



# **ASSAM CARBON PRODUCTS LIMITED**

ANNUAL REPORT

**2017-18**

## ASSAM CARBON PRODUCTS LIMITED

CIN: L23101AS1963PLC001206

### ANNUAL REPORT 2017-18

#### 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. Subhendu Chakraborty

#### REGISTERED OFFICE

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

#### 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 is hereby given that the 55th Annual General Meeting of the Members of Assam Carbon Products Limited will be held on Tuesday, the 18th day of September, 2018 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. Adoption of Financial Statements:**

To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2018, the Reports of the Board of Directors and the Auditors thereon.

**2. Appointment of Mr. Rakesh Himatsingka as a Director, liable to retire by rotation:**

To appoint Director, in place of Mr. Rakesh Himatsingka, (DIN: 00632156), who retires by rotation and being eligible offers himself for reappointment.

**3. Appointment of Ms. Maalika Himatsingka as a Director, liable to retire by rotation:**

To appoint Director, in place of Ms. Maalika Himatsingka, (DIN: 07811394), 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 Rules made thereunder, [including any statutory modification(s) 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. 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], appointment of M/s. A S & Associates (Firm Regd. No.: 000523) 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, 2019, at a remuneration of Rs. 20,000/-, plus applicable taxes and out of pocket expenses, if any, be and is hereby ratified and confirmed”.

**6. To Approve the Payment of Commission to Mr. Rakesh Himatsingka, Non-Executive Chairman of the Company:**

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

**“RESOLVED THAT** pursuant to Sections 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the Shareholders be and is hereby accorded for payment of commission upto 1% of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 2013, from the financial year 2017-2018 and onwards until otherwise repudiated by the Board of Directors, to Mr. Rakesh Himatsingka, (DIN: 00632156) Non-Executive Chairman of the Board, in addition to the sitting fees for attending the meeting of the Board of Directors/Committees thereof and any other expenses incurred for official/business purposes only.”

**7. Re-appointment of Mr K K Bhattacharya, Managing Director:**

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

**“RESOLVED THAT** subject to the provisions of Section 190, 196, 197, 198 and 203 read along with Schedule V and other applicable provisions and Rules, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof), approval to the Board of Directors of the Company be and is hereby accorded by the shareholders of the Company, for the re-appointment of Mr. K K Bhattacharya (DIN: 07011241) as the Managing Director of the Company for a period of 2 (two) years, from 9th October 2018 to 8th October, 2020, on the terms and conditions as mentioned in the draft Agreement, placed before the meeting duly initiated by the Chairman of the Company for the purpose of identification, with an authority to the Board of Directors of the Company to vary, alter or modify the terms of appointment and remuneration, as set out in the said draft Agreement, within the ceiling limit laid down in Schedule V of the Companies Act

## Notice (Contd.)

2013, as amended/revised/ altered/ modified and /or any other statutory modification or re-enactment thereof and/or any guidelines relating to managerial remuneration, as may be notified by the Central Government/ Ministry of Corporate Affairs from time to time and as may be agreed to by the Board of Directors of the Company and Mr. K K Bhattacharya, Managing Director, without any further approval of the Company in General Meeting”.

**“RESOLVED FURTHER THAT** the Company do hereby approves the appointment and terms of remuneration of Mr. K K. Bhattacharya, Managing Director of the Company in accordance with the provisions of the Companies Act, 2013, with effect from 9th October 2018, and the payment of remuneration, as minimum remuneration in case of no profits or inadequacy of profits for the period of his contract.”

**“RESOLVED FURTHER THAT** any one Directors of the Company be and are hereby severally authorized to execute the Agreement with the Managing Director as approved by the Members of the Company and the Board of Directors of the Company be and are severally authorized to file the prescribed forms and returns with the Ministry of Corporate Affairs/ Registrar of Companies and to do all other acts, things and deeds as may be expedient and necessary in this regard.”

Date: 4th May, 2018  
Place: Kolkata

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

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

### NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE ON A POLL AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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.**
- 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 (AGM) or upload it on the e-voting portal.**
- Members are requested to bring their copy of Annual Report to the meeting.
- 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.
- 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.
- The Register of Members and Share Transfer Registers of the Company will remain close from 12th September, 2018 to 18th September, 2018, both days inclusive.
- 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.
- Details under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) in respect of Directors seeking re-appointment at the Annual General Meeting are contained in the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.
- Equity shares of the Company are listed with Calcutta Stock Exchanges. There are no dues with regard to payment of Listing fees.

## Notice (Contd.)

10. 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).
11. 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  
Phone 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.
12. All documents referred to in the Notice and accompanying Explanatory Statement and copy of Audited Financial Statement, the Register of Directors and Key Managerial Personnel and their shareholding, the Register of Contracts or Arrangements in which the Directors are interested 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 and also at the venue of the Annual General Meeting.
13. This notice of Meeting and the Annual Report is also 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).
14. The Notice of the Annual General Meeting along with the copy of Annual Report 2017-18 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.
15. Members are requested in their own interest:
  - a) To notify the Company / Registrar and Share Transfer Agent about any change in address/name with correct pin code, mandate/ bank details and their e-mail id, etc with supporting documents.
  - b) To quote correct Folio No. / Client ID. No. and DP ID. No. in all correspondence with the Company/ Registrar and Share Transfer Agent to facilitate better service to the members.
  - c) To dematerialize the Equity Shares of the Company held in physical mode.
16. 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.
17. 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.
18. 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.
19. Members seeking any information with regard to Accounts/ Financial Statements 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.
20. **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, as may be amended from time to time, the Company is pleased to provide its Members, facility of voting by electronic means in respect of business to be transacted at the 55th 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

## Notice (Contd.)

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, 2018 (at 9.00 a.m. IST) and ends on 17th September, 2018 (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, 2018, 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:

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

### How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.

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6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

### Details on Step 2 are given below:

#### How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

- 1 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [kashliwalanant@yahoo.in](mailto:kashliwalanant@yahoo.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- VI. 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).
- VII. 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, 2018.
- VIII. 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, 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [rta@cbml.com](mailto:rta@cbml.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.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no.: 1800-222-990.
- IX. 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).
- X. 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.

## Notice (Contd.)

- XI. 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 scrutiner, 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.
- XII. 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.
- XIII. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.assamcarbon.in and on the website of NSDL 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

As per Section 148 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, the Companies (Cost Records and Audit) Rules, 2014, as may be amended from time to time, 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 2019 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 2019. As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (as amended or re-enacted from time to time) the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019, as set out in the Ordinary Resolution for the aforesaid services to be rendered by them.

The Board of Directors recommends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Members.

#### Memorandum of Interest:

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

#### Re: Item 6

Valued contribution are continuously being made by Mr. Rakesh Himatsingka (DIN: 00632156), Non-Executive Chairman of the Board and through his active participation, the Company has been progressing over the years. The rich experience of Mr. Rakesh Himatsingka in engineering, business, management and administration has led to the Company turning the corner and grow from strength to strength. Mr. Himatsingka is devoting considerable time to provide and laydown the policies and guidelines to carry on the business competitively. It is appropriate that the services being rendered by him to the Company are recognized by way of payment of remuneration.

In accordance with the provisions of Section 197 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, [including any statutory modification(s) or re-enactment thereof for the time being in force], remuneration by way of commission upto 1% of the net profits, be paid to Mr. Rakesh Himatsingka, from the financial year 2017-2018 and onwards, subject to the approval of the Shareholders of the Company.

As per the recommendation received from the Nomination & Remuneration Committee, the Board of Directors at their meeting held on 12th February, 2018 had unanimously approved the payment of remuneration, to Mr. Rakesh Himatsingka, by way of commission upto 1% of the net profits.

The Board of Directors recommends the Special Resolution set out at Item No.6 of the Notice for approval by the Members.

#### Memorandum of Interest:

Concerned Director is interested in the resolution being related to his own payment. Apart from him, Ms. Maalika Himatsingka, Director (DIN: 07811394) being the daughter of Mr. Rakesh Himatsingka and Mrs. Anita Himatsingka, Director (DIN: 01201879) being the spouse of Mr. Rakesh Himatsingka may be considered as interested parties in this resolution. Mr. Shaurya Veer Himatsingka, one of the Promoters and shareholders of the Company, being the Son of Mr. Rakesh 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 7

The Board of Directors of the Company had previously at its meeting held on 9th October, 2014, appointed Mr. K K Bhattacharya as Managing Director of the Company (DIN: 07011241) from 9th October, 2014 to 8th October, 2016, which was further approved by the shareholders at the 52nd Annual General Meeting of the Company held on 18th September, 2015.

## Notice (Contd.)

Further the Board of Directors of the Company at its Meeting held on 25th May, 2016, re-appointed Mr K K Bhattacharya as Managing Director of the Company for a further period of 2 (Two) years i.e., from 9th October 2016 to 8th October 2018, which was thereafter approved by the shareholders at the 53rd Annual General Meeting of the Company held on 29th September, 2016.

Mr. Bhattacharya's present tenure will end on 8th October, 2018. Hence, the Board of Directors of the Company, on the recommendations of the Nomination and Remuneration Committee, at its Meeting held on 4th May, 2018, re-appointed Mr K K Bhattacharya as the Managing Director of the Company, for a further period of 2 (Two) years i.e., from 9<sup>th</sup> October 2018 to 8th October 2020, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Mr. K K Bhattacharya is a Mechanical Engineer from Jadavpur University and has vast experience in Projects, Technical operations, etc. and his experience will contribute significantly to the Company's business and future growth.

The terms of remuneration of Mr Bhattacharya will be as follows:

1. By way of remuneration for his service, hereunder, Mr K K Bhattacharya shall be entitled to receive on and from the 9th October, 2018, during the currency of this Agreement and otherwise subject to the Articles of Association of the Company and subject to the provisions of Companies Act 2013 [including any statutory modification(s) or re-enactment thereof, for the time being in force], the rules notified thereunder:

Basic Salary - Rs.44,000 per month, (Rupees Forty Four Thousand only), with an annual increment which is not guaranteed and is based on the performance and on the discretion of the Board of Directors and Nomination & Remuneration Committee.

In addition to the salary as stated herein above, Mr K K Bhattacharya shall be entitled to the following benefits and perquisites:

- a. Free furnished accommodation or house rent allowance in lieu thereof as per the rules of the Company up to a maximum of Rs 22,000/- or part thereof.
- b. Expenditure/Allowance towards gas, electricity, water and furnishings subject to ceiling of 10% of the basic salary to be evaluated as per Income Tax rules up to a maximum of Rs 4,400 per month or part thereof.
- c. Reimbursement of medical expenses for self and family subject to a ceiling of one month's basic salary in a year. Mediciam Policy for self and family in accordance with the rules of the Company up to a maximum of Rs 44,000 per annum or part thereof.
- d. Leave travel concession for self and family once in a year in accordance with the rules of the Company up to a maximum of Rs 1,10,000 per annum or part thereof.
- e. Leave with full pay and allowance as per Rules of the Company but not exceeding one month's leave for every eleven months of service.
- f. Mr Bhattacharjee shall be entitled for running and maintenance of his car and will be provided a sum of Rs. 1,80,000 as running expenses of the car per annum or part thereof as reimbursement.
- g. Mr Bhattacharjee shall be entitled for Ex-gratia payment of Rs 1,10,000 per annum or part thereof.
- h. The Company shall provide telephone, mobile phone and other communication facilities to Mr K K Bhattacharya as may be required for official purpose.
- i. Subject to the overall ceiling of remuneration as laid down in the Companies Act, 2013 and Rules framed thereunder, as may be amended from time to time, the Managing Director may be given any other allowance, benefits and perquisites as the Board of Directors may from time to time decide.
- j. Mr K K Bhattacharya shall be reimbursed any entertainment expenses or travelling expenses paid by him and incurred for or about the Company's business.

The Board of Directors of your Company recommends the Special Resolutions as set out in Item No. 7 in the accompanied notice for approval of the Shareholders.

### Memorandum of Interest:

Concerned Director is interested in the resolution being related to his own appointment. 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.

Date: 4th May, 2018  
Place: Kolkata

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

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

## Notice (Contd.)

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

The details of the Directors seeking appointment/re-appointment at the 55th Annual General Meeting

Name of the Director	Mr. Rakesh Himatsingka	Ms. Maalika Himatsingka	Mr K K Bhattacharya
Date of Birth	4th November, 1951	7th February, 1979	5th November, 1954
Date of Appointment	25th May 2016	10th May, 2017	1st October, 2014
Expertise in specific functional areas	Carbon Technologist	Business Management including Resource Optimization, Change Management and Continuous Improvement both Strategic and Operational, Data Management.	Engineering & Project Management
Qualifications	B.E. (Hons.), Mechanical	BA Economics; Lady Shri Ram College for Women, New Delhi MBA, INSEAD, France- Singapore	Mechanical Engineer from Jadavpur University
List of outside Directorship held	<ol style="list-style-type: none"> <li>1. India Carbon Limited</li> <li>2. APL Holdings &amp; Investments Ltd.</li> <li>3. Shree Shyam Orchid Estates Ltd.</li> <li>4. APL Investments Limited</li> <li>5. Tower Investment &amp; Trading Co. Ltd.</li> <li>6. Bharat Plastics Limited</li> <li>7. Budge Budge Carbon Limited</li> <li>8. Goneril Investment &amp; Trading Co. Ltd.</li> <li>9. Himatsingka Timber Limited</li> <li>10. Shakun Chemicals Private Limited</li> <li>11. Prabhushil Group Investment Ltd.</li> <li>12. Khatu Investment &amp; Trading Company Ltd.</li> <li>13. New Look Investment (Bengal) Limited</li> <li>14. Nilgiri Niketan Private Limited</li> <li>15. Saket Cement Products Private Limited</li> <li>16. Subarna Plantation &amp; Trading Co. Ltd.</li> <li>17. Subhag Properties Private Limited</li> <li>18. Jyotsana Investment Company Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Individual Partner in Multiples Private Equity Fund II LLP</li> </ol>	Nil
Chairman/Member of the Committee of other Companies in which he/she is a Director			
a) Audit Committee	India Carbon Limited (Member)	Nil	Nil
b) Stakeholders Relationship Committee	India Carbon Limited (Member)	Nil	Nil
c) Nomination and Remuneration Committee	Nil	Nil	Nil
Shareholding in the Company as on 31.03.18	796452	90000	Nil

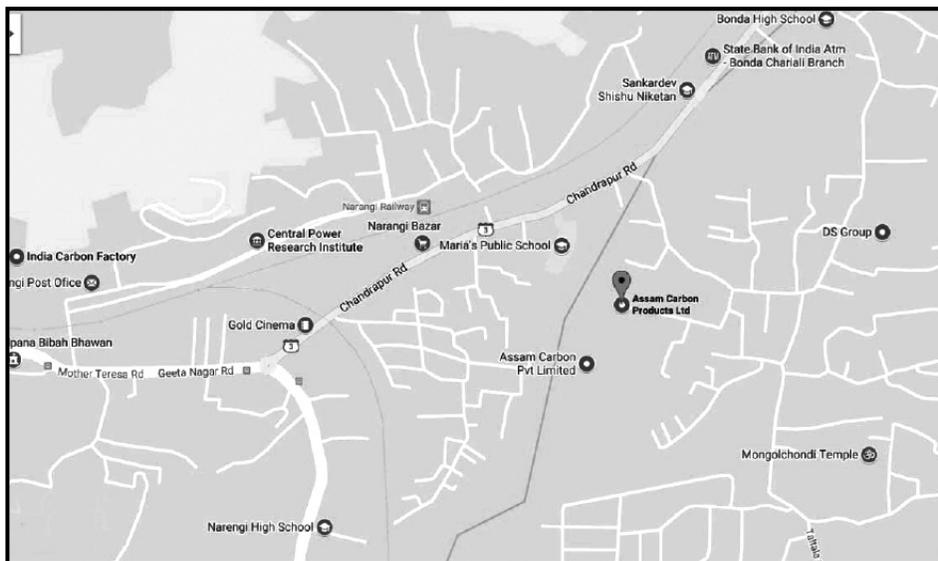
<b>Disclosure of relationship between Directors inter-se</b>	Spouse of Mrs. Anita Himatsingka and Father of Ms. Maalika Himatsingka	Daughter of Mr. Rakesh Himatsingka and Mrs. Anita Himatsingka	Nil
<b>Terms and Conditions of appointment/ re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person</b>	Terms and Conditions of appointment or re-appointment are as per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. <a href="http://www.assamcarbon.in">www.assamcarbon.in</a>	Terms and Conditions of appointment or re-appointment are as per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. <a href="http://www.assamcarbon.in">www.assamcarbon.in</a>	Terms and Conditions of appointment or re-appointment are as per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. <a href="http://www.assamcarbon.in">www.assamcarbon.in</a>  The details of remuneration sought to be paid is given in the explanatory statement annexed to this Notice.  Remuneration last drawn is Rs. Rs.16,59,817/- in FY 2017-18.
<b>Justification for choosing the appointees for appointment as Independent Directors</b>	N.A.	N.A.	N.A.

**Note:**

- CM –Chairman of the Committee.
- M – Member of the Committee.
- Directorship in 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.**

**Route Map to the 55th Annual General Meeting of Assam Carbon Products Limited**



## Directors' Report

To the Members,

Your Directors have pleasure in presenting the 55th Annual Report on the business and operations of the Company along with the audited financial accounts for the year ended 31st March, 2018.

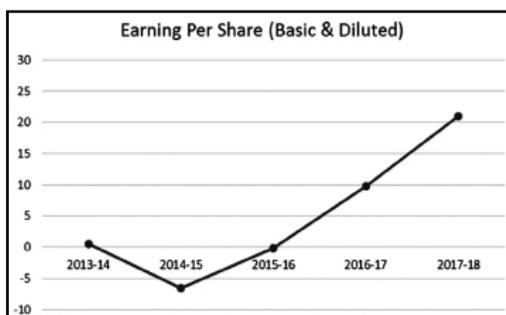
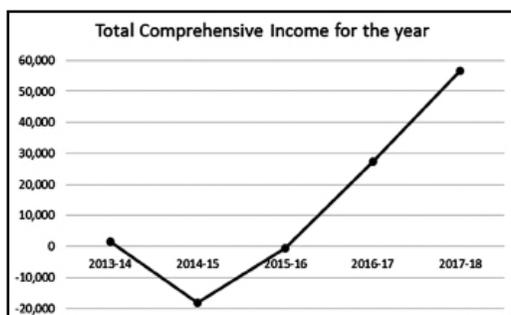
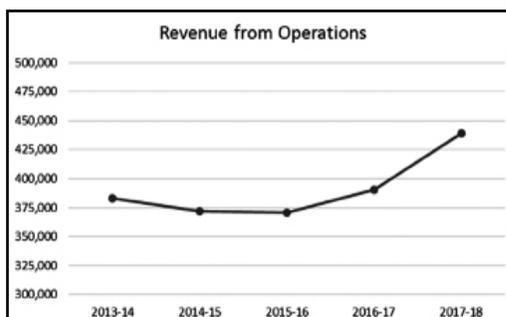
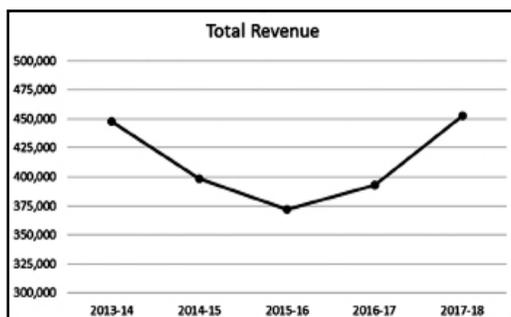
### 1. CORPORATE OVERVIEW

Your Company is one of the market leaders in Electrical & Mechanical Carbon Products, with interests in manufacturing of Carbon blocks of various grades. It manufactures a complete range of Carbon brushes for Railways and Industrial uses. Its Railway Traction products include Pantograph, Current Collectors & SIG Contacts. Mechanical Carbon Division produces Carbon Seals, Bearings, Vanes and Thrust Pads. The finishing unit near Hyderabad is equipped with the latest state-of-the-art machines to offer customers product as per their specific requirement. Speciality Graphite Division of the Company offers solutions of Diamond Tool industry, Optical fiber manufacturing, Hard metal sintering and Electronic industry. Your Company also manufactures various kinds of Graphite products Viz., Hi-Temp Insulator, Fuel Cells, Heating Elements, Casting Dyes, Lubricating Blocks and other such items as per the need of the Customers. Aegis – the world's most effective shaft grounding brush is also provided by the Company.

### 2. FINANCIAL RESULTS

*(In '000 except EPS Figure)*

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Total Revenue	447,814	398,338	371,631	392,684	<b>452,932</b>
Revenue from Operations	383,056	371,654	370,411	390,602	<b>439,299</b>
Total Comprehensive Income for the year	1,518	(18,071)	(533)	27,338	<b>56,553</b>
Earning Per Share (Basic & Dilute)	0.55	(6.56)	(0.19)	9.82	<b>20.97</b>



### 3. OPERATIONS

During the year under review, which is the second full year of operation under the new promoters, revenue from operations of the Company increased to Rs. 4392.99 Lacs as compared to Rs. 3906.02 Lacs in the previous year which is a healthy 12.5% growth. This increase in the sales was achieved by firstly improving production and productivity by removing bottlenecks in operations, adding new Plant and Machinery.

## Directors' Report (Contd.)

Your Company was able to earn a profit of Rs.565.53 Lacs as against a profit of Rs. 273.38 Lacs in the previous year, which is a nearly 107% increase.

During the year, your Company incurred a forex gain of Rs. 1.46 lakhs as compared to a forex loss of Rs. 18.34 lakhs for the previous year, basically as a result of better management of the forex transactions, as well as relative stability in the forex market.

During the year, your Company has achieved an export sales of Rs. 46 Lacs but the management has taken strong initiative and is confident that it will pick-up in the next year.

During the year, your Company has further worked actively towards rationalizing its business and product portfolios and adding new product lines. Exercise commenced two years back for cost cutting, savings in power and fuel as well as improving efficiency and productivity continued relentlessly.

Balancing of Plant and Machineries, refurbishing old equipment and addition of new equipments 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 along with major Modernization Programmes for both its Guwahati and Patancheru Units.

### 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.

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

With the Modernization of the Railways on the Government's agenda, the Diesel Locomotives are being phased out and hence the demand for Carbon Brushes is sure to dip commencing from the near future. However, with the electrification of the Railways there will be huge demand of Pantographs for which our Company is in constant effort for obtaining / developing requisite Technology to produce the basic material, which is presently being imported.

Your Company is one of the market leaders in Electrical, Mechanical & Speciality Carbon Products, with manufacturing at its two plants, at Guwahati, Assam and Patancheru, Telangana.

Whilst the Guwahati factory manufactures all the mother material and does Brush Fabrication for the Railways & Industrial users, your Patancheru Factory is set up primarily for Fabrication and Finishing of Mechanical & Speciality Carbon Products, from mother material mainly supplied from the Guwahati factory.

Your directors are pleased to inform that operations at both the factories during the year under review was satisfactory.

### 5. DIVIDEND

After the consecutive operating loss for past several years, the Company has just started making operating profits from last financial year. With a view to build-up the Net Worth and to make path for the proposed modernisation of machineries for both the plants, the Board decided not to declare Dividend for the current year in order to preserve cash urgently required for increased operations and new Plant and Equipments.

### 6. ADOPTION OF INDIAN ACCOUNTING STANDARDS

The Company adopted the Indian Accounting Standards ("IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 during the year for preparation and presentation of these Financial Statements. Consequently, the Financial Statements of the previous year have had to be restated to conform to the provisions of Ind AS. The corresponding reconciliation and description of the effects of this transition from the provisions of the Companies (Accounting Standards) Rules, 2005 has been provided under Note 2 to the Financial Statements.

### 7. 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.

### 8. 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

## Directors' Report (Contd.)

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.

Statutory Auditors of the Company has drawn attention to Note 26(A)(iv) to the Ind AS 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'. They had further stated that as the matter is currently pending with the labour court 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 2018, reserves and surplus and current liabilities, cannot currently be determined.

With regard to the Statutory Auditor's qualified opinion in Note 26(A)(iv) to the Ind AS Financial Statements, in the opinion of the Management, the issue of payment of back wages during the period of strike / lock-out at the Company's Guwahati Unit employees effective from 7<sup>th</sup> December 2010 to 8<sup>th</sup> 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 Court.

### 9. DIRECTORS

Mr. Rakesh Himatsingka (DIN: 00632156), Chairman of the Board, retires by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

Ms. Maalika Himatsingka (DIN: 07811394), Director of the Board, retires by rotation and being eligible, offers herself for re-appointment. The Board recommends her re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

Based on the recommendation of the Nomination and Remuneration Committee, the present tenure of Mr. Kali Krishna Bhattacharya (DIN: 07011241) will expire on 8th October, 2018. The Board of Directors of the Company, on the recommendations of the Nomination and Remuneration Committee, at its Meeting held on 4th May, 2018, re-appointed Mr K K Bhattacharya as the Managing Director of the Company for a further period of 2 (Two) years i.e., from 9<sup>th</sup> October 2018 to 8th October 2020, subject to the approval of the shareholders at the ensuing Annual General Meeting. An appropriate Resolution, to this effect is also being proposed at the forthcoming Annual General Meeting.

Brief profiles of Directors being appointed / re-appointed at the forthcoming 55<sup>th</sup> Annual General Meeting have been given along with the Notice of Annual general Meeting.

### 10. KEY MANAGERIAL PERSONNEL

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

### 11. 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 as well as the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment thereof for the time being in force], in respect of their position as an "Independent Director" of Assam Carbon Products Ltd.

### 12. 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.)

### 13. 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. The Policy for the same is hosted on its website at [www.ascarbon.in](http://www.ascarbon.in) under the Heading About Us → Investor Relations.

### 14. 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.

### 15. 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, 1 Meeting of all Independent Directors was duly convened and held during the Financial Year 2017-18.

### 16. 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 2017-18, four Board Meetings were duly convened and held.

### 17. AUDIT COMMITTEE

Members of the Audit Committee as on 31st March, 2018 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.

### 18. NOMINATION AND REMUNERATION POLICY

Members of the Nomination and remuneration Committee as on 31st March, 2018 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) under the Heading About Us → Investor Relations.

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

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

### 20. 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.

### 21. HOLDING / SUBSIDIARY COMPANIES:

The Company does not have any holding or subsidiary Company.

## Directors' Report (Contd.)

### 22. 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.

### 23. 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 at [www.ascarbon.in](http://www.ascarbon.in) under the Heading About Us → Investor Relations.

### 24. 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, 2019 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 55th Annual General Meeting.

### 25. 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 2017-2018 is annexed herewith as “Annexure B”. There are no qualifications in the Report.

### 26. 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”. The same is also available within the annual report in the website of the Company at [www.assamcarbon.in](http://www.assamcarbon.in)

### 27. INDUSTRIAL RELATIONS

In spite of assessing excess number of workmen at Company's both Guwahati & Patencheru factories, prior to take over of the Company, the new management continued with all the employees and at the same terms and conditions, even though a lot many of the terms were detrimental to healthy operations.

The Industrial relations, by and large remained cordial even though low productivity and absenteeism continued to be a great cause for worry.

The new management continued to honour and operate as per the tripartite settlement arrived at, on the 21st February, 2012 with the Union in the presence of the Assistant Labour Commissioner, Government of Assam.

### 28. 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.

### 29. 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”.

### 30. 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;

- 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 31<sup>st</sup> March, 2018 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 including applicable Secretarial Standards are in place and such systems are adequate and operating effectively;

### 31. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Earlier in the absence of profit, there were no compulsions, whatsoever on the Company, to incur any spending on CSR. Your Company nonetheless recognizes its commitment towards fulfilling its societal responsibilities. Your Company has been following and implementing the vision of its Chairman, Mr. Rakesh Himatsingka, who instilled in the Company the consciousness of being responsive to the needs of the society. After the consecutive operating loss for past several years, the Company has just started making operating profits from last financial year and in the current financial year, your Company has crossed the threshold limit of Rupees five crore and has become eligible for mandatory CSR activities.

The Board of Directors during the year under review approved the formation of Corporate Social Responsibility (CSR) Committee at its meeting dated 4th May, 2018, pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, [including any statutory modification(s) or re-enactment thereof for the time being in force].

Mrs. Rupanjana De, Mrs. Anita Himatsingka and Mr. K. K. Bhattacharya were appointed as Members. The Company Secretary will be the Secretary of the Committee.

The CSR Policy will be formed in its first CSR Committee meeting to be held during the financial year 2018-19 and the Committee will also frame guidelines to undertake various CSR projects and putforth the guiding principles and various means of achieving social integration.

### 32. MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY, OCCURING 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.

### 33. 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 Telengana, 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: 4th May, 2018  
Place: Kolkata

Sd/- <b>Kali Krishna Bhattacharya</b> Managing Director (DIN: 07011241)	Sd/- <b>Rakesh Himatsingka</b> Chairman (DIN: 00632156)
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Registered Office:  
Birkuchi, Guwahati, Assam- 781026  
CIN: L23101AS1963PLC001206

## Annexure to Directors' Report

"ANNEXURE A"

### A. Conservation of Energy

#### (a) Energy Conservation Measures :

As a part of the Company's policy, the Company is continuously evaluating and monitoring the energy usage factors and always thrives to use the energy factors in a more environment friendly and efficient manner.

The benefit of the revamping of the Kiln and other machineries during the earlier year has started yielding favourable results and the Company expects to derive further benefit in the years to come.

Further to add to these your Company has also installed energy meters on all the panels to monitor electricity consumption on a regular basis.

### 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 in the earlier years, 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	2.07
c. Total	2.07
d. Total R & D expenditure as a percentage of total turnover	0.05

#### 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	16.14
Total Foreign Exchange earned	5.91

## 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, 2018

(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.

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

Based on my 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 hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by ASSAM CARBON PRODUCTS LTD ("the Company") for the financial year ended on 31st March, 2018, according to the provisions of:

- (i) The Companies Act, 2013/ the Companies (Amendment) Act, 2017 (the Act) and the rules made there under as amended from time to time;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under and as may be amended from time to time;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under and as may be amended from time to time;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under as may be amended from time to time to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings and as may be amended from time to time;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as may be amended from time to time:-
  - (a) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 as amended from time to time;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as may be amended from time to time; - 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)

## Annexure to Directors' Report (Contd.)

- Guidelines, 1999/ Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as may be amended from time to time; - Not Applicable as there was no reportable event;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as may be amended from time to time; - 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 as may be amended from time to time; - Not Applicable as there was no reportable event;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as may be amended from time to time ; - Not Applicable as there was no reportable event;
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as may be amended from time to time; - Not Applicable as there was no reportable event; and
  - (j) Any other Regulations/ Rules/Notifications/ Circulars/ Amendments etc. as issued by the Securities and Exchange Board of India from time to time;
- (vi) Other laws/acts/rules as may be applicable specifically to the Company:
- (a) Payment of Bonus Act, 1965 as may be amended from time to time;
  - (b) Payment of Gratuity Act, 1972 as may be amended from time to time;
  - (c) Payment of Wages Act, 1936 as may be amended from time to time;
  - (d) Trade Unions Act, 1926 as may be amended from time to time;
  - (e) Workmen's Compensation Act, 1923 as may be amended from time to time;
  - (f) Employees' Provident Funds and Miscellaneous Provisions Act, 1952 as may be amended from time to time;
  - (g) Employees' State Insurance Act, 1948 as may be amended from time to time;
  - (h) Minimum Wages Act, 1948 and its Rules as may be amended from time to time;
  - (i) The Factories Act, 1948 & its allied State Laws & Rules and as may be amended from time to time;
  - (j) Pollution Control Board Clearance as may be amended from time to time;
  - (k) Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder.
  - (l) Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975
  - (m) Environment Protection Act, 1986 and the rules, notifications issued thereunder.
  - (n) Central Excise Act, 1944 and its Rules as may be amended from time to time;
  - (o) Income Tax Act, 1961 and its Rules as may be amended from time to time;
  - (p) Central Sales Tax Act, 1956 and its Rules as may be amended from time to time;
  - (q) VAT Act and its Rules as may be amended from time to time;
  - (r) Profession Tax and its Rules as may be amended from time to time;
  - (s) Shops and Establishments Act and its Rules as may be amended from time to time;
  - (t) Industrial Disputes Act 1947 and its Rules as may be amended from time to time;
  - (u) Service Tax Act and its Rules as may be amended from time to time;
  - (v) Contract Labor (Regulation and Abolition) Act, 1970 as may be amended from time to time.
  - (w) Central Goods and Services Tax Act, 2017 & its Rules / the Integrated Goods and Services Tax Act, 2017 & its Rules there under including any Circulars/ Notifications issued from time to time.

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with the Calcutta Stock Exchange Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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, if any, 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 186 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 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 Corporates(s) or Persons(s) or to make investments not exceeding Rs. 100 Crores (Rupees Hundred Crores) outstanding at any point of time.

Place: Kolkata  
Date: 4th May 2018

**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, 2018

[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	13%
2	CARBON BRUSH	NA	52%
3	MECHANICAL AND SPECIAL CARBON COMPONENTS	NA	35%

#### 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	2049300	0	2049300	74.37	2049300	0	2049300	74.37	0.00
(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>2049300</b>	<b>0</b>	<b>2049300</b>	<b>74.37</b>	<b>2049300</b>	<b>0</b>	<b>2049300</b>	<b>74.37</b>	<b>0.00</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	0	0	0.00	0	0	0	0.00	0.00
(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>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>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>2049300</b>	<b>0</b>	<b>2049300</b>	<b>74.37</b>	<b>2049300</b>	<b>0</b>	<b>2049300</b>	<b>74.37</b>	<b>0.00</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	5958	12100	18058	0.66	11358	12100	23458	0.85	0.20
(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	233886	195533	429419	15.58	226813	194531	421344	15.29	-0.29
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	155923	0	155923	5.66	157073	0	157073	5.70	0.04
(c) Others (specify)									
(c-i) Non-Resident Individuals	400	350	750	0.03	1925	350	2275	0.08	0.05
(c-ii) Trust	150	0	150	0.01	150	0	150	0.01	0.00
<b>Sub-Total (B)(2)</b>	<b>396317</b>	<b>207983</b>	<b>604300</b>	<b>21.93</b>	<b>397319</b>	<b>206981</b>	<b>604300</b>	<b>21.93</b>	<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>398267</b>	<b>308033</b>	<b>706300</b>	<b>25.63</b>	<b>399269</b>	<b>307031</b>	<b>706300</b>	<b>25.63</b>	<b>0.00</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>2447567</b>	<b>308033</b>	<b>2755600</b>	<b>100.00</b>	<b>2448569</b>	<b>307031</b>	<b>2755600</b>	<b>100.00</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	Mr. Rakesh Himatsingka	796452	28.90	NIL	796452	28.90	NIL	0.00
2	Mr. Shaurya Veer Himatsingka	887823	32.22	NIL	887823	32.22	NIL	0.00
3	Mrs. Anita Himatsingka	275025	9.98	NIL	275025	9.98	NIL	0.00
4	Ms. Maalika Himatsingka	90000	3.27	NIL	90000	3.27	NIL	0.00

## 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>MR. RAKESH HIMATSINGKA</b>				
	At the beginning of the year	796452	28.90	796452	28.90
	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	–	–	796452	28.90
2.	<b>MR. SHAURYA VEER HIMATSINGKA</b>				
	At the beginning of the year	887823	32.22	887823	32.22
	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	–	–	887823	32.22
3.	<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
4.	<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

## Annexure to Directors' Report (Contd.)

### 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>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
2.	<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
3.	<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
4.	<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
5.	<b>Narendra Kumar Bapna</b>				
	At the beginning of the year	10900	0.40	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	10900	0.40
6.	<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
7.	<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
8.	<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
9.	<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
10.	<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
11.	<b>Indra Kumar Bagri</b>				
	At the beginning of the year	-	-	3524	0.13
	Purchase/ Transfer 18.08.2017	100	0.00	3624	0.13
	Purchase/ Transfer 19.01.2018	134	0.00	3758	0.14
	Purchase/ Transfer 26.01.2018	2250	0.08	6008	0.22
	Purchase/ Transfer 16.03.2018	100	0.00	6108	0.22
	At the end of the year	-	-	6108	0.22

### 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>				
	At the beginning of the year	796452	28.90	796452	28.90
	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	-	-	796452	28.90

## Annexure to Directors' Report (Contd.)

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
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
3	<b>Mrs. Anita Himatsingka- Director</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
4	<b>Ms. Maalika Himatsingka- Director</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
5	<b>Mr. S K Lhila- Director</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- Director</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- Nominee Director</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.)

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
8	<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
9	<b>Mr. S Chakraborty- Company Secretary</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

### 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	16,59,817	16,59,817
	(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)	16,59,817	16,59,817
	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.)
		Fee for attending Board/ Committee Meetings (in Rs.)	Commission	Others, please specify	
1	Mr S K Lhila	78,000	NIL	NIL	78,000
2	Mrs Rupanjana De	73,000	NIL	NIL	73,000
<b>Non Executive Directors</b>					
3	Mr. Rakesh Hitamsingka	86,000	6,84,000	NIL	7,70,000
4	Mrs. Anita Himatsingka	45,000	NIL	NIL	45,000
5	Ms. Maalika Himatsingka	25,000	NIL	NIL	25,000
	Total Managerial Remuneration to other Directors (1+2+3+4)	3,07,000	6,84,000	NIL	9,91,000
	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	CFO	CEO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,31,612	15,83,286	NIL	21,14,898
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL	NIL
	others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	<b>Total</b>	<b>5,31,612</b>	<b>15,83,286</b>	<b>NIL</b>	<b>21,14,898</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, 2018, which was not at Arm Length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis for the year ended 31.03.2018 are as follows:

Name(s) of the Related party & Nature of Relationship	Nature of Contracts/ arrangements/ transactions	Duration of Contracts/ arrangements/ transactions	Salient Terms of the Contracts or arrangements or transactions including the value, if any	Justification for entering into such Contracts or arrangements or transactions	Date(s) of approval by the Board	Amount in Rs.
India Carbon Ltd  Mr. Rakesh Himatsingka, Non Executive Director and Chairman of the Board, is interested.	Sale and Purchase of Goods	April, 1st 2017- March, 31st 2018	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 FY 2017-18	Purchase of raw material which is to be used in production process	10.05.17, 21.08.17, 27.10.17, 12.02.18	Purchase of raw materials amounting to Rs.5.37 Lacs.

## 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 2017-18, 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 2017-18 (in Rs.)	% increase in Remuneration of each Director/ KMP in the Financial Year 2017-18	Ratio of remuneration of each Director/ KMP to median remuneration of employees
1.	Mr. R Himatsingka, Non-Executive Chairman	7,70,000	1440%	2.15:1
2.	Mr K K Bhattacharya, MD	16,59,817	40.37%	4.63:1
3.	Mrs. Anita Himatsingka, Non-Executive Director	45,000	80%	0.13:1
3.	Ms. Maalika Himatsingka, Non-Executive Director	25,000	N.A.	0.07:1
4.	Mr S K Lhila, Non-Executive & Independent	78,000	41.82%	0.22:1
5.	Mrs Rupanjana De, Non-Executive & Independent	73,000	21.67%	0.20:1
6.	Mr. Subhendu Chakraborty, CS	5,31,612	NIL	1.48:1
7.	Mr. P Bysack, CFO	15,83,286	NIL	4.41:1

#### Note:

1. Calculation of median is taken on the figures as at the end of Financial Year.
2. i) The Median Remuneration of Employees as on March 31, 2018 was Rs. 358428 and as on March 31, 2017 was Rs 357120.
  - ii) The percentage increase in the median remuneration of employees was 0.37 % during the financial year.
  - iii) There were 254 permanent employees on the rolls of Company as on March 31, 2018.
  - iv) The Company has earned a profit after tax during the financial year 2017-18 amounting of Rs. 565.53 Lacs compared to a profit of Rs 273.38 Lacs during the financial year 2016-17.
  - v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 0.025% whereas the average percentage increase made in the salaries of managerial personnel is 37.88%. Further there was no exceptional increase in the salary during the Financial Year ended 31.03.2018 as compared above.
  - vi) It is hereby affirmed that the remuneration paid during the year ended 31st Day of March, 2018 is as per the Remuneration Policy of the Company.
    - i) Information on employees' particulars as on 31st March, 2018 as per Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014, as may be amended from time to time, is 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 27 yrs. Exp.	26.08.1991	54	NA	NA	NA
2	Piyush Bysack	CFO	15,83,286	Permanent	B.Com, CA – Inter 21 yrs. Exp.	01.02.2011	47	Sahara India	NA	NA
3	Aavimash Nimckar	Zonal Head - West	13,38,696	Permanent	BE- Mech 20 yrs. Exp.	28.09.2012	46	Spraying Systems Pvt Ltd	NA	NA
4	S.M. Madan Kumar	Zonal Head - South	11,60,892	Permanent	DEE 26 yrs. Exp.	01.10.2007	55	Mersens India P. Ltd	NA	NA
5	Jyotirmoi Gowswamy	Chief General Manager – Technology & Operations	14,61,600	Consultant	B.E chemical 38 yrs. Exp.	04/07/1973 & 01/04/2013	67	NA	0.007	NA
6	K.C. Joshi	Advisor - Accounts	15,14,400	Consultant	B.com,LLB, C.A (Inter) Group I 35 yrs. Exp.	01/06/1982 & 01/04/2014	63	NA	0.003	NA
7	Nilanjani Chaki	Dy. General Manager	14,40,012	Consultant	B.E in Industrial & Production 28 yrs. Exp.	04/08/2016	55	Mersens India P. Ltd	NA	NA
8	Alok Bhuyan	Zonal Head - East	9,05,256	Permanent	AMIE (elec) 31 yrs exp.	01.01.2014	55	Info Care	NA	NA
9	P. Ramalingeswara Rao	Manager – P&A	9,01,440	Permanent	B.Com, IRPM 20 yrs Exp.	10/06/2010	45	JETL, Hyd	NA	NA
10	A.Shashidhar Raju	Manager - Production	8,75,592	Permanent	Diploma (EEE) 19 yrs Exp.	05/12/2011	45	Rane Break Lines	NA	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. 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.

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.

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 continuing its efforts to boost the industrial sector in the Country. India's economy is on tracks to grow from the present around \$ 2.5 Trillion to over \$ 10 Trillion by 2030, thereby becoming the world's third largest economy after China and the US. 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 urbanization and with the whole of India coming under the electric power umbrella, 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.
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.43.93 Crore as against Rs.39.06 Crore in the last financial year, an increase of 12.47% as compared to the previous financial year.

Sale of Electrical Carbon Brush segment comes contributes 75% to the top line, while Mechanical segment witnessed a share of 25%.

Performance of the Company has witnessed a huge 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

During the year under review, revenue from operations of the Company increased to Rs. 4392.99 Lacs as compared to Rs. 3906.02 Lacs in the previous year which is a healthy 12.5% growth. This increase in the sales was achieved by firstly improving production and productivity by removing bottlenecks in operations, adding new Plant and Machinery.

Your Company was able to earn a profit of Rs.565.53 Lacs as against a profit of Rs. 273.38 Lacs in the previous year, which is a nearly 107% increase.

Despite several challenging issue faced by your Company such as low productivity, absenteeism, outdated and obsolete Plant & Equipments, 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 continue towards higher turnover and profits.

### HUMAN RESOURCES/INDUSTRIAL RELATIONS

The Company has always given prime importance to Human Resources. Continued efforts towards optimum manpower utilization 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 total number of people employed in the organization as on 31.03.2018 was 254 as compared to 258 as on 31.03.2017.

### 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 IND AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Assam Carbon Products Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

### 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 Ind AS financial statements that give a true and fair view of financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

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 Ind AS 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 Ind AS 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

### Basis for Qualified Opinion

We draw attention to Note 26(A)(iv) to the Ind AS 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 court 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 2018, 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 above, the aforesaid Ind AS financial statements give the

## Independent Auditor's Report (Contd.)

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 including the Ind AS, of the state of affairs of the Company as at 31 March 2018, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in the paragraph 3 and 4 of the order.
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 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, the Cash Flow Statement and Statement for Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
  - (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 the Basis for qualified opinion paragraph.
  - (f) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 Ind AS financial statements – Refer Note 26 to the Ind AS 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.

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

**[Atanu Chatterjee]**  
Partner  
Membership No : 050105

Place: Kolkata  
Date : 4th May 2018

## 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 Ind AS financial statements for the year ended 31 March 2018, 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 has not made any investment, advanced any loan, given any guarantee or provided any securities to other during the year.
- (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, goods and service 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, goods and service tax and other material statutory dues were in arrears as at 31 March 2018 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	499	2012-13 & 2013-14	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 & Co.**  
Chartered Accountants  
Firm's Registration No.: 301111E

**[Atanu Chatterjee]**  
Partner  
Membership No : 050105

Place: Kolkata  
Date : 4th May 2018

## **Annexure B to the Independent Auditor's Report**

### **Annexure - B to the Independent Auditors' Report of even date on the Ind AS 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 2018 in conjunction with our audit of the Ind AS 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 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Kolkata  
Date : 4th May 2018

**[Atanu Chatterjee]**  
*Partner*  
Membership No : 050105

## Balance Sheet as at 31 March, 2018

Amount in Rs. thousands

	Note	31 Mar 2018	31 Mar 2017	1 Apr 2016
<b>ASSETS</b>				
<b>Non Current Assets</b>				
(a) Property, Plant & Equipments	4	1,15,866	1,13,984	80,319
(b) Capital Work in Progress	4	953	495	61
(c) Other Intangible Assets	4	729	1,060	1,767
(d) Other Financial Assets	5	4,969	5,352	5,489
(e) Other Non-Current Assets	6	-	164	288
		<b>1,22,517</b>	<b>1,21,055</b>	<b>87,924</b>
<b>Current Assets</b>				
(a) Inventories	7	1,11,957	90,436	76,311
(b) Financial Assets				
(i) Investments	8	3,240	125	30
(ii) Trade Receivables	9	1,47,443	1,02,425	1,36,050
(iii) Cash & Cash Equivalent	10	14,084	24,173	18,012
(iv) Other Financial Assets	5	2,856	2,568	2,284
(c) Other Current Assets	6	23,157	11,512	9,295
		<b>3,02,737</b>	<b>2,31,239</b>	<b>2,41,982</b>
<b>TOTAL ASSETS</b>		<b>4,25,254</b>	<b>3,52,294</b>	<b>3,29,906</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	11	27,556	27,556	27,556
(b) Other Equity	12	59,849	3,329	(24,009)
		<b>87,405</b>	<b>30,885</b>	<b>3,547</b>
<b>Non Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	13	118	304	470
(b) Provisions	14	23,708	23,827	26,180
		<b>23,826</b>	<b>24,131</b>	<b>26,650</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	13	-	-	1,00,420
(ii) Trade Payables	15	41,765	35,274	1,51,457
(iii) Other Liabilities	16	2,16,754	2,16,734	23,242
(b) Provisions	14	19,937	20,220	17,482
(c) Other Current Liabilities	17	24,970	25,050	7,108
(d) Current Tax Liabilities (Net)	18	10,597	-	-
		<b>3,14,023</b>	<b>2,97,278</b>	<b>2,99,709</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,25,254</b>	<b>3,52,294</b>	<b>3,29,906</b>
<b>Significant accounting policies</b>	<b>1B</b>			

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

**Atanu Chatterjee**  
Partner  
Membership No.: 050105  
Place: Kolkata  
Date: 04.05.2018

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, 2018

Amount in Rs. thousands

	Note	31 Mar 2018	31 Mar 2017
I. Income from Operations	19	4,39,299	3,90,602
II. Other income	20	13,633	2,082
III. <b>Total Income (I + II)</b>		<b>4,52,932</b>	3,92,684
IV. <b>Expenses</b>			
(a) Cost of materials consumed	21	1,01,862	85,143
(b) Purchase of stock in trade	22	1,792	1,450
(c) Changes in inventories of finished goods, work in progress & stock in trade	23	(17,263)	(7,106)
(d) Excise Duty [Net of refund of Rs. 2264 (previous year Rs. NIL)]		8,310	42,103
(e) Employee benefits expenses	24	1,14,683	1,12,068
(f) Finance cost		48	74
(g) Depreciation and Amortisation expenses	4	14,763	12,336
(h) Other Expenses	25	1,59,991	1,19,562
<b>Total Expenses (IV)</b>		<b>3,84,186</b>	<b>3,65,630</b>
V. <b>Profit / (Loss) before exceptional items and tax (III – IV)</b>		<b>68,746</b>	27,054
VI. <b>Exceptional Items</b>		–	–
VII. <b>Profit / (Loss) before tax (V – VI)</b>		<b>68,746</b>	27,054
VIII. <b>Tax Expense / (Credit)</b>			
(a) Current tax		10,973	–
(b) Deferred tax		–	–
Total Tax Expenses / (Credit)		10,973	–
IX. <b>Profit / (Loss) for the year from continuing operations (VII – VIII)</b>		<b>57,773</b>	27,054
X. <b>Other Comprehensive Income / (Loss)</b>			
(a) Items that will not be reclassified to profit or Loss			
– Remeasurement gains and (losses) on defined benefit obligation		(1,220)	276
– Equity instruments fair value through other comprehensive income		–	8
(b) Income–tax (expense)/credit relating to items that will not be reclassified to profit or loss		–	–
Total Other Comprehensive Income / (Loss), net of taxes		(1,220)	284
XI. <b>Total Comprehensive Income / (Loss) for the year (IX + X)</b>		<b>56,553</b>	27,338
XII. <b>Earnings per share</b>			
Basic & Diluted	30	20.97	9.82
<b>Significant accounting policies</b>	1B		

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

**Atanu Chatterjee**  
 Partner  
 Membership No.: 050105  
 Place: Kolkata  
 Date: 04.05.2018

 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 2018

Amount in Rs. thousands

	31 March 2018		31 March 2017	
<b>A. Cash flow from operating activities</b>				
Profit/ (Loss) before tax		68,746		27,054
<i>Adjustments for :</i>				
Depreciation and amortisation	14,763		12,336	
Allowance for doubtful receivables	3,342		2,441	
Advances written off	1,668		166	
Finance cost	48		74	
Interest income	(245)		(759)	
Dividend	(194)		(87)	
Subjudice Part Refund of Excise Duty	–		15,829	
Remeasurement of Defined Benefit Plan	(1,220)		276	
Provisions and Liabilities no longer required written back	(4,582)		(385)	
Loss in Reinstatement of Investment	41		–	
Unrealised foreign exchange loss / (gain) (net)	–		1,834	
Profit on sale of investment	(33)		–	
Loss/ (profit) on sale / discard of fixed asset	(49)		7	
		13,539		31,732
Operating cash flow before working capital changes		82,285		58,786
<i>Adjustments for :</i>				
Trade receivables, loans and advances and other current assets	(64,225)		28,661	
Inventories	(19,180)		(14,151)	
Trade payable, provisions and other liabilities	10,425	(72,980)	80,944	95,454
		9,305		1,54,240
Less : Direct Taxes paid		(212)		–
Net Cash provided by/ (used in) operating activities		9,093		1,54,240
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets (including net movement in capital WIP)		(16,826)		(47,973)
Proceeds from disposal of fixed assets		103		74
Investment in Mutual funds		(3,000)		–
(Investment)/Maturity in term deposit with bank (net)		112		–
Sale of Equity Instruments		38		–
Dividend Income		194		87
Interest received		245		393
Net cash provided by/ (used in) investing activities		(19,134)		(47,419)

## Cash Flow Statement for the year ended 31 March 2018 (Contd.)

Amount in Rs. thousands

	31 March 2018		31 March 2017	
<b>C. Cash flow from financing activities</b>				
Proceeds from borrowings		–		(1,00,586)
Finance cost paid		(48)		(74)
Net cash provided by/ (used in) financing activities		(48)		(1,00,660)
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>(10,089)</b>		6,161
Cash and cash equivalents - opening balance		24,173		18,012
Cash and cash equivalents - closing balance		14,084		24,173
		(10,089)		6,161
<b>Cash and cash equivalents as at the year end comprises of:</b>				
Cash on hand		112		138
Balances with banks				
- on current accounts		13,972		16,669
- on fixed deposits		–		7,366
		14,084		24,173

As per our report of even date attached

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

**Atanu Chatterjee**  
 Partner  
 Membership No.: 050105  
 Place: Kolkata  
 Date: 04.05.2018

 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 changes in equity as at 31 March 2018

Amount in Rs. thousands

### A Equity Share Capital

Balance as at 1 April 2016	27,556
Changes in equity share capital during the year	—
<b>Balance as at 31 March 2017</b>	<b>27,556</b>
Changes in equity share capital during the year	—
<b>Balance as at 31 March 2018</b>	<b>27,556</b>

### B Other Equity

	Attributable to shareholders of Assam Carbon Products Limited						Total Other Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Equity Instruments through other comprehensive income	Other Components of Equity Other Items of Other Comprehensive Income	
Balance as at 1 April 2017	3,586	2,244	4,144	(6,954)	33	276	3,329
Profit / (Loss) for the year	—	—	—	57,773	—	—	57,773
Adjustments for disposal of Equity Instruments	—	—	—	—	(33)	—	(33)
Other Comprehensive Income / (loss) for the year	—	—	—	—	—	(1,220)	(1,220)
<b>Total Comprehensive Income / (loss) for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>57,773</b>	<b>(33)</b>	<b>(1,220)</b>	<b>56,520</b>
Balance as at 31 March 2018	3,586	2,244	4,144	50,819	—	(944)	59,849
Balance as at 1 April 2016	3,586	2,244	4,144	(34,008)	25	—	(24,009)
Profit / (Loss) for the year	—	—	—	27,054	—	—	27,054
Other Comprehensive Income / (loss) for the year	—	—	—	—	8	276	284
<b>Total Comprehensive Income / (loss) for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>27,054</b>	<b>8</b>	<b>276</b>	<b>27,338</b>
<b>Balance as at 31 March 2017</b>	<b>3,586</b>	<b>2,244</b>	<b>4,144</b>	<b>(6,954)</b>	<b>33</b>	<b>276</b>	<b>3,329</b>

#### Nature and Purpose of each reserve

Capital Redemption Reserve : The Act requires that where a Company redeems its Preference Shares, a sum equal to the nominal value of the shares so redeemed shall be transferred to a Capital Redemption Reserve. This can be applied by the Company in issuing fully paid Bonus Shares.

General Reserve : Under the erstwhile Indian Companies Act, 1956 a General Reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 these requirement has been withdrawn.

Retained Earnings: This reserve represents the cumulative profits of the Company. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

Items of Other Comprehensive Income: This represents the effects of remeasurement of defined benefit obligations and fair value of equity instruments through OCI.

#### Significant accounting policies

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

**Atanu Chatterjee**

Partner

Membership No.: 050105

Place: Kolkata

Date: 04.05.2018

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 2018

### 1.A ABOUT THE COMPANY

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.B SIGNIFICANT ACCOUNTING POLICIES

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

These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as 'Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, notified under Section 133 of the Companies Act, 2013 ('the Act') and other accounting principles generally accepted in India, to the extent applicable.

The financial statements upto the year ended March 31 2017, were prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (Previous GAAP) applicable in India and the applicable Accounting Standards as per the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, to the extent applicable.

These are the Company's first Ind AS Standalone Financial Statements. The date of transition to Ind AS is April 1, 2016. The mandatory exceptions and optional exemptions availed by the Company on First-time adoption have been detailed in Note 2.

The financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency and all the amounts are rounded off to nearest thousand (Rs. 000) except as stated otherwise.

#### ii. Use of estimates

The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

#### Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 1. Useful lives of property, plant and equipment

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

#### 2. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities are disclosed in the notes to the financial statements.

#### 3. Claims, Provisions and Contingent Liabilities

In case of any ongoing dispute / litigation, where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

### 4. Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

### 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. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities
- b. Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- c. Level 3 inputs are unobservable inputs for the asset or liability.

### v. Property Plant and Equipment

Freehold land is carried at historical cost. All other items of Properties plant and equipment are stated at their cost of acquisition (net of input credit) or construction and are net of accumulated depreciation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

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.

### **Depreciation**

Depreciation on property plant and equipment commences when the assets are ready for their intended use.

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 is provided on pro rata basis in the year of purchase/ disposal.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **vi. Intangible fixed assets**

Intangible assets are stated at their cost of acquisition net of amortisation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Application software is amortised over the estimated economic useful life of 6 years.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

#### **vii. Impairment of non-financial Assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized 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.

#### **viii. Financial Instruments**

##### **a. Financial Assets**

Financial assets, where applicable are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

##### *Classification*

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

The financial assets are classified as those measured at:

1. amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and / or interest.
2. fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
3. fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on their fair value of such assets. Such

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, advances, security deposits, cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

### *Impairment*

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

### *De-recognition*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

#### b. Financial Liabilities

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. These liabilities include borrowings and deposits.

### *De-recognition of financial liabilities*

A financial liability are de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### c. Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### ix. **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.

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

#### x. **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 2018 (Contd.)

### xi. Income from Government Grant

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria.

Government grants are recognised when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant.

Accordingly, government grants:

- a. related to or used for assets are included in the Balance Sheet as deferred income and recognised as income over the useful life of the assets.
- b. related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- c. by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

### xii. Foreign exchange transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the statement of profit and loss.

Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost.

### xiii. 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 benefit 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.

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

### xiv. 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).

- a. 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.
- b. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably certain (as the case may be) to be realised.

- c. Dividend Distribution

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

### xv. Provisions and Contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

### xvi. Operating leases

Lease payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Associated costs, such as maintenance and insurance, are expensed as incurred.

### xvii. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

### xviii. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

### 2 FIRST TIME ADOPTION OF IND AS

- (i) Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the opening Balance Sheet as per Ind AS as of 1st April, 2016 (the transition date) by :
- recognising all assets and liabilities whose recognition is required by Ind AS,
  - not recognising items of assets or liabilities which are not permitted by Ind AS,
  - reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and
  - applying Ind AS in measurement of recognised assets and liabilities.
- (ii) Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

- a. Reconciliation of Equity as at the Date of Transition (1st April, 2016)

Balance Sheet as on 31.03.2016	Note	Previous GAAP*	Adjustments	IND AS
Share Capital	11	27,556	NIL	27,556

\* The Previous GAAP Figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this Note.

- b. Reconciliation of Equity as at 31st March, 2017

Balance Sheet as on 31.03.2017	Note	Previous GAAP*	Adjustments	IND AS
Share Capital	11	27,556	NIL	27,556

\* The Previous GAAP Figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this Note.

- c. Reconciliation of total comprehensive income for the year ended 31st March, 2017 is summarised as follows (in thousands) :

Particulars	Notes	For the year ended 31.03.2017
Profit as per previous GAAP	---	27,330
Add : Fair valuation of Shares	2(iii)(a)	8
Total Comprehensive Income as per Ind AS	---	27,338

- d. Reconciliation of other equity as reported under previous GAAP is summarized as follows (in thousand) :

Particulars	Notes	As on 31.03.2017	As on 01.04.2016 (Date of Transition)
Other Equity as reported under previous GAAP		2,972	(24,358)
Add/ (Less) :			
Impact of fair value of shares	2(iii)(a)	33	25
Impact of Fair valuation of Other Liabilities	2(iii)(c)	324	324
Other Equity as reported under Ind AS		3,329	(24,009)

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

e. Impact of Ind AS adoption on the balance sheet as on the Date of Transition (01.04.2016) and 31.03.2017 :

		As on 31 Mar 2017			As on 01 Apr 2016		
<b>ASSETS</b>							
<b>Non Current Assets</b>							
(a)	Property, Plant & Equipments	113,984	–	113,984	80,319	–	80,319
(b)	Capital Work in Progress	495	–	495	61	–	61
(c)	Other Intangible Assets	1,060	–	1,060	1,767	–	1,767
(d)	Other Financial Assets	5,352	–	5,352	5,489	–	5,489
(e)	Other Non-Current Assets	164	–	164	288	–	288
		121,055	–	121,055	87,924	–	87,924
<b>Current Assets</b>							
(a)	Inventories	92,777	(2,341)	90,436	78,626	(2,315)	76,311
(b)	Financial Assets						
	(i) Investments	92	33	125	5	25	30
	(ii) Trade Receivables	102,425	–	102,425	136,050	–	136,050
	(iii) Cash & Cash Equivalents	24,173	–	24,173	18,012	–	18,012
	(iv) Other Financial Assets	2,568	–	2,568	2,284	–	2,284
(c)	Other Current Assets	11,512	–	11,512	9,295	–	9,295
		233,547	(2,308)	231,239	244,272	(2,290)	241,982
<b>TOTAL ASSETS</b>		<b>354,602</b>	<b>(2,308)</b>	<b>352,294</b>	<b>332,196</b>	<b>(2,290)</b>	<b>329,906</b>
<b>EQUITY &amp; LIABILITIES</b>							
<b>Equity</b>							
(a)	Equity Share Capital	27,556	–	27,556	27,556	–	27,556
(b)	Other Equity	2,972	357	3,329	(24,358)	349	(24,009)
		30,528	357	30,885	3,198	349	3,547
<b>Non Current Liabilities</b>							
(a)	Financial Liabilities						
	(i) Borrowings	304	–	304	470	–	470
(b)	Provisions	23,827	–	23,827	26,180	–	26,180
		24,131	–	24,131	26,650	–	26,650
<b>Current Liabilities</b>							
(a)	Financial Liabilities						
	(i) Borrowings	–	–	–	100,420	–	100,420
	(ii) Trade Payables	35,274	–	35,274	151,457	–	151,457
	(iii) Other Liabilities	217,058	(324)	216,734	23,566	(324)	23,242
(b)	Provisions	20,220	–	20,220	17,482	–	17,482
(c)	Other Current Liabilities	27,391	(2,341)	25,050	9,423	(2,315)	7,108
(d)	Current Tax Liabilities (Net)	–	–	–	–	–	–
		299,943	(2,665)	297,278	302,348	(2,639)	299,709
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>354,602</b>	<b>(2,308)</b>	<b>352,294</b>	<b>332,196</b>	<b>(2,290)</b>	<b>329,906</b>

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

f. Impact of Ind AS adoption on the Total Comprehensive Income as on 31.03.2017 :

		31 Mar 2017		
		IGAAP	Adjustment	Ind AS
I	Income from Operations	348,499	42,103	390,602
II	Other Income	2,082	–	2,082
III	Total Income (I+II)	350,581	42,103	392,684
IV	Expenses			
	(a) Cost of Material Consumed	85,143	–	85,143
	(b) Purchase of Stock in Trade	1,450	–	1,450
	(c) Changes in Inventories of finished goods, work-in-progress and stock-in-trade	(7,132)	(26)	(7,106)
	(d) Excise Duty	–	42,103	42,103
	(e) Employee Benefit Expenses	111,792	(276)	112,068
	(f) Finance Cost	74	–	74
	(g) Depreciation and Amortisation Expenses	12,336	–	12,336
	(h) Other Expenses	119,588	26	119,562
	Total Expenses (IV)	323,251	41,827	365,630
V	Profit / (Loss) before exceptional items and tax (III-IV)	27,330	276	27,054
VI	Exceptional Items	–	–	–
VII	Profit / (Loss) before tax (V – VI)	27,330	276	27,054
VIII	Tax Expenses / (Credit)			
	(a) Current Tax	–	–	–
	(b) Deferred Tax	–	–	–
	Total Tax Expenses / (Credit)	–	–	–
IX	Profit / (Loss) for the year (VII – VIII)	27,330	276	27,054
X	Other Comprehensive Income (Net of Tax)	–	(284)	284
XI	Total Comprehensive Income for the year	27,330	(8)	27,338

\* The Previous GAAP Figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this Note.

g. Impact of Ind AS adoption on the Cash Flow Statement for the year ended 31st March, 2017 :

There are no significant differences between the Cash Flow Statement presented under Ind AS and the Previous GAAP.

**Notes:** Ind AS 101 mandates certain exceptions and allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in the financial statements:

(i) Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38.

Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

(ii) Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS in accordance with Ind AS 101- First-time adoption of Indian Accounting Standards.

(iii) In addition to the above, the principal adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017 are detailed below:

a. Under previous GAAP, non-current investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, equity instruments other than investment in subsidiary have been classified as Fair Value through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition.

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

- b. Investments in Mutual Funds classified as current investment have been measured at Fair Value through Profit or Loss (FVTPL) through an irrevocable election at the date of transition.
- c. Fair valuation of Other Liabilities under Ind AS as on 01.04.2016 has resulted in a reduction of the liability by Rs.324. As a result of such change, the retained earnings of the Company as on 01.04.2016 has increased by the aforesaid amount. There is no impact on the profit for the year.
- d. Under previous GAAP, inventory of finished good includes excise duty. Under Ind AS, the value of finished goods is required to be shown at fair value only. Hence excise duty on finished goods is eliminated.
- e. Under previous GAAP, cumulative convertible preference shares were shown under share capital heading. As per Ind AS requirement the same is considered as debts.
- f. Under Ind AS, remeasurement i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the loss for the year ended March 31, 2017 decreased by Rs.276. There is no impact on the total equity as at March 31, 2017.
- g. Under Ind AS, all items of income and expenses recognised in a year should be included in profit or loss for the year, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as “other comprehensive income” includes remeasurements of defined benefit plans and fair valuation of equity instruments other than investment in subsidiary. The concept of other comprehensive income did not exist under previous GAAP.
- h. Retained earnings as at 1.4.2016 and as at 31.3.2017 has been adjusted consequent to above Ind AS transition adjustments.

### 3 FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of risks including liquidity risk, credit risk and market risk. The Company seeks to minimize potential adverse effects of these risks by managing them through a structured process of identification, assessment and prioritization of risks followed by coordinated efforts to monitor, minimize and mitigate the impact of such risks on its financial performance and capital. For this purpose, the Company has laid comprehensive risk assessment and minimization/mitigation procedures, which are reviewed by the Audit Committee and approved by the Board from time to time. These procedures are reviewed to ensure that executive management controls risks by way of properly defined framework. The Company does not enter into derivative financial instruments for speculative purposes. The following table explains the sources of risk and how the entity manages the risk in its financial statements. The management reviews the status of all principal risks with a significant potential impact. Additionally, the Audit Committee carried out focused risk reviews of each Plant and divisions. These reviews included an analysis of both the principal risks, and the controls, monitoring and assurance processes established to mitigate those risks to acceptable levels. As a result of these reviews, a number of actions were identified to continue to improve internal controls and the management of risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis, Credit analysis	Credit limits and letters of credit
Liquidity Risk	Borrowings and other liabilities	Cash Flow forecasts	Credit facilities
Market Risk – foreign exchange	Recognised financial assets and liabilities not denominated in INR	Cash Flow forecasts	Monitoring of currency movement.
Market Risk – interest rate	Long Term Borrowings/ Liabilities	...	Monitoring of interest rate movements
Market Risk – security prices	Investment in Securities	...	Portfolio Management

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

### a. Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. Credit risk arises from cash and cash equivalents, investment carried at amortised cost, deposit with banks and financing institutions as well as credit exposure to customer and other parties.

For banks and financial institutions, only high rated banks/institutions are accepted. For other financial assets, the entity assesses and manages credit risk based on internal credit evaluation. It monitors party-wise exposure and based on evaluation credit rating is allotted for each party. Thereafter a credit limit is assigned to each party depending on the solvency of the said party.

The entity considers the probability of default on ongoing basis and at each reporting period. Micro-economic information is incorporated as part of internal rating model.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 180 days past due.

The ageing of Trade receivables i.e. receivables which are past due (net of allowances / provisions) are given below :

Age of receivables	31 Mar 2018	31 Mar 2017	1 Apr 2016
1 – 30 days past dues	17,447	14,582	16,819
31 – 60 days past dues	6,308	5,965	8,200
61 – 90 days past dues	2,217	1,228	3,008
91 – 180 days past dues	4,990	5,372	6,060
More than 180 days past dues	3,714	4,751	4,954

As per the policy, any trade receivables overdue for more than 365 days, equivalent provision / allowance are provided in the books of accounts on the relevant date.

### b. Liquidity Risk

The company objective is to at all times maintain optimum level of liquidity to meet its cash and collateral requirement at all times. The Company relies on Borrowing to meet its additional need for fund. The current committed lines of credit are sufficient to meet its short to medium term expansion needs and hence evaluates the concentration of risk with respect to liquidity as low. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining headroom on its undrawn committed borrowing facilities at all times so that Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The company is required to maintain debt equity ratio as mentioned in the loan agreements at specified levels. In the event to meet any ratios these become callable at the option of the lenders, except where exception is provided by lender.

### c. Market Risk

Market risk is the risk that the fair value of future cash flow of financial instruments may fluctuate because of changes in market conditions. Market risk broadly comprises three types of risks namely currency risk, interest rate risk and price risk (for commodities or equity instruments).

- (i) **Foreign Exchange Risk** – The company operates only in India and has not entered in to any foreign exchange or commodity derivative contracts. Accordingly there is no significant exposure to market risk.
- (ii) **Interest Rate Risk** – Interest rate exposure of the Company is mainly on Borrowing from Bank/FI, which is linked to their prime lending rate and the Company does not foresee any risk on the same.
- (iii) **Security Price Risk** – The Management invests its surplus funds in mutual funds operated by only high rated banks/institutions. These investments are generally short-term and accordingly there is no significant exposure.

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

Amount in Rs. thousands

### 4 PROPERTY, PLANT & EQUIPMENTS

	Owned Assets						
	Freehold Land	Buildings	Plant and Machineries	Furniture & Fittings	Office Equipments	Vehicles	Total
Gross carrying amount							
Original cost as at 1 April 2016	1,853	34,252	2,20,612	4,264	16,404	4,681	282,066
Additions	–	–	44,903	–	27	445	45,375
Disposals	–	–	173	–	208	–	381
Closing Gross carrying amount as at 31 Mar 2017	1,853	34,252	2,65,342	4,264	16,223	5,126	3,27,060
Accumulated depreciation as at 1 April 2016	–	21,649	1,58,894	3,718	14,779	2,707	2,01,747
Depreciation for the Year	–	607	10,145	36	450	391	11,629
Accumulated depreciation on Disposals	–	–	101	–	199	–	300
Accumulated depreciation as at 31 March 2017	–	22,256	1,68,938	3,754	15,030	3,098	2,13,076
Net Carrying amount as at 1 April 2016	1,853	12,603	61,718	546	1,625	1,974	80,319
Net Carrying amount as at 31 March 2017	1,853	11,996	96,404	510	1,193	2,028	1,13,984

Gross carrying amount							
Original cost as at 1 April 2017	1,853	34,252	2,65,342	4,264	16,223	5,126	3,27,060
Additions	–	671	14,448	–	665	584	16,368
Disposals	–	–	395	–	26	–	421
Closing Gross carrying amount as at 31 Mar 2018	1,853	34,923	2,79,395	4,264	16,862	5,710	3,43,007
Accumulated depreciation as at 1 April 2017	–	22,256	1,68,938	3,754	15,030	3,098	2,13,076
Depreciation for the Year	–	610	12,986	65	305	466	14,432
Accumulated depreciation on Disposals	–	–	342	–	25	–	367
Accumulated depreciation as at 31 March 2018	–	22,866	1,81,582	3,819	15,310	3,564	2,27,141
Net Carrying amount as at 31 March 2018	1,853	12,057	97,813	445	1,552	2,146	1,15,866

Note : Net carrying amount for Vehicle block includes Rs.620 (31 March 2017-746 & 1 April 2016-872) being asset acquired under Hire Purchase option.

#### 4. CAPITAL WORK IN PROGRESS

Balance as at 1 April 2016	61	<b>Balance as at 1 April 2017</b>	<b>495</b>
Addition	495	<b>Addition</b>	<b>953</b>
Assets capitalised during the year	61	<b>Assets capitalised during the year</b>	<b>495</b>
Balance as at 31 March 2017	495	<b>Balance as at 31 March 2018</b>	<b>953</b>

#### 4. INTANGIBLE FIXED ASSETS - COMPUTER SOFTWARE

<b>COST</b>		<b>COST</b>	
As at 1 April 2016	6,297	As at 1 April 2017	6,297
Additions	–	Additions	–
Disposals	–	Disposals	–
As at 31 March 2017	6,297	As at 31 March 2018	6,297
<b>ACCUMULATED DEPRECIATION</b>		<b>ACCUMULATED DEPRECIATION</b>	
As at 1 April 2016	4,530	As at 1 April 2017	5,237
Additions	707	Depreciation for the Year	331
Disposals	–	Accumulated depreciation on Disposals	–
As at 31 March 2017	5,237	As at 31 March 2018	5,568
Net Carrying amount as at 31 March 2017	1,060	Net Carrying amount as at 31 March 2018	729

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

Amount in Rs. thousands

<b>5 OTHER FINANCIAL ASSETS</b>						
At amortised cost	Non-current			Current		
	31 Mar 2018	31 Mar 2017	1 Apr 2016	31 Mar 2018	31 Mar 2017	1 Apr 2016
To parties other than related parties						
Security deposits						
Unsecured, considered good	4,851	4,912	5,166	2,264	2,083	2,116
	4,851	4,912	5,166	2,264	2,083	2,116
Other loans and advances						
<i>Unsecured considered good, unless otherwise stated</i>						
Interest accrued on bank deposits	–	123	105	41	21	–
Bank deposits due to mature after 12 months from the reporting date (Refer note 10) - Held as margin money	118	317	218	551	464	168
	4,969	5,352	5,489	2,856	2,568	2,284

<b>6 OTHER ASSETS</b>						
	Non-current			Current		
	31 Mar 2018	31 Mar 2017	1 Apr 2016	31 Mar 2018	31 Mar 2017	1 Apr 2016
Unsecured considered good, unless otherwise stated						
Advance income-tax	–	164	288	–	–	–
Advances to employees and directors (*)	–	–	–	1,268	1,390	1,977
Balance with excise and sale tax authorities	–	–	–	847	3,235	2,242
Prepaid expenses	–	–	–	2,305	1,813	1,454
Others receivable	–	–	–	9,149	721	1,223
Advances recoverable in cash or in kind or for value to be received						
- Considered good	–	–	–	9,588	4,353	2,399
- Considered doubtful	–	–	–	–	–	–
	–	164	288	23,157	11,512	9,295

(\*) Figure for 1 Apr 2016 includes Rs. 653 being paid to Director which was subsequently recovered in full.

<b>7 INVENTORIES (Valued at lower of cost and net realizable value)</b>			
	31 Mar 2018	31 Mar 2017	1 Apr 2016
Raw materials and components	27,050	25,885	20,122
Raw materials in Transit	6,156	4,111	4,178
Stores and spares parts	7,598	6,550	5,227
Work-in-progress	63,575	45,778	41,788
Finished goods			
- Manufactured	6,691	7,582	4,445
- Traded	887	530	551
	111,957	90,436	76,311

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

Amount in Rs. thousands

<b>8</b> <b>CURRENT INVESTMENT</b>	<b>31 Mar 2018</b>	<b>31 Mar 2017</b>	<b>1 Apr 2016</b>
Non-trade investment			
Investment in Equity Instruments (at fair value through Other Comprehensive Income)			
Un-Quoted equity shares	–	38	30
31 March 2017 - 500 and 1 Apr 2016 - 500 equity shares of Rs.10 each fully paid up in Assam Petrochemicals Limited			
Investment in Mutual Funds (at fair value through Profit & Loss)			
ICICI Equity Arbitrage Fund	<b>3,240</b>	87	–
2,37,541.482 units with NAV at Rs. 13.6401 (31 March 2017 - 6,307.920 units with NAV at Rs. 13.7419 )			
	<b>3,240</b>	125	30

Refer Note 1.B for information about fair value measurements and Note 3 for credit risk and market risk in investments.

<b>9</b> <b>TRADE RECEIVABLES</b>	<b>31 Mar 2018</b>	<b>31 Mar 2017</b>	<b>1 Apr 2016</b>
Unsecured, considered good	<b>1,47,443</b>	1,02,425	1,36,050
Unsecured, considered doubtful	<b>35,269</b>	66,677	64,236
	<b>182,712</b>	1,69,102	2,00,286
Less: Allowance for doubtful receivables	<b>35,269</b>	66,677	64,236
	<b>1,47,443</b>	1,02,425	1,36,050

Refer Note 3 for information about credit risk and market risk on receivables.

<b>10</b> <b>CASH AND BANK BALANCES</b>	<b>31 Mar 2018</b>	<b>31 Mar 2017</b>	<b>1 Apr 2016</b>
Cash and cash equivalents			
Balance with banks:			
Current accounts	<b>13,972</b>	16,669	17,767
In Fixed Deposits	–	7,366	168
Cash on hand	<b>112</b>	138	77
	<b>14,084</b>	24,173	18,012
<b>Details of deposits</b>			
Bank deposits due to mature within 12 months of the reporting date included under 'Other Financial Assets (Current)'	<b>551</b>	464	168

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

Amount in Rs. thousands

11 EQUITY SHARE CAPITAL	31 Mar 2018		31 Mar 2017		1 Apr 2016	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
<b>Authorised shares</b>						
Equity shares of Rs. 10 each	98,00,000	98,000	98,00,000	98,000	98,00,000	98,000
	98,00,000	98,000	98,00,000	98,000	98,00,000	98,000
Issued, subscribed and fully paid up equity shares of Rs.10 each	27,55,600	27,556	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	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.

Particulars of shareholders holding more than 5% shares of the Company	31 Mar 2018		31 Mar 2017		1 Apr 2016	
	No of shares	% of holding	No of shares	% of holding	No of shares	% of holding
Equity shares of Rs. 10 each fully paid up held by						
Mr. Rakesh Himatsingka	7,96,452	28.90%	7,96,452	28.90%	400	0.01%
Mr. S V Himatsingka	8,87,823	32.22%	8,87,823	32.22%	2,30,750	8.37%
Mrs. Anita Himatsingka	2,75,025	9.98%	2,75,025	9.98%	2,75,025	9.98%
Morgan Advanced Material plc	–	–	–	–	7,92,927	28.78%
Prabhat C Goenka	–	–	–	–	6,62,375	24.04%

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

Amount in Rs. thousands

### 12 OTHER EQUITY

	Attributable to shareholders of Assam Carbon Products Limited						Total Other Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Other Components of Equity		
					Equity Instruments through other comprehensive income	Other items of Other Comprehensive Income	
Balance as at 1 April 2017	3,586	2,244	4,144	(6,954)	33	276	3,329
Profit / (Loss) for the year	-	-	-	57,773	-	-	57,773
Adjustments for disposal of Equity Instruments	-	-	-	-	(33)	-	(33)
Other Comprehensive Income / (loss) for the year	-	-	-	-	-	(1,220)	(1,220)
Total Comprehensive Income / (loss) for the year	-	-	-	57,773	(33)	(1,220)	56,520
Balance as at 31 March 2018	3,586	2,244	4,144	50,819	-	(944)	59,849
Balance as at 1 April 2016	3,586	2,244	4,144	(34,008)	25	-	(24,009)
Profit / (Loss) for the year	-	-	-	27,054	-	-	27,054
Other Comprehensive Income / (loss) for the year	-	-	-	-	8	276	284
Total Comprehensive Income / (loss) for the year	-	-	-	27,054	8	276	27,338
Balance as at 31 March 2017	3,586	2,244	4,144	(6,954)	33	276	3,329

#### Nature and Purpose of each reserve

Capital Redemption Reserve : The Act requires that where a Company redeems its Preference Shares, a sum equal to the nominal value of the shares so redeemed shall be transferred to a Capital Redemption Reserve. This can be applied by the Company in issuing fully paid Bonus Shares.

General Reserve : Under the erstwhile Indian Companies Act, 1956 a General Reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 these requirement has been withdrawn.

Retained Earnings: This reserve represents the cumulative profits of the Company. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

Items of Other Comprehensive Income: This represents the effects of remeasurement of defined benefit obligations and fair value of equity instruments through OCI.

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

Amount in Rs. thousands

	Non-current			Current		
	31 Mar 2018	31 Mar 2017	1 Apr 2016	31 Mar 2018	31 Mar 2017	1 Apr 2016
Secured (at amortised cost)						
Vehicle under Hire Purchase (*)	118	304	470	186	166	148
Loan repayable on demand						
Morgan Advanced Materials Plc	-	-	-	-	-	1,00,420
	118	304	470	186	166	1,00,568

\* Current portion amount disclosed under 'other liabilities'.

The balance is repayable along with interest through equated monthly instalments as stipulated by the Lender.

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

The Company's Authorised capital includes 20,000 (31 March 2017 - 20,000; 1 April 2016 - 20,000) Cumulative Convertible Preference shares of Rs.100/- each. No amount is outstanding against such Preference shares.

	Non-current			Current		
	31 Mar 2018	31 Mar 2017	1 Apr 2016	31 Mar 2018	31 Mar 2017	1 Apr 2016
Provision for employee benefits						
Gratuity (refer note 31)	15,824	16,450	18,450	7,223	7,100	4,025
Compensated absences	7,884	7,377	7,730	511	597	573
Provision for contingencies	-	-	-	10,000	10,000	10,000
Provision for warranties	-	-	-	2,203	2,523	2,884
	23,708	23,827	26,180	19,937	20,220	17,482

Movement of provisions	Provision for contingencies			Provision for warranties		
	31 Mar 2018	31 Mar 2017	1 Apr 2016	31 Mar 2018	31 Mar 2017	1 Apr 2016
Opening Balance	10,000	10,000	10,000	2,523	2,884	3,612
Add: Provision during the year	-	-	-	-	-	-
Less: Utilised during the year	-	-	-	320	361	728
Closing Balance	10,000	10,000	10,000	2,203	2,523	2,884

### 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.

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

Amount in Rs. thousands

<b>15</b> TRADE PAYABLES			
	31 Mar 2018	31 Mar 2017	1 Apr 2016
Outstanding dues of creditor other than micro enterprises and small enterprises	39,414	32,991	1,49,108
Outstanding dues of micro enterprises and small enterprises (*)	2,351	2,283	2,349
	41,765	35,274	1,51,457

### Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprise Development Act, 2006 (MSMED):

The amounts remaining unpaid to micro and small suppliers as at the end of the year			
- Principal	2,174	2,106	2172
- Interest	177	177	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	177	177	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	177	177	177

(\*) The amount includes a Principal amount of Rs. 1760 and interest of Rs. 177 which is subjudice.

<b>16</b> OTHER LIABILITIES			
	31 Mar 2018	31 Mar 2017	1 Apr 2016
Vehicle under Hire Purchase (*)	186	166	148
Creditor for capital goods	1,430	2,738	4,841
Payable under Assignment Agreement	198,690	198,690	–
Employee liabilities	16,448	15,140	18,253
	216,754	216,734	23,242

\* Non Current portion amount disclosed under “Borrowings”.

<b>17</b> OTHER CURRENT LIABILITIES			
	31 Mar 2018	31 Mar 2017	1 Apr 2016
Advance from customer	2,337	5,667	4,271
Subjudice Part Refund of Excise Incentive against furnishing Solvent Surety	15,829	15,829	–
Statutory dues payable	6,804	3,554	2,837
	24,970	25,050	7,108

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

Amount in Rs. thousands

<b>18</b> CURRENT TAX LIABILITIES			
	31 Mar 2018	31 Mar 2017	1 Apr 2016
Provision for tax (net)	10,597	–	–
	<b>10,597</b>	–	–

<b>19</b> INCOME FROM OPERATIONS		
	31 Mar 2018	31 Mar 2017
Sale of products		
Own manufactured	4,35,338	3,85,929
Traded	3,009	3,022
Sale of products (gross)*	4,38,347	3,88,951
Other operating income		
Scrap sales	952	1,651
<b>Total</b>	<b>4,39,299</b>	<b>3,90,602</b>
<b>(*) Sale of products</b>		
Manufactured		
EG, HC, NG and RB carbon blocks	49,374	45,048
MG and SG carbon blocks	9,061	8,343
Electrical carbon brushes	2,23,491	2,06,380
Mechanical and Special Carbon components	1,49,087	1,09,442
ISO Graphite components	3,827	15,946
Others	498	770
	<b>4,35,338</b>	<b>3,85,929</b>
Traded		
Carbon Brushes	2,415	3,012
Commutator Maintenance Accessories	594	10
	<b>3,009</b>	<b>3,022</b>

Excise duty for the current year has been included in sales upto 30 June 2017 after which it has been abolished.

<b>20</b> OTHER INCOME		
	31 Mar 2018	31 Mar 2017
Interest income	245	672
Dividend Income	194	87
Budgetary support under GST Regime	8,383	–
Provision and liabilities no longer required written back	4,582	385
Profit on sale / discard of fixed assets	49	7
Profit on sale of investment in equity instruments	33	–
Gain on foreign exchange fluctuation (net)	146	–
Miscellaneous income	1	931
	<b>13,633</b>	<b>2,082</b>

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

Amount in Rs. thousands

<b>21 COST OF MATERIALS CONSUMED</b>		
	31 Mar 2018	31 Mar 2017
<b>Opening Stock</b>	<b>29,996</b>	24,300
Add : Purchases	1,05,072	90,839
	<b>1,35,068</b>	1,15,139
Less : Closing Stock	33,206	29,996
	<b>1,01,862</b>	85,143

### BREAK UP OF COST OF MATERIAL CONSUMED

	31 Mar 2018	31 Mar 2017
Lamp black, carbon black, coke, natural & synthetic graphite, pitch etc	27,864	24,733
Non ferrous metals, copper sheets, brass sheets, flexible wires, tubes etc	29,269	19,909
Copper sheets, brass sheets, flexible wires, tubes, rods etc	11,640	10,578
Carbon brush components	12,854	8,322
ISO graphite & carbon blocks, blanks etc	15,045	17,310
Others	5,190	4,291
	<b>1,01,862</b>	85,143

### BREAKUP OF INVENTORY - MATERIALS

	31 Mar 2018	31 Mar 2017
Lamp black, carbon black, coke, natural & synthetic graphite, pitch etc	10,657	7,879
Non ferrous metals, copper sheets, brass sheets, flexible wires, tubes etc	4,485	3,162
Copper sheets, brass sheets, flexible wires, tubes, rods etc	5,742	4,165
Carbon brush components	4,042	2,564
ISO graphite & carbon blocks, blanks etc	6,967	11,305
Others	1,313	921
	<b>33,206</b>	29,996

### 22 PURCHASES OF STOCK IN TRADE

	31 Mar 2018	31 Mar 2017
Carbon brushes and accessories	1,792	1,450
	<b>1,792</b>	1,450

### 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

	31 Mar 2018	31 Mar 2017
Opening inventory		
Work-in-progress	45,778	41,788
Finished goods		
- Manufactured	7,582	4,445
- Traded	530	551
<b>Total</b>	<b>53,890</b>	46,784
Less :		
Closing inventory		
Work-in-progress	63,575	45,778
Finished goods		
- Manufactured	6,691	7,582
- Traded	887	530
<b>Net increase</b>	<b>(17,263)</b>	(7,106)

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

Amount in Rs. thousands

<b>24 EMPLOYEE BENEFITS</b>		
	<b>31 Mar 2018</b>	31 Mar 2017
Salaries, wages and bonus	<b>93,219</b>	88,057
Contribution to Provident and other funds	<b>9,207</b>	11,775
Workmen staff welfare expense	<b>12,257</b>	12,236
	<b>1,14,683</b>	1,12,068

<b>25 OTHER EXPENSES</b>		
	<b>31 Mar 2018</b>	31 Mar 2017
Stores and spares parts consumed	<b>31,276</b>	20,780
Power and fuel	<b>58,256</b>	46,104
Fabrication costs	<b>12,037</b>	9,860
Repairs to:		
- building	<b>5,678</b>	2,085
- plant and machinery	<b>5,813</b>	2,942
- others	<b>2,001</b>	1,169
Insurance	<b>662</b>	773
Rent	<b>648</b>	1,044
Commission - others	<b>2,740</b>	1,400
Packing and freight	<b>4,938</b>	4,187
Travelling expenses	<b>8,919</b>	8,897
Allowance for doubtful trade receivables	<b>3,342</b>	2,441
Advances written off	<b>1,668</b>	166
Bad Debts written off	<b>34,091</b>	
Less : Adjusted against allowance	<b>34,091</b>	
Rates and taxes	<b>1,510</b>	1,110
Legal and professional fees	<b>5,465</b>	5,015
Auditors' remuneration (refer note 38)	<b>485</b>	517
Non executive directors' commission and fees	<b>991</b>	190
Loss on foreign exchange fluctuation (net)	<b>-</b>	1,834
Loss on reinstatement of investment	<b>41</b>	-
Excise duty related to increase / decrease in inventory of finished goods	<b>126</b>	180
Postage and telephone	<b>1,010</b>	1,185
Security charges	<b>2,617</b>	2,619
Bank charges	<b>250</b>	256
Miscellaneous expenses	<b>9,518</b>	4,808
	<b>1,59,991</b>	1,19,562

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

		Amount in Rs. thousands		
		31 Mar 2018	31 Mar 2017	1 Apr 2016
<b>26</b>	<b>(A) Contingent liability not provided for:</b>			
	(i) Sales tax matters under appeal	499	6,399	5,657
	(ii) Custom duty matter under appeal	–	–	17,928
	(iii) Bank Guarantee	551	663	267
	(iv) 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.			
	(v) 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.			
	<b>(B) Capital and other commitments (to the extent not provided for)</b>			
	(i) Estimated amount of contracts (net of advances) remaining to be executed on Capital account and not provided for	127	–	–
	(ii) Other Commitments	30	75	138

**27** 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 have updated the documentation of the International transactions entered into with the associated enterprises till 25 May 2016. 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. There exist no International Associated Enterprise from 26 May 2016.

**28** The Company has no foreign currency exposure as at the year end for which hedging is required.

		31 Mar 2018	31 Mar 2017	1 Apr 2016
<b>29</b>	<b>Deferred Tax</b>			
	<b>Deferred tax assets</b>			
	Provision for doubtful receivables and advances	12,206	22,040	19,660
	Provision for employee benefits	10,534	10,423	9,420
	Provision for warranties	762	834	883
	Carried forward tax losses	12,695	22,503	30,313
	<b>Total</b>	<b>36,197</b>	<b>55,800</b>	<b>60,276</b>
	<b>Deferred tax liabilities</b>			
	Difference between written down value of fixed assets as per books of accounts and for tax purposes	11,426	6,211	9,889
	<b>Total</b>	<b>11,426</b>	<b>6,211</b>	<b>9,889</b>
	<b>Deferred tax asset / (liability) [net]</b>	<b>24,771</b>	<b>49,589</b>	<b>50,387</b>

**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.

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

		Amount in Rs. thousands	
		31 Mar 2018	31 Mar 2017
<b>30</b>	<b>Earnings per share:</b>		
(a)	Weighted average number of equity shares outstanding during the year	<b>27,55,600</b>	27,55,600
(b)	Net profit / (loss) after tax attributable to equity shareholders (Rs. '000)	<b>57,773</b>	27,054
(c)	Basic and diluted profit / (loss) per equity share of face value Rs. 10 (Rs.)	<b>20.97</b>	9.82

### **31** Employee Benefits

#### I. Post Employment Defined Benefit Plans :

##### (A) Gratuity (Funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the plan, the Gratuity Fund Trusts, administered and managed by the Trustees and funded primarily with Life Insurance Corporation of India (LIC), make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Trustees are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 1B(ii)(4) based upon which, the Company makes contributions to the Employees' Gratuity Funds.

The following table sets forth the particulars in respect of the Gratuity Plan (Funded) of the Company :

		31 Mar 2018	31 Mar 2017
<b>(a)</b>	<b>Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation :</b>		
	Present value of obligation at the beginning of the year	<b>55,679</b>	51,743
	Current service cost	<b>2,415</b>	2,508
	Interest cost	<b>4,037</b>	3,180
	Remeasurement Losses		
	Actuarial losses arising from changes in financial assumptions	<b>(601)</b>	276
	Actuarial losses arising from changes in experience adjustments	<b>(1,000)</b>	299
	Benefits paid	<b>6,099</b>	2,327
	Present value of obligation at the end of the year	<b>54,431</b>	55,679
<b>(b)</b>	<b>Reconciliation of opening and closing balances of the fair value of Plan Assets</b>		
	Fair value of plan assets at the beginning of the year	<b>32,129</b>	29,268
	Interest income	<b>2,464</b>	2,195
	Remeasurement Gains		
	Return on plan assets	<b>(381)</b>	299
	Contribution from employer	<b>3,271</b>	2,694
	Benefits paid	<b>6,099</b>	2,327
	Fair value of plan assets at the end of the year	<b>31,384</b>	32,129
<b>(c)</b>	<b>Reconciliation of the present value of the defined benefit obligation and the fair value of plan assets</b>		
	Present value of obligation at the end of the year	<b>54,431</b>	55,679
	Fair value of plan assets at the end of the year	<b>31,384</b>	32,129
	Liabilities recognised in the balance sheet	<b>23,047</b>	23,550

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

	Amount in Rs. thousands	
	31 Mar 2018	31 Mar 2017
(d) Actual Return on plan assets	2,083	2,494
(e) Expense recognised in the other comprehensive income		
Remeasurement losses / gain	(1,220)	276
(f) Expenses recognised in Profit or Loss		
Current service cost	2,415	2,508
(g) Category of plan assets		
Funded with LIC	100%	100%
(h) Maturity profile of defined benefit obligation		
Within 1 year	7,380	—
1-2 years	11,731	—
2-5 years	12,481	—
(i) Principal actuarial assumptions		
Discount Rate	7.67%	7.50%
Salary growth rate	8%	8%

Assumptions regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2006-2008) published by the Institute of Actuaries of India

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

	Changes in assumption	Impact on defined benefit obligation	Impact on defined benefit obligation
		31 March 2018	31 March 2017
(j) Sensitivity analysis			
Discount rate	Increase by 0.5 %	Decrease by Rs. 1,861	Decrease by Rs. 552
	Decrease by 0.5 %	Increase by Rs. 1,644	Increase by Rs. 1780
Salary growth rate	Increase by 0.5 %	Increase by Rs. 1,616	Increase by Rs. 1,970
	Decrease by 0.5 %	Decrease by Rs. 1,806	Decrease by Rs. 515

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior periods.

- (k) The company expects to contribute Rs. 6,000 the funded gratuity plan during the next financial year.

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

Amount in Rs. thousands

### (B) Provident fund

Contributions towards provident funds are recognised as expense for the year. The Company has set up Provident Fund Trusts in respect of certain categories of employees which are administered by Trustees. Both the employees and the Company make monthly contributions to the Funds at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/nominees at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company.

In view of the Company's obligation to meet shortfall, if any, on account of interest, Provident Fund trusts set up by the Company are treated as defined benefit plans.

During the year, the Company's contribution of Rs. 6,198 (Previous year – Rs. 6,068) to the Provident Fund Trusts has been expensed under the 'Contribution to Provident and Other Funds' in Note 24.

### II. Post Employment Defined Contribution Plans

#### Superannuation Fund

Certain categories of employees of the Company participate in superannuation, a defined contribution plan administered by the Trustees. The Company makes quarterly contributions based on a specified percentage of each covered employee's salary. The Company has no further obligations under the plan beyond its annual contributions.

### III. Leave Obligations

The Company provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Company's policy. The Company records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement.

The total provision recorded by the Company towards this obligation was Rs. 8,395 (as at 31 March, 2017 Rs. 7,974). The amount of the provision is current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Rs.7,884 is not expected to be taken or paid within the next 12 months and shown under Non-current portion.

### IV. Risk Exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

#### Discount Rate Risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

#### Salary Growth Risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

#### Demographic Risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

### 32 Related Party Disclosures :

#### (a) Related parties (where control exists)

None

#### (b) Persons having significant influence over the Company

Mr. Rakesh Himatsingka, Chairman

Mrs. Anita Himatsingka

Ms. Maalika Himatsingka

Mr. Shaurya Veer Himatsingka

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

Amount in Rs. thousands

**(c) Key Management Personnel**

Mr. K. K. Bhattacharya, Managing Director

Mr. Pijush Bysack, Chief Financial Officer

Mr. Subhendhu Chakraborty, Company Secretary & Compliance Office

**(d) Company in which Director is interested as Director**

India Carbon Limited

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

Name of the party	Nature of relationship	Commission	Remuneration paid	Sitting Fees	Receivable/ (payable) at year end
Mr. Rakesh Himatsingka	Chairman	684	–	86	(1,99,305)
Mrs. Anita Himatsingka	Director	–	–	45	–
Ms. Maalika Himatsingka	Director	–	–	25	–
Mr. K. K. Bhattacharjee	Key management personnel	–	1,660	–	–
Mr. Pijush Bysack	Key management personnel	–	1,583	–	–
Mr. Subhendhu Chakraborty	Key management personnel	–	532	–	–
<b>Total</b>		<b>684</b>	<b>3,775</b>	<b>156</b>	<b>–</b>

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 AM&T (SEA) Pte Limited (*)	Fellow subsidiary (*)	1,336	–	–	(744)
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

- (f)** The Company has purchased raw materials from India Carbon Limited amounting to Rs. 537 (As at 31 Mar 2017 - Rs. 520) and CAPEX item of Rs. NIL (As at 31 Mar 2017 Rs. 100). The balance outstanding as at 31 Mar 2018 was Rs. 354 (As at 31 Mar 2017 - Rs. NIL)

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

Amount in Rs. thousands

### 33 Details of inventories of finished goods

<u>Class of goods</u>	<b>31 Mar 2018 Amount</b>	31 Mar 2017 Amount
MG and SG carbon blocks	45	42
Electrical carbon brushes	4,448	5,461
Machined and special carbon components	2,060	1,796
ISO-Graphite components	138	283
<b>Total</b>	<b>6,691</b>	<b>7,582</b>

### 34 Details of inventories of traded goods

<u>Class of goods</u>	<b>31 Mar 2018 Amount</b>	31 Mar 2017 Amount
Trading Brush	75	75
Commutator maintenance accessories	812	455
<b>Total</b>	<b>887</b>	<b>530</b>

### 35 Capital Management

For the purposes of the Company's capital management, capital includes issued capital, all other equity reserves and long term borrowed capital less reported cash and cash equivalents.

The primary objective of the Company's capital management is to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and to maximise shareholder's value.

The Company's policy is to manage the liquidity out of internal accruals. The Company also maintains certain non-fund based facilities to provide additional liquidity. These facilities, together with cash generated from operations are utilised for operations of the Company.

The Company monitors capital on the basis of cost of capital. The Company is not subject to any externally imposed capital requirements.

No changes were made to the objectives, policies or processes for managing capital during the years ended 31 March, 2018 and 31 March, 2017.

### 36 Categories of Financial Instruments :

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	31-Mar-18		31-Mar-17		01-Apr-16	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>A. Financial Assets</b>						
a. Measured at amortised cost						
Cash & Cash Equivalents	14,084	14,084	24,173	24,173	18,012	18,012
Trade Receivables	1,47,443	1,47,443	1,02,425	1,02,425	1,36,050	1,36,050
Other Financial assets	7,825	7,825	7,920	7,920	7,773	7,773
<b>Sub Total</b>	<b>1,69,352</b>	<b>1,69,352</b>	<b>1,34,518</b>	<b>1,34,518</b>	<b>1,61,835</b>	<b>1,61,835</b>
b. Measured at fair value through Profit & Loss						
Investment in Mutual Fund	3,240	3,240	87	87	-	-
<b>Sub Total</b>	<b>3,240</b>	<b>3,240</b>	<b>87</b>	<b>87</b>	<b>-</b>	<b>-</b>

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

Amount in Rs. thousands

c.	Measured at fair value through Other Comprehensive Income						
	Investment in Equity Inst.	–	–	38	38	30	30
	<b>Sub Total</b>	–	–	38	38	30	30
	<b>Total Financial Assets</b>	<b>1,72,592</b>	<b>1,72,592</b>	1,34,643	1,34,643	1,61,865	1,61,865
<b>B.</b>	<b>Financial Liabilities</b>						
a.	Measured at amortised cost						
	Borrowings	118	118	304	304	1,00,890	1,00,890
	Trade Payables	41,765	41,765	35,274	35,274	1,51,457	1,51,457
	Other Financial Liabilities	2,16,754	2,16,754	2,16,734	2,16,734	23,242	23,242
	<b>Sub Total</b>	<b>2,58,637</b>	<b>2,58,637</b>	2,52,312	2,52,312	2,75,589	2,75,589
	<b>Total Financial Liabilities</b>	<b>2,58,637</b>	<b>2,58,637</b>	2,52,312	2,52,312	2,75,589	2,75,589

The management assessed that cash and cash equivalents, trade receivables, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

### 37 Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy does not include any instrument.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

	31-Mar-18		31-Mar-17		01-Apr-16	
	Level I	Level III	Level I	Level III	Level I	Level III
<b>A. Financial Assets</b>						
Cash & Cash Equivalents	–	14,084	–	24,173	–	18,012
Trade Receivables	–	1,47,443	–	1,02,425	–	1,36,050
Other Financial Assets	–	7,825	–	7,920	–	7,773
Investment in Mutual Funds	3,240	–	87	–	–	–
Investment in Equity Instruments	–	–	38	–	30	–
<b>Total Financial Assets</b>	<b>3,240</b>	<b>1,69,352</b>	125	1,34,518	30	1,61,835
<b>B. Financial Liabilities</b>						
Borrowings	–	118	–	304	–	1,00,890
Trade Payables	–	41,765	–	35,274	–	1,51,457
Other Financial Liabilities	–	2,16,754	–	2,16,734	–	23,242
<b>Total Financial Liabilities</b>	–	<b>2,58,637</b>	–	2,52,312	–	2,75,589

## Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

Amount in Rs. thousands

### 38 Auditors' remuneration includes:

	31 Mar 2018	31 Mar 2017
(a) Statutory audit fees	375	375
(b) Limited Reviews	30	28
(c) Certification and Other assignments	80	70
(d) Reimbursement of out of pocket expenses for (a), (b) and (c) above	-	11
(e) Service tax	-	33
<b>Total</b>	<b>485</b>	<b>517</b>

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 received by the Company during the financial year 2016-17 is liable to be refunded on demand by the Government. Therefore, the same has been treated as Current Liabilities in the Balance Sheet and the final order is still awaited.

40 The income-tax expenses for the year can be reconciled to the accounting profit as follows :

	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
Profit before tax	68,746	27,054
Income tax expenses calculated @ 20.3888% (2017 - 20.3888%)	14,016	5,516
Other Differences	642	480
<b>Total</b>	<b>14,658</b>	<b>5,996</b>
Adjustment recognised in the current year in relation to the current tax of prior years	(3,685)	(5,996)
Income tax recognised in Profit & Loss	10,973	-

Income-tax provision has been made in accordance with the provisions of section 115JB of the Income-tax Act, 1961.

As per our report of even date attached

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

**Atanu Chatterjee**  
Partner  
Membership No.: 050105

Place: Kolkata  
Date: 04.05.2018

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)

18.08.2018

Dear Shareholder,

**Re : Folio No(s).**

**Sub : Updation of Shareholders' details in the records of the Company**

Dear Sir/Madam,

This is in reference to our earlier letter dated 18.07.2018, sent to you by Registered Post. We find from our records that you hold shares in our Company in the physical mode.

In this regard, we would like to bring to your kind attention, the followings-

**Updating Bank Mandate, PAN, and contact details**

As per the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, all listed Companies are required to make payment of dividend, if declared, to the members through electronic mode and to maintain updated Bank details of the members / beneficiaries. We would also like to have your contact details for paperless and speedy communication to you. In this respect, you are also requested to give your consent to receive all further communications in electronic mode.

Further, to facilitate speedy disbursement of dividend to your bank account, as and when it will be declared and speedy communication and to comply with the SEBI Regulations, we request you to kindly fill up the enclosed form with your bank account details from where you will collect the proceeds of the dividend payment and your contact details, sign the form and arrange to dispatch the same directly to our RTA, viz M/s CB MANAGEMENT SERVICES (P) LTD (UNIT : Assam Carbon Products Ltd) P-22, BONDEL ROAD, KOLKATA 700019 **within 21 days of this letter . Please note that as per the latest SEBI circular, the shareholders are required to provide:**

- 1) a copy of the PAN card and
- 2) original cancelled cheque leaf /attested bank passbook showing name of account holder.

(In case of residents of Sikkim, the requirement of PAN Card be substituted with a valid Identity proof issued by Government.)

Securities holders who are unable to respond to this notice and provide PAN and bank details within 180 days of the SEBI circular or have informed that the securities available in their name as per the records of RTA does not belong to them, shall be subject to enhanced due diligence by the Company.

**Dematerialization of Shares**

You would kindly appreciate that in today's scenario and in line with "green initiative" by government in this regard which encourages paperless holding, the safest possible way to hold shares is in dematerialized form. In case of physical holding, there may be a chance of loss of share certificate, mutilation thereof resulting in compliance on your part, certain matters to restore the share certificates. Besides, if you want to pledge shares, the holding must be in demat mode. Further the dematerialization of shares would also facilitate transfer to and claim from the IEPF Authority. Therefore, we would like to suggest to you to kindly convert your shares of face value of Rs.10/- each from physical mode to demat mode as it will be beneficial to you. In case you do not have any demat account, you may contact your nearest Depository Participant (DP) who will guide you in opening the same. Conversion of physical shares to dematerialized shares is a simple process. Further as per SEBI notification No SEBI/LAD-NRO/GN/2018/24 dated 8th June 2018 no sale or purchase will be allowed in physical form w.e.f 180 days from the date of publication of the said notification in the official gazette i.e. effective from 5th December,2018.

Your kind co-operation in this matter is solicited. Kindly ignore this letter, if all the requirements, as aforesaid, have already been done from your end.

Thanking you,

Yours faithfully,

For Assam Carbon Products Ltd.

Sd/-

**S. Chakraborty**

Company Secretary & Compliance Officer

Encl : a/a

✂

**BANK MANDATE AND EMAIL ID REGISTRATION FORM**

To,  
**CB MANAGEMENT SERVICES (P) LTD.,**  
 (UNIT : Assam Carbon Products Ltd,)  
 P-22, BONDEL ROAD, KOLKATA 700019  
 Phone: (033) 40116700/17/18

Dear Sirs,

I/We give my/our consent to update the following details in the records of Assam Carbon Products Limited and to henceforth arrange all payments and other communications by electronic means in compliance with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Shareholder Details		Bank Account Details of First Holder	
Folio No.		Bank Name	
Name of Shareholder(s)		Branch Address	
First Holder			
Second Holder			
Third Holder		Account No.	
PAN (First Holder)		Account Type	Savings/Current*
Email ID (First Holder)		IFSC	
Mobile No. (First Holder)		MICR Code	

\*Strike out whichever is not applicable

Date:

Signature(s)

First holder :

Second holder :

Third holder :

Encl: Photocopy of PAN card duly self attested/ Original cancelled Cheque leaf/Photocopy of Bank pass book-statement duly self attested.



ASSAM CARBON PRODUCTS LTD

**ASSAM CARBON PRODUCTS LIMITED**

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

**CIN:** L23101AS1963PLC001206

**Website:** [www.ascarbon.in](http://www.ascarbon.in), **Ph:** (0361)2640262/630, **Fax:** (0361)2640368, **Email:** [acplghy@ascarbon.com](mailto: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 **55th Annual General Meeting (AGM)** of **Assam Carbon Products Limited** held on **Tuesday, 18th September, 2018** 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**

<b>EVSN (Electronic Voting Sequence Number)</b>	<b>User ID</b>	<b>Password</b>

**Note:** Please refer to the Notice of the 55th Annual General Meeting for e-voting instructions.

<b>55<sup>th</sup> Annual General Meeting on Tuesday, 18th September, 2018 at 11.45 A.M.</b>	<b>ASSAM CARBON PRODUCTS LIMITED</b>	<b>PROXY FORM</b>
	<b>Regd. Office:</b> Narengi Chandrapur Road, Birkuchi, Narengi, Guwahati -781026, Assam <b>CIN:</b> L23101AS1963PLC001206 <b>Ph:</b> (0361)2640262/ 2640630, <b>Fax:</b> (0361) 2640368 <b>Website:</b> <a href="http://www.ascarbon.in">www.ascarbon.in</a> , <b>Email:</b> <a href="mailto:acplghy@ascarbon.com">acplghy@ascarbon.com</a>	

**[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 **55th Annual General Meeting (AGM)** of the Company, to be held on **Tuesday, 18th September, 2018** 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:

<b>Resolution No.</b>	<b>Resolutions</b>	<b>Optional *</b>	
		<b>For</b>	<b>Against</b>
<b>Ordinary Business</b>			
1.	To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018, together with the Reports of the Board of Directors & Auditors thereon.		
2.	Re-appointment of Mr. Rakesh Himatsingka, (DIN: 00632156), who retires by rotation and being eligible offers himself for reappointment.		
3.	Re-appointment of Ms. Maalika Himatsingka, (DIN: 07811394), 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.	Ratification of remuneration payable to the Cost Auditors of the Company M/s. A S & Associates (Firm Regd. No.: 000523).		
6.	Approval for the Payment of Commission, upto 1% of the net profits of the Company, to Mr. Rakesh Himatsingka, (DIN: 00632156) Non-Executive Chairman of the Company, from the financial year 2017-2018 and onwards.		
7.	Re-appointment of Mr K K Bhattacharya, Managing Director of the Company (DIN: 07011241), for a further term of 2 (two) years from 9th October 2018 to 8th October, 2020.		

Signed this .....day of .....2018

Affix Revenue Stamp

**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 55th 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.

*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