



**ASSAM CARBON PRODUCTS LIMITED**

ANNUAL REPORT

**2016-17**

## ASSAM CARBON PRODUCTS LIMITED

CIN: L23101AS1963PLC001206

### ANNUAL REPORT 2016-17

#### BOARD OF DIRECTORS

Mr. R Himatsingka, Chairman  
 Mr. K K Bhattacharya, Managing Director  
 Mrs. Anita Himatsingka  
 Ms. Maalika Himatsingka (w.e.f. 10th May, 2017)  
 Mrs. Rupanjana De  
 Mr. S K Lhila  
 Mr. A Saikia - Nominee of AIDC Ltd

#### CHIEF FINANCIAL OFFICER

Mr. Pijush Bysack

#### COMPANY SECRETARY

Mr. Saugata De (Upto 01.08.2016)  
 Mr. S Chakraborty (From 02.08.2016)

#### REGISTERED OFFICE

Birkuchi, Narengi Chandrapur Road,  
 Narengi, Guwahati- 781 026, Assam.  
 Ph: 0361 -2640262 / 2640630, Fax: 0361 – 2640368  
 E Mail: acplghy@ascarbon.com  
**Website: www.ascarbon.in**

#### CORPORATE OFFICE

6, Old Post Office Street,  
 Temple Chambers, 5th Floor,  
 Kolkata - 700001

#### STATUTORY AUDITORS

D Basu & Co., Chartered Accountants  
 FD 148, Salt Lake, Kolkata- 700106

#### REGISTRARS & SHARE TRANSFER AGENTS

C B Management Services (P) Ltd  
 P-22 Bondel Road, Kolkata – 700 019  
 Phone No.: 40116700/17/18  
 Fax No.: (033) 4011 6739, E-mail:rta@cbmsl.com

#### BANKERS

Axis Bank Ltd  
 State Bank of India  
 State Bank of Hyderabad

#### WORKS

**Plant I:**  
 Narengi Chandrapur Road,  
 Birkuchi, Narengi, Guwahati,  
 Pin – 781 026,  
 Assam

#### Plant II:

Plot No. 2, I.D.A, Phase-I  
 Patancheru – 502 319  
 Dist – Medak, Telangana,  
 Pin: 502319

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## Notice

### NOTICE TO MEMBERS

NOTICE is hereby given that the 54th Annual General Meeting of the Members of Assam Carbon Products Limited will be held on Monday, the 18th day of September, 2017 at 11.45 A.M. at the registered office of the Company at Narengi Chandrapur Road, Birkuchi, Narengi, Guwahati, Assam – 781 026 to transact the following business:

#### ORDINARY BUSINESS:

To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as ordinary resolutions:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2017, the Profit and Loss Statement and the Cash Flow Statement for the year ended 31st March, 2017 alongwith the notes and schedules forming part of financial statements together with the reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Rakesh Himatsingka, (DIN: 00632156) who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Director in place of Mrs. Anita Himatsingka, (DIN: 01201879), who retires by rotation and being eligible offers herself for reappointment.
4. Ratification of Appointment of Statutory Auditors:

“**RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Audit and Auditors) Rules, 2014 (“Rules”) (including any statutory modification or re-enactment thereof for the time being in force), the Company do hereby ratifies the appointment of M/s. D Basu & Co., Chartered Accountants, (Registration No. 301111E), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors thereon.”

#### SPECIAL BUSINESS:

##### 5. Appointment of Ms. Maalika Himatsingka as Director

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

“**RESOLVED THAT** Ms. Maalika Himatsingka, (DIN: 07811394) who was appointed by the Board as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Article 94 of the 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, proposing her 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.”

##### 6. Ratification of Remuneration of Cost Auditor:

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 read with Section 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force], M/s. A S & Associates (Firm Regd. No.: 000523) be and is hereby appointed as the Cost Auditors of the Company to conduct audit of cost accounting records maintained by the Company for the Products(s) / Services(s) for the year ending on 31st March, 2017, at a remuneration of Rs. 20,000/- plus applicable taxes and out of pocket expenses”.

##### 7. To Give Loans or to Give Guarantees or to Provide Securities in Connection With the Loan Made to any Other Body Corporate(s) or Person(s) or to Make Investments Under Section 186 of the Companies Act, 2013

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 Companies Act, 2013 read with the Rules framed thereunder 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 Crores 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** the Board be and is hereby authorised to take 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.”

By Order of the Board  
Sd/-  
**Rakesh Himatsingka**  
Chairman  
(DIN : 00632156)

Date: 10th May 2017  
Place: Kolkata

Registered Office :  
Birkuchi, Narengi Chandrapur Road,  
Narengi, Guwahati- 781 026, Assam.  
CIN: L23101AS1963PLC001206

## Notice (Contd.)

### NOTES:

1. Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting are annexed hereto.
2. Details under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of Directors seeking re-appointment at the Annual General Meeting is contained in the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE 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 AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**

4. Members are requested to bring their copy of Annual Report to the meeting.
5. Members / Proxies should fill the Attendance Slip for attending the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in Physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
6. In case of joint holders attending the meeting only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and Share Transfer Registers of the Company will remain close from 12th September, 2017 to 18th September, 2017, both days inclusive.
8. Equity shares of the Company are listed with Calcutta Stock Exchanges. There are no dues with regard to payment of Listing fees.
9. The investors are requested to enroll their e-mail ids with the Company and can write to the Registrar & Share Transfer Agent at [rta@cbmsl.com](mailto:rta@cbmsl.com) or to the Company Secretary at [subhendu.chakraborty@ascarbon.com](mailto:subhendu.chakraborty@ascarbon.com).
10. 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 40116700/17/18  
Fax No. : 033 4011 6739  
E-mail: [rta@cbmsl.com](mailto:rta@cbmsl.com)

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

11. All documents referred to in the Notice and accompanying Explanatory Statement and copy of Audited Financial Statement and every other documents required by law to be annexed or attached to the Financial Statements as per Section 136 of Companies Act, 2013 are open for inspection at the Registered Office of the Company on all working days from Monday to Friday in between 10am to 5pm up to the date of the Annual General Meeting. This notice and the Annual Report will also be available on the Company's website <http://www.assamcarbon.in> for download and also on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
12. The Notice of the Annual General Meeting along with the copy of 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.

## Notice (Contd.)

13. Members are requested in their own interest:
  - a) To notify the Company / RTA 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.
14. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
15. 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.
16. 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.
17. 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.
18. 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.
- 19. Procedure of Voting through Electronic Means**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members, facility of voting by electronic means in respect of business to be transacted at the 54th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through Ballot Paper shall also be made available for the members at the AGM and the Members attending the Meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the Meeting through Ballot Paper.
  - III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. The remote e-voting period commences on 15th September, 2017 (at 9.00 a.m. IST) and ends on 17th September, 2017 (at 5.00 p.m. IST). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 11th September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
  - V. The process and manner for remote e-voting are as under:
    - A. In case a Member receives an email from NSDL [for Members whose email Ids are registered with the Company/ Depository Participant(s)]:
      - (i) Open email and also open PDF file viz; "Assam Carbon remote e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.

## Notice (Contd.)

- (ii) Open the internet browser by typing the following URL: <https://www.evoting.nsdl.com>
  - (iii) Click on Shareholder – Login
  - (iv) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password. If you are logging in for the first time, please enter the user ID and password as initial password/ PIN noted in step (i) above. Click Login.
  - (v) The Password change menu will appear on your screen. Change the password/PIN with new password of your choice with minimum 8 digits/characters or a combination of both. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Once the remote e-voting home page opens, click on remote e-voting > Active Voting Cycles.
  - (vii) Select “EVEN” (Remote E-voting Event Number) of Assam Carbon Products Ltd.
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
  - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote subsequently.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [kashliwalanant@yahoo.in](mailto:kashliwalanant@yahoo.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy] :
- (i) Initial password is provided as below at the Attendance Slip for the AGM:  
**EVEN (Remote e-voting Event Number)** \_\_\_\_\_  
**USER ID** \_\_\_\_\_ **PASSWORD/PIN** \_\_\_\_\_
  - (ii) Please follow all steps from Sl.No.(ii) to Sl.No.(xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and remote e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of Members shall be in proportion to their shares of the paid up Equity Share Capital of the Company as on the cut-off date i.e. 11th September, 2017.
- X. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date i.e. 11th September, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [rta@cbmsl.com](mailto:rta@cbmsl.com) mentioning his/her Folio Number/DPID and Client ID. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

## **Notice (Contd.)**

- XI. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the closing working hours of cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Ballot Paper (who have not casted their vote electronically).
- XII. Mr Anant Kashliwal, Practicing Chartered Accountant, Guwahati, (Membership No.: 302972, Firm Regd. No.: 328654E) who has consented to act as the scrutinizer and is available for the purpose of ascertaining the requisite majority, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process/ballot/poll in a fair and transparent manner.
- XIII. Chairman shall, at the AGM, after the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot or polling Paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and within a period not exceeding 48 hours from the conclusion of the AGM, make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or any other person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company [www.assamcarbon.in](http://www.assamcarbon.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be communicated to the Calcutta Stock Exchange Limited within the prescribed time limit.

### **Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013**

#### **Re: Item 5**

Ms. Maalika Himatsingka, (DIN: 07811394) was appointed by the Board of Directors with effect from 10th May 2017 as an Additional Director of the Company. As per the provisions of Section 161(1) of the Companies Act, 2013, Ms. Maalika Himatsingka holds office of Additional Director upto the date of forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The Directors are of the opinion that Ms. Maalika Himatsingka's association as a member of the Board will be beneficial to the Company. Your Board recommends for the approval of shareholders, the appointment of Ms. Maalika Himatsingka as a Non-Executive Director of the Company, liable to retire by rotation.

The Company has received notice in writing along with a deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing her 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 her, Mr. Rakesh Himatsingka being the father of Ms. Maalika Himatsingka as well as Chairman of the Company and Mrs. Anita Himatsingka, Director being the mother of Ms. Maalika Himatsingka are also interested in this resolution. Mr. Shaurya Veer Himatsingka, one of the Promoters and shareholder of the Company, being the brother of Ms. Maalika Himatsingka may also be treated as interested party in this resolution. Other than the aforesaid, 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.

#### **Re: Item 6**

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 the appointment of M/s. A S & Associates, Cost Accountants (Firm Regd. No.: 000523) as Cost Auditor of the Company for the financial year ending 31st March 2018 at a remuneration of Rs 20,000/- plus applicable taxes and out of pocket expenses. The Board based on the recommendation of the Audit Committee appointed M/s A S & 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.

## Notice (Contd.)

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 in any way concerned or interested in the above resolution except as members.

### Re: Item 7

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 giving guarantee or providing 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.

### 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.

Date: 10th May 2017  
Place: Kolkata

By Order of the Board  
Sd/-  
**Rakesh Himatsingka**  
Chairman  
(DIN : 00632156)

Registered Office :  
Birkuchi, Narengi Chandrapur Road,  
Narengi, Guwahati- 781 026, Assam.  
CIN: L23101AS1963PLC001206

## Notice (Contd.)

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

The details of the Directors seeking appointment/re-appointment at the 54th Annual General Meeting

Name of the Director	Mr. Rakesh Himatsingka	Mrs. Anita Himatsingka	Ms. Maalika Himatsingka
Date of Birth	4th November, 1951	15th September, 1953	7th February, 1979
Date of Appointment	25th May 2016	25th May 2016	10th May, 2017
Expertise in specific functional areas	Carbon Technologist	Business Management.	Business Management including Resource Optimization, Change Management and Continuous Improvement both Strategic and Operational, Data Management.
Qualifications	B.E. (Hons.), Mechanical	B. A. (Honours) in English from Delhi University	BA Economics; Lady Shri Ram College for Women, New Delhi MBA, INSEAD, France-Singapore
List of outside Directorship held	<ol style="list-style-type: none"> <li>India Carbon Limited</li> <li>APL Holdings &amp; Investments Ltd.</li> <li>Shree Shyam Orchid Estates Limited</li> <li>Subarna Plantation &amp; Trading Co Ltd</li> <li>Saket Cement Products Pvt Ltd</li> <li>Nilgiri Niketan Private Limited</li> <li>Prabhushil Group Investment Private Limited</li> <li>Khatu Investment &amp; Trading Co Ltd</li> <li>New Look Investment (Bengal) Ltd</li> <li>Subhag Properties Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>APL Investments Ltd.</li> <li>APL Holdings &amp; Investments Ltd.</li> <li>Assam Plywood Ltd.</li> <li>Shree Shyam Orchid Estates Limited</li> <li>Welvaart Realty Private Limited</li> <li>Evimeria Realty Private Limited</li> <li>Prabhushil Group Investment Private Limited</li> <li>Jyotsana Investment Co Ltd</li> <li>Sunray Vanijya Private Limited</li> </ol>	Nil
Chairman/Member of the Committee of other Companies in which he/she is a Director			
a) Audit Committee	India Carbon Ltd (Member)	Nil	Nil
b) Stakeholders Relationship Committee	India Carbon Ltd (Member)	Nil	Nil
c) Nomination and Remuneration Committee	Nil	Nil	Nil
Shareholding in the Company as on 31.03.17	796452	275025	90000
Disclosure of relationship between Directors inter-se	Spouse of Mrs. Anita Himatsingka	Spouse of Mr. Rakesh Himatsingka	Daughter of Mr. Rakesh Himatsingka & Mrs. Anita Himatsingka

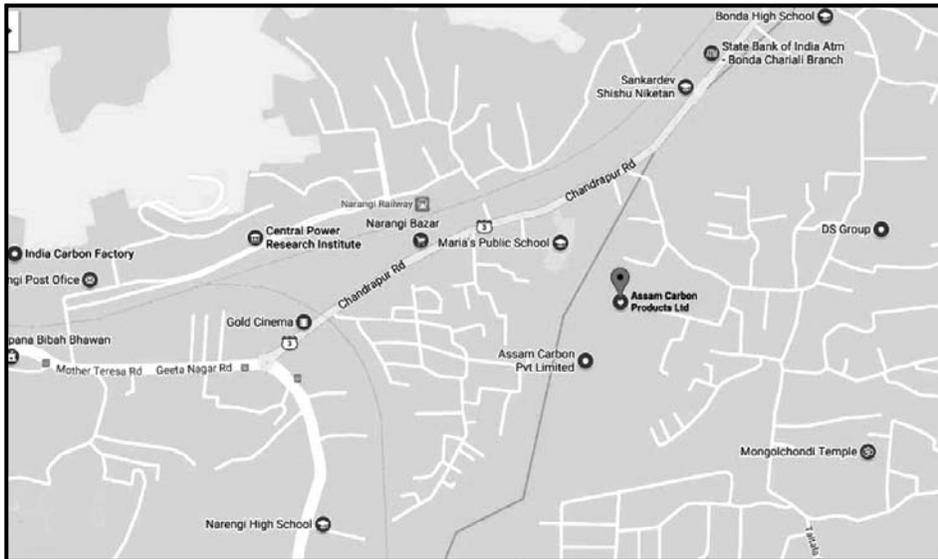
#### Note:

- 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 54th Annual General Meeting of Assam Carbon Products Limited**



## Directors' Report

To the Members,

Your Directors have pleasure in presenting the 54th Annual Report on the business and operations of the Company along with the audited financial accounts for the year ended 31st March, 2017.

### 1. FINANCIAL SUMMARY OF THE COMPANY:

(In Rs. 000's)

FINANCIAL RESULTS	2016-2017	2015-2016
Sales & Other Income	392,684	371,631
Profit/(Loss) before tax	27,330	(533)
Less: Tax expenses of earlier Year	NIL	NIL
Profit/(Loss) after Tax	27,330	(533)
Add: Unappropriated Profit of last year	(34,532)	(33,819)
Balance carried forward	(7,022)	(34,532)

### 2. PREFACE

As reported in the Directors' Report for the financial year 2015-16, pursuant to a Share Purchase Agreement dated 12.04.2016 the erstwhile Promoters of the Company i.e., Morgan Advanced Materials PLC had sold their entire shareholding to Mr. Rakesh Himmatsingka ('Acquirer'). Subsequently the Acquirer along with Mr. Shaurya Veer Himatsingka, Mrs. Anita Himatsingka and Miss. Maalika Himatsingka made an Open Offer under SEBI (SAST) Regulations 2011 and has effected change in control and management in their favor and has been designated as the new Promoters of the Company resulting in a complete change in the control of the Company. Subsequently Mr. Neil P Hoyland and Mr. Ralph Gomarshall, erstwhile Directors of the Company representing Morgan Advanced Materials Plc, erstwhile Promoters of the Company resigned from the Board and Mr. Rakesh Himatsingka and Mrs. Anita Himatsingka were appointed in their place on 25th May, 2016.

### 3. OPERATIONS

During the year under review, which is nearly the first full year of operation under the new promoters, revenue from operations of the Company increased to Rs. 3906.02 Lacs as compared to Rs. 3704.11 Lacs in the previous year. This increase in the sales was achieved by closely reviewing all businesses and even at the cost of exiting those accounts where there was a loss. Company's turnover and profits would have been much better but suffered due to a lock out at Company's Patencheru Factory from 5th December, 2016 till 11th January, 2017, triggered first due to drop in productivity and then an illegal lightning strike from the 1st December, 2016. Your Company was able to earn a profit of Rs.273.30 Lacs as against a Loss of Rs. 5.33 Lacs in the previous year. This was achieved inspite of a marginal increase in export sales during the year which was Rs. 64.69 Lacs as against Rs. 64.08 Lacs in the previous year.

During the year, your Company incurred a forex loss of Rs. 18.34 lakhs as compared to a forex loss of Rs. 29.09 lakhs for the previous year, basically as a result of better management of the forex transactions.

During the year your Company has worked actively towards rationalizing its business and product portfolios and exiting risk prone accounts. Major cost cutting measures, savings in power and fuel as well as improving efficiency and productivity have been implemented.

Balancing of Plant and Machineries with a view to optimizing production was undertaken on top priority as was production planning and optimization of raw materials procurement and stocks.

As informed in the last years report, the Company continued to concentrate on bringing about savings by producing quality products, cost cutting, improving productivity and efficiency, which has started showing results.

Most importantly during the year under review, your Company undertook a major Modernization Programme wherein New Presses were installed, Kilns were modernized and made energy efficient, elaborate Heat Exchange System was installed for waste heat utilization and major modernization of the Brush Factory was undertaken. Your Directors are pleased to inform that this modernization programme was successfully completed within March, 2017. This shall result not only in stabilization of quality, but also the productivity shall go up substantially, thereby greatly reducing the labour/ electricity/ consumable and other cost per component.

### 4. FUTURE OUTLOOK

Business environment continues to improve in the segments in which your Company is in business and it has started to show results in the form of orders at improved prices. Exercise started last year to bring back lost customers continues to be one of the focus items for the coming year alongwith adding new customers.

## Directors' Report (Contd.)

New Business Opportunities have been identified and new customers inducted, which will contribute significantly to the top and bottom line of the Company going forward.

The cost cutting drive started last year is being continued with new areas identified. Improvement in gross margin by indigenizing raw material and/or through new Vendor is now focus of attention of the management team. The Company is now committed to significantly increase its sales volumes and price levels by focusing on alternate growth areas and product-lines which were untapped so far. As stated last year, the price improvement initiative is to be continued and the benefit of this are expected to be seen during the present year of 2017-18.

Continuous evaluation of operating capacities, efficiency and productivity of all the existing Plant & Machinery is being done, most of which are very old and in a systematic manner these are going to be replaced and/or capacity augmented.

For one new line of business identified, major Capex is required for setting up CNC machines. This is being taken up as a separate New Project and it will be spread out between Guwahati and Patencheru or may be a new site.

### 5. DIVIDEND

Due to nominal profit earned by the Company after several years, the Board did not recommend any dividend considering the fact that huge expenses are required for its modernization programmes.

### 6. PUBLIC DEPOSIT

The Company has not accepted / renewed any public deposit under Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014, during the year.

### 7. STATUTORY AUDITORS' AND THEIR REPORT

M/s D Basu & Co, the Statutory Auditors of the Company, hold office until the conclusion of the 57th Annual General Meeting. They have confirmed that their eligibility is within the prescribed limits under the Act and they are not disqualified.

The observations made in the Auditors' Report read together with relevant notes thereon are self-explanatory and therefore, do not call for any further explanations or comments.

### 8. DIRECTORS

Ms. Maalika Himatsingka was appointed to the Board of Directors with effect from 10th May 2017 as an Additional Director, with a view to enrich the Board and Company with her knowledge and guidance. Apart from this there are no changes in the Composition of Board of Directors of the Company.

### 9. KEY MANAGERIAL PERSONNEL

Mr. Kali Krishna Bhattacharya, Managing Director and Mr. Pijush Bysack, Chief Financial Officer continues to function as Key Managerial Personnel of the Company during the year under review.

Mr. Saugata De, Company Secretary and Compliance Officer have resigned from the Company with effect from 1st August, 2016 and Mr. S Chakraborty has been appointed as the Company Secretary and Compliance Officer in his place with effect from 2nd August, 2016.

### 10. INDEPENDENT DIRECTORS' DECLARATION

The Company has received declarations pursuant to Section 149(7) of the Companies Act, 2013 from all the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 in respect of their position as an "Independent Director" of Assam Carbon Products Ltd.

### 11. INTERNAL FINANCIAL CONTROL SYSTEM

The Company has an Internal Financial Control System, commensurate with the size, scale and complexity of its operations. The Internal Audit function is done by independent Chartered Accountant, whose reports are being placed in the Audit Committee and Board for their review. Their objective is to ensure efficient usage and protection of the Company's resources, accuracy in financial reporting and due compliance of statutes and procedures. The internal control structure showed no reportable material weaknesses. The Company's Internal Financial Control system is commensurate with current best practices and effectively addresses emerging challenges of its business. The Company has a process in place to continuously identify gaps and implement newer and or improved controls wherever the effect of such gaps would have a material effect on the Company's operation.

## Directors' Report (Contd.)

### 12. RISK MANAGEMENT POLICY

The Company's Risk Management Policy is well defined to identify and evaluate business risks across all businesses. It assesses all risk at both pre and post-mitigation levels and looks at the actual or potential impact that a risk may have on the business together with an evaluation of the probability of the same occurring. Risk mapping exercises are carried out with a view to regularly monitor and review the risks, identify ownership of the risk, assessing monetary value of such risk and methods to mitigate the same.

### 13. GOING CONCERN STATUS

Regulators or Courts or Tribunals passed no orders during the year affecting the Company's going concern status and its future operations.

### 14. EVALUATION OF BOARD PERFORMANCE

The Board carried out an annual evaluation of its own performance, of each Board Member individually, as well as the working of its Committees.

The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors.

As required under the provisions of the Act, 2 Meetings of all Independent Directors was duly convened and held during the Financial Year 2016-17.

### 15. NUMBER OF BOARD MEETINGS

A tentative calendar of Board Meetings is prepared and circulated to the Board Members in advance. A minimum of four Board Meetings are held annually. Additional Board Meetings are convened by giving appropriate notice to address the Company's specific needs. In case of business exigencies or urgency of matters, resolutions are passed by circulation. During the Financial Year 2016-17, 4 Board Meetings were duly convened and held.

### 16. AUDIT COMMITTEE

Members of the Audit Committee as on 31st March, 2017 were Mr S K Lhila, Ms Rupanjana De and Mr. Rakesh Himatsingka. The Company Secretary is the Secretary of the Committee. The Chief Financial Officer and the Managing Director is the invitee to the Meetings.

All recommendations of the Audit Committee were duly accepted by the Board.

### 17. NOMINATION AND REMUNERATION POLICY

Members of the Nomination and remuneration Committee as on 31st March, 2017 were Mr S K Lhila, Ms Rupanjana De and Mr. Rakesh Himatsingka. The Company Secretary is the Secretary of the Committee.

The Company's Nomination and Remuneration Policy has been prepared in accordance with Section 178(3) of the Act and is available at [www.ascarbon.in](http://www.ascarbon.in)

### 18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company has given loan to Body Corporate within the Statutory Limits as prescribed under the Companies Act, 2013 at prevailing market rate of interest which has been fully repaid during the year.

Your Company has not given any guarantees covered under the provisions of Section 186 of the Companies Act, 2013, nor have made any investment under the Companies Act 2013.

### 19. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were at 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.

Particulars of contracts or arrangements with related parties referred to in Section 188 of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as "Annexure D" to the Board's Report.

## Directors' Report (Contd.)

### 20. HOLDING / SUBSIDIARY COMPANIES

The Company does not have any holding or subsidiary Company.

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

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

### 22. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Vigil Mechanism and Whistle Blower Policy to deal with instance of fraud and mismanagement, if any, as per the provisions of the Companies Act 2013 which is hosted on its website [www.ascarbon.in](http://www.ascarbon.in)

### 23. COST AUDITORS

The Board, upon recommendation from the Audit Committee appointed M/s. A S & Associates, Cost Accountants (FRN: 000523) as Cost Auditors to Audit the cost accounting records maintained by the Company for the Financial Year ended 31st March, 2018 at a remuneration of Rs. 20,000/- plus applicable taxes and out of pocket expenses. Accordingly, a resolution seeking ratification of the remuneration payable to the Cost Auditors has been included as a part of the Notice convening the 54th Annual General Meeting.

### 24. SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed R K Jain & Co , Practising Company Secretary (C P No. 5705, Membership No. ACS 14895) to undertake the Secretarial Audit of the Company for the financial year 2017-2018.

The Secretarial Audit report for the financial year 2016-2017 is annexed herewith as "Annexure B". There are no qualifications in the Report.

### 25. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure C".

### 26. INDUSTRIAL RELATIONS

During the year under review Industrial Relations at the Company's Guwahati factory remained normal, whereas there was industrial unrest at the Company's Patancheru Plant resulting in the management being compelled to declare a Lock Out as of 5th December, 2016 after a lightning strike by the workmen on the 1st December, 2016. Subsequently with the active intervention of the Deputy Commissioner of Labour the Lock Out was lifted as on 12th January, 2017, but work could be resumed only from around 16th / 17th January, 2017 after some normal holidays and cleaning of the Plant, etc.

### 27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on Conservation of Energy, Technological Absorption and Foreign Exchange earnings and outgo is appended as "Annexure A" in this report.

### 28. EMPLOYEES/ 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 - E and forms a part of the Board Report.

Further, none of the employees of the Company are in receipt of remuneration exceeding the limit prescribed under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. 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 also forms part of this report and is appended as "Annexure E".

### 29. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, the Directors confirm:

- i) that in preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;

## Directors' Report (Contd.)

- ii) that such accounting policies have been selected and applied consistently and such judgments and estimates have been made 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 ended 31st March, 2017 and of the profit or loss of the Company for the year ended on that date;
- iii) that proper and sufficient care was taken 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;
- iv) that the annual accounts have been prepared on a going concern basis;
- v) that proper internal financial controls are in place and the internal financial controls are adequate and operating effectively.
- vi) that proper system to ensure compliance with the provisions of all applicable laws are in place and such systems are adequate and operating effectively.

### 30. MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY, OCCURRING AFTER BALANCE SHEET DATE

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

### 31. NOTE OF APPRECIATION

The Directors expressed their gratitude for the assistance and co-operation that the Company has received from the Central Government, State Governments of Assam and Andhra Pradesh, other State Governments, Statutory Authorities, Regulatory Bodies, Customers, Bankers, Suppliers and Shareholders. Your Directors also wish to place on record their appreciation for the services by the executives, staff and workers of the Company.

For and on behalf of the Board

Date: 10th May, 2017  
Place: Kolkata

Sd/-  
**Kali Krishna Bhattacharya**  
Managing Director  
(DIN: 07011241)

Sd/-  
**Rakesh Himatsingka**  
Chairman  
(DIN: 00632156)

Registered Office:  
Birkuchi, Guwahati, Assam- 781026  
CIN: L23101AS1963PLC001206

## Annexure to Directors' Report

### "ANNEXURE A"

#### A. Conservation of Energy

##### (a) Energy Conservation Measures :

- i) The Company reconfigured its energy requirements to run the factories with minimum connection load.
- ii) The Company also installed VFDs in several of its motors thereby saving energy.
- iii) One Boogie Kiln, which was being run by LPG has been converted to run with Furnace Oil.
- iv) One Round Kiln which was also run by Diesel was converted to run with Furnace Oil.
- v) The Company also installed proper heat exchanger processes through which the thermic fluid and furnace oil can be heated by utilizing waste heat, in lieu of costly oil/electricity.
- vi) The energy cost of one firing cycle of round kiln was considerably reduced with the usage of better quality refractory/insulating materials like Pyroblocks.

#### B. Technology Absorption

##### Research and Development (R&D)

##### 1. Specific areas in which R & D carried out by the company

Indigenization of raw materials started last year was continued during the year.

##### 2. Benefits derived as a result of the above R & D

Benefits is being derived in terms of better quality.

##### 3. Future plan of action

- Continued Indigenization of imported raw materials;
- Development of Electrical Carbon Grade;
- Development of New Material for New Business Areas, such as for Radial Bearings, Auto Sector, etc;
- Improve existing Grades to meet more demanding Operational conditions.

##### 4. Expenditure on R & D

(Rs. In lacs)

a. Capital	-
b. Recurring	8.77
c. Total	8.77
d. Total R & D expenditure as a percentage of total turnover	0.25

##### Technology absorption, adaptation and innovation

The Company has fully absorbed the technology on existing product line.

#### C. Foreign exchange earnings and outgo:

- a. Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans: -

During the year, exports were made to Europe and the Far East, for Mechanical Carbon Products as well as Electrical Carbon products. Efforts to increase exports are ongoing.

b. Total foreign exchange used and earned	Rs. In Lacs
Total Foreign Exchange used	8.81
Total Foreign Exchange earned	12.50

## Annexure to Directors' Report (Contd.)

"Annexure B" to Boards Report

Form No. MR-3

### SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 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,  
Assam Carbon Products Ltd,  
Birkuchi,  
Guwahati- 781026,  
Assam.

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

Based on my/our verification of the ASSAM CARBON PRODUCTS LTD's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March, 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/we have examined the books, papers, minute books, forms and returns filed and other records maintained by ASSAM CARBON PRODUCTS LTD ("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 thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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) 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/ The 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; - Not Applicable as there was no reportable event;
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not Applicable as there was no reportable event;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not Applicable as there was no reportable event; and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;- Not Applicable as there was no reportable event;

## Annexure to Directors' Report (Contd.)

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

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

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

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

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

I further report that:

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

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

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

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

I further report that 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. 50 Crores (Rupees Fifty 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: 10th May 2017

**Rajat Kumar Jalan**  
Practising Company Secretary  
C.P. No: 5705  
ACS No.: 14895

## Annexure to Directors' Report (Contd.)

"Annexure C" to Boards Report

### Form No. MGT-9

EXTRACT OF ANNUAL RETURN  
as on the financial year ended on  
31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION & OTHER DETAILS :

1.	CIN	L23101AS1963PLC001206
2.	Registration Date	17th April 1963
3.	Name of the Company	<b>Assam Carbon Products Ltd.</b>
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	Birkuchi, Guwahati, Assam, India - 781026
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	CB Management Services (P) Ltd. P-22, Bondel Road, Kolkata- 700 019 Phone No.: 40116700/17/18. Fax No.: (033) 4011 6739, E mail: 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	CARBON BLOCKS	NA	14%
2	CARBON BRUSH	NA	53%
3	MECHANICAL AND SPECIAL CARBON COMPONENTS	NA	28%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1	NIL	NA	NA	NA	NA

## Annexure to Directors' Report (Contd.)

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

Category of Shareholder	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/ HUF	0	0	0	0.00	2049300	0	2049300	74.37	74.37
(b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total(A)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>2049300</b>	<b>0</b>	<b>2049300</b>	<b>74.37</b>	<b>74.37</b>
<b>(2) Foreign</b>									
(a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	0	792927	792927	28.78	0	0	0	0.00	-28.78
(d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total(A)(2)</b>	<b>0</b>	<b>792927</b>	<b>792927</b>	<b>28.78</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>-28.78</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>0</b>	<b>792927</b>	<b>792927</b>	<b>28.78</b>	<b>2049300</b>	<b>0</b>	<b>2049300</b>	<b>74.37</b>	<b>45.59</b>
<b>B. Public shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b) Banks/FI	1950	100050	102000	3.70	1950	100050	102000	3.70	0.00
(c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B)(1)</b>	<b>1950</b>	<b>100050</b>	<b>102000</b>	<b>3.70</b>	<b>1950</b>	<b>100050</b>	<b>102000</b>	<b>3.70</b>	<b>0.00</b>

## Annexure to Directors' Report (Contd.)

Category of Shareholder	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>2. Non-institutions</b>									
(a) Bodies Corp.									
(i) Indian	6008	12100	18108	0.66	5958	12100	18058	0.66	0.00
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs 1 lakh	236816	196303	433119	15.72	233886	195533	42419	15.58	-0.13
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	751498	657073	1408571	51.12	155923	0	155923	5.66	-45.46
(c) Others (specify)									
(c-i) Non-Resident Individuals	375	350	725	0.03	400	350	750	0.03	0.00
(c-ii) Trust	150	0	150	0.01	150	0	150	0.01	0.00
<b>Sub-Total (B)(2)</b>	<b>994847</b>	<b>865826</b>	<b>1860673</b>	<b>67.52</b>	<b>396317</b>	<b>207983</b>	<b>604300</b>	<b>21.93</b>	<b>-45.59</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>996797</b>	<b>965876</b>	<b>1962673</b>	<b>71.22</b>	<b>398267</b>	<b>308033</b>	<b>706300</b>	<b>25.63</b>	<b>-45.59</b>
<b>C. Shares held by Custodians for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>996797</b>	<b>1758803</b>	<b>2755600</b>	<b>100.00</b>	<b>2447567</b>	<b>308033</b>	<b>2755600</b>	<b>100</b>	<b>0.00</b>

### B) Shareholding of Promoters-

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	Morgan Advanced Materials Plc	792927	28.78	NIL	NIL	NIL	NIL	-28.78
2	Mr. Rakesh Himatsingka	400 (Not as Promoter)	0.01	NIL	796452 (As Promoter)	28.90	NIL	28.89
3	Mr. Shaurya Veer Himatsingka	230750 (Not as Promoter)	8.37	NIL	887823 (As Promoter)	32.22	NIL	23.85
4	Mrs. Anita Himatsingka	275025 (Not as Promoter)	9.98	NIL	275025 (As Promoter)	9.98	NIL	NIL
5	Ms. Maalika Himatsingka	90000 (Not as Promoter)	3.27	NIL	90000 (As Promoter)	3.27	NIL	NIL

## Annexure to Directors' Report (Contd.)

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

Sl. No.	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.	<b>MORGAN ADVANCED MATERIALS PLC</b>				
	At the beginning of the Oyear	792927	28.78	792927	28.78
	Sale/ Transfer on 25.05.2016	792927	28.78	0	0
	At the end of the year	0	0	0	0
2.	<b>MR. RAKESH HIMATSINGKA</b>				
	At the beginning of the year	400	0.01	400	0.01
	Purchase/ Transfer on 25.05.2016	792927	28.78	793327	28.79
	Purchase/ Transfer on 01.08.2016	550	0.02	793877	28.81
	Purchase/ Transfer on 01.08.2016	2575	0.09	796452	28.90
	At the end of the year	-	-	796452	28.90
3.	<b>MR. SHAURYA VEER HIMATSINGKA</b>				
	At the beginning of the year	230750	8.37	230750	8.37
	Purchase/ Transfer on 25.05.2016	657073	23.85	887823	32.22
	At the end of the year	-	-	887823	32.22
4.	<b>MRS. ANITA HIMATSINGKA</b>				
	At the beginning of the year	275025	9.98	275025	9.98
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	-	-	275025	9.98
5.	<b>MS. MAALIKA HIMATSINGKA</b>				
	At the beginning of the year	90000	3.27	90000	3.27
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	-	-	90000	3.27

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

Sl. No.	For Each of the Top 10 Shareholders	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.	<b>Prabhat Chand Goenka</b>				
	At the beginning of the year	658453	23.90	658453	23.90
	Sale/ Transfer on 25.05.2016	657073	23.85	1380	0.05
	At the end of the year	-	-	1380	0.05

## Annexure to Directors' Report (Contd.)

Sl. No.	For Each of the Top 10 Shareholders	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
2.	<b>Assam Industrial Development Corporation Ltd.</b>				
	At the beginning of the year	100000	3.63	100000	3.63
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	100000	3.63
3.	<b>Mahendra Girdharilal</b>				
	At the beginning of the year	65249	2.37	65249	2.37
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	65249	2.37
4.	<b>P P Zibi Jose</b>				
	At the beginning of the year	55000	2.00	55000	2.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	55000	2.00
5.	<b>Prem Chand Goenka</b>				
	At the beginning of the year	25924	0.94	25924	0.94
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	25924	0.94
6.	<b>Narendra Kumar Bapna</b>				
	At the beginning of the year	10900	0.40	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	10900	0.40
7.	<b>Shri Parasram Securities Pvt Ltd</b>				
	At the beginning of the year	10750	0.39	10750	0.39
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	10750	0.39
8.	<b>Raja Kakati</b>				
	At the beginning of the year	10000	0.36	10000	0.36
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	10000	0.36

## Annexure to Directors' Report (Contd.)

Sl. No.	For Each of the Top 10 Shareholders	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
9.	<b>Asit Baran Sarkar</b>				
	At the beginning of the year	5600	0.20	5600	0.20
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	5600	0.20
10.	<b>Jyotsna Rajgarhia</b>				
	At the beginning of the year	5350	0.19	5350	0.19
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	5350	0.19
11.	<b>Vivek Sheel Aggarwal</b>				
	At the beginning of the year	4300	0.16	4300	0.16
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	4300	0.16

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

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	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	<b>Mr. Rakesh Himatsingka- Chairman</b> (Director from 25.05.2016)				
	At the beginning of the year	400	0.01	400	0.01
	Purchase/ Transfer on 25.05.2016	792927	28.78	793327	28.79
	Purchase/ Transfer on 01.08.2016	550	0.02	793877	28.81
	Purchase/ Transfer on 01.08.2016	2575	0.09	796452	28.90
	At the end of the year	-	-	796452	28.90
2	<b>Mr. K K Bhattacharya- MD</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0

## Annexure to Directors' Report (Contd.)

3	<b>Mrs. Anita Himatsingka</b> (Director from 25.05.2016)				
	At the beginning of the year	275025	9.98	275025	9.98
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	-	-	275025	9.98
4	<b>Ms. Maalika Himatsingka</b> (Director from 10.05.2017)				
	At the beginning of the year	90000	3.27	90000	3.27
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	-	-	90000	3.27
5	<b>Mr. S K Lhila</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0
6	<b>Mrs. Rupanjana De</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0
7	<b>Mr. A Saikia</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0
8	<b>Mr. Neil Hoyland</b> (Resigned w.e.f. 25.05.2016)				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0

## Annexure to Directors' Report (Contd.)

9	<b>Mr. Ralph Gomarsall</b> (Resigned w.e.f. 25.05.2016)				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0
10	<b>Mr. Pijush Bysack - CFO</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0
11	<b>Mr. Saugata De – Company Secretary</b> (Till 01.08.2016)				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0
12	<b>Mr. S Chakraborty- Company Secretary</b> (From 02.08.2016)				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0

### V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment. (In Rs)

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

## Annexure to Directors' Report (Contd.)

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

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (In Rs)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr K K Bhattacharya	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,82,422	11,82,422
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	11,82,422	11,82,422
	Ceiling as per the Act	Remuneration is within the limits as laid down under the Companies Act, 2013 & its Corresponding Rules & Schedules.	

#### B. Remuneration to other directors ( In Rs)

Sl. No.	Name of Directors	Particulars of Remuneration			Total Amount (in Rs.)
	Independent Directors	Fee for attending Board/ Committee Meetings (in Rs.)	Commission	Others, please specify	
1	Mr S K Lhila	55,000	NIL	NIL	55,000
2	Mrs Rupanjana De	60,000	NIL	NIL	60,000
	<b>Non Executive Directors</b>				
3	Mr. Rakesh Hitamsingka	50,000	NIL	NIL	50,000
4	Mrs. Anita Himatsingka	25,000	NIL	NIL	25,000
	Total Managerial Remuneration to other Directors (1+2+3+4)	1,90,000	NIL	NIL	1,90,000
	Overall Ceiling as per the Act	Remuneration is within the limits as laid down under the Companies Act, 2013 & its Corresponding Rules & Schedules.			

## Annexure to Directors' Report (Contd.)

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD ( In Rs)

Sl. No.	Particulars of Remuneration (CTC)	Key Managerial Personnel				
		CS (Mr. S De – Upto 01.08.16)	CS (Mr. S Chakraborty- From 02.08.16)	CFO	CEO	Total
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,76,959	2,53,336	15,10,536	NIL	20,40,831
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL	NIL	NIL
	others, specify...	NIL	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL	NIL
	<b>Total</b>	<b>2,76,959</b>	<b>2,53,336</b>	<b>15,10,536</b>	<b>NIL</b>	<b>20,40,831</b>

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

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

## Annexure to Directors' Report (Contd.)

### "Annexure D" to Boards Report

#### 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.
India Carbon Products Ltd Sale and Purchase of Goods	Mr. Rakesh Himatsingka, Non Executive Director, Chairman of the Board, is interested	1st April, 2016 - 31st March, 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	Purchase of raw materials amounting to Rs.5.20 Lacs and CAPEX items of Rs. 1 Lac.

## Annexure to Directors' Report (Contd.)

### "Annexure E"

#### 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 of each Director/ KMP in the Financial Year 2016-17	Ratio of remuneration of each Director/ KMP to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Mr. R Himatsingka, Non-Executive Chairman	50,000	NIL	0.14:1	The Company has earned a profit after tax during the financial year 2016-17 amounting to Rs. 273.30 Lacs against a loss after tax during the financial year 2015-16 amounting to Rs. 5.33 Lacs.
2.	Mr K K Bhattacharya, MD	11,82,422	NIL	3.31:1	
3.	Mrs. Anita Himatsingka, Non-Executive Director	25,000	NIL	0.07:1	
4.	Mr S K Lhila, Non-Executive & Independent	55,000	NIL	0.15:1	
5.	Mrs Rupanjana De, Non-Executive & Independent	60,000	NIL	0.17:1	
6.	Mr. Subhendu Chakraborty, CS	2,53,336	NIL	0.70:1	
7.	Mr. P Bysack, CFO	15,10,536	NIL	4.22:1	

#### Note:

- Calculation of median is taken on the figures as at the end of Financial Year.
- The Median Remuneration of Employees as on March 31, 2017 was Rs. 357120 and as on March 31, 2016 was Rs 360699.
  - The percentage decrease in the median remuneration of employees was 0.99 % during the financial year.
  - There were 258 permanent employees on the rolls of Company as on March 31, 2017.
  - The Company has earned a profit after tax during the financial year 2016-17 amounting of Rs. 273.30 Lacs compared to a loss of Rs 5.33 Lacs during the financial year 2015-16.
  - Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 10.55 % whereas the average percentage increase made in the salaries of managerial personnel is NIL. Further there was no exceptional increase in the salary during the Financial Year ended 31.03.2017 as compared above.
  - 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.
  - Information on employees' particulars as on 31st March, 2017 as per Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014 as amended in provided hereunder. Particulars of the same shall also be made available to any shareholder on a specific request made by him/her in writing before the date of this Annual General Meeting. In case of request received even after the date of completion of Annual General Meeting, such particulars shall also be made available to the Shareholders.

## Annexure to Directors' Report (Contd.)

Sl. No.	Name of Employee (Mr.)	Designation of Employee	Remuneration Received (CTC p.a.) (In Rs.)	Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause(iii) of sub-rule(2)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Jayant Kumar	GM(O)	25,87,716	Permanent	B.Tech – Mech, MBA – Marketing 26 yrs. Exp.	26.08.1991	53	NA	NA	NA
2	Piyush Bysack	CFO	15,10,536	Permanent	B.Com, CA – Inter 20 yrs. Exp.	01.02.2011	47	Sahara India	NA	NA
3	Aavimash Nimckar	Zonal Head - West	13,38,696	Permanent	BE- Mech 19 yrs. Exp.	28.09.2012	45	Spraying Systems Pvt Ltd	NA	NA
4	S.M. Madan Kumar	Zonal Head - South	11,60,892	Permanent	DEE 25 yrs. Exp.	01.10.2007	54	Mersen India P. Ltd	NA	NA
5	Jyotirmaj Goswamy	Chief General Manager – Technology & Operations	14,61,600	Consultant	B.E chemical 37 yrs. Exp.	04/07/1973 & 01/04/2013	66	NA	0.007	NA
6	K.C. Joshi	Advisor- Accounts	15,14,400	Consultant	B.com,LLB, C.A (Inter) Group I 34 yrs. Exp.	01/06/1982 & 01/04/2014	62	NA	0.003	NA
7	Nilanjant Chaki	Dy. General Manager	14,34,012	Consultant	B.E in Industrial & Production 27 yrs. Exp.	04/08/2016	54	Mersen India P. Ltd	NA	NA
8	P. Ramalingeswara Rao	Manager – P&A	9,01,440	Permanent	B.Com, IRPM 19 yrs. Exp.	10/06/2010	44	JETL, Hyd	NA	NA
9	A.Shashidhar Raju	Manager - Production	8,75,592	Permanent	Tech – Mech 18 yrs. Exp.	05/12/2011	44	Rane Break Lines	NA	NA
10	Bikramjit Goswamy	Manager – IT & Production Planning and Coordination	7,84,308	Permanent	B.sc, GNIIT 16 yrs. Exp.	01/03/2001	44	NA	0.001	NA

## Management Discussion and Analysis Report

### INDUSTRY STRUCTURE & DEVELOPMENT

Your Company is engaged in the manufacturing of Electrical and Mechanical Carbon Materials and the product range includes various kinds of Carbon and Metal Graphite Blocks, Carbon Brushes, Mechanical and Special Carbon Components and Current Collectors for Railway network, underground Railways and other industrial applications.

Electrical motors are an integral part of the machinery and electrical brushes transfer the electricity from outside the motor to the spinning winding in the center of the motor. On the other hand Mechanical Carbon products are suitable for high temperature, lubrication, chemical inertness, dimensional stability / impermeability and the product range includes Radial Bearings, Thrust Bearings, Mechanical Seals, Piston Rings, Packing and Vanes. Another major product range represents the Electric Current Collectors which are used by Electric Locomotives to carry electrical power from overhead lines used on intercity rail network or electrical third rails to the electrical equipment of the vehicles, used for the Metro/ underground rail network within the cities.

Industry Growth Rate in India has been registering a steady growth over the past few years. This has given a major boost to the Indian economy. The government of India is expected to make efforts to boost the industrial sector in the country. India's manufacturing sector has the potential to touch US\$ 1 trillion by 2025, thus India has become one of the most attractive destinations for investments in the manufacturing sector. Business conditions in the Indian manufacturing sector continue to remain positive and your Company is expected to take the benefit of such growth.

Major thrust has been announced and work commenced towards rapid modernization/ electrification of the Railways which is great news for the Company.

### OPPORTUNITIES & THREATS

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

#### Opportunities

The Company's product range includes Electrical Carbon Materials, Mechanical Carbon Materials and Current Collectors.

With the ongoing progress of a new Dedicated Freight Corridor (DFC) by Indian Railways covering about 3300 route km long two routes - the Eastern Corridor and the Western Corridor, as well as the rapid setting up and expansion of Metro Railways all over India, there will be a massive requirement for Electrical Brushes and Current Collectors.

With a booming economy, rapidly increasing industrialization as well as expansion of Metro Railways all over India there is a major surge in the demand for Mechanical Components across all the Sectors, especially for Radial Bearings which is a fast growing sector with Energy efficient five star rated pumps all requiring Carbon materials.

#### Threats

1. Dumping of cheap material from China as well as Europe.
2. Conversion of DC motor to brushless AC motor in Locomotives and Power plants.
3. Price war for tender business.

### SEGMENT-WISE/PRODUCT-WISE PERFORMANCE

Company has achieved a gross revenue from operation amounting to Rs.39.06 Crore as against Rs.37.04 Crore in the last financial year, an increase of 5.45% as compared to the previous financial year.

Sale of Electrical Carbon Brush has increased by 9.80%, while Mechanical segment witnessed a decrease of 3.68% compared to previous year. Further, export sales were higher by 0.95%.

Performance of the Company has witnessed a turnaround due to the cost saving and operational efficiency measures initiated by the management as well as rationalization of sales price, strict control on credit sales and staying away from loss making accounts.

### OUTLOOK

The outlook for the Company continues to be optimistic based on the growth in the demand for company's products. The Company has already upgraded and modernized its plants. The Company is also exploring new growth opportunities as well

## Management Discussion and Analysis Report (Contd.)

as optimum utilization of its available resources, as well as constantly working towards improved productivity through further upgradation of Plant & Machinery where required, training of workmen, etc.

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

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

### RISKS & CONCERNS

Unforeseen/unmitigated technology obsolescence, the emergence of competing technologies would impact the Company's business and its ability to deliver on its strategic goals.

The advanced technological nature of the Company requires people with highly differentiated skill sets. Any inability to recruit, retain and develop the right people would impact the Company's ability to achieve its strategic goals.

Supplying into critical applications, the quality of the Company's contracts must match the quality and nature of its products. Ineffective contract risk management could result in significant liabilities for the Company and damage customer relationships.

### INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

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

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

### FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Company has achieved gross revenue from operation amounting of Rs.39.06 Crore as against Rs.37.04 Crore in the last financial year, a increase of 5.45 % as compared to the previous financial year.

During the year the Company has earned a profit of Rs. 273.30 Lac as compared to loss incurred in the last year of Rs.5.33 Lac. Despite several challenging issue faced by your Company like Poor Capacity utilization, global economic slowdown, Foreign exchange price risk, cut throat internal competition due to dumping from China and reduction in the prices due to price war; your Company has been able to convert the earlier year loss into profit during the current financial 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 upgradation of job knowledge and other related skills amongst its employees.

The Company was compelled to declare a lock-out at its Patancheru Factory for the period from 5 December 2016 to 11 January 2017 due to lighting strike by the workmen. The Company on the principal of 'No Work No Pay' has neither ascertained nor made any provision for payment of wages and other employee benefits for the period of lockout.

The total number of people employed in the organization as on 31.03.2017 was 258 as compared to 280 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.*

## Independent Auditor's Report

To the Members of  
**Assam Carbon Products Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of Assam Carbon Products Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the 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 thereunder.

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.

### Basis for Qualified Opinion

- a) We draw attention to Note 24 (ii) to the financial statements wherein it is stated that the Company has not established a provision for employee wages and benefits for the lock out period at the Company's Guwahati Factory from 7 December 2010 to 8 March 2012 on the principle of 'No Work No Pay'. The matter is currently pending with the labour commissioner and hence the impact, if any, in terms of provision of employee wages and employee benefits and its resultant impact on profit for the year ended 31 March 2017, reserves and surplus and current liabilities, cannot currently be determined.

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion Paragraph, 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 of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

## Independent Auditor's Report (Contd.)

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") as amended 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.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and, except for the possible effects of the matter described in paragraph (a) in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) Except for the possible effects of the matter described in paragraph (a) in the Basis for Qualified Opinion paragraph, 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, 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) Except for the possible effects of the matter described in paragraph (a) in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014.
  - (e) The following matters, in our opinion, may have an adverse effect on the functioning of the Company:
    - i. Non-provisioning of the employee wages and benefits as described in paragraph (a) in the Basis for qualified opinion paragraph.
  - (f) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) 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".
  - (h) 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 and Note 25 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 40.

for **D.Basu & Company**  
Chartered Accountants  
Firm's Registration No.: 301111E

**[Malay Bhaduri]**  
Partner  
Membership No : 012724

Place: Kolkata  
Date : 10th May 2017

## Annexure A to the Independent Auditor's Report

(Referred to in our report of even date)

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of two years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory, except for goods in transit has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanation given to us and based on our examination of the records of the company, 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 section 189 of the Act. Accordingly, paragraphs 3(iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanation given to us and based on our examination of the records of the company, the Company advanced a sum of Rs.653 thousands to one of its directors during the financial year ended 31 March 2015, which was in contravention of Section 185 of the Companies Act, 2013. The advance was recovered through account payee cheques during the current year and there is no outstanding balance stands as at 31 March 2017.
- (v) The Company has not accepted any deposits during the year as per the directives issued by the Reserve Bank of India under the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraphs 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for any of the products manufactured by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, custom duty, excise duty, value added tax which have not been deposited with the appropriate authorities on account of any dispute except the following:

Name of the Statute	Nature of the dues	Amount in Rs. Thousands	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales tax	6,399	2011-12 & 2012-13	Appellate Deputy Commissioner of Commercial Taxes, Secunderabad Division

## **Annexure A to the Independent Auditor's Report (Contd.)**

- (viii) In our opinion and according to the information and explanation given to us, the Company did not have any outstanding debentures during the year. The company has not defaulted in repayment of loans or borrowings to any financial institution, bank and government authorities. Accordingly, paragraphs 3(viii) of the Order is not applicable.
- (ix) The Company did not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraphs 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given 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.
- (xi) The Company has paid managerial remuneration during the year which is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraphs 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraphs 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **D.Basu & Company**  
*Chartered Accountants*  
Firm's Registration No.: 301111E

**[Malay Bhaduri]**  
*Partner*  
Membership No : 012724

Place: Kolkata  
Date : 10th May 2017

## Annexure B to the Independent Auditor's Report

### Annexure - B to the Independent Auditors' Report of even date on the financial statements of Assam Carbon Products Limited

#### 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 Assam Carbon Products Limited ("the Company") as of 31 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 on 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 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 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.

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 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 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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 31 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 **D.Basu & Company**  
Chartered Accountants  
Firm's Registration No.: 301111E  
**[Malay Bhaduri]**  
Partner  
Membership No : 012724

Place: Kolkata  
Date : 10th May 2017

## Balance Sheet as at 31 March, 2017

Amount in Rs. thousands

	Note	31 March 2017	31 March 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	27,556	27,556
Reserves and surplus	3	2,972	(24,358)
		<b>30,528</b>	3,198
<b>Non-current liabilities</b>			
Long-term borrowings	4	304	470
Long-term provisions	5	23,827	26,180
		<b>24,131</b>	26,650
<b>Current liabilities</b>			
Short-term borrowing	6	-	1,00,420
Trade payables			
Total outstanding dues of creditors other than micro enterprises and small enterprises	7	32,991	1,49,108
Total outstanding dues of micro enterprises and small enterprises	7	2,283	2,349
Other current liabilities	8	2,44,449	32,989
Short-term provisions	5	20,220	17,482
		<b>2,99,943</b>	3,02,348
<b>TOTAL</b>		<b>3,54,602</b>	3,32,196
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible fixed assets	9	1,13,984	80,319
Intangible fixed assets	9	1,060	1,767
Capital work-in-progress	9	495	61
Non-current investments	10	92	5
Long-term loans and advances	11	5,076	5,454
Other non-current assets	12	440	323
		<b>1,21,147</b>	87,929
<b>Current assets</b>			
Inventories	13	92,777	78,626
Trade receivables	14	1,02,425	1,36,050
Cash and bank balances	15	24,173	18,012
Short-term loans and advances	11	12,874	10,188
Other current assets	12	1,206	1,391
		<b>2,33,455</b>	2,44,267
<b>TOTAL</b>		<b>3,54,602</b>	3,32,196

**Significant accounting policies** 1  
The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **D. Basu & Company**  
Chartered Accountants  
Firm Registration No.: 301111E

**Malay Bhaduri**  
Partner  
Membership No.: 012724  
Place: Kolkata  
Date: 10.05.2017

For and on behalf of the Board of Directors of  
**Assam Carbon Products Limited**

**Rakesh Himatsingka**  
Chairman  
(DIN : 00632156)  
**Subhendu Chakraborty**  
Company Secretary

**K. K. Bhattacharya**  
Managing Director  
(DIN : 07011241)  
**Pijush Bysack**  
Chief Financial Officer

**S. K. Lhila**  
Director  
(DIN : 01383460)

## Statement of Profit and Loss for the year ended 31 March, 2017

Amount in Rs. thousands

	Note	31 March 2017	31 March 2016
<b>Revenue</b>			
Revenue from operations	16	3,90,602	3,70,411
Less: Excise duty		42,103	33,968
[Net of excise duty refund <b>Rs. NIL</b> (previous year Rs.6,112)]		3,48,499	3,36,443
Other income	17	2,082	1,220
<b>Total revenue</b>		<b>3,50,581</b>	<b>3,37,663</b>
<b>Expenses</b>			
Cost of materials consumed	18	85,143	84,271
Purchase of stock in trade	19	1,450	1,997
Changes in inventories of finished goods, work in progress and stock in trade	20	(7,132)	5,903
Employee benefits	21	1,11,792	1,17,604
Depreciation and amortisation	9	12,336	16,541
Other expenses	22	1,19,588	1,11,801
Finance cost	23	74	79
<b>Total</b>		<b>3,23,251</b>	<b>3,38,196</b>
<b>Profit / (Loss) for the year</b>		<b>27,330</b>	<b>(533)</b>
<b>Earnings per share</b>	29		
[nominal value of share <b>Rs 10</b> (previous year Rs 10)]			
Basic & Diluted		9.92	(0.19)

**Significant accounting policies** 1  
 The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **D. Basu & Company**  
 Chartered Accountants  
 Firm Registration No.: 301111E

**Malay Bhaduri**  
 Partner  
 Membership No.: 012724

Place: Kolkata  
 Date: 10.05.2017

For and on behalf of the Board of Directors of  
**Assam Carbon Products Limited**

**Rakesh Himatsingka**  
 Chairman  
 (DIN : 00632156)

**Subhendu Chakraborty**  
 Company Secretary

**K. K. Bhattacharya**  
 Managing Director  
 (DIN : 07011241)

**Pijush Bysack**  
 Chief Financial Officer

**S. K. Lhila**  
 Director  
 (DIN : 01383460)

## Cash Flow Statement for the year ended 31 March 2017

Amount in Rs. thousands

	31 March 2017		31 March 2016	
<b>A. Cash flow from operating activities</b>				
Profit/ (Loss) before tax		27,330		(533)
Adjusted for :				
Depreciation and amortisation	12,336		16,541	
Provision for doubtful receivables	2,441		3,963	
Advances written off	166		52	
Finance cost	74		79	
Interest income	(759)		(150)	
Subjudice Part Refund of Excise Duty	15,829		-	
Provisions and Liabilities no longer required written back	(385)		(519)	
Unrealised foreign exchange loss / (gain) (net)	1,834		2,909	
Loss/ (profit) on sale / discard of fixed asset	7		5,176	
		31,543		28,051
Operating cash flow before working capital changes		58,873		27,518
Changes in :				
Trade receivables, loans and advances and other current assets	28,661		(13,395)	
Inventories	(14,151)		2,849	
Trade payable, provisions and other liabilities	80,944	95,454	(4,049)	(14,595)
Net Cash provided by/ (used in) operating activities		1,54,327		12,923
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets (including net movement in capital WIP)		(47,973)		(2,383)
Interest received		393		150
Bank deposits (having maturity of more than 3 months)		-		-
Proceeds from disposal of fixed assets		74		15
Net cash provided by/ (used in) investing activities		(47,506)		(2,218)
<b>C. Cash flow from financing activities</b>				
Proceeds from borrowings		(1,00,586)		-148
Finance cost paid		-74		-79
Net cash provided by/ (used in) financing activities		-1,00,660		-227
<b>Net increase in cash and cash equivalents (A+B+C)</b>		6,161		10,478
Cash and cash equivalents - opening balance		18,012		7,534
Cash and cash equivalents - closing balance		24,173		18,012
		6,161		10,478
<b>Cash and cash equivalents as at the year end comprises of:</b>				
Cash on hand		138		77
Balances with banks				
- on current accounts		16,669		17,935
- on fixed deposits		7,366		-
		24,173		18,012

As per our report of even date attached

For **D. Basu & Company**  
Chartered Accountants  
Firm Registration No.: 301111E

**Malay Bhaduri**  
Partner  
Membership No.: 012724

Place: Kolkata  
Date: 10.05.2017

For and on behalf of the Board of Directors of  
**Assam Carbon Products Limited**

**Rakesh Himatsingka**  
Chairman  
(DIN : 00632156)  
**Subhendu Chakraborty**  
Company Secretary

**K. K. Bhattacharya**  
Managing Director  
(DIN : 07011241)  
**Pijush Bysack**  
Chief Financial Officer

**S. K. Lhila**  
Director  
(DIN : 01383460)

## Notes to Financial Statements for the year ended 31 March 2017

### Background

Assam Carbon Products Limited is a public company. It is incorporated under the Companies Act, 1956 and its shares are listed on the Calcutta Stock Exchange Limited. The Company is primarily engaged in manufacture of carbon products.

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### i. Basis of preparation of financial statements

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013 and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest thousands.

#### ii. Use of estimates

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

#### iii. Current – non current classification

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

All assets and liabilities are classified into current and non-current.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

#### iv. Fixed assets

Fixed assets are stated at cost of acquisition (net of CENVAT) less accumulated depreciation. Cost of acquisition

## Notes to Financial Statements for the year ended 31 March 2017 (Contd.)

includes taxes, duties, freight and other costs that are directly attributable to bringing assets to their working condition for their intended use.

Spares that can be used only with particular items of plant and machinery and such usage is expected to be irregular are capitalised.

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

### v. Depreciation / amortisation

Tangible fixed assets

Depreciation on tangible fixed assets is provided under straight line method over useful lives of fixed assets, as estimated by the management. Useful lives so estimated are in line with the useful lives indicated by Schedule II to the Companies Act, 2013. 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 6 years.

### vi. Impairment

The carrying amounts of fixed assets and capital work in progress are reviewed at each balance sheet date in accordance with Accounting Standard 28 on 'Impairment of Assets', to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts of assets are estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or the cash generating unit of which it is a part, exceeds the corresponding recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

### vii. Investments

Long term investments are stated at cost less amount written off, where there is a diminution in value, other than temporary.

Current investments are stated at lower of cost and fair value.

### viii. Inventories

Raw materials, stores and spare parts are valued at the lower of cost and net realizable value. Cost includes purchase price, duties and taxes, freight and other expenditure incurred in bringing such inventories to their present location and condition. In determining cost, weighted average method is used. The carrying costs of raw materials, stores and spare parts are appropriately written down when there is a decline in replacement cost of such materials and the finished products, in which they will be incorporated, are expected to be sold below cost.

Work in progress and finished goods are valued at the lower of cost and net realisable value. Cost comprises of direct material, labour expenses and an appropriate portion of production overheads incurred in bringing the inventory to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of the production facilities. In determining cost, weighted average method is used.

Traded finished goods are valued at the lower of cost and net realisable value.

Excise duty liability is included in the value of closing inventory of finished goods

### ix. 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.

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.

## Notes to Financial Statements for the year ended 31 March 2017 (Contd.)

### x. 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 attaching 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. Where the grant or subsidy relates to depreciable assets, grants are treated as deferred income which is recognised in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged.

### xi. Foreign exchange transactions

Foreign exchange transactions are recorded in the books of the Company at the exchange rate prevailing on the dates of the transactions. Year-end monetary assets and liabilities denominated in foreign currencies are translated at the year-end foreign exchange rates.

Exchange differences arising on settlements/ year-end translations are recognised in the Statement of Profit and Loss for the year.

### xii. Employee 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 Life Insurance Corporation of India ('LIC'). 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 LIC on the basis of annual demand received from them. The Company recognizes all actuarial gains and losses in the Statement of Profit and Loss.

#### Other long term benefits

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

#### Termination benefits

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

### xiii. Income taxes

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can

## Notes to Financial Statements for the year ended 31 March 2017 (Contd.)

be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

#### xiv. Provisions 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.

#### xv. Operating leases

Lease payments under operating lease arrangements are recognised as expense in the Statement of Profit and Loss on a straight line basis over the period of the lease.

#### xvi. Earnings 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.

2	SHARE CAPITAL		Amount in Rs. thousands	
	31st March 2017		31st March 2016	
	Number of shares	Amount	Number of shares	Amount
<b>Share capital</b>				
Authorised shares				
Equity shares of Rs. 10 each	98,00,000	98,000	98,00,000	98,000
Cumulative convertible preference shares of Rs. 100 each fully paid up	20,000	2,000	20,000	2,000
	98,20,000	1,00,000	98,20,000	1,00,000
Issued, subscribed and fully paid up equity shares of Rs.10 each	27,55,600	27,556	27,55,600	27,556
<b>Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>				
Equity shares of Rs. 10 each fully paid up				
At the commencement and at the end of the year	27,55,600	27,556	27,55,600	27,556

#### Terms attached to equity shares

Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders. The dividend proposed by the Board of Directors are subject to the approval of the shareholders in the ensuing Annual General Meeting.

#### Terms attached to preference shares

Preference shares of both classes carry a preferential right as to dividend over equity shareholders. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the company directly affecting their rights. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

## Notes to Financial Statements for the year ended 31 March 2017 (Contd.)

Amount in Rs. thousands

### 2 SHARE CAPITAL (Contd.)

#### Shares held by holding / ultimate holding company and/or their subsidiaries

	31st March 2017		31st March 2016	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each fully paid up held by:				
Morgan Advanced Materials Plc, holding Company (earlier known as Morgan Crucible Co Plc.)	-	-	7,92,927	7,929

#### Particulars of shareholders holding more than 5% shares of the Company

	31st March 2017		31st March 2016	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of Rs. 10 each fully paid up held by				
Mr. Rakesh Himatsingka	7,96,452	29%	400	1%
Mr. S V Himatsingka	8,87,823	32%	2,30,750	8%
Mrs. Anita Himatsingka	2,75,025	10%	2,75,025	10%
Morgan Advanced Materials Plc, holding Company	-	-	7,92,927	29%
Mr. Prabhat C Goenka	-	-	6,62,375	24%

- Mr. Rakesh Himatsingka (Acquirer 1), Mr. Shaurya Veer Himatsingka (Acquirer 2), Mrs. Anita Himatsingka (PAC1) and Ms. Mallika Himatsingka (PAC2) have complied with all the formalities in respect of an Open Offer to the shareholders of the Company for acquisition of 708045 fully paid up equity shares of Rs.10/- each representing 25.69% of the total equity and voting share capital of the Company at a price of Rs.5/- per equity share [Actually acquired 3125 equity shares representing 0.11% of the total equity and voting share capital of the Company] in compliance with the Securities and Exchange Boards of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- The Company has also received disclosures from the above Acquirers on 13th April, 2016 under regulation 29(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 for acquisition of 1,450,000 equity shares through off-market purchase pursuant to Share Purchase agreements dated 12th April, 2016.

### 3 RESERVES AND SURPLUS

	31st March 2017	31st March 2016
<b>Capital reserve</b>		
At the commencement and at the end of the year	3,606	3,606
<b>Capital redemption reserve</b>		
At the commencement and at the end of the year	2,244	2,244
<b>General reserve</b>		
At the commencement of the year	4,144	4,144
<b>Surplus/(Deficit) [profit and loss balance]</b>		
At the commencement of the year	(34,352)	(33,819)
<b>Add: Profit/(loss) for the year</b>	27,330	(533)
At the end of the year	(7,022)	(34,352)
<b>Total</b>	2,972	(24,358)

### 4 LONG-TERM BORROWINGS

	Non-current portion		Current portion*	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Vehicle loan (secured)	304	470	166	148
	304	470	166	148

\* Amount disclosed under "other current liabilities"

The loan balance is repayable along with interest through equated monthly instalments as stipulated by the lender

The loan carries an interest rate of 11.50% and is secured against hypothecation of assets acquired from the proceeds of such loan.

## Notes to Financial Statements for the year ended 31 March 2017 (Contd.)

Amount in Rs. thousands

### 5 PROVISIONS

	Long-term		Short-term	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Provision for employee benefits				
Gratuity (refer note 31)	16,450	18,450	7,100	4,025
Compensated absences	7,377	7,730	597	573
Provision for contingencies	-	-	10,000	10,000
Provision for warranties	-	-	2,523	2,884
	23,827	26,180	20,220	17,482
<b>Movement of provisions</b>	<b>Provision for contingencies</b>	Provision for warranties		
Balance as at 1 April 2016	10,000	2,884		
	(10,000)	(3,612)		
Add: Provision during the year	-	-		
	(-)	(-)		
Less: Utilised during the year	-	361		
	(-)	(728)		
Less: Reversed during the year	-	-		
	(-)	(-)		
Balance as at 31 March 2017	10,000	2,523		
	(10,000)	(2,884)		

(previous year figures are in bracket)

#### a) Provision for contingencies

The Company had entered into a memorandum of settlement with workers of Guwahati factory in the earlier years pursuant to which the Company had agreed to pay a certain amount to workers on achievement of desired productivity norms. Based on the agreement and as estimated by the management, the Company has set aside Rs. 10,000 as provision for future contingencies on account of various personnel costs which may result in possible outflow of resources.

#### b) Provision for warranties

Cost of free replacement of materials was provided in the earlier years based on the estimate of total costs to be incurred with respect to free replacement of defective materials sold to various customers. The closing balance of provision represents the probable replacement due at a future date.

### 6 SHORT-TERM BORROWINGS

	Secured/ unsecured	31 March 2017	31 March 2016
Loans repayable on demand			
From related parties			
Morgan Advanced Materials Plc	Unsecured	-	1,00,420
		-	1,00,420

## Notes to Financial Statements for the year ended 31 March 2017 (Contd.)

Amount in Rs. thousands

<b>7 TRADE PAYABLES</b>		
	31st March 2017	31st March 2016
Trade payables		
Total outstanding dues of creditors other than micro enterprises and small enterprises	<b>32,991</b>	1,49,108
Total outstanding dues of micro enterprises and small enterprises (*)	<b>2,283</b>	2,349
	<b>35,274</b>	1,51,457
Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprise Development Act, 2006 (MSMED):		
<b>Particulars</b>		
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	<b>2,106</b>	2,172
- Interest	<b>177</b>	177
The amount of interest paid by the buyer as per the MSMED	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	<b>177</b>	177
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED	<b>177</b>	177

(\*) The amount includes a Principal amount of Rs. 1760 and interest of Rs. 177 which is subjudice and pending for disposal before West Bengal State Micro Small Enterprises Facilitation Council.

<b>8 OTHER CURRENT LIABILITIES</b>		
	31st March 2017	31st March 2016
Current maturities of long term borrowings	<b>166</b>	148
Creditor for capital goods	<b>3,062</b>	5,165
Advance from customer	<b>5,667</b>	4,271
Payable under Assignment Agreement	<b>1,98,690</b>	-
Subjudice Part Refund of Excise Incentive against furnishing Solvent Surety	<b>15,829</b>	-
Statutory dues payable	<b>5,895</b>	5,152
Employee liabilities	<b>15,140</b>	18,253
	<b>2,44,449</b>	32,989

<b>9 TANGIBLE FIXED ASSETS</b>							
	Freehold Land	Buildings	Plant and Machineries	Furniture & Fittings	Office Equipments	Vehicles	Total
Gross Block							
Balance as at 1 April 2015	1,853	34,252	2,39,258	4,292	16,224	4,681	3,00,560
Additions	-	-	2,803	-	180	-	2,983
Disposals	-	-	21,449	28	-	-	21,477
Balance as at 31 March 2016	1,853	34,252	2,20,612	4,264	16,404	4,681	2,82,066
<b>Balance as at 1 April 2016</b>	<b>1,853</b>	<b>34,252</b>	<b>2,20,612</b>	<b>4,264</b>	<b>16,404</b>	<b>4,681</b>	<b>2,82,066</b>
Additions	-	-	44,903	-	27	445	45,375
Disposals	-	-	173	-	208	-	381
<b>Balance as at 31 March 2017</b>	<b>1,853</b>	<b>34,252</b>	<b>2,65,342</b>	<b>4,264</b>	<b>16,223</b>	<b>5,126</b>	<b>3,27,060</b>
Depreciation							
Balance as at 1 April 2015	-	20,994	1,61,442	3,636	14,074	2,321	2,02,467
Depreciation for the Year	-	655	13,731	89	705	386	15,566
Accumulated depreciation on Disposals	-	-	16,279	7	-	-	16,286
Balance as at 31 March 2016	-	21,649	1,58,894	3,718	14,779	2,707	2,01,747

## Notes to Financial Statements for the year ended 31 March 2017 (Contd.)

Amount in Rs. thousands

### 9 TANGIBLE FIXED ASSETS (Contd.)

	Freehold Land	Buildings	Plant and Machineries	Furniture & Fittings	Office Equipments	Vehicles	Total
<b>Balance as at 1 April 2016</b>	-	21,649	1,58,894	3,718	14,779	2,707	2,01,747
<b>Depreciation for the Year</b>	-	607	10,145	36	450	391	11,629
Accumulated depreciation on Disposals	-	-	101	-	199	-	300
<b>Balance as at 31 March 2017</b>	-	22,256	1,68,938	3,754	15,030	3,098	2,13,076
Net Block							
<b>As at 31 March 2016</b>	1,853	12,603	61,718	546	1,625	1,974	80,319
<b>As at 31 March 2017</b>	1,853	11,996	96,404	510	1,193	2,028	1,13,984

### 9 INTANGIBLE FIXED ASSETS

	Computer Software
<b>Gross Block</b>	
Balance as at 1 April 2015	6,297
Additions	-
Balance as at 31 March 2016	6,297
<b>Balance as at 1 April 2016</b>	6,297
Additions	-
<b>Balance as at 31 March 2017</b>	6,297
<b>Amortisation</b>	
Balance as at 1 April 2015	3,555
Amortisation for the year	975
<b>Balance as at 31 March 2016</b>	4,530
Balance as at 1 April 2016	4,530
Amortisation for the year	707
<b>Balance as at 31 March 2017</b>	5,237
Net Block	
<b>As at 31 March 2016</b>	1,767
<b>As at 31 March 2017</b>	1,060
Capital work-in-progress	
Balance as at 1 April 2015	-
Addition	61
Capitalised/discarded during the year	-
<b>Balance as at 31 March 2016</b>	61
<b>Balance as at 1 April 2016</b>	61
Addition	495
Capitalised/discarded during the year	61
<b>Balance as at 31 March 2017</b>	495

### 10 NON-CURRENT INVESTMENT (valued at cost unless otherwise stated)

	31st March 2017	31st March 2016
Non-trade investment		
Un-Quoted equity shares		
500 (previous year 500) equity shares of Rs.10 each fully paid up in Assam Petrochemicals Limited	5	5
Mutual Fund		
ICICI Equity Arbitrage Fund	87	-
	92	5

**Notes to Financial Statements for the year ended 31 March 2017 (Contd.)**

Amount in Rs. thousands

**11 LOANS AND ADVANCES**

	Long-term		Short-term	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
To parties other than related parties				
Security deposits				
Unsecured, considered good	4,912	5,166	2,083	2,116
	4,912	5,166	2,083	2,116
Other loans and advances				
Unsecured considered good, unless otherwise stated				
Advances to employees and directors*	-	-	1,390	1,977
Balance with excise and sale tax authorities	-	-	3,235	2,242
Prepaid expenses	-	-	1,813	1,454
Advance income-tax	164	288	-	-
Advances recoverable in cash or in kind or for value to be received				
- Considered good	-	-	4,353	2,399
- Considered doubtful	-	-	1,371	1,371
	164	288	12,162	9,443
Less: Provision for doubtful advances	-	-	1,371	1,371
	164	288	10,791	8,072
	5,076	5,454	12,874	10,188

\* includes advances to directors aggregating to Rs. NIL (previous year Rs. 653)

**12 OTHER ASSETS**

	Non-current		Current	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Unsecured considered good, unless otherwise stated				
Interest accrued on bank deposits	123	105	21	-
Others receivable	-	-	721	1,223
Bank deposits due to mature after 12 months from the reporting date (Refer note 15) - Held as margin money	317	218	464	168
	440	323	1,206	1,391

**13 INVENTORIES (Valued at lower of cost and net realizable value)**

	31st March 2017	31st March 2016
Raw materials [including in transit Rs. 4,111 (previous year Rs. 4,178)]	29,996	24,300
Stores and spares parts	6,550	5,227
Work-in-progress	47,046	41,788
Finished goods		
- Manufactured	8,655	6,760
- Traded	530	551
	92,777	78,626

## Notes to Financial Statements for the year ended 31 March 2017 (Contd.)

Amount in Rs. thousands

<b>14 TRADE RECEIVABLES</b>		
	31st March 2017	31st March 2016
Receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	4,751	35,032
Unsecured, considered doubtful	66,677	64,236
	71,428	99,268
Less: Provision for doubtful receivables	66,677	64,236
	4,751	35,032
Other receivables		
Unsecured, considered good	97,674	1,01,018
	97,674	1,01,018
	1,02,425	1,36,050
<b>15 CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Balance with banks:		
Current accounts	16,669	17,935
In Fixed Deposits	7,366	-
Cash on hand	138	77
	24,173	18,012
<b>Details of deposits</b>		
Bank deposits due to mature within 12 months of the reporting date included under	464	168
'Other bank balances'		
<b>16 REVENUE FROM OPERATIONS</b>		
<b>Sale of products</b>		
Own manufactured	3,85,929	3,64,680
Traded	3,022	4,332
Sale of products (gross)*	3,88,951	3,69,012
Less : excise duty [net of excise duty refund Rs. NIL (previous year Rs.6,112)]	42,103	33,968
	3,46,848	3,35,044
Other operating income		
Scrap sales	1,651	1,399
<b>Total</b>	3,48,499	3,36,443
(*) Sale of products		
<b>Manufactured</b>		
EG, HC, NG and RB carbon blocks	45,048	35,720
MG and SG carbon blocks	8,343	8,220
Electrical carbon brushes	2,06,380	1,87,956
Mechanical and Special Carbon components	1,09,442	1,13,631
ISO Graphite components	15,946	16,450
Others	770	2,703
	3,85,929	3,64,680
<b>Traded</b>		
Carbon Brushes	3,012	4,332
Commutator Maintenance Accessories	10	-
	3,022	4,332

## Notes to Financial Statements for the year ended 31 March 2017 (Contd.)

Amount in Rs. thousands

<b>17 OTHER INCOME</b>		
	31st March 2017	31st March 2016
Interest income	759	150
Provision and liabilities no longer required written back	385	519
Profit on sale / discard of fixed assets	7	-
Miscellaneous income	931	551
	<b>2,082</b>	<b>1,220</b>

<b>18 COST OF MATERIALS CONSUMED</b>		
Opening Stock	84,271	21,902
Add : Purchases	30,868	86,669
	<b>1,15,139</b>	<b>1,08,571</b>
Less : Closing Stock	29,996	24,300
	<b>85,143</b>	<b>84,271</b>
<b>Break up of cost of material consumed</b>		
Lamp black, carbon black, coke, natural & synthetic graphite, pitch etc	24,733	20,730
Non ferrous metals, copper sheets, brass sheets, flexible wires, tubes etc	19,909	19,487
Copper sheets, brass sheets, flexible wires, tubes, rods etc	10,578	10,710
Carbon brush components	8,322	8,460
ISO graphite & carbon blocks, blanks etc	17,310	21,429
Others	4,291	3,455
	<b>85,143</b>	<b>84,271</b>
<b>Breakup of inventory - materials</b>		
Lamp black, carbon black, coke, natural & synthetic graphite, pitch etc	7,879	9,199
Non ferrous metals, copper sheets, brass sheets, flexible wires, tubes etc	3,162	2,136
Copper sheets, brass sheets, flexible wires, tubes, rods etc	4,165	3,941
Carbon brush components	2,564	2,510
ISO graphite & carbon blocks, blanks etc	11,305	5,338
Others	921	1,176
	<b>29,996</b>	<b>24,300</b>

<b>19 PURCHASES OF STOCK IN TRADE</b>		
Carbon brushes	1,450	1,997
	<b>1,450</b>	<b>1,997</b>

<b>20 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE</b>		
	31st March 2017	31st March 2016
Opening inventory		
Work-in-progress	41,788	46,097
Finished goods		
- Manufactured	6,760	8,354
- Traded	551	551
	<b>49,099</b>	<b>55,002</b>

## Notes to Financial Statements for the year ended 31 March 2017 (Contd.)

Amount in Rs. thousands

### 20 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE (Contd.)

	31st March 2017	31st March 2016
Less :		
Closing inventory		
Work-in-progress	47,046	41,788
Finished goods		
- Manufactured	8,655	6,760
- Traded	530	551
<b>Net increase</b>	<b>(7,132)</b>	<b>5,903</b>

### 21 EMPLOYEE BENEFITS

Salaries, wages and bonus	88,057	93,216
Contribution to Provident and other funds	11,499	11,840
Workmen staff welfare expense	12,236	12,548
	<b>1,11,792</b>	<b>1,17,604</b>

### 22 OTHER EXPENSES

Stores and spares parts consumed	20,780	15,833
Power and fuel	46,104	40,124
Fabrication costs	9,860	9,207
Repairs to:		
- building	2,085	582
- plant and machinery	2,942	2,082
- others	1,169	1,308
Insurance	773	1,481
Rent (Refer note 30)	1,044	1,524
Commission - others	1,400	1,344
Packing and freight	4,187	3,999
Travelling expenses	8,897	6,503
Provision for doubtful trade receivables	2,441	3,963
Advances written off	166	52
Rates and taxes	1,110	998
Legal and professional fees	5,015	3,453
Auditors' remuneration (refer note 37)	517	697
Non executive directors' fees	190	1,350
Loss on sale / discard of fixed assets	-	5,176
Loss on foreign exchange fluctuations (net)	1,834	2,909
Excise duty related to increase / decrease in inventory of finished goods	206	(1,175)
Postage and telephone	1,185	1,544
Security charges	2,619	2,703
Bank charges	256	512
Miscellaneous expenses	4,808	5,632
	<b>1,19,588</b>	<b>1,11,801</b>

### 23 FINANCE COST

Interest on		
- Others	74	79
	<b>74</b>	<b>79</b>

## Notes to Financial Statements for the year ended 31 March 2017 (Contd.)

Amount in Rs. thousands

### 24 CAPITAL AND OTHER COMMITMENTS (to the extent not provided for)

(i) Estimated amount of contracts (net of advances) remaining to be executed on Capital account and not provided for	-	-
(ii) The issue of payment of back wages during the period of strike / lock-out at the Company's Guwahati Unit employees effective from 7 December 2010 to 8 March 2012 has been referred to appropriate authorities. However, the Company, on the principle of 'No Work No Pay', has neither ascertained nor made any provision for payment of such wages and other employee benefits for the period of strike and lock out. The labour matter is currently pending with the labour commissioner.		
(iii) The Company was compelled to declare a lock-out at its Patancheru Factory for the period from 5 December 2016 to 11 January 2017 due to lighting strike by the workmen. The Company on the principal of 'No Work No Pay' has neither ascertained nor made any provision for payment of wages and other employee benefits for the period of lockout.		

### 25 CONTINGENT LIABILITY NOT PROVIDED FOR

(i) Sales tax matters under appeal	6,399	5,657
(ii) Custom duty matter under appeal (*)	-	17,928

(\*) The company have received the Redemption Letter dated 30.01.17 from the Zonal Director General of Foreign Trade discharging the export obligation. Since the export obligation is redeemed, the contingent liability for custom duty ceased to exist.

**26** The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Section 92-92F of the Income - Tax Act, 1961. Since the law requires the existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of the International transactions entered into with the associated enterprises from 1 April 2016 to 31 March 2017 and expects such records to be in existence within the due date. The management is of the opinion that its international transaction are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

**27** The Company has not hedged the following foreign currency exposure as at the year end.

	GBP	Equivalent Rs.	Euro	Equivalent Rs.	US Dollar	Equivalent Rs.
Trade Payables	-	-	-	-	11	744
	[1,087]	[102,635]	[84]	[6,338]	[227]	[15,094]
Trade Receivables	-	-	-	-	-	-
	[318]	[30,055]	[-]	[-]	[11]	[727]
Other Receivable	13	1,045	-	-	-	-
	[-]	[-]	[-]	[-]	[-]	[-]

(Previous year figures are in brackets)

## Notes to Financial Statements for the year ended 31 March 2017 (Contd.)

Amount in Rs. thousands

<b>28 DEFERRED TAX</b>		
	<b>31st March 2017</b>	31st March 2016
<b>Deferred tax assets</b>		
Provision for doubtful receivables and advances	22,040	19,660
Provision for employee benefits	10,423	9,420
Provision for warranties	834	883
Carried forward tax losses	22,503	30,313
<b>Total</b>	<b>55,800</b>	60,276
<b>Deferred tax liabilities</b>		
Difference between written down value of fixed assets as per books of accounts and for tax purposes	6,211	9,889
<b>Total</b>	<b>6,211</b>	9,889
<b>Deferred tax asset / (liability) [net]</b>	<b>49,589</b>	50,387

Note: In view of absence of virtual certainty of realisation of deferred tax asset in the foreseeable future, deferred tax asset is not recognised in the financial statements.

<b>29 EARNINGS PER SHARE</b>		
	<b>31st March 2017</b>	31st March 2016
(a) Weighted average number of equity shares outstanding during the year	27,55,600	27,55,600
(b) Net profit / (loss) after tax attributable to equity shareholders (Rs. '000)	27,330	(533)
(c) Basic and diluted profit / (loss) per equity share of face value Rs. 10 (Rs.)	9.92	(0.19)

### **30 (a) Cancellable Operating Leases:**

The Company has taken various office and residential premises on operating lease arrangements. These agreements are for a period of 11 months to 3 years, cancellable during the life of the contract at the option of both the parties.

### **(b) Non- Cancellable Operating Leases:**

The Company acquired one vehicle under non-cancellable operating lease agreement. Future minimum lease payments outstanding as on 31 March 2017 are given below :

	<b>31st March 2017</b>	31st March 2016
Not later than one year	-	43
Later than one year but not later than five years	-	-
	-	43

(c) Minimum lease payment (under both cancellable and non cancellable leases) charged during the year to the Statement of Profit and Loss aggregated to Rs. 1,044 (Previous year Rs. 1,524).

## Notes to Financial Statements for the year ended 31 March 2017 (Contd.)

Amount in Rs. thousands

### 31 EMPLOYEE BENEFITS

Disclosures made in accordance with Accounting Standard 15 - Employee Benefits (AS 15) pertaining to defined benefit plans:

	31st March 2017 Gratuity Funded	31st March 2016 Gratuity Funded
<b>(i) Net Asset / (liability) recognised in Balance sheet as at the year end</b>		
Present value of defined obligation at year end	55,679	51,743
Fair value of plan assets at year end	32,129	29,268
Net Asset / (liability) recognised in the balance sheet	(23,550)	(22,475)
<b>(ii) Components of employer expense</b>		
Current service costs	2,508	2,604
Interest costs	3,793	3,827
Expected return on plan assets	(2,256)	(2,316)
Actuarial gain / loss recognised	(276)	330
Expense recognised in the statement of profit and loss	3,769	4,445
The gratuity expenses have been recognised in 'Contribution to Provident and other funds' under note 21		
<b>(iii) Change in defined benefit obligations :</b>		
Obligation at beginning of the year	51,743	50,684
Service cost	2,508	2,604
Interest cost	3,793	3,827
Actuarial gain / loss recognised	(38)	314
Benefits paid	(2,327)	(5,686)
<b>Defined benefit obligation at end of the year</b>	<b>55,679</b>	<b>51,743</b>
<b>(iv) Change in plan assets:</b>		
Fair value of plan assets at the beginning of the year	29,268	28,954
Expected return on plan assets	2,256	2,316
Employer's contribution	2,694	3,700
Benefit paid	(2,327)	(5,686)
Actuarial gain / (loss) recognised	238	(16)
<b>Fair value of plan assets at the end of the year</b>	<b>32,129</b>	<b>29,268</b>
<b>(v) Deficit</b>	<b>(23,550)</b>	<b>(22,475)</b>
<b>(vi) Actual return on plan assets:</b>	<b>2,494</b>	<b>2,300</b>
<b>(vii) Category of assets as at year end:</b>		
Invested in Life Insurance Corporation of India	32,129	29,268
<b>(viii) Assumptions:</b>		
Discount rate	7.50%	8.00%
Expected return on plan assets	7.71%	8.00%
Inflation rate	8.00%	8.00%

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors.

## Notes to Financial Statements for the year ended 31 March 2017 (Contd.)

Amount in Rs. thousands

Sl.	Particulars	2016-17 Gratuity Funded	2015-16 Gratuity Funded	2014-15 Gratuity Funded	2013-14 Gratuity Funded	2012-13 Gratuity Funded
(viii)	<b>Experience history</b>					
	Defined benefit obligation at the end of the year	55,679	51,743	50,684	45,780	46,349
	Plan assets at the end of the year	32,129	29,268	28,954	28,700	32,676
	Funded Status	(23,550)	(22,475)	(21,730)	(17,080)	(13,673)
	Experience gain/(loss) adjustment on plan liabilities	(38)	314	(1,971)	799	(3,125)
	Actuarial gain/(loss) due to change in assumption	(85)	(289)	(1,930)	(1,290)	(1,167)
	Experience gain/(loss) adjustment on plan assets	322	274	1,676	(1,001)	788
(ix)	Major category of Plan Assets as a % of the Total Plan assets as at the year end					
	Invested in Life Insurance Corporation of India	100%	100%	100%	100%	100%
(x)	Basis used to determine the Expected Rate of return on Plan Assets					

The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

### 32 SEGMENT REPORTING

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17) prescribed by Companies (Accounting Standard) Rules, 2006, taking into account the nature of products and services, the different risks and returns, the organisational structure and the internal financial reporting system.

The Company is engaged in the business of engineering products and hence has only one business segment. The Company's risks and returns are affected predominantly by the fact that it sells its products in the domestic and overseas market. Accordingly, geographical segments have been considered as primary segment reporting format.

Segment revenue, results, assets and liabilities include respective amounts identified to each of the segments and amounts allocated on a reasonable basis.

Particulars	Export		Domestic		Total	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Revenue from Operation	6,469	6,408	3,84,133	3,64,003	3,90,602	3,70,411
Less: Excise duty	-	-	42,103	33,968	42,103	33,968
Revenue from Operation (Net)	6,469	6,408	3,42,030	3,30,035	3,48,499	3,36,443
Other income	1,057	-	259	551	1,316	551
Other income - unallocable	-	-	-	-	766	669
Segment revenue	7,526	6,408	3,42,289	3,30,586	3,50,581	3,37,663
Segment result	1,783	422	33,383	13,843	35,166	14,265

## Notes to Financial Statements for the year ended 31 March 2017 (Contd.)

Amount in Rs. thousands

Particulars	Export		Domestic		Total	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Unallocated expenses (net of income)	-	-	-	-	7,762	14,719
Finance cost	-	-	-	-	74	79
Profit/ (Loss) before tax	-	-	-	-	27,330	(533)
Less : Tax expenses					-	-
Profit/ (Loss) for the year					27,330	(533)
<b>Other Information :</b>						
Segment assets	1,542	31,584	1,00,883	1,04,466	1,02,425	1,36,050
Unallocated assets					2,52,177	1,96,146
<b>Total assets</b>					<b>3,54,602</b>	<b>3,32,196</b>
Segment liabilities	655	2,875	42,809	1,55,737	43,464	1,58,612
Unallocated liabilities					2,80,610	1,70,386
Share Capital	-	-	-	-	27,556	27,556
<b>Reserves and surplus</b>	-	-	-	-	<b>2,972</b>	<b>(24,358)</b>
<b>Total liabilities</b>					<b>3,54,602</b>	<b>3,32,196</b>
Cost incurred to acquire fixed asset	-	-	-	-	-	-
<b>Unallocable</b>	-	-	-	-	<b>45,870</b>	<b>3,044</b>
Depreciation/amortisation	-	-	-	-	-	-
<b>Unallocable</b>	-	-	-	-	<b>12,336</b>	<b>16,541</b>
<b>Significant non cash expenses</b>	-	-	-	-	-	-

### 33 Related Party Disclosures in accordance with Accounting Standard 18 prescribed by Companies (Accounting Standard) Rules, 2006 :

- (a) **Related parties (where control exists)**  
Bodies corporate having control over the Company - Morgan Advanced Materials plc [upto 25 May 2016]
- (b) **Persons having significant influence over the Company**  
Mr. Rakesh Himatsingka, Chairman  
Mrs. Anita Himatsingka  
Mr. Shaurya Veer Himatsingka
- (c) **Key Management Personnel**  
Mr. K. K. Bhattacharya, Managing Director  
Mr. Pijush Bysack, Chief Financial Officer  
Mr. Subhendhu Chakraborty, Company Secretary [Joined from 02.08.2016]  
Mr. Saugata De, Company Secretary [Since Resigned from 01.08.2016]
- (d) **Company in which Director is interested as Director**  
India Carbon Limited

## Notes to Financial Statements for the year ended 31 March 2017 (Contd.)

Amount in Rs. thousands

### (e) Related parties and Key Management Personnel with whom there have been transactions during the year:

Name of the party	Nature of relationship	Purchases	Remuneration paid	Sitting Fees	Receivable/ (payable) at year end
Morgan Advanced Material plc	Holding company (*)	-	-	-	-
Morgan AM&T (SEA) Pte Limited	Fellow subsidiary (*)	1,336	-	-	(744)
Shanghai Morgan Carbon Co. Limited	Fellow subsidiary (*)	-	-	-	-
Morgan Electrical Carbon Limited	Fellow subsidiary (*)	-	-	-	1,045
Morgan Hungary KFT	Fellow subsidiary (*)	-	-	-	-
Morganite Luxembourg Limited	Fellow subsidiary (*)	-	-	-	-
Morganite South Africa pty Limited	Fellow subsidiary (*)	-	-	-	-
Morgan Carbon Italia	Fellow subsidiary (*)	-	-	-	-
Mr. Rakesh Himatsingka	Chairman	-	-	50	(1,98,690)
Mrs. Anita Himatsingka	Director	-	-	25	-
Mr. K. K. Bhattacharjee	Key management personnel	-	1,182	-	-
Mr. Pijush Bysack	Key management personnel	-	1,311	-	-
Mr. Subhendhu Chakraborty	Key management personnel	-	386	-	-
Mr. Saugata De	Key management personnel	-	277	-	-
<b>Total</b>		<b>1,336</b>	<b>3,156</b>	<b>75</b>	<b>-</b>

(\*) Upto 25 May 2016

Related parties and Key Management Personnel with whom there have been transactions during the previous year:

Name of the party	Nature of relationship	Purchases	Remuneration paid	Sitting Fees	Receivable/ (payable) at year end
Morgan Advanced Material plc	Holding company	-	-	-	(1,05,835)
Morgan AM&T (SEA) Pte Limited	Fellow subsidiary	9,856	-	-	(5,348)
Shanghai Morgan Carbon Co. Limited	Fellow subsidiary	-	-	-	(8,165)
Morgan Electrical Carbon Limited	Fellow subsidiary	10,376	-	-	(71,549)
Morgan Hungary KFT	Fellow subsidiary	-	-	-	423
Morganite Luxembourg Limited	Fellow subsidiary	-	-	-	-
Morganite South Africa pty Limited	Fellow subsidiary	-	-	-	-
Morgan Carbon Italia	Fellow subsidiary	-	-	-	(4,238)
Mr. Rakesh Himatsingka	Chairman	-	-	25	-
Mrs. Anita Himatsingka	Director	-	-	-	-
Mr. K. K. Bhattacharjee	Key management personnel	-	1,664	-	-
Mr. Pijush Bysack	Key management personnel	-	1,391	-	-
Mr. Subhendhu Chakraborty	Key management personnel	-	-	-	-
Mr. Saugata De	Key management personnel	-	1,060	-	-
<b>Total</b>		<b>20,232</b>	<b>4,115</b>	<b>25</b>	<b>-</b>

(f) The Company has purchased raw materials from India Carbon Limited amounting to Rs.520 (Previous year Rs. 152) and CAPEX item of Rs. 100 (Previous year Rs. NIL).

## Notes to Financial Statements for the year ended 31 March 2017 (Contd.)

Amount in Rs. thousands

### 34 DETAILS OF INVENTORIES OF FINISHED GOODS

Class of goods	31st March 2017	31st March 2016
MG and SG carbon blocks	42	-
Electrical carbon brushes	6,081	4,219
Machined and special carbon components	2,186	2,324
ISO-Graphite components	346	217
<b>Total</b>	<b>8,655</b>	<b>6,760</b>

### 35 DETAILS OF INVENTORIES OF TRADED GOODS

Class of goods	31st March 2017	31st March 2016
Trading Brush	75	63
Commutator maintenance accessories	455	488
<b>Total</b>	<b>530</b>	<b>551</b>

### 36 DETAILS OF IMPORTED AND INDIGENOUS RAW MATERIALS AND STORES AND SPARE PARTS CONSUMPTION

	31 March 2017		31 March 2016	
	Amount	% of total consumption	Amount	% of total consumption
<b>Raw materials</b>				
Imported	30,490	36	36,901	44
Indigenous	54,653	64	47,370	56
	<b>85,143</b>	<b>100</b>	<b>84,271</b>	<b>100</b>
<b>Stores and spares</b>				
Imported	-	-	606	4
Indigenous	20,780	100	15,227	96
	<b>20,780</b>	<b>100</b>	<b>15,833</b>	<b>100</b>
<b>Total</b>	<b>1,05,923</b>		<b>1,00,104</b>	

### 37 AUDITORS' REMUNERATION INCLUDES

	31st March 2017	31st March 2016
(a) Statutory audit fees	375	375
(b) Limited Reviews	28	152
(c) Certification and Other assignments	70	140
(d) Reimbursement of out of pocket expenses for (a), (b) and (c) above	11	11
(e) Service tax	33	19
	<b>517</b>	<b>697</b>

### 38 VALUE OF IMPORTS ON C.I.F. BASIS

Raw materials	56,281	33,448
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## Notes to Financial Statements for the year ended 31 March 2017 (Contd.)

Amount in Rs. thousands

**39** Incentive declared by the Government of India to eligible Industrial units under Central Excise towards refund of excise duty paid through PLA (Current Account) on finished products vide Notification No. 32/1999-CE dated 8 July 1999 (as amended) was reduced from 100% to 36% during 2008. Being aggrieved by such reduction in the Excise benefit, some of the beneficiaries approached the Court of Law. The Hon'ble Supreme Court had directed the Government through an interim order dated 7 December 2015 to refund 50% of the differential amount to the Company on furnishing solvent surety. Thus, till the final order is passed by the Supreme Court, the 50% of the differential amount of Rs.15,829 thousand is liable to be refunded on demand by the Government. Therefore, the same has been treated as Current Liabilities in the Balance Sheet.

**40** Details of Specified Bank Notes (SBN) held and transacted during the period 8 November 2016 to 30 December 2016 are provided in the table below :

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	452	87	539
(+) Permitted receipts (*)	-	1,051	1,051
(-) Permitted payments	-	920	920
(-) Amount deposited in Banks	452	-	452
Closing cash in hand as on 30.12.2016	-	218	218

(\*) Includes Cash withdrawal from bank of Rs. 1015

### **41 EXPENDITURE AND EARNINGS IN FOREIGN EXCHANGE**

	31st March 2017	31st March 2016
(a) Earnings in foreign currency		
Exports on F.O.B. basis	1,250	976
Reimbursement of expenses	-	173
(b) Expenditure in foreign currency	881	-

**42** (a) Particulars of Cost Auditor

Abhimanyu Nayak & Associates. Cost Accountants. 102, Banerjee Para Road, ILA Apartment, Kolkata : 700041  
Firm Registration No. 101052.

(b) Date of Filing of Cost Audit Report : 27th September, 2017

Actual date of Filing of Cost Audit Report : Yet to be filed.

As per our report of even date attached

For **D. Basu & Company**  
Chartered Accountants  
Firm Registration No.: 301111E

**Malay Bhaduri**  
Partner  
Membership No.: 012724  
Place: Kolkata  
Date: 10.05.2017

For and on behalf of the Board of Directors of  
**Assam Carbon Products Limited**

**Rakesh Himatsingka**  
Chairman  
(DIN : 00632156)

**K. K. Bhattacharya**  
Managing Director  
(DIN : 07011241)

**S. K. Lhila**  
Director  
(DIN : 01383460)

**Subhendu Chakraborty**  
Company Secretary

**Pijush Bysack**  
Chief Financial Officer



ASSAM CARBON PRODUCTS LTD

**ASSAM CARBON PRODUCTS LIMITED**

Regd. Office: Narengi Chandrapur Road, Birkuchi, Narengi, Guwahati -781026, Assam

CIN: L23101AS1963PLC001206

Website: www.ascarbon.in, Ph: (0361)2640262/630, Fax: (0361)2640368, Email: acplghy@ascarbon.com

**ATTENDANCE SLIP**

Folio No/DP ID & Client ID :  
Name of the Member(s) :

Serial No. :

Registered Address :

No. of Share(s) Held :

I/We hereby record my/our presence at the **54th Annual General Meeting (AGM)** of Assam Carbon Products Limited held on **Monday, 18th September, 2017 at 11.45 A.M.** at the Regd. Office of the Company at **Narengi Chandrapur Road, Birkuchi, Narengi, Guwahati -781026, Assam.**

Name of Shareholder / Proxy (in Block Letters)

Signature of Shareholder / Proxy Present

Note: Please bring the Attendance Slip duly signed to the meeting and hand it over at the Entrance of the Meeting Hall. Duplicate slips will not be issued at the venue of the AGM.

**ELECTRONIC VOTING PARTICULARS**

EVSN (Electronic Voting Sequence Number)	User ID	Password

Note: Please refer to the Notice of the 54th Annual General Meeting for e-voting instructions.

<b>54th Annual General Meeting on Monday, 18th September, 2017 at 11.45 A.M.</b>	<b>ASSAM CARBON PRODUCTS LIMITED</b> Regd. Office: Narengi Chandrapur Road, Birkuchi, Narengi, Guwahati -781026, Assam CIN: L23101AS1963PLC001206 Ph: (0361)2640262/ 2640630, Fax: (0361) 2640368 Website: www.indiacarbonltd.com, Email: acplghy@ascarbon.com	<b>PROXY FORM</b>
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[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): .....

Registered Address: .....

E-mail ID: .....

Folio No/DP ID & Client ID: .....

I/We, being the Member(s) of Assam Carbon Products Limited, holding.....Equity Shares of the Company, hereby appoint:

1) Name: .....Address: .....  
E-mail ID: .....Signature: .....or failing him/her;

2) Name: .....Address: .....  
E-mail ID: .....Signature: .....or failing him/her;

3) Name: .....Address: .....  
E-mail ID: .....Signature: .....

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **54th Annual General Meeting (AGM)** of the Company, to be held on **Monday, 18th September, 2017 at 11.45 A.M.** at the Registered Office of the Company at **Narengi Chandrapur Road, Birkuchi, Narengi, Guwahati -781026, Assam** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional *	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of the Audited Balance Sheet as at 31st March, 2017, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date along with the notes and schedules forming part of financial statements together with the Reports of the Board of Directors & Auditors thereon.		
2.	To appoint Director in place of Mr. Rakesh Himatsingka, (DIN: 00632156), who retires by rotation and being eligible offers himself for reappointment.		
3.	To appoint Director in place of Mrs. Anita Himatsingka, (DIN: 01201879), who retires by rotation and being eligible offers herself for reappointment.		
4.	To ratify the appointment of M/s. D Basu & Co., Chartered Accountants, ( Registration No. 301111E) as Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration thereon.		
<b>Special Business</b>			
5.	To appoint Ms. Maalika Himatsingka, (DIN: 07811394) as the Director of the Company.		
6.	Ratification of remuneration payable to the Cost Auditors of the Company M/s. A S & Associates (Firm Regd. No.: 000523).		
7.	Consent of the members of the Company under Section 186 of the Companies Act, 2013 to the Board of Directors of the Company by way of Special Resolution to give Loans or to give Guarantees or to provide Securities in connection with the Loan made to any other Body Corporate(s) or Person(s) or to make Investments up to maximum amount of Rs. 100 Crores.		

Signed this .....day of .....2017

Member's Folio/ DP ID- Client ID No.: .....

Signature of Shareholder(s)..... Signature of Proxy Holder(s) .....

Notes: 1. This form of proxy in order to be effective should be duly completed and deposited at the Company's Registered Office not less than 48 hours before the commencement of the AGM.

2. For the Resolutions, Explanatory Statement and Notes please refer to the Notice of 54th Annual General Meeting of the Company.

3. \*It is optional to put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Affix  
Revenue  
Stamp

*If undelivered, please return to :*



**ASSAM CARBON PRODUCTS LTD.**

CIN: L23101AS1963PLC001206

Birkuchi, Narengi Chandrapur Road,

Narengi, Guwahati- 781 026, Assam

or

6, Old Post Office Street,

Temple Chambers, 5th Floor, Kolkata- 700001