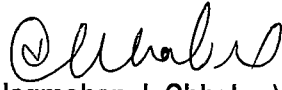
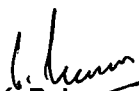

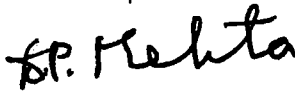


# FORM A

## Covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	Goa Carbon Limited
2.	Annual financial statements for the year ended	Annual <span style="background-color: black; color: black;">XXXXXXXXXX</span> Financial Statements for the year ended 31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	<p>To be signed by-</p> <ul style="list-style-type: none"> <li>• CEO/Managing Director</li> <li>• CFO</li> <li>• Auditor of the Company</li> <li>• Audit Committee Chairman</li> </ul>	<p> (Jagmohan J. Chhabra) Executive Director</p> <p> (K. Balaraman) Sr. General Manager (Finance) &amp; CFO</p> <p>Refer our Audit Report dated 30<sup>th</sup> April, 2015 on <span style="background-color: black; color: black;">XXXXXXXXXX</span> Financial Statements of the Company, attached For <b>Deloitte Haskins &amp; Sells</b> Chartered Accountants (Registration no. 008072S)</p> <p> (M. K. Ananthanarayanan) Partner Membership no. 19521</p> <p> (Dara P. Mehta) Chairman – Audit Committee</p>

Date: 30<sup>th</sup> April, 2015

Place: Panaji-Goa



**Goa Carbon Ltd**

**( 47<sup>th</sup> ANNUAL REPORT 2014-15 )**

**KEY MANAGERIAL PERSONNEL (KMP)**

**Mr. Jagmohan J. Chhabra**  
Executive Director

**Mr. P. S. Mantri**  
Company Secretary

**Mr. K. Balaraman**  
Sr. General Manager (Finance) & CFO

**REGISTERED OFFICE**

Dempo House, Campal,  
Panaji-Goa - 403001

**PLANT LOCATIONS**

1. St. Jose de Areal,  
Salcete, Goa - 403709
2. 34-40, Sector B,  
Sirgitti Industrial Area, Bilaspur 495004,  
Chhattisgarh State
3. Vill. Udayabata,  
P.O. Paradeepgarh, Dist. Jagatsinghpur,  
Odisha 754142

**AUDITORS**

Deloitte Haskins & Sells,  
Chartered Accountants,  
ASV N Ramana Tower,  
52, Venkatnarayana Road,  
T. Nagar,  
Chennai 600017

**SOLICITORS**

Little & Co.,  
Central Bank Building,  
3<sup>rd</sup> Floor, Mahatma Gandhi Road,  
Mumbai 400023

**REGISTRAR AND SHARE TRANSFER AGENTS**

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg,  
Bhandup (West),  
Mumbai 400078

**BANKERS**

Bank of India  
Bank of Baroda

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**Late Vasantao S. Dempo**  
*Founder Chairman*



**Late Vasudeva V. Dempo**  
*Former Chairman*

## Board of Directors

			
<b>Mr. Shrinivas V. Dempo</b> <i>Chairman - Promoter</i>		<b>Mr. Dara P. Mehta</b> <i>Independent Director</i>	
			
	<b>Mr. Keki M. Elavia</b> <i>Independent Director</i>		<b>Mr. Raman Madhok</b> <i>Independent Director</i>
			
<b>Dr. A. B. Prasad</b> <i>Independent Director</i>		<b>Ms. Kiran Dhingra</b> <i>Independent Director</i>	
			
	<b>Mr. Soiru V. Dempo</b> <i>Non-Executive Director</i>		<b>Mr. Jagmohan J. Chhabra</b> <i>Executive Director</i>



## CHAIRMAN'S LETTER



Dear Shareholders,

I would like to begin by extending my heartfelt gratitude to each one of you who have contributed in building a brighter future for your organization.

Now, let me share with you the company's performance in 2014-15. The business scenario for Goa Carbon was quite challenging through the year, especially on account of the closure of its plant at Paradeep. The Paradeep plant had to remain closed for a major part of the year on account of directives from the State Pollution Control Board of Odisha.

This apart, much of 2014-15 witnessed a lacklustre industrial scenario. As you must be aware, we were encumbered by rising inflation, a yawning current account deficit, and of course, high interest rates. However, the good news is that in the first week of February, we received a go-ahead from the State Pollution Control Board, Odisha. The Paradeep plant is fully operational now. So, along with the Goa plant, the Paradeep plant is expected to operate in full capacity. We are confident that the next quarter numbers will be much better since we have a backlog of pending orders as well as future orders which are in pipeline. From the perspective of the domestic economy, most of the large aluminium smelters in India are close to their full

capacity and this, going forward, should also help us post much better numbers. Expecting a rebound in the company's fortune, Goa Carbon Ltd. is evaluating expansion plans.

The future looks extremely promising owing to the fact that the size of the aluminium industry is expected to double within the next decade. Long-term forecasts, in fact, project consumption of 7.7 MT in 2030 which equates to 5.06 kg of primary aluminium consumption per capita. When compared to the current per capita primary aluminium consumption of 1.39 kg and an aluminium demand of 1.9 MT, this underpins the huge potential for demand growth in India. Also, as a growing economy, India is expected to experience strong primary aluminium demand to support electrification and power infrastructure projects.

Coming to the financial results, while total income from operations, including other operating income, totalled ₹187.95 crore, we posted a net loss of ₹10.09 crore inclusive of exceptional item of ₹10.03 crores, due to the provision of ₹1002.81 lakhs made by the Company's wholly owned subsidiary based at Singapore for providing the diminution in the value of investments in the China Company and the Company being the ultimate Holding Company has to provide towards the diminution in the value of investments in the Singapore Subsidiary.

During the last quarter, the Company produced 41,253 MT of Calcined Petroleum Coke. It however, sold 27,894 MT which further indicates the liquidation of inventories.

It is my pleasure to introduce to you Ms. Kiran Dhingra, former IAS officer, having wide administrative experience in Government of India, who has joined us as an Independent Director with effect from March 16, 2015. We are indeed pleased to have her on board.

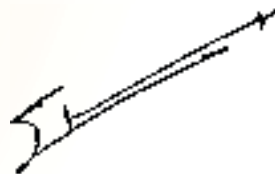
Goa Carbon Ltd. a Dempo group company is the second largest manufacturer of Calcined Petroleum Coke in the country. Goa Carbon's customers have better mix of domestic customers including Nalco, Hindalco, Vedanta etc. apart from international buyers.

I am thankful that two of our most important stakeholders – our customers and our employees – have kept their faith on Goa Carbon. I would wish to thank each one of these stakeholders and place on record our sincere gratitude for their unwavering commitment to your company and its interests, while remaining wedded to their own legitimate interest.

I express my sincere gratitude to the Central and State Governments and other regulatory authorities and agencies for providing continuous support at all times and look forward to have the same in our future endeavors. I wish to express my sincere appreciation

to my colleagues on the Board for their continued support. I am grateful to you all for your cooperation and the trust that you have reposed in us.

Many thanks and kind regards,

A handwritten signature in black ink, appearing to read "Shrinivas V. Dempo", is positioned above the printed name and title.

**Shrinivas V. Dempo**  
*Chairman*

## NOTICE

**Notice** is hereby given that the Forty-seventh Annual General Meeting of the Members of **Goa Carbon Limited ('the Company')** will be held at the Registered Office of the Company at **Dempo House, Campal, Panaji-Goa 403 001**, on **Wednesday, the 8<sup>th</sup> July, 2015** at **10:30 a.m.**, to transact the following business:-

### Ordinary Business:

1. To consider and adopt:
  - a) the Audited Balance Sheet of the Company as at March 31, 2015, the Profit and Loss Account and Cash Flow Statement for the year ended on that date as also the Reports of the Board of Directors and Auditors thereon; and
  - b) the Audited Consolidated Balance Sheet of the Company as at March 31, 2015, the Consolidated Profit & Loss Account and Consolidated Cash Flow Statement for the year ended on that date.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Shrinivas V. Dempo (holding DIN 00043413), Director of the Company, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
4. To ratify the appointment of the Statutory Auditors of the Company.

### Special Business:

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

"RESOLVED that Ms. Kiran Dhingra (holding DIN 00425602), who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 16, 2015 under Section 161(1) of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, who is eligible for appointment and in respect of whom the Company has received a notice

in writing from a Member under Section 160 of the Act signifying his intention to propose the candidature of Ms. Kiran Dhingra for the office of Director be and is hereby appointed as a Director of the Company."

"RESOLVED further that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), Ms. Kiran Dhingra (holding DIN 00425602), who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Act, and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to the fifth consecutive AGM of the Company to be held in the year 2020, not liable to retire by rotation."

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

"RESOLVED that pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act, and applicable provisions of Sections 198, 309, 310 and any other applicable provisions of the Companies Act, 1956 (the "Earlier Act") read with Schedule XIII to the earlier Act, the provisions of the Articles of Association of the Company and in pursuance of the General Circular No. 07/2015 dated 10<sup>th</sup> April, 2015, consent of the members of the Company be and is hereby accorded for ratifying and approving the remuneration amounting to ₹ 114.88 lacs paid to Mr. Jagmohan J. Chhabra, Whole-time Director designated as "Executive Director" during the period from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015, as recommended by the Nomination and Remuneration Committee and

the Board of Directors in their meetings held on April 30, 2015.”

#### Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

2. The Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 is annexed hereto.
3. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting (AGM), forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
4. The Register of Members and Share Transfer Books of the Company will be closed from **Wednesday, the 1<sup>st</sup> July, 2015 to Wednesday, the 8<sup>th</sup> July, 2015** (both days inclusive) for the purpose of payment of dividend for the financial year ended 31<sup>st</sup> March, 2015 and the AGM.
5. Dividend of ₹ 1/- per share has been recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2015 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on 24<sup>th</sup> July, 2015.

6. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company's Registrar and Share Transfer Agent, Link Intime India Pvt. Ltd.

7. Under Section 205A of the earlier Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company has, accordingly, transferred ₹ 2,52,240/- being the unpaid and unclaimed dividend amount pertaining to Dividend for the year 2006-07 to the Investor Education and Protection Fund of the Central Government on 6<sup>th</sup> September, 2014.

The Ministry of Corporate Affairs (MCA) on 10<sup>th</sup> May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2008, as on the date of the 46<sup>th</sup> Annual General Meeting (AGM) held on 6<sup>th</sup> September, 2014, on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under "Investors Section" on the website of the Company viz. [www.goacarbon.com](http://www.goacarbon.com)



A separate reminder was also sent to those members having unclaimed dividends pertaining to the Dividend for the year 2007-08 paid on 8<sup>th</sup> August, 2008 or any subsequent dividend payment(s). Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming dividends declared by the Company.

8. All unclaimed dividend declared up to the financial year ended March 31, 1995 have been transferred to the General Revenue Account of the Central Government as required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 (the Rules). Members who have not so far claimed or collected their dividends declared up to the aforesaid financial year are requested to claim such dividends from the Registrar of Companies, Goa, Daman & Diu, Corporate Law Bhavan, Patto Plaza, Panaji, Goa 403001, by making an application in Form II of the Rules.
9. Pursuant to the provisions of Section 205A and 205C of the earlier Act, the Company has transferred the unclaimed dividends from the financial years ended, March 31, 1997 to March 31, 2007 to the Investor Education and Protection Fund established by the Central Government. Dividends for the financial period ended March 31, 2008 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date of transfer to the unpaid dividend account shall be transferred by the Company to the Investor Education and Protection Fund. Information in respect of such unclaimed dividends is given below. Members who have not encashed dividend warrant(s) for the aforesaid years are requested to seek issue of duplicate warrant(s) by writing to the Company or the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited, immediately.

Financial year ended	Due date of transfer
31.03.2008	03.09.2015
31.03.2009	22.08.2016
31.03.2010	13.09.2017
31.03.2011	25.09.2018
31.03.2012	06.09.2019
31.03.2013	11.08.2020
31.03.2014	13.10.2021

10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
11. 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 the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
12. Electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-15 is being sent in the permitted mode.

13. Electronic copy of the Notice of the 47<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 47<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

14. Members may also note that the Notice of the 47<sup>th</sup> Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website [www.goacarbon.com](http://www.goacarbon.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Panaji-Goa for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [investorrelations@goacarbon.com](mailto:investorrelations@goacarbon.com)

#### 15. **Voting through electronic means**

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 47<sup>th</sup> Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL). The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 47<sup>th</sup> AGM. The members attending

the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM. The Company has appointed CS Sadashiv V. Shet, Practicing Company Secretary as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. The instructions to members for voting electronically are as under:-

- (i) The voting period begins on Sunday, July 5, 2015 at 10.00 a.m. and ends on Tuesday, July 7, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. July 1, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on July 7, 2015.
- (ii) Members holding shares in physical or in demat form as on July 1, 2015 shall only be eligible for e-voting.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID;
  - a. For CDSL: 16 digits beneficiary ID;
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other

person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to



www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

16. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days, up to and including the date of the AGM.

#### **EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013 ANNEXED TO AND FORMING PART OF THE NOTICE DATED APRIL 30, 2015**

##### **ITEM 4**

At the 46<sup>th</sup> Annual General Meeting (AGM) of the Company held on September 6, 2014, M/s Deloitte Haskins & Sells, Chartered Accountants (Registration

No. 008072S) have been appointed as the Statutory Auditors of the Company for a period of three years from the conclusion of the said AGM i.e. upto the conclusion of the 49<sup>th</sup> Annual General Meeting in 2017. In terms of the provisions of the Companies Act, 2013, it is necessary to get the appointment ratified by the shareholders in every Annual General Meeting until the expiry of the period of appointment.

In view of the above, the Board of Directors recommends your ratification of the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants (Registration No. 008072S) as the Statutory Auditors of the Company as mentioned at Item No. 4 of the Notice.

##### **ITEM 5**

The Board of Directors had appointed Ms. Kiran Dhingra as Additional Director of the Company with effect from March 16, 2015 pursuant to Section 161(1) of the Companies Act, 2013 ("the Act") in the category "Independent Director".

As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have atleast one woman director on the Board of Directors of the Company. The said legal requirement is fulfilled by the appointment of Ms. Kiran Dhingra as a Director of the Company.

Ms. Kiran Dhingra a retired IAS Officer has 38 years of experience in governance and has held senior positions in decision making capacities in practically all sectors – the developmental, agricultural, social, industrial, infrastructural, transportation, economic and regulatory. She joined Government in 1975, after standing first in the combined merit list for IFS/IAS, and opting to serve in the IAS.

She has worked with distinction in areas as diverse in their geography and the nature of their problems as the National Capital Territory of Delhi, Goa, the Andaman and Nicobar Islands, and Arunachal Pradesh. About half her career has been in Government of India, in the Ministries of Human Resource Development, Housing and Urban Poverty Alleviation, Textiles and Shipping, where she has been instrumental in shaping policy for elementary education and growth of textiles in a globally competitive market; preparing programmes



for slum housing; crafting regulation for cleaner air in Delhi by the introduction of CNG buses and four stroke autorickshaws; and designing stimulation packages for construction and textile industry in the two-humped economic downturn since 2008. Her longest stints have been in Education and Textiles; she has left her mark also in the shipping and the Delhi transport departments. She retired in the rank of Secretary to Government of India, in 2013, after being one of the longest serving secretaries to government with almost five years of service in that rank. She has been posted twice in Goa, from 1979-1982, and then in 2005 as the Chief Secretary. She is consequently no stranger to the industrial development policy of the state.

Ms. Dhingra has several years of corporate experience, having served as Government Director or Chairman on the Board of several CPSUs, or supervised their functioning. These included the Delhi Tourism and Transport Development Corporation, the Delhi Metro, the National Housing Bank, the Housing and Urban Development Corporation, the Cotton Corporation of India, the Central Cottage Industries Corporation, etc.

Currently, she is appointed Chairperson, Board of Governors of the National Institute of Fashion Technology (NIFT), a deemed university set up under an Act of Parliament. Ms. Dhingra is a Director in Indian Register of Shipping, Delhi Integrated Multi-modal Transit Systems Ltd.; an Additional Director in Zuari Agro Chemicals Ltd., L & T Ship Building Ltd.; the Member of the Audit Committee of Delhi Integrated Multi-modal Transit Systems Ltd.

Ms. Dhingra does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

As an Additional Director, Ms. Kiran Dhingra will hold office only up to the date of this Annual General Meeting. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Ms. Dhingra being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for five consecutive years up to the fifth consecutive AGM of the Company to be held in the year 2020, not liable to retire by rotation. A notice has been received from a member proposing Ms. Dhingra as a candidate for the office of Director of the Company.

In the opinion of the Board, Ms. Dhingra fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Ms. Dhingra as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Dhingra as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Ms. Dhingra as an Independent Director, for the approval by the shareholders of the Company.

Except Ms. Dhingra, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item no. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

## ITEM 6

At the Annual General Meeting of the Company held on 6<sup>th</sup> July, 2013, the shareholders had approved the remuneration to Mr. Jagmohan J. Chhabra, Executive Director with effect from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2016 (three years).

Mr. Jagmohan J. Chhabra is a Mechanical Engineer with Masters Degree in Management (with specialization in Marketing). Mr. Chhabra has been the Executive Director of the Company since April 1, 2010. He was formerly associated as CEO of TSG Limited, a subsidiary of Frigoglass Group, Athens, Greece.

The General Circular No. 07/2015 dated 10<sup>th</sup> April, 2015 issued by Ministry of Corporate Affairs has clarified that a managerial person appointed in accordance with the provisions of Schedule XIII of the Companies Act, 1956 ("earlier Act") may continue to receive remuneration for his remaining term in accordance with terms and

conditions approved by the Company as per the relevant provisions of Schedule XIII of the earlier Act even if the part of his/her tenure falls after 1<sup>st</sup> April, 2014.

During the financial year 2014-15, the remuneration paid to Mr. Chhabra exceeded the limits prescribed under Schedule XIII of the earlier Act, due to inadequacy of profits, but was within the limits approved by the members of the Company. The major reasons for the inadequacy of profits is firstly due to the closure of the Company's main plant based at Paradeep, Odisha State for a major part of the financial year 2014-15 for installation of upgraded dust control systems to meet the directions given by the State Pollution Control Board, Odisha and secondly on account of the provision of ₹ 1002.81 lakhs made by the Company's wholly owned subsidiary based at Singapore for providing the diminution in the value of investments in the China Company and the Company being the ultimate Holding Company has to provide towards the diminution in the value of investments in the Singapore Subsidiary. The expectations are that with the receipt of the go-ahead from the State Pollution Control Board, Odisha in early February this year, the Paradeep Plant is fully operational now. So along with the Goa Plant, the Paradeep Plant is expected to operate in full capacity.

Further, as per the provisions of Section 309 of the earlier Act, read with Schedule XIII to the earlier Act, and in terms of the shareholders' approval in their resolution dated 6<sup>th</sup> July, 2013, in the event of loss or inadequacy of profits, the total remuneration by way of salary, perquisites and any other allowances payable to the Executive Director, cannot exceed the ceilings prescribed in Section II of Part II of Schedule XIII to the earlier Act or such other limits as may be specified therein from time to time by any amendment thereto.

As the inadequacy of profits are for reasons beyond the control of the Company and those reasons cannot be attributed to laxity in performance of the management of the Company, your Directors are of the view that the remuneration of Mr. Chhabra for the F.Y. 2014-15 should be protected.

The Nomination and Remuneration Committee of the Company has in its meeting held on April 30, 2015 approved and recommended the protection of remuneration of Mr. Jagmohan J. Chhabra. Your Board of Directors recommends resolution no. 6 for ratification and approval of the remuneration amounting to ₹114.88 lacs paid to Mr. Chhabra during the financial year ended 31<sup>st</sup> March, 2015, for your approval as a Special Resolution.

Save and except for Mr. Jagmohan J. Chhabra who is concerned/interested in the resolution at Item No. 6, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution.

By Order of the Board of Directors

**P. S. Mantri**  
Company Secretary

Panaji, April 30, 2015

**Registered Office:**

Dempo House, Campal,  
Panaji-Goa 403 001

**CIN:** L23109GA1967PLC000076

**Website:** [www.goacarbon.com](http://www.goacarbon.com)

## ANNEXURE TO THE NOTICE

### 1. Details of Directors seeking appointment/re-appointment as required under Clause 49 of the Listing Agreement with the Stock Exchanges:

#### Re-appointment of Mr. Shrinivas V. Dempo (Item No. 3)

Mr. Shrinivas V. Dempo retires at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. Mr. Shrinivas V. Dempo has been the Chairman of the Company since 2001. Mr. Dempo is the Chairman of the Corporate Social Responsibility Committee, Resources Raising Committee and Project Review Committee of the Board of Directors of the Company.

Mr. Dempo is a Master in Business Administration from the Carnegie Mellon University, USA. He is the son of Late Vasudeva V. Dempo, Former Chairman and grandson of Late Vasant Rao S. Dempo, Founder Chairman of the Dempo Group.

Mr. Dempo holds directorship and membership of the Committees of the Board of Directors of the under stated other companies in India:

- Chairman & Managing Director in V. S. Dempo Holdings Pvt. Ltd. and in Dempo Industries Pvt. Ltd.
- Director in Hindustan Foods Ltd., Amigo Sport Pvt. Ltd., Dempo Travels Pvt. Ltd., V. S. Dempo Mining Corporation Pvt. Ltd., Dempo Shipbuilding and Engineering Pvt. Ltd., Marmagoa Shipping & Stevedoring Co. Pvt. Ltd., Dempo Sports Club Pvt. Ltd., Motown Investments Pvt. Ltd., West Coast Hotels Pvt. Ltd., Vipulam Coke Co. Pvt. Ltd., Gurukul Knowledge Foundation, Goan Football Club Pvt. Ltd., GCL Global Resources SGP Pte Ltd., FCM Holdings A/s.

Chairman of the Share Transfer, Investors' Grievance and Stakeholders Relationship Committee of Hindustan Foods Ltd., CSR Committee of V. S. Dempo Holdings Pvt. Ltd., Dempo Industries Pvt. Ltd. and Dempo Shipbuilding and Engineering Pvt. Ltd.

Member of the Nomination and Remuneration Committee of Hindustan Foods Ltd.

Mr. Shrinivas V. Dempo holds 3,95,939 equity shares in the Company, which works out to 4.33% of the total capital of the Company.

#### Appointment of Ms. Kiran Dhingra (Item No. 5)

For the details of Ms. Kiran Dhingra, please refer to the above Explanatory Statement in respect of the Special Business set out at Item No. 5 of the Notice of the Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

### 2. Statements/Disclosures pursuant to sub-clause (iv) under the proviso to the Part (C) of Section II of Part II of Schedule XIII of the earlier Act / Section II of Part II of Schedule V of the Companies Act, 2013 with reference to the Resolution at Item No. 6 of the Notice.

#### I. General Information

##### 1. Nature of Industry

The Company is engaged in the manufacture and sale of Calcined Petroleum Coke.

##### 2. Date or expected date of commencement of commercial production

The Company is already into commercial production of above product.

##### 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in prospectus

Not Applicable.

##### 4. Financial performance based on given indicators

₹ in lacs

Financial Parameters	2015	2014	2013
Total Income	19,594.51	29,767.68	30,205.34
(Loss)/Profit before Tax	(1001.74)	242.59	1,216.35
(Loss)/Profit after Tax	(1009.01)	229.24	791.27
Dividend proposed / paid (including Corporate Dividend Tax)	110.14	107.06	265.89
Dividend Rate %	10%	10%	25%



5. *Export performance and net foreign exchange collections*

During the year 2014-15, foreign exchange earnings were ₹10.50 lakhs and outgoings were ₹14,519.49 lakhs.

6. *Foreign investments or collaborators, if any*

The details of the direct overseas subsidiaries of the Company as on March 31, 2015 is as under:

Sr. No.	Name of Entity	Description of Investment	No. of Shares / Securities & Shareholding	Amount in ₹ lacs
1.	GCL Global Resources SGP Pte Ltd., Singapore	Ordinary Shares	3,480,000 Equity Shares of USD 1 each	1,938.62

The Company has a wholly owned step-down subsidiary in the Peoples Republic of China. The name and other financial details about this subsidiary has been disclosed in Schedules to the Balance Sheet forming part of the Annual Report of the Company.

## II. Information about Mr. Jagmohan J. Chhabra

1. *Background details*

Mr. Jagmohan J. Chhabra is a Mechanical Engineer with Masters Degree in Management (specialization in Marketing) from the Jamnalal Bajaj Institute of Management Studies, Mumbai and has done a Management Programme from IIM, Ahmedabad. Mr. Chhabra has worked for more than 25 years with MNC's and has experience in Operations and Marketing Management both at domestic and international levels. Prior to joining Goa Carbon Limited, he was associated as CEO of TSG Limited, a subsidiary of Frigoglass Group, Athens, Greece.

2. *Past remuneration*

The remuneration received by Mr. Chhabra during the year ended March 31, 2015 which comprised of salary, monetary value of perquisites, allowances and contribution to retiral funds was ₹ 114.88 lacs.

3. *Recognition or Awards*

Nil.

4. *Job profile and suitability*

Mr. Jagmohan J. Chhabra is the Executive Director and is responsible for all the day to day operations of the Company subject to the superintendence and control of the Board of Directors of the Company. He has been assigned with the responsibility for implementing the expansion plans of the Company.

His past experience in managing overall business as well as expertise in marketing is considered relevant and valuable for his responsibilities as the Executive Director of the Company.

5. *Remuneration proposed*

The terms of the remuneration proposed to be paid to Mr. Chhabra have been specified above.

6. *Comparative Remuneration profile with respect to Industry, size of the Company, profile of the position and the person (in case of expatriates the relevant details would be with respect to the country of his origin)*

The remuneration proposed to be paid to the Executive Director is comparable with the remuneration being paid for similar assignments in the industry.

7. *Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial Personnel, if any*

Mr. Jagmohan J. Chhabra does not have direct or indirect pecuniary relationship with the Company or relationship with the managerial personnel other than drawing his remuneration in the capacity of Executive Director of the Company.

## III. Other Information

1. *Reasons of loss or inadequate profits*

In the financial year ended March 31, 2015, the profits of the Company were inadequate mainly on account of the following reasons:



- i) closure of the Company's main plant based at Paradeep, Odisha State for a major part of the financial year 2014-15 for installation of upgraded dust control systems to meet the directions given by the State Pollution Control Board, Odisha.
- ii) provision of ₹1002.81 lakhs made by the Company's wholly owned subsidiary based at Singapore for providing the diminution in the value of investments in the China Company and the Company being the ultimate Holding Company has to provide towards the diminution in the value of investments in the Singapore Subsidiary.
- iii) exchange fluctuations arising on account of the Company's dependence on imports of raw materials and exports of finished goods.

2. *Steps taken or proposed to be taken for improvement*

The Company expects that with the receipt of the go-ahead from the State Pollution Control Board, Odisha in early February this year, the Paradeep Plant is fully operational now. So along with the Goa Plant, the Paradeep Plant is expected to operate in full capacity.

The Company has also taken various steps to improve its performance. These include containing the cost, improving the efficiency and productivity of its plants for better margins of its product, focusing more on domestic sales etc. These are discussed in detail in the Management Discussion and Analysis Report, which forms part of the Directors' Report.

3. *Expected increase in productivity and profits in measurable terms*

With the implementation of the above, it is

expected that the Company would be able to achieve better results and improve its performance.

This has been discussed in detail in the Management Discussion and Analysis Report, which forms part of the Directors' Report.

#### IV. Disclosures

1. *The shareholders of the Company shall be informed of the remuneration package of the managerial person*

The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of the Company.

2. *The following disclosures shall be mentioned in the Board of Directors' Report under the heading "Corporate Governance", if any, attached to the Annual Report :*

i. *All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors*

This has been fully covered under the Corporate Governance Report.

ii. *Details of fixed component and performance linked incentives along with the performance criteria*

This has been fully covered under the Corporate Governance Report.

iii. *Service contracts, notice period, severance fees*

This has been fully covered under the Corporate Governance Report.

iv. *Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable*

Not Applicable.

## DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 47<sup>th</sup> Annual Report on the business and operations of the Company and the audited financial accounts for the year ended March 31, 2015.

### Financial Results

₹ in lacs

	2014-15		2013-14	
<b>Profit before exceptional item for the year</b>		1.07		242.59
Less: Exceptional items		1002.81		-
<b>(Loss)/Profit after exceptional item / before tax for the year</b>		(1001.74)		242.59
Less: Provision for Tax –				
Current Tax	-		117.00	
Prior Year Tax	2.05		(68.21)	
Deferred Tax	5.22		(35.44)	
		7.27		13.35
<b>(Loss)/Profit for the year after tax</b>		(1009.01)		229.24
Add: Surplus B/F from statement of Profit & Loss of previous year	2234.14		2134.96	
Less: Depreciation arising on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax of ₹ 16.95 lacs)	32.92		-	
		2201.22		2134.96
<b>Amount Available for Appropriations:</b>		1192.21		2364.20
<b>Appropriations:</b>				
General Reserve	-		23.00	
Proposed Dividend	91.51		91.51	
Tax on Dividend	18.63		15.55	
		110.14		130.06
Balance carried to the Balance Sheet		1082.07		2234.14
		1192.21		2364.20

### Year in Retrospect

The sales and other income for the financial year under review was ₹19,594.51 lacs as compared to ₹29,767.68 lacs during the previous year. The production of Calcined Petroleum Coke (CPC) was 85,866 tonnes as compared to 1,31,201 tonnes during the previous year. The sales of CPC was 85,648 tonnes (including exports of 30 tonnes) for the period under review as compared to 1,27,052 tonnes (including exports of 10,217 tonnes) for the previous year.

The year under review was very difficult and challenging. The sales turnover of the Company for the year under review was lower than the previous year and the profitability for the year has been affected drastically. The reasons behind the depressed profitability for the year 2014-15 is mainly the closure of the Company's main plant based at Paradeep, Odisha State for a major part of the year for installation of upgraded dust control systems to meet the directions given by the State Pollution Control Board, Odisha. Another reason for the reported loss at the end of Financial Year 2014-15 was that provision of ₹1002.81 lakhs made by the Company's wholly owned subsidiary based at Singapore for providing the diminution in the value of investments in the China Company and the Company being the ultimate Holding Company has to provide towards the diminution in the value of investments in the Singapore Subsidiary.

### Dividend

Your Directors have recommended a dividend of ₹1/- per equity share of face value of ₹10/- for the financial year ended March 31, 2015, as against a similar ₹1/- per equity share paid last year.

### Transfer of unclaimed dividend to Investor Education and Protection Fund

Pursuant to Section 205C of the Companies Act, 1956, amounts lying unclaimed in the unpaid dividend accounts of the Company, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government after such amount has remained unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account.

During the year, the Company transferred an amount of ₹2,52,240/- to the IEPF being the unclaimed dividend for the financial period ended 31.03.2007.

### Subsidiary Companies and Consolidated Financial Statements

As on 31<sup>st</sup> March, 2015, the Company had two subsidiaries namely, a wholly owned subsidiary “GCL Global Resources SGP Pte Limited” Singapore and a wholly owned step down subsidiary “Goa Carbon (Cangzhou) Company Limited” China.

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with relevant Accounting Standards specified in the Companies Act, 2013 read with the rules made thereunder, form part of the Annual Report. The necessary information as required to be given in terms of the first proviso of sub-section 3 of Section 129 of the Companies Act, 2013 is given in this Annual Report.

In terms of –

- (i) Clause (a) of fourth proviso to sub-section (1) of Section 136 of the Companies Act, 2013, a copy of the Balance Sheet, Statement of Profit and Loss and other documents of its subsidiary companies shall be placed on the website of the Company [www.goacarbon.com](http://www.goacarbon.com);
- (ii) Clause (b) of fourth proviso to sub-section (1) of Section 136 of the Companies Act, 2013, the said documents/details shall be made available, upon request, to any member of the Company.

As reported earlier, the Company’s wholly owned step-down subsidiary-‘Goa Carbon (Cangzhou) Company Ltd.’, China, had obtained a business licence to set up a plant in Cangzhou, Hebei Province, People’s Republic of China, with an annual capacity to manufacture 300,000 MTs of Calcined Petroleum Coke. The Company had invested US\$3.48 million (₹1938.62 lacs) in its wholly owned Subsidiary “GCL Global Resources SGP Pte Ltd” Singapore (“the Singapore Company”) which is the holding Company of the China Company. The Singapore Company has in turn invested this money in 3,329,983 equity shares of US\$ 1 each to the Authorised Capital of the China Company for the purpose of setting up the plant in China.

However, during the year under review, the “Cangzhou Economic Development Zone”, China cancelled the land allotted to the China Company on grounds that the proposed plant falls under a high energy consuming industries and therefore under the circumstances the Company has been compelled for the reasons beyond its control to withdraw the proposed project to be set up in China.

### Listing Information

The equity shares of your Company are listed on the Bombay Stock Exchange Limited (BSE) and on the National Stock Exchange of India Limited (NSE).

The listing fees for the year 2015-2016 have been paid to BSE and NSE.

### Accreditation

The Company continues to enjoy ISO 9001 & ISO 14001 accreditation made by BUREAU VERITAS.

### Public Deposits

The Company has not accepted any public deposits during the year under review.

### Changes in Directors and Key Managerial Personnel

During the year under review, your Board inducted Ms. Kiran Dhingra as an Additional Director of the Company in the category of Independent Director with effect from March 16, 2015 in order to comply with the requirement of Section 149(1) of the Companies Act, 2013. In terms of Section 161 of the Companies Act, 2013 she shall hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing along with deposit pursuant to Section 160 of Companies Act, 2013, proposing the appointment of Ms. Kiran Dhingra as Director of the Company. Your Board has recommended the appointment of Ms. Dhingra as Independent Director not liable to retire by rotation for a period of five consecutive years up to the fifth consecutive Annual General Meeting of the Company.

Pursuant to Section 152 of the Companies Act, 2013 and in terms of Article 140 of the Articles of Association of



the Company, Mr. Shrinivas V. Dempo, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board has recommended his re-appointment.

Brief resumes of the Directors being appointed/re-appointed together with other relevant details form part of the Notice of the ensuing Annual General Meeting.

During the year under review, pursuant to the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with the rules made there under, the following existing officials of the Company were designated/classified as whole time Key Managerial Personnel of the Company –

1. The Whole-time Director (designated as “Executive Director”) Mr. Jagmohan J. Chhabra as whole-time Key Managerial Personnel;
2. The Company Secretary Mr. P. S. Mantri as the Company Secretary and whole-time Key Managerial Personnel; and
3. The Sr. General Manager (Finance) Mr. K. Balaraman as the Chief Financial Officer and whole-time Key Managerial Personnel.

### Number of meetings of the Board of Directors

The Board of Directors of the Company met 5 times during the year 2014-2015 i.e. on April 11, 2014, July 5, 2014, September 6, 2014, October 17, 2014 and February 10, 2015.

The gap between two consecutive meetings did not exceed one hundred twenty days.

### Audit Committee

The composition, terms of reference etc. of the Audit Committee is provided in Corporate Governance Report which forms part of this Annual Report.

There have been no instances of non acceptance of any recommendations of the Audit Committee by the Board during the financial year under review.

### Vigil Mechanism/Whistle Blower Policy

The Company has established a Vigil Mechanism/Whistleblower Policy for the employees to report their

genuine concerns or grievances and the same has been uploaded on the website of the Company at [www.goacarbon.com](http://www.goacarbon.com).

The Audit Committee of the Company oversees the Vigil Mechanism.

### Independent Directors’ Declarations

The independent Directors of the Company, viz. Mr. Dara P. Mehta, Mr. Keki M. Elavia, Mr. Raman Madhok, Dr. A. B. Prasad and Ms. Kiran Dhingra have filed their declarations with the Company at the beginning of the financial year 2015-16 affirming that they continue to meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 in respect of their position as an “Independent Director” of Goa Carbon Limited.

### Directors’ Responsibility Statement

As required by Section 134 (5) of the Companies Act, 2013, based on the information and representations received from the operating management, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the Company and that



such internal financial controls are adequate and were operating effectively;

- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Statutory Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

### Nomination and Remuneration Committee

The composition, key objectives etc. of the Nomination and Remuneration Committee is provided in Corporate Governance Report which forms part of this Annual Report.

The Committee has formulated a Nomination and Remuneration Policy and the same has been

uploaded on the website of the Company at [www.goacarbon.com](http://www.goacarbon.com)

### Particulars pursuant to Section 197(12) and the relevant rules

- (i) **the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:**

Name	Ratio
Mr. Jagmohan J. Chhabra, Executive Director	33:1

**Note:** For this purpose, Sitting fees paid to the directors have not been considered as remuneration.

- (ii) **the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

Name	Percentage
Mr. Jagmohan J. Chhabra, Executive Director	Nil
Mr. P. S. Mantri, Company Secretary	8%
Mr. K. Balaraman, Sr. General Manager (Finance) & CFO	8%

- (iii) **the percentage increase in the median remuneration of employees in the financial year: 1%**

- (iv) **the number of permanent employees on the rolls of company: 228**

- (v) **the explanation on the relationship between average increase in remuneration and company performance:**

Due to the depressed profitability reported by the Company during the year under review, the Company has given average increase in the remuneration of 4%.

- (vi) **comparison of the remuneration of the Key Managerial Personnel against the performance of the company:**

Name & Designation	CTC (In ₹)	% Increase in CTC	(Net Loss)/ PAT - In ₹ Lakhs	% (Decrease)/ Increase in PAT
Mr. Jagmohan J. Chhabra, Executive Director	1,14,88,263	Nil	(1009.01)	Not comparable due to provision made for exceptional items.
Mr. P. S. Mantri, Company Secretary	36,01,290	8%		
Mr. K. Balaraman, Sr. G.M. (Finance) & CFO	35,35,290	8%		

- (vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year:

(In ₹)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	Remarks
1.	Market Capitalisation	65.20 Crores	63.28 Crores	The Company's last public offer was by way of a Right Issue at the price of ₹ 80.00 per share.
2.	Price earnings ratio	-	27.54 times	
3.	Closing market price of equity shares	71.25	69.15	

- (viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in remuneration is 4% for employees other than the Whole-time Director and Nil for the Whole-time Director.

- (ix) the key parameters for any variable component of remuneration availed by the directors:

Mr. Jagmohan J. Chhabra Executive Director is entitled to a Performance Linked Bonus/Incentive of 1% of the net profit per annum, subject to a maximum of ₹35,00,000/- as per the terms of his appointment. No such bonus/incentive was paid to him for the year under review. None of the other directors are paid any remuneration except for sitting fees for attending meetings.

- (x) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not Applicable.

- (xi) affirmation that the remuneration is as per the remuneration policy of the company:

Yes.

#### Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under, the Company formulated an internal Policy on Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) during the year under review.

The policy aims at educating employees on conduct that constitutes sexual harassment, ways and means to prevent occurrence of any such incident, and the mechanism for dealing with such incident in the unlikely event of its occurrence. A five member Internal Complaints Committee (ICC) has been constituted/reconstituted in accordance with the Act.

The ICC is responsible for redressal of complaints related to sexual harassment of women at the workplace in accordance with procedures, regulations and guidelines provided in the Policy.

During the year under review there were no complaints referred to the ICC.

## Auditors

The Auditors, Deloitte Haskins & Sells, were re-appointed as the Statutory Auditors of the Company under Section 139 of the Companies Act, 2013 to hold office for a period of three years upto the conclusion of the 49<sup>th</sup> Annual General Meeting in 2017. They are eligible for re-appointment for the financial year 2015-16. Your Board recommends ratification of their appointment as the Statutory Auditors at the ensuing Annual General Meeting for a period upto the conclusion of the 49<sup>th</sup> Annual General Meeting of the Company.

## Auditors' Report

The notes on account referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further explanations or comments.

There are no qualifications, reservations or adverse remarks or disclaimer made in the Auditors' Report which requires any clarification or explanation.

## Secretarial Audit

During the year under review, CS Sadashiv V. Shet, Practicing Company Secretary who was appointed as the Secretarial Auditor of the Company has issued the audit report in respect of the secretarial audit of the Company for the financial year ended March 31, 2015. The Secretarial Audit Report which forms a part of the Annual Report is self explanatory and requires no comments.

## Internal Control System

The Board has laid down Internal Financial Controls within the meaning of the explanation to Section 134 (5) (e) ("IFC") of the Companies Act, 2013. The Board believes the Company has sound IFC commensurate with the nature and size of its business. Business is however dynamic. The Board is seized of the fact that IFC are not static and are in fact a fluid set of tools which evolve over time as the business, technology and fraud environment changes in response to competition, industry practices, legislation, regulation and current economic conditions. There will therefore be gaps in the IFC as Business evolves. The Company has a process in place to continuously identify such gaps and implement newer and or improved controls wherever

the effect of such gaps would have a material effect on the Company's operations.

## Particulars of loans, guarantees or investments

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.

## Related Party Transactions

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and as such provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in Form AOC-2 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval.

As required under Clause 49 of the Listing Agreement, the Company has formulated a policy on dealing with Related Party Transactions. The Policy has been uploaded on to the Company website [www.goacarbon.com](http://www.goacarbon.com/downloads/Related%20Party%20Transaction%20Policy_GOA%20CARBON%20LIMITED.pdf) (Weblink:[http://www.goacarbon.com/downloads/Related%20Party%20Transaction%20Policy\\_GOA%20CARBON%20LIMITED.pdf](http://www.goacarbon.com/downloads/Related%20Party%20Transaction%20Policy_GOA%20CARBON%20LIMITED.pdf))

## Particulars of Employees

Particulars of employees required to be furnished under Section 197 of the Companies Act, 2013 and rules thereunder, are set out in the Annexure – I to this Report.

## Energy Conservation, Technology Absorption and Foreign Exchange Earnings and outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, required to be disclosed by Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided in the Annexure – II to this Report.

## Corporate Social Responsibility (CSR)

During the year under review, the Board constituted a



CSR Committee consisting of three Directors, of which two are non-executive Directors.

The CSR Committee at its meeting held on March 30, 2015, recommended to the Board the CSR policy formulated by it, following which the policy document was approved by the Board. The composition, terms of reference etc. of the CSR Committee are laid out in the Corporate Governance Report which forms part of this Annual Report. Further, the CSR policy of the Company has been uploaded on to the Company website [www.goacarbon.com](http://www.goacarbon.com)

The Company has during the financial year under review undertaken several social and cultural initiatives intended to deepen its ties to communities local to it in line with its practices and traditions hitherto. The coming into force of the Companies Act, 2013 relating to corporate social responsibility, however, has resulted in a re-conceptualisation of the term in question by the Company in order to align it with the new legislation, as a consequence of which no part of the expenditure earlier believed to be CSR qualifies as such. This has led to the Company not being able to meet the requirements of minimum spend of two percent of the average net profits of the Company for the three immediately preceding financial years, in pursuance of the CSR Policy of the Company, during the financial year under review.

The Company shall nevertheless, channelise its CSR spends during the current financial year duly in line with its CSR Policy, formulated as it is in accordance with the provisions of the Companies Act, 2013.

### **Risk Management**

Goa Carbon follows well-established and detailed risk assessment and minimisation procedures, which are periodically reviewed by the Board. The Company has in place a business risk management framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy.

The Senior Management assists the Board in its oversight of the Company's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall business risk management framework.

### **Extract of Annual Return**

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as Annexure-III and forms an integral part of this Report.

### **Corporate Governance**

It has been the endeavour of your Company to follow and implement best practices in corporate governance, in letter and spirit. A detailed Corporate Governance Report is attached and forms part of this report.

A certificate from the Statutory Auditors of the Company regarding compliance of the conditions of corporate governance as required under Clause 49 of the Listing Agreement with the Stock Exchanges, forms part of this report.

### **Appreciation and Acknowledgement**

Your Directors would like to express their appreciation for the assistance and co-operation received from the Government authorities, banks, customers, business associates and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

For and on behalf  
of the Board of Directors

**Shrinivas V. Dempo**  
Chairman

Panaji, Goa, 30<sup>th</sup> day of April, 2015



## ANNEXURE – I TO THE DIRECTORS' REPORT

**Particulars of Employees pursuant to Section 197 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2015**

Sr. No.	Name of the Employee	Designation/ Nature of duties	Remuneration (₹ in lacs)	Qualifications	Experience in years	Date of Commencement of employment	Age (in yrs.)	Last Employment held	Percentage of equity shares held in the Company	Name of Director or Manager who is a relative.
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**(A) Employed throughout the financial year :**

1.	Chhabra Jagmohan J.	<i>Executive Director*</i>	114.88	B.E. (Mechanical), Masters Degree in Marketing Management, Management Education Programme.	31	01.04.2010	52	CEO TSG Limited (Subsidiary of Frigoglass Group, Athens, Greece)	Nil	None
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**(B) Employed for part of the financial year :**

----- Nil -----

**(C) Employed throughout the financial year or part thereof and exceeded that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company:**

----- Nil -----

\* Appointed as Whole-time Director with designation Executive Director and the nature of his employment was contractual. Other terms and conditions are as per agreement.

**Note:** Remuneration as shown above includes Salary, Allowances, Company's Contribution to Provident Fund, Leave Travel Assistance and expenditure by the Company on accommodation, medical and other facilities as per agreement. In addition, the director is entitled to Gratuity and is also covered under the Group Personal Accident Insurance Policy.

## ANNEXURE – II TO THE DIRECTORS' REPORT

PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, ETC. AS PER COMPANIES (ACCOUNTS) RULES, 2014.

(A) Conservation of Energy	<u>Goa Plant</u>	<u>Bilaspur Plant</u>	<u>Paradeep Plant</u>
(i) the steps taken or impact on conservation of energy	<p>Total electrical units consumed during the year was 4,76,885 kwh units as against 3,46,061 kwh units of the previous year. Consumption of electrical energy per metric ton of Calcined Petroleum Coke (CPC) produced during the year was 18.28 kwh/MT of CPC as against 26.68 kwh/MT of previous year. This is due to slight increase in production run days for the full year as compared to the previous year. A strict control on routinely maintaining power factor enabled the Company to get maximum rebate of ₹53,778/-.</p> <p>Furnace Oil consumption during the year was 29,000 litres (including heating &amp; cooling of Kiln) as against 31,100 litres of previous year. Furnace Oil consumption per ton of CPC during the year was 1.12 litres/MT as against 2.40 litres/ MT in the previous year.</p>	<p>Electrical Energy consumption during the year has decreased to 15.92 kwh/MT as compared to 16.10 Kwh/MT of previous year. A vigilant control on periodically maintained power factor enabled the Company to power factor incentives of ₹ 28,857/-.</p> <p>Furnace Oil consumption per MT of CPC has decreased from 1.89 litres/MT to 1.42 litres/MT for heating &amp; cooling of the Kiln. Furnace Oil used for processing has decreased from 4.68 litres/MT to 2.52 litres/MT due to concerted efforts and continuous monitoring of process parameters.</p>	<p>The specific Electrical Energy consumption for the financial year 2014-15 was 23.76 Kwh/MT. In comparison with the previous financial year 2013-14, the specific energy consumption is more by 8.17 Kwh/MT of CPC produced. The reason for this increase in specific energy consumption is due to very less number of production days as the Plant was shut-down by the State Pollution Control Board, Odisha and also on account of operating the Plant with additional pollution control equipments at the re-start of the Plant.</p> <p>The average production per day is 362.5 MT. The power cost per MT of CPC is increased by ₹ 86.51/MT. This is mainly on account of the number of non productive days and additional pollution control equipment.</p> <p>The consumption of Furnace oil for production was nil as in the previous year.</p>
(ii) the steps taken by the company for utilising alternate sources of energy.	<ol style="list-style-type: none"> <li>1) Installed additional CFL focus light fittings to reduce lighting unit consumption.</li> <li>2) Conditioned monitoring of equipments &amp; strict monitoring for efficient usage of equipment is being continued in all sections.</li> </ol>		
(iii) the capital investment on energy conservation equipments			

<p><b>(B) Technology Absorption</b></p>	<p>(i) the efforts made towards technology absorption.</p> <p>(ii) the benefits derived like product improvement, cost reduction, product development or import substitution.</p> <p>(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-</p> <p>(a) the details of technology imported;</p> <p>(b) the year of import;</p> <p>(c) whether the technology been fully absorbed;</p> <p>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and</p> <p>(iv) the expenditure incurred on Research and Development.</p>	<p>The Company has been continuously making efforts to achieve reduction in energy consumption and higher product recovery with consistent reviews of all processes and operations and consequent improvement actions like recently installed bag filters. The Company is also making all round efforts to improve on the efficiency of the production of CPC quality by experimenting various specifications of raw materials and its blends.</p> <p>Not Applicable</p>
<p><b>(C) Foreign Exchange Earnings and Outgo</b></p>	<p>The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.</p>	<p>Foreign Exchange used for importing raw material, interest on foreign currency loans and travel expenses of employees for official work etc. were equivalent to ₹14,519.49 lakhs.</p> <p>Foreign Exchange earned during the year 2014-2015 by exporting finished product was equivalent to ₹10.50 lakhs.</p>

# ANNEXURE – III TO THE DIRECTORS' REPORT

RELEVANT EXTRACT OF ANNUAL RETURN for the financial year ended on 31<sup>st</sup> March, 2015.

## I. REGISTRATION AND OTHER DETAILS

i.	Corporate Identity Number (CIN) of the Company	L23109GA1967PLC000076
ii.	Registration Date	22 <sup>nd</sup> June, 1967
iii.	Name of the Company	Goa Carbon Limited
iv.	Category / Sub-Category of the Company	Public Company limited by shares
v.	Address of the Registered office and contact details	Dempo House, Campal, Panaji-Goa 403 001 Tel.: +91 832 2441300, Fax: +91 832 2427192
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078 E-Mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> , Tel.: +91 22 2594 6970, Fax: +91 22 2594 6969

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products	NIC Code of the Product	% to total turnover of the company
1.	Manufacture of coke oven product	1910	100%

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

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section of Companies Act, 2013
1.	<b>V. S. Dempo Holdings Pvt. Ltd.</b> Dempo House, Campal, Panaji-Goa 403 001	U65993GA1984PTC000570	Holding	55.39%	2(46) & 2(87)
2.	<b>GCL Global Resources SGP Pte Ltd.</b> 133 Cecil Street #16-01, Keck Seng Tower, Singapore 069 535	-	Subsidiary	100%	2(87)
3.	<b>Goa Carbon (Cangzhou) Company Ltd.</b> East of Tang Liu Road, North of Huangong Road No. 1, East District Cangzhou Costal Port Economic and Technological Development Zone, Cangzhou City, Hebei Province, The People's Republic of China	-	Subsidiary	100%	2(87)

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

### i) Category-wise Share Holding

Category of shareholders	Number of shares held on April 1, 2014				Number of shares held on March 31, 2015				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
Individuals/HUF	395939	Nil	395939	4.3267	395939	Nil	395939	4.3267	Nil
Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corporate	5103340	Nil	5103340	55.7678	5103340	Nil	5103340	55.7678	Nil
Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (A)(1)</b>	<b>5499279</b>	<b>Nil</b>	<b>5499279</b>	<b>60.0945</b>	<b>5499279</b>	<b>Nil</b>	<b>5499279</b>	<b>60.0945</b>	<b>Nil</b>
<b>2. Foreign</b>									
Individuals (Non-Resident Individuals/ Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



Category of shareholders	Number of shares held on April 1, 2014				Number of shares held on March 31, 2015				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (A)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>5499279</b>	<b>Nil</b>	<b>5499279</b>	<b>60.0945</b>	<b>5499279</b>	<b>Nil</b>	<b>5499279</b>	<b>60.0945</b>	<b>Nil</b>
<b>B. Public shareholding</b>									
<b>1. Institutions</b>									
Mutual Funds/ UTI	Nil	550	550	0.0060	Nil	550	550	0.0060	Nil
Financial Institutions/ Banks	170	635	805	0.0088	10541	635	11176	0.1221	0.1133
Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Institutional Investors	1000	Nil	1000	0.0109	Nil	Nil	Nil	Nil	(0.0109)
Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Qualified Foreign Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (B)(1)</b>	<b>1170</b>	<b>1185</b>	<b>2355</b>	<b>0.0257</b>	<b>10541</b>	<b>1185</b>	<b>11726</b>	<b>0.1281</b>	<b>0.1024</b>
<b>2. Non-institutions</b>									
Bodies Corporate	288826	3512	292338	3.1946	398205	3312	401517	4.3877	1.1931
Individuals –									
i. Individual shareholders holding nominal share capital up to ₹1 lakh.	2500487	404338	2904825	31.7431	2568610	388363	2956973	32.3129	0.5698
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh.	325748	11000	336748	3.6799	169998	11000	180998	1.9779	(1.7020)
Qualified Foreign Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other (specify)									
i. Clearing Member	64244	Nil	64244	0.7020	56230	Nil	56230	0.6145	(0.0875)
ii. Non Resident Indian (Repat.)	34479	20	34499	0.3770	31186	20	31206	0.3410	(0.0360)
iii. Non Resident Indian (Non-Repat.)	7904	4760	12664	0.1384	4263	4760	9023	0.0986	(0.0398)
iv. Directors & their relatives	Nil	4000	4000	0.0437	Nil	4000	4000	0.0437	Nil
v. Trusts	100	Nil	100	0.0011	100	Nil	100	0.0011	Nil
<b>Sub-Total (B)(2)</b>	<b>3221788</b>	<b>427630</b>	<b>3649418</b>	<b>39.8798</b>	<b>3228592</b>	<b>411455</b>	<b>3640047</b>	<b>39.7774</b>	<b>(0.1024)</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>3222958</b>	<b>428815</b>	<b>3651773</b>	<b>39.9055</b>	<b>3239133</b>	<b>412640</b>	<b>3651773</b>	<b>39.9055</b>	<b>Nil</b>
Shares held by Custodians for GDR's & ADR's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>8722237</b>	<b>428815</b>	<b>9151052</b>	<b>100.0000</b>	<b>8738412</b>	<b>412640</b>	<b>9151052</b>	<b>100.0000</b>	

## ii) Shareholding of Promoters

Shareholder's name	Number of shares held on April 1, 2014			Number of shares held on March 31, 2015			% change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Shrinivas Vasudeva Dempo	395939	4.3267	Nil	395939	4.3267	Nil	Nil
V. S. Dempo Holdings Pvt. Ltd.	5069040	55.3930	Nil	5069040	55.3930	Nil	Nil
Motown Investments Pvt. Ltd.	34300	0.3748	Nil	34300	0.3748	Nil	Nil
<b>TOTAL</b>	<b>5499279</b>	<b>60.0945</b>	<b>Nil</b>	<b>5499279</b>	<b>60.0945</b>	<b>Nil</b>	<b>Nil</b>

### iii) Change in Promoters' Shareholding

Shareholder's Name	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
<b>At the beginning of the year, April 1, 2014</b>				
Shrinivas Vasudeva Dempo	395939	4.3267	-	-
V. S. Dempo Holdings Pvt. Ltd.	5069040	55.3930	-	-
Motown Investments Pvt. Ltd.	34300	0.3748	-	-
<b>TOTAL</b>	<b>5499279</b>	<b>60.0945</b>	<b>-</b>	<b>-</b>
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)	-	-	-	-
<b>At the end of the year, March 31, 2015</b>				
Shrinivas Vasudeva Dempo	395939	4.3267	-	-
V. S. Dempo Holdings Pvt. Ltd.	5069040	55.3930	-	-
Motown Investments Pvt. Ltd.	34300	0.3748	-	-
<b>TOTAL</b>	<b>5499279</b>	<b>60.0945</b>	<b>-</b>	<b>-</b>

### iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Top Ten Shareholders	Shareholding as on April 1, 2014		Shareholding as on March 31, 2015	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Hitesh Ramji Javeri	90001	0.9835	200	0.0021
Harsha Hitesh Javeri	45000	0.4917	-	-
Mayekar Satish Manohar	22831	0.2495	22831	0.2495
Saifuddin Fakhruddin Miyajiwalla	21146	0.2311	20446	0.2234
Rashida Hatim Miyajiwalla	20000	0.2186	20000	0.2186
Religare Finvest Ltd.	19851	0.2169	20150	0.2202
Shri Parasram Holdings Pvt. Ltd.	19175	0.2095	5778	0.0631
Pravina Kantilal Karani	18800	0.2054	23800	0.2601
Mahadeo Mohan Caculo	18777	0.2052	18777	0.2052
Anil Vishanji Dedhia	15000	0.1639	-	-

### v) Shareholding of Directors and Key Managerial Personnel

For each of the Directors and KMP	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
<b>At the beginning of the year, April 1, 2014</b>				
Shrinivas Vasudeva Dempo	395939	4.3267	-	-
Dara P. Mehta	4000	0.0437	-	-
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)	-	-	-	-
<b>At the end of the year, March 31, 2015</b>				
Shrinivas Vasudeva Dempo	395939	4.3267	-	-
Dara P. Mehta	4000	0.0437	-	-

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

In ₹ lacs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	21572.42	1100.00	-	22672.45
ii) Interest due but not paid	-	196.87	-	196.87
iii) Interest accrued but no due	29.05	-	-	29.05
<b>Total (i+ii+iii)</b>	<b>21601.47</b>	<b>1296.87</b>	<b>-</b>	<b>22898.34</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	6006.82	1115.86	-	7122.68
<b>Net Change</b>	<b>6006.82</b>	<b>1115.86</b>	<b>-</b>	<b>7122.68</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	15569.78	-	-	15569.78
ii) Interest due but not paid	-	181.01	-	181.01
iii) Interest accrued but not due	24.87	-	-	24.87
<b>Total (i+ii+iii)</b>	<b>15594.65</b>	<b>181.01</b>	<b>-</b>	<b>15775.66</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (in ₹ lacs)
	Jagmohan J. Chhabra	
Gross salary		
(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	88.20	88.20
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12.92	12.92
(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil
Stock Option	Nil	Nil
Sweat Equity	Nil	Nil
Commission		
- as % of profit	Nil	Nil
- others, specify...	Nil	Nil
Others, please specify		
- Retirement benefits	13.76	13.76
<b>Total (A)</b>	<b>114.88</b>	<b>114.88</b>
Ceiling as per the Act	5% of the net profits of the Company	

### B. Remuneration to other Directors

Particulars of Remuneration	Name of Directors					Total Amount (in ₹ lacs)
	Dara P. Mehta	Keki M. Elavia	Dr. A. B. Prasad	Raman Madhok	Kiran Dhingra	
Fee for attending board/committee meetings	1.55	2.01	1.19	2.76	Nil	7.51
Commission	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-
<b>Total (1)</b>	<b>1.55</b>	<b>2.01</b>	<b>1.19</b>	<b>2.76</b>	<b>Nil</b>	<b>7.51</b>

Particulars of Remuneration	Name of Directors					Total Amount (in ₹ lacs)
Other Non-Executive Directors	Shrinivas V. Dempo	Soiru V. Dempo				
Fee for attending board/committee meetings	1.48	1.85				3.33
Commission	-	-				-
Others, please specify	-	-				-
<b>Total (2)</b>	<b>1.48</b>	<b>1.85</b>				<b>3.33</b>
<b>Total (B)=(1+2)</b>						<b>10.84</b>
<b>Total Managerial Remuneration (A+B)</b>						<b>125.72</b>
Ceiling as per the Act	11% of the net profits of the Company					

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTd

Particulars of Remuneration	Key Managerial Personnel			Total Amount (in ₹ lacs)
	CEO	Company Secretary	CFO	
Gross salary				
(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	27.59	26.93	54.52
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	5.93	5.93	11.86
(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	Nil	Nil	Nil
Stock Option	-	Nil	Nil	Nil
Sweat Equity	-	Nil	Nil	Nil
Commission				
- as % of profit	-	Nil	Nil	Nil
- others, specify...	-	Nil	Nil	Nil
Others, please specify				
- Retirement benefits	-	2.49	2.49	4.98
<b>Total</b>	<b>-</b>	<b>36.01</b>	<b>35.35</b>	<b>71.36</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	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



# MANAGEMENT DISCUSSION AND ANALYSIS

## Over Review

Goa Carbon Limited is one of the leading company in the business of Calcined Petroleum Coke (CPC). CPC is one of the major raw material to be used in the manufacture of Carbon anode for the Aluminum industry. It is also used as a carbon raiser for the Steel and Titanium Di-Oxide industries. The main raw material required for production of CPC is known as Raw Petroleum Coke (RPC).

The global CPC manufacturing capacity is estimated to be above 27.5 million tonnes. The growth of CPC industry is directly linked with the growth of Aluminum industry which consumes about 80% of the global CPC production.

## Outlook

Since the growth of CPC industry is directly linked with the growth of Aluminum industry, we need to analyze the future outlook of Aluminum industry. Globally, Aluminum industry grows at about 5% per annum. Aluminum is a light metal and mainly used internationally in the transportation, construction, packaging, aerospace and other industries. The main advantage of Aluminum metal is, it is of light weight, having high strength, non corrosive, recyclable and with better electric conductivity. The aluminum demand is expected to be on increased scale due to large emphasis on infrastructure and defense by most of the countries.

In the last decade, we are seeing a demographic shift in the manufacture of aluminum from the western countries to Asia, mainly in China, India and Middle East.

It is well known that most of the raw material required to manufacture CPC is available in China and Middle East. In view of all these developments, Goa Carbon is well placed to capitalize on future increased demand by the Aluminum industry.

## Challenges & Risk Management

We have seen for last 5 years, Indian industries in general are facing a very challenging time, which has resulted in the slow-down of the Indian economy, coupled with high interest rate and inflation. This overall down-turn has affected the CPC industry too and in turn the performance of Goa Carbon. However, with the restoration of a new government at the centre, industries are hopeful for industry friendly policies and overall turnaround. In such a changed scenario, Goa Carbon is expected to do better.

The Company is facing huge challenges in the export market due to continuous issues in the European market, like persistent sovereign crisis. These issues resulted in major reduction of the production of the aluminum metal in the western countries, which had put pressure, not only on the prices of CPC but also demand for CPC in the export market. However, Goa Carbon expects the demand to grow in the Indian market due to expansion plans announced by the Indian smelters, which will compensate the fall in the export market.

The Company is importing almost 99% of its raw material, and therefore, it is highly vulnerable to the volatility of US Dollar, vis-à-vis, Indian rupee. However, the Company does not speculate on foreign currency and tries to take the forward cover to control Forex volatility.

The CPC industry is classified as a polluting industry and its operations are monitored closely by the State Pollution Control Boards. The Company is continuously taking maximum care to control pollution levels and has installed the required anti-pollution equipments in all its plants, and upgraded the dust control system at its Paradeep Plant during the year.

## Research and Development

Research and development is an ongoing process at Goa Carbon. The Company is continuously innovating and discovering methods and concepts to improve the

quality of its product and achieve operational efficiency. The company is awarded with quality certification of ISO 9001 and ISO 14001 which also demonstrates the ability of the Company to achieve higher level of customer satisfaction.

### Financial Review

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013. The key financial ratios are given below in percentage, except for earnings per share:

	As at 31.03.2015	As at 31.03.2014
PAT (Loss) / Sales	(5.38%)	0.79%
Return on Net Worth	–	2.85%
Earnings per share (₹)	(11.03)	2.51

The net cash flow of the Company during the year ended 31.03.2015 is as follows:

(₹ in Lakhs)

	As at 31.03.2015	As at 31.03.2014
Cash (used in)/ from operations	(844.01)	(3285.22)
Cash (used in)/ from investing activities	9988.31	(8124.16)
Cash (used in)/ from financial activities	(7806.66)	9394.52
Net increase/(decrease) in cash	1337.64	(2014.86)

### Internal Control System

The company has adequate internal control system commensurate with its size and business. The Internal Auditor reviews that all the transactions of the company are in line with the compliance of laws, policies and procedures and have been correctly recorded and reported. The Internal Audit is conducted on regular basis and the reports are submitted to the Audit Committee of Directors at their quarterly meetings.

### Human Resources

As on 31<sup>st</sup> March, 2015, the Company had 228

employees consisting of 16 managerial personnel and 212 other employees including workmen.

The Company has excellent combination of experienced and talented Technical Managers. The Company also undertakes on regular basis various training programmes to keep its employees updated on new technical developments and information which directly results in optimum capacity utilization and cost effectiveness.

The Company's relation with its employees continues to be cordial. The Company always reciprocates commitment to its employees in order to motivate them to perform the best.

### Statutory Compliance

All declarations and compliances with respect to the applicable statutes, enactments and guidelines are submitted at every meeting of the Board of Directors of the Company. The Company Secretary who is also the Compliance Officer gives a declaration of compliance to the Board with respect to the applicable provisions of Companies Act, 2013, SEBI Regulations and Listing Agreements with the Stock Exchanges.

### Cautionary Statement

Some of the statements given in the above management discussion and analysis about the Company's projections, objectives, estimates, expectations and predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. The actual results may differ substantially from these expressed or implied statements. Significant factors that could make a difference to the company's operations including domestic and global economic conditions affecting demand and supply and price conditions in the industry, changes in Government laws, tax regime and other statutory changes, environment laws and labour relations. The Company undertakes no obligation to periodically revise any such forward looking statement to reflect future events or circumstances.

# REPORT ON CORPORATE GOVERNANCE

(As required under Clause 49 of the Listing Agreements entered into with Stock Exchanges)

## Introduction

Your Company has complied in all material respects with the requirements of the Corporate Governance Code as per Clause 49 of the Listing Agreement with the stock exchanges.

A report on the implementation of the Corporate Governance Code of the Listing Agreement by the Company is given below:

## 1. Company's philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure efficient conduct of the Company and help the Company achieve its goal in maximizing value for all its stakeholders.

## 2. Board of Directors (Board)

### 2.1 Composition of the Board

As on 31<sup>st</sup> March, 2015, the Company's Board of Directors comprised of eight directors including a non-executive chairman. Of the eight directors, seven are non-executive of which five are independent directors including a woman director. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the stock exchanges.

The names and categories of the Directors on the Board are given below:

Sr. No.	Name	DIN No.	Category	Number of shares held as at March 31, 2015
1.	Mr. Shrinivas V. Dempo (Chairman)	00043413	Promoter Non-Executive	3,95,939
2.	Mr. Dara P. Mehta	00041164	Independent Non-Executive	4,000
3.	Mr. Keki M. Elavia	00003940	Independent Non-Executive	Nil
4.	Mr. Soiru V. Dempo	00206062	Non-Independent Non-Executive	Nil
5.	Dr. A. B. Prasad	00817902	Independent Non-Executive	Nil
6.	Mr. Raman Madhok	01798377	Independent Non-Executive	Nil
7.	Ms. Kiran Dhingra*	00425602	Independent Non-Executive	Nil
8.	Mr. Jagmohan J. Chhabra	01007714	Executive Director	Nil

\* Ms. Kiran Dhingra has been appointed as Additional Director by the Board with effect from March 16, 2015.

## 2.2 Attendance of Directors at Board Meetings and Annual General Meeting

Attendance of each director at the Board Meetings and the last Annual General Meeting (AGM) held during the year and the number of directorships and committee chairmanships/memberships held by them in other companies is given below:

Sr. No.	Name	No. of Board meetings attended during 2014-15		Whether attended last AGM held on September 6, 2014	No. of Directorships in other companies	No. of Committee positions held in other companies	
		Held	Attended			Chairman	Member
1.	Mr. Shrinivas V. Dempo Chairman	5	5	Yes	16~	1	-
2.	Mr. Dara P. Mehta	5	5	Yes	7~	2	-
3.	Mr. Keki M. Elavia	5	5	Yes	12~	5	3
4.	Mr. Soiru V. Dempo	5	5	Yes	9~	-	1
5.	Dr. A. B. Prasad	5	3	Yes	3~	1	1
6.	Mr. Raman Madhok	5	5	Yes	2~	-	1
7.	Ms. Kiran Dhingra*	None	None	N.A.	4~	-	1
8.	Mr. Jagmohan J. Chhabra Executive Director	5	4	Yes	2~	-	-

\* Ms. Kiran Dhingra has been appointed as Additional Director by the Board with effect from March 16, 2015.

~ Includes directorships held in private limited companies, foreign companies and not for profit companies under the Companies Act.

None of the Directors is a member of more than 10 committees nor is a Chairman of more than 5 committees across all the companies in which he/she is a Director. The Committees considered for the above purpose are those specified in Clause 49 of the Listing Agreement i.e. Audit Committee and Stakeholders' Relationship Committee.

## 2.3 Meetings of the Board of Directors

The Board of Directors of the Company met five times during the year 2014-2015 i.e. on April 11, 2014, July 5, 2014, September 6, 2014, October 17, 2014 and February 10, 2015.

The gap between two meetings did not exceed one hundred and twenty days. The required information as enumerated in Annexure X to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussion and consideration at Board meetings.

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year ended 31<sup>st</sup> March, 2015 except for payment of sitting fees.

## 2.4 Remuneration of each Director on the Board

The details of remuneration to each director on the Board during the financial year 2014-15 are as follows:

### Non-Executive Directors:

Sr. No.	Name	Sitting fees** (₹)	Service Contract/ Notice Period/Severance Fees Pension
1.	Mr. Shrinivas V. Dempo	1,48,000	Retirement by rotation
2.	Mr. Dara P. Mehta	1,55,000	5 years up to the AGM of 2019
3.	Mr. Keki M. Elavia	2,01,000	5 years up to the AGM of 2019
4.	Mr. Soiru V. Dempo	1,85,000	Retirement by rotation
5.	Dr. A. B. Prasad	1,19,000	5 years up to the AGM of 2019
6.	Mr. Raman Madhok	2,76,000	5 years up to the AGM of 2019
7.	Ms. Kiran Dhingra*	Nil	To hold office up to the date of the ensuing AGM
Total		10,84,000	

\* Ms. Kiran Dhingra has been appointed as Additional Director by the Board with effect from March 16, 2015.

\*\* sitting fees include payments for Board appointed committee meetings.

### Executive Director:

Mr. Jagmohan J. Chhabra

Particulars	Amount (₹)
Salary and allowances	88,20,000
Performance bonus	Nil
Contribution to provident fund and gratuity fund	13,76,550
Monetary value of perquisites	12,91,713
<b>Total</b>	<b>1,14,88,263</b>
Period of appointment	3 years w.e.f. 01.04.2013
Notice Period	4 months
Severance Fees	Not specified

## 2.5 Board Procedures

The Company Secretary prepares the agenda and the explanatory notes in consultation with the Chairman of the Board of Directors and circulates the same in advance to the Directors to enable the Board to take informed decisions. The Board meets at least once every quarter inter alia to review the quarterly results. Additional meetings are held, when necessary. Presentations are made to the Board for complete update on projects/business.

## 2.6 Familiarisation Programme for Directors

The Executive Director of the Company provides a brief of the industry and business of the Company to the newly appointed director and also has a discussion to familiarize him/her with the Company's operations. At the time of regularisation of the appointment of an Independent Director, the appointment is formalised by issuing a letter to the director, which inter alia explains the role, function, duties and responsibilities expected of him/her as a director of the Company. The Company also from time to time familiarises the Independent Directors about the Company, its product, business and the on-going events relating to the Company through presentations.

## 3. Audit Committee

### 3.1 Details of the Composition of the Audit Committee, meetings and attendance of the members are as follows:

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the stock exchanges read with Section 177 of the Companies Act, 2013.

The Audit Committee comprises of 3 Independent, Non-Executive Directors namely Mr. Dara P. Mehta (Chairman), Mr. Keki M. Elavia and Mr. Raman Madhok. The Sr. General Manager (Finance) & CFO, the Internal Auditor and the Statutory Auditors are permanent invitees to the meetings of the Audit Committee. The Company Secretary acts as the Secretary



to the Audit Committee. The Committee reviews various aspects of internal controls and the internal auditors' report. The requirements under Clause 49 of the Listing Agreement as amended from time-to-time are also reviewed by the committee.

The Audit Committee has met four times during the financial year 2014-2015 on:

April 10, 2014, July 4, 2014, October 16, 2014 and February 9, 2015.

Details of meetings attended by the members (who are Independent Directors) of the Audit Committee during the financial year 2014-2015 are as follows:

Committee Members	Profession	Committee Meetings	
		Held	Attended
Mr. Dara P. Mehta Chairman	Solicitor	4	4
Mr. Keki M. Elavia	Chartered Accountant	4	4
Mr. Raman Madhok	Corporate Consultant	4	4

### 3.2 Terms of reference

The terms of reference of the Audit Committee broadly are as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

- b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;

4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.

#### 4. Nomination and Remuneration Committee

##### 4.1 Details of the Composition of the Nomination and Remuneration Committee and attendance of the members are as follows:

The Nomination and Remuneration Committee of the Company comprises of three directors all of whom are non-executive directors namely Mr. Keki M. Elavia (Chairman) Mr. Soiru V. Dempo and Mr. Raman Madhok.

The Committee met 3 times during the year 2014-15 on April 10, 2014, July 4, 2014 and February 28, 2015.

The details are as follows:

Committee Members	Committee Meetings	
	Held	Attended
Mr. Keki M. Elavia Chairman	3	3
Mr. Soiru V. Dempo	3	2
Mr. Raman Madhok	3	3

##### 4.2 Key Objectives

The Key Objectives of the Committee are:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

##### 4.3 Nomination and Remuneration Policy

The Company has formulated a Nomination and Remuneration Policy and the same has been uploaded on the website of the Company at [www.goacarbon.com](http://www.goacarbon.com)

## 5. Share Transfer, Investors' Grievance and Stakeholders Relationship Committee

### 5.1 Details of the Composition of the Share Transfer, Investors' Grievance and Stakeholders Relationship Committee, meetings and attendance of the members are as follows:

The Share Transfer, Investors' Grievance and Stakeholders Relationship Committee of the Company comprises of three directors namely Mr. Raman Madhok, Mr. Soiru V. Dempo and Dr. A. B. Prasad.

The Committee met 24 times during the year 2014-15. The details are as follows:

Committee Members	Committee Meetings	
	Held	Attended
Mr. Raman Madhok Chairman	24	24
Mr. Soiru V. Dempo	24	23
Dr. A. B. Prasad	24	18

### 5.2 Terms of reference

The Committee is empowered to consider and approve the physical transfer/transmission/transposition of shares, issue of new/duplicate share certificates and oversees and reviews all matters connected with securities transfer. The Committee also specifically looks into the redressal of shareholders' and investors' complaints/grievances pertaining to transfer of shares, non-receipt of dividend warrants etc.

### 5.3 Details of Shareholders' complaints

As per the report from the Registrar & Share Transfer Agents, 565 letters/complaints were received from the shareholders/investors during the financial year ended March 31, 2015. The letters/complaints received were replied/resolved to the satisfaction of the shareholders. One letter/complaint which was received through SEBI (SCORES) on March 23, 2015 remained unattended / pending as on March 31, 2015. The same has since been resolved on April 7, 2015.

### 5.4 Compliance Officer

Name, designation and address of Compliance Officer under Clause 47 of the Listing Agreement

with the stock exchanges:

P. S. Mantri, Company Secretary

**Goa Carbon Limited**

Dempo House, Campal,

Panaji-Goa 403 001

Tel.: (0832) 2441354 Fax: (0832) 2427192

Email: [legal@goacarbon.com](mailto:legal@goacarbon.com)

## 6. Corporate Social Responsibility (CSR) Committee

During the financial year under review, the Board constituted a CSR Committee comprising of three directors namely Mr. Shrinivas V. Dempo (Chairman), Mr. Raman Madhok and Mr. Jagmohan J. Chhabra.

During the year, the Committee met once on March 30, 2015. All the members of the Committee attended the said meeting. In its meeting held on March 30, 2015, the Committee recommended the CSR policy which has also been approved by the Board of Directors of the Company.

## 7. Project Review Committee

### 7.1 Details of the Composition of the Project Review Committee, meetings and attendance of the members are as follows:

Constituted to review new projects, the Committee comprises of four directors namely Mr. Shrinivas V. Dempo, Mr. Keki M. Elavia, Mr. Raman M. Madhok and Mr. Jagmohan J. Chhabra.

The Committee met 3 times during the year 2014-15 on April 11, 2014, October 16, 2014 and February 28, 2015. The details are as follows:

Committee Members	Committee Meetings	
	Held	Attended
Mr. Shrinivas V. Dempo Chairman	3	3
Mr. Keki M. Elavia	3	3
Mr. Raman Madhok	3	3
Mr. Jagmohan J. Chhabra	3	2

## 8. Resources Raising Committee

### 8.1 Details of the Composition of the Resources Raising Committee, meetings and attendance of the members are as follows:

Constituted to review the proposal of raising equity/preference capital, considering the Company's China Project as well as other projects in India, the Committee comprises of four directors namely Mr. Shrinivas V. Dempo, Chairman, Mr. Dara P. Mehta, Mr. Keki M. Elavia and Mr. Raman M. Madhok.

No meeting of the Committee was held during the year 2014-15.

## 9. Independent Directors Meeting

The Independent Directors met on April 29, 2015, inter alia, to discuss:

- Evaluation of performance of Non-independent Directors. Audit Committee members and the Board of Directors as a whole;
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Except for Ms. Kiran Dhingra who was appointed on the Board of the Company on March 16, 2015, all the other independent Directors of the Company were present for this Meeting.

## 10. General Meetings and Postal Ballot

### 10.1 Location, date & time of Annual General Meeting (AGM) for the last 3 years are as under:

Year	Location	Date & Time
2012 - 44 <sup>th</sup> AGM	Dempo House, Campal, Panaji-Goa 403 001	August 2, 2012 at 10.30 a.m.
2013 - 45 <sup>th</sup> AGM	Dempo House, Campal, Panaji-Goa 403 001	July 6, 2013 at 11.00 a.m.
2014 - 46 <sup>th</sup> AGM	Dempo House, Campal, Panaji-Goa 403 001	September 6, 2014 at 10.30 a.m.

In pursuance of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014,

as well as pursuant to Clause 35B of the Listing Agreement with the Stock Exchanges, the Company provided electronic voting facility to the members entitled to cast their vote at the last AGM and to those members who did not have access to e-voting facility the Company provided assent/dissent forms for conveying their assent/dissent to each one of the item of business transacted at the AGM. Similar voting rights were provided to the members present, in person and through proxies at the AGM, to vote in proportion to the shares held by them through Poll.

CS Sadashiv V. Shet, Practicing Company Secretary (Membership No. 2477) was appointed as the Scrutinizer to scrutinize the e-voting/poll process at the last AGM.

The following is/are the special resolution(s) passed at the AGM:

AGM held on	Special Resolution passed	Summary
August 2, 2012	No	N.A.
July 6, 2013	Yes	Re-appointment and payment of remuneration to Mr. Jagmohan J. Chhabra as a Whole-time Director with designation "Executive Director" of the Company with effect from April 1, 2013 for a period of 3 years.
September 6, 2014	Yes	1. Ratification of remuneration of ₹ 122.68 lacs paid to Mr. Jagmohan J. Chhabra, Executive Director during the period from April 1, 2013 to March 31, 2014. 2. Borrowing an amount not exceeding ₹ 100 crore.

The details of the voting pattern through e-voting / Poll for the special resolutions passed at the last AGM are given below:

Special Resolution for ratification of the remuneration amounting to ₹ 122.68 lacs paid to Mr. Jagmohan J. Chhabra, "Executive Director" during the period from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014.



Promoter/ Public	No. of shares held (1)	No. of votes polled (2)	% of votes polled on outstand- ing shares (3)=[(2)/ (1)]*100	No. of votes - in favour (4)	No. of votes - against (5)	% of votes in favour on votes polled (6)=[(4)/(2)] *100	% of votes against on votes polled (7)=[(5)/(2)] *100
Promoter and Promoter Group	5499279	5499279	100.000	5499279	0	100.000	0.000
Public - Institutional holders	13185	0	0.000	0	0	0.000	0.000
Public - Others	3638588	8285	0.228	8085	200	97.586	2.414
<b>Total</b>	<b>9151052</b>	<b>5507564</b>	<b>60.185</b>	<b>5507364</b>	<b>200</b>	<b>99.996</b>	<b>0.004</b>

Special Resolution for borrowing an amount not exceeding ₹ 100 crore.

Promoter/ Public	No. of shares held (1)	No. of votes polled (2)	% of votes polled on outstand- ing shares (3)=[(2)/ (1)]*100	No. of votes - in favour (4)	No. of votes - against (5)	% of votes in favour on votes polled (6)=[(4)/ (2)] *100	% of votes against on votes polled (7)=[(5)/ (2)] *100
Promoter and Promoter Group	5499279	5499279	100.000	5499279	0	100.000	0.000
Public - Institutional holders	13185	0	0.000	0	0	0.000	0.000
Public - Others	3638588	8285	0.228	8285	0	100.000	0.000
<b>Total</b>	<b>9151052</b>	<b>5507564</b>	<b>60.185</b>	<b>5507564</b>	<b>0</b>	<b>100.000</b>	<b>0.000</b>

## 10.2 Postal Ballot

For the year ended March 31, 2015, there has been no ordinary or special resolution passed by the Company's shareholders through postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

## 11. Disclosures

### 11.1 Materially significant related party transactions

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no transactions between the Company and the Promoters, Directors or Management, their subsidiaries or relatives, etc. that had a potential conflict with the interests of

the Company at large. The Register of Contracts containing transactions in which directors are interested is placed before the Board regularly.

### 11.2 Statutory Compliance, Penalties and Strictures

There were no instances of non-compliance or penalties, strictures imposed on the Company by Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority, on any matter related to capital markets, during the last three years.

### 11.3 Listing Agreement compliance

Pursuant to sub-clause X (B) of Clause 49, the Company confirms that it has complied with all mandatory requirements prescribed in Clause 49 of the Listing Agreement.

### 11.4 Code of Conduct

A revised Code of Conduct for the Board Members and Senior Management of the Company has been formulated which is posted on the Company's website [www.goacarbon.com](http://www.goacarbon.com). Requisite annual affirmations of compliance with the code have been made by the Directors and Senior Management of the Company.

The declaration of the Executive Director is given below:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I, Jagmohan J. Chhabra, *Executive Director* of Goa Carbon Limited, declare that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Revised Code of Conduct during the financial year ended March 31, 2015.

Panaji-Goa  
April 30, 2015

**Jagmohan J. Chhabra**  
*Executive Director*

### 11.5 CEO/CFO Certification

The CEO and CFO Certification of the financial statements for the year, is enclosed at the end of the report.

### 11.6 Cost Auditor

With reference to the General Circular No. 15/2011 – 52/5/CAB-2011 dated 11 April, 2011 issued by the Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi, following are the details of Cost Auditor and date

of filing of Cost Audit Report with the Central Government:

Particulars of the Cost Auditor	Details of filing Cost Audit Report for the period ended 31 <sup>st</sup> March, 2014
Mr. Savari Muthu I., (Firm Registration No. 100107) 2nd Floor, Magnum Chambers, St. Inez, Panaji-Goa 403 001 Email: sav.goa@gmail.com	Due date of filing: 30.09.2014 Filing date: 12.05.2014

### 11.7 Whistle Blower Policy

The Company has in place a Vigil Mechanism/ Whistle Blower Policy. The policy provides a channel to the employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct policy. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

### 11.8 Subsidiary Companies

The Company has formulated the Policy for determination of 'material' subsidiaries and uploaded the same on the website of the Company [www.goacarbon.com](http://www.goacarbon.com) (Weblink:[http://www.goacarbon.com/downloads/Policy%20for%20determining%20material%20subsidiaries\\_GOA%20CARBON%20LIMITED.pdf](http://www.goacarbon.com/downloads/Policy%20for%20determining%20material%20subsidiaries_GOA%20CARBON%20LIMITED.pdf))

### 12. Means of Communication

The quarterly unaudited financial results were published in the Financial Express/Economic Times/Navhind Times (English Dailies) and Navprabha (Marathi Daily). The results were also displayed on the Company's web-site at [www.goacarbon.com](http://www.goacarbon.com). The shareholders can access the Company's web-site for financial information, shareholding information etc.

No presentations have been made to institutional investors/analysts during the financial year.

The Management Discussion and Analysis report is provided separately as a part of this Annual Report.

## 13. General Shareholder Information:

### 13.1 Annual General Meeting

Date and Time: Wednesday, the 8<sup>th</sup> July, 2015 at 10.30 a.m.

Venue : Dempo House, Campal, Panaji-Goa 403 001

### 13.2 Financial Year Calendar (2015-2016) (Tentative and subject to change)

Results for quarter ending June 30, 2015	By August 15, 2015
Results for quarter ending September 30, 2015	By November 15, 2015
Results for quarter ending December 31, 2015	By February 15, 2016
Results for quarter ending March 31, 2016	By May 15, 2016
Annual General Meeting for the year ending March 31, 2016	By September, 2016

### 13.3 Book Closure Date

The Company's Share Transfer Books and Register of Members of equity shares shall remain closed from Wednesday, the 1<sup>st</sup> July, 2015 to Wednesday, the 8<sup>th</sup> July, 2015 (both days inclusive), to determine the entitlement of shareholders to receive dividend for the year ended March 31, 2015.

### 13.4 Dividend Payment Date

The dividend on equity shares, if declared at the Annual General Meeting to be held on 8<sup>th</sup> July, 2015, will be credited/despached on 24<sup>th</sup> July, 2015 to those members whose names appear on the Company's Register of Members and to the beneficial owners whose particulars are furnished by the depositories as on 30<sup>th</sup> June, 2015.

### 13.5 Listing of Equity Shares

The Company's shares are listed on two stock exchanges viz., Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE)

### 13.6 Stock Codes

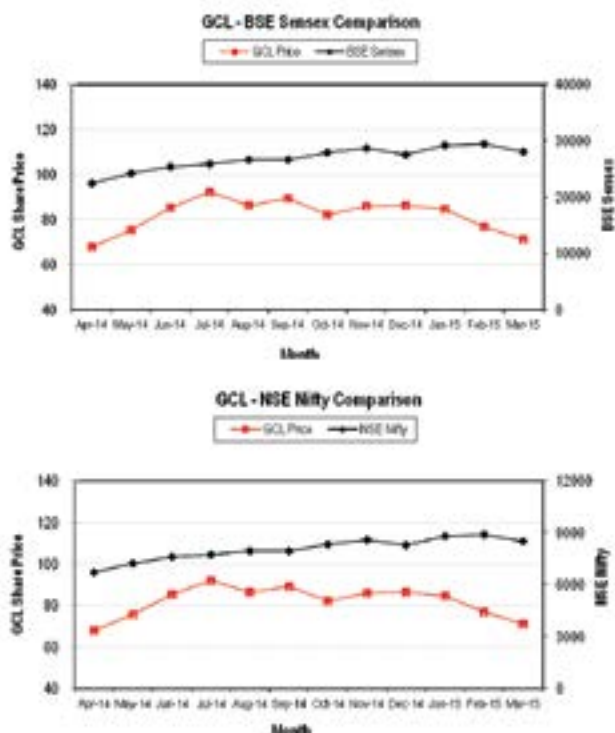
Name of Stock Exchange	Scrip Code	Demat ISIN Number in NSDL & CDSL
Bombay Stock Exchange Ltd.	509567	INE426D01013
National Stock Exchange of India Ltd.	GOACARBON	

### 13.7 Market Price Data (In ₹)

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High	Low	Volume	High	Low	Volume
April 2014	77.15	66.75	3,75,786	77.00	66.40	12,36,531
May 2014	82.45	65.00	3,71,473	82.50	64.50	9,30,451
June 2014	90.00	75.30	4,65,735	90.40	74.40	11,55,075
July 2014	111.50	82.60	12,90,267	111.30	82.10	41,23,770
August 2014	96.10	83.70	2,83,443	96.00	83.25	8,51,563
September 2014	108.30	85.25	12,93,278	108.05	85.10	34,38,631
October 2014	99.00	72.20	4,34,135	98.90	76.70	11,34,189
November 2014	96.25	80.00	9,99,873	96.40	82.70	26,13,450
December 2014	92.90	71.10	7,27,941	92.90	71.15	20,60,735
January 2015	98.50	80.30	8,63,527	98.60	80.50	24,81,576
February 2015	91.45	76.35	2,58,756	91.30	76.25	7,10,541
March 2015	91.35	65.15	5,37,994	91.35	65.60	13,35,545

(Source: The information is compiled from the data available on the BSE and NSE websites)

### 13.8 Share price performance in comparison to broad based indices – BSE Sensex and NSE Nifty



### 13.9 Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (West), Mumbai 400 078  
Ph.: (022) 25946970 Fax: (022) 2594 6969  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

### 13.10 Share Transfer System

Share Transfers in physical form can be lodged with the Company's Registrar and Share Transfer Agents. The Company in order to improve the quality of services to investors, process share transfer requests within the stipulated time and for reasons of convenience, has given powers to its Registrar and Share Transfer Agents to approve and effect the transmission/transfer/transposition of shares and give effect to dematerialization requests. Shares held in dematerialized form are traded electronically in the Depositories. As at March 31, 2015 no equity shares were pending for transfer.

As per the requirement of Clause 47 (c) of the Listing Agreement with the stock exchanges, the Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities.

The Company conducts a Reconciliation of Share Capital Audit on a quarterly basis in accordance with the Securities and Exchange Board of India (SEBI) requirements. The audit reports for the financial year under report have been filed with the stock exchanges within one month of the end of each quarter.

### 13.11 Shares in Unclaimed Suspense Account

The details of shares lying in the Unclaimed Suspense Account is as follows:

Particulars	Number of share-holders	Number of Equity shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1 <sup>st</sup> April, 2014.	1,320	31,634
Number of shareholders who approached the Company / RTA for transfer of shares from Unclaimed Suspense Account during the year ended 31 <sup>st</sup> March, 2015.	1	25
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year ended 31 <sup>st</sup> March, 2015.	1	25
Aggregate Number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. as on 31 <sup>st</sup> March, 2015.	1,319	31,609

### 13.12 Distribution of Shareholding

#### Distribution Schedule as on March 31, 2015

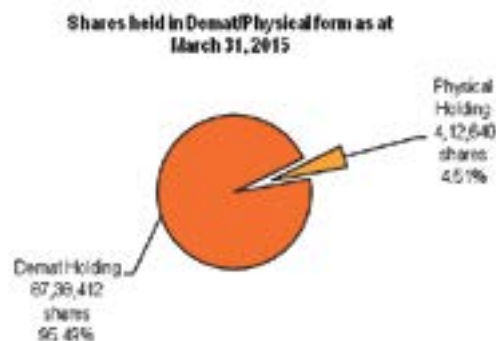
No. of Shares	No. of Share-holders	% of Share-holders	No. of Shares	% to Total
Upto 500	15,120	93.04	15,83,767	17.31
501 to 1000	621	3.82	5,04,989	5.52
1001 to 2000	296	1.82	4,38,506	4.79
2001 to 3000	75	0.46	1,91,935	2.10
3001 to 4000	42	0.26	1,49,923	1.64
4001 to 5000	27	0.17	1,25,121	1.37
5001 to 10000	42	0.26	2,81,380	3.07
10001 and above	27	0.17	58,75,431	64.20
<b>TOTAL</b>	<b>16,250</b>	<b>100.00</b>	<b>91,51,052</b>	<b>100.00</b>

#### Distribution of Shareholding (Categorywise) as on March 31, 2015

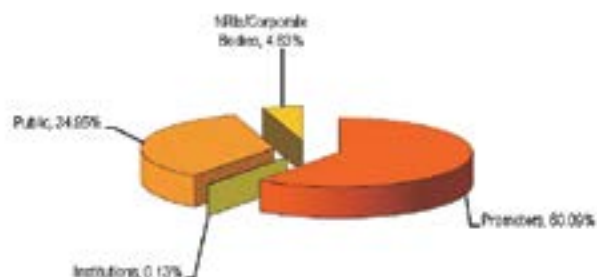
Category	No. of share-holders	No. of shares held	% of share-holding
Promoters, Directors, their relatives & Associates	6	55,03,279	60.14
Mutual Funds / UTI	1	550	0.01
Financial Institutions / Banks	12	11,176	0.12
Bodies Corporate	263	4,01,517	4.39
Non-Resident Indians (NRI's)	87	40,229	0.44
Resident Individuals / Trusts	15,763	31,38,071	34.29
Clearing Members	118	56,230	0.61
<b>TOTAL</b>	<b>16,250</b>	<b>91,51,052</b>	<b>100.00</b>

### 13.13 Dematerialisation of shares and liquidity

As on March 31, 2015, 95.49% of the Company's paid-up capital representing 87,38,412 shares were held in dematerialized form as compared to 95.31% of the Company's paid-up capital representing 87,22,237 shares as on March 31, 2014.



#### Shareholding Pattern as on March 31, 2015



### 13.14 Outstanding GCRs/ADRs/Warrants or any Convertible instruments

- Nil -

### 13.15 Plant Locations

#### Goa Plant

St. Jose de Areal, Salcete, Goa 403 709

#### Bilaspur Plant

34-40, Sector B, Sirgitti Industrial Area, Bilaspur 495 004, Chattisgarh State

#### Paradeep Plant

Vill. Udayabata, P.O. Paradeepgarh, Dist. Jagatsinghpur, Odisha 754 142



### 13.16 Address of the subsidiary/step-down subsidiary

#### Subsidiary

##### **GCL Global Resources SGP Pte Ltd.**

133 Cecil Street #16-01,  
Keck Seng Tower,  
Singapore 069535

#### Step-down Subsidiary

##### **Goa Carbon (Cangzhou) Company Ltd.**

East of Tang Liu Road,  
North of Huangong Road No.1,  
East District Cangzhou Coastal Port Economic  
and Technological Development Zone,  
Cangzhou City, Hebei Province,  
The People's Republic of China

### 13.17 Address for correspondence

Investor correspondence for transfer /  
dematerialisation of shares and any other query  
relating to the shares of the Company should  
be addressed to -

#### **Link Intime India Pvt. Ltd.**

C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (West), Mumbai 400078  
Ph.: (022) 25946970 Fax: (022) 2594 6969  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Investor correspondence / queries relating to  
payment / revalidation of dividend on shares  
should be addressed to –

Secretarial Department,

#### **Goa Carbon Limited**

Dempo House, Campal,  
Panaji-Goa 403 001

Tel.: (0832) 2441458 Fax: (0832) 2427192  
Email: [legal@goacarbon.com](mailto:legal@goacarbon.com)

Investor complaints, if any, may be addressed  
to -

P. S. Mantri

#### **Goa Carbon Limited**

Dempo House, Campal,  
Panaji-Goa 403 001

Tel.: (0832) 2441354 Fax: (0832) 2427192

Email: [investorrelations@goacarbon.com](mailto:investorrelations@goacarbon.com)

### 13.18 Status of compliance with Non Mandatory requirements

Clause 49 of the Listing Agreement also requires  
disclosures of adoption by the Company of  
non-mandatory requirements specified in the  
said clause, the implementation of which is  
discretionary on the part of the Company.  
Accordingly, the adoption of non-mandatory  
requirements is given below:-

#### i) The Board:

An office with required facilities for the  
non-executive Chairman is not provided  
and maintained by the Company.

#### ii) Shareholders Rights:

The half yearly financial results are not  
sent to the shareholders as the same are  
posted on the web-site of the Company.

#### iii) Audit Qualifications:

During the year under review, there were  
no audit qualifications in the financial  
statements.

#### iv) Separate posts of Chairman and CEO:

The Chairman of the Company is a  
Non-executive Director and his position  
is separate from that of the Executive  
Director.

#### v) Reporting of Internal Auditor :

The Internal Auditor reports directly to the  
Audit Committee.



# AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To  
The Members of Goa Carbon Limited,

We have examined the compliance of conditions of Corporate Governance by **GOA CARBON LIMITED** (the "Company"), for the year ended on 31<sup>st</sup> March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreements, *except for disclosure of the familiarisation programmes for Independent Directors on the Company's website.*

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

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Registration No. 008072S)

**M. K. Ananthanarayanan**  
Partner  
(Membership No. 19521)

Panaji, Goa  
April 30, 2015

## CEO & CFO CERTIFICATION UNDER CLAUSE 49(V) OF THE LISTING AGREEMENT

We, Jagmohan J. Chhabra, *Executive Director* and K. Balaraman, *Sr. General Manager (Finance) & CFO* of Goa Carbon Limited, ("company") hereby certify that:-

- (a) We have reviewed the financial statements and the cash flow statement of the company for the financial year ended March 31, 2015 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the period, which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee
  - (i) Significant changes, if any, in internal control over financial reporting during the year;
  - (ii) Significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Jagmohan J. Chhabra**  
*Executive Director*

**K. Balaraman**  
*Sr. General Manager (Finance) & CFO*

Place : Panaji-Goa.  
Date : April 30, 2015.

# SECRETARIAL AUDIT REPORT

## FORM MR- 3

Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

To,  
The Members,  
Goa Carbon Limited  
Dempo House, Campal,  
Panaji – Goa, 403 001

**Authorised Capital:** ₹ 25,00,00,000/-

**Paid up capital:** ₹ 9,15,10,520/-

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

Based on my verification of the **GOA CARBON LIMITED'S** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015, 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 the Company for the financial year ended on 31<sup>st</sup> March, 2015 and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; ... .. **Not applicable**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), 2008; ... **Not applicable**
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; ... **Not applicable**



- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;  
... **Not applicable**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s)

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 and Independent Directors. 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.

All the decisions are taken unanimously after taking into consideration views, opinions expressed by all the members.

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

**I further report that** during the audit period there are no instances of:

- (i) Public/Rights/Preferential issue of shares/debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

Date: 30.04.2015  
Place: Panaji-Goa

**Sadashiv V. Shet**  
Practicing Company Secretary  
FCS No. 2477  
C P No.: 2540

# STANDALONE FINANCIAL STATEMENTS INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF GOA CARBON LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **GOA CARBON LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order 2015 ("the order") , issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm Registration No.008072S)

**M. K. Ananthanarayanan**  
Partner  
(Membership No.19521)

Panaji, Goa  
30<sup>th</sup> April, 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 1 under R eport on Other Legal and Regulatory Requirements" Section of our report of even date)**

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) All the fixed assets were physically verified by the Management during the year in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventory:
  - (a) As explained to us, the inventories were physically verified during the year by the

Management at reasonable intervals.

- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt with in the books of account.
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013 and hence clauses (a) and (b) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items



purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in the aforesaid internal control system.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.
- (vi) According to the information and explanations given to us the Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 are not applicable to the Company.
- (vii) According to the information and explanations given to us, and the books and records examined by us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.
  - (c) There were no disputed amounts payable in respect of Wealth Tax, Duty of Customs, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2015. Details of dues of Income-tax, Service Tax, Duty of Excise and Cess which have not been deposited as on 31<sup>st</sup> March, 2015 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lacs)
The Central Excise Act, 1944	Excise duty	Customs, Excise and Service Tax Appellate Tribunal, New Delhi	2005-06	90.19
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Panaji	AY 1994-95	37.58
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Panaji	AY 2009-10	410.59
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Panaji	AY 2010-11	41.57
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Panaji	AY 2011-12	227.37

- (d) The Company has transferred the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the prescribe time.
- (viii) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the year and the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not obtained any term loan during the year and hence the question of commenting on the application thereof does not arise.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm Registration No. 008072S)

Panaji, Goa  
30<sup>th</sup> April, 2015

**M.K. Ananthanarayanan**  
Partner  
(Membership No. 19521)





## BALANCE SHEET AS AT 31ST MARCH 2015

₹ in lacs

	Note	As on 31 <sup>st</sup> March 2015	As on 31 <sup>st</sup> March 2014
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share capital	3	915.11	915.11
Reserves and surplus	4	6,491.51	7,643.58
		7,406.62	8,558.69
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities (net)	5	318.33	330.05
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	6	15,569.78	22,672.45
Trade payables	7	785.23	784.14
Other current liabilities	8	942.37	1,028.79
Short-term provisions	9	220.74	139.41
		17,518.12	24,624.79
<b>Total</b>		<b>25,243.07</b>	<b>33,513.53</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
Tangible assets	10	2,586.00	1,950.27
Non-current investments	11	939.86	1,942.67
Long-term loans and advances	12	515.96	370.02
Other non-current assets	13	2,211.34	2,211.34
		6,253.16	6,474.30
<b>CURRENT ASSETS</b>			
Inventories	14	9,554.87	8,502.23
Trade receivables	15	3,005.66	3,367.00
Cash and cash equivalents	16	4,877.91	13,535.31
Short-term loans and advances	17	1,485.91	1,320.92
Other current assets	18	65.56	313.77
		18,989.91	27,039.23
<b>Total</b>		<b>25,243.07</b>	<b>33,513.53</b>
See accompanying notes forming part of the financial statements.	1 - 43		

**In terms of our report attached**

**For Deloitte Haskins & Sells**  
Chartered Accountants

**M. K. Ananthanarayanan**  
Partner

Panaji, Goa, 30<sup>th</sup> April, 2015

**For and on behalf of the Board of Directors**

**Shrinivas V. Dempo**  
Chairman  
DIN: 00043413

**K. Balaraman**  
Chief Financial Officer

**Jagmohan J. Chhabra**  
Executive Director  
DIN: 01007714

**P. S. Mantri**  
Company Secretary



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

₹ in lacs

	Note	Year ended 31 <sup>st</sup> March 2015	Year ended 31 <sup>st</sup> March 2014
<b>REVENUE FROM OPERATIONS</b>			
Revenue from sale of products			
Sale of calcined petroleum coke		21,429.79	33,037.87
Less: Excise duty		2,681.03	3,854.74
Net sales		18,748.76	29,183.13
Other operating revenue	19	45.87	19.82
Other income	20	799.88	564.73
		19,594.51	29,767.68
<b>EXPENSES</b>			
Cost of materials consumed	21	13,903.17	25,547.21
Changes in inventories of finished goods	22	788.92	(1,251.40)
Employee benefits expense	23	1,412.03	1,465.11
Finance costs	24	354.30	618.77
Depreciation and amortisation expense	10	166.55	220.43
Other expenses	25	2,968.47	2,924.97
		19,593.44	29,525.09
<b>Profit before exceptional item</b>		1.07	242.59
Exceptional item	41	1,002.81	–
<b>(Loss)/Profit after exceptional item before tax</b>		(1,001.74)	242.59
Less: Provision for tax			
Current		–	117.00
Prior year		2.05	(68.21)
Deferred		5.22	(35.44)
		7.27	13.35
<b>(Loss)/Profit for the year</b>		(1,009.01)	229.24
Earnings per equity share of ₹10/- each (Basic and diluted) (₹)	38	(11.03)	2.51
See accompanying notes forming part of the financial statements.	1 - 43		

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**M. K. Ananthanarayanan**  
Partner

Panaji, Goa, 30<sup>th</sup> April, 2015

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**  
Chairman  
DIN: 00043413

**K. Balaraman**  
Chief Financial Officer

**Jagmohan J. Chhabra**  
Executive Director  
DIN: 01007714

**P. S. Mantri**  
Company Secretary

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

₹ in lacs

	Year ended 31 <sup>st</sup> March 2015	Year ended 31 <sup>st</sup> March 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit after exceptional item before tax	(1,001.74)	242.59
Adjustments for :		
Exceptional item	1,002.81	—
Depreciation and amortisation expense	166.55	220.43
Finance costs	354.30	618.77
Loss on assets sold / scrapped	2.03	5.53
Bad debts written off	10.41	4.30
Provision for doubtful debts / advances	—	16.12
Interest income	(651.67)	(559.45)
Sundry credit balances written back	(143.62)	(0.80)
Profit on sale of assets	(0.15)	(0.10)
Unrealised exchange loss/(gain)- (net)	221.64	(770.12)
Dividend income	(3.11)	(2.70)
	959.19	(468.02)
Operating Profit/(Loss) before working capital changes	(42.55)	(225.43)
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(1,052.64)	(1,074.26)
Trade receivables	351.14	(2,504.70)
Short-term loans and advances	(164.99)	376.25
Other current assets	(1.55)	6.12
Long-term loans and advances	(24.35)	2.09
Other non-current assets	—	(87.67)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	143.31	83.22
Other current liabilities	(64.23)	215.93
Short-term provisions	78.25	(17.14)
	(735.06)	(3,000.16)
Cash flow from operations	(777.61)	(3,225.59)
Direct taxes (net)	(66.40)	(59.63)
<b>Net cash (used in)/from operating activities</b>	<b>(844.01)</b>	<b>(3,285.22)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets including capital advances	(915.41)	(28.78)
Investments in a subsidiary	—	(541.63)
Proceeds from sale of fixed assets	4.15	0.71
Unclaimed dividend	2.15	(3.02)
Margin money and bank deposits (placed) / realised	9,992.88	(7,935.27)
Interest received	901.43	381.13
Dividend received	3.11	2.70
<b>Net cash from/(used in) investing activities</b>	<b>9,988.31</b>	<b>(8,124.16)</b>

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015 (CONTD.)

₹ in lacs

	Year ended 31 <sup>st</sup> March 2015	Year ended 31 <sup>st</sup> March 2014
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of short-term borrowings from Banks (Net)	(6,223.11)	10,095.38
Proceeds from short-term borrowings from the holding company	–	550.00
Repayment of short-term borrowings from the holding company	(1,100.00)	(500.00)
Finance costs	(374.34)	(487.99)
Dividends paid	(93.66)	(225.76)
Tax on dividend paid	(15.55)	(37.11)
<b>Net cash (used in)/from financing activities</b>	<b>(7,806.66)</b>	<b>9,394.52</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS ( A + B + C )</b>	<b>1,337.64</b>	<b>(2,014.86)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>1,099.54</b>	<b>3,114.28</b>
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(0.01)	0.12
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>2,437.17</b>	<b>1,099.54</b>
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 16)	4,877.91	13,535.31
Less: Bank balances not considered as Cash and cash equivalents		
Unpaid dividend account	(36.55)	(38.70)
Deposits more than 3 months	–	(5,589.69)
Margin money deposits	(2,404.19)	(6,807.38)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR *</b>	<b>2,437.17</b>	<b>1,099.54</b>
* Comprises		
Cash on hand	2.75	3.23
Cheques and drafts on hand	–	0.51
Balances with banks		
In current accounts	34.42	895.80
In deposit account with original maturity less than 3 months	2,400.00	200.00
See accompanying notes forming part of the financial statements.	1 - 43	

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**M. K. Ananthanarayanan**  
Partner

Panaji, Goa, 30<sup>th</sup> April, 2015

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**  
Chairman  
DIN: 00043413

**K. Balaraman**  
Chief Financial Officer

**Jagmohan J. Chhabra**  
Executive Director  
DIN: 01007714

**P. S. Mantri**  
Company Secretary



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

## 1. Corporate information

The Company is in the business of manufacture and sale of Calcined Petroleum Coke in its manufacturing facilities at Goa, Paradeep and Bilaspur.

## 2. Significant accounting policies

### a Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 the Companies Act, 2013, read with Rule 7 of the Companies Accounting Rules, 2014 and the relevant provisions of the Companies Act ("the 2013 Act")/ Companies Act, 1956 ("the 1956 Act") 2013 as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### b Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and estimates are recognized in the periods in which the results are known/materialized.

### c Inventories

Inventories are valued at the lower of cost (net of CENVAT where applicable) and the net realisable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. In respect of raw materials, cost is determined on specific identification method, while cost of stores and spares is determined on First-in First-out basis.

Finished goods include all direct costs, apportionment of production overheads and excise duty.

### d Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### e Fixed assets (Tangible / Intangible)

Fixed assets are stated at historical cost (net of CENVAT wherever applicable) less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises of direct cost, related taxes, duties, freight and attributable finance costs till such assets are ready for its intended use.

### Capital work-in-progress:

Projects under which assets are not ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

## **f Depreciation and amortisation**

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the useful life of the assets has been assessed by the Management as under.

Mobile phones - One year.

Leasehold land is amortised over the period of the lease. Cost of plot development on leasehold land is amortised over the estimated period of utility.

Assets costing less than ₹5,000 each are fully depreciated in the year of acquisition. Depreciation on additions and deletions during the year are charged on pro-rata basis.

Intangible assets are amortised over their estimated useful life on straight-line basis.

## **g Revenue recognition**

Revenue from sale of goods, net of trade discounts and sales returns, is recognised on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods as per the terms of contracts. Sales include excise duty but exclude sales tax and value added tax.

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

## **h Foreign currency transactions**

Foreign currency transactions entered into by the Company are accounted at the exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities outstanding at the balance sheet date are restated at the year end rates. Exchange differences arising on settlement/restatement are charged to the Statement of Profit and Loss.

Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items of the Company's integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost. Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Company's intergral foreign operations are recognised as income or expenses in the Statement of Profit and Loss.

Premium or discount arising at the inception of forward exchange contracts are amortised over the period of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rate changes.

## **i Investments**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

## **j Employee Benefits**

### **Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

### Long-term employee benefits

#### i) Defined contribution plans

##### Superannuation:

Fixed contributions to the superannuation fund, which is administered by Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited, are charged to the Statement of Profit and Loss as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

##### Provident Fund:

In respect of Paradeep and Bilaspur Units, the Company contributes to a government administered provident/pension fund. The fixed contributions to these funds are charged to the Statement of Profit and Loss.

#### ii) Defined benefit plans

##### Gratuity:

The Company offers its employees defined benefit plans in the form of gratuity scheme. The gratuity scheme provides a lump sum payment to vested employees, at retirement or termination of employment. The plan covers all employees as statutorily required under Payment of Gratuity Act, 1972. The Company contributes funds to Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited, which is irrevocable. Commitments are actuarially determined at each balance sheet date. The actuarial valuation is done based on the "Projected

Unit Credit" method. Actuarial gains and losses are charged to the Statement of Profit and Loss under the head "Contribution to Provident and other Funds".

##### Provident Fund:

In respect of Goa unit, contributions are made to the Company's Employees Provident Fund Trust in accordance with the Trust rules. The interest rate payable by the Trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The interest rate guarantee is actuarially determined and the shortfall if any is charged to Statement of Profit and Loss.

#### iii) Compensated absences

The employees of the Company are entitled to encashment of unavailed leave. The employees can carry forward a portion of the unutilized leave and receive cash compensation at retirement or termination of employment. The Company contributes fund to Life Insurance Corporation of India, which is irrevocable. The Company records an obligation for encashment of unavailed leave in the period in which the employee renders the services, based on an actuarial valuation at the balance sheet date carried out by an independent actuary less the fair value of the plan assets. Actuarial gain or loss is recognized in the Statement of Profit and Loss.

#### k Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to

and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

#### **l Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. The number of equity shares are adjusted for share splits and bonus shares, as appropriate.

#### **m Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences arising between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only if there is a virtual certainty that they will be realised.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

#### **n Impairment of assets**

The carrying values of assets / cash generating units are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

#### **o Provision, contingent liabilities and contingent assets**

Provisions are recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reasonable estimate can be made.

Contingent liability is disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) 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.

Contingent assets are neither recognized nor disclosed in the financial statements.

#### **p Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



	As at 31 March 2015		As at 31 March 2014	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
<b>3. SHARE CAPITAL</b>				
Authorised:				
Equity shares of ₹10/- each with voting rights	22,000,000	2,200.00	22,000,000	2,200.00
Preference shares of ₹100/- each	300,000	300.00	300,000	300.00
		2,500.00		2,500.00
Issued, subscribed and fully paid up:				
Equity shares of ₹10/- each with voting rights	9,151,052	915.11	9,151,052	915.11
		915.11		915.11
i There has been no movement in equity share capital during the year.				
ii The Company has only one class of equity shares having face value of ₹10/-. Each holder is entitled to one vote per equity share. Dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting. The amount of dividend proposed to be distributed to equity shareholders is ₹91.51 lacs (Previous year ₹ 91.51 lacs) and the related amount per equity share is ₹1 (Previous year ₹1). Repayment of capital will be in proportion to the number of equity shares held.				
iii Details of equity shares held by each shareholder holding more than 5% shares		% held		% held
V. S. Dempo Holdings Private Limited, the holding company	5,069,040	55.40	5,069,040	55.40

₹ in lacs

	As at 31 March 2015		As at 31 March 2014	
<b>4. RESERVES AND SURPLUS</b>				
Securities premium account		3,131.01		3,131.01
Amalgamation reserve		475.38		475.38
General reserve				
Opening balance	1,803.05		1,780.05	
Add: Transferred from Statement of Profit and Loss	-		23.00	
		1,803.05		1,803.05
Surplus in Statement of Profit and Loss				
Opening balance	2,234.14		2,134.96	
Less: Depreciation arising on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax of ₹16.95 lacs) (Refer note 29)	32.92		-	
	2,201.22		2,134.96	
Add/Less: (Loss)/Profit for the year	(1,009.01)		229.24	
	1,192.21		2,364.20	
Less: Proposed dividend	91.51		91.51	
Tax on proposed dividend	18.63		15.55	
Transfer to general reserve	-		23.00	
Closing balance		1,082.07		2,234.14
		6,491.51		7,643.58

₹ in lacs

	As at 31 March 2015	As at 31 March 2014
<b>5. DEFERRED TAX LIABILITIES (NET)</b>		
Deferred tax liability arising on account of:		
Depreciation	460.77	358.46
Deferred tax asset arising on account of:		
Provision for doubtful debts / advances	15.51	15.51
Provision for employee benefits	39.21	12.90
Unabsorbed depreciation	62.48	-
Others	25.24	-
	142.44	28.41
	318.33	330.05

<b>6. SHORT-TERM BORROWINGS</b>			
<b>Secured:</b> From banks			
Loans repayable on demand			
Cash credit	1,543.53	250.94	
Other loans			
Loan against fixed deposits	-	2,560.00	
Buyers credit	14,026.25	18,761.51	
	14,026.25	21,321.51	
	15,569.78	21,572.45	
The cash credit and buyers credit facilities are secured by first and equitable mortgage on pari-passu basis of all immovable properties and by hypothecation of all movable fixed assets, inventories, book debts and other receivables of the Company.			
<b>Unsecured:</b> Loan from a related party (repayable on demand) (Refer note 37 (ii) and (iii))			
V. S. Dempo Holdings Private Limited, the holding company	-	1,100.00	
	15,569.78	22,672.45	

<b>7. TRADE PAYABLES</b>			
Related parties (Refer note 37(iii))	31.78	16.02	
Micro and small enterprises (Refer note 33)	-	0.07	
Others	753.45	768.05	
	785.23	784.14	

<b>8. OTHER CURRENT LIABILITIES</b>			
Interest accrued but not due on borrowings	24.87	29.05	
Interest accrued and due on unsecured loan from a related party (Refer note 37 (iii))	181.01	196.87	
Unclaimed dividends (Refer note 40)	36.55	38.70	
Other payables:			
Statutory remittances	672.55	734.68	
Advances from customers	9.64	18.16	
Employee recoveries	3.27	0.68	
Trade and security deposits received	14.48	10.65	
	699.94	764.17	
	942.37	1,028.79	

<b>9. SHORT-TERM PROVISIONS</b>			
Employee benefits	110.60	32.35	
Proposed dividend	91.51	91.51	
Tax on proposed dividend	18.63	15.55	
	220.74	139.41	

10. FIXED ASSETS											
	Description	GROSS BLOCK			DEPRECIATION /AMORTISATION				NET BLOCK		
		As at 1.04.2014	Additions	Deductions	As at 31.03.2015	As at 01.04.2014	Transition adjustment recorded against opening retained earnings (Refer note no. 29)	For the year	Deductions	As at 31.03.2015	As at 31.03.2015
	<b>Tangible Assets</b>										
	Land (Freehold)	13.58	-	-	13.58	-	-	-	-	-	13.58
		13.58	-	-	13.58	-	-	-	-	-	13.58
	Land (Leasehold)	100.83	-	-	100.83	20.38	-	1.24	-	21.62	79.21
		100.83	-	-	100.83	19.13	-	1.25	-	20.38	80.45
	Plot development on leasehold land	101.95	-	-	101.95	95.59	-	6.36	-	101.95	-
		101.95	-	-	101.95	85.30	-	10.29	-	95.59	6.36
	Buildings	1,405.09	0.64	-	1,405.73	703.07	4.09	33.47	-	740.63	665.10
		1,405.09	-	-	1,405.09	665.52	-	37.55	-	703.07	702.02
	Plant and equipment	3,323.79	833.19	0.05	4,156.93	2,292.38	38.02	96.43	0.05	2,426.78	1,730.15
		3,335.34	3.49	15.04	3,323.79	2,148.66	-	152.62	8.90	2,292.38	1,031.41
	Furniture and fixtures	85.67	-	-	85.67	77.18	0.58	1.91	-	79.67	6.00
		84.72	0.95	-	85.67	76.12	-	1.06	-	77.18	8.49
	Office equipments	118.67	4.66	4.31	119.02	96.09	4.07	9.27	4.31	105.12	13.90
		115.11	3.83	0.27	118.67	89.89	-	6.47	0.27	96.09	22.58
	Vehicles	137.09	19.68	24.51	132.26	51.71	3.11	17.87	18.49	54.20	78.06
		116.58	20.51	-	137.09	40.52	-	11.19	-	51.71	85.38
		5,286.67	858.17	28.87	6,115.97	3,336.40	49.87	166.55	22.85	3,529.97	2,586.00
		5,273.20	28.78	15.31	5,286.67	3,125.14	-	220.43	9.17	3,336.40	1,950.27
	<b>Intangible Assets</b>										
	Technical knowhow	30.21	-	-	30.21	30.21	-	-	-	30.21	-
		30.21	-	-	30.21	30.21	-	-	-	30.21	-
	Computer software	66.27	-	-	66.27	66.27	-	-	-	66.27	-
		66.27	-	-	66.27	66.27	-	-	-	66.27	-
		96.48	-	-	96.48	96.48	-	-	-	96.48	-
		96.48	-	-	96.48	96.48	-	-	-	96.48	-
	<b>TOTAL</b>	5,383.15	858.17	28.87	6,212.45	3,432.88	49.87	166.55	22.85	3,626.45	2,586.00
	<b>TOTAL</b>	5,369.68	28.78	15.31	5,383.15	3,221.62	-	220.43	9.17	3,432.88	1,950.27

Figures in italics represent previous year figures.

	As at 31 March 2015		As at 31 March 2014	
<b>11. NON-CURRENT INVESTMENTS</b>				
<b>Long-term investments (at cost)</b>				
Investments in equity instruments				
Quoted (Non Trade):				
67,500 fully paid up equity shares of ₹2/- each (Previous year: 13,500 fully paid up equity shares of ₹10/- each) in ICICI Bank Limited		4.05		4.05
Unquoted (Trade):				
In wholly owned subsidiary company:				
3,480,000 (Previous year: 3,480,000) fully paid up equity shares of USD 1 each in GCL Global Resources SGP Pte. Limited, Singapore	1,938.62		1,938.62	
Less: Diminution in the value of investments (Refer note 41)	1,002.81	935.81	-	1,938.62
		939.86		1,942.67
Market value of quoted investment		212.96		168.08
<b>12. LONG-TERM LOANS AND ADVANCES</b>				
<b>(Unsecured, considered good)</b>				
Capital advances		386.05		328.81
Security deposits		41.33		18.11
Prepaid expenses		1.76		-
Loans to employees		-		0.63
Advance tax (net of provision)		86.82		22.47
		515.96		370.02
<b>13. OTHER NON-CURRENT ASSETS</b>				
Taxes paid in dispute (Refer note 26(ii) and (iii))		2,211.34		2,211.34
		2,211.34		2,211.34
<b>14. INVENTORIES</b>				
<b>(At lower of cost and net realisable value)</b>				
Raw materials		5,553.66		3,681.47
Finished goods		3,829.33		4,618.25
Stores and spares		171.88		202.51
		9,554.87		8,502.23
<b>15. TRADE RECEIVABLES</b>				
<b>(Unsecured)</b>				
Outstanding for a period exceeding six months from the date they were due for payment				
Considered good		10.88		-
Doubtful		40.33		40.33
		51.21		40.33
Less: Provision for doubtful trade receivables		40.33		40.33
		10.88		-
Other trade receivables considered good		2,994.78		3,367.00
		3,005.66		3,367.00



	As at 31 March 2015	As at 31 March 2014
<b>16. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	2.75	3.23
Cheques and drafts on hand	-	0.51
Balances with banks		
In current accounts	34.42	895.80
In deposit accounts	2,400.00	5,789.69
Unpaid dividend accounts	36.55	38.70
Margin money deposits and security against borrowings	2,404.19	6,807.38
	4,875.16	13,531.57
	4,877.91	13,535.31
Of the above the balances that meet the definition of cash and cash equivalents as per AS-3 cash flow statements.	2,437.17	1,099.54

<b>17. SHORT-TERM LOANS AND ADVANCES (Unsecured considered good unless otherwise stated)</b>		
Loans and advances to related parties (Refer note 37(iii))	190.88	190.86
Security and tender deposits	3.00	7.28
Loans and advances to employees	11.77	6.97
Other receivables	5.29	37.95
Less: Provision for doubtful advances	5.29	5.29
	-	32.66
Prepaid expenses	188.24	34.96
Balances with government authorities		
CENVAT credit receivable	816.57	861.77
VAT credit receivable	47.89	56.34
Service tax credit receivable	95.64	45.14
	960.10	963.25
Advances to suppliers	131.92	84.94
	1,485.91	1,320.92

<b>18. OTHER CURRENT ASSETS</b>		
Interest accrued on margin money and other bank deposits	64.01	313.77
Unamortised premium on forward contracts	1.55	-
	65.56	313.77

		Year ended 31 March 2015	Year ended 31 March 2014
<b>19. OTHER OPERATING REVENUE</b>			
Sale of scrap		11.03	19.82
Duty drawback		34.84	-
		<b>45.87</b>	19.82

<b>20. OTHER INCOME</b>			
Interest income:			
From banks deposits	648.77		550.59
On income tax refunds	-		8.33
Others	2.90		0.53
		<b>651.67</b>	559.45
Dividend from long-term investments		3.11	2.70
Profit on sale of fixed assets		0.15	0.10
Miscellaneous income		1.33	1.68
Sundry credit balances written back		143.62	0.80
		<b>799.88</b>	564.73

<b>21. COST OF MATERIALS CONSUMED</b>			
Opening stock		3,681.47	3,878.09
Add: Purchases		15,775.36	25,350.59
		<b>19,456.83</b>	29,228.68
Less: Closing stock		5,553.66	3,681.47
		<b>13,903.17</b>	25,547.21

<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS</b>			
Inventories of finished goods at the end of the year		3,829.33	4,618.25
Inventories of finished goods at the beginning of the year		4,618.25	3,366.85
		<b>788.92</b>	(1,251.40)

<b>23. EMPLOYEE BENEFITS EXPENSES</b>			
Salaries, wages, bonus and allowances		1,191.75	1,180.29
Contribution to provident and other funds		55.79	130.78
Staff welfare expenses		164.49	154.04
		<b>1,412.03</b>	1,465.11

		Year ended 31 March 2015	Year ended 31 March 2014
<b>24. FINANCE COSTS</b>			
Interest expense on:			
Borrowings	175.57	367.15	
Delayed payment of income tax	-	3.75	
Others	-	1.33	
	175.57		372.23
Other borrowing costs	178.73		246.54
	354.30		618.77

<b>25. OTHER EXPENSES</b>			
Fuel and power	194.00		219.91
Excise duty on inventory differential (Refer note 28)	(105.28)		178.18
Repairs and maintenance:			
Buildings	133.05	93.45	
Plant and machinery	131.03	148.43	
Others	34.50	32.52	
	298.58		274.40
Rent	73.17		64.39
Rates and taxes	58.81		19.92
Insurance	42.55		44.64
Processing/labour charges	67.22		47.40
Travelling expenses	117.06		77.24
Selling and distribution expenses	1,393.39		1,222.83
Bad debts written off	10.41		4.30
Provision for doubtful debts / advances	-		16.12
Payments to auditors (net of service tax credit):			
Audit fees	12.00	12.00	
Taxation matters	2.50	2.50	
Other services	3.50	3.50	
Reimbursement of expenses	0.90	0.93	
	18.90		18.93
Directors' sitting fees	10.84		8.35
Loss on assets sold / scrapped	2.03		5.53
Exchange loss on foreign currency transactions and translations	488.66		433.16
Forward premium expenses	53.73		8.16
Miscellaneous expenses (Refer note 39)	244.40		281.51
	2,968.47		2,924.97

₹ in lacs

26.	<b>Contingent Liabilities : (Claims against the Company not acknowledged as debts)</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>
	i) Disallowance of Cenvat Credit and Educational Cess on purchase of raw materials	<b>90.19</b>	90.19
	ii) Income tax demands under appeal	<b>1,954.55</b>	1,954.55
	iii) The Company's appeal to the High Court of Bombay at Goa against the order of the Income Tax Appellate Tribunal which had confirmed the disallowance of the deduction under Section 80HHC of the Income Tax Act, 1961 for Assessment Years 1993-94 to 2004-05 was allowed by the High Court vide its order dated 21.10.2010. The disputed amount of tax and interest paid amounting to ₹ 963.68 lacs (after adjusting the refund of ₹ 454.66 lacs received) is included under Other Non Current Assets. The income tax department has filed a Special Leave petition before the Hon: Supreme Court praying for ex-parte stay of the aforementioned Order of the High Court. The petition is yet to be admitted before the Hon: Supreme Court.	-	-
	The amounts mentioned against (i) and (ii) above are based on the notice of demand or the assessment orders issued by the relevant authorities, as the case may be. The Company is contesting these demands with the relevant appellate authorities. Outflows, if any, arising out of these demands would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the Judiciary. However, the Company is hopeful of successful outcome in the appellate proceedings.		

27.	<b>Commitments:</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>
	i) Export obligation in respect of imports under Advance Licence Scheme to be fulfilled.	<b>5,823.71</b>	5,767.39
	ii) Estimated amount of contracts remaining to be executed on capital account (net of advances)	<b>15.37</b>	-

28.	Excise duty on sales for the year has been disclosed as reduction from Revenue from operations. Excise duty relating to the difference between the closing stock and the opening stock of Finished goods has been included in Note - 25 "Other Expenses."
29.	During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of its assets to align the useful life with those specified in Schedule II. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets aggregating to ₹32.92 lacs (net of deferred tax of ₹16.95 lacs), where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted the said amount against the opening Surplus balance in the Statement of Profit and Loss. The depreciation expense in the Statement of Profit and Loss for the year is lower by ₹ 54.11 lacs consequent to the change in the useful life .

30.	<b>Raw materials consumed</b>	<b>Year ended 31 March 2015</b>		<b>Year ended 31 March 2014</b>	
		₹ in lacs	%	₹ in lacs	%
	Imported	<b>13,343.89</b>	<b>95.98</b>	24,935.14	97.60
	Indigenous	<b>559.28</b>	<b>4.02</b>	612.07	2.40
	<b>Total</b>	<b>13,903.17</b>	<b>100.00</b>	25,547.21	100.00



₹ in lacs

31.	Value of stores & spare parts consumed for repair jobs	Year ended 31 March 2015		Year ended 31 March 2014	
		₹ in lacs	%	₹ in lacs	%
	Imported	-	-	-	-
	Indigenous	87.65	100	102.71	100

32.		Year ended 31 March 2015	Year ended 31 March 2014
	Value of imports on CIF basis:		
	Raw materials	14,380.64	22,942.30
	Earnings in foreign currency:		
	FOB value of exports	10.50	2,357.98
	Expenditure in foreign currency:		
	Travelling	26.36	4.45
	Interest	112.48	131.37
	Analysis fee, subscriptions etc.	-	3.10
33.	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. Amount outstanding but not due as at the year end is ₹ Nil (Previous year ₹ 0.07 lacs)		
33A	As per the provisions of Sec 135 of the Companies Act 2013, the Company is required to spend ₹ 20.27 lacs towards CSR activities. The Company has not spent any amount during the year and intends to do so in coming financial years in line with the CSR Policy of the Company		

34.	<b>Derivative instruments:</b>							
	The Company enters into forward contracts which are not intended for trading or speculative purposes, but for hedging.							
a)	Forward Exchange Contracts outstanding at the year end:							
	As at 31 March 2015				As at 31 March 2014			
	Buy-Sell	No. of Contracts	US Dollars	₹ in lacs	Buy-Sell	No. of Contracts	US Dollars	₹ in lacs
	Buy	3	1,000,000	62,305,000	-	-	-	-
b)	The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:							
	As at 31 March 2015				As at 31 March 2014			
			US Dollars	₹ in lacs			US Dollars	₹ in lacs
	Amount payable in foreign currency:							
	Buyers credit		22,443,401	14,029.40	31,310,936		18,761.51	
	Trade payables		55,175	34.49	296,398		177.60	
	Interest accrued but not due on borrowings		39,782	24.87	42,482		25.46	
	Amount receivable in foreign currency:							
	Other receivables		-	-	54,492		32.65	
	Advances to suppliers		8,237	5.15	8,237		4.93	

<b>35. Employee benefit plans</b>		
a) Defined benefit plans:		
i) The following table sets out the status of the gratuity plan (included as part of "Contribution to provident and other funds" in Note 23 Employee benefit expenses) as required under AS-15 (Revised):		
	₹ in lacs	
Particulars	As at 31 March 2015	As at 31 March 2014
<b>i) Change in present value of obligation</b>		
Defined benefit obligation at the beginning of the year	365.85	354.71
Current service cost	33.03	41.37
Interest cost	28.23	27.67
Actuarial losses/(gains)	(38.32)	(14.53)
Benefits paid	(52.28)	(43.37)
Defined benefit obligation at the end of the year	336.51	365.85
<b>ii) Change in fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	371.66	361.70
Expected return on plan assets	36.18	27.06
Actuarial gain/(loss)	22.44	(2.80)
Contributions	30.62	29.07
Benefit paid	(52.28)	(43.37)
Fair value of plan assets at the end of the year	408.62	371.66
<b>iii) Net assets/(liability) recognised in the Balance Sheet</b>		
Defined benefit obligation at the end of the year	336.51	365.85
Fair value of the plan assets at the end of the year	408.62	371.66
Excess of funding over obligation	72.11	5.81
<b>iv) Expenses recognised in the statement of profit and loss</b>		
Current service cost	33.03	41.37
Interest cost	28.23	27.67
Expected return on plan assets	(36.18)	(27.06)
Net actuarial losses / (gains) recognised in the year	(60.76)	(11.73)
Net cost recognised in the statement of profit and loss	(35.68)	30.25
<b>v) Return on plan assets</b>		
Expected return on plan assets	36.18	27.06
Actuarial gain/(loss)	22.44	(2.80)
Actual return on plan assets	58.62	24.26
The plan assets of the company are managed by the Life Insurance Corporation of India and ICICI Prudential Life Insurance and the composition of the investment relating to these assets is not available with the company.		
<b>vi) Assumption</b>		
Rate of Mortality	As per LIC Mortality rate (1994-96)	
Discount rate	7.82%	8.31%
Expected salary increase rate	5.00%	7.00%
Expected rate of return on plan assets	8.00%	8.00%
Attrition rate	1.00%	1.00%
The estimates of future salary increases considered in the actuarial valuation, take into account inflation, seniority, promotions, increments and other related factors such as supply and demand in the employment market.		
The contribution expected to be made by the Company during the financial year 2015-16 – ₹ Nil.		

		2014-15	2013-14	2012-13	2011-12	2010-11
	<b>Experience adjustment</b>					
	Present value of obligation	336.51	365.85	354.71	314.83	276.46
	Fair value of plan assets	408.62	371.66	361.70	345.05	276.50
	Surplus/(deficit)	72.11	5.81	6.99	30.22	0.04
	Experience adjustment on plan liabilities	38.32	14.53	11.86	(1.70)	16.48
	Experience adjustment of plan assets	22.44	(2.80)	5.20	(4.12)	1.81
ii)	The following table set out the status of the leave encashment plan (included as part of "Salaries, wages, bonus and allowances" in Note 23 Employee benefit expenses) as required under AS-15 (Revised).					
		₹ in lacs				
		Particulars				
				As at 31 March 2015	As at 31 March 2014	
	i) <b>Change in present value of obligation</b>					
	Defined benefit obligation at the beginning of the year			145.59	133.37	
	Current service cost			35.10	39.58	
	Interest cost			10.94	10.61	
	Actuarial losses / (gains)			(61.09)	(26.52)	
	Benefits paid			(11.29)	(11.45)	
	Defined benefit obligation at the end of the year			119.25	145.59	
	ii) <b>Change in fair value of plan assets</b>					
	Fair value of plan assets at the beginning of the year			144.39	133.49	
	Expected return on plan assets			10.84	11.94	
	Actuarial gain/(loss)			0.35	0.56	
	Contributions			11.06	9.85	
	Benefit paid			(11.29)	(11.45)	
	Fair value of plan assets at the end of the year			155.35	144.39	
	iii) <b>Net (liability)/assets recognised in the Balance Sheet</b>					
	Defined benefit obligation at the end of the year			119.25	145.59	
	Fair value of the plan assets at the end of the year			155.35	144.39	
	(Liability) /Assets recognised in the Balance Sheet			36.10	(1.20)	
	iv) <b>Expenses recognised in the Statement of Profit and Loss</b>					
	Current service cost			35.10	39.58	
	Interest on obligation			10.94	10.61	
	Expected return on plan assets			(10.84)	(11.94)	
	Net actuarial losses / (gains) recognised in the year			(61.44)	(27.08)	
	Net cost recognised in the statement of profit and loss			(26.24)	11.17	
	v) <b>Assumption</b>					
	Rate of Mortality			As per LIC Mortality rate (1994-96)		
	Discount rate			7.82%	8.31%	
	Expected salary increase rate			5.00%	7.00%	
	Expected rate of return on plan assets			8.00%	8.00%	
	Attrition rate			1.00%	1.00%	

iii)	Actuarial valuation relating to interest rate guarantee on exempt provident fund has resulted in an additional charge for the year of ₹6.51 lacs (Previous year ₹11.42 lacs).
b)	Defined contribution plans:
	A sum of ₹42.13 lacs (Previous year ₹35.47 lacs) has been charged to the statement of profit and loss in respect of Company's contribution to:
	a) superannuation fund and
	b) provident and pension fund for Paradeep and Bilaspur unit employees.

<b>36.</b>	<b>Segment reporting:</b>
	The Company is engaged in manufacture and sale (both domestic and export) of Calcined Petroleum Coke which constitutes single business segment. As per management's perspective, the risks and returns from its sales do not materially vary geographically. Accordingly there are no other business / geographical segments to be reported under Accounting Standard (AS) 17.
<b>36A</b>	As per the provisions of Sec 135 of the Companies Act 2013, the Company is required to spend ₹ 20.27 lacs towards CSR activities. The Company has not spent any amount during the year and intends to do so in coming financial years in line with the CSR Policy of the Company.

<b>37.</b>	<b>Disclosures in respect of Related Parties pursuant to Accounting Standard (AS) 18.</b>
i)	<b>List of related parties:</b>
	Names of the related parties and nature of relationship
a	Holding Company:
	V. S. Dempo Holdings Private Limited
b	Subsidiaries:
	GCL Global Resources SGP Pte Ltd., Singapore
	Goa Carbon (Cangzhou) Company Ltd., PRC
c	Fellow Subsidiaries (with whom transactions have taken place during the year):
	Dempo Industries Pvt. Ltd.
	Dempo Travels Pvt. Ltd.
	Dempo Sports Club Pvt. Ltd
d	Individual who is able to exercise significant influence:
	Mr. Shrinivas V. Dempo (Chairman)
e	Enterprises over which Mr. Shrinivas V. Dempo is able to exercise significant influence:
	Motown Investments Pvt. Ltd.
	Devashri Investments Pvt. Ltd.
	Devashri Nirman LLP.
	Dempo Charities Trust
	Vasantrao Dempo Education and Research Foundation
	Esmeralda International Exports LLP
	Ratnaprabha Advisory Services LLP
f	Key Management Personnel:
	Mr. Jagmohan J. Chhabra (Executive Director)
	Mr. P. S. Mantri (Company Secretary)
	Mr. K. Balaraman (Chief Financial Officer)



₹ in lacs

ii)	Disclosure of transactions with Related Parties.	Year ended 31 March 2015	Year ended 31 March 2014
a	Expenses incurred		
	Dempo Industries Pvt. Ltd.	6.10	4.58
	Dempo Travels Pvt. Ltd.	44.88	57.38
b	Rent paid		
	V. S. Dempo Holdings Private Limited	22.90	22.90
c	Reimbursement of expenses		
	V. S. Dempo Holdings Private Limited	-	0.43
d	Recovery of expenses		
	V. S. Dempo Holdings Private Limited	5.10	5.12
e	Interest on Inter Corporate Deposit		
	V. S. Dempo Holdings Private Limited	4.60	177.95
f	Diminution in the value of Investment		
	GCL Global Resources SGP Pte Ltd., Singapore	1,002.81	-
g	Advances given		
	Goa Carbon (Cangzhou) Company Ltd., PRC	(0.02)	99.09
h	Loan taken		
	V. S. Dempo Holdings Private Limited	-	550.00
i	Loan repaid		
	V. S. Dempo Holdings Private Limited	1,100.00	500.00
j	Sponsorship		
	Dempo Sports Club Pvt. Ltd.	5.00	-
k	Remuneration		
	Mr. Jagmohan J. Chhabra (Executive Director)	114.88	122.68
	Mr. P. S. Mantri (Company Secretary)	36.01	33.05
	Mr. K. Balaraman (Chief Financial Officer)	35.35	32.39
iii)	Outstanding (receivable)/payable as at year end.		
	Goa Carbon (Cangzhou) Company Ltd., PRC	(190.88)	(190.86)
	V. S. Dempo Holdings Private Limited	212.79	1,312.89

38.	Earning per share:	Year ended 31 March 2015	Year ended 31 March 2014
i)	(Loss)/Profit after tax as per the Statement of Profit and Loss (₹ in lacs)	(1,009.01)	229.24
ii)	Number of equity shares	9,151,052	9,151,052
iii)	Basic and diluted earnings per share of ₹10/- each (₹)	(11.03)	2.51

₹ in lacs

39.	Miscellaneous expenses include donations to given to Political Parties as under :	Year ended 31 March 2015	Year ended 31 March 2014
	Name of the Political Party		
	1. Bhartiya Janata Party	5.00	7.00
	2. Goa Pradesh Congress Party	5.00	5.00

40.	There are no amounts due and payable to Investor Education and Protection Fund as on Balance Sheet date.
41.	<p>The Company's wholly owned step down subsidiary company "Goa Carbon (Cangzhou) Company Limited" China (the China Company) had obtained a business licence to set up a plant in Cangzhou, Hebei Province, the People's Republic of China, with an annual capacity to manufacture 3,00,000 MT of Calcined Petroleum Coke. The Company had invested USD 3.48 million (₹ 1,938.62 lacs) in its wholly owned subsidiary "GCL Global Resources SGP Pte Limited" Singapore (the "Singapore Company") which is the holding company of the China Company. The Singapore Company has in turn invested this money in 3,329,983 Equity Shares of USD 1 each to the authorised capital of the China Company for the purpose of setting up of the plant in China.</p> <p>Consequent to the decision taken by "Cangzhou Economic Development Zone, China" to cancel the land allotted to the subsidiary company "Goa Carbon (Cangzhou) Company Limited" China on the ground that the proposed plant falls under "high energy consuming industries", the Company has been compelled by circumstances beyond its control to withdraw the proposed project to be set up in China. Accordingly the Singapore Company has provided for the diminution in the value of its investments in the China Company and Company being the Ultimate Holding Company has also provided ₹ 1,002.81 lacs towards the diminution in the value of investment in the Singapore Company.</p>
42.	The State Pollution Control Board, Odisha (the "Board"), vide its letter dated 22.07.2014, had directed the Company to close the plant located at Paradeep until certain additional pollution control devices are installed to further strengthen the pollution control measures undertaken by the unit. As directed by the Board the Company shut down the plant from 22.07.2014 to 06.02.2015. The Company completed the installation of additional pollution control equipments, and the Board vide its order dated 03.02.2015 has kept in abeyance its closure order for a period of 3 months from the date of consent to operate the plant. The Regional Officer, Pollution Control Board vide his letter dated 06.02.2015 gave consent to operate the Plant and Paradeep unit has recommenced its production from 06.02.2015.
43.	Previous year's figures have been regrouped wherever necessary, to conform with the current year's disclosures.

**For and on behalf of the Board of Directors**

**Shrinivas V. Dempo**  
Chairman  
DIN: 00043413

**Jagmohan J. Chhabra**  
Executive Director  
DIN: 01007714

**K. Balaraman**  
Chief Financial Officer

**P. S. Mantri**  
Company Secretary

Panaji, Goa, 30<sup>th</sup> April, 2015

# CONSOLIDATED FINANCIAL STATEMENTS INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF GOA CARBON LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **GOA CARBON LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### 1. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### 2. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based

on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

#### 3. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2015, and their consolidated loss and their consolidated cash

flows for the year ended on that date.

#### 4. Other Matter

We did not audit the financial statements of the subsidiaries: GCL Global Resources SGP Pte Limited and Goa Carbon (Cangzhou) Company Limited, whose financial statements reflect total assets (net) of ₹1,361 lacs as at 31<sup>st</sup> March, 2015, total revenues of ₹ Nil and net cash flows amounting to ₹870 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### 5. Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, is not applicable to the subsidiaries, since they are incorporated outside India and are not considered as companies as defined in the Companies Act, 2013. We give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable to the Holding Company.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 26 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm Registration No. 008072S)

Panaji, Goa  
30<sup>th</sup> April, 2015

**M. K. Ananthanarayanan**  
Partner  
(Membership No. 19521)



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 5 (1) under Report on Other Legal and Regulatory Requirements" Section of our report of even date)

- (i) In respect of the fixed assets of the Holding Company:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) All the fixed assets were physically verified by the Management during the year in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of inventory of the Holding Company:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt with in the books of account.
- (iii) The Holding Company has not granted loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013 and hence clauses (a) and (b) are not applicable to the Holding Company.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Holding Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in the aforesaid internal control system.
- (v) According to the information and explanations given to us, the Holding Company has not accepted any deposit from the public during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.
- (vi) According to the information and explanations given to us the Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 are not applicable to the Holding Company.
- (vii) According to the information and explanations given to us, and the books and records examined by us, in respect of statutory dues:
  - (a) The Holding Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.
  - (c) There were no disputed amounts payable in respect of Wealth Tax, Duty of Customs, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2015. Details of dues of Income-tax, Service Tax, Duty of Excise and Cess which have not been deposited as on 31<sup>st</sup> March, 2015 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lacs)
The Central Excise Act, 1944	Excise duty	Customs, Excise and Service Tax Appellate Tribunal, New Delhi	2005-06	90.19
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Panaji	AY 1994-95	37.58
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Panaji	AY 2009-10	410.59
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Panaji	AY 2010-11	41.57
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Panaji	AY 2011-12	227.37

(d) The Holding Company has transferred the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the prescribe time.

(viii) The Holding Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the year and the immediately preceding financial year.

(ix) In our opinion and according to the information and explanations given to us, the Holding

Company has not defaulted in repayment of dues to banks.

(x) According to the information and explanations given to us, the Holding Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) In our opinion and according to the information and explanations given to us, the Holding Company has not obtained any term loan during the year and hence the question of commenting on the application thereof does not arise.

(xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Holding Company and no material fraud on the Holding Company has been noticed or reported during the year.

**For Deloitte Haskins & Sells**

Chartered Accountants  
(Firm Registration No. 008072S)

**M. K. Ananthanarayanan**

Partner  
(Membership No. 19521)

Panaji, Goa  
30<sup>th</sup> April, 2015



# CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015

₹ in lacs

	Note	As on 31 <sup>st</sup> March 2015	As on 31 <sup>st</sup> March 2014
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share capital	3	915.11	915.11
Reserves and surplus	4	6,721.15	7,760.67
		7,636.26	8,675.78
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities (net)	5	318.33	330.05
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	6	15,569.78	22,672.45
Trade payables	7	790.67	800.13
Other current liabilities	8	942.37	1,028.79
Short-term provisions	9	220.74	139.41
		17,523.56	24,640.78
<b>Total</b>		<b>25,478.15</b>	<b>33,646.61</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
Tangible assets	10	2,586.00	1,950.27
Capital work in progress		-	387.12
Non-current investments	11	4.05	4.05
Long-term loans and advances	12	515.96	2,140.73
Other non-current assets	13	2,211.34	2,211.34
		5,317.35	6,693.51
<b>CURRENT ASSETS</b>			
Inventories	14	9,554.87	8,502.23
Trade receivables	15	3,005.66	3,367.00
Cash and cash equivalents	16	5,829.99	13,619.60
Short-term loans and advances	17	1,704.72	1,150.50
Other current assets	18	65.56	313.77
		20,160.80	26,953.10
<b>Total</b>		<b>25,478.15</b>	<b>33,646.61</b>
See accompanying notes forming part of the consolidated financial statements.	1 - 40		

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**M. K. Ananthanarayanan**  
Partner

Panaji, Goa, 30<sup>th</sup> April, 2015

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**  
Chairman  
DIN: 00043413

**K. Balaraman**  
Chief Financial Officer

**Jagmohan J. Chhabra**  
Executive Director  
DIN: 01007714

**P. S. Mantri**  
Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

₹ in lacs

	Note	Year ended 31 <sup>st</sup> March 2015	Year ended 31 <sup>st</sup> March 2014
<b>REVENUE FROM OPERATIONS</b>			
Revenue from sale of products			
Sale of calcined petroleum coke		21,429.79	33,037.87
Less: Excise duty		2,681.03	3,854.74
Net sales		18,748.76	29,183.13
Other operating revenue	19	45.87	19.82
Other income	20	799.88	564.73
		19,594.51	29,767.68
<b>EXPENSES</b>			
Cost of materials consumed	21	13,903.17	25,547.21
Changes in inventories of finished goods	22	788.92	(1,251.40)
Employee benefit expenses	23	1,412.03	1,465.11
Finance costs	24	354.36	619.18
Depreciation and amortisation expense	10	166.55	220.43
Other expenses	25	3,858.67	2,771.13
		20,483.70	29,371.66
<b>(Loss)/Profit before exceptional item</b>		(889.19)	396.02
Exceptional item		-	-
<b>(Loss)/Profit after exceptional item before tax</b>		(889.19)	396.02
Less: Provision for tax			
Current		-	117.00
Prior year		2.05	(68.21)
Deferred		5.22	(35.44)
		7.27	13.35
<b>(Loss)/Profit for the year</b>		(896.46)	382.67
Earnings per equity share of ₹10/- each (Basic and diluted) (₹)	35	(9.80)	4.18
See accompanying notes forming part of the consolidated financial statements.	1 - 40		

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**M. K. Ananthanarayanan**  
Partner

Panaji, Goa, 30<sup>th</sup> April, 2015

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**  
Chairman  
DIN: 00043413

**K. Balaraman**  
Chief Financial Officer

**Jagmohan J. Chhabra**  
Executive Director  
DIN: 01007714

**P. S. Mantri**  
Company Secretary



# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

₹ in lacs

	Year ended 31 <sup>st</sup> March 2015	Year ended 31 <sup>st</sup> March 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit after exceptional item before tax	(889.19)	396.02
Adjustments for :		
Depreciation and amortisation expense	166.55	220.43
Finance costs	354.36	619.18
Loss on assets sold / scrapped	516.56	5.53
Bad debts written off	10.41	4.30
Provision for doubtful debts / advances	-	16.12
Interest income	(651.67)	(559.45)
Sundry credit balances written back	(143.62)	(0.80)
Profit on sale of assets	(0.15)	(0.10)
Unrealised exchange loss/(gain)- (net)	269.68	(777.07)
Dividend income	(3.11)	(2.70)
	519.01	(474.56)
Operating Profit/(Loss) before working capital changes	(370.18)	(78.54)
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(1,052.64)	(1,074.26)
Trade receivables	351.14	(2,504.70)
Short-term loans and advances	(554.22)	478.76
Other current assets	(1.55)	6.12
Long-term loans and advances	(24.35)	2.09
Other non-current assets	-	(87.67)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	132.76	94.06
Other current liabilities	(64.22)	215.93
Short-term provisions	78.25	(17.14)
	(1,134.83)	(2,886.81)
Cash flow from operations	(1,505.01)	(2,965.35)
Direct taxes (net)	(66.40)	(59.63)
<b>Net cash from/(used in) operating activities</b>	<b>(1,571.41)</b>	<b>(3,024.98)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets including capital advances	727.89	(1,698.04)
Proceeds from sale of fixed assets	4.15	0.71
Unclaimed dividend	2.15	(3.02)
Margin money and bank deposits (placed) / realised	9,992.88	(7,935.27)
Interest received	901.43	381.13
Dividend received	3.11	2.70
<b>Net cash (used in)/from investing activities</b>	<b>11,631.61</b>	<b>(9,251.79)</b>

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015 (CONTD.)

₹ in lacs

	Year ended 31 <sup>st</sup> March 2015	Year ended 31 <sup>st</sup> March 2014
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of short-term borrowings from Banks (Net)	(6,223.12)	10,095.38
Proceeds from short-term borrowings from the holding company	-	550.00
Repayment of short-term borrowings from the holding company	(1,100.00)	(500.00)
Finance costs	(374.40)	(488.40)
Dividends paid	(93.66)	(225.76)
Tax on dividend paid	(15.55)	(37.11)
<b>Net cash (used in)/from financing activities</b>	<b>(7,806.73)</b>	<b>9,394.11</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS ( A + B + C )</b>	<b>2,253.47</b>	<b>(2,882.66)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>1,183.83</b>	<b>4,059.42</b>
Effect of exchange differences on restatement of foreign currency Cash and Cash equivalents	(48.05)	7.07
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>3,389.25</b>	<b>1,183.83</b>
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and Cash equivalents as per Balance Sheet (Refer Note 16)	5,829.99	13,619.60
Less: Bank balances not considered as Cash and Cash equivalents		
Unpaid dividend account	(36.55)	(38.70)
Deposits more than 3 months	-	(5,589.69)
Margin money deposits	(2,404.19)	(6,807.38)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR *</b>	<b>3,389.25</b>	<b>1,183.83</b>
* Comprises		
Cash on hand	2.75	3.45
Cheques and drafts on hand	-	0.51
Balances with banks		
In current accounts	986.50	979.87
In deposit account with original maturity less than 3 months	2,400.00	200.00
See accompanying notes forming part of the consolidated financial statements.	1 - 40	

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**M. K. Ananthanarayanan**  
Partner

Panaji, Goa, 30<sup>th</sup> April, 2015

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**  
Chairman  
DIN: 00043413

**K. Balaraman**  
Chief Financial Officer

**Jagmohan J. Chhabra**  
Executive Director  
DIN: 01007714

**P. S. Mantri**  
Company Secretary

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

## 1 Corporate information

The Group is in the business of manufacture and sale of Calcined Petroleum Coke in its manufacturing facilities at Goa, Paradeep and Bilaspur.

## 2 Significant accounting policies

### a Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of Goa Carbon Limited (the 'Company') and its subsidiaries (the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies Accounting Rules, 2014 and the relevant provisions of the Companies Act ("the 2013 Act")/ Companies Act, 1956 ("the 1956 Act") 2013 as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

### b Use of estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and estimates are recognized in the periods in which the results are known / materialized.

### c Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Parent and its subsidiaries have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.
- The financial statements of the subsidiaries are prepared for the same reporting year as the Parent, using consistent accounting policies to the extent practicable. Adjustments are made to align any dissimilar accounting policies that may exist where practicable.
- Particulars of subsidiaries are given below:

Name of the subsidiaries	Country of Incorporation	% of holding as at	
		31.03.2015	31.03.2014
GCL Global Resources SGP Pte Ltd.	Singapore	100%	100%
Goa Carbon (Cangzhou) Company Ltd.	China	100% #	100% #

#: 100% held by GCL Global Resources SGP Pte Ltd.

### d Inventories

Inventories are valued at the lower of cost (net of CENVAT where applicable) and the net realisable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. In respect of raw materials, cost is determined on specific identification method, while cost of stores and spares is determined on First-in First-out basis.

Finished goods include all direct costs, apportionment of production overheads and excise duty.

**e Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

**f Fixed assets (Tangible / Intangible)**

Fixed assets are stated at historical cost (net of CENVAT wherever applicable) less accumulated depreciation/amortisation and impairment losses, if any. Cost comprises of direct cost, related taxes, duties, freight and attributable finance costs till such assets are ready for its intended use.

**Capital work-in-progress:**

Projects under which assets are not ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**g Depreciation and amortisation**

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the useful life of the assets has been assessed by the Management as under.

Mobile phones - One year

Leasehold land is amortised over the period of the lease. Cost of plot development on leasehold land is amortised over the estimated period of utility.

Assets costing less than ₹5,000 each are fully depreciated in the year of acquisition. Depreciation on additions and deletions during the year are charged on pro-rata basis.

Intangible assets are amortised over their estimated useful life on straight-line basis.

**h Revenue recognition**

Revenue from sale of goods, net of trade discounts and sales returns, is recognised on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods as per the terms of contracts. Sales include excise duty but exclude sales tax and value added tax.

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

**i Foreign currency transactions**

Foreign currency transactions entered into by the Group are accounted at the exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities outstanding at the balance sheet date are restated at the year end rates. Exchange differences arising on settlement/restatement are charged to the Statement of Profit and Loss.

Transactions in foreign currencies entered into by the Group's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items of the Company's integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Group's integral foreign operations are carried at historical cost. Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Group's integral foreign operations are recognised as income or expenses in the Statement of Profit and Loss.

Premium or discount arising at the inception of forward exchange contracts are amortised over the period of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rate changes.

**j Investments**

Long-term investments are carried individually



at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

## **k Employee Benefits**

### **Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

### **Long-term employee benefits**

#### **i) Defined contribution plans**

##### **Superannuation:**

Fixed contributions to the superannuation fund, which is administered by Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited, are charged to the Statement of Profit and Loss.

##### **Provident Fund:**

In respect of Paradeep and Bilaspur Units, the Group contributes to a government administered provident/pension fund. The fixed contributions to these funds are charged to the Statement of Profit and Loss.

#### **ii) Defined benefit plans**

##### **Gratuity:**

The Group offers its employees defined benefit plans in the form of gratuity scheme. The gratuity

scheme provides a lump sum payment to vested employees, at retirement or termination of employment. The plan covers all employees as statutorily required under Payment of Gratuity Act, 1972. The Group contributes funds to Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited, which is irrevocable. Commitments are actuarially determined at the year end. The actuarial valuation is done based on the "Projected Unit Credit" method. Actuarial gains and losses are charged to the Statement of Profit and Loss under the head "Contribution to Provident and other Funds".

##### **Provident Fund:**

In respect of Goa unit, contributions are made to the Group's Employees Provident Fund Trust in accordance with the Trust rules. The interest rate payable by the Trust to the beneficiaries every year is being notified by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The interest rate guarantee is actuarially determined and the shortfall if any is charged to Statement of Profit and Loss.

#### **iii) Compensated absences**

The employees of the Group are entitled to encashment of unavailed leave. The employees can carry forward a portion of the unutilized leave and receive cash compensation at retirement or termination of employment. The Group contributes fund to Life Insurance Corporation of India, which is irrevocable. The Company records an obligation for encashment of unavailed leave in the period in which the employee renders the services, based on an actuarial valuation at the balance sheet date carried out by an independent actuary less the fair value of the plan assets. Actuarial gain or loss is recognized in the Statement of Profit and Loss.

## **l Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences

arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

**m Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. The number of equity shares are adjusted for share splits and bonus shares, as appropriate.

**n Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences arising between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only if there is a virtual certainty that they will be realised. Deferred tax assets and liabilities are offset if

such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

**o Impairment of assets**

The carrying values of assets/cash generating units are reviewed at each balance sheet date for impairment if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**p Provision, contingent liabilities and contingent assets**

Provisions are recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reasonable estimate can be made. Contingent liability is disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Group or (ii) 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. Contingent assets are neither recognized nor disclosed in the financial statements.

**q Operating Cycle**

Based on the nature of products/activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

		As at 31 March 2015		As at 31 March 2014	
		Number of shares	₹ in lacs	Number of shares	₹ in lacs
<b>3</b>	<b>SHARE CAPITAL</b>				
	Authorised:				
	Equity shares of ₹ 10/- each with voting rights	22,000,000	2,200.00	22,000,000	2,200.00
	Preference shares of ₹100/- each	300,000	300.00	300,000	300.00
			2,500.00		2,500.00
	Issued, subscribed and fully paid up:				
	Equity shares of ₹10/- each with voting rights	9,151,052	915.11	9,151,052	915.11
			915.11		915.11
i	There has been no movement in equity share capital during the year.				
ii	The Company has only one class of equity shares having face value of ₹10/-. Each holder is entitled to one vote per equity share. Dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting. The amount of dividend proposed to be distributed to equity shareholders is ₹91.51 lacs (Previous year ₹91.51 lacs) and the related amount per equity share is ₹1 (Previous year ₹1). Repayment of capital will be in proportion to the number of equity shares held.				
iii	Details of equity shares held by each shareholder holding more than 5% shares		% held		% held
	V. S. Dempo Holdings Private Limited, the holding company	5,069,040	55.40	5,069,040	55.40

₹ in lacs

		As at 31 March 2015		As at 31 March 2014	
<b>4</b>	<b>RESERVES AND SURPLUS</b>				
	Securities premium account		3,131.01		3,131.01
	Amalgamation reserve		475.38		475.38
	General reserve				
	Opening balance	1,803.05		1,780.05	
	Add: Transferred from Statement of Profit and Loss	-		23.00	
			1,803.05		1,803.05
	Surplus in Statement of Profit and Loss				
	Opening balance	2,351.23		2,098.62	
	Less: Depreciation arising on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax of ₹16.95 lacs) (Refer note 29)	32.92		-	
		2,318.31		2,098.62	
	Add/Less: (Loss)/Profit for the year	(896.46)		382.67	
		1,421.85		2,481.29	
	Less: Proposed dividend	91.51		91.51	
	Tax on proposed dividend	18.63		15.55	
	Transfer to general reserve	-		23.00	
	Closing balance		1,311.71		2,351.23
			6,721.15		7,760.67

<b>5</b>	<b>DEFERRED TAX LIABILITIES (NET)</b>				
	Deferred tax liability arising on account of:				
	Depreciation		460.77		358.46
	Deferred tax asset arising on account of:				
	Provision for doubtful debts / advances	15.51		15.51	
	Provision for employee benefits	39.21		12.90	
	Unabsorbed depreciation	62.48		-	
	Others	25.24		-	
			142.44		28.41
			318.33		330.05

6	SHORT-TERM BORROWINGS	As at 31 March 2015		As at 31 March 2014	
	<b>Secured:</b>				
	From banks				
	Loans repayable on demand				
	Cash credit		1,543.53		250.94
	Other loans				
	Loan against fixed deposits	-		2,560.00	
	Buyers credit	14,026.25		18,761.51	
			14,026.25		21,321.51
			15,569.78		21,572.45
	The cash credit and buyers credit facilities are secured by first and equitable mortgage on pari-passu basis of all immovable properties and by hypothecation of all movable fixed assets, inventories, book debts and other receivables of the Company.				
	<b>Unsecured:</b>				
	Loan from a related party (repayable on demand) (Refer note 34 (ii) and (iii))				
	V. S. Dempo Holdings Private Limited, the holding company		-		1,100.00
			15,569.78		22,672.45

7	<b>TRADE PAYABLES</b>				
	Related parties (Refer note 34(iii))		31.78		16.02
	Micro and small enterprises (Refer note 30)		-		0.07
	Others		758.89		784.04
			790.67		800.13

8	<b>OTHER CURRENT LIABILITIES</b>				
	Interest accrued but not due on borrowings		24.87		29.05
	Interest accrued and due on unsecured loan from related party (Refer note 34 (iii))		181.01		196.87
	Unclaimed dividends (Refer note 37)		36.55		38.70
	Other payables:				
	Statutory remittances	672.55		734.68	
	Advances from customers	9.64		18.16	
	Employee recoveries	3.27		0.68	
	Trade and security deposits received	14.48		10.65	
			699.94		764.17
			942.37		1,028.79

9	<b>SHORT-TERM PROVISIONS</b>				
	Employee benefits		110.60		32.35
	Proposed dividend		91.51		91.51
	Tax on proposed dividend		18.63		15.55
			220.74		139.41



10	FIXED ASSETS										
	Description	GROSS BLOCK				DEPRECIATION /AMORTISATION				NET BLOCK	
		As at 01.04.2014	Additions	Deductions	As at 31.03.2015	As at 01.04.2014	Transition adjustment recorded against open- ing retained earnings (Refer note no. 29)	For the year	Deductions		As at 31.03.2015
	<b>Tangible Assets</b>										
	Land (Freehold)	13.58	-	-	13.58	-	-	-	-	-	13.58
		13.58	-	-	13.58	-	-	-	-	-	13.58
	Land (Leasehold)	100.83	-	-	100.83	20.38	-	1.24	-	21.62	79.21
		100.83	-	-	100.83	19.13	-	1.25	-	20.38	80.45
	Plot development on leasehold land	101.95	-	-	101.95	95.59	-	6.36	-	101.95	-
		101.95	-	-	101.95	85.30	-	10.29	-	95.59	6.36
	Buildings	1,405.09	0.64	-	1,405.73	703.07	4.09	33.47	-	740.63	665.10
		1,405.09	-	-	1,405.09	665.52	-	37.55	-	703.07	702.02
	Plant and equipment	3,323.79	833.19	0.05	4,156.93	2,292.38	38.02	96.43	0.05	2,426.78	1,730.15
		3,335.34	3.49	15.04	3,323.79	2,148.66	-	152.62	8.90	2,292.38	1,031.41
	Furniture and fixtures	85.67	-	-	85.67	77.18	0.58	1.91	-	79.67	6.00
		84.72	0.95	-	85.67	76.12	-	1.06	-	77.18	8.49
	Office equipments	118.67	4.66	4.31	119.02	96.09	4.07	9.27	4.31	105.12	13.90
		115.11	3.83	0.27	118.67	89.89	-	6.47	0.27	96.09	22.58
	Vehicles	137.09	19.68	24.51	132.26	51.71	3.11	17.87	18.49	54.20	78.06
		116.58	20.51	-	137.09	40.52	-	11.19	-	51.71	85.38
		5,286.67	858.17	28.87	6,115.97	3,336.40	49.87	166.55	22.85	3,529.97	2,586.00
		5,273.20	28.78	15.31	5,286.67	3,125.14	-	220.43	9.17	3,336.40	1,950.27
	<b>Intangible Assets</b>										
	Technical knowhow	30.21	-	-	30.21	30.21	-	-	-	30.21	-
		30.21	-	-	30.21	30.21	-	-	-	30.21	-
	Computer software	66.27	-	-	66.27	66.27	-	-	-	66.27	-
		66.27	-	-	66.27	66.27	-	-	-	66.27	-
		96.48	-	-	96.48	96.48	-	-	-	96.48	-
		96.48	-	-	96.48	96.48	-	-	-	96.48	-
	<b>TOTAL</b>	5,383.15	858.17	28.87	6,212.45	3,432.88	49.87	166.55	22.85	3,626.45	2,586.00
	<b>TOTAL</b>	5,369.68	28.78	15.31	5,383.15	3,221.62	-	220.43	9.17	3,432.88	1,950.27

Figures in italics represent previous year figures.

11	NON-CURRENT INVESTMENTS	As at 31 March 2015		As at 31 March 2014	
	Long term investments (at cost)				
	Investments in equity instruments				
	Quoted (Non Trade):				
	67,500 fully paid up equity shares of ₹ 2/-each (Previous year : 13,500 fully paid up equity shares of ₹10/- each) in ICICI Bank Limited		4.05		4.05
			4.05		4.05
	Market value of quoted investment		212.96		168.08

12	LONG-TERM LOANS AND ADVANCES				
	(Unsecured, considered good)				
	Capital advances		386.05		2,099.52
	Security deposits		41.33		18.11
	Prepaid expenses		1.76		-
	Loans to employees		-		0.63
	Advance tax (net of provision)		86.82		22.47
			515.96		2,140.73

13	OTHER NON-CURRENT ASSETS				
	Taxes paid in dispute (Refer note 26(ii) and (iii))		2,211.34		2,211.34
			2,211.34		2,211.34

14	INVENTORIES				
	(At lower of cost and net realisable value)				
	Raw materials		5,553.66		3,681.47
	Finished goods		3,829.33		4,618.25
	Stores and spares		171.88		202.51
			9,554.87		8,502.23

15	TRADE RECEIVABLES				
	(Unsecured)				
	Outstanding for a period exceeding six months from the date they were due for payment				
	Considered good		10.88		-
	Doubtful		40.33		40.33
			51.21		40.33
	Less: Provision for doubtful trade receivables		40.33		40.33
			10.88		-
	Other trade receivables considered good		2,994.78		3,367.00
			3,005.66		3,367.00

16	CASH AND CASH EQUIVALENTS	As at 31 March 2015		As at 31 March 2014	
	Cash on hand		2.75		3.45
	Cheques and drafts on hand		-		0.51
	Balances with banks				
	In current accounts	986.50		979.87	
	In deposit accounts	2,400.00		5,789.69	
	Unpaid dividend accounts	36.55		38.70	
	Margin money deposits and security against borrowings	2,404.19		6,807.38	
			5,827.24		13,615.64
			5,829.99		13,619.60
	Of the above the balances that meet the definition of cash and cash equivalents as per AS-3 cash flow statements.		3,389.25		1,183.83

17	SHORT-TERM LOANS AND ADVANCES				
	(Unsecured considered good unless otherwise stated)				
	Security and tender deposits		6.18		11.66
	Loans and advances to employees		11.77		6.97
	Other receivables	410.00		37.95	
	Less: Provision for doubtful advances	5.29		5.29	
			404.71		32.66
	Prepaid expenses		190.04		36.88
	Balances with government authorities				
	CENVAT credit receivable	816.57		861.77	
	VAT credit receivable	47.89		56.34	
	Service tax credit receivable	95.64		45.14	
			960.10		963.25
	Advances to suppliers		131.92		99.08
			1,704.72		1,150.50

18	OTHER CURRENT ASSETS				
	Interest accrued on margin money and other bank deposits		64.01		313.77
	Unamortised premium on forward contracts		1.55		-
			65.56		313.77

₹ in lacs

19	OTHER OPERATING REVENUE	Year ended 31 March 2015		Year ended 31 March 2014	
	Sale of scrap		11.03		19.82
	Duty drawback		34.84		-
			45.87		19.82

20	OTHER INCOME				
	Interest income:				
	From banks deposits	648.77		550.59	
	On income tax refunds	-		8.33	
	Others	2.90		0.53	
			651.67		559.45
	Dividend from long-term investments		3.11		2.70
	Profit on sale of fixed assets		0.15		0.10
	Miscellaneous income		1.33		1.68
	Sundry Credit balances written back		143.62		0.80
			799.88		564.73

21	COST OF MATERIALS CONSUMED				
	Opening stock		3,681.47		3,878.09
	Add: Purchases		15,775.36		25,350.59
			19,456.83		29,228.68
	Less: Closing stock		5,553.66		3,681.47
			13,903.17		25,547.21

22	CHANGES IN INVENTORIES OF FINISHED GOODS				
	Inventories of finished goods at the end of the year		3,829.33		4,618.25
	Inventories of finished goods at the beginning of the year		4,618.25		3,366.85
			788.92		(1,251.40)

23	EMPLOYEE BENEFITS EXPENSE				
	Salaries, wages, bonus and allowances		1,191.75		1,180.29
	Contribution to provident and other funds		55.79		130.78
	Staff welfare expenses		164.49		154.04
			1,412.03		1,465.11

24	FINANCE COSTS				
	Interest expense on:				
	Borrowings	175.57		367.15	
	Delayed payment of income tax	-		3.75	
	Others	-		1.33	
			175.57		372.23
	Other borrowing costs		178.79		246.95
			354.36		619.18



₹ in lacs

25	OTHER EXPENSES	Year ended 31 March 2015	Year ended 31 March 2014
	Fuel and power	194.00	219.91
	Excise duty on inventory differential (Refer note 28)	(105.28)	178.18
	Repairs and maintenance:		
	Buildings	133.05	93.45
	Plant and machinery	131.03	148.43
	Others	34.50	32.52
		298.58	274.40
	Rent	73.41	64.63
	Rates and taxes	58.81	19.92
	Insurance	42.55	44.64
	Processing/Labour charges	67.22	47.40
	Travelling expenses	117.06	77.24
	Selling and distribution expenses	1,393.39	1,222.83
	Bad debts written off	10.41	4.30
	Provision for doubtful debts / advances	-	16.12
	Payments to auditors (net of service tax credit):		
	Audit fees	18.33	18.02
	Taxation matters	2.50	2.50
	Other services	3.50	3.50
	Reimbursement of expenses	0.90	0.93
		25.23	24.95
	Directors' sitting fees	10.84	8.35
	Loss on assets sold/scrapped	516.56	5.53
	Exchange loss on foreign currency transactions and translations	419.01	269.80
	Forward premium expenses	53.73	8.16
	Miscellaneous expenses (Refer note 36)	683.15	284.77
		3,858.67	2,771.13

₹ in lacs

26	Contingent Liabilities : (Claims against the Group not acknowledged as debts)	As at 31 March 2015	As at 31 March 2014
i)	Disallowance of Cenvat Credit and Educational Cess on purchase of raw materials.	90.19	90.19
ii)	Income tax demands under appeal.	1,954.55	1,954.55
iii)	The Group's appeal to the High Court of Bombay at Goa against the order of the Income Tax Appellate Tribunal which had confirmed the disallowance of the deduction under Section 80HHC of the Income Tax Act, 1961 for Assessment Years 1993-94 to 2004-05 was allowed by the High Court vide its order dated 21.10.2010. The disputed amount of tax and interest paid amounting to ₹963.68 lacs (after adjusting the refund of ₹454.66 lacs received) is included under Other Non-Current Assets. The income tax department has filed a Special Leave petition before the Hon. Supreme Court praying for ex-parte stay of the aforementioned Order of the High Court. The petition is yet to be admitted before the Hon. Supreme Court.	-	-
	The amounts mentioned against (i) and (ii) above are based on the notice of demand or the assessment orders issued by the relevant authorities, as the case may be. The Group is contesting these demands with the relevant appellate authorities. Outflows, if any, arising out of these demands would depend on the outcome of the decisions of the appellate authorities and the Group's rights for future appeals before the Judiciary. However, the Group is hopeful of successful outcome in the appellate proceedings.		

₹ in lacs

27	Commitments:	As at 31 March 2015	As at 31 March 2014
	i) Export obligation in respect of imports under Advance Licence Scheme to be fulfilled.	5,823.71	5,767.39
	ii) Estimated amount of contracts remaining to be executed on capital account (net of advances)	15.37	-
28	Excise duty on sales for the year has been disclosed as reduction from Revenue from operations. Excise duty relating to the difference between the closing stock and the opening stock of Finished goods has been included in Note - 25 "Other Expenses".		
29	During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of its assets to align the useful life with those specified in Schedule II. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Group has fully depreciated the carrying value of assets aggregating to ₹ 32.92 lacs (net of deferred tax of ₹ 16.95 lacs), where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted the said amount against the opening Surplus balance in the Statement of Profit and Loss. The depreciation expense in the Statement of Profit and Loss for the year is lower by ₹ 54.11 lacs consequent to the change in the useful life .		
30	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. Amount outstanding but not due as at the year end is ₹ Nil (Previous year ₹ 0.07 lacs).		

31	DERIVATIVE INSTRUMENTS							
	The Group enters into forward contracts which are not intended for trading or speculative purposes, but for hedging.							
a)	Forward Exchange Contracts outstanding at the year end:							
	As at 31 March 2015				As at 31 March 2014			
	Buy-Sell	No. of Contracts	US Dollars	₹ in lacs	Buy-Sell	No. of Contracts	US Dollars	₹ in lacs
	Buy	3	1,000,000	62,305,000	-	-	-	-
b)	The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:							
	As at 31 March 2015				As at 31 March 2014			
	Amount payable in foreign currency:	US Dollars	₹ in lacs	US Dollars	₹ in lacs	US Dollars	₹ in lacs	US Dollars
	Buyers credit	22,443,401	14,029.40	31,310,936	18,761.51			
	Trade payables	55,175	34.49	296,398	177.60			
	Interest accrued but not due on borrowings	39,782	24.87	42,482	25.46			
	Amount receivable in foreign currency:							
	Other receivables	-	-	54,492	32.65			
	Advances to suppliers	8,237	5.15	8,237	4.93			

<b>32</b>	<b>Employee benefit plans</b>					
a)	Defined benefit plans:					
i)	The following table sets out the status of the gratuity plan (included as part of "Contribution to provident and other funds" in Note 23 Employee benefit expenses) as required under AS-15 (Revised):					
						₹ in lacs
		<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>		
	<b>i) Change in present value of obligation</b>					
		Defined benefit obligation at the beginning of the year	365.85	354.71		
		Current service cost	33.03	41.37		
		Interest cost	28.23	27.67		
		Actuarial losses / (gains)	(38.32)	(14.53)		
		Benefits paid	(52.28)	(43.37)		
		Defined benefit obligation at the end of the year	336.51	365.85		
	<b>ii) Change in fair value of plan assets</b>					
		Fair value of plan assets at the beginning of the year	371.66	361.70		
		Expected return on plan assets	36.18	27.06		
		Actuarial gain/(loss)	22.44	(2.80)		
		Contributions	30.62	29.07		
		Benefit paid	(52.28)	(43.37)		
		Fair value of plan assets at the end of the year	408.62	371.66		
	<b>iii) Net assets/(liability) recognised in the Balance Sheet</b>					
		Defined benefit obligation at the end of the year	336.51	365.85		
		Fair value of the plan assets at the end of the year	408.62	371.66		
		Excess of funding over obligation	72.11	5.81		
	<b>iv) Expenses recognised in the statement of profit and loss</b>					
		Current service cost	33.03	41.37		
		Interest cost	28.23	27.67		
		Expected return on plan assets	(36.18)	(27.06)		
		Net actuarial losses / (gains) recognised in the year	(60.76)	(11.73)		
		Net cost recognised in the statement of profit and loss	35.68	30.25		
	<b>v) Return on plan assets</b>					
		Expected return on plan assets	36.18	27.06		
		Actuarial gain/(loss)	22.44	(2.80)		
		Actual return on plan assets	58.62	24.26		
		The plan assets of the Company are managed by the Life Insurance Corporation of India and ICICI Prudential Life Insurance and the composition of the investment relating to these assets is not available with the Company.				
	<b>vi) Assumption</b>					
		Rate of Mortality	<b>As per LIC Mortality rate (1994-96)</b>			
		Discount rate	7.82%	8.31%		
		Expected salary increase rate	5.00%	7.00%		
		Expected rate of return on plan assets	8.00%	8.00%		
		Attrition rate	1.00%	1.00%		
		The estimates of future salary increases considered in the actuarial valuation, take into account inflation, seniority, promotions, increments and other related factors such as supply and demand in the employment market.				
		The contributions expected to be made by the Group during the financial year 2015-16 – ₹ Nil.				
			<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
						<b>2010-11</b>
	<b>Experience adjustment</b>					
		Present value of obligation	336.51	365.85	354.71	314.83
		Fair value of plan assets	408.62	371.66	361.70	345.05
		Surplus/(deficit)	72.11	5.81	6.99	30.22
		Experience adjustment on plan liabilities	38.32	14.53	11.86	(1.70)
		Experience adjustment of plan assets	22.44	(2.80)	5.20	(4.12)
						1.81

ii)	The following table set out the status of the leave encashment plan (included as part of "Salaries, wages, bonus and allowances" in Note 23 Employee benefit expenses) as required under AS-15 (Revised).		
		₹ in lacs	
	<b>Particulars</b>	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>
	<b>i) Change in present value of obligation</b>		
	Defined benefit obligation at the beginning of the year	145.59	133.37
	Current service cost	35.10	39.58
	Interest cost	10.94	10.61
	Actuarial losses / (gains)	(61.09)	(26.52)
	Benefits paid	(11.29)	(11.45)
	Defined benefit obligation at the end of the year	119.25	145.59
	<b>ii) Change in fair value of plan assets</b>		
	Fair value of plan assets at the beginning of the year	144.39	133.49
	Expected return on plan assets	10.84	11.94
	Actuarial gain/(loss)	0.35	0.56
	Contributions	11.06	9.85
	Benefit paid	(11.29)	(11.45)
	Fair value of plan assets at the end of the year	155.35	144.39
	<b>iii) Net (liability)/assets recognised in the Balance Sheet</b>		
	Defined benefit obligation at the end of the year	119.25	145.59
	Fair value of the plan assets at the end of the year	155.35	144.39
	(Liability) /Assets recognised in the Balance Sheet	36.10	(1.20)
	<b>iv) Expenses recognised in the Statement of Profit and Loss</b>		
	Current service cost	35.10	39.58
	Interest on obligation	10.94	10.61
	Expected return on plan assets	(10.84)	(11.94)
	Net actuarial losses / (gains) recognised in the year	(61.44)	(27.08)
	Net cost recognised in the statement of profit and loss	(26.24)	11.17
	<b>v) Assumption</b>		
	Rate of Mortality	<b>As per LIC Mortality rate (1994-96)</b>	
	Discount rate	7.82%	8.31%
	Expected salary increase rate	5.00%	7.00%
	Expected rate of return on plan assets	8.00%	8.00%
	Attrition rate	1.00%	1.00%
iii)	Actuarial valuation relating to interest rate guarantee on exempt provident fund has resulted in an additional charge for the year of ₹ 6.51 lacs (Previous year ₹ 11.42 lacs).		
b)	Defined contribution plans:		
	A sum of ₹42.13 lacs (Previous year ₹35.47 lacs) has been charged to the statement of profit and loss in respect of Group's contribution to:		
	a) superannuation fund and		
	b) provident and pension fund for Paradeep and Bilaspur unit employees.		

<b>33</b>	<b>Segment reporting:</b>
	The Group is engaged in manufacture and sale (both domestic and export) of Calcined Petroleum Coke which constitutes single business segment. As per management's perspective, the risks and returns from its sales do not materially vary geographically. Accordingly there are no other business / geographical segments to be reported under Accounting Standard (AS) 17.

**33A** As per the provisions of Sec 135 of the Companies Act 2013, the Group is required to spend ₹ 20.27 lacs towards CSR activities. The Group has not spent any amount during the year and intends to do so in coming financial years in line with the CSR Policy of the Group.

**34 Disclosures in respect of Related Parties pursuant to Accounting Standard (AS) 18.**

<b>i) List of related parties:</b>			
Names of the related parties and nature of relationship			
<b>a</b>	Holding Company:		
	V. S. Dempo Holdings Private Limited		
<b>b</b>	Fellow Subsidiaries (with whom transactions have taken place during the year):		
	Dempo Industries Pvt. Ltd.		
	Dempo Travels Pvt. Ltd.		
	Dempo Sports Club Pvt. Ltd.		
<b>c</b>	Individual who is able to exercise significant influence:		
	Mr. Shrinivas V. Dempo (Chairman)		
<b>d</b>	Enterprises over which Mr. Shrinivas V. Dempo is able to exercise significant influence:		
	Motown Investments Pvt. Ltd.		
	Devashri Investments Pvt. Ltd.		
	Devashri Nirman LLP		
	Dempo Charities Trust		
	Vasantrao Dempo Education and Research Foundation		
	Esmeralda International Exports LLP		
	Ratnaprabha Advisory Services LLP		
<b>e</b>	Key Management Personnel:		
	Mr. Jagmohan J. Chhabra (Executive Director)		
	Mr. P. S. Mantri (Company Secretary)		
	Mr. K. Balaraman (Chief Financial Officer)		
		₹ in lacs	
<b>ii)</b>	<b>Disclosure of transactions with Related Parties:</b>	<b>Year ended 31 March 2015</b>	<b>Year ended 31 March 2014</b>
<b>a</b>	<b>Expenses incurred</b>		
	Dempo Industries Pvt. Ltd.	6.10	4.58
	Dempo Travels Pvt. Ltd.	44.88	57.38
<b>b</b>	<b>Rent paid</b>		
	V. S. Dempo Holdings Private Limited	22.90	22.90
<b>c</b>	<b>Reimbursement of expenses</b>		
	V. S. Dempo Holdings Private Limited	-	0.43
<b>d</b>	<b>Recovery of expenses</b>		
	V. S. Dempo Holdings Private Limited	5.10	5.12
<b>e</b>	<b>Interest on Inter Corporate Deposit</b>		
	V. S. Dempo Holdings Private Limited	4.60	177.95
<b>f</b>	<b>Loan taken</b>		
	V. S. Dempo Holdings Private Limited	-	550.00
<b>g</b>	<b>Loan repaid</b>		
	V. S. Dempo Holdings Private Limited	1,100.00	500.00
<b>h</b>	<b>Sponsorship</b>		
	Dempo Cricket Club	5.00	-
<b>i</b>	<b>Remuneration</b>		
	Mr. Jagmohan J. Chhabra (Executive Director)	114.88	122.68
	Mr. P. S. Mantri (Company Secretary)	36.01	33.05
	Mr. K. Balaraman (Chief Financial Officer)	35.35	32.39
<b>iii)</b>	<b>Outstanding payable as at year end</b>		
	V. S. Dempo Holdings Private Limited	212.79	1,312.89



<b>35</b>	<b>Earnings per share:</b>	<b>Year ended 31 March 2015</b>	<b>Year ended 31 March 2014</b>
	i) (Loss)/Profit after tax as per the Statement of Profit and Loss (₹ in lacs)	<b>(896.46)</b>	382.67
	ii) Number of equity shares	<b>9,151,052</b>	9,151,052
	iii) Basic and diluted earnings per share of ₹10/- each (₹)	<b>(9.80)</b>	4.18
<b>36</b>	<b>Miscellaneous expenses include donations given to Political Parties as under:</b>	₹ in lacs	
	<b>Name of the Political Party</b>	<b>Year ended 31 March 2015</b>	<b>Year ended 31 March 2014</b>
	Bhartiya Janata Party	<b>5.00</b>	7.00
	Goa Pradesh Congress Party	<b>5.00</b>	5.00
<b>37</b>	There are no amounts due and payable to Investor Education and Protection Fund as on Balance Sheet date.		
<b>38</b>	Consequent to the decision taken by "Cangzhou Economic Development Zone, China" to cancel the land allotted to the Subsidiary Company "Goa Carbon (Cangzhou) Company Limited" China on the ground that the proposed plant falls under "high energy consuming industries", the parent Company has been compelled by circumstances beyond its control to withdraw the proposed project to be set up in China.		
<b>39</b>	The State Pollution Control Board, Odisha (the "Board"), vide its letter dated 22.07.2014, had directed the Parent Company to close the plant located at Paradeep until certain additional pollution control devices are installed to further strengthen the pollution control measures undertaken by the unit. As directed by the Board the Parent Company shut down the plant from 22.07.2014 to 06.02.2015. The Parent Company completed the installation of additional pollution control equipments, and the Board vide its order dated 03.02.2015 has kept in abeyance its closure order for a period of 3 months from the date of consent to operate the plant. The Regional Officer, Pollution Control Board vide his letter dated 06.02.2015 gave consent to operate the Plant and Paradeep unit has recommenced its production from 06.02.2015.		
<b>40</b>	Previous year's figures have been regrouped wherever necessary, to conform with the current year's disclosures.		

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**  
Chairman  
DIN: 00043413

**Jagmohan J. Chhabra**  
Executive Director  
DIN: 01007714

**K. Balaraman**  
Chief Financial Officer

**P. S. Mantri**  
Company Secretary

Panaji, Goa, 30<sup>th</sup> April, 2015

# FORM AOC-1



(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" : Subsidiaries

₹ in lacs

Sr. No.	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turn-over	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
1	GCL Global Resources SGP Pte Limited, Singapore		SGD 1 = INR 45.375	1,953.33	(1,003.99)	954.78	5.45	924.64	-	(961.16)	-	(961.16)	-	100%
2	Goa Carbon (Cangzhou) Company Limited, China		RMB 1 = INR 10.045	2,072.78	(955.62)	1,344.07	226.92	-	-	(954.49)	-	(954.49)	-	100%

Part "B" : Associates and Joint Ventures – NIL

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**  
Chairman  
DIN: 00043413

**Jagmohan J. Chhabra**  
Executive Director  
DIN: 01007714

**K. Balaraman**  
Chief Financial Officer

**P. S. Mantri**  
Company Secretary

Panaji, Goa, 30<sup>th</sup> April, 2015



## FINANCIAL HIGHLIGHTS FOR LAST FIVE YEARS

Amount ₹ in lacs

		2014-15	2013-14	2012-13	2011-12	2010-11
Sales (net)		18,748.76	29,183.13	29,547.01	34,383.64	26,775.73
Other Income		845.75	584.55	658.33	625.02	318.10
	(A)	19,594.51	29,767.68	30,205.34	35,008.66	27,093.83

Raw materials & manufacturing expenses		19,072.59	28,685.89	28,263.66	32,458.31	24,677.31
Finance charges		354.30	618.77	501.29	745.07	755.37
	(B)	19,426.89	29,304.66	28,764.95	33,203.38	25,432.68
Gross Profit (A - B)	(C)	167.62	463.02	1,440.39	1,805.28	1,661.15
Depreciation		166.55	220.43	224.04	239.18	258.65
Exceptional item		1,002.81	—	—	—	—
Provision for Tax		7.27	13.35	425.08	517.35	483.38
	(D)	1,176.63	233.78	649.12	756.53	742.03
Net (Loss)/Profit (C - D)		(1,009.01)	229.24	791.27	1,048.75	919.12
Dividend declared		10%	10%	25%	40%	40%

WHAT THE COMPANY OWNED						
Net Fixed Assets		2,586.00	1,950.27	2,148.06	2,331.17	2,527.42
Non-Current Investments		939.86	1,942.67	1,401.04	4.10	4.10
Non-Current Assets		2,727.30	2,581.36	2,495.11	767.45	-
Current Assets, Loans & Advances		18,989.91	27,039.23	17,760.73	23,716.84	24,797.10
		25,243.07	33,513.53	23,804.94	26,819.56	27,328.62

WHAT THE COMPANY OWED						
Secured Loans		15,569.78	21,572.45	12,263.57	16,492.42	16,733.44
Unsecured Loans		-	1,100.00	1,050.00	-	400.00
Deferred tax liability		318.33	330.05	365.49	382.23	388.04
Current Liabilities & Provisions		1,948.34	1,952.34	1,689.37	2,033.78	2,519.34
		17,836.45	24,954.84	15,368.43	18,908.43	20,040.82

NET WORTH OF THE COMPANY						
Equity Share Capital		915.11	915.11	915.11	915.11	915.11
Reserves & Surplus		6,491.51	7,643.58	7,521.40	6,996.02	6,372.69
		7,406.62	8,558.69	8,436.51	7,911.13	7,287.80



# Goa Carbon Ltd

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Goa Plant: St. Jose De Areal, Salcete, Goa - 403 709.  
Tel. No. (91) (832) 2860336, 2860363, 2860367  
Fax: (91) (832) 2860364, e-mail: head\_works@goacarbon.com

Bilaspur Plant: 34-40, Sector B, Sirigitti Industrial Area  
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Tel. No. (91) (07752) 220822, 650720  
Fax: (91) (07752) 238167, 261115, e-mail: bsp@goacarbon.com

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