



ASSAM CARBON PRODUCTS LIMITED

ANNUAL REPORT

2019-20

Corporate Information

ASSAM CARBON PRODUCTS LIMITED

CIN: L23101AS1963PLC001206

ANNUAL REPORT 2019-2020

BOARD OF DIRECTORS

Mr. Rakesh Himatsingka, Chairman
 Mr. Kali Krishna Bhattacharya, Managing Director
 Mrs. Anita Himatsingka
 Ms. Maalika Himatsingka
 Mr. Susheel Kumar Sharma
 Mrs. Rupanjana De
 Mr. Sanjay Kumar Lhila
 Mr. Amitav Saikia - Nominee of AIDC Ltd
 Mr. Avinash Kumar Gupta (w.e.f. 25th June, 2020)
 Mr. Sandip Modi (Resigned w.e.f. 25th June, 2020)

CHIEF FINANCIAL OFFICER

Mr. Pijush Bysack

COMPANY SECRETARY

Mr. Subhendu Chakraborty

REGISTERED OFFICE

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

CORPORATE OFFICE

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

CONTENTS	Page No.
1. Notice	2-18
2. Directors' Report & its Annexures	19-52
3. Management Discussion & Analysis Report	53-55
4. Auditors' Report	56-61
5. Balance Sheet	62
6. Profit & Loss Statement	63
7. Cash Flow Statement	64
8. Statement of Changes in Equity	65
9. Notes to Financial Statements	66-91

AUDITORS

- D. Basu & Co., Chartered Accountants, Statutory Auditors
- A. S & Associates, Cost Accountants, Cost Auditors
- J. Kumar Jain & Associates, Chartered Accountants, Internal Auditors
- Mr. Rajat Kumar Jalan, Practicing Company Secretary, Secretarial Auditors

REGISTRARS & SHARE TRANSFER AGENTS

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

BANKERS

Axis Bank
 State Bank of India

WORKS

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

Plant II:

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

Notice

NOTICE TO MEMBERS

NOTICE is hereby given that the 57th Annual General Meeting of the Members of Assam Carbon Products Limited ('the Company'), will be held **on Tuesday, the 29th day of September, 2020 at 10:30 a.m. (IST)**, through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), to transact the following businesses:

ORDINARY BUSINESS:

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

1. Adoption of Financial Statements:

To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020, together with the Reports of the Board of Directors and the Auditors thereon.

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

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

3. Re-Appointment of Mrs. Anita Himatsingka as a Director, liable to retire by rotation:

To appoint Director, in place of Mrs. Anita Himatsingka, (DIN: 01201879), who retires by rotation and being eligible offers herself for reappointment.

4. Re-appointment of Statutory Auditors for a Second Term of 5(Five) Consecutive Years and to Fix their Remuneration thereon and in this regard to Consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force], M/s D Basu & Co, Chartered Accountants, (Registration No. 301111E), be and are hereby re-appointed as the Statutory Auditors of the Company for a second term of 5(Five) consecutive years to hold office from the conclusion of this meeting until the conclusion of 62nd Annual General Meeting of the Company, at such remuneration plus applicable taxes and reimbursement of out of pocket expenses as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS:

5. Appointment of Mr. Avinash Kumar Gupta (DIN: 08763153) as an Independent Director:

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

"RESOLVED THAT Mr. Avinash Kumar Gupta (DIN: 08763153), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 25th June, 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and Article 94 of the Articles of Association of the Company, being 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 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Director of the Company."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Mr. Avinash Kumar Gupta, who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 25th June, 2020 to 24th June, 2025, be and is hereby approved."

Notice (Contd.)

6. Ratification of Remuneration of the Cost Auditors:

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

“RESOLVED THAT pursuant to the provisions of Section 148 read with Section 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force], the remuneration payable to M/s. A S & Associates, Cost Accountants (Firm Regd. No.: 000523), appointed by the Board of Directors, on the recommendation of the Audit Committee, as the Cost Auditors of the Company, to conduct the audit of the cost accounting records maintained by the Company for the Products(s) / Services(s) for the financial year ending on 31st March, 2021, at a remuneration of Rs. 20,000/- (Rupees Twenty Thousand Only), plus applicable taxes and incidental expenses, if any, be and is hereby ratified and confirmed”.

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

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

“RESOLVED THAT subject to the provisions of Section 190, 196, 197, 198 and 203 read along with Schedule V and other applicable provisions and Rules, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof), approval to the Board of Directors of the Company be and is hereby accorded by the shareholders of the Company, for the re-appointment of Mr. K K Bhattacharya (DIN: 07011241) as the Managing Director of the Company for a period of 2 (two) years, from 9th October 2020 to 8th October, 2022, on the terms and conditions as mentioned in the draft Agreement, placed before the meeting duly initialed by the Chairman of the Company for the purpose of identification, with an authority to the Board of Directors of the Company to vary, alter or modify the terms of appointment and remuneration, as set out in the said draft Agreement, within the ceiling limit laid down in Schedule V of the Companies Act 2013, as amended/ revised/ altered/ modified and /or any other statutory modification or re-enactment thereof and/or any guidelines relating to managerial remuneration, as may be notified by the Central Government/ Ministry of Corporate Affairs from time to time and as may be agreed to by the Board of Directors of the Company and Mr. K K Bhattacharya, Managing Director, without any further approval of the Company in General Meeting”.

“RESOLVED FURTHER THAT the Company do hereby approves the appointment and terms of remuneration of Mr. K K. Bhattacharya, Managing Director of the Company in accordance with the provisions of the Companies Act, 2013, with effect from 9th October 2020, and the payment of remuneration, as minimum remuneration in case of no profits or inadequacy of profits for the period of his contract.”

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

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

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

“RESOLVED THAT pursuant to Sections 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the consent of the Shareholders be and is hereby accorded for payment of commission upto 1% of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 2013, from the financial year 2019-2020 and onwards until otherwise repudiated by the Board of Directors, to Mr. Rakesh Himatsingka, (DIN: 00632156) Non-Executive Chairman of the Board, in addition to the sitting fees for attending the meeting of the Board of Directors/Committees thereof and any other expenses incurred for official/business purposes only.”

Registered Office:
Birkuchi, Guwahati, Assam- 781026
CIN: L23101AS1963PLC001206
Place: Kolkata
Date: 25th June 2020

By Order of the Board
Sd/-

Rakesh Himatsingka
Chairman

Notice (Contd.)

NOTES:

1. **IN TERMS OF THE MCA CIRCULARS AND SEBI CIRCULAR NO. SEBI/HO/CFD/CMD1/CIR/P/2020/79 DATED MAY 12, 2020, THE REQUIREMENT OF SENDING PROXY FORMS TO HOLDERS OF SECURITIES AS PER PROVISIONS OF SECTION 105 OF THE ACT READ WITH REGULATION 44(4) OF THE LISTING REGULATIONS, HAS BEEN DISPENSED WITH. THEREFORE, THE FACILITY TO APPOINT PROXY BY THE MEMBERS WILL NOT BE AVAILABLE AND CONSEQUENTLY, THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE CONVENING THE 57TH ANNUAL GENERAL MEETING (AGM) OF THE COMPANY (THE "NOTICE").**

However, in pursuance of Section 113 of the Act and Rules framed thereunder, the corporate members are entitled to appoint authorized representatives for the purpose of voting through remote e-Voting or for the participation and e-Voting during the AGM, through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"). Institutional Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Power of Attorney / appropriate Authorization Letter together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at kashliwalanant@yahoo.in with a copy marked to evoting@nsdl.co.in

2. Since the AGM will be held through VC or OAVM, no Route Map is being provided with the Notice.
3. The Ministry of Corporate Affairs (MCA) vide General Circular No. 14/2020 dated 08.04.2020, 17/2020 dated 13.04.2020 and 20/2020 dated 05.05.2020 and SEBI vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12.05.2020 granted relaxation from dispatching physical copies of Annual Reports to the Shareholders by those listed entities who may conduct their Annual General Meetings (AGM) through electronic mode during the current year 2020, in view of COVID-19 pandemic. Hence, kindly note that no physical copy of Annual Report 2019-20 will be sent to the members/shareholders.

Therefore, the shareholders holding shares in physical form and who have not registered their Email addresses are requested to furnish their email address along with their mobile number and bank mandate in the following format to the Company / Registrar and Share Transfer Agents (RTA), in order to facilitate for sending the Notice of AGM, Annual Report, Dividend, if any, declared by the Company and other important communications in electronic mode:

Sl. No.	Particulars	Details
i.	Full Name	
ii.	Address	
iii.	Email Address	
iv.	Mobile No.	
v.	No. of Shares held	
vi.	Folio No.	
vii.	Certificate No.	
viii.	Distinctive No.	
ix.	Copy of PAN & Aadhar Card / Address Proof	
x.	Copy of cancelled Cheque or Passbook signed by Bank Manager with IFSC & MICR NO (For Bank Mandate)	

Shareholders are requested to please send the aforesaid details to Company's Registrar and Transfer Agent (RTA), M/s. CB MANAGEMENT SERVICES PRIVATE LIMITED, P-22, Bondal Road, Kolkata- 700019, West Bengal, India, at their e-mail id rta@cbmsl.com or to the Company at subhendu@ascarbon.com

Shareholders holding shares of the Company in de-materialized form but have not registered their email address and updated their Mobile Numbers., Bank Mandate are requested to approach their respective Depository through Depository Participant.

Shareholders holding shares in physical form are requested to convert their holdings in demat form as transfer of shares in physical form has been prohibited by the Securities and Exchange Board of India.

For any clarification, please contact our RTA, M/s. CB MANAGEMENT SERVICES PRIVATE LIMITED, P-22, Bondal Road, Kolkata- 700019, West Bengal, India, at their e-mail id rta@cbmsl.com, Phone: (033) 40116700/17/18.

Notice (Contd.)

This public notice has also been published at page number 5 of "The Assam Rising" (English newspaper in Assam/ Guwahati) and "Dainandini Barta" (Assamese newspaper in Assam / Guwahati) on 22nd July, 2020 for your reference and doing the needful.

4. In case of joint holders attending the meeting only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Registers of the Company will remain close from 23rd September, 2020 to 29th September, 2020, both days inclusive.
6. Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 and Rules Framed thereunder relating to the Special Business to be transacted at the meeting and the recommendations of the Board of Directors are annexed hereto.
7. Details under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) and the mandatory applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), in respect of Directors seeking appointment / re-appointment at the AGM are provided under a separate heading, which forms part of this Notice.
8. Equity shares of the Company are listed with The Calcutta Stock Exchange Limited (CSE). There are no dues with regard to payment of Listing fees. The ISIN code of the Company is INE496C01018. The CSE Scrip Code of the Company is 011403.
9. The investors are requested to enroll their e-mail ids with the Company and can write to the Registrar & Share Transfer Agent at rta@cbmsl.com or to the Company Secretary at acpl.compliance@gmail.com
10. The Company has appointed the following Registrar & Share Transfer Agent (RTA) to deal with both Physical and Demat shares.

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

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

11. All documents referred to in the Notice and accompanying Explanatory Statement and copy of Audited Financial Statements, the Register of Directors and Key Managerial Personnel and their shareholdings, the Register of Contracts or Arrangements in which the Directors are interested and every other documents required by law to be annexed or attached to the Financial Statements as per the Companies Act, 2013/ the Listing Regulations, shall be made available for inspection by the Members of the Company, upto and including the date of AGM. Members desirous of inspecting the same may send their requests at acpl.compliance@gmail.com from their registered e-mail addresses mentioning their names and folio numbers / demat account numbers.
12. This notice of Meeting and the Annual Report is also available on the Company's website <http://www.assamcarbon.in> for download and also on the website of NSDL at www.evoting.nsdl.com.
13. The Notice of the Annual General Meeting along with the copy of Annual Report 2019-20 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
14. Members are requested in their own interest:
 - a) To notify the Company / Registrar and Share Transfer Agent about their PAN, any change in address/name with correct pin code, mandate/ bank details and their e-mail id, etc with supporting documents.
 - b) To quote correct Folio No. / Client ID. No. and DP ID. No. in all correspondence with the Company/ Registrar and Share Transfer Agent to facilitate better service to the members.
 - c) To dematerialize the Equity Shares of the Company held in physical mode.

Notice (Contd.)

15. As per the provisions of the Companies Act, 2013, facility for making nominations is available to the members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
16. The Ministry of Corporate Affairs (MCA), Government of India has introduced 'Green Initiative in Corporate Governance' by allowing paperless compliance by the Companies for service of documents to their Members through electronic mode. In case you have not registered / updated your e-mail address, please communicate the same to the Company or its RTA at their communication address given in the Annual Report in respect of the shares held in physical mode or communicate to your Depository Participants concerned in respect of shares held in demat / electronic mode. Although you are entitled to receive physical copy of the Notices, Annual Reports, etc. from the Company, we sincerely seek your support to enable us to forward these documents to you only by e-mail, which will help us to participate in the Green Initiative of the MCA and to protect our environment.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Company's Registrar & Share Transfer Agent.
18. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November 2018 requests for effecting transfer of Securities (except incase of transmission or transposition of securities) shall not be processed from 1st April 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Members are requested to take action to dematerialize the Equity Shares of the Company, promptly.
19. Members are hereby further informed that pursuant to the provision of Section 124 (6) of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") notified by the Ministry of Corporate Affairs (as amended from time to time) and Regulation 39(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, that all shares in respect of which dividends remain unclaimed/unpaid for seven consecutive years or more, shall be transferred by the Company to the Demat Account of Investor Education and Protection Fund (IEPF) Authority.

Accordingly, all the shareholders whose dividend related to the financial year on or before 2004-05 (Last F.Y. in which dividend was declared by the Company till date) has remained unpaid / unclaimed, in respect of such shareholders, therefore will be due to be transferred to Demat Account of IEPF Authority in the following manner:

- In case of shares held in Physical form, by issuance of New Share certificates and thereafter transferring the shares to Demat Account of IEPF Authority. Accordingly, the original share certificate(s), which stand registered in the Shareholders name would stand automatically cancelled and be deemed non-negotiable.
- In case of shares held in Demat Form, by transfer of shares directly to Demat Account of IEPF Authority through the Depository participants as per Rules.

Adhering to the various requirements set out in the Rules, the Company has communicated individually to the concerned shareholders whose shares are liable to be transferred to Demat Account of IEPF Authority at their last recorded address with the Company for taking appropriate action. The full details of such shareholders having unencashed dividends and shares due for transfer has been given on the website of the Company <https://www.assamcarbon.in/>

The Shareholders may further note that the details uploaded by the Company on its website should be regarded and shall be deemed adequate notice in respect of issue of such certificate(s) by the Company for the purpose of transfer of shares to IEPF, pursuant to IEPF Rules.

Concerned Shareholders may note that, any further dividend(s), including any other corporate benefits, on such shares shall be credited to the IEPF Account. Upon credit of such shares to the said Demat account, no claim shall lie against the Company in respect of the unclaimed dividend amount and such shares transferred to IEPF Account.

Any person, whose shares and unclaimed dividends have been transferred to the Fund, may claim the shares/dividends from the IEPF Authority by making online application in Form IEPF 5 for which details are available at www.iepf.gov.in and

Notice (Contd.)

on the website of the Company <https://www.assamcarbon.in/>

In case any shareholders have any queries / objections on the subject matter and the Rules, they may contact the Nodal officer of the Company, Mr. Susheel Kumar Sharma, Director at the Registered Office of the Company or our Registrar & Share Transfer Agent (RTA), M/s. CB Management Services (P) Ltd, P-22 Bondel Road, Kolkata- 700019, West Bengal, Tel No. 033-4011-6700/16/17/23/28, Fax No. 033-4011-6739, E-mail: rta@cbmsl.com, within the timeframe as mentioned in the advertisement published in the newspaper.

The advertisement of the same has been published on 18th June, 2020, in the Financial Express (All India Edition), Assam Rising & Dainandin Barta (both for Guwahati / Assam) and also uploaded at the website of the Company.

20. Members seeking any information with regard to Accounts/ Financial Statements are requested to write to the Company at an early date, so as to enable the management to keep the information ready at the Meeting.

21. Conduct of AGM through VC/OAVM

- I. As you are aware, in view of the prevailing COVID-19 pandemic, the Ministry of Corporate Affairs (the "MCA") vide its General Circulars No. 14/2020, No. 17/2020 and No. 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively (hereinafter, collectively referred as the "MCA Circulars") read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, has allowed companies to conduct their annual general meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), thereby, dispensing with the requirement of physical attendance of the members at their AGM and accordingly, the 57th Annual General Meeting (the "AGM" or the "Meeting") of Assam Carbon Products Ltd (the "Company") will be held through VC or OAVM in compliance with the said circulars and the relevant provisions of the Companies Act, 2013 (as amended) (the "Act") and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations"). Members attending the AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- II. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.
- III. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- IV. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- V. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- VI. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.assamcarbon.in/>. The Notice can also be accessed from the websites of The Calcutta Stock Exchange Ltd at www.cse-india.com. The AGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evoting.nsdl.com

Notice (Contd.)

- VII. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

22. Procedure of Voting through Electronic Means

I. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on 26th September, 2020 at 9:00 A.M. IST and ends on 28th September, 2020 at 5:00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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

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

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

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

Details on Step 1 is mentioned below:

How to Log-into NSDL e-Voting website?									
1.	Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.								
2.	Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.								
3.	A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. <i>Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.</i>								
4.	Your User ID details are given below: <table border="1"> <thead> <tr> <th>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</th><th>Your User ID is:</th></tr> </thead> <tbody> <tr> <td>a) For Members who hold shares in demat account with NSDL.</td><td>8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.</td></tr> <tr> <td>b) For Members who hold shares in demat account with CDSL.</td><td>16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.</td></tr> <tr> <td>c) For Members holding shares in Physical Form.</td><td>EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***</td></tr> </tbody> </table>	Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:	a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.	b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.	c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:								
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.								
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.								
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***								
5.	Your password details are given below: <ol style="list-style-type: none"> If you are already registered for e-Voting, then you can use your existing password to login and cast your vote. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password. How to retrieve your ‘initial password’? <ol style="list-style-type: none"> If your email ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’. 								

Notice (Contd.)

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

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

Details on Step 2 are given below:

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to kashliwalanant@yahoo.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to or contact Mr. Amit Vishal, Senior Manager/Ms. Pallavi Mhatre, Manager, NSDL, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013 at telephone no. 022- 24994360/ 022-24994545 or at E-mail id evoting@nsdl.co.in

Notice (Contd.)

4. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
5. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Tuesday, the 22nd day of September, 2020.
6. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Tuesday, the 22nd day of September, 2020 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or rta@cbmsl.com
7. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
8. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the Meeting.
9. Pursuant to the provision of Section 108 of the Act read with rules thereof, Mr. Anant Kashliwal, Practicing Chartered Accountant, Guwahati, (Membership No.: 302972, Firm Regd. No.: 328654E) who has consented to act as the scrutinizer has been appointed as the Scrutinizer to scrutinize the Remote e-Voting process and casting vote through the e-Voting system during the Meeting in a fair and transparent manner.
10. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting system and shall make a consolidated Scrutinizer's Report.
11. The Results of voting will be declared within 48 hours from the conclusion of AGM. The declared results along with the Scrutinizer's Report will be available forthwith on the website of the Company <https://www.assamcarbon.in/> and on the website of NSDL www.evoting.nsdl.com. Such results will also be displayed on the Notice Board at the Registered Office as well as the Corporate Office of the Company and shall be forwarded to the Calcutta Stock Exchange Limited.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to rta@cbmsl.com or acpl.compliance@gmail.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to rta@cbmsl.com or acpl.compliance@gmail.com
3. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, will be eligible to exercise their right to vote on such resolution(s) upon announcement by the Chairperson.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The remote e-voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

Notice (Contd.)

5. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. As the AGM is being conducted through VC or OAVM, the Members are encouraged to express their views / send their queries well in advance for smooth conduct of the AGM but not later than 5:00 P.M. (IST) Saturday, September 26, 2020, mentioning their names, folio numbers / demat account numbers, e-mail addresses and mobile numbers at acpl.compliance@gmail.com and only such questions / queries received by the Company till the said date and time shall be considered and responded during the AGM.
6. Members willing to express their views or ask questions during the AGM are required to register themselves as speakers by sending their requests latest by Saturday, September 26, 2020 (5:00 P.M. IST) at acpl.compliance@gmail.com from their registered e-mail addresses mentioning their names, folio numbers / demat account numbers, PAN details and mobile numbers. Only those Members who have registered themselves as speakers will be allowed to express their views/ask questions during the AGM. The Chairman of the Meeting / the Company reserves the right to restrict the number of questions, time allotted and number of speakers to ensure smooth conduct of the AGM.
7. Members seeking any information on the financial accounts, operations or any matter to be placed at the AGM, are requested to write to the Company till 5.00 P.M. (IST) on Saturday, September 26, 2020 through e-mail at acpl.compliance@gmail.com and the same will be suitably replied by the Company.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
10. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
11. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager-NSDL at amitv@nsdl.co.in / 022-24994360 or Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in / 022-24994545.

Notice (Contd.)

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”), the following explanatory statement sets out all material facts relating to business mentioned under Item Nos. 4 to 8 of the accompanying Notice:

Re: Item 4

M/s. D.Basu & Co., Chartered Accountants (Regd. No.: 301111E) was already appointed as the Statutory Auditors of the Company at its Annual General Meeting for a period of tenure of 5 (five) years pursuant to the provisions of Section 139(2) and the Companies (Audit & Auditors) Rules, 2014 (including any Statutory modifications or re-enactment thereof for the time being in force). Their tenure ends in the forthcoming Annual General Meeting of the Company.

They being eligible has given their consent to continue at their office if re-appointed for a second consecutive term of 5 (five) years.

The Board members discussed on the matter and as per the recommendations of the Audit Committee, unanimously decided to approve the re-appointment of M/s. D.Basu & Co., Chartered Accountants (Regd. No.: 301111E) as the Statutory Auditors of the Company for a further period of 5 years, commencing from the conclusion of the 57th Annual General Meeting until the conclusion of 62nd Annual General Meeting of the Company, subject to the approval of the Shareholders of the Company.

Your Board recommends for the re-appointment of M/s. D.Basu & Co., Chartered Accountants (Regd. No.: 301111E), as the Statutory Auditors of the Company, for a further period of 5 years, commencing from the conclusion of the 57th Annual General Meeting until the conclusion of 62nd Annual General Meeting of the Company.

Your Board proposes the resolution, as set out at Item No.4 of the Notice, for approval of the Members as an Ordinary Resolution.

Memorandum of Interest:

None of the Directors of the Company and / or Key Managerial Personnel and their relatives are in any way concerned or interested in the aforesaid resolution as set out at Item No. 8 of the Notice, except to the extent of their shareholding(s), if any, in the Company.

Re: Item 5

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors had appointed Mr. Avinash Kumar Gupta (DIN: 08763153), as an Additional Director of the Company, in the category of Independent Non-Executive Director, not liable to retire by rotation, with effect from 25th June, 2020.

Pursuant to the provisions of Section 161(1) of the Act and Article 94 of the Articles of Association of the Company, Mr. Avinash Kumar Gupta (DIN: 08763153), shall hold office up to the date of this Annual General Meeting (“AGM”) and is eligible to be appointed as a Director. The Company has, in terms of Section 160 of the Act, received in writing a notice from Member(s), proposing his candidature for the office of a Director.

The Company has received declarations from Mr. Avinash Kumar Gupta to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

In terms of Regulation 25(8) of SEBI Listing Regulations, Mr. Gupta have confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, Mr. Gupta fulfils the conditions specified in the Act, Rules and SEBI Listing Regulations for the appointment as an Independent Director and is independent of the management of the Company.

The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open during the AGM till the conclusion of the AGM.

The Board of Directors is of the opinion that Mr. Avinash Kumar Gupta’s association as a member on the Board will be beneficial for the Company. In compliance with the provisions of Section 149, read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the appointment of Mr. Gupta as an Independent Director is now being placed before the Members for their approval.

Your Board proposes the resolution, as set out at Item No.5 of the Notice, for approval of the Members as an Ordinary Resolution.

Memorandum of Interest:

Concerned Director is interested in the resolution being related to his own appointment. Apart from him, none of the Directors

Notice (Contd.)

of the Company and / or Key Managerial Personnel and their relatives are in any way concerned or interested in the aforesaid resolution as set out at Item No. 5 of the Notice, except to the extent of their shareholding(s), if any, in the Company.

Re: Item 6

As per Section 148 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, the Companies (Cost Records and Audit) Rules, 2014, as may be amended from time to time, and any changes/ modifications in the Act, Rules, Circulars, Notifications thereafter, the Audit Committee has made a recommendation to the Board for the appointment of M/s. A S & Associates, Cost Accountants (Firm Regd. No.: 000523) as Cost Auditors of the Company for the financial year ending 31st March 2021, at a remuneration of Rs 20,000/- plus applicable taxes and incidental expenses.

The Board based on the recommendations of the Audit Committee, appointed M/s A S & Associates, Cost Accountants as Cost Auditor of the Company for the financial year ending 31st March 2021. As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (as amended or re-enacted from time to time) the remuneration as mentioned above, payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors, for the financial year ending March 31, 2021, as set out in the Ordinary Resolution, for the aforesaid services to be rendered by them.

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

Memorandum of Interest:

None of the Directors of the Company and / or Key Managerial Personnel and their relatives are in any way concerned or interested in the aforesaid resolution as set out at Item No. 8 of the Notice, except to the extent of their shareholding(s), if any, in the Company.

Re: Item 7

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

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

Subsequently, the Board of Directors of the Company, at its Meeting held on 4th May, 2018, re-appointed Mr K K Bhattacharya as the Managing Director of the Company, for a further period of 2 (Two) years i.e., from 9th October 2018 to 8th October 2020, which was thereafter approved by the shareholders at the 55th Annual General Meeting of the Company held on 18th September, 2018.

Mr. Bhattacharya's present tenure will end on 8th October, 2020. Hence, the Board of Directors of the Company, on the recommendations of the Nomination and Remuneration Committee, at its Meeting held on 25th June, 2020, re-appointed Mr K K Bhattacharya as the Managing Director of the Company, for a further period of 2 (Two) years i.e., from 9th October 2020 to 8th October 2022, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

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

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

1. By way of remuneration for his service, hereunder, Mr K K Bhattacharya shall be entitled to receive on and from the 9th October, 2020, during the currency of this Agreement and otherwise subject to the Articles of Association of the Company and subject to the provisions of Companies Act 2013 [including any statutory modification(s) or re-enactment thereof, for the time being in force], the rules notified thereunder:

Basic Salary - Rs.44,000 per month, (Rupees Forty Four Thousand only).

The Managing Director shall also be entitled for Contribution to Provident and other Fund(s) as per the applicable Rules of the Company.

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

Notice (Contd.)

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

Mr K K Bhattacharya shall not, so long as he functions as Managing Director, become interested or otherwise concerned directly or through his wife/and or major or minor children in any selling agency of the Company in future without the approval of the Central Government and this Agreement shall cease and determine upon the contravention of the provisions of this Clause.

The Company may at any time, during the currency of the Agreement to be entered into between him and the Company, determine this Agreement upon giving Mr K K Bhattacharya three months previous notice, in writing.

Mr K K Bhattacharya may at any time during the currency of this Agreement determine this Agreement by giving the Company three months previous notice, in writing.

In the event of any dispute or difference having arisen between the Company and the Mr K K Bhattacharya relating to these presents or in connection with any matter concerning the affairs and business of the Company, such disputes or differences shall be referred to two arbitrators, one to be appointed by the Company and the other by Mr K K Bhattacharya. The proceedings of such arbitration shall be subject to the provisions of the Arbitration and Conciliation Act of India as may be amended from time to time and the award of the Arbitrators shall be final and binding on the party.

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

The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open during the AGM till the conclusion of the AGM.

Memorandum of Interest:

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

Re: Item 8

Pursuant to a Share Purchase Agreement dated 12.04.2016 the erstwhile Promoters of the Company i.e., Morgan Advanced Materials PLC had sold their entire shareholdings to Mr. Rakesh Himatsingka ('Acquirer').

Subsequently the Acquirer along with Mr. Shaurya Veer Himatsingka, Mrs. Anita Himatsingka and Miss. Maalika Himatsingka

Notice (Contd.)

made an Open Offer under SEBI (SAST) Regulations 2011 and has effected change in control and management in their favor and has been designated as the new Promoters of the Company resulting in a complete change, in the control of the Company.

Mr. Rakesh Himatsingka has been associated with the Company since 1974, as a Director on the Board as well as a management trainee. Subsequently, from 1975 to 1977, Mr. Himatsingka was with the Company's Financial & Technological JV partners Morganite Electrical Carbon Ltd., and was instrumental in the safe and timely transfer of technology from Morgans to the Company.

Subsequently upon his return to India in 1977, Mr. Himatsingka was appointed as the Deputy Managing Director, and in around 1981 as the Joint Managing Directors.

Mr. Himatsingka continued in this role till 1982, when he moved out of executive responsibilities remaining only as a member of the Board.

Keeping in mind Mr. Himatsingka's vast Technical knowledge of our industry, when our JV partners Morgans, took majority control of the Company towards end 1991, Mr. Himatsingka was appointed on the Board of MECL, Swansea, UK, Morgans Flagship Carbon Company, and he continued till 2003, when the Board of MECL was dissolved.

Since, taking over with his very vast knowledge of our Carbon technology and under his dynamic leadership and guidance our Company has totally turned around and has been achieving profits successively year after year.

Under his able leadership balancing of Plant and Machineries, refurbishing old equipment and addition of new equipments and machineries with a view to optimizing production through modernization, modernization of Plants, was undertaken on top priority basis and so was production planning and optimization of raw materials procurement and stocks.

Since, then valued contribution are continuously being made by Mr. Rakesh Himatsingka, Non-Executive Chairman of the Board and through his active participation, the Company has been progressing over the years. The rich experience of Mr. Rakesh Himatsingka in engineering, business, management and administration has led to the Company taking bold and well planned decisions furthering the growth and profitability.

Hence, it is appropriate that the services being rendered by him to the Company are being recognized by way of remuneration. In accordance with the provisions of Section 197 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, remuneration by way of commission upto 1% of the net profits, may be paid to Mr. Rakesh Himatsingka, subject to the approval of the Shareholders of the Company.

Based on the recommendations received from the Nomination & Remuneration Committee, the Board of Directors at their meeting held on 25th June, 2020, had unanimously approved the payment of remuneration, to Mr. Rakesh Himatsingka, by way of commission upto 1% of the net profits, which amounts to Rs. 10,70,000/-, which exceeds fifty per cent of the total annual remuneration payable to all non-executive directors of the Company.

The Board of Directors recommends the Special Resolution, as set out at Item No.8 of the Notice, for approval by the Members.

Memorandum of Interest:

Concerned Director is interested in the resolution being related to his own payment. Apart from him, Ms. Maalika Himatsingka, Director (DIN: 07811394) being the daughter of Mr. Rakesh Himatsingka and Mrs. Anita Himatsingka, Director (DIN: 01201879) being the spouse of Mr. Rakesh Himatsingka may be considered as interested parties in this resolution. Mr. Shaurya Veer Himatsingka, one of the Promoters and shareholders of the Company, being the Son of Mr. Rakesh Himatsingka may also be treated as interested party in this resolution. Other than the aforesaid, none of the Directors of the Company and / or Key Managerial Personnel and their relatives are in any way concerned or interested in the aforesaid resolution as set out at Item No. 8 of the Notice, except to the extent of their shareholding(s), if any, in the Company.

Registered Office:

Birkuchi, Guwahati, Assam- 781026
CIN: L23101AS1963PLC001206
Date: 25th June 2020
Place: Kolkata

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

Notice (Contd.)

Annexure to the Notice dated June 25, 2020

BRIEF PARTICULARS OF DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT / RE-APPOINTMENT

Name of the Director	Mr. Rakesh Himatsingka	Mrs. Anita Himatsingka	Mr. K K Bhattacharya	Mr. Avinash Kumar Gupta
Date of Birth	4 th November, 1951	15 th September, 1953	5 th November, 1954	15 th January, 1969
Date of Appointment	25 th May 2016	25 th May 2016	1 st October, 2014	25 th June, 2020
Expertise in specific functional areas & Justification for choosing the appointees for appointment / re-appointment	Carbon Technologist	Business Management	Engineering & Project Management	Business Management & Financial Management
Qualifications	B.E. (Hons.), Mechanical	B. A. (Honours) in English from Delhi University	Mechanical Engineer from Jadavpur University	B.Com from University of Calcutta; Sahitya Visharad, Hindi Sahitya Sammelan, Prayagraj; LUTCF, FSS (IN), American College and The International Academy of Insurance & Financial Management.
List of outside Directorship held	<ol style="list-style-type: none"> 1. India Carbon Limited 2. APL Holdings & Investments Ltd. 3. Shree Shyam Orchid Estates Ltd. 4. Goneril Investment & Trading Co. Ltd. 5. Prabhushil Group Investment Ltd. 6. Khatu Investment & Trading Company Ltd. 7. New Look Investment (Bengal) Limited 8. Nilgiri Niketan Private Limited 9. Saket Cement Products Private Limited 10. Subarna Plantation & Trading Co. Ltd. 11. Subhag Properties Private Limited 	<ol style="list-style-type: none"> 1. Assam Plywood Limited 2. APL Holdings & Investments Ltd. 3. Shree Shyam Orchid Estates Ltd. 4. APL Investments Limited 5. Tower Investment & Trading Co. Ltd. 6. Budge Budge Carbon Limited 7. Goneril Investment & Trading Co. Ltd. 8. Prabhushil Group Investment Ltd. 9. Sunray Vanijya Pvt. Ltd. 10. Jyotsana Investment Co. Ltd. 	Nil	Nil

Notice (Contd.)

Name of the Director	Mr. Rakesh Himatsingka	Mrs. Anita Himatsingka	Mr. K K Bhattacharya	Mr. Avinash Kumar Gupta
Chairman/Member of the Committee of other Companies in which he/she is a Director				
a) Audit Committee	<ol style="list-style-type: none"> 1. India Carbon Limited (Member) 2. Khatu Investment & Trading Co. Ltd. (Member) 3. New Look Investment (Bengal) Ltd. (Member) 4. Subarna Plantation & Trading Co. Ltd. (Member) 	<ol style="list-style-type: none"> 1. Goneril Investment & Trading Co. Ltd. (Member) 2. Jyotsana Investment Co. Ltd. (Member) 3. Tower Investment & Trading Co. Ltd. (Member) 	Nil	Nil
b) Stakeholders Relationship Committee	<ol style="list-style-type: none"> 1. India Carbon Limited (Member) 2. Khatu Investment & Trading Co. Ltd. (Member) 3. New Look Investment (Bengal) Ltd. (Member) 4. Subarna Plantation & Trading Co. Ltd. (Member) 	<ol style="list-style-type: none"> 1. Goneril Investment & Trading Co. Ltd. (Member) 2. Jyotsana Investment Co. Ltd. (Member) 3. Tower Investment & Trading Co. Ltd. (Member) 	Nil	Nil
c) Nomination and Remuneration Committee	<ol style="list-style-type: none"> 1. Khatu Investment & Trading Co. Ltd. (Member) 2. New Look Investment (Bengal) Ltd. (Member) 3. Subarna Plantation & Trading Co. Ltd. (Member) 	<ol style="list-style-type: none"> 1. Goneril Investment & Trading Co. Ltd. (Member) 2. Jyotsana Investment Co. Ltd. (Member) 3. Tower Investment & Trading Co. Ltd. (Member) 	Nil	Nil
Shareholding in the Company as on 31.03.2020	796452	188025	Nil	Nil
Disclosure of relationship between Directors inter-se	Spouse of Mrs. Anita Himatsingka and Father of Ms. Maalika Himatsingka	Spouse of Mr. Rakesh Himatsingka and Mother of Ms. Maalika Himatsingka	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel

Notice (Contd.)

Name of the Director	Mr. Rakesh Himatsingka	Mrs. Anita Himatsingka	Mr. K K Bhattacharya	Mr. Avinash Kumar Gupta
Terms and Conditions of appointment/re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person (including sitting fees)	As per the resolution at item no. 2 of the Notice convening Annual General Meeting on September 29, 2020. Terms and Conditions of appointment or re-appointment are as per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. www.assamcarbon.in Commission drawn for the F.Y. 2018-19: Rs. 6,34,000/- Commission to be paid for the F.Y. 2019-2020: Rs. 10,70,000/- Sitting Fees last drawn from the Company for the F.Y. 2019-2020: Rs. 1,50,000/-	As per the resolution at item no. 3 of the Notice convening Annual General Meeting on September 29, 2020. Terms and Conditions of appointment or re-appointment are as per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. www.assamcarbon.in Sitting Fees last drawn from the Company for the F.Y. 2019-2020: Rs. 88,000/-	As per the resolution at item no. 7 of the Notice convening Annual General Meeting on September 29, 2020 read with explanatory statement thereto. Terms and Conditions of appointment or re-appointment are as per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. www.assamcarbon.in The details of remuneration sought to be paid is given in the explanatory statement annexed to this Notice. Remuneration last drawn is Rs. Rs.11,30,808/- for the FY 2019-2020.	As per the resolution at item no. 5 of the Notice convening Annual General Meeting on September 29, 2020 read with explanatory statement thereto. Terms and Conditions of appointment or re-appointment are as per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. www.assamcarbon.in Remuneration last drawn from the Company: N.A.
	N.A.		N.A.	

Note:

- CM –Chairman of the Committee.
- M – Member of the Committee.
- Directorship in Foreign Co.'s & Companies U/s 8 of the Companies Act, 2013 are excluded.

Chairmanship/Membership of the Audit Committee, Shareholders' Grievance Committee and Nomination & Remuneration Committee alone has been considered.

Directors' Report

To the Members,

Your Directors have pleasure in presenting the 57th Annual Report on the business and operations of the Company along with the Audited Financial Accounts for the financial year ended 31st March, 2020.

1. CORPORATE OVERVIEW

Your Company is the market leader in Electrical, Mechanical & Speciality Carbon Products, with two Factories, at Guwahati and Patancheru, near Hyderabad.

The Company at its Guwahati factory is primarily engaged in the manufacturing of Various types and grades of Carbon & Graphitised Blocks and Blanks, which are then used for fabrication of Electrical Carbon Brushes for the Railways and all types of Industries, from Steel Plants, Sugar Mills, Paper Mills, Motor & Generator manufacturers, Mining, Power Plants etc.

At its Patancheru factory, which is primarily a State of the art, fabrication and precision machining set up, alongwith Carbon Brushes, the Company manufactures a complete range of other Railway Traction products, such as, Pantograph Carbons, Current Collectors & Silver Impregnated Graphite Railways Signaling Contacts, all from Blocks and Blanks produced at Guwahati.

The Mechanical Carbon Division, also at Patancheru fabricates Carbon Seals, Bearings, Vanes and Thrust Pads using the latest state-of-the-art machines to offer customers product as per their specific requirement to the highest level of tolerance and surface finish.

The Specialty Graphite Division, also at Patancheru offers solutions to the Diamond Tool Industry, Optical Fibre manufacturing, Hard metal sintering and Electronics industry.

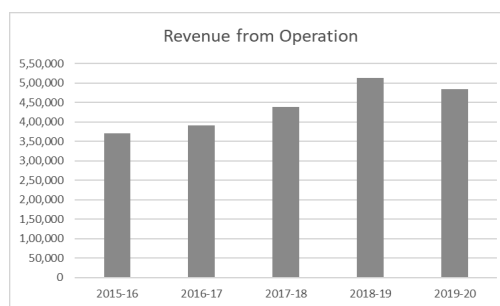
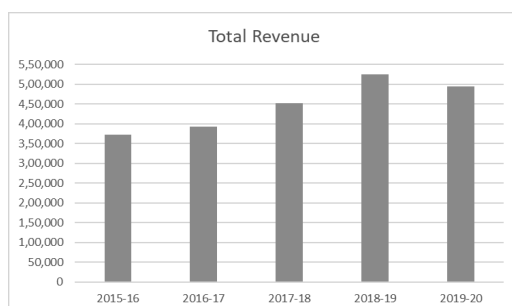
In addition, the Company also manufactures various kinds of Graphite products Viz., Hi-Temp Insulator, Fuel Cells, Heating Elements, Casting Dyes, Lubricating Blocks and other such items as per the need of the Customers. Aegis – the world's most effective shaft grounding brush is also fabricated by the Company.

Your Company continues to maintain its commitment to meet the highest levels of quality, superior after sales service, product innovation and development and technology Upgradation.

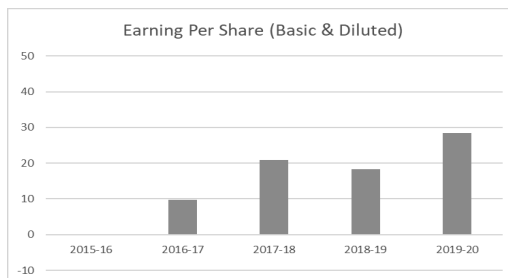
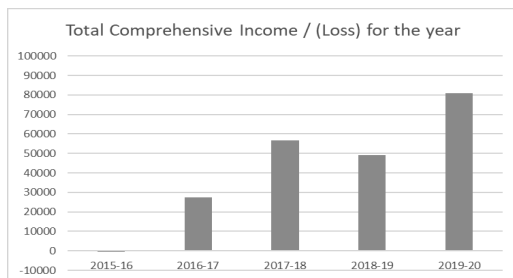
2. FINANCIAL RESULTS

(INR'000 except EPS Figure)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Total Revenue	3,71,631	3,92,684	4,52,932	5,24,784	4,95,285
Revenue from Operation	3,70,411	3,90,602	4,39,299	5,12,700	4,84,429
Total Comprehensive Income / (Loss) for the year	(533)	27,338	56,553	49,192	80,954
Earning Per Share (Basic & Diluted)	(0.19)	9.82	20.97	18.33	28.48



Directors' Report (Contd.)



3. OPERATIONS AND STATE OF COMPANY'S AFFAIRS

During the year under review, revenue from operations of the Company decreased to Rs. 4844.29 Lacs as compared to Rs. 5127.00 Lacs in the previous year. This was mainly due to the last minute Nation wide lockdown declared in the last week of March, 2020, as per the directives of the Central / respective State Government(s) to arrest the spread of the COVID 19 pandemic, leaving the Company with ready material which couldn't be dispatched.

However, in spite of this decrease in the Turnover, the Company was able to close the year with a profit of INR 107.97 Lacs (before provision of tax) as against a previous year's profit of INR 634.11 Lacs. This increase in the sales was achieved by continuously improving the production and productivity by removing bottlenecks in operations and by adding new Plant and Machinery.

During the year, your Company incurred a forex gain of Rs. 0.61 Lacs only as compared to a forex loss of Rs. 0.25 Lacs in the previous year, basically as a result of better management of the forex transactions, as relative instability in the forex market continued in this financial year.

During the year, your Company achieved an export sales of Rs. 73.88 Lacs as against Rs. 27.67 Lacs in the previous year. However, the management has taken strong initiative and is confident that it will pick-up in the coming years.

During the year, your Company has further worked actively towards rationalizing its business and product portfolio, whilst adding new product lines, to better utilise the available talent and resources and stay abreast of the market dynamics in new products.

Exercise commenced three years back for cost cutting, savings in power and fuel as well as improving efficiency and productivity continued relentlessly and is helping the Company reap rich dividends.

Balancing of Plant and Machineries, refurbishing old equipment and addition of new equipments and machineries with a view to optimizing production through modernization, was undertaken on top priority as was production planning and optimization of raw materials procurement and stocks, which continued this year too.

4. FUTURE OUTLOOK

Whilst business environment continued to improve in some of the segments in which your Company operates especially in Mechanical Carbon's, but it has started to slow down in the traditional Electrical Carbon field, especially in Railways Traction, with the Railways Ministry taking aggressive steps to retire the Diesel Locos in favour of Electric Locos, which will hurt your Company.

However, anticipating such a move, New Business Opportunities with significant potential for growth, have been identified and new customers inducted, which will contribute significantly to the top and bottom line of the Company going forward.

Further, in view of the substantial addition to the ongoing business, Company's expansion in Mechanical Carbons, especially for Radial Bearings & Vanes was moving rapidly and for which several new high precision machines have and are being acquired. Some machines have already been bought, both domestically as well as imported and this will be an ongoing process, to keep up with the rapidly growing demand.

Global economic growth declined consecutively for the second year to 2.9% in 2019 from 3.0% in 2018 and 3.2% in 2017. During the year, global economy continued to face several headwinds due to escalating US-China trade war, heightened geopolitical tensions along with slower demand and weaker trade investments. In many parts of the world, manufacturing sectors were affected resulting in weaker industrial activity and exports. To provide impetus to the overall subdued economic performance, major central banks started to ease monetary policy led by Federal Reserve cutting rates three times in the year.

Directors' Report (Contd.)

However, the positive momentum at the start of 2020 was short lived due to the unfortunate outbreak of COVID-19 which turned into a pandemic. The Covid-19 pandemic is the defining global health crisis of our time and is spreading very fast across the continents. Regrettably, it is much more than a health crisis and is having an unprecedented impact on people and economies worldwide.

Countries around the world are taking all necessary measures to contain the pandemic such as focusing on healthcare services, implementing curfews, social distancing practices and lockdowns, which had brought much of global economic activity to a complete halt. To restart economic activity, the governments are announcing various stimulus packages, easing fiscal and monetary policies, providing financial aid to support affected households and businesses.

Although, COVID-19 has impacted all countries around the world, the threat to India was much greater due to its large and dense population. The Government of India was quick to respond to this unprecedented health crisis and announced a nationwide complete lockdown for 21 days initially which was further extended from time to time to contain the spread of COVID-19. The lockdown was necessary to prevent further spread of COVID-19 and save human lives.

However, the complete closure of factories and offices brought all economic activities to a grinding halt. This pandemic has impacted all industries and sectors, disrupting demand and supply balance. Further reverse migration of labour to their hometown has aggravated the situation. Due to these challenges, corporates and MSMEs have focused on liquidity and cash flow management resulting in cost cutting and temporary scaling back of operations.

Towards the end of the quarter ended March 2020, the operations were disrupted at the offices and the manufacturing facilities of the Company. These are extremely challenging times and the ongoing crisis has impacted all countries, individuals, businesses including all industries and sectors and the path back to normality are likely to be slow. The COVID-19 situation is rapidly evolving and the actual impact of the pandemic on the global economy and businesses will depend upon the severity and course of COVID-19 in the near term.

In context of the impact of COVID-19, the International Monetary Fund (IMF) has cut its 2020-21 growth projection for India to 1.9% from 5.8% projected in January 2020. Major international ratings agencies like S&P, Fitch and Moody's had also cut India's growth forecast to 0% from 3%. India and China are the only two economies in the world that are not projected to shrink in 2020 even though their growth rates have slowed down considerably. However, the actual impact of pandemic on the economy will depend upon severity and course of COVID-19, and it's probably too early to make any justifiable comments.

In response to the decelerating economic growth, government has undertaken many supportive measures and made significant policy changes during the year including fiscal measures like corporate tax rate cuts, bank recapitalization, sectoral reforms to boost core sectors etc. The Reserve Bank of India (RBI) has also announced prudent monetary policies, reduced the policy rates for the sixth consecutive time and maintained its accommodative monetary policy stance. These measures supported the economy and businesses during 2019 despite the challenging macroeconomic indicators.

The Company has taken various initiatives towards financial, medical and community support in the fight against Covid-19 pandemic. In view of the outbreak of the pandemic, the Company undertook timely and essential measures to ensure the safety and well-being of all its employees at all its plant locations, various branch offices and the head office. The Company observed all the government advisories and guidelines thoroughly and in good faith.

Despite the negative outlook for the global and domestic economy, the responsive action by the Indian government with supportive monetary policy are expected to improve the business environment in India and should help build a better foundation for an economic resurgence post COVID-19.

5. OVERSEAS SUBSIDIARIES

In order to expand the operations of the Company and to explore the prospects of its products in the foreign markets, the Company incorporated a Wholly Owned Subsidiary Company in United Kingdom during the year ended 31st March 2020 in the name and style of Assam Carbon Products UK Limited (ACPUKL). The Company has agreed to subscribe to the entire share capital of the ACPUKL comprising of 100 ordinary shares of £1 each at the time of incorporation. Pending opening of the Bank Account and in view of the prevailing pandemic (Covid-19), the Company was unable to remit GBP 100 towards subscription of the equity shares of ACPUKL. Also, ACPUKL was unable to commence any activity and has not entered into any transaction since incorporation, primarily due to the global shutdown prompted by the pandemic.

Further, the COVID-19 pandemic, apart from the health hazard, created an unprecedented disruption to the Indian as well as world economy. Due to the uncertainties surrounding the business environment and also due to travel restrictions, ACPUKL may not be able to commence the commercial operations in the near future. The Board has, therefore, resolved vide its meeting dated 25th June, 2020, elected to treat the WOS as a "dormant company" under the UK Company Law.

In view of the above and since no investment (financial commitment) was made as on 31st March 2020, the Company was not required to prepare consolidated financial statements for the year ended 31st March 2020.

Directors' Report (Contd.)

6. DIVIDEND

After the huge operating losses in the past several years, under Morgans management, the Company has just started making operating profits from the last three financial years, under the new management and there is still a massive amount of repairs and maintenance, modernization & upgradation of the Plant and Machinery at both the factories as well as capital expenditure to be incurred and as such the Board has decided not to declare Dividend for the current year, in order to preserve its cash reserve.

7. GENERAL RESERVE

The Company has not transferred any amount to the General Reserve during the financial year ended March 31, 2020.

8. PUBLIC DEPOSIT

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

9. STATUTORY AUDITORS' AND THEIR REPORT

M/s. D.Basu & Co., Chartered Accountants (Regd. No.: 301111E) was already appointed as the Statutory Auditors of the Company at its Annual General Meeting for a period of tenure of 5 (five) years pursuant to the provisions of Section 139(2) and the Companies (Audit & Auditors) Rules, 2014 (including any Statutory modifications or re-enactment thereof for the time being in force). Their tenure ends in the forthcoming Annual General Meeting of the Company.

They being eligible has given their consent to continue at their office if re-appointed for a second consecutive term of 5 (five) years.

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

Statutory Auditors of the Company has drawn attention to Note 25(A)(iii) & 25(A)(iv) to the Ind AS Financial Statements as a key Audit matter, wherein it is stated that the Company has not established a provision for employee wages and benefits, for the lock out period at the Company's Guwahati Factory from 7 December 2010 to 8 March 2012, on the principle of 'No Work No Pay'. They had further stated that as the matter is currently subjudice and hence the impact, if any, in terms of provision of employee wages and employee benefits and its resultant impact on profit for the year ended 31 March 2020, reserves and surplus and current liabilities, cannot currently be determined.

With regard to the Statutory Auditor's qualified opinion in Note 25(A)(iii) & 25(A)(iv) to the Ind AS Financial Statements, in the opinion of the Management, the issue of payment of back wages during the period of strike / lock-out at the Company's Guwahati Unit employees effective from 7th December 2010 to 8th March 2012 has been referred to appropriate authorities. However, the Company, on the principle of 'No Work No Pay', has neither ascertained nor made any provision for payment of such wages and other employee benefits for the period of strike and lock out. The matter is currently subjudice.

10. DIRECTORS

The Board of your Company consists of the following Directors:

NAME OF DIRECTORS	DESIGNATION	DIN
Mr. Rakesh Himatsingka	Chairman and Non Executive Director	00632156
Mr. Kali Krishna Bhattacharya	Managing Director	07011241
Mrs. Anita Himatsingka	Non Executive Woman Director	01201879
Ms. Maalika Himatsingka	Non Executive Woman Director	07811394
Mrs. Rupanjana De	Non Executive Independent Woman Director	01560140
Mr. Amitav Saikia	Non Executive Nominee Director	02663720
Mr. Sandip Modi	Non Executive Independent Director (Resigned on 25 th June, 2020)	01797999
Mr. Sanjay Kumar Lhila	Non Executive Independent Director	01383460
Mr. Susheel Kumar Sharma	Non Executive Director (w.e.f. 1 st May, 2019)	01636111
Mr. Avinash Kumar Gupta	Non Executive Independent Director (w.e.f. 25 th June, 2020)	08763153

The Board of Directors of your Company, based on the recommendations of Nomination and Remuneration Committee ("NRC"), approved the following appointments and re-appointments on the Board of the Company:

Directors' Report (Contd.)

Appointment of Mr. Avinash Kumar Gupta (DIN: 08763153), as an Additional (Non-Executive, Non-Independent) Director of the Company w.e.f., 25th June, 2020. The Board recommends confirmation of his appointment to the Shareholders of the Company.

Mr. Sandip Modi (DIN: 01797999), a Non-Executive, Independent Director of the Company has resigned from the Company w.e.f., 25th June, 2020.

Mr. Rakesh Himatsingka, (DIN: 00632156) and Mrs. Anita Himatsingka (DIN: 01201879), Directors (Non-Executive), retires by rotation and being eligible, offers themselves for re-appointment. The Board recommends their re-appointment.

Appropriate Resolutions for confirming the above appointment(s) and re-appointment(s), forms part of the Notice convening the 57th Annual General Meeting ('AGM') scheduled to be held on September 29, 2020.

Brief profile and particulars of experience, attributes and skills that qualify the above Directors for the Board membership are disclosed in the Notice convening the AGM to be held on September 29, 2020.

As per the disclosure received from the Directors, none of the Directors are disqualified from being appointed as Directors, as specified in Section 164(2) of the Companies Act, 2013.

11. KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013, following are the Key Managerial Personnel of the Company:

1. Mr. Kali Krishna Bhattacharya, Managing Director,
2. Mr. Pijush Bysack, Chief Financial Officer,
3. Mr. Subhendu Chakraborty, Company Secretary and Compliance Officer

During the year under review, there has been no change in the Key Managerial Personnel of the Company.

12. INDEPENDENT DIRECTORS' DECLARATION

The Company has received declarations pursuant to Section 149(7) of the Companies Act, 2013 from all the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 as well as the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment thereof for the time being in force], in respect of their position as an "Independent Director" of Assam Carbon Products Ltd. and are independent of the Management. In terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

13. INTERNAL FINANCIAL CONTROL SYSTEM

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

14. RISK MANAGEMENT POLICY

The Company's Risk Management Policy is well defined to identify and evaluate business risks across all businesses. It assesses all risk at both pre and post-mitigation levels and looks at the actual or potential impact that a risk may have on the business together with an evaluation of the probability of the same occurring. Risk mapping exercises are carried out with a view to regularly monitor and review the risks, identify ownership of the risk, assessing monetary value of such risk and methods to mitigate the same. The Policy for the same is hosted on its website at <https://www.assamcarbon.in/> under the Heading About Us → Investor Relations → Board Policies.

15. GOING CONCERN STATUS

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

Directors' Report (Contd.)

16. SHARE CAPITAL

The Company has neither issued any class of shares nor was there any buy-back of shares during the year under review. Further, the Company does not have any stock option scheme for its employees.

17. EVALUATION OF BOARD PERFORMANCE

The Board carried out an annual evaluation of its own performance, of each Board Member individually, as well as the working of its Committees in compliance with the provisions of the Act and Listing Regulations.

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

Pursuant to the provisions of Section 149(8) of the Companies Act, 2013 read with Schedule IV thereto, an exclusive meeting of the Independent Directors of the Company was duly convened and held between themselves on 3rd February 2020 during the Financial Year 2019-2020.

18. NUMBER OF BOARD MEETINGS

A tentative calendar of Board Meetings is prepared and circulated to the Board Members in advance. A minimum of four Board Meetings are held annually. Additional Board Meetings are convened by giving appropriate notice to address the Company's specific needs, if any. In case of business exigencies or urgency of matters, resolutions are passed by circulation. The Company has held at least one Board Meeting in every quarter and the maximum time gap between any two consecutive meetings have always been less than one hundred and twenty days.

The Board of Directors met 4 (four) times during the financial year 2019-20, namely, on 30th April 2019, 19th July, 2019, 13th November 2019 and 3rd February 2020 respectively.

19. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Vigil Mechanism and Whistle Blower Policy to deal with instance of fraud and mismanagement, if any, as per the provisions of the Companies Act 2013 which is hosted on its website at <https://www.assamcarbon.in/> under the Heading About Us → Investor Relations → Board Policies.

20. AUDIT COMMITTEE

The Audit Committee as on 31st March, 2020 comprises of 4 (Four) members out of which, 3 (Three) Non-Executive Independent Directors and 1 (one) Non-Executive Directors respectively namely, Mr. S K Lhila, (Chairman), Mrs. Rupanjana De (Member), Mr. Sandip Modi (Member) and Mr. Rakesh Himatsingka (Member). The Company Secretary is the Secretary of the Committee. The Chief Financial Officer and the Managing Director are the invitees to the Meetings along with the various Auditors.

During the year ended 31st March 2020, the Audit Committee met 4 (four) times on 30th April 2019, 19th July, 2019, 13th November 2019 and 3rd February 2020 respectively. The maximum gap between any two consecutive meetings was less than one hundred and twenty days. All recommendations of the Audit Committee were duly accepted by the Board.

21. NOMINATION AND REMUNERATION COMMITTEE AND POLICY

The Committee as on 31st March 2020 comprises 4 (Four) members out of which, 2 (two) Non-Executive Independent Directors and 2 (Two) Non-Executive Director respectively namely, Mr. S K Lhila (Chairperson), and Mrs. Rupanjana De (Member), Mr. Rakesh Himatsingka (Member) and Mr. Susheel Kumar Sharma (Member).

During the year ended 31st March 2020, the Committee met 2 (two) times on 30th April 2019 and 3rd February, 2020.

The Company's Nomination and Remuneration Policy has been prepared in accordance with Section 178(3) of the Act and is available at the website <https://www.assamcarbon.in/> under the Heading About Us → Investor Relations → Board Policies.

22. SHARE TRANSFER COMMITTEE

The Board has delegated the powers of approving transfer / transmission, etc. of shares to the Share Transfer Committee. The said Committee has met once during the year ended 31st March 2020, for approving the transfer / transmission, etc. of shares lodged with the Company.

However, the Board has decided to dissolve the committee with effect from 30th April 2019 and merge it with Stakeholders Relationship Committee.

23. STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year under review, this committee, comprises 4 (Four) members out of which, 2 (Two) Non-Executive Independent Directors and 2 (two) Non-Executive Director, namely, Mr. S K Lhila (Chairperson), Mr. Sandip Modi (Member), Mr. Rakesh

Directors' Report (Contd.)

Himatsingka (Member) and Mrs. Anita Himatsingka (Member) respectively.

During the year ended 31st March 2020, the Committee met twice on 24th May, 2019 and 20th September, 2019.

24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

25. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were at arm's length basis and were in the ordinary course of the business.

There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

Necessary disclosures required under Indian Accounting Standard (Ind-AS) have been made in the Notes to Financial Statements.

Particulars of contracts or arrangements with related parties referred to in Section 188 of the Companies Act, 2013 (as may be amended from time to time), in the prescribed Form AOC-2, is appended as "Annexure A" to the Board's Report.

26. HOLDING COMPANY:

The Company does not have any Holding Company as on 31st March, 2020.

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

In order to prevent sexual harassment of women at work place your Company has followed adequate Policy for prevention, prohibition and redressal of Sexual Harassment of Women at workplace and has set up a Committee for implementation of the said policy. During the year ended 2020 Company has not received any complaint at any of its Units. The Policy for the same is hosted on its website at <https://www.assamcarbon.in/> under the Heading About Us → Investor Relations → Board Policies.

28. COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 ('the Act') read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to maintain cost records and have the audit of its cost records conducted by a Cost Accountant. Cost records are made and maintained by the Company as required under Section 148 (1) of the Act. The Board, upon recommendation from the Audit Committee appointed M/s. A S & Associates, Cost Accountants (FRN: 000523) as Cost Auditors of the Company, to Audit the cost accounting records maintained by the Company for the financial year ended 31st March, 2021 at a remuneration of Rs. 20,000/- plus applicable taxes and incidental expenses. Accordingly, a resolution seeking ratification of the remuneration payable to the Cost Auditors, has been included as a part of the Notice convening the 57th Annual General Meeting.

29. CORPORATE GOVERNANCE

Your Company is exempted from compliance with the Corporate Governance provisions under Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, since the Company's share capital and net worth, was less than the specified threshold limit as on the last day of the previous financial year.

30. CODE OF CONDUCT

Pursuant to the provisions of Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a Code of Conduct for the Board of Directors, Senior Managers and all other Employees of the Company. The code of conduct is hosted on its website at <https://www.assamcarbon.in/> under the Heading About Us → Investor Relations → Board Policies.

The Managing Director's Certificate under Regulation 34(3) read with Part D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, relating to Compliance with the Code of Conduct for the year ended 31st March 2020, forms a part of this Report enclosed as "Annexure B".

31. CEO/CFO CERTIFICATION:

The Managing Director & Chief Financial Officer have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II to the Listing Regulations pertaining to CEO/CFO certification for the year ended March 31, 2020 that the Financial Statements for the year ended March 31, 2020 do not contain any untrue statement and that these statements represent a true and fair view of the Company's affairs and other matters as specified thereunder.

Directors' Report (Contd.)

32. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 including amendments thereof, the Company has adopted a comprehensive Code of Conduct for Prohibition of Insider Trading and procedures for fair disclosure of Unpublished Price Sensitive Information for its designated employees.

33. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis for the year under review as stipulated under Regulation 34(2) and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), is presented in a separate section forming part of this Annual Report.

34. SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with the SEBI Listing Regulations, the Company has appointed Mr. Rajat Kumar Jalan, Practising Company Secretary (C P No. 5705, Membership No. ACS 14895), to undertake the Secretarial Audit of the Company for the financial year 2020-2021.

During the year, the Company has complied with the mandatorily applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

The Secretarial Audit report along with the Secretarial Compliance Report for the financial year 2019-2020 are annexed herewith as "Annexure C" and forms part of this report. There are no qualifications in the Report.

35. INTERNAL AUDITORS

Based on the recommendation of the Audit Committee M/s. J Kumar Jain & Associates, Chartered Accountants, are the Internal Auditors of the Company.

36. DETAILS OF FRAUD REPORTED BY THE AUDITORS

As per Auditors' Report, no fraud u/s 143(12) was reported by the auditors.

37. EXTRACT OF ANNUAL RETURN

The extract of annual return in Form MGT 9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is enclosed as "Annexure D" and the same is available within the annual report in the website of the Company at <https://www.assamcarbon.in/> under the Heading About Us → Investor Relations → Annual Reports & Annual General Meetings.

38. INDUSTRIAL RELATIONS

As reported for the previous year, the industrial relations at Guwahati factory continues to remain strained. Low productivity, indiscipline and absenteeism continued to be a great cause for worry. In spite of all such positive steps from Management's side, the cooperation and productivity from the workmen isn't forthcoming as expected.

Whilst, Patancheru Union readily accepted Management's proposal to scale back the festival holidays from Fifteen to Twelve days, but Birkuchi Union point blank refused.

Even though the company wasn't obliged to, but expecting that it would be a huge motivator, the Charter of Demands of 2015 and 2018 were resolved and the workmen received the revised wages as per agreement and appointment of 17 nos of Trainee workmen was also effected, even though the Company was in no position to increase its workmen numbers. However, most regrettably in spite of assurances there has been no improvement in the attitude and / or productivity by the workmen.

With respect to the Company's Patancheru Unit, there are no IR issues as on date. The Company had entered into wage agreement which is valid till December 2019.

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

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

40. EMPLOYEES/ MANAGERIAL REMUNERATION

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

Further, none of the employees of the Company are in receipt of remuneration exceeding the limit prescribed under Rule 5 (2) of

Directors' Report (Contd.)

the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Statement pursuant to Section 197(12) of the Companies Act 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 also forms part of this report and is appended as "Annexure F".

41. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- ii) that such accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2020 and of the profit of the Company for the year ended on that date;
- iii) that proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the annual accounts have been prepared on a going concern basis;
- v) that proper internal financial controls are in place and the internal financial controls are adequate and operating effectively;
- vi) that proper system to ensure compliance with the provisions of all applicable laws including applicable Secretarial Standards are in place and such systems are adequate and operating effectively;

42. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities along with composition of CSR Committee with detail particulars of CSR meeting held during the year are set out in "Annexure – G" of this report. The policy is available at the website of the Company at the website <https://www.assamcarbon.in/> under the Heading About Us → Investor Relations → Board Policies.

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

Incentive declared by the Government of India to eligible Industrial units under Central Excise towards refund of excise duty paid through PLA (Current Account) on finished products vide Notification No. 32/1999-CE dated 8 July 1999 (as amended) was reduced from 100% to 36% during 2008. Being aggrieved by such reduction in the Excise benefit, some of the beneficiaries approached the Court of Law. Thereafter Hon'ble Gauhati High Court had passed judgment for full refund of excise duty in terms of the original notification. The Hon'ble Supreme Court vide its Order dated 22th April, 2020 has decided the cases in favour of the Revenue by setting aside the judgement of the Gauhati High Court. Refund of 50% of the differential amount, which comes to Rs. 15829 (Actual figure Rupees One Crore Fifty Eight Lakh Twenty Nine Thousand Four Hundred and Fifty One only), was received by the Company on furnishing solvent surety in pursuance of interim Order dated 7th December, 2015 of the Apex Court. As per the said judgment of the Hon'ble Supreme Court it has also been made clear that the pending refund applications shall be decided as per the subsequent notifications/industrial policies which were impugned before the respective High Courts.

The Company is in the process of filing a Review Petition, challenging the said Order of the Hon'ble Supreme Court dated 22.04.2020. Thus, till the final conclusion is drawn, 50% of the differential amount received, as above, will continue to be treated as Other Financial Liabilities and cost, if any, associated with the said refund will be considered in these accounts on finality.

44. NOTE OF APPRECIATION

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

Registered Office:

Birkuchi, Guwahati, Assam - 781026
CIN: L23101AS1963PLC001206

For and on behalf of the Board

Date: 25th June, 2020
Place: Kolkata

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

Sd/-
Rakesh Himatsingka
Chairman
(DIN: 00632156)

“Annexure A” to the Board of Directors’ Report

FORM NO. AOC -2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

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

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

There were no contracts or arrangements or transaction entered into during the year ended March 31st, 2020, which was not at Arm Length basis.

2. Details of contracts or arrangements or transactions at Arm’s length basis for the year ended 31.03.2020 are as follows:

Name(s) of the Related party & Nature of Relationship	Nature of Contracts/ arrangements/ transactions	Duration of Contracts/ arrangements/ transactions	Salient Terms of the Contracts or arrangements or transactions including the value, if any	Justification for entering into such Contracts or arrangements or transactions	Date(s) of approval by the Board	Amount in Rs.
India Carbon Ltd Mr. Rakesh Himatsingka, Non Executive Director and Chairman of the Board, is interested.	Sale and Purchase of Goods	April 1st , 2019- March 31st , 2020	Omnibus approval accorded for Sale, Purchase or supply of any goods or material and avail or render any service not exceeding Rs.5.00 Crore for the FY 2019-20	Purchase of raw material which is to be used in production process	30.04.19, 19.07.19, 13.11.19, 03.02.20	Purchase of raw materials amounting to Rs.1.38 Lacs and sale of Rs. 1.25 Lacs and paid Rent of Rs. 2 Lacs and travelling of 0.13 Lacs

Registered Office:

Birkuchi, Guwahati, Assam - 781026
CIN: L23101AS1963PLC001206

For and on behalf of the Board

Date: 25th June, 2020
Place: Kolkata

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

Sd/-
Rakesh Himatsingka
Chairman
(DIN: 00632156)

“Annexure B” to the Board of Directors’ Report

MANAGING DIRECTOR’S CERTIFICATE ON COMPLIANCE WITH THE CODE OF CONDUCT

As required under Regulation 34(3) read with Part D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board Members and Senior Management Personnel of the Company have complied with the Code of Conduct of the Company for the year ended 31st March 2020.

For and on behalf of the Board of Directors

Sd/-

Kali Krishna Bhattacharya

Managing Director

DIN: 07011241

Kolkata

Date: 25th June, 2020

“Annexure C” to the Board of Directors’ Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2020

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

To,
The Members,
Assam Carbon Products Limited,
Birkuchi, Guwahati, Assam-781026

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

Based on my verification of the ASSAM CARBON PRODUCTS LTD’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by ASSAM CARBON PRODUCTS LTD (“the Company”) for the financial year ended on 31st March, 2020, according to the provisions of:

- (i) The Companies Act, 2013/ the Companies (Amendment) Act, 2017 (the Act) and the rules made there under as amended from time to time;
- (ii) The Securities Contracts(Regulation) Act, 1956(“SCRA”), rules made there under and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India(“SEBI”) as may be amended from time to time;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under and as may be amended from time to time;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under as may be amended from time to time to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings and as may be amended from time to time;
- (v) The following Regulations, Circulars, Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) (as may be amended from time to time):-
 - (a) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (as amended from time to time);

“Annexure C” to the Board of Directors’ Report *(Contd.)*

- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended from time to time);
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time);
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as may be amended from time to time); - Not Applicable as there was no reportable event;
- (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as may be amended from time to time); - Not Applicable as there was no reportable event;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as may be amended from time to time; - Not Applicable as there was no reportable event;
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (as may be amended from time to time); - Not Applicable as there was no reportable event;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (as may be amended from time to time) ; - Not Applicable as there was no reportable event;
- (i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (as may be amended from time to time); - Not Applicable as there was no reportable event;
- (j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (as may be amended from time to time); - Not Applicable as there was no reportable event; and
- (k) Any other Regulations/ Rules/Notifications/ Circulars/ Amendments etc. as issued by the Securities and Exchange Board of India from time to time;
- (vi) Other laws/acts/rules as may be applicable specifically to the company:
 - (a) Payment of Bonus Act, 1965 as may be amended from time to time;
 - (b) Payment of Gratuity Act, 1972 as may be amended from time to time;
 - (c) Payment of Wages Act, 1936 as may be amended from time to time;
 - (d) Trade Unions Act, 1926 as may be amended from time to time;
 - (e) Workmen’s Compensation Act, 1923 as may be amended from time to time;
 - (f) Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 as may be amended from time to time;
 - (g) Employees’ State Insurance Act, 1948 as may be amended from time to time;
 - (h) Minimum Wages Act, 1948 and its Rules as may be amended from time to time;
 - (i) The Factories Act, 1948 & its allied State Laws & Rules and as may be amended from time to time;
 - (j) Pollution Control Board Clearance as may be amended from time to time;
 - (k) Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder.
 - (l) Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975
 - (m) Environment Protection Act, 1986 and the rules, notifications issued thereunder.
 - (n) Central Excise Act, 1944 and its Rules as may be amended from time to time;
 - (o) Income Tax Act, 1961 and its Rules as may be amended from time to time;
 - (p) Central Sales Tax Act, 1956 and its Rules as may be amended from time to time;
 - (q) VAT Act and its Rules as may be amended from time to time;
 - (r) Profession Tax and its Rules as may be amended from time to time;
 - (s) Shops and Establishments Act and its Rules as may be amended from time to time;
 - (t) Industrial Disputes Act 1947 and its Rules as may be amended from time to time;
 - (u) Service Tax Act and its Rules as may be amended from time to time;
 - (v) Contract Labor (Regulation and Abolition) Act, 1970 as may be amended from time to time.

“Annexure C” to the Board of Directors’ Report (Contd.)

- (w) Central Goods and Services Tax Act, 2017 & its Rules / the Integrated Goods and Services Tax Act, 2017 & its Rules there under including any Circulars/ Notifications issued from time to time.

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

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

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

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women 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.

Majority decision is carried through while the dissenting members’ views, if any, are captured and recorded as part of the minutes.

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

I further report that Company has passed special resolution pursuant to Section 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and had obtained the consent of the Shareholders for payment of commission upto 1% of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 2013, from the financial year 2018-2019 and onwards until otherwise repudiated by the Board of Directors, to Mr. Rakesh Himatsingka, (DIN: 00632156) Non-Executive Chairman of the Board, in addition to the sitting fees for attending the meeting of the Board of Directors/Committees thereof and any other expenses incurred for official/business purposes only.

I further report that Company has passed special resolutions regarding re-appointment of Mr Sanjay Kumar Lhila (DIN: 01383460) and Mrs. Rupanjana De (DIN: 01560140) as Independent Directors of the Company, for a second term of 5 (five) consecutive years on the Board of the Company, pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) hereof, for the time being in force].

I further report that Company has also passed special resolutions regarding approval of transactions under Section 185 of the Companies Act, 2013, pursuant to the provisions of Sections 185, 186 and such other provisions, as may be applicable, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, to make investments / acquisitions / give loan(s) / any other form of debt to any person(s) or other body corporate(s) and / or guarantee(s) / provide any security(ies) in connection with a loan/ any other form of debt to any other body corporate(s) or person(s) and to make investment or acquire by way of subscription, purchase or otherwise the securities of any other body corporate(s) whether Indian or overseas, in which any Directors are directly or indirectly deemed to be interested, up to a sum not exceeding Rs. 100 crores at any point of time, in one or more tranches, in their absolute discretion as may be deem beneficial and in the interest of the Company.

Sd/-

Rajat Kumar Jalan
Practising Company Secretary
C P No.: 5705
ACS No.: 14895
UDIN: A014895B000382966

Place: Kolkata
Date: 25th June, 2020

“Annexure C” to the Board of Directors’ Report (Contd.)

Secretarial compliance report of
Assam Carbon Products Limited,
Birkuchi, Guwahati, Assam-781026
for the year ended 31st March, 2020

I, Shri Rajat Kumar Jalan, Company Secretary in Practice, have examined:

- (a) all the documents and records made available to us and explanation provided by Assam Carbon Products Limited (“the listed entity”),
 - (b) the filings/ submissions made by the listed entity to the stock exchanges,
 - (c) website of the listed entity which is <http://www.assamcarbon.in/>
 - (d) all other document/ filing, as may be relevant, which has been relied upon to make this certification,
- for the year ended 31st March, 2020 (“Review Period”), in respect of compliance with the provisions of :
- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts(Regulation) Act, 1956(“SCRA”), rules made there under and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India(“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
 - (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (i) All other regulations as may be applicable and circulars/ guidelines issued thereunder; and based on the above examination, I/We hereby report that, during the Review Period:
- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations / Circulars/ Guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NOT APPLICABLE			

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

“Annexure C” to the Board of Directors’ Report (Contd.)

Sr. No.	Action Taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/remarks of the Practising Company Secretary, (if any)
NOT APPLICABLE				

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practising Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31st March, 2020	Actions taken by the listed entity, if any	Comments of the Practising Company Secretary on the actions taken by the listed entity
NOT APPLICABLE				

Place: Kolkata
Date: 25th June, 2020

Sd/-
Rajat Kumar Jalan
Practising Company Secretary
C P No.: 5705
ACS No.: 14895
UDIN: A014895B000382988

“Annexure D” to the Board of Directors’ Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

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

I. REGISTRATION & OTHER DETAILS:

CIN	L23101AS1963PLC001206
Registration Date	17 th April 1963
Name of the Company	ASSAM CARBON PRODUCTS LTD
Category/Sub-category of the Company	Company Limited by Shares
Address of the Registered office & contact details	BIRKUCHI, GUWAHATI, ASSAM INDIA – 781026
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	CB Management Services (P) Ltd., P-22, Bondel Road, Kolkata- 700 019 Phone No.: 40116700/17/18. Fax No.: (033) 4011 6739, E mail: rta@cbmsl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	CARBON BLOCKS	NA	12%
2	CARBON BRUSH	NA	44%
3	MECHANICAL AND SPECIAL CARBON COMPONENTS	NA	44%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No.	Name and Address of the Company	Company Number	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Assam Carbon Products UK Limited Address: 66, Prescot Street, London E18NN, England	11991009	Subsidiary	(*)	2 (87) of the Companies Act, 2013

Note: (*) Pending opening of the bank account by ACPUKL, and in view of the prevailing pandemic (Covid-19), the Company was unable to remit GBP 100 towards subscription of the equity shares of ACPUKL. Thus, no investment (financial commitment) was made as on 31st March 2020.

“Annexure D” to the Board of Directors’ Report (Contd.)

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

Category-wise Share Holding

Category of Shareholder	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	2049300	0	2049300	74.37	1943300	0	1943300	70.52	-3.85
(b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total(A)(1)	2049300	0	2049300	74.37	1943300	0	1943300	70.52	0.00
(2) Foreign									
(a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total(A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	2049300	0	2049300	74.37	1943300	0	1943300	70.52	-3.85
B. Public shareholding									
1. Institutions									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b) Banks/FI	50	100050	100100	3.63	50	100050	100100	3.63	0.00
(c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1)	50	100050	100100	3.63	50	100050	100100	3.63	0.00
2. Non-institutions									
(a) Bodies Corporate									
(i) Indian	20953	12100	33053	1.20	133561	0	133561	4.85	3.65
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs 1 lakh	226813	194531	421344	15.29	227102	179897	406999	14.77	-0.52

“Annexure D” to the Board of Directors’ Report (Contd.)

(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	157073	0	157073	5.70	157423	0	157423	5.71	0.01
(c)Others (specify)									
(c-i) Non-Resident Individuals	2025	350	2375	0.09	2025	350	2375	0.09	0.00
(c-ii) LLP	6200	0	6200	0.22	8200	0	8200	0.30	0.08
(c-iii) Trust	150	0	150	0.01	150	0	150	0.01	0.00
Sub-Total (B)(2)	397319	206981	604300	21.93	413853	192347	606200	22.00	0.07
Total Public Shareholding (B)= (B)(1)+(B)(2)	399269	307031	706300	25.63	413903	292397	706300	25.63	0.00
C. Shares held by Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)	2448569	307031	2755600	100.00	2463203	292397	2755600	100.00	0.00

B) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Rakesh Himatsingka	796452	28.90	NIL	796452	28.90	NIL	0.00
2	Mr. Shaurya Veer Himatsingka	887823	32.22	NIL	868823	31.53	NIL	0.69
3	Mrs. Anita Himatsingka	275025	9.98	NIL	188025	6.82	NIL	3.16
4	Ms. Maalika Himatsingka	90000	3.27	NIL	90000	3.27	NIL	0.00

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	MR. RAKESH HIMATSINGKA				
	At the beginning of the year	796452	28.90	796452	28.90
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	-	-	796452	28.90
2.	MR. SHAURYA VEER HIMATSINGKA				
	At the beginning of the year	887823	32.22	887823	32.22
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	(19000)	(0.69)	868823	31.53
	Decrease/ Sale/ Transfer as on 31.03.2020 (*)				
	At the end of the year	-	-	868823	31.53

“Annexure D” to the Board of Directors’ Report (Contd.)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3.	MRS. ANITA HIMATSINGKA				
	At the beginning of the year	275025	9.98	275025	9.98
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Decrease/ Sale/ Transfer as on 31.03.2020 (*)	(87000)	(3.16)	188025	6.82
	At the end of the year	-	-	188025	6.82
4.	MS. MAALIKA HIMATSINGKA				
	At the beginning of the year	90000	3.27	90000	3.27
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	-	-	90000	3.27

Note: (*) Documents relating to aforesaid Decrease in Promoters holding were duly and timely executed. However, due to outbreak of Covid -19 Pandemic and consequent closure of office of the Depository Participant, effect of this in the Demat could be given on 18.05.2020.

D) Shareholding Pattern of top ten Shareholders:

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Assam Industrial Development Corporation Ltd.				
	At the beginning of the year	100000	3.63	100000	3.63
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	100000	3.63
2.	Mahendra Girdharilal				
	At the beginning of the year	65549	2.38	65549	2.38
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	65549	2.38
3.	P P Zibi Jose				
	At the beginning of the year	55050	2.00	55050	2.00
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase/ 09.08.2019	100	0	55150	2.00
	At the end of the year	-	-	55150	2.00

“Annexure D” to the Board of Directors’ Report (Contd.)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4.	Prem Chand Goenka				
	At the beginning of the year	25924	0.94	25924	0.94
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	25924	0.94
5.	Shri Parasram Industries Pvt. Ltd.				
	At the beginning of the year	11570	0.42	11570	0.42
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	11570	0.42
6.	Narendra Kumar Bapna				
	At the beginning of the year	10900	0.40	10900	0.40
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	10900	0.40
7.	Shri Parasram Securities Pvt Ltd				
	At the beginning of the year	10750	0.39	10750	0.39
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	10750	0.39
8.	Raja Kakati				
	At the beginning of the year	10000	0.36	10000	0.36
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	10000	0.36
9.	3A Financial Services Ltd				
	At the beginning of the year	6525	0.24	6525	0.24
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Decrease/ Sale/ Transfer 17.05.2019	(50)	(0)	6475	0.23
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 28.06.2019	50	0	6525	0.24
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Decrease/ Sale/ Transfer 12.07.2019	(10)	(0)	6515	0.24

“Annexure D” to the Board of Directors’ Report (Contd.)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Decrease/ Sale/ Transfer 02.08.2019	(10)	(0)	6505	0.24
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Decrease/ Sale/ Transfer 23.08.2019	(3850)	(0.14)	2655	0.10
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 30.08.2019	100	0	2755	0.10
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Decrease/ Sale/ Transfer 14.02.2020	(1730)	(0.06)	1025	0.04
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Decrease/ Sale/ Transfer 28.02.2020	(25)	(0)	1000	0.04
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 20.03.2020	233	0.01	1233	0.04
	At the end of the year			1233	0.04
10.	Mayna H Shah				
	At the beginning of the year	6370	0.23	6370	0.23
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	6370	0.23
11.	Plutus Capital Management LLP				
	At the beginning of the year	6200	0.22	6200	0.22
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 28.06.2019	2000	0.07	8200	0.30
	At the end of the year	-	-	8200	0.30
12.	Jyotsna Rajgarhia				
	At the beginning of the year	5350	0.19	5350	0.19
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	5350	0.19

“Annexure D” to the Board of Directors’ Report (Contd.)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
13.	Gobindsingh Dhawda HUF				
	At the beginning of the year	4860	0.18	4860	0.18
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 27.09.2019	400	0.01	5260	0.19
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 04.10.2019	100	0	5360	0.19
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 25.10.2019	200	0.01	5560	0.20
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 22.11.2019	100	0	5660	0.21
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 20.03.2020	100	0	5760	0.21
	At the end of the year	-	-	5760	0.21
14.	Indra Kumar Bagri				
	At the beginning of the year	4758	0.17	4758	0.17
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Decrease/ Sale/ Transfer 03.05.2019	(600)	(0.02)	4158	0.15
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Decrease/ Sale/ Transfer 24.05.2019	(500)	(0.02)	3658	0.13
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Decrease/ Sale/ Transfer 01.11.2019	(100)	(0)	3558	0.13
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 15.11.2019	150	0.01	3708	0.13
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 06.12.2019	200	0.01	3908	0.14
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Decrease/ Sale/ Transfer 24.01.2020	(250)	(0.01)	3658	0.13

“Annexure D” to the Board of Directors’ Report (Contd.)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Decrease/ Sale/ Transfer 28.02.2020	(200)	(0.01)	3458	0.13
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 06.03.2020	200	0.01	3658	0.13
	At the end of the year	-	-	3658	0.13
15.	Vivek Sheel Aggarwal				
	At the beginning of the year	4300	0.16	4300	0.16
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	4300	0.16
16.	Nirali Jignesh Gohel				
	At the beginning of the year	0	0	0	0
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 23.08.2019	4425	0.16	4425	0.16
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 30.08.2019	200	0.01	4625	0.17
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 06.09.2019	1000	0.04	5625	0.20
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Decrease/ Sale/ Transfer 27.09.2019	(1000)	(0.04)	4625	0.17
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 25.10.2019	150	0.01	4775	0.17
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 01.11.2019	100	0	4875	0.18
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 07.02.2020	350	0.01	5225	0.19
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 28.02.2020	200	0.01	5425	0.20
	At the end of the year	-	-	5425	0.20

“Annexure D” to the Board of Directors’ Report (Contd.)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
17	Progressive Star Finance Private Limited				
	At the beginning of the year	0	0	0	0
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Increase / Purchase 31.03.2020	106000	3.85	106000	3.85
	At the end of the year	-	-	106000	3.85

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Rakesh Himatsingka- Chairman				
	At the beginning of the year	796452	28.90	796452	28.90
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	-	-	796452	28.90
2	Mr. K K Bhattacharya- Managing Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0
3	Mrs. Anita Himatsingka- Director				
	At the beginning of the year	275025	9.98	275025	9.98
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Decrease/ Sale/ Transfer as on 31.03.2020	(87000)	(3.16)	188025	6.82
	At the end of the year	-	-	188025	6.82
4	Ms. Maalika Himatsingka- Director				
	At the beginning of the year	90000	3.27	90000	3.27
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	-	-	90000	3.27
5	Mr. S K Lhila- Independent Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0

“Annexure D” to the Board of Directors’ Report (Contd.)

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6	Mrs. Rupanjana De- Independent Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0
7	Mr. A Saikia- Nominee Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0
8	Mr. Sandip Modi- Independent Director (Resigned on 25th June, 2020)				
	At the beginning of the year	0	0	0	0
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0
9	Mr. Avinash Kumar Gupta - Independent Director (Appointed w.e.f. 25th June, 2020)	0	0	0	0
	At the beginning of the year	0	0	0	0
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0
10	Mr. Susheel Kumar Sharma- Director				
	At the beginning of the year	2120	0.08	2120	0.08
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	-	-	2120	0.08
11	Mr. Pijush Bysack – Chief Financial Officer				
	At the beginning of the year	0	0	0	0
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0
12	Mr. S Chakraborty- Company Secretary				
	At the beginning of the year	0	0	0	0
	Date wise Increase / (Decrease) in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0

“Annexure D” to the Board of Directors’ Report (Contd.)

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment. (In Rs. ‘000)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year	Nil	Nil	Nil	Nil
* Addition	Nil	59500	Nil	59500
* Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	59500	Nil	59500
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	59500	Nil	59500
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	1598	Nil	1598
Total (i+ii+iii)	Nil	61098	Nil	61098

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(In Rs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (in Rs.)
		Mr K K Bhattacharya (in Rs.)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,28,000	5,28,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,02,808	6,02,808
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	11,30,808	11,30,808
	Ceiling as per the Act	Remuneration is within the limits as laid down under the Companies Act, 2013 & its Corresponding Rules & Schedules.	

“Annexure D” to the Board of Directors’ Report (Contd.)

B. Remuneration to other Directors (In Rs)

Sl. No.	Name of Directors	Particulars of Remuneration			Total Amount (in Rs.)
	Independent Directors	Fee for attending Board/Committee Meetings (in Rs.)	Commission	Others, please specify	
1	Mr S K Lhila	1,36,000	NIL	NIL	1,36,000
2	Mrs Rupanjana De	1,43,000	NIL	NIL	1,43,000
	Non Executive Directors				
3	Mr. Rakesh Hitamsingka	1,50,000	10,70,000	NIL	12,20,000
4	Mrs. Anita Himatsingka	88,000	NIL	NIL	88,000
5	Ms. Maalika Himatsingka	40,000	NIL	NIL	40,000
6	Mr. Sandip Modi (Resigned on 25th June, 2020)	1,02,000	NIL	NIL	1,02,000
7	Mr. Susheel Kumar Sharma	67,000	NIL	NIL	67,000
8	Mr. Avinash Kumar Gupta (Appointed w.e.f. 25th June, 2020)	NIL	NIL	NIL	NIL
	Total Managerial Remuneration to other Directors (1+2+3+4)	7,26,000	10,70,000	NIL	17,96,000
	Overall Ceiling as per the Act	Remuneration is within the limits as laid down under the Companies Act, 2013 & its Corresponding Rules & Schedules.			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(In Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CS	CFO	CEO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,41,904	17,54,640	NIL	23,96,544
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL	NIL
	others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	6,41,904	17,54,640	NIL	23,96, 544

“Annexure D” to the Board of Directors’ Report (Contd.)

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Registered Office:

Birkuchi, Guwahati, Assam - 781026

CIN: L23101AS1963PLC001206

For and on behalf of the Board

Date: 25th June, 2020

Place: Kolkata

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

Sd/-
Rakesh Himatsingka
Chairman
(DIN: 00632156)

“Annexure E” to the Board of Directors’ Report

A. Conservation of Energy

(a) Energy Conservation Measures :

The Company is very conscious about Energy Conservation which occupies an important place, while choosing new plant and machineries.

Company is also rapidly moving towards all LED fixtures to save energy.

B. Technology Absorption

Research and Development (R&D)

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

Indigenization of raw materials started in the earlier years, continued during the year.

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

Benefits is being derived in terms of better quality.

3. Future plan of action

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

4. Expenditure on R & D (Rs. In lacs)

a. Capital	-
b. Recurring	24.67
c. Total	24.67
d. Total R & D expenditure as a percentage of total turnover	0.51

Technology absorption, adaptation and innovation

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

C. Foreign exchange earnings and outgo:

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

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

b. Total foreign exchange used and earned	Rs. In Lacs
Total Foreign Exchange used	17.45
Total Foreign Exchange earned	83.80

Registered Office:

Birkuchi, Guwahati, Assam - 781026
CIN: L23101AS1963PLC001206

For and on behalf of the Board

Date: 25th June, 2020
Place: Kolkata

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

Sd/-
Rakesh Himatsingka
Chairman
(DIN: 00632156)

“Annexure F” to the Board of Directors’ Report

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

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of remuneration of each Director to the median remuneration of each Key Managerial Personnel(KMP) against the performance of the Company are as under:

Sl. No.	Name of the Director/KMP and Designation	Remuneration of Director/ KMP for FY 2019-2020 (in Rs.)	% increase in Remuneration Of each Director/ KMP in the Financial Year 2019-2020	Ratio of remuneration of each Director/ KMP to median remuneration of employees
1.	Mr. R Himatsingka, Non-Executive Chairman	12,20,000	46.99%	2.85:1
2.	Mr K K Bhattacharya, MD	11,30,808	6.46%	2.64:1
3.	Mrs. Anita Himatsingka, Non-Executive Director	88,000	-47.62%	0.21:1
4.	Ms. Maalika Himatsingka, Non-Executive Director	40,000	0%	0.09:1
5.	Mr S K Lhila, Non-Executive & Independent	1,36,000	7.94%	0.32:1
6.	Mrs Rupanjana De, Non-Executive & Independent	1,43,000	7.52%	0.33:1
6.	Mr. Subhendu Chakraborty, CS	6,41,904	9.40%	1.50:1
7.	Mr. P Bysack, CFO	17,54,640	5.13%	4.10:1

Notes:

- Calculation of median is taken on the figures as at the end of Financial Year.
- The Median Remuneration of Employees as on March 31st, 2020 was Rs. 4,28,446 and as on March 31st, 2019 was Rs 3,98,568.
 - The percentage increase in the median remuneration of employees was 7.5% during the financial year.
 - There were 244 permanent employees on the rolls of Company as on March 31, 2020.
 - The Company has earned a profit after tax during the financial year 2019-20 amounting of Rs. 809.54 Lacs compared to a profit of Rs 491.92 Lacs during the financial year 2018-19.
 - Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 2.90%, whereas the average percentage increase made in the salaries of managerial personnel is 6.78%. Further there was no exceptional increase in the salary during the Financial Year ended 31.03.2020 as compared above.
 - It is hereby affirmed that the remuneration paid during the year ended 31st Day of March, 2020 is as per the Remuneration Policy of the Company.
 - Information on employees’ particulars as on 31st March, 2020 as per Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014, as may be amended from time to time, is provided hereunder. Particulars of the same shall also be made available to any shareholder on a specific request made by him/her in writing before the date of this Annual General Meeting. In case of request received even after the date of completion of Annual General Meeting, such particulars shall also be made available to the Shareholders.

“Annexure F” to the Board of Directors’ Report (Contd.)

Sl. No.	Name of employee	Designation of employee	Remuneration received (Amount in Rs.)	Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause(iii) of sub-rule(2)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Jayant Kumar	GM(O)	27,85,950.00	Permanent	BTCH – Mech, MBA – Marketing 26 yrsExp	26.08.1991	56	NA	NA	NA
2	Piyush Bysack	CFO	17,54,650.00	Permanent	B Com, CA – Inter	01.02.2011	49	Sahara India	NA	NA
3	K.C. Joshi	Advisor - Accounts	15,14,400.00	Consultant	B.com,LLB, C.A (Inter) Group I with 34 yrs exp.	01/06/1982 & 01/04/2014	65	NA	0.003	NA
4	Nilanjan Chaki	Dy. General Manager	14,97,456.00	Permanent	B.E in Industrial & Production with 27 yrs exp.	04/08/2016	57	Mersen India P. Ltd	0.0004	NA
5	Jyotirmal Gowsamy	Chief General Manager – Technology & Operations	14,61,600.00	Consultant	B.E chemical with 37 yrs exp.	04/07/1973 & 01/04/2013	69	NA	0.007	NA
6	Aaviinash Nimckar	Zonal Head - West	13,84,650.00	Permanent	BE- Mech	28.09.2012	48	Spraying Systems Pvt Ltd	NA	NA
7	S.M. Madan Kumar	Zonal Head - South	12,58,800.00	Permanent	DEE	01.10.2007	57	Mersen India P. Ltd	NA	NA
8	Anuj Pratap Singh Chauhan	AGM – Maintenance	11,25,000.00	Permanent	Diploma (Mech) AIME (Mech) With 18 yrsExp	21/02/2019	47	MS Bhushan Power & Steel Ltd	NA	NA
9	A. Shashidhar Raju	Manager - Production	1065312.00	Permanent	Diploma EEE	05.12.2011	47	Rane Break lines	NA	NA
10	Alok Bhuyan	Zonal Head - East	10,43,130.00	permanent	AMIE (elec) 31 yrs exp.	01.01.2014	57		NA	NA

Registered Office:

Birkuchi, Guwahati, Assam - 781026
CIN: L23101AS1963PLC001206

For and on behalf of the Board

Date: 25th June, 2020
Place: Kolkata

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

Sd/-
Rakesh Himatsingka
Chairman
(DIN: 00632156)

“Annexure G” to the Board of Directors’ Report

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

A brief outline of the Company’s CSR policy including Overview of projects / programs undertaken:

The Company has framed Corporate Social Responsibility (CSR) Policy in accordance with the provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, as may be amended from time to time. It enumerates the list of activities for channelizing the amount of expenditure towards Corporate Social Responsibility by the Company.

CSR Committee has proposed to spend more than 2% of Company’s average net profits made during the 3 immediately preceding financial years in Manav Kalyan Trust with an established track record of more than 3 years and was also given directly to Dist Collector, Sangareddy District against their request for CSR donation for the purpose of Swachha Bhart Mission, Donation of Dustbin and to Nagarik Swasthya Sangh also with an established track record of more than 3 years.

The CSR Policy of the Company as approved by the Board of Directors is available on the Company’s website at the web link www.assamcarbon.in/

1. The composition of the CSR Committee is as under:

Name	Category	Position
Mrs. Rupanjana De	Non executive Independent Director	Chairperson
Mrs. Anita Himatsingka	Non executive Non-Independent Director	Member
Mr. Kali Krishna Bhattacharya	Managing Director	Member

2. During the year ended 31st March 2020, the Committee met 2 (two) times on 13th November 2019 and 3rd February 2020.
3. Average Net Profit of the Company during last 3 Financial Years: Rs. 559.97 Lacs.
4. Prescribed CSR Expenditure (two percent of the amount as in item 4 above): 11.20 Lacs.
5. Details of CSR spent during the financial year:
 - (a) Total amount to be spent for the year: Rs. 11.20 Lacs.
 - (b) Total amount spent for the year: Rs. 11.59 Lacs.
 - (c) Amount unspent, if any: N.A
6. Manner in which the amount spent during the financial year is detailed below:

“Annexure G” to the Board of Directors’ Report (Contd.)

SI No	CSR project or activity identified	Sector in which the Project/ activity is covered	Projects/ Programs 1.Local area or other 2.Specify the State and District where projects or program was under taken	Amount outlay (budget) project/ programs wise	Amount Spent on the Project or programs Subheads: 1.Direct expenditure on project or programme 2.Overheads 3. Corpus Fund.	Cumulative expenditure up to the reporting period	Amount spent directly/through implementing agency
1.	Promotion of Education and healthcare as specified in Company's CSR Policy	Education and health care	Kolkata, West Bengal	Rs.8,21,000	Rs. 8,21,000 Lakhs by way of contribution/ donation to Manav Kalyan Trust	Rs.8,21,000	Through implementing agency Manav Kalyan Trust came into existence in the year 1977, eligible as per provisions of Companies Act, 2013
2.	Promoting health care including preventive health care and sanitation	Promoting health care including preventive health care and sanitation	Office of Dist Collector, Sangareddy District, Hyderabad	Rs.1,40,007 (Inclusive of GST)	Rs.1,40,007by way of contribution/ donation to the Office of Dist Collector, Sangareddy District, Hyderabad (Inclusive of GST)	Rs.1,40,007	Directly paid to the Office of Dist Collector, Sangareddy District, Hyderabad
3.	For Eye Operation & Health Care	Promoting health care including preventive health care	Kolkata, West Bengal	Rs. 2,20,000	Rs. 2,20,000 by way of contribution / donation to Nagarik Swasthya Sangha	Rs. 2,20,000	Through implementing agency Nagarik Swasthya Sangha came into existence in the year 2006, eligible as per provisions of Companies Act, 2013

7. CSR Committee Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of CSR activities of the Company is in compliance with the CSR objectives and CSR Policy of the Company.

Registered Office:

Birkuchi, Guwahati, Assam - 781026
 CIN: L23101AS1963PLC001206

For and on behalf of the Board

Date: 25th June, 2020
 Place: Kolkata

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

Sd/-
Rakesh Himatsingka
Chairman
 (DIN: 00632156)

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE REGARDING NON-DISQUALIFICATION OF DIRECTORS

(As per clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations).

To
The Members,
Assam Carbon Products Limited,
Birkuchi, Guwahati, Assam – 781026.

As required by item 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, I hereby certify that none of the Directors on the Board of Assam Carbon Products Limited (CIN: L23101AS1963PLC001206) having its registered office at Birkuchi, Guwahati, Assam – 781026, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

Rajat Kumar Jalan
Practising Company Secretary
C P No.: 5705
ACS No.: 14895
UDIN: A0148958000383010

Date: 25th June, 2020

Management Discussion and Analysis Report

INDUSTRY STRUCTURE & DEVELOPMENT

Your Company is engaged in the production of Electrical, Mechanical & Speciality Carbon Materials, and the product range includes various kinds of Blocks & Blanks produced from Carbon, Metal and Graphite. From these are fabricated industrial products such as, Carbon Brushes, Current Collectors for the Railways, City Metros, Carbon and Graphite Seals, Bearings and several other Mechanical and speciality carbon materials for other industrial applications across all sorts of industries from Steel to Cement, Aluminium, Power Plants, Sugar Mills, Paper Plants, Mining, Chemical Plants, Agricultural machinery etc

Another major product range represents the Electric Current Collectors which are used by Electric Locomotives to carry electrical power from overhead lines used on intercity rail network or electrical third rails to the electrical equipment of the vehicles, used for the Metro/ underground rail network within the cities.

On the other hand Mechanical Carbon products are suitable for high temperature, lubrication, chemical inertness, dimensional stability / impermeability and the product range includes Radial Bearings, Thrust Bearings, Mechanical Seals, Piston Rings, Packing and Vanes.

India's industrial production plunged to a revised 18.3 percent year-on-year in March 2020, compared to a 16.7 percent fall initially reported. It is the steepest decline since records began in 1994 and much worse than market expectations of an 8.7 percent fall, as the COVID-19 pandemic forced many businesses to close. National Industrial production contracted at a record pace (-22.4 percent), electricity (-8.2 percent) and mining (-1.4 percent) also fell. The government released only quick estimates for the month of May which showed a 34.7 percent drop in industrial production but warned those figures should not be compared with previous months due to insufficient data as the country was under lockdown amid efforts to contain the spread of the COVID-19 pandemic. The same applies to April figures when a revised estimate showed a 57.6 percent plunge.

OPPORTUNITIES & THREATS

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

Opportunities

The Company's product range includes Electrical Carbon Materials, Mechanical Carbon Materials, Current Collectors and other speciality carbon products

In the Union Budget 2019-20, it was estimated that an investment of Rs 50 lakh crores would be needed for railway infrastructure between 2018-2030. Railway projects are not conceived / executed on State / Union Territory basis. Investment in Railways is mobilized from a mix of sources including budgetary and extra budgetary resources through institutional finance and Public Private Partnership (PPP). A part of investment in the area of completion of tracks, rolling stock manufacturing and delivery of passenger/freight services is envisaged through PPP.

Further, allocation of Budget for 2019-2020 is Rs.30,198 crore, which is, 162% more with respect to average annual budget outlay of 2009-14.

This augurs very well for the Company, as this investment will reflect in the increase in the operation of the Indian Railways, which will directly result in significant increase in the demand for the Company's product. With the revamped plant and cost effective production, the Company is expected to achieve a higher turnover and profitability in the years to come.

With the recent drive on 'Aatma Nirbhar Bharat Abhiyaan' together with 'Make in India' movement, the Company is expected to gain a competitive position over the competitor, as more than 90% of the input used in our production is Indigenous and your company is an MSME and this will directly reflect in our competitiveness especially in sales to the Indian Railways and other PSUs.

Further, the recent restrictions in import of materials from China will help the Company indirectly as China has been dumping cheap and sub standard material in the country.

Threats

1. The COVID-19 pandemic will directly impact the revenue for the current financial year since the operation of the Indian Railways are under total suspension and several other industries have lost between 15 and 40 % of their output.

Management Discussion and Analysis Report (Contd.)

2. Conversion of DC motor to brushless AC motor in Locomotives and Power plants.
3. Price war for tender business.

SEGMENT-WISE/PRODUCT-WISE PERFORMANCE

Company has achieved a gross revenue from operation amounting to Rs.48.44 Crore as against Rs.51.27 Crore in the last financial year, a decrease of 5.51% as compared to the previous financial year.

Sale of Electrical segment has contributed 56% to the top line as against 67% in the previous fiscal, whilst the Mechanical & Speciality Carbon segment witnessed a share of 44% as against 33 % in the previous year. This is as per Company's planning as the electrical carbon segment globally is slowing down, and in the years ahead the company will be more and more concentrating upon the mechanical and speciality segments.

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

OUTLOOK

The outlook for the Company continues to be optimistic based on the growth in the demand for the Company's products. The Company has already completed its first phase of upgradation and Modernization of its two factories, but with the fast paced change in our customers requirements this will be a continuous exercise. The Company is also exploring new growth opportunities as well as optimum utilization of its available resources, as well as constantly working towards improved productivity through further upgradation of Plant & Machinery where required, training of workmen, etc.

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

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

RISKS & CONCERNS

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

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

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

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

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

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review, revenue from operations of the Company closed at Rs. 4844.29 Lacs as compared to Rs. 5127.00 Lacs in the previous year which is a 5.51% reduction. This was mainly due to lockdown in the last week of March, 2020, as per the directives of the Central / respective State Government(s) due to COVID 19 pandemic.

Despite several challenges issue faced by your Company such as low productivity, absenteeism, global economic slowdown, Foreign exchange price risk, cut throat internal competition due to dumping from China and reduction in the prices due to price

Management Discussion and Analysis Report (Contd.)

war; your Company has been able to continue towards higher turnover and profits.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

The Company has always given prime importance to Human Resources. Continued efforts towards optimum manpower utilization are being made for reduction of cost and optimization of productivity. The Company continues to provide thrust on regular training programmes for upgradation of job knowledge and other related skills amongst its employees.

The total number of people employed in the organization as on 31.03.2020 was 244 as compared to 250 as on 31.03.2019.

Details of significant changes in key financial ratios, along with detailed explanations:

Financial Ratios for standalone financials

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Debtors Turnover [Net Credit Sales / Average Accounts Receivable]	3.50	3.36
Inventory Turnover [Cost of Goods Sold / Average Inventory]	1.56	3.01
Interest Coverage (*) [Earning Before Interest & Taxes / Interest Expenses]	16.18	149
Current Ratio [Current Assets / Current Liabilities]	0.73	0.95
Debt Equity Ratio [Total Liabilities / Total Shareholders Equity]	0.11	0.22
Net Profit Margin (%) [Net Profit / Revenue]	16.71	9.59%
Return on Net Worth (%) [Profit after tax / Average Equity Capital and Other Equity]	40.93	45.10%

(*) The variance in the ratio is mainly due to fresh borrowings taken during the previous financial year.

CAUTIONARY STATEMENT

Statement in the "Management's Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied in this report. Important factors that would make a difference to the Company's operations include global and Indian demand/supply conditions, raw materials prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations/policies, tax regimes, economic developments within the country and other factors such as litigation and labour negotiations. The Company assumes no responsibility to modify or revise any forward-looking statements on the basis of any future events or new information. Actual results may differ from those mentioned in the report.

Registered Office:

Birkuchi, Guwahati, Assam - 781026
CIN: L23101AS1963PLC001206

For and on behalf of the Board

Date: 25th June, 2020
Place: Kolkata

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

Sd/-
Rakesh Himatsingka
Chairman
(DIN: 00632156)

Independent Auditors Report

To the Members of
Assam Carbon Products Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Assam Carbon Products Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), and Cash Flow Statement and the Statement of changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the IND AS, of the state of affairs as at March 31, 2020 and its Profit including other comprehensive income, its Cash Flow and changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl.	Key Audit Matter	Auditor's Response
1.	<p><i>Litigation – Contingencies</i></p> <p>Provision for employee wages and benefits for the lockout period at the factories of the company was not made based on the principles of 'No Work No Pay'. This might have an impact on the results, if the potential exposures were to materialise. The labour matter of Company's Guwahati factory is subjudice. Refer note 25A(iii) and (iv).</p>	<p><i>Principal Audit Procedures</i></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures. Supporting documentation are tested for the positions taken by the management.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the shareholder information and Report of the Board of Directors & Management Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act")

Independent Auditors Report *(Contd.)*

with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under section 133 of the act read with rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditors Report (Contd.)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("the Order") as amended, issued by Central Government of India in terms of subsection(11) of Section 143 of the act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 & 4 of the order.
2. As required by section 143(3) of the Act, based on our audit 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 & Loss including other comprehensive income, Cash Flow Statement and statement of changes in equity dealt with by this report are in agreement with the books of account;
 - (d) In our opinion the aforesaid IND AS financial statements comply with the Accounting Standards specified under section 133 of the act.
 - (e) On the basis of written representations received from the directors as on March 31,2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2020, from being appointed as a director in terms of sub section (2) of section 164 of the Act.
 - (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the company to its director during the year is in accordance with the provisions of section 197 of the act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies(Audit & 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 litigation on its financial position in its Ind AS financial statements in accordance with the generally accepted accounting practice – Refer Note 25 to the Ind As financial statements.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor's Education and Protection Fund by the company.

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

[Ashis Ranjan Maitra]
Partner
Membership No : 056520

Place: Kolkata
Date : 25th June 2020

Annexure 'A' to the Independent Auditors Report

(Referred to in our report of even date)

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of two years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory, except for goods in transit has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanation given to us and based on our examination of the records of the company, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraphs 3(iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanation given to us and based on our examination of the records of the company, the Company has not made any investment, advanced any loan, given any guarantee or provided any securities to other during the year.
- (v) The Company has not accepted any deposits during the year as per the directives issued by the Reserve Bank of India under the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraphs 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for any of the products manufactured by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, goods and service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

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

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount related	Amount [in Thousand]
Central Sales-tax Act, 1956	Sales-tax	Appellate Deputy Commissioner, Secunderabad Division	2012-13	201
Central Sales-tax Act, 1956	Sales-tax	Appellate Deputy Commissioner, Secunderabad Division	2013-14	297

Annexure 'A' to the Independent Auditors Report *(Contd.)*

- (viii) In our opinion and according to the information and explanation given to us, the Company did not have any outstanding debentures during the year. The company has not defaulted in repayment of loans or borrowings to any financial institution, bank and government authorities. Accordingly, paragraphs 3(viii) of the Order is not applicable.
- (ix) The Company did not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraphs 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has paid managerial remuneration during the year which is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraphs 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraphs 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

[Ashis Ranjan Maitra]
Partner
Membership No : 056520

Place: Kolkata
Date : 25th June 2020

Annexure ‘B’ to the Independent Auditors Report

Annexure - B to the Independent Auditors’ Report of even date on the Ind AS financial statements of Assam Carbon Products Limited

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

We have audited the internal financial controls over financial reporting of Assam Carbon Products Limited (“the Company”) as of 31 March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

[Ashis Ranjan Maitra]
Partner
Membership No : 056520

Place: Kolkata
Date : 25th June 2020

Balance Sheet as at 31st March, 2020

(Amount in Rupees thousand)

	Note	31 Mar 2020	31 Mar 2019
ASSETS			
Non Current Assets			
(a) Property, Plant & Equipments	3	1,43,824	1,44,756
(b) Other Intangible Assets	3	279	398
(c) Other Financial Assets	4	12,379	5,873
(d) Deferred Tax Assets	27	16,825	-
		1,73,307	1,51,027
Current Assets			
(a) Inventories	5	2,06,944	1,32,965
(b) Financial Assets			
(i) Investments	6	3,602	3,412
(ii) Trade Receivables	7	1,18,604	1,58,070
(iii) Cash & Cash Equivalents	8	13,829	8,834
(iv) Other Financial Assets	4	20,415	14,126
(c) Other Current Assets	9	8,547	13,449
		3,71,941	3,30,856
TOTAL ASSETS		5,45,248	4,81,883
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	27,556	27,556
(b) Other Equity	11	2,19,426	1,09,041
		2,46,982	1,36,597
Non Current Liabilities			
(a) Provisions	13	27,722	29,479
		27,722	29,479
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	59,500	49,500
(ii) Trade Payables	14	30,917	29,198
(iii) Other Liabilities	15	1,51,359	2,02,953
(b) Provisions	13	21,757	24,123
(c) Other Current Liabilities	16	1,658	1,219
(d) Current Tax Liabilities (Net)	17	5,353	8,814
		2,70,544	3,15,807
TOTAL EQUITY AND LIABILITIES		5,45,248	4,81,883
Significant accounting policies	1B		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **D. Basu & Co.**

Chartered Accountants

Firm Registration No.: 301111E

Ashis Ranjan Maitra

Partner

Membership No.: 056520

Place: Kolkata

Date: 25.06.2020

For and on behalf of the Board of Directors of

Assam Carbon Products Limited

Rakesh Himatsingka

Chairman

(DIN : 00632156)

Subhendu Chakraborty

Company Secretary

K. K. Bhattacharya

Managing Director

(DIN : 07011241)

Pijush Bysack

Chief Financial Officer

S. K. Lhila

Director

(DIN : 01383460)

Statement of Profit & Loss for the year ended 31st March, 2020

(Amount in Rupees thousand)

	Note	31 Mar 2020	31 Mar 2019
I. Income from Operations	18	4,84,429	5,12,700
II. Other income	19	10,856	12,084
III. Total Income (I + II)		4,95,285	5,24,784
IV. Expenses			
(a) Cost of materials consumed	20	1,16,476	1,24,525
(b) Purchase of stock in trade	21	888	720
(c) Changes in inventories of finished goods, work in progress & stock in trade	22	(65,728)	(12,209)
(d) Employee benefits expenses	23	1,37,233	1,47,624
(e) Finance cost		7,113	426
(f) Depreciation and Amortisation expenses	3	17,842	15,735
(g) Other Expenses	24	1,73,493	1,84,552
Total Expenses (IV)		3,87,317	4,61,373
V. Profit / (Loss) before exceptional items and tax (III - IV)		1,07,968	63,411
VI. Exceptional Items		-	-
VII. Profit / (Loss) before tax (V - VI)		1,07,968	63,411
VIII. Tax Expense / (Credit)			
(a) Current tax		18,209	12,895
(b) Deferred tax		11,267	-
Total Tax Expenses / (Credit)		29,476	12,895
IX. Profit / (Loss) for the year from continuing operations (VII - VIII)		78,492	50,516
X. Other Comprehensive Income / (Loss)			
(a) Items that will not be reclassified to profit or Loss			
- Remeasurement gains and (losses) on defined benefit obligation		3,801	(1,324)
(b) Income-tax (expense)/credit relating to items that will not be reclassified to profit or loss		1,339	-
Total Other Comprehensive Income / (Loss), net of taxes		2,462	(1,324)
XI. Total Comprehensive Income / (Loss) for the year (IX + X)		80,954	49,192
XII. Earnings per share			
Basic & Diluted	28	28.48	18.33
Significant accounting policies	1B		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **D. Basu & Co.**

Chartered Accountants

Firm Registration No.: 301111E

Ashis Ranjan Maitra

Partner

Membership No.: 056520

Place: Kolkata

Date: 25.06.2020

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

Rakesh Himatsingka

Chairman

(DIN : 00632156)

Subhendu Chakraborty

Company Secretary

K. K. Bhattacharya

Managing Director

(DIN : 07011241)

Pijush Bysack

Chief Financial Officer

S. K. Lhila

Director

(DIN : 01383460)

Cash Flow Statement for the year ended 31st March, 2020

(Amount in Rupees thousand)

	31 Mar 2020	31 Mar 2019
A. Cash flow from operating activities		
Profit/ (Loss) before tax	1,07,968	63,411
Adjustments for :		
Depreciation and amortisation	17,842	15,735
Allowance for doubtful receivables	1,312	-
Advances written off	-	761
Finance cost	7,113	426
Interest income	(242)	(251)
Dividend	(176)	(176)
Remeasurement of Defined Benefit Plan	3,801	(1,324)
Provisions and Liabilities no longer required written back	(1,633)	(1,247)
Loss in Reinstatement of Investment	14	4
Loss/ (profit) on sale / discard of fixed asset	220	3
	28,251	13,931
Operating cash flow before working capital changes	1,36,219	77,342
Adjustments for :		
Trade receivables, loans and advances and other current assets	28,709	(13,791)
Inventories	(73,979)	(21,008)
Trade payable, provisions and other liabilities	-51,926	(39,122)
	39,023	3,421
Less : Direct Taxes paid	(20,615)	(14,680)
Net Cash provided by/ (used in) operating activities	18,408	(11,259)
B. Cash flow from investing activities		
Purchase of fixed assets (including net movement in capital WIP)	(16,955)	(43,347)
Proceeds from disposal of fixed assets	384	3
Investment in Mutual funds	(204)	(176)
(Investment)/Maturity in term deposit with bank (net)	57	28
Dividend Income	176	176
Interest received	242	251
Net cash provided by/ (used in) investing activities	(16,300)	(43,065)
C. Cash flow from financing activities		
Borrowings	10,000	49,500
Finance cost paid	(7,113)	(426)
Net cash provided by/ (used in) financing activities	2,887	49,074
Net increase in cash and cash equivalents (A+B+C)	4,995	-5,250
Cash and cash equivalents - opening balance	8,834	14,084
Cash and cash equivalents - closing balance	13,829	8,834
	4,995	(5,250)
Cash and cash equivalents as at the year end comprises of:		
Cash on hand	102	124
Balances with banks in current accounts	13,727	8,710
	13,829	8,834

As per our report of even date attached

For **D. Basu & Co.**

Chartered Accountants

Firm Registration No.: 301111E

Ashis Ranjan Maitra

Partner

Membership No.: 056520

Place: Kolkata

Date: 25.06.2020

For and on behalf of the Board of Directors of

Assam Carbon Products Limited

Rakesh Himatsingka

Chairman

(DIN : 00632156)

Subhendu Chakraborty

Company Secretary

K. K. Bhattacharya

Managing Director

(DIN : 07011241)

Pijush Bysack

Chief Financial Officer

S. K. Lhila

Director

(DIN : 01383460)

Statement of changes in Equity as at 31st March, 2020

(Amount in Rupees thousand)

A. Equity Share Capital

Balance as at 1 April 2019	27,556
Changes in equity share capital during the year	-
Balance as at 31 March 2020	27,556

B. Other Equity

	Attributable to shareholders of Assam Carbon Products Limited					Total Other Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Other items of Other Comprehensive Income	
Balance as at 1 April 2019	3,586	2,244	4,144	1,01,335	(2,268)	1,09,041
Adjustments for Deferred Tax	-	-	-	28,538	893	29,431
	3,586	2,244	4,144	1,29,873	(1,375)	1,38,472
Profit / (Loss) for the year	-	-	-	78,492	-	78,492
Other Comprehensive Income / (loss) for the year	-	-	-	-	2,462	2,462
Total Comprehensive Income / (loss) for the year	-	-	-	78,492	2,462	80,954
Balance as at 31 March 2020	3,586	2,244	4,144	2,08,365	1,087	2,19,426
Balance as at 1 April 2018	3,586	2,244	4,144	50,819	(944)	59,849
Profit / (Loss) for the year	-	-	-	50,516	-	50,516
Adjustments for Deferred Tax	-	-	-	-	-	-
Other Comprehensive Income / (loss) for the year	-	-	-	-	(1,324)	(1,324)
Total Comprehensive Income / (loss) for the year	-	-	-	50,516	(1,324)	49,192
Balance as at 31 March 2019	3,586	2,244	4,144	1,01,335	(2,268)	1,09,041

Nature and Purpose of each reserve

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

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

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

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

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **D. Basu & Co.**

Chartered Accountants

Firm Registration No.: 301111E

Ashish Ranjan Maitra

Partner

Membership No.: 056520

For and on behalf of the Board of Directors of

Assam Carbon Products Limited

Rakesh Himatsingka

Chairman

(DIN : 00632156)

K. K. Bhattacharya

Managing Director

(DIN : 07011241)

S. K. Lhila

Director

(DIN : 01383460)

Place: Kolkata

Date: 25.06.2020

Subhendu Chakraborty

Company Secretary

Pijush Bysack

Chief Financial Officer

Notes to the Financial Statements for the year ended 31st March, 2020

1.A. ABOUT THE COMPANY

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

1.B. SIGNIFICANT ACCOUNTING POLICIES

i. Basis of preparation of financial statements

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

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

ii. Use of estimates

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

Key sources of estimation uncertainty

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

1. Useful lives of property, plant and equipment

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

2. Fair value measurements and valuation processes

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

3. Claims, Provisions and Contingent Liabilities

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

4. Actuarial Valuation

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

iii. Current – non current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations, the Company has ascertained its operating cycle for the purpose of current – non current classification of assets and liabilities as 12 months.

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

Assets

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

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

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

All other assets are classified as non-current.

Liabilities

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

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

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

All other liabilities are classified as non-current.

iv. **Fair Value Measurement**

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

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

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

v. **Property Plant and Equipment**

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

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

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

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

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

Depreciation

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

Depreciation on tangible fixed assets is provided under straight line method over useful lives of fixed assets, as estimated by the management. Useful lives so estimated are in line with the useful lives indicated by Schedule II to the Companies Act, 2013. Depreciation on additions/ deletions is provided on pro rata basis in the year of purchase/ disposal.

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

vi. Intangible fixed assets

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

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

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

vii. Impairment of non-financial Assets

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

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

viii. Financial Instruments

a. Financial Assets

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

Classification

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

The financial assets are classified as those measured at:

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

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

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

Impairment

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

De-recognition

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

b. Financial Liabilities

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

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

De-recognition of financial liabilities

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

c. Offsetting Financial Instruments

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

ix. Inventories

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

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

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

x. Revenue

Revenue from sale of goods is recognised when significant control of ownership in the goods are transferred to customers and it is not unreasonable to expect ultimate collection of the sale consideration that is being recognised as revenue.

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

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

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

interest rate applicable.

xi. Income from Government Grant

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

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

Accordingly, government grants:

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

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

xii. Foreign exchange transactions

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

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

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

xiii. Employee benefits

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

Short term benefits

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

Post-employment benefits

- a) Monthly contributions to Provident Funds which are in the nature of defined benefit schemes are charged to Statement of Profit and Loss and deposited with the Provident Fund administered through the Company's trust on a monthly basis.
- b) The administration of the gratuity scheme which is in the nature of defined benefit plan, has been entrusted to Life Insurance Corporation of India ('LIC'). Annual charge is recognised on the basis of actuarial valuation at the Balance Sheet date, conducted by an independent actuary appointed by the Company and payments are made to LIC on the basis of annual demand received from them. The Company recognizes all actuarial gains and losses in the Statement of Profit and Loss.

Other long term benefits

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

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

Termination benefits

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

xiv. Income taxes

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

- a. Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws.
- b. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

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

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

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

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

xv. Dividend Distribution

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

xvi. Provisions and Contingent liabilities

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

Contingent liability is disclosed for:

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

xvii. Operating leases

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

xviii. Operating Segments

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

xix. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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

2. FINANCIAL RISK MANAGEMENT

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

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

a. Credit Risk

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

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

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

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

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

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

Age of receivables	31 Mar 2020	31 Mar 2019
1 – 30 days past dues	23,133	25,267
31 – 60 days past dues	24,767	12,141
61 – 90 days past dues	7,678	7,804
91 – 180 days past dues	6,349	7,642
More than 180 days past dues	3,565	2,528

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

b. Liquidity Risk

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

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

c. Market Risk

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

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

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

(Amount in Rupees thousand)

3 PROPERTY, PLANT & EQUIPMENTS

	Owned Assets						
	Freehold Land	Buildings	Plant and Machineries	Furniture & Fittings	Office Equipments	Vehicles	Total
Gross carrying amount							
Original cost as at 1 Apr 2018	1,853	34,923	2,79,395	4,264	16,862	5,710	3,43,007
Additions	-	3,374	40,217	174	535	-	44,300
Disposals	-	-	-	-	-	122	122
Closing Gross carrying amount as at 31 Mar 2019	1,853	38,297	3,19,612	4,438	17,397	5,588	3,87,185
Accumulated depreciation as at 1 Apr 2018	-	22,866	1,81,582	3,819	15,310	3,564	2,27,141
Depreciation for the Year	-	655	13,829	69	381	470	15,404
Accumulated depreciation on Disposals	-	-	-	-	-	116	116
Accumulated depreciation as at 31 Mar 2019	-	23,521	1,95,411	3,888	15,691	3,918	2,42,429
Net Carrying amount as at 1 April 2018	1,853	12,057	97,813	445	1,552	2,146	1,15,866
Net Carrying amount as at 31 March 2019	1,853	14,776	1,24,201	550	1,706	1,670	1,44,756
Gross carrying amount							
Original cost as at 1 Apr 2019	1,853	38,297	3,19,612	4,438	17,397	5,588	3,87,185
Additions	-	-	16,510	-	110	-	16,620
Disposals	-	-	3,440	-	-	-	3,440
Closing Gross carrying amount as at 31 Mar 2020	1,853	38,297	3,32,682	4,438	17,507	5,588	4,00,365
Accumulated depreciation as at 1 Apr 2019	-	23,521	1,95,411	3,888	15,691	3,918	2,42,429
Depreciation for the Year	-	720	15,927	72	333	336	17,388
Accumulated depreciation on Disposals	-	-	3,276	-	-	-	3,276
Accumulated depreciation as at 31 Mar 2020	-	24,241	2,08,062	3,960	16,024	4,254	2,56,541
Net Carrying amount as at 31 Mar 2020	1,853	14,056	1,24,620	478	1,483	1,334	1,43,824

3 CAPITAL WORK IN PROGRESS

Balance as at 1 Apr 2018	953	Balance as at 1 Apr 2019	-
Addition	-	Addition	10,080
Assets capitalised during the year	953	Assets capitalised during the year	10,080
Balance as at 31 Mar 2019	-	Balance as at 31 Mar 2020	-

3 INTANGIBLE FIXED ASSETS - COMPUTER SOFTWARE

COST		COST	
As at 1 Apr 2018	6,297	As at 1 Apr 2019	6,297
Additions	-	Additions	335
Disposals	-	Disposals	-
As at 31 Mar 2019	6,297	As at 31 Mar 2020	6,632
ACCUMULATED DEPRECIATION		ACCUMULATED DEPRECIATION	
As at 1 Apr 2018	5,568	As at 1 Apr 2019	5,899
Depreciation for the Year	331	Depreciation for the Year	454
Accumulated depreciation on Disposals	-	Accumulated depreciation on Disposals	-
As at 31 Mar 2019	5,899	As at 31 Mar 2020	6,353
Net Carrying amount as at 31 Mar 2019	398	Net Carrying amount as at 31 Mar 2020	279

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

(Amount in Rupees thousand)

4 OTHER FINANCIAL ASSETS

At amortised cost	Non-current		Current	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
To parties other than related parties				
Security deposits				
Unsecured, considered good	11,877	5,772	7,997	2,075
	11,877	5,772	7,997	2,075
Other loans and advances				
<i>Unsecured considered good, unless otherwise stated</i>				
Interest accrued on deposits	-	-	99	216
Bank deposits due to mature after 12 months from the reporting date (Refer note 8) - Held as margin money	502	101	82	540
Others receivable	-	-	12,237	11,295
	12,379	5,873	20,415	14,126

5 INVENTORIES

Particulars	31st March 2020	31st March 2019
(Valued at lower of cost or net realizable value)		
Raw materials and components	37,179	35,176
Raw materials in Transit	6,928	7,907
Stores and spares parts	13,747	6,520
Work-in-progress	1,26,975	68,821
Finished goods		
- Manufactured	21,439	13,749
- Traded	676	792
	2,06,944	1,32,965

6 CURRENT INVESTMENT

Particulars	31st March 2020	31st March 2019
Non-trade investment		
Investment in Mutual Funds (at fair value through Profit & Loss)		
ICICI Equity Arbitrage Fund	3,602	3,412
2,63,406.015 units with NAV at Rs. 13.6737		
(31 March 2019 - 2,50,473.720 units with NAV at Rs. 13.6207)		
	3,602	3,412

Refer Note 1.B for information about fair value measurements and Note 2 for credit risk and market risk in investments.

7 TRADE RECEIVABLES

Particulars	31st March 2020	31st March 2019
Unsecured, considered good	1,18,604	1,58,070
Unsecured, considered doubtful	17,418	35,180
	1,36,022	1,93,250
Less: Allowance for doubtful receivables	17,418	35,180
	1,18,604	1,58,070

Refer Note 2 for information about credit risk and market risk on receivables.

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

(Amount in Rupees thousand)

8 CASH AND BANK BALANCES

Particulars	31st March 2020	31st March 2019
Cash and cash equivalents		
Balance with banks:		
Current accounts	13,727	8,710
Cash on hand	102	124
	13,829	8,834
Details of deposits		
Bank deposits due to mature within 12 months of the reporting date included under 'Other Financial Assets (Current)'	82	540

9 OTHER CURRENT ASSETS

	Non-current		Current	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
Unsecured considered good, unless otherwise stated				
Advances to employees	-	-	571	1,185
Balance with sale tax authorities	-	-	951	846
Deposit with Registrar, District Judges Court	-	-	3,071	3,071
Prepaid expenses	-	-	3,214	2,416
Advance for Capital Goods	-	-	439	1,745
Advances recoverable in cash or in kind or for value to be received				
- Considered good	-	-	301	4,186
- Considered doubtful	-	-	-	-
	-	-	8,547	13,449

10 OTHER CURRENT ASSETS

	31st March 2020		31st March 2019	
	No of shares	Amount	No of shares	Amount
Equity Share capital				
Authorised shares				
Equity shares of Rs. 10 each	98,00,000	98,000	98,00,000	98,000
	98,00,000	98,000	98,00,000	98,000
Issued, subscribed and fully paid up equity shares of Rs.10 each	27,55,600	27,556	27,55,600	27,556

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
Equity shares of Rs. 10 each fully paid up				
At the commencement and at the end of the year	27,55,600	27,556	27,55,600	27,556

Terms attached to equity shares

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

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

(Amount in Rupees thousand)

	31st March 2020		31st March 2019	
	No of shares	% of holding	No of shares	% of holding
Equity shares of Rs. 10 each fully paid up held by				
Mr. Rakesh Himatsingka	7,96,452	28.90%	7,96,452	28.90%
Mr. S V Himatsingka	8,68,823	31.53%	8,87,823	32.22%
Mrs. Anita Himatsingka	1,88,025	6.82%	2,75,025	9.98%

11 OTHER EQUITY

	31 Mar 2020		31 Mar 2019	
Capital Reserve		3,586		3,586
Capital Redemption Reserve		2,244		2,244
General Reserve		4,144		4,144
Retained Earnings :				
As per last financial statements	1,01,335		50,819	
Add : Adjustment for Deferred Tax	28,538		-	
Add : Profit / (Loss) for the year	78,492	2,08,365	50,516	1,01,335
Other Comprehensive Income :				
Remeasurement of Defined Benefit Plan	1,533		(2,268)	
Less : Income tax thereon	446	1,087	-	(2,268)
		2,19,426		1,09,041

12 BORROWINGS

	Non-current		Current	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
Unsecured (at amortised cost)				
Related Parties	-	-	39,500	39,500
Others	-	-	20,000	10,000
	-	-	59,500	49,500

UnSecured

The balance carries an interest rate of 12%.

The Company's Authorised capital includes 20,000 (31 March 2019 - 20,000) Cumulative Convertible Preference shares of Rs.100/- each. No amount is outstanding against such Preference shares.

13 PROVISIONS

	Non-current		Current	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
Provision for employee benefits				
Gratuity (refer note 29)	15,783	18,331	8,138	10,831
Compensated absences	11,939	11,148	1,431	1,104
Provision for contingencies	-	-	10,000	10,000
Provision for warranties	-	-	2,188	2,188
	27,722	29,479	21,757	24,123

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

(Amount in Rupees thousand)

Movement of Provisions :

	Provision for contingencies		Provision for warranties	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
Opening Balance	10,000	10,000	2,188	2,203
Add: Provision during the year	-	-	-	-
Less: Utilised during the year	-	-	-	15
Closing Balance	10,000	10,000	2,188	2,188

a) Provision for contingencies

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

b) Provision for warranties

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

14 TRADE PAYABLES

Particulars	31st March 2020	31st March 2019
Outstanding dues of creditor other than micro enterprises and small enterprises	15,049	15,889
Outstanding dues of micro enterprises and small enterprises (*)	15,868	13,309
	30,917	29,198

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

Particulars	31st March 2020	31st March 2019
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	15,691	13,132
- Interest	177	177
The amount of interest paid by the buyer as per the MSMED	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	177	177
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED	177	177

(*) The amount includes a Principal amount of Rs. 1760 and interest of Rs. 177 which is subjudice against which an amount of Rs.3071 has been deposited with Registrar, District Judges Court.

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

(Amount in Rupees thousand)

15 OTHER LIABILITIES

Particulars	31st March 2020	31st March 2019
Interest accrued but not due	1,598	358
Vehicle under Hire Purchase	-	119
Creditor for capital goods	2,045	3,410
Outstanding Liabilities for Expenses	16,103	17,087
Payable under Assignment Agreement	96,190	1,31,190
Employee liabilities	14,948	29,027
Statutory dues payable	2,232	5,933
Other Liabilities	2,414	-
Subjudice Part Refund of Excise Incentive against furnishing Solvent Surety	15,829	15,829
	1,51,359	2,02,953

16 OTHER CURRENT LIABILITIES

Particulars	31st March 2020	31st March 2019
Advance from customer	1,658	1,219
	1,658	1,219

17 CURRENT TAX LIABILITIES

Particulars	31st March 2020	31st March 2019
Provision for tax (net)	5,353	8,814
	5,353	8,814

18 INCOME FROM OPERATIONS

Particulars	31st March 2020	31st March 2019
Sale of products		
Own manufactured	4,83,363	5,10,217
Traded	813	1,449
Sale of products (*)	4,84,176	5,11,666
Other operating income		
Scrap sales	253	1,034
Total	4,84,429	5,12,700
(*) Sale of products		
Manufactured		
EG, HC, NG and RB carbon blocks	46,676	60,228
MG and SG carbon blocks	10,012	7,799
Electrical carbon brushes	2,10,959	2,30,214
Mechanical and Special Carbon components	2,08,114	2,07,045
ISO Graphite components	6,044	4,784
Others	1,558	147
	4,83,363	5,10,217
Traded		
Carbon Brushes	526	996
Commutator Maintenance Accessories	287	453
	813	1,449

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

(Amount in Rupees thousand)

19 OTHER INCOME

Particulars	31st March 2020	31st March 2019
Interest income	242	251
Dividend Income	176	176
Budgetary support under GST Regime	8,264	8,408
Excise Duty Refund	-	1,993
Provision and liabilities no longer required written back	1,633	1,247
Profit on sale / discard of fixed assets	220	-
Profit on reinstatement of investment	14	-
Gain on foreign exchange fluctuation (net)	61	-
Miscellaneous income	246	9
	10,856	12,084

20 COST OF MATERIALS CONSUMED

Particulars	31st March 2020	31st March 2019
Opening Stock	43,083	33,206
Add : Purchases	1,17,500	1,34,402
	1,60,583	1,67,608
Less : Closing Stock	44,107	43,083
	1,16,476	1,24,525
Break up of cost of material consumed		
Lamp black, carbon black, coke, natural & synthetic graphite, pitch etc	27,892	33,191
Non ferrous metals, copper sheets, brass sheets, flexible wires, tubes etc	35,182	34,097
Copper sheets, brass sheets, flexible wires, tubes, rods etc	12,193	13,245
Carbon brush components	14,001	15,947
ISO graphite & carbon blocks, blanks etc	21,970	20,674
Others	5,238	7,371
	1,16,476	1,24,525
Breakup of inventory - materials		
Lamp black, carbon black, coke, natural & synthetic graphite, pitch etc	16,759	19,829
Non ferrous metals, copper sheets, brass sheets, flexible wires, tubes etc	5,771	5,045
Copper sheets, brass sheets, flexible wires, tubes, rods etc	6,389	5,211
Carbon brush components	4,608	4,361
ISO graphite & carbon blocks, blanks etc	8,363	6,974
Others	2,217	1,663
	44,107	43,083

21 PURCHASES OF STOCK IN TRADE

Particulars	31st March 2020	31st March 2019
Carbon brushes and accessories	888	720
	888	720

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

(Amount in Rupees thousand)

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

Particulars	31st March 2020	31st March 2019
Opening inventory		
Work-in-progress	68,821	63,575
Finished goods		
- Manufactured	13,749	6,691
- Traded	792	887
	83,362	71,153
Less :		
Closing inventory		
Work-in-progress	1,26,975	68,821
Finished goods		
- Manufactured	21,439	13,749
- Traded	676	792
Net increase	(65,728)	(12,209)

23 EMPLOYEE BENEFITS

Particulars	31st March 2020	31st March 2019
Salaries, wages and bonus	1,10,978	1,17,704
Contribution to Provident and other funds	13,286	15,118
Workmen staff welfare expense	12,969	14,802
	1,37,233	1,47,624

24 OTHER EXPENSES

Particulars	31st March 2020	31st March 2019
Stores and spares parts consumed	33,087	38,753
Power and fuel	57,894	64,124
Fabrication costs	21,855	21,926
Repairs to:		
- building	1,848	5,566
- plant and machinery	7,182	8,897
- others	2,068	2,534
Insurance	720	645
Rent	747	707
Commission - others	3,418	2,450
Corporate social responsibility expenditure (refer note 40)	1,181	1,000
Packing and freight	5,762	6,279
Travelling expenses	8,339	8,054
Allowance for doubtful trade receivables	1,312	-
Advances & other receivables written off	-	761

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

(Amount in Rupees thousand)

Particulars			31st March 2020	31st March 2019
	C.Y.	P.Y.		
Bad Debts written off	19,074	-		
Less : Adjusted against allowance	19,074	-	-	-
Rates and taxes			2,873	1,016
Legal and professional fees			8,301	5,283
Auditors' remuneration (refer note 36)			475	485
Non executive directors' commission and fees			1,796	1,297
Loss on sale / discard of fixed assets			-	3
Loss on foreign exchange fluctuation (net)			-	25
Loss on reinstatement of investment			-	4
Postage and telephone			909	1,019
Security charges			3,290	2,770
Bank charges			217	189
Miscellaneous expenses			10,219	10,765
			1,73,493	1,84,552

25 CONTINGENT LIABILITY & CAPITAL COMMITMENTS

Particulars	31st March 2020	31st March 2019
(A) Contingent liability not provided for:		
(i) Sales tax matters under appeal	498	-
(ii) Bank Guarantee (against which equivalent FDR has been lodged with bank)	584	540
(iii) The issue of payment of back wages during the period of strike / lock-out at the Company's Guwahati Unit employees effective from 7 December 2010 to 8 March 2012 has been referred to appropriate authorities. However, the Company, on the principle of 'No Work No Pay', has neither ascertained nor made any provision for payment of such wages and other employee benefits for the period of strike and lock out. The labour matter is currently subjudice.		
(iv) The Company was compelled to declare a lock-out at its Patancheru Factory for the period from 5 December 2016 to 11 January 2017 due to lighting strike by the workmen. The Company on the principle of 'No Work No Pay' has neither ascertained nor made any provision for payment of wages and other employee benefits for the period of lockout.		
(B) Capital and other commitments (to the extent not provided for)		
(i) Estimated amount of contracts (net of advances) remaining to be executed on Capital account and not provided for	1,589	10,015
(ii) Other Commitments	-	5

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

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

(Amount in Rupees thousand)

27 DEFERRED TAX

Particulars	31st March 2020	31st March 2019
Deferred tax assets		
Provision for doubtful receivables and advances	5,072	9,787
Provision for employee benefits (Through PL)	7,412	7,220
Provision for Leave Encashment / Compensated Absences	3,893	3,409
Provision for employee benefits (Through OCI)	-	893
Provision for Workmen Contingencies	2,911	-
Provision for warranties	637	609
Tax Credit	10,160	16,406
Total	30,085	38,324
Deferred tax liabilities		
Difference between written down value of fixed assets as per books of accounts and for tax purposes	12,639	8,778
Investment in Mutual Fund	175	115
Provision for employee benefits (Through OCI)	446	-
Total	13,260	8,893
Deferred tax asset / (liability) [net]	16,825	29,431

During the year Deferred Tax has been recognised for the first time and the opening net Deferred Tax Assets have been adjusted against Retained Earning and OCI respectively as on 01.04.2019.

28 EARNINGS PER SHARE

Particulars	31st March 2020	31st March 2019
(a) Weighted average number of equity shares outstanding during the year	27,55,600	27,55,600
(b) Net profit / (loss) after tax attributable to equity shareholders (Rs. '000)	78,492	50,516
(c) Basic and diluted profit / (loss) per equity share of face value Rs. 10 (Rs.)	28.48	18.33

29 EMPLOYEE BENEFITS

I. Post Employment Defined Benefit Plans :

(A) Gratuity (Funded)

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

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

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

(Amount in Rupees thousand)

	31 March 2020	31 March 2019
(a) Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation :		
Present value of obligation at the beginning of the year	60,929	54,431
Current service cost	2,823	3,328
Interest cost	3,818	3,908
<u>Remeasurement Losses</u>		
Actuarial losses arising from changes in financial assumptions	3,043	871
Actuarial losses arising from changes in experience adjustments	(6,707)	2,090
Benefits paid	5,266	3,699
Present value of obligation at the end of the year	58,640	60,929
(b) Reconciliation of opening and closing balances of the fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	31,767	31,384
Interest income	2,081	2,332
<u>Remeasurement Gains</u>		
Return on plan assets	137	(250)
Contribution from employer	6,000	2,000
Benefits paid	5,266	3,699
Fair value of plan assets at the end of the year	34,719	31,767
(c) Reconciliation of the present value of the defined benefit obligation and the fair value of plan assets		
Present value of obligation at the end of the year	58,640	60,929
Fair value of plan assets at the end of the year	34,719	31,767
Liabilities recognised in the balance sheet	23,921	29,162
(d) Actual Return on plan assets	2,218	2,082
(e) Expense recognised in the other comprehensive income		
Remeasurement losses / gain	(3,801)	3,211
(f) Expenses recognised in Profit or Loss		
Service and Interest cost	4,561	4,904
(g) Category of plan assets		
Funded with LIC	100%	100%
(h) Maturity profile of defined benefit obligation		
Within 1 year	8,400	11,226
1-2 years	4,324	5,558
2-5 years	23,604	21,117
(i) Principal actuarial assumptions		
Discount Rate	6.55%	7.43%
Salary growth rate	8%	8%

Assumptions regarding future mortality experience are based on mortality tables of 'Indian Assured Lives Mortality (2006-2008) Ultimate' published by the Institute of Actuaries of India. The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

(Amount in Rupees thousand)

		Changes in assumption	Impact on defined benefit obligation 31 March 2020	Impact on defined benefit obligation 31 March 2019
(j)	Sensitivity analysis			
	Discount rate	Increase by 0.5 %	Decrease by Rs. 1,764	Decrease by Rs. 1,888
		Decrease by 0.5 %	Increase by Rs. 1865	Increase by Rs. 1997
	Salary growth rate	Increase by 0.5 %	Increase by Rs. 1,822	Increase by Rs. 1,968
		Decrease by 0.5 %	Decrease by Rs. 1,742	Decrease by Rs. 1,879
	<p>The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.</p> <p>The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior periods.</p>			
(k)	The company expects to contribute Rs. 7,500 the funded gratuity plan during the next financial year.			

(B) Provident fund

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

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

During the year, the Company's contribution of Rs. 7,664 (Previous year – Rs. 6,733) to the Provident Fund Trusts has been expensed under the 'Contribution to Provident and Other Funds' in Note 23.

II. Post Employment Defined Contribution Plans

Superannuation Fund

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

III. Leave Obligations

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

The total provision recorded by the Company towards this obligation was Rs.13,370 (as at 31 March, 2019 Rs. 12,252). The amount of the provision is current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Rs. 11,939 is not expected to be taken or paid within the next 12 months and shown under Non-current portion.

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

(Amount in Rupees thousand)

IV. Risk Exposure

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

Discount Rate Risk

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

Salary Growth Risks

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

Demographic Risk

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

30 RELATED PARTY DISCLOSURES :

(a) Related parties (where control exists)

None

(b) Persons having significant influence over the Company

Mr. Rakesh Himatsingka, Chairman

Mrs. Anita Himatsingka

Ms. Maalika Himatsingka

Mr. Shaurya Veer Himatsingka

(c) Key Management Personnel

Mr. K. K. Bhattacharya, Managing Director

Mr. Pijush Bysack, Chief Financial Officer

Mr. Subhendu Chakraborty, Company Secretary & Compliance Office

(d) Company / Entity in which Director is interested as Director

India Carbon Limited

Assam Plywood Limited

BudgeBudge Carbon Limited

Manav Kalyan Trust

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

Name of the party	Nature of relationship	Commission	Remuneration paid	Borrowings	Interest	Sitting Fees	Receivable/ (payable) at year end
Mr. Rakesh Himatsingka	Chairman	1,090	-	-	-	150	(97,153)
Mrs. Anita Himatsingka	Director	-	-	-	-	88	-
Ms. Maalika Himatsingka	Director	-	-	-	-	40	-
Mr. K. K. Bhattacharjee	Key management personnel	-	1,131	-	-	-	-
Mr. Pijush Bysack	Key management personnel	-	1,755	-	-	-	-
Mr. Subhendu Chakraborty	Key management personnel	-	642	-	-	-	-
Assam Plywood Limited	Related Company	-	-	-	2,700	-	(23,104)
BudgeBudge Carbon Limited	Related Company	-	-	-	2,040	-	(17,456)
Total		1,090	3,528	-	4,740	278	-

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

(Amount in Rupees thousand)

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

Name of the party	Nature of relationship	Commission	Remuneration paid	Borrowings	Interest	Sitting Fees	Receivable/ (payable) at year end
Mr. Rakesh Himatsingka	Chairman	634	-	-	-	196	(1,31,761)
Mrs. Anita Himatsingka	Director	-	-	-	-	168	-
Ms. Maalika Himatsingka	Director	-	-	-	-	40	-
Mr. K. K. Bhattacharjee	Key management personnel	-	1,062	-	-	-	-
Mr. Pijush Bysack	Key management personnel	-	1,669	-	-	-	-
Mr. Subhendu Chakraborty	Key management personnel	-	587	-	-	-	-
Assam Plywood Limited	Related Company	-	-	22,500	130	-	(22,617)
BudgeBudge Carbon Limited	Related Company	-	-	17,000	249	-	(17,224)
Total		634	3,318	39,500	379	404	-

- (f) The Company has purchased raw materials from India Carbon Limited amounting to Rs. 138 (Previous Year - Rs. 700) and sold finished products of Rs. 125 (Previous Year - Rs. 784). The Company has further provided an amount of Rs. 200 (Previous Year - Rs. NIL) on account of Rent for office space and Travelling Expenses of Rs. 13 (Previous Year - Rs. NIL). The balance outstanding as at 31 Mar 2020 was Rs. 366 (As at 31 Mar 2019 - Rs. NIL).
- (g) The Company has paid an amount of Rs. 821 (Previous year Rs. 200) to Manav Kalyan Trust under Corporate Social Responsibility Activities.

31 DETAILS OF INVENTORIES OF FINISHED GOODS

Class of goods	31st March 2020	31st March 2019
MG and SG carbon blocks	56	193
Electrical carbon brushes	15,634	8,526
Machined and special carbon components	5,692	4,871
ISO-Graphite components	57	159
Total	21,439	13,749

32 DETAILS OF INVENTORIES OF TRADED GOODS

Class of goods	31st March 2020	31st March 2019
Trading Brush	93	85
Commutator maintenance accessories	583	707
Total	676	792

33 CAPITAL MANAGEMENT

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

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

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

The Company monitors capital on the basis of cost of capital.

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

(Amount in Rupees thousand)

34 CATEGORIES OF FINANCIAL INSTRUMENTS

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

	31-Mar-20		31-Mar-19	
	Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial Assets				
a. Measured at amortised cost				
Cash & Cash Equivalents	13,829	13,829	8,834	8,834
Trade Receivables	1,18,604	1,18,604	1,58,070	1,58,070
Other Financial assets	32,794	32,794	19,999	19,999
Sub Total	1,65,227	1,65,227	1,86,903	1,86,903
b. Measured at fair value through Profit & Loss				
Investment in Mutual Fund	3,602	3,602	3,412	3,412
Sub Total	3,602	3,602	3,412	3,412
Total Financial Assets	1,68,829	1,68,829	1,90,315	1,90,315
B. Financial Liabilities				
a. Measured at amortised cost				
Borrowings	59,500	59,500	49,500	49,500
Trade Payables	30,917	30,917	29,198	29,198
Other Financial Liabilities	1,51,359	1,51,359	1,87,124	1,87,124
Sub Total	2,41,776	2,41,776	2,65,822	2,65,822
Total Financial Liabilities	2,41,776	2,41,776	2,65,822	2,65,822

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

35 FAIR VALUE HIERARCHY

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

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

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

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

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

(Amount in Rupees thousand)

	31-Mar-20		31-Mar-19	
	Level I	Level III	Level I	Level III
A. Financial Assets				
Cash & Cash Equivalents	-	13,829	-	8,834
Trade Receivables	-	1,18,604	-	1,58,070
Other Financial Assets	-	32,794	-	19,999
Investment in Mutual Funds	3,602	-	3,412	-
Total Financial Assets	3,602	1,65,227	3,412	1,86,903
B. Financial Liabilities				
Borrowings	-	59,500	-	49,500
Trade Payables	-	30,917	-	29,198
Other Financial Liabilities	-	1,51,359	-	1,87,124
Total Financial Liabilities	-	2,41,776	-	2,65,822

36 AUDITORS' REMUNERATION INCLUDES:

	31 Mar 2020	31 Mar 2019
(a) Statutory audit fees	375	375
(b) Limited Reviews	30	30
(c) Certification and Other assignments	70	80
	475	485

37. Incentive declared by the Government of India to eligible Industrial units under Central Excise towards refund of excise duty paid through PLA (Current Account) on finished products vide Notification No. 32/1999-CE dated 8 July 1999 (as amended) was reduced from 100% to 36% during 2008. Being aggrieved by such reduction in the Excise benefit, some of the beneficiaries approached the Court of Law. Thereafter Hon'ble Gauhati High Court had passed judgment for full refund of excise duty in terms of the original notification. The Hon'ble Supreme Court vide its Order dated 22nd April, 2020 has decided the cases in favour of the Revenue by setting aside the judgement of the Gauhati High Court. Refund of 50% of the differential amount, which comes to Rs. 15829 (Actual figure Rupees One Crore Fifty Eight Lakh Twenty Nine Thousand Four Hundred and Fifty One only), was received by the Company on furnishing solvent surety in pursuance of interim Order dated 7th December, 2015 of the Apex Court. As per the said judgment of the Hon'ble Supreme Court it has also been made clear that the pending refund applications shall be decided as per the subsequent notifications/industrial policies which were impugned before the respective High Courts. The Company is in the process of filing a Review Petition, challenging the said Order of the Hon'ble Supreme Court dated 22.04.2020. Thus, till the final conclusion is drawn, 50% of the differential amount received, as above, will continue to be treated as Other Financial Liabilities and cost, if any, associated with the said refund will be considered in these accounts on finality. (Note 15)
38. Hon'ble Supreme Court vide its judgement dated 10th November, 2017 allowed the appeal filed by an aggrieved assessee and held that the appellant was entitled to refund of Education Cess and Higher Education Cess which was paid along with excise duty as the excise duty itself was exempted from levy. Accordingly, a refund of Rs. 1993 was granted to the Company during the financial year 2018-19, which was considered as Other Income in the Balance Sheet of the said financial year. Hon'ble Supreme Court vide its Judgement dated 06th December, 2019 in another case held that when a particular kind of duty is exempted, other types of duty or cess imposed by different legislation for a different purpose cannot be said to have been exempted and therefore, has over ruled the above Judgement dated 10th November, 2017. Pursuant to this judgement the Company has now recognized liability of Rs. 1993 on account of Education Cess and Higher Education Cess, which was earlier refunded during the financial year 2018-19 by reversal of Income and charging it off as expense in this year's accounts. Other costs associated with this, being indeterminate, will be considered in these accounts on finality. A further refund of Rs. 421 was received during the financial year 2019-20 which was also recognised as a liability.

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

(Amount in Rupees thousand)

39. During the last quarter of the financial year, lockdown was declared as per the directives of both the Central and State Governments in the wake of COVID-19 pandemic. Consequently, our manufacturing operations at Guwahati in Assam and at Patancheru in Telengana has been adversely impacted due to such lockdown during the period from 23.03.2020 to 31.03.2020. The operations have since commenced in a phased manner since May'2020 conforming to the guidelines of regulatory authorities. The Company has been taking various precautionary measures to protect employees and their families from COVID-19. Our sales and profitability were adversely impacted due to the current global pandemic as demand has slowed down and prices are under pressure. In addition, costs have gone up on all fronts, as well as directly on account of necessary arrangements to tackle COVID-19. In light of the current global pandemic, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property plant and equipment, Intangibles, etc. as well as liabilities accrued. Having reviewed the underlying data and based on current estimates, the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

40 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR) :

	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
(a) Gross amount required to be spent	1,120	792
(b) Amount spent :		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	1,181	1,000
(c) Administrative Expenses	-	-

41. Figures of the previous year have been re-arranged / regrouped wherever necessary in order to conform to the current year's classification.
42. In order to expand the operations of the Company and to explore the prospects of its products in the foreign markets, the Company incorporated a Wholly Owned Subsidiary Company in United Kingdom during the year ended 31st March 2020 in the name and style of Assam Carbon Products UK Limited (ACUK). The Company has agreed to subscribe to the entire share capital of the ACUK comprising of 100 ordinary shares of £1 each at the time of incorporation. Pending opening of the Bank Account and in view of the prevailing pandemic (Covid-19), the Company was unable to remit GBP 100 towards subscription of the equity shares of ACUK. Also, ACUK was unable to commence any activity and has not entered into any transaction since incorporation. Further, the COVID-19 pandemic, apart from the health hazard, created an unprecedented disruption to the Indian as well as world economy. Due to the uncertainties surrounding the business environment and also due to travel restrictions, ACUK may not be able to commence the commercial operations in the near future. The Board has, therefore, resolved vide its meeting dated 25.06.20, elected to treat the ACUK as a "dormant company" under the UK Company Law. In view of the above and since no investment (financial commitment) was made as on 31st March 2020, the Company was not required to prepare consolidated financial statements for the year ended 31st March 2020.

Notes to the Financial Statements for the year ended 31st March, 2020 (Contd.)

(Amount in Rupees thousand)

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

	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Profit before tax	1,07,968	63,411
Income tax expenses calculated @ 29.12% (2019 - 20.39%)	31,440	12,930
Impact of Depreciation Difference between Income-tax and Accounts	(2,079)	(1,398)
Impact of employee benefit provisions, not funded	(93)	1,763
Impact of Bad Debt provisions and bad debts written off	(5,171)	-
Impact of Bonus provisions and payments	417	32
Impact of MAT credit taken	(6,246)	(432)
Impact of Other Adjustments	(59)	-
Total	18,209	12,895
Adjustment recognised in the current year in relation to the deferred tax	11,267	-
Income tax recognised in Profit & Loss	29,476	12,895

As per our report of even date attached

For **D. Basu & Co.**

Chartered Accountants

Firm Registration No.: 301111E

Ashis Ranjan Maitra

Partner

Membership No.: 056520

Place: Kolkata

Date: 25.06.2020

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

Rakesh Himatsingka

Chairman

(DIN : 00632156)

Subhendu Chakraborty

Company Secretary

K. K. Bhattacharya

Managing Director

(DIN : 07011241)

Pijush Bysack

Chief Financial Officer

S. K. Lhila

Director

(DIN : 01383460)

Notes

[illegible]



ASSAM CARBON PRODUCTS LTD.

CIN: L23101AS1963PLC001206

Birkuchi, Narengi Chandrapur Road,
Narengi, Guwahati- 781 026, Assam

or

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