rs.2/- each)	6990000	2	6990000	6990000
	(ii) Fully Paid Equity Shares (Unquoted)				
	Him Containers Limited (In Liquidation)	1200000	10	12000000	

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Note No.	Particulars	No of Shares / Bonds / Warrants	Face Value (Per Share / Bond / warrant)	(Amount in ₹)	
				As at 31.3.2017	As at 31.3.2016
	(iii) Detachable Warrants-10% Upfront paid (Unquoted)				
	Him Containers Limited (In Liquidation)	1200000	10	1200000	
				13200000	
	Less: Provision for Diminution in value (Refer Note No.29)			13200000	-
				6990000	7004000

	As at 31.03.2017		As at 31.03.2016	
	Cost	Market Value	Cost	Market Value
Quoted	6990000	278551500	6990000	117082500
Unquoted	14000	-	14000	-

Note No.	PARTICULARS	As at 31.03.2017	As at 31.03.2016
13.	LONG-TERM LOANS AND ADVANCES		
	Unsecured : Considered good		
(a)	Security Deposits	2935417	3169989
(b)	Other Loans and Advances	-	49483
		2935417	3219472
14.	INVENTORIES		
	(For basis of valuation Refer Note No.41(k) under Significant Accounting Policies)		
(a)	Raw Materials	111347933	159880636
	Includes in-transit ₹ 4094739 (As at 31.3.16 - ₹ 53678753)		
(b)	Finished Goods	131459569	138696103
	Includes in-transit ₹ 1181733 (As at 31.3.16 - ₹ Nil)		
(c)	Stores and Spares	24276751	17273015
	Includes in-transit ₹ 88128 (As at 31.3.16 - ₹ 1111975)		
		267084253	315849754
15.	TRADE RECEIVABLES		
	Unsecured : Considered good		
	Due for more than 6 months - ₹ 876099 (As at 31.3.2016 ₹ 8619900)	85660655	324408905

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Note No.	PARTICULARS	As at 31.03.2017	As at 31.03.2016
16.	CASH AND BANK BALANCES		
(a)	Cash and Cash Equivalents		
(i)	Balances with Banks on Current Accounts	8731655	412874
(ii)	Cash on hand	604358	218328
		9336013	631202
(b)	Other Bank Balances		
(i)	For Unclaimed Dividends on Current Accounts	463148	551941
(ii)	On Term Deposits	11078628	26649903
	With more than 12 months maturity ₹ 1220822 (As at 31.3.2016 - ₹ 317926) Includes ₹ 3300000 pledged with Banks as Collateral Security (As at 31.3.2016 - Rs.3300000) and ₹ 7778628 as Margin Money for Letters of Credit and Guarantees (As at 31.3.2016 - Rs.23349903)		
		11541776	27201844
		20877789	27833046
17.	SHORT TERM LOANS & ADVANCES		
(a)	Loans and Advances to related parties		
	Unsecured : Considered doubtful To Subsidiary Company C & C Investments Ltd.	4095000	4095000
	Less: Provision for doubtful advance (Refer Note No.29)	4095000	4095000
		-	-
(b)	Others		
	Unsecured : Considered good and recoverable in cash or in kind or for value to be received		
(i)	Advances for Raw Materials	21583632	55856902
(ii)	Advance Income Tax	-	-
(iii)	Prepaid Expenses	1736367	1892427
(iv)	Balances with Statutory Authorities	4718833	3478248
(v)	Advances and Deposits	24442689	15045025
	Includes due by officers - ₹ Nil (As at 31.3.2016 Rs.Nil)		
		52481521	76272602
		52481521	76272602
18.	OTHER CURRENT ASSETS		
	Unsecured : Considered good		
(a)	Receivable from Statutory Authorities	227331360	20199921
(b)	Other Receivable	2186223	1166516
		229517583	21366437

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Note No.	PARTICULARS	Year Ended 31.03.2017		Year Ended 31.03.2016	
19.	REVENUE FROM OPERATIONS				
	(a) Sale of Products: *				
	(i) Calcined Petroleum Coke	1268539378		1930043560	
	(ii) Electrode Carbon Paste	122871752		122157850	
	(iii) Thermal Carbon (Tamping) Paste	2674900		4012001	
	(iv) Desiccated Petroleum Coke Powder	0		134885	
	(v) Raw Petroleum Coke	22392639		52989059	
	(vi) Others	151238		158553	
		<u>1416629907</u>		<u>2109495908</u>	
	(b) Sale of Services:				
	Technical Assistance	1725000		4007500	
	(c) Conversion Charges				
	Conversion Charges (Net of Service Tax ₹ 6,34,666/- (Previous Year ₹ 2,01,756/-))	4533298	1422888205	3637700	2117141108
	(d) Less: Excise Duty / Service Tax				
	(i) Excise Duty (Net)	134471400		212503247	
	(ii) Service Tax	225000	134696400	507500	213010747
		<u>1288191805</u>		<u>1904130361</u>	
	* Net of Rebates & Discounts amounting to ₹ 4500187 (Previous year ₹ 9353532)				
20.	OTHER INCOME:				
	(a) Interest Income				
	(i) From Banks	2030684		4088058	
	(ii) From Others	2091026	4121710	5645864	9733922
	(b) Dividend Income		-		2097000
	(c) Net Gain (Loss) on Sale of Assets		14390		-
	(d) Other Non-operating Income				
	(i) Rent	2224800		1684800	
	(ii) Sales Tax Refund in respect of earlier years (Note No.36)	212211042		-	
	(iii) Liability no longer required written back	45254		478405	
	(iv) Refunds & Claims Received *	11367660		2731620	
	(v) Miscellaneous Receipts	2535	225851291	2800	4897625
	(e) Net Gain on Exchange Difference		40637		255909
		<u>230028028</u>		<u>16984456</u>	

* Includes ₹ 11012311/- being the maturity value of Keyman Insurance.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹)

Note No.	PARTICULARS	Year Ended 31.03.2017	Year Ended 31.03.2016
21.	COST OF MATERIALS CONSUMED		
(a)	Opening Stock	159880636	270630558
(b)	Add: Purchases		
	(i) Raw Petroleum Coke	742696426	1052790217
	(ii) Calcined Petroleum Coke	181810409	296868877
	(iii) Pitch	30140404	30322277
	(iv) Others	6271580	2049874
		1120799455	1382031245
(c)	Deduct: Cost of Materials Sold	18365378	50899706
(d)	Deduct: Closing Stock	111347933	159880636
(e)	Cost of Materials Consumed		
	(i) Raw Petroleum Coke	803354601	1089848751
	(ii) Calcined Petroleum Coke	157599703	319209789
	(iii) Pitch	27405714	30351580
	(iv) Others	2726126	2471341
		991086144	1441881461
22.	COST OF MATERIALS SOLD		
(a)	Raw Petroleum Coke	18365378	50899706
(b)	Others	-	-
		18365378	50899706
23.	CHANGES IN INVENTORIES OF FINISHED GOODS		
(a)	Opening Inventory	138696103	239799402
	Less: Closing Inventory	131459569	7236534
(b)	Less: Excise Duty Provision on Inventory		
	On Opening Inventory	12802447	28511013
	Less: On Closing Inventory	11863809	938638
		6297896	85394733
24.	EMPLOYEE BENEFITS EXPENSE		
(a)	Salaries and Wages	72234124	51030925
(b)	Contribution to Provident and other Funds	4841511	4888131
(c)	Staff Welfare Expenses	3994111	3845339
		81069746	59764395
25.	FINANCE COSTS		
(a)	Interest Expense	15727016	30111821
(b)	Other Borrowing Costs	5235570	9998884
(c)	Net Loss (Gain) on Foreign Currency transactions and translation	5061865	25640772
		26024451	65751477

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Note No.	PARTICULARS	As at		(Amount in ₹)
		31.03.2017		As at 31.03.2016
28.	Particulars of forward contract outstanding and un-hedged foreign currency exposure:			
(a)	Forward Contract outstanding	US ₹	—	—
(b)	Un-hedged Foreign Currency Exposure			
(i)	Current Liabilities - Buyers Credit	US ₹	—	US\$ 2325350
(ii)	Current Assets-Trade Receivables	US\$ ₹	—	₹ 154247215
29.	Hon'ble Gauhati High Court on 1.9.2000 ordered for winding up of Him Containers Limited (HCL) and appointed Registrar of Companies, Assam as the official liquidator of HCL. Consequently there was diminution in the value of Company's investments in HCL (in liquidation) and also in its wholly owned subsidiary C & C Investments Limited (CCIL) whose resources are fully invested in HCL. As required by Accounting Standard-13, full provision was made for diminution in the value of such investments and also advances to CCIL, as extraordinary item, totaling Rs.24796300 by charge to Profit and Loss Account during the year ended 31st March, 2001.			
30. Related parties disclosure:				
(A)	List of related parties			
(a)	Subsidiary Company			
	C & C Investments Ltd.			
(b)	Key Management Personnel			
(i)	Mr. Rakesh Himatsingka, Managing Director			
(ii)	Mr. Shaurya Veer Himatsingka, Deputy Managing Director			
(iii)	Mr. Bhaskar Rakshit, Company Secretary			
(iv)	Mr. Pankaj Kumar Misra, Chief Finance Officer			
(c)	Company in which Director is interested as Director in Assam Carbon Products Ltd. (Appointed on 25.05.2016)			
(B)	Detail of Transactions taken place with Key Management Personnel			
(1)	Nature of Transactions			
	Remuneration of :			
	Managing Director		12860017	4535976
	Deputy Managing Director		12860017	4182700
	Company Secretary		424041	302118
	Chief Finance Officer		608504	612003
(2)	Outstanding Payable			
			As at	As at
			31.03.2017	31.03.2016
(i)	Mr. Rakesh Himatsingka, Managing Director		8506407	724598
(ii)	Mr. Shaurya Veer Himatsingka, Deputy Managing Director		8792250	613241
(iii)	Company Secretary		60414	25458
(iv)	Chief Finance Officer		63412	45917
(C)	The Company has incurred expenses of C & C Investments Limited, the Subsidiary Company amounting to ₹ 12466 (Previous year - ₹ 15605) towards Audit Fees, Filing Fees and Compliance Certificate Fees.			
(D)	The Company has sold goods amounting to ₹ 520098 (Previous Year ₹ 151000) and Stores for ₹ 100117 (Previous Year Rs.Nil) both net of tax to Assam Carbon Products Ltd.			

Balance outstanding as on 31.3.2017 ₹ Nil (Previous Year ₹ -13766)

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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(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:

Employer's Contribution to Provident Fund	2016-17 3204357	2015-16 3047388
Employer's Contribution to Superannuation Fund	357220	335080

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)	
	2016-17	2015-16	2016-17	2015-16
i) Reconciliation of opening and closing balances of Defined Benefit Obligation				
Defined Benefit Obligation at beginning of year	10557672	9107237	2867881	4602685
Current Service Cost	1009105	927666	65321	304365
Interest Cost	792473	687563	210301	315051
Plan Amendment	-	-	-	-
Actuarial (gain)/loss	98571	620953	380765	(1155220)
Benefits paid	(795519)	(785747)	(343437)	(1199000)
Defined Benefit Obligation at year end	11662302	10557672	3180831	2867881
ii) Reconciliation of opening and closing balances of fair value of Plan Assets.				
Fair Value of plan assets at beginning of year	10557672	9107237	N.A.	N.A.
Expected return on plan assets	842391	746962	N.A.	N.A.
Employer contribution	1279934	1505663	343437	1199000
Actuarial gain/(loss)	(222176)	(16443)	N.A.	N.A.
Benefits paid	(795519)	(785747)	(343437)	(1199000)
Fair value of plan assets at year end	11662302	10557672	N.A.	N.A.
Actual return on plan assets	620215	730519	N.A.	N.A.
iii) Reconciliation of fair value of assets and obligations				
Present value of obligation at year end	11662302	10557672	3180831	2867881
Fair value of plan assets at year end	11662302	10557672	N.A.	N.A.
Funded Status- surplus (deficit) at year end	-	-	(3180831)	(2867881)
Net asset/(liability) recognised in Balance Sheet	-	-	3180831	2867881
iv) Expenses recognised during the year				
Current Services Cost	1009105	927666	65321	304365
Interest Cost	792473	687563	210301	315051
Expected return on plan assets	(842391)	(746962)	N.A.	N.A.
Past Service cost	-	-	-	-
Actuarial (gain)/loss	320747	637396	380765	(1155220)
Total Expense recognised in Profit & Loss Account	1279934	1505663	656387	(535804)

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2016-17	2015-16	2016-17	2015-16
v) Investment Details				
Investment with fund approved under the Income Tax Act, 1961	100%	100%	N.A.	N.A.
vi) Actuarial assumptions				
Mortality (LIC - Standard Table)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount rate (per annum)	7.26%	7.80%	7.80%	7.80%
Expected rate of return on plan assets (p.a.)	7.80%	7.89%	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 per Share - Basic & Diluted:

		Year ended 31.03.2017	Year ended 31.03.2016
a) Profit after tax	₹	188109900	2029869
b) Preference dividend and tax thereon	₹	81880	111933
c) Profit attributable to Equity Shareholders	₹	188028020	1917936
d) Weighted Number of Shares	Nos.	2650000	2650000
e) Earning per Equity Share of ₹ 10/- each	₹	70.95	0.72

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 ₹ 19523697/- on account of acquisition of Fixed Assets, pre-operative expenditure etc. has been shown as Capital Work-in-Progress.

36. Sales Tax Refund amounting to ₹ 21,22,11,042/- for earlier years receivable as per Supreme Court Order dt-12.01.2017 has been considered as Income. Out of which ₹ 10,61,05,521/- has since been received.

37. Incentive declared by the Government of India to eligible industrial units under North East Industrial & Investment Promotion Policy, 2007 towards refund of Excise Duty paid on finished products was reduced from 100% to 36% for Calcined Petroleum Coke and 100% to 34% for Carbon Paste, by way of Notification No.20/2008 Central Excise dated 1st April, 2008. Some of the beneficiaries approached the Hon'ble Gauhati High Court challenging the said notification. Thereafter Hon'ble Gauhati High Court had passed an order for full refund of excise duty in terms of the original notification. The order of Gauhati High Court was then challenged before the Hon'ble Supreme Court by the Union of India. The Supreme Court had directed the government through an interim order dated 7th December, 2015 to refund 50% of the differential amount which comes to ₹ 8,08,31,663 (Rupees Eight Crore Eight Lakh Thirty-one Thousand Six hundred and Sixty-three only) to the company on furnishing solvent surety. Thus, till the final order is passed by the Supreme Court the 50% of the differential amount is liable to be refunded on demand by the Government. Therefore, the same has been treated as Other Current Liabilities in the Balance Sheet. (Note No.8(f))

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Amount in ₹)

38. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	(in ₹)		
	SBNs*	Other denomination Notes	Total
Closing cash in hand as on November 8, 2016	383000	54443	437443
(+) Permitted receipts	–	1474895	1474895
(-) Permitted payments	–	1137363	1137363
(-) Amount deposited in Banks	383000	–	383000
Closing cash in hand as on December 30, 2016	–	391975	391975

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

39. Cost Audit

(a) Particulars of Cost Auditors:

Mitra Bose & Associates, Cost Accountants, 7 Chittaranjan Avenue Kolkata-700072, Membership No.00037

(b) Due date of filing Cost Audit Report :

27.09.2017

Actual date of filing Cost Audit Report :

yet to be filed.

40. The Board has recommended for payment of Dividend for the Financial Year ended 31st March, 2017 @25% i.e. Rs.2.50/- per equity share of face value Rs.10/- each subject to approval of the members at the ensuing Annual General Meeting.

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

42. Significant Accounting Policies:

(a) **General :**

The Financial Statements are prepared under the historical cost convention and comply with the Generally Accepted Accounting Principles 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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)**(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.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)**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.

DIRECTORS' REPORT

TO
THE MEMBERS
C & C Investments Limited

The Directors submit the Thirty-ninth Annual Report for the year ended 31st March, 2017.

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Profit & Loss Statements for the year ended 31st March, 2017 resulted in nil profit as there was neither any income nor any expenses during the usual course of business. The accumulated loss now stands at Rs. 1, 31, 85,644/- which is in excess of the paid-up share capital and reserves of the Company.

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

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

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

• 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.

DIRECTORS' REPORT (Contd.)

Auditors Remuneration, Filing Fees & other expenses of Rs. 12,466/- has been incurred by M/s. India Carbon Limited, the holding company.

▪ PARTICULARS OF EMPLOYEES

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had no employee during the Financial year 2016-17.

▪ 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 17th May 2016, 5th August 2016, 10th November 2016 and 8th February 2017. 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.

DIRECTORS' REPORT (Contd.)**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**

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

- **AUDITORS**

M/s. S. K. Singhania & 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

Sd/-

D. K. Dutta
Director

Sd/-

S. K. Bhattacharjya
Director

Place : Guwahati, 28th April, 2017
Registered Office:
Noonmati, Guwahati - 781 020, Assam

DIRECTORS' REPORT (Contd.)**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U67120AS1976PLC001654
2.	Registration Date	22/03/1976
3.	Name of the Company	C & C INVESTMENT LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
5.	Address of the Registered office & contact details	NOONMATI, GUWAHATI, ASSAM-781020
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
	N.A.	N.A.	N.A.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	INDIA CARBON LIMITED	L23101AS1961PLC001173	HOLDING	99.99%	2(46)

IV. A. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	-	-	-	-	-	-	-	-	-
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	10	10	-	-	10	10	0.001%	NO CHANGE
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	750130	750130	99.99%	-	750130	750130	99.99%	NO CHANGE
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	750140	750140	99.99%	-	750140	750140	99.99%	NO CHANGE

DIRECTORS' REPORT (Contd.)

B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
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 Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)		750200	750200	100%	-	750200	750200	100%	NO CHANGE
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		750200	750200	100%	-	750200	750200	100%	NO CHANGE

DIRECTORS' REPORT (Contd.)**B) Shareholding of Promoter-**

S. 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 BHATTACHRJYA	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 at the beginning of 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):**

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.	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 Director and KMP	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 BHATTACHRJYA	10	0.001%	10	0.001%	10	0.001%

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

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

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

S N.	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	Others, please specify	–	–	–	–	–
	Total (A)	–	–	–	–	–
	Ceiling as per the Act	–	–	–	–	–

DIRECTORS' REPORT (Contd.)**B. Remuneration to other directors**

S N.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration To Key Managerial Personnel Other Than Md/Manager/Wt

S N	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	N.A.	N.A.	N.A.	N.A.
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	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.
	Total	N.A.	N.A.	N.A.	N.A.

DIRECTORS' REPORT (Contd.)**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 and on behalf of the Board of Directors

Place : Guwahati, 28th April, 2017
Registered Office:
Noonmati, Guwahati - 781 020, Assam

Sd/-

D. K. Dutta
Director

Sd/-

S. K. Bhattacharjya
Director

INDEPENDENT AUDITOR'S REPORT

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 2017, 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 2017,
- (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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Emphasis of Matter

We draw your attention to the financial statements which indicates that as at 31st March 2017, the accumulated losses amounting to Rs. 56.84 lakhs has eroded the entire net worth of the Company, indicating the existence of a material uncertainty about the Company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis for the reasons stated in the said note.

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 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017, 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.
 - (iv) The Company has provided requisite disclosures in its financial statement as to holding as well as dealing in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note 12 to the financial statements.

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

19A, Jawaharlal Nehru Road,
Kolkata - 700 087.

(RAJESH KR. SINGHANIA)
M. NO. 52722)
Partner

Dated : 28.04.2017

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 our or 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.

19A, Jawaharlal Nehru Road,
Kolkata - 700 087.

Dated : 28.04.2017

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

(RAJESH KR. SINGHANIA)
M. NO. 52722)
Partner

ANNEXURE B TO THE INDEPENDENT AUDITOR'S 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 2017 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 2017, 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)

19A, Jawaharlal Nehru Road,
Kolkata - 700 087.

(RAJESH KR. SINGHANIA)
M. NO. 52722
Partner

Dated : 28.04.2017

BALANCE SHEET as at 31st March , 2017

PARTICULARS	Note No.	As at		As at	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	7502000		7502000	
(b) Reserves and Surplus	2	(13185644)	(5683644)	(13185011)	(5683011)
(2) Current Liabilities					
(a) Short-term Borrowings	3	5694173		5694173	
(b) Trade Paybles	4	3366	5697539	3366	5697539
TOTAL			13895		14528
II. ASSETS					
(1) Non-current Assets					
Non-current Investments	7		–		–
(2) Current Assets					
(a) Cash and Bank Balances	5	13895		14528	
(b) Short-term Loans and Advances	6	–	13895	–	14528
TOTAL			13895		14528

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 :28th April 2017

For and on behalf of the Board of Directors
Sd/- Sd/-
D. K. Dutta **S. K. Bhattacharjya**
Director Director

PROFIT AND LOSS STATEMENT for the year ended 31st March, 2017

PARTICULARS	Note No.	Year ended		Year ended	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
		₹	₹	₹	₹
I Total Revenue			0		0
II Expenses:					
Bank Charges			633		630
Total Expenses			633		630
III Loss for the Year (I-II)			(633)		(630)

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 :28th April 2017

For and on behalf of the Board of Directors
Sd/- Sd/-
D. K. Dutta **S. K. Bhattacharjya**
Director Director

CASH FLOW STATEMENT for the year ended 31st March, 2017

	Year ended 31.3.2017		Year ended 31.3.2016	
	₹	₹	₹	₹
(A) CASH FLOW FROM OPERATING ACTIVITIES :				
Profit before tax		(633)		(630)
NET CASH USED IN OPERATING ACTIVITIES - (A)		(633)		(630)
(B) CASH FLOW FROM INVESTING ACTIVITIES		NIL		NIL
(C) CASH FLOW FROM FINANCING ACTIVITIES		NIL		NIL
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT		633		NIL
Balance of Cash and Cash Equivalents As At 31.3.2016	14528		15158	
Balance of Cash and Cash Equivalents As At 31.3.2017	13895	(633)	14528	(630)

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

Per Our Report attached.
For **S. K. SINGHANIA & CO.**
Chartered Accountants.
(Registration No. 302206E)
Rajesh Kumar Singhania
M. NO. 52722
Partner
Place : Kolkata
Date :28th April 2017

For and on behalf of the Board of Directors
Sd/- Sd/-
D. K. Dutta **S. K. Bhattacharjya**
Director Director

NOTES TO THE FINANCIAL STATEMENTS**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Note No.	PARTICULARS	As at 31.03.2017 ₹	As at 31.03.2016 ₹
1.	<u>SHARE CAPITAL</u>		
	(a) <u>Authorised</u>		
	1500000 Equity Shares of Rs.10 Each	15000000	15000000
	(b) <u>Issued, Subscribed and Fully Paid</u>		
	750200 Equity Shares of Rs.10 Each	7502000	7502000
	1.1 Details of shareholders holding more than 5 percent equity shares:		
	India Carbon Limited (Holding Company)	No. of Shares held 750130	% of Holding 99.99
		No. of Shares held 750130	% of Holding 99.99
2.	<u>RESERVES & SURPLUS</u>	₹	₹
	Surplus		
	As per Last Financial Statements	(13185011)	(13184381)
	Add:Balance in Statement of Profit & Loss	(633)	(630)
		<u>(13185644)</u>	<u>(13185011)</u>
3.	<u>SHORT-TERM BORROWINGS</u>		
	Loans repayable on demand		
	<u>Un-Secured (Not Bearing Interest)</u>		
	(i) From Holding Company		
	India Carbon Limited	4095000	4095000
	(ii) From Other Body Corporates	1599173	1599173
		<u>5694173</u>	<u>5694173</u>
4.	<u>TRADE PAYABLES</u>		
	Other Payables - Sundry Creditors	3366	3366
5.	<u>CASH AND BANK BALANCES</u>		
	Cash and Cash Equivalent		
	Balances with Banks on Current Accounts	13895	14528
6.	<u>SHORT TERM LOANS & ADVANCES</u>		
	Loans and Advances to related parties		
	Unsecured : Considered doubtful		
	Him Containter Ltd. (In Liquidation)	5750000	5750000
	Less: Provision for doubtful advance (Refer Note No. 11)	<u>5750000</u>	<u>5750000</u>
		-	-

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Note No.	Particulars	No of Shares / Bonds / Warrants	Face Value (Per Share / Bond) ₹	As at 31.3.2017		As at 31.3.2016
				₹	₹	₹
7.	<u>NON-CURRENT INVESTMENTS</u> <u>NON-TRADE INVESTMENTS</u> Equity Investments <u>In Subsidiary Companies (Unquoted)</u>					
	(i) Fully Paid Equity Shares (Unquoted) Him Containers Limited (In Liquidation)	676150	10	6761500		
	(ii) Detachable Warrants-10% Upfront paid (Unquoted) Him Containers Limited (In Liquidation)	675000	10	675000		
				<u>7436500</u>		
	Less: Provision for Diminution in value (Refer Note No. 11)			7436500	—	—

8. SIGNIFICANT ACCOUNTING POLICIES :

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

9. Auditors' Remuneration, Filing Fees & other expenses of Rs. 12466.00 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 31.03.2017	As at 31.03.2016
Joint Guarantees/Guarantees given to Financial Institutions for Term & Other Loans	Rs.15800000	Rs.15800000
Do	St £ 656740	St £ 656740
Do	US \$ 517183	US \$ 517183
Bank for Loans & Others purposes	Rs. 268880000*	Rs. 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 TO THE FINANCIAL STATEMENTS (Contd.)

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. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below :

Particulars	(in ₹)		
	SBNs*	Other denomination Notes	Total
Closing cash in hand as on November 8, 2016	0	0	0
(+) Permitted receipts	0	0	0
(-) Permitted payments	0	0	0
(-) Amount deposited in Banks	0	0	0
Closing cash in hand as on December 30, 2016	0	0	0

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

13. Previous year's figure's have been reclassified, regrouped and rearranged, wherever necessary.

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

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

Chartered Accountants.

(Registration No. 302206E)

Rajesh Kumar Singhania

M. NO. 52722

Partner

Place : Kolkata

Date :28th April 2017

For and on behalf of the Board of Directors

Sd/-

Sd/-

D. K. Dutta

S. K. Bhattacharjya

Director

Director

If undelivered, please return to :



India Carbon Limited

Temple Chambers, 4th Floor

6, Old Post Office Street

Kolkata - 700 001

CIN : L23101AS1961PLC001173