



# Goa Carbon Ltd

**Resilient** in adversity  
**Committed** to our stakeholders



## VISION

To become one among the five most admired petroleum coke calcining companies of Asia by the end of the year 2015.

## MISSION

To achieve business excellence in the manufacture and supply of calcined petroleum coke through professionalism, teamwork, ethics and responsibility in a manner that satisfies all our stakeholders.



“This award is a stamp of recognition by the enlightened business community in the Asia-Pacific and in the world at large that responsible business is the best way of doing business, be it in India, where we at Goa Carbon Ltd are located, or in China where we want to go next!”, says Shrinivas V. Dempo, Chairman - Goa Carbon Ltd.

*Founder Chairman*



**Late Vasantha S. Dempo**

*Former Chairman*



**Late Vasudeva V. Dempo**

## BOARD OF DIRECTORS

*Chairman - Promoter*



**Mr. Shrinivas V. Dempo**

*Independent Directors*



**Mr. Dara P. Mehta**



**Mr. Keki M. Elavia**



**Mr. Raman Madhok**



**Dr. A. B. Prasad**

*Executive Director*



**Mr. Jagmohan J. Chhabra**

*Non-Executive Director*



**Mr. Soiru V. Dempo**

**EXECUTIVE DIRECTOR**

Mr. Jagmohan J. Chhabra

**COMPANY SECRETARY**

Mr. P. S. Mantri

**SR. GENERAL MANAGER (FINANCE)**

Mr. K. Balaraman

**REGISTERED OFFICE**Dempo House, Campal,  
Panaji-Goa - 403001**PLANT LOCATIONS**

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

**AUDITORS**Deloitte Haskins & Sells,  
Chartered Accountants,  
ASV N Ramana Tower,  
52, Venkatnarayana Road,  
T. Nagar,  
Chennai 600017**SOLICITORS**Little & Co.,  
Central Bank Building,  
3<sup>rd</sup> Floor, Mahatma Gandhi Road,  
Mumbai 400023**REGISTRAR AND SHARE TRANSFER AGENTS**Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg,  
Bhandup (West),  
Mumbai 400078**BANKERS**Bank of India  
Bank of Baroda

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## CHAIRMAN'S LETTER



Dear Shareholder,

Please accept my heartfelt thanks for your wholehearted support and cooperation in the overall growth and progress of your company throughout FY14.

The year 2013-14 was had been extremely challenging due to economic slowdown, foreign exchange volatility and sluggish demand for the company's product from end-users. Thus, your company, Goa Carbon, reported a net profit of ₹2.29 crore in 2013-14 against ₹7.91 crore of the previous year. The company posted a top-line of ₹292.02 crore last fiscal vis-à-vis ₹295.59 crore during 2012-13.

However, we remain optimistic on the future growth potentials of the sector in the coming quarters.

Much of this optimism is on account of the formation of a new government at the Centre. The Indian industry had turned exceedingly

sluggish during the last two years. Since the new government has time and again expressed its keenness to kick-start infrastructure projects, we at Goa Carbon are hopeful that these projects will have a beneficial effect on the metals sector and in particular, on the Calcined Petroleum Coke industry.

Your Company remains poised to embrace the opportunities that are certain to emerge from the gradual upturn in the world economy now underway. At the same time, let me stress the resilience of your company in the face of the odds encountered in the last few years. If there is one common factor linking Goa Carbon's financial performance with its four and a half decade history it is its consistency in braving and overcoming challenges while remaining true to its ideal of stakeholder satisfaction.

Of our stakeholders, two important sections, viz. our customers and our employees kept the faith with Goa Carbon Ltd. in their respective roles, making it natural and appropriate for me to place on record their unwavering commitment to your Company and its interests while remaining wedded to their own legitimate interests.

Once again, I would like to express my sincere gratitude to all of you, as well as the Central and State Governments and other regulatory authorities/agencies for providing continuous support at all times. We look forward to have the same in our future endeavours.

I also wish to express my sincere appreciation to my colleagues on the Board for their continued support.

Many thanks and kind regards,

A handwritten signature in black ink, appearing to be 'S. V. Dempo', written over a diagonal line that extends from the bottom left towards the top right.

**Shrinivas V. Dempo**  
*Chairman*

# NOTICE

**Notice** is hereby given that the Forty-sixth Annual General Meeting of the Members of GOA CARBON LIMITED (**'the Company'**) will be held at the Registered Office of the Company at **Dempo House, Campal, Panaji-Goa 403 001**, on **Saturday, the 6<sup>th</sup> September, 2014 at 10:30 a.m.**, to transact the following business:-

## Ordinary Business:

1. To consider and adopt the audited Balance Sheet of the Company as at March 31, 2014, the Profit and Loss Account and Cash Flow Statement for the year ended on that date as also the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Soiru V. Dempo (holding DIN 00206062), Director of the Company, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
4. To appoint M/s Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S), as Statutory Auditors of the Company under Section 139 of the Companies Act, 2013 to hold office for a period of three years from the conclusion of this Annual General Meeting and to authorize the Board of Directors of the Company to fix the remuneration of the Auditors.

## Special Business:

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any 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) read with Schedule IV to the Companies Act, 2013, Mr. Dara P. Mehta (holding DIN 00041164), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five

consecutive years up to the fifth consecutive AGM of the Company to be held in the year 2019, not liable to retire by rotation."

6. 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 Sections 149, 150, 152 and any 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) read with Schedule IV to the Companies Act, 2013, Mr. Keki M. Elavia (holding DIN 00003940), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to the fifth consecutive AGM of the Company to be held in the year 2019, not liable to retire by rotation."

7. 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 Sections 149, 150, 152 and any 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) read with Schedule IV to the Companies Act, 2013, Dr. Asht Bhuja Prasad (holding DIN 00817902), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to the fifth consecutive AGM of the Company to be held in the year 2019, not liable to retire by rotation."

8. 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 Sections 149, 150, 152 and any 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) read with Schedule IV to the Companies Act, 2013, Mr. Raman Madhok (holding DIN 01798377), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to the fifth consecutive AGM of the Company to be held in the year 2019, not liable to retire by rotation.”

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

“RESOLVED that pursuant to the provisions of Sections 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the erstwhile Companies Act, 1956, provisions of Articles of Association of the Company, approval of the Company be and is hereby accorded for ratifying and approving the remuneration amounting to ₹122.68 lacs paid to Mr. Jagmohan J. Chhabra, Whole-time Director designated “Executive Director” during the period from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014, as recommended by the Nomination and Remuneration Committee.”

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

“RESOLVED that in supersession of the Ordinary Resolution adopted at the 29<sup>th</sup> Annual General Meeting of the Company held on September 27, 1997 and pursuant to Section 180(1)(c) and any 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), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free

reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of ₹100 crore (Rupees One Hundred crore) over and above the aggregate of the paid up share capital and free reserves of the Company.”

11. To ratify the appointment of Cost Auditors for the year 2014-15. In this connection, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹2,50,000/- (Rupees Two Lacs Fifty Thousand only) plus service tax and out of pocket expenses for the Financial Year ending March 31, 2015 as approved by the Board of Directors of the Company, to be paid to Mr. Irudayam Savari Muthu, Cost Accountant, Panaji-Goa, having Membership no. 6716 and Firm Registration no. 100107 for the conduct of the cost audit of the Company’s Calcined Petroleum Coke manufacturing units at Goa, Bilaspur and Paradeep, be and is hereby ratified and confirmed.”

#### Notes:

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

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

2. The Explanatory Statement setting out all material facts as required under Section 173 of the erstwhile Companies Act, 1956 / Section 102 of the Companies Act, 2013 in respect of the special business is annexed hereto.
3. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting (AGM), forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
4. The Register of Members and Share Transfer Books of the Company will be closed from **Thursday, the 28<sup>th</sup> August, 2014 to Saturday, the 6<sup>th</sup> September, 2014** (both days inclusive) for the purpose of payment of dividend for the financial year ended 31<sup>st</sup> March, 2014 and the AGM.
5. Dividend of ₹1/- per share has been recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2014 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on 22<sup>nd</sup> September, 2014.
6. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company's Registrar and Share Transfer Agent, Link Intime India Pvt. Ltd.
7. Under Section 205A of the erstwhile Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred

to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company has, accordingly, transferred ₹2,53,898/- being the unpaid and unclaimed dividend amount pertaining to Dividend for the year 2005-06 to the Investor Education and Protection Fund of the Central Government on 8<sup>th</sup> February, 2014.

The Ministry of Corporate Affairs (MCA) on 10<sup>th</sup> May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2007, as on the date of the 45<sup>th</sup> Annual General Meeting (AGM) held on 6<sup>th</sup> July, 2013, on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under "Investors Section" on the website of the Company viz. [www.goacarbon.com](http://www.goacarbon.com)

A separate reminder was also sent to those members having unclaimed dividends pertaining to the Dividend for the year 2006-07 paid on 6<sup>th</sup> August, 2007 or any subsequent dividend payment(s). Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming dividends declared by the Company.

8. All unclaimed dividend declared up to the financial year ended March 31, 1995 have been transferred to the General Revenue Account of the Central Government as required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 (the Rules). Members who have not so far claimed or collected their dividends declared up to the aforesaid financial year are requested to claim such dividends from the Registrar of Companies, Goa, Daman & Diu, Corporate Law Bhavan, Patta Plaza, Panaji, Goa 403 001, by making an application in Form II of the Rules.

9. Pursuant to the provisions of Section 205A and 205C of the erstwhile Companies Act, 1956, the Company has transferred the unclaimed dividends from the financial years ended, March 31, 1997 to June 30, 2006 to the Investor Education and Protection Fund established by the Central Government. Dividends for the financial period ended March 31, 2007 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date of transfer to the unpaid dividend account shall be transferred by the Company to the Investor Education and Protection Fund. Information in respect of such unclaimed dividends is given below. Members who have not encashed dividend warrant(s) for the aforesaid years are requested to seek issue of duplicate warrant(s) by writing to the Company or the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited, immediately.

Financial year ended	Due date of transfer
31.03.2007	01.09.2014
31.03.2008	03.09.2015
31.03.2009	22.08.2016
31.03.2010	13.09.2017
31.03.2011	25.09.2018
31.03.2012	06.09.2019
31.03.2013	11.08.2020

10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository

Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

12. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
13. Electronic copy of the Notice of the 46<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 46<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
14. Members may also note that the Notice of the 46<sup>th</sup> Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website [www.goacarbon.com](http://www.goacarbon.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Panaji-Goa for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [investorrelations@goacarbon.com](mailto:investorrelations@goacarbon.com)
15. **Voting through electronic means**
- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and

Administration) Rules, 2014 and Clause 35B of the Listing Agreement with the stock exchanges, the Company is pleased to provide members facility to exercise their right to vote at the 46<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:

- (i) Open email and open PDF file viz; "Goa Carbon e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of Goa Carbon Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [sadashivshet@gmail.com](mailto:sadashivshet@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:

(i) Initial password is provided as below/ at the bottom of the Attendance Slip for the AGM:

EVEN (E Voting Event Number)	USER ID	PASSWORD/ PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- II. 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 Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 30<sup>th</sup> August, 2014 (9:00 a.m.) and ends on 1<sup>st</sup> September, 2014 (6:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 25<sup>th</sup> July, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 25<sup>th</sup> July, 2014.
- VII. Mr. Sadashiv V. Shet, Practising Company Secretary (Membership No. 2477) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
16. In case of those Members, who do not have access to e-voting facility, they can use the assent/dissent form sent herewith or can be downloaded from our website [www.goacarbon.com](http://www.goacarbon.com) and convey their assent/dissent to each one of the items of business to be transacted at the ensuing AGM and **send the form to reach Mr. Sadashiv V. Shet, Scrutinizer appointed by the Company at the registered office of the Company on or before September 1, 2014 (6.00 p.m.).**
17. Members can choose only one of the two options, namely e-voting or voting through physical assent/dissent form. In case the votes are casted through both the formats, then votes casted through e-voting shall stand cancelled and those votes casted through physical assent/dissent form would be considered, subject to the assent/dissent form being found to be valid.
18. The Results of e-voting, physical assent / dissent and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.goacarbon.com](http://www.goacarbon.com) and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

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

#### **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **ITEM 5**

Mr. Dara P. Mehta is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in September, 1978. Mr. Mehta is Chairman of the Audit Committee and a member of the Resource Raising Committee, of the Board of Directors of the Company.

Mr. Dara P. Mehta is an eminent Solicitor. He is Masters in Law from Harvard University having vast experience in the field of law. He is a Senior Partner with Little & Co. and specializes in Corporate Laws.

Apart from his experience in the field of Corporate Laws, he has been actively associated with Indo-French Chamber of Commerce and Industry as Member on the Board of Governors for a number of years. Mr. Mehta is a Director in Bloomberg Data Services (India) Pvt. Ltd., Emerson Climate Technologies Pvt. Ltd., Grolier International Pvt. Ltd., Emerson Network Power (India) Pvt. Ltd., Insilco Ltd.; an Alternate Director in DME (India) Pvt. Ltd., Global Dolphin Drilling Company Ltd.; the Chairman of the Audit Committee and the Shareholders' Grievance Committee of Insilco Ltd.

Mr. Mehta jointly with his wife, holds 4000 equity shares in the Company, which works out to 0.04% of the total capital of the Company.

Mr. Mehta retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Mehta being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years up to the fifth consecutive AGM of the Company to be held in the year 2019, not liable to retire by rotation. A notice has been received from a member proposing Mr. Mehta as a candidate for the office of Director of the Company.

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

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

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

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

#### ITEM 6

Mr. Keki M. Elavia is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in January, 2001. Mr. Elavia is Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee, the Project Review Committee and the Resource Raising Committee, of the Board of Directors of the Company.

Mr. Elavia is a Chartered Accountant. He was a Partner of M/s Kalyaniwalla & Mistry, Chartered Accountants, till 2009. Mr. Elavia joined M/s Kalyaniwalla & Mistry in 1971. He has over 40 years of post qualification experience. He is a Fellow Member of the Institute of Chartered Accountants of India.

His area of specialization includes audit, business consultancy, corporate management and financial management.

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

- Director in Uni Abex Alloy Products Ltd., Allcargo Logistics Ltd., Dai-chi Karkaria Ltd., Godrej & Boyce Manufacturing Company Ltd., Grindwell Norton Ltd., DCB Bank Ltd., Godrej Industries Ltd., Tata Asset Management Ltd., Uni VTL Precision Pvt. Ltd., Wonder Space Properties Pvt. Ltd., Go Airlines (India) Ltd., Wonder City Buidcon Pvt. Ltd.
- Chairman of the Remuneration Committee of Uni Abex Alloy Products Ltd., Audit Committee of Allcargo Logistic Ltd., Godrej & Boyce Manufacturing Company Ltd., Grindwell Norton Ltd., Go Airlines (India) Ltd. and DCB Bank Ltd., Risk Management Committee and the Fraud Reporting and Monitoring Committee of DCB Bank Ltd.
- Member of the Compensation/Remuneration Committee and Finance/Investment Committee of Allcargo Logistics Ltd., CSR Committee of Allcargo Logistics Ltd. Tata Asset Management Ltd., DCB Bank Ltd., and Godrej & Boyce Manufacturing Company Ltd., Audit Committee of Dai-chi Karkaria Ltd. and Tata Asset Management Ltd., Remuneration Committee of Dai-chi Karkaria Ltd. and Godrej & Boyce Manufacturing Company Ltd., Stakeholders' Committee of Godrej & Boyce Manufacturing Company Ltd., Nomination and Remuneration Committee of Tata Asset Management Ltd. and DCB Bank Ltd., Capital Raising Committee of DCB Bank Ltd.

Mr. Elavia does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Elavia is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Elavia being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years up to the fifth consecutive AGM of the Company to be held in the year 2019, not liable to retire by rotation. A notice has been received from a member proposing Mr. Elavia as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Elavia fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is

independent of the management. Copy of the draft letter for appointment of Mr. Elavia as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

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

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

Except Mr. Elavia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item no. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

#### ITEM 7

Dr. Asht Bhuja Prasad is a Non-Executive Independent Director of the Company. He was Whole time Director / Managing Director of the Company from December, 1995 to November, 2006. Thereafter, he was appointed as Director of the Company in December, 2006. Dr. Prasad is a member of the Share Transfer, Investors' Grievance and Stakeholders Relationship Committee, of the Board of Directors of the Company.

Dr. Prasad is a Chemical Engineer with Masters from IIT, Bombay and Ph.D. in Chemical Engineering. He has extensive experience in the operation and management of process industries and project engineering.

Dr. Prasad is a Director in Hindustan Foods Ltd., Dempo Global Corporation Pte Ltd. and Goa Medical Research Pvt. Ltd.; the Chairman of the Audit Committee of Hindustan Foods Ltd. and a Member of the Share Transfer & Investors' Grievance Committee and Remuneration Committee of Hindustan Foods Ltd.

Dr. Prasad does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Dr. Prasad is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149

and other applicable provisions of the Companies Act, 2013, Dr. Prasad being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years up to the fifth consecutive AGM of the Company to be held in the year 2019, not liable to retire by rotation. A notice has been received from a member proposing Dr. Prasad as a candidate for the office of Director of the Company.

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

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

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

Except Dr. Prasad, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item no. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

#### ITEM 8

Mr. Raman Madhok is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in January, 2010. Mr. Madhok is Chairman of the Share Transfer, Investors' Grievance and Stakeholders Relationship Committee and a member of the Audit Committee, the Nomination & Remuneration Committee, Project Review Committee and the Resource Raising Committee, of the Board of Directors of the Company.

Mr. Madhok a former Indian National and currently of Danish Nationality since 1991, holds a Bachelor's Degree in Mechanical Engineering. He has work

experience having handled various functions in Sales, Projects & Profitability, R&D, Finance, HR and General Management in various companies including Larsen & Toubro Ltd., NIRO A/S Copenhagen (Denmark), Zuari Industries Ltd. (as Executive President – Fertilizer Division) and GEA Process Engineering (India) Pvt. Ltd. (as Executive Chairman).

Mr. Madhok is a Director in GEA Process Engineering (India) Pvt. Ltd., GEA Pharma Systems (India) Pvt. Ltd. and CMI FPE Industry Ltd.; the Chairman of the Remuneration Committee of CMI FPE Industry Ltd.

Mr. Madhok does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Madhok is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Madhok being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years up to the fifth consecutive AGM of the Company to be held in the year 2019, not liable to retire by rotation. A notice has been received from a member proposing Mr. Madhok as a candidate for the office of Director of the Company.

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

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

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

Except Mr. Madhok, being an appointee, none of the Directors and Key Managerial Personnel of the

Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item no. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

#### ITEM 9

At the Annual General Meeting of the Company held on 6<sup>th</sup> July, 2013, the shareholders had approved the remuneration to Mr. Jagmohan J. Chhabra with effect from 1<sup>st</sup> April, 2013.

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

During the financial year 2013-14, the remuneration paid to Mr. Chhabra exceeded the limits prescribed under Schedule XIII of the erstwhile Companies Act, 1956, due to inadequacy of profits, but was within the limits approved by the members of the Company. The major reasons for the inadequacy of profits is the variation from time to time of the delivery schedule of the customers, the continuing inability of the Company to always increase selling prices in line with cost of imported raw materials and exchange fluctuations arising on account of the Company's dependence on imports of raw materials and exports of finished goods. The expectations are that the lower profitability on this account shall be short term in nature as the Company has initiated a series of cost cutting measures.

Further, as per the provisions of Section 309 of the erstwhile Companies Act, 1956 read with Schedule XIII to the erstwhile Companies Act, 1956, and in terms of the shareholders' approval in their resolution dated 6<sup>th</sup> July, 2013, in the event of loss or inadequacy of profits, the total remuneration by way of salary, perquisites and any other allowances payable to the Executive Director, cannot exceed the ceilings prescribed in Section II of Part II of Schedule XIII to the erstwhile Companies Act, 1956 or such other limits as may be specified therein from time to time by any amendment thereto. As the inadequacy of profits are for reasons beyond the control of the Company and those reasons cannot be attributed to laxity in performance of the management of the Company, your Directors are of the view that the remuneration of Mr. Chhabra for the FY 2013-14 should be protected.

The Nomination and Remuneration Committee of the Company has in its meeting held on April 10, 2014 approved and recommended the protection of remuneration of Mr. Jagmohan J. Chhabra. Your Board of Directors recommends resolution no. 9 for ratification and approval of the remuneration amounting to ₹122.68 lacs paid to Mr. Chhabra during the financial year ended 31<sup>st</sup> March, 2014, for your approval as a Special Resolution.

Save and except for Mr. Jagmohan J. Chhabra who is concerned / interested in the resolution at Item no. 9, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution.

#### ITEM 10

The members of the Company at their 29<sup>th</sup> Annual General Meeting held on September 27, 1997 approved by way of an Ordinary Resolution under Section 293(1) (d) of the erstwhile Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹100 crore (Rupees One Hundred crore).

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution.

The Ministry of Corporate Affairs (MCA) has vide its General Circular No. 04/2014 dated March 25, 2014 clarified that the resolution passed under Section 293 of the erstwhile Companies Act, 1956 prior to September 12, 2013 with reference to borrowings (subject to the limits prescribed) and/or creation of security on assets of the Company will be effective for a period of one year from the date of notification of Section 180 of the Act which would be September 11, 2014.

It is, therefore, necessary that the members pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 10 of the Notice, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the

Company. Approval of members is being sought to borrow money upto ₹100 crore (Rupees One Hundred crore) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10.

#### ITEM 11

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a Cost Accountant in practice on the recommendations of the Audit Committee, which shall also recommend remuneration for such Cost Auditor. The remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of Audit Committee at its meeting held on April 10, 2014, the Board has considered and approved appointment of Mr. Irudayam Savari Muthu, Cost Accountant, Panaji-Goa, for the conduct of the Cost Audit of the Company's Calcined Petroleum Coke manufacturing units at Goa, Bilaspur and Paradeep, at a remuneration of ₹2,50,000/- (Rupees Two Lacs Fifty Thousand only) plus service tax and out of pocket expenses for the Financial Year ending March 31, 2015.

The Resolution at Item No. 11 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11.

By Order of the Board of Directors

**P. S. Mantri**  
Company Secretary

**Panaji, July 5, 2014**

#### Registered Office:

Dempo House, Campal,  
Panaji-Goa 403 001

**CIN:** L23109GA1967PLC000076

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

# ANNEXURE TO THE NOTICE

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

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

In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013, effective from 1<sup>st</sup> April, 2014, for the purpose of determining the directors liable to retire by rotation, the Independent Directors shall not be included in the total number of directors of the Company.

Mr. Soiru V. Dempo shall accordingly retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. Mr. Soiru V. Dempo joined the Board of Directors in April, 2000. Mr. Dempo is a Member of the Share Transfer, Investors' Grievance and Stakeholders Relationship Committee and the Nomination and Remuneration Committee, of the Board of Directors of the Company.

Mr. Dempo is a Bachelor in Economics. He is an Industrialist and brings his wide experience in decision making into the Company's Board.

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

- ♦ Whole time Director in V. S. Dempo Holdings Pvt. Ltd. and Managing Director in Dempo Shipbuilding and Engineering Pvt. Ltd.
- ♦ Director in Celtic Investments Pvt. Ltd, Ameya Investments Pvt. Ltd., V. S. Dempo Mining Corporation Pvt. Ltd., Dempo Travels Pvt. Ltd., Vision Dempo Hospitality and Estates Pvt. Ltd., Vishwas Media and Entertainment Pvt. Ltd. and an Additional Director in Hindustan Foods Ltd.

Member of the Share Transfer and Investors' Grievance Committee of Hindustan Foods Ltd.

Mr. Dempo does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

## Appointment of other Directors (Item nos. 5 to 8)

For the details of Mr. Dara P. Mehta, Mr. Keki M. Elavia, Dr. Asht Bhujra Prasad and Mr. Raman Madhok, please refer to the above Explanatory Statement in respect of the Special Business set out at Item nos. 5 to 8 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

## 2. Statements / Disclosures pursuant to sub-clause (iv) under the proviso to the Part (C) of Section II of Part II of Schedule XIII of the erstwhile Companies Act, 1956 with reference to the Resolution at Item No. 9 of the Notice.

### I. General Information

1. *Nature of Industry*  
The Company is engaged in the manufacture and sale of Calcined Petroleum Coke.
2. *Date or expected date of commencement of commercial production*  
The Company is already into commercial production of above product.
3. *In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in prospectus*  
Not Applicable
4. *Financial performance based on given indicators*

₹ in lacs

Financial Parameters	2014	2013	2012
Total Income	29,767.68	30,205.34	35,008.66
Profit before Tax	242.59	1,216.35	1,566.10
Profit after Tax	229.24	791.27	1,048.75
Dividend proposed / paid (including Corporate Dividend Tax)	107.06	265.89	425.42
Dividend Rate %	10%	25%	40%

5. *Export performance and net foreign exchange collections*

During the year 2013-14, foreign exchange earnings were ₹2,357.98 lacs and outgoings were ₹23,068.57 lacs.

6. *Foreign investments or collaborators, if any*

The details of the direct overseas subsidiaries of the Company as on March 31, 2014 is as under:

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

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

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

1. *Background details*

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

2. *Past remuneration*

The remuneration received by Mr. Chhabra during the year ended March 31, 2014 which comprised of salary, monetary value of

perquisites, allowances and contribution to retiral funds was ₹ 122.68 lacs. This includes performance linked bonus for the year 2012-13 amounting to ₹ 7.91 lacs which was paid in the year 2013-14.

3. *Recognition of Awards*

Nil

4. *Job profile and suitability*

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

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

5. *Remuneration proposed*

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

6. *Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and the person*

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

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

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

### III. Other Information

#### 1. *Reasons of loss or inadequate profits*

In the financial year ended March 31, 2014, the profits of the Company were inadequate mainly on account of the following reasons:

- i) the delivery schedule of the customers which vary from time to time.
- ii) the continuing inability of the Company to always increase selling prices in line with cost of imported raw materials, the FOB price of which varies substantially from time to time.
- iii) exchange fluctuations arising on account of the Company's dependence on imports of raw materials and exports of finished goods.

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

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

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

With the implementation of the above, it is expected that the Company would be able to achieve better results and improve its performance.

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

### IV. Disclosures

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

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

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

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

This has been fully covered under the Corporate Governance Report.

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

This has been fully covered under the Corporate Governance Report.

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

This has been fully covered under the Corporate Governance Report.

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

Not Applicable.

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 46<sup>th</sup> Annual Report together with the audited accounts of your Company for the year ended March 31, 2014.

### Financial Results

₹ in lacs

	2013-14	2012-13
<b>Profit before tax for the year</b>	<b>242.59</b>	1216.35
Less: Provision for Tax- Current Tax	117.00	443.00
Prior Year Tax	(68.21)	(1.18)
Deferred Tax	(35.44)	(16.74)
	<b>13.35</b>	425.08
<b>Profit for the year after tax</b>	<b>229.24</b>	791.27
Add: Surplus B/F from statement of Profit & Loss of previous year	<b>2134.96</b>	1689.58
<b>Amount Available for Appropriations:</b>	<b>2364.20</b>	2480.85
<b>Appropriations:</b>		
General Reserve	23.00	80.00
Proposed Dividend	91.51	228.78
Tax on Dividend	15.55	37.11
	<b>130.06</b>	345.89
Balance carried to the Balance Sheet	<b>2234.14</b>	2134.96
	<b>2364.20</b>	2480.85

### Year in Retrospect

The sales and other income for the financial year under review were ₹29,767.68 lacs as compared to ₹30,205.34 lacs during the previous year. The production of Calcined Petroleum Coke ("CPC") was 1,31,201 tonnes as compared to 1,17,152 tonnes during the previous year.

The sales of CPC was 1,27,052 tonnes (including exports of 10,217 tonnes) for the period under review

as compared to 1,22,019 tonnes (including exports of 21,055 tonnes) for the previous year.

The year under review was very difficult and challenging. Even though, the sales turnover of the Company for the year under review was slightly lower than the previous year, the profitability for the year has been affected drastically and the Company has reported lower profit for the year ended 31<sup>st</sup> March, 2014, due to sluggish aluminium market, increase in the raw material prices, volatility in US Dollars and industrial recession in European Countries. The Company is making all round efforts to overcome these difficulties in this competitive environment and is optimistic that the Company's various initiatives and cost reduction schemes will give positive results in the current year.

### Dividend

Your Directors have recommended a dividend of ₹1/- per equity share (10%) of face value of ₹10/- for the financial year ended March 31, 2014, as against 25% paid last year.

### Subsidiary Companies / China Project and Consolidated Financial Statements

During the year under review, "Sinogoa International Holdings Limited", Hong Kong, subsidiary of the Company's wholly-owned subsidiary in Singapore "GCL Global Resources SGP Pte Ltd." has been deregistered as per the applicable laws in Hong Kong.

The Company's wholly owned step down subsidiary company "Goa Carbon (Cangzhou) Company Limited" China (the "China Company") has obtained a business licence to set up a plant in Cangzhou, Hebei Province, the People's Republic of China, with an annual capacity to manufacture 3,00,000 MT of Calcined Petroleum Coke. The Company has invested USD 3.48 million (₹1,938.62 lacs) in its wholly owned subsidiary "GCL Global Resources SGP Pte Limited" Singapore (the "Singapore Company") which is the holding company of the China Company and granted advances of ₹190.86 lacs to the China Company. The Singapore Company has in turn invested this money in 3,329,983 Equity Shares of USD 1 each to the authorised capital of the China Company which is being used for the purpose of

setting up of the plant in China. The required approvals have been obtained for the project from the Chinese administration. The Company is now pursuing with their bankers and the Reserve Bank of India for further funding and appropriate approvals. The Company is hopeful of successful completion of the project within a year of obtaining the aforesaid approvals.

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with applicable Accounting Standards prescribed in the Companies (Accounting Standard) Rules, 2006, form part of the Annual Report. In terms of the Circular No. 2/2011 dated 8<sup>th</sup> February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Board of Directors has, at its meeting held on April 11, 2014 passed a resolution giving consent for not attaching the Balance Sheet, Statement of Profit and Loss and other documents of its subsidiary companies. The required information on its subsidiary companies is given in this Annual Report. The said documents/details shall be made available, upon request, to any Member of the Company and will also be made available for inspection by any Member of the Company at the registered office of the Company during working hours on business days. The Annual Accounts of subsidiary companies can be downloaded from Company's website [www.goacarbon.com](http://www.goacarbon.com)

### Listing Information

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

The listing fees for the year 2014-2015 have been paid to BSE and NSE.

### Accreditation

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

### Public Deposits

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

### Directors

Pursuant to Section 149 and other and applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr. Dara P. Mehta, Mr. Keki M. Elavia, Dr. Asht Bhuja Prasad and Mr. Raman Madhok as Independent Directors for a term of five consecutive years up to the fifth consecutive Annual General Meeting of the Company. Details of the proposal for appointment of Mr. Mehta, Mr Elavia, Dr. Prasad and Mr. Madhok are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 46<sup>th</sup> Annual General Meeting.

Accordingly, Mr. Soiru V. Dempo shall retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

### Directors' Responsibility Statement

As required by Section 217 (2AA) of the Companies Act, 1956, based on the information and representations received from the operating management your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period to the best of their knowledge and ability;
- (iii) the Directors have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability;
- (iv) the Directors have prepared the annual accounts on a going concern basis.

### **Auditors**

The Auditors, Deloitte Haskins & Sells, retire at the ensuing Annual General Meeting and have confirmed their availability within the limits of Section 139(1) of the Companies Act, 2013.

The Board recommends their appointment as Statutory Auditors of the Company.

### **Particulars of Employees**

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure – I to the Directors Report.

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

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, required to be disclosed by Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are provided in the Annexure – II to this Report.

### **Corporate Governance**

It has been the endeavour of your Company to follow and implement best practices in corporate governance,

in letter and spirit. A detailed Corporate Governance Report is attached and forms part of this report.

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

### **Acknowledgement**

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

For and on behalf  
of the Board of Directors

**Shrinivas V. Dempo**  
*Chairman*

Panaji, Goa, 11th April, 2014

## ANNEXURE – I TO THE DIRECTORS' REPORT

Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956, read with the (Particulars of Employees) Rules, 1975, forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2014.

Sr. No.	Name of the Employee	Designation/ Nature of duties	Remuneration (₹ in lacs)	Qualifications	Experi-ence in years	Date of Commencement of employment	Age (in yrs.)	Last Employment held
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**(A) Employed throughout the financial year :**

1.	Chhabra Jagmohan J.	Executive Director*	122.68	B.E. (Mechanical), Masters Degree in Marketing Management, Management Education Programme.	30	01.04.2010	51	CEO TSG Limited (Subsidiary of Frigoglass Group, Athens, Greece)
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**(B) Employed for part of the financial year :**

----- Nil -----

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

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

## ANNEXURE – II TO THE DIRECTORS' REPORT

PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, ETC. AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

(A) Conservation of Energy	<u>Goa Plant</u>	<u>Bilaspur Plant</u>	<u>Paradeep Plant</u>
(a) energy conservation measures	<p>Total electrical units consumed during the year was 3,46,061 kwh units as against 5,17,328 kwh units of the previous year. Consumption of electrical energy per metric ton of Calcined Petroleum Coke (CPC) produced during the year was 26.68 kwh/MT of CPC as against 22.27 kwh/MT of previous year. This is due to lower production run days (68 days) for the full year as compared to the previous year. A strict control on routinely maintaining power factor enabled the company to get maximum rebate of ₹ 41,389/-.</p> <p>Furnace Oil consumption during the year was 31,100 litres as against 57,178 litres of previous year. Furnace Oil consumption per ton of CPC during the year was 2.40 litres/MT as against 2.46 litres/MT in the previous year.</p>	<p>Electrical Energy consumption during the year has decreased to 16.10 kwh/MT as compared to 16.13 kwh/MT of previous year. This has decreased due to higher production running days. A vigilant control on periodically maintained power factor enabled the Company to maximum power factor incentives of ₹33,127/-. This was higher than the previous year due to higher production run during the year.</p> <p>Furnace Oil consumption for heating &amp; cooling has increased from 1.05 litres/MT to 1.89 litres/MT of CPC production due to increased number of Kiln burner light-up's. Furnace Oil used for processing has increased from 1.97 litres/MT to 4.68 litres/MT due to production of high R.D. CPC to meet customer specification.</p>	<p>The specific Electrical Energy consumption for the financial year 2013-14 was 15.59 kwh/MT. In comparison with the previous financial year 2012-13, the specific energy consumption is more by 0.72 kwh/MT of CPC produced. The reason for this reduction in specific energy consumption is due to higher production (20724 MT) compared to previous year and more number of operative days.</p> <p>The average production per day is 355.5 MT. In spite of increase in power tariff and diesel cost, the power cost per MT of CPC is reduced by ₹8.45. This has been achieved by reducing the DG operation and reducing the specific energy consumption.</p> <p>The consumption of Furnace Oil for production was nil as in the previous year.</p>
(b) additional investment and proposals, if any, being implemented for reduction of consumption of energy.	1) Installed CFL focus light fittings to reduce lighting unit consumption.	1) Additional transparent FRP sheets provided in CPC storage godown thereby using natural light.	No additional investment.

	<p>(c) impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.</p> <p>(d) total energy consumption and energy consumption per unit of production as per Form-A of the Annexure in respect of industries specified in the schedule thereto.</p>	<p>2) Conditioned monitoring of equipments &amp; strict monitoring for efficient usage of equipment is being continued in all sections.</p> <p>3) Power capacitor installed near the load to reduce losses in power cables.</p> <p>The above steps will help to save 2% to 3% of electrical energy consumption on current connected load.</p>	<p>2) Installed energy efficient luminaries.</p> <p>3) Initiation to install energy efficient motor.</p> <p>Not applicable to our industry.</p>	<p>All the existing high efficiency motors were maintained properly which has resulted in reducing the specific energy consumption</p>
<p>(B)</p>	<p><b>Technology Absorption</b></p> <p>(e) efforts made in technology absorption as per Form-B of the Annexure.</p>	<p>----- Please refer to the enclosure. -----</p>		
<p>(C)</p>	<p><b>Foreign Exchange Earnings and Outgo</b></p> <p>(f) activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans.</p> <p>(g) total foreign exchange used and earned.</p>	<p>The Company's exports to internationally renowned aluminium majors as per long term contracts still continues.</p> <p>Foreign Exchange used for importing raw material, interest on foreign currency loans and travel expenses of employees for official work etc. were equivalent to ₹23,068.57 lacs.</p> <p>Foreign Exchange earned during the year 2013-2014 by exporting finished product was equivalent to ₹2,357.98 lacs.</p>		

# FORM-B

(See Rule 2)

## Form for disclosure of particulars with respect to Technology Absorption.

### Research and Development (R&D)

1.	Specific area in which R & D carried out by the Company.	}	As reported, the Company has been able to achieve reduction in energy consumption and higher product recovery with efforts towards continuous and consistent reviews of all processes and operations and consequent improvement actions.
2.	Benefits derived as a result of the above R & D.		
3.	Future plan of action.		
4.	Expenditure on R & D a) Capital b) Recurring c) Total d) Total R & D expenditure as a percentage of total turnover.		

### Technology absorption, adaptation and innovation

1.	Efforts, in brief, made towards technology absorption, adaptation and innovation.	}	The Company has been able to achieve an improvement in the efficiency of the production during the year under review.
2.	Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.		
3.	In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished a) Technology imported. b) Year of Import c) Has Technology been fully absorbed? d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	}	Not applicable

# MANAGEMENT DISCUSSION AND ANALYSIS

The Financial Year 2013-14 was an extremely difficult and challenging year for all the industries domestically as well as internationally. All basic industries like Aluminium and Steel are struggling due to uncertainties and no green field expansions are emerging. Goa Carbon Limited, as you are aware, is the major producer of Calcined Petroleum Coke (CPC). CPC is used as the primary carbon source for Aluminium, Steel and Titanium-Di-Oxide industries, and therefore the demand and growth of CPC industry directly depends on the capacity expansion and growth of Aluminium & Steel industries. Aluminium industry consumes about 80% of the total CPC supply. CPC supply will improve on capacity enhancements in Aluminium industry. It is expected that growth of Aluminium metal products will be in the range of 7% per annum with major increase of 8-10% in China and Asia.

Indian demand is impacted due to delay in implementation of the projects by Indian smelters. Whereas, international demand is affected by overall recession in the European countries, which also puts pressure on the prices of CPC.

Presently India has annual smelting capacity of 1.5 Million MT per annum and potential capacity to grow to 3.9 Million MT in the next 2-3 years. The growth of aluminium smelters capacity will directly favour CPC demand. Similarly, Europe is also coming out of recession and recent data shows that there is huge industrial recovery in European market, which may have positive impact on export market for CPC.

## Risks & Concern

The worldwide recession including in India, already had severe consequences on all segments of industries which impacted widely to the commodity business and therefore the demand for commodity products slowed down, which resulted in drastic capacity curtailment by all basic product manufacturers, including aluminium. The reduction in capacity utilization by Aluminium

Smelters and Steel industries affected negatively, the demand for CPC worldwide, including in India.

The international recession mainly in European countries had direct impact on the demand for US Dollars which resulted in the volatility in the value of Indian Rupee. As Goa Carbon mainly imports its raw material from foreign countries, such volatility in US Dollars directly impacted on forex losses for the Company. The FOREX losses could not be compensated by exports since demand from overseas market for CPC particularly by European Countries was sluggish and therefore the Company being the net user of foreign exchange is vulnerable to the depreciation in the currency value. However, the Company as a measure of prudent foreign exchange management and policy does not speculate on foreign currency, except bookings for forward cover for imports of raw material.

Another major concern of CPC industry is availability of right type of raw material, which is known as Green Petroleum Coke. The Company tries to overcome this risk by closely working on continuous basis with aluminium smelters to optimize available raw material and blend different types of RPC, to be more competitive and successful, as per the requirements of the smelters. The Company by regular research and development and interactions with customers is trying to overcome such difficulties. However, this concern requires the Company to store different types of raw material to blend the same as per the requirements of the customers which builds lot of inventories, impacting need for huge working capital.

## Research and Development

Research and development is an ongoing process at Goa Carbon. The Company is continuously innovating and discovering methods and concepts to improve the quality of its product and achieve operational efficiency. The Company is awarded with quality certification of ISO 9001 and ISO 14001 which also demonstrates

the ability of the Company to achieve higher level of customer satisfaction.

### Financial Review

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956. The key financial ratios are given below in percentage, except for earnings per share:

	As at 31.03.2014	As at 31.03.2013
PAT / Sales	0.79%	2.68%
Return on Net Worth	2.85%	14.88%
Earnings per share (₹)	2.51	8.65

The net cash flow of the Company during the year ended 31.03.2014 is as follows:

₹ in Lacs

	As at 31.03.2014	As at 31.03.2013
Cash (used in) / from operations	(3288.24)	8277.78
Cash (used in) / from investing activities	(8121.14)	(1896.56)
Cash (used in) / from financial activities	9394.52	(4006.18)
Net increase / (decrease) in cash	(2014.86)	2375.04

### Internal Control System

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

### Human Resources

As on 31<sup>st</sup> March 2014, the Company had 242 employees consisting of 90 managerial personnel and 152 other employees including workmen.

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

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

### Statutory Compliance

All declarations and compliances with respect to the applicable statutes, enactments and guidelines are submitted at every meeting of the Board of Directors of the Company. The Company Secretary who is also the Compliance Officer gives a declaration of compliance to the Board with respect to the applicable provisions of Companies Act, 1956, SEBI Regulations and Listing Agreements with the Stock Exchanges.

### Cautionary Statement

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

# REPORT ON CORPORATE GOVERNANCE

(As required under Clause 49 of the Listing Agreement entered into with stock exchanges)

## Introduction

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

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

### 1. Company's philosophy on Corporate Governance

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

### 2. Board of Directors ("Board")

#### 2.1 Composition of the Board

As on 31<sup>st</sup> March, 2014, the Company's Board of Directors comprised of seven directors including a non-executive chairman. Of the seven Directors, six are non-executive of which four are independent directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the stock exchanges.

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

Sr. No.	Name	DIN No.	Category	Number of shares held as at March 31, 2014
1.	Mr. Shrinivas V. Dempo (Chairman)	00043413	Promoter Non-Executive	3,95,939
2.	Mr. Dara P. Mehta	00041164	Independent Non-Executive	4,000
3.	Mr. Keki M. Elavia	00003940	Independent Non-Executive	Nil
4.	Mr. Soiru V. Dempo	00206062	Non-Independent Non-Executive	Nil
5.	Dr. A. B. Prasad	00817902	Independent Non-Executive	Nil
6.	Mr. Raman Madhok	01798377	Independent Non-Executive	Nil
7.	Mr. Jagmohan J. Chhabra	01007714	Executive Director	Nil

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

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

Sr. No.	Name	No. of Board Meetings attended during 2013-14		Whether attended last AGM held on July 6, 2013	No. of Directorships in other companies	No. of Committee positions held in other companies	
		Held	Attended			Chairman	Member
1.	Mr. Shrinivas V. Dempo <i>Chairman</i>	4	4	Yes	19*	1	-
2.	Mr. Dara P. Mehta	4	4	Yes	7*	2	-
3.	Mr. Keki M. Elavia	4	4	Yes	11*	4	1
4.	Mr. Soiru V. Dempo	4	4	Yes	9*	-	1
5.	Dr. A. B. Prasad	4	3	Yes	3*	1	1
6.	Mr. Raman Madhok	4	3	Yes	3*	-	-
7.	Mr. Jagmohan J. Chhabra <i>Executive Director</i>	4	4	Yes	1	-	-

\* Includes directorships held in private limited companies.

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

### 2.3 Meetings of the Board of Directors

The Board of Directors of the Company met four times during the year 2013-2014 i.e. on April 8, 2013, July 6, 2013, October 9, 2013 and January 11, 2014.

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

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year ended 31<sup>st</sup> March, 2014 except for payment of sitting fees.

### 2.4 Remuneration of each Director on the Board

The details of remuneration to each Director on the Board during the financial year 2013-14 are as follows:

#### Non-Executive Directors:

Sr. No.	Name	Sitting fees* (₹)	Service Contract/ Notice Period/ Severance Fees Pension
1.	Mr. Shrinivas V. Dempo	1,20,000	Retirement by rotation
2.	Mr. Dara P. Mehta	1,20,000	Retirement by rotation
3.	Mr. Keki M. Elavia	1,60,000	Retirement by rotation
4.	Mr. Soiru V. Dempo	1,46,000	Retirement by rotation
5.	Dr. A. B. Prasad	1,05,000	Retirement by rotation
6.	Mr. Raman Madhok	1,84,000	Retirement by rotation
	<b>TOTAL</b>	<b>8,35,000</b>	

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

#### Executive Director:

Mr. Jagmohan J. Chhabra

Particulars	Amount (₹)
Salary and allowances	88,20,000
Performance bonus	7,91,270
Contribution to provident fund and gratuity fund	13,76,550
Monetary value of perquisites	12,79,887
<b>TOTAL</b>	<b>1,22,67,707</b>
Period of appointment	3 years w.e.f. 01.04.2013
Notice Period	4 months
Severance Fees	Not specified

### 2.5 Board Procedures

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

### 3. Audit Committee

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

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the stock exchanges read with Section 292A of the Companies Act, 1956.

The Audit Committee comprises of 3 Independent, Non-Executive Directors namely Mr. Dara P. Mehta (Chairman), Mr. Keki M. Elavia and Mr. Raman Madhok. The Sr. General Manager (Finance), the Internal Auditor and the Statutory Auditors are permanent invitees to the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee. The Committee reviews various aspects of internal controls and the internal auditors' report. The requirements under Clause 49 of the Listing Agreement and as amended from time-to-time are also reviewed by the committee.

The Audit Committee has met four times during the financial year 2013-2014 on:

April 8, 2013, July 5, 2013, October 8, 2013 and January 11, 2014.

Details of meetings attended by the members (who are Independent Directors) of the Audit Committee during the financial year 2013-2014 are as follows:

Committee Members	Profession	Committee Meetings	
		Held	Attended
Mr. Dara P. Mehta Chairman	Solicitor	4	4
Mr. Keki M. Elavia	Chartered Accountant	4	4
Mr. Raman Madhok	Corporate Consultant	4	3

### 3.2 Terms of reference

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors on any significant findings and follow up thereon.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.

defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Recommend to the Board, the appointment of a Cost Accountant within the meaning of the Cost & Works Accountants Act, 1959 to conduct audit of cost records of the Company in compliance with the provisions of the Companies Act, 1956 and rules made thereunder.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

#### **4. Nomination and Remuneration Committee**

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

In the meeting of the Board of Directors held on April 11, 2014, in order to align with the new law of the Companies Act, 2013, it was decided

to rename the Committee from “Remuneration Committee” to “Nomination and Remuneration Committee”.

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

No meeting of the Nomination and Remuneration Committee was held during the financial year 2013-2014.

##### **4.2 Terms of reference**

The Nomination and Remuneration Committee has been constituted to recommend/review the remuneration package of Executive Directors and Senior Executives of the Company.

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

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

In the meeting of the Board of Directors held on April 11, 2014, in order to align with the new law of the Companies Act, 2013, it was decided to rename the Committee from “Share Transfer and Investors’ Grievance Committee” to “Share Transfer, Investors’ Grievance and Stakeholders Relationship Committee”.

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

The Committee met 22 times during the year 2013-14. The details are as follows:

Committee Members	Committee Meetings	
	Held	Attended
Mr. Raman Madhok Chairman	22	18
Mr. Soiru V. Dempo	22	22
Dr. A. B. Prasad	22	15

## 5.2 Terms of reference

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

## 5.3 Details of Shareholders' complaints

As per the report from the Registrar & Share Transfer Agents, 175 letters/complaints were received from the shareholders/investors during the financial year ended March 31, 2014. All letters/complaints received were replied/resolved to the satisfaction of the shareholders and no letters/complaints remained unattended/pending as on March 31, 2014.

## 5.4 Compliance Officer

Name, designation and address of Compliance Officer under Clause 47 of the Listing Agreement with the stock exchanges:

P. S. Mantri, Company Secretary

### Goa Carbon Limited

Dempo House, Campal, Panaji-Goa 403 001

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

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

## 6. Project Review Committee

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

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

The Committee met 4 times during the year 2013-14. The details are as follows:

Committee Members	Committee Meetings	
	Held	Attended
Mr. Shrinivas V. Dempo Chairman	4	4
Mr. Keki M. Elavia	4	4
Mr. Raman Madhok	4	4
Mr. Jagmohan J. Chhabra	4	4

## 7. Resources Raising Committee

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

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

No meeting of the Committee was held during the year 2013-14.

## 8. General Meetings and Postal Ballot

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

Year	Location	Date & Time
2011 - 43 <sup>rd</sup> AGM	Dempo House, Campal, Panaji-Goa 403 001	August 20, 2011 at 10.30 a.m.
2012 - 44 <sup>th</sup> AGM	Dempo House, Campal, Panaji-Goa 403 001	August 2, 2012 at 10.30 a.m.
2013 - 45 <sup>th</sup> AGM	Dempo House, Campal, Panaji-Goa 403 001	July 6, 2013 at 11.00 a.m.

All resolutions moved at the last AGM were passed by a show of hands by the requisite majority of members attending the meeting.

The following is the special resolution passed at the AGM:

AGM held on	Special Resolution passed	Summary
August 20, 2011	Yes	Revision in remuneration payable to Mr. Jagmohan J. Chhabra, Executive Director of the Company with effect from April 1, 2011 for the remaining period of his term in office.
August 2, 2012	No	N.A.
July 6, 2013	Yes	Re-appointment and payment of remuneration to Mr. Jagmohan J. Chhabra as a Whole-time Director with designation "Executive Director" of the Company with effect from April 1, 2013 for a period of 3 years.

## 8.2 Postal Ballot

For the year ended March 31, 2014, there has been no ordinary or special resolution passed by the Company's shareholders through postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

## 9. Disclosures

### 9.1 Materially significant related party transactions

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no transactions between the Company and the Promoters, Directors or Management, their subsidiaries or relatives, etc. that had a potential conflict with the interests of the Company at large. The Register of Contracts containing transactions in which directors are interested is placed before the Board regularly.

### 9.2 Statutory Compliance, Penalties and Strictures

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

### 9.3 Listing Agreement Compliance

Pursuant to sub-clause VII (2) of Clause 49, the Company confirms that it has complied with all mandatory requirements prescribed in Clause 49 of the Listing Agreement.

### 9.4 Code of Conduct

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

The declaration of the Executive Director is given below:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I, Jagmohan J. Chhabra, *Executive Director* of Goa Carbon Limited, declare that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct during the financial year ended March 31, 2014.

Panaji-Goa.  
April 11, 2014

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

### 9.5 CEO/CFO Certification

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

### 9.6 Corporate Social Responsibility (CSR)

During the year under review your Company has continued its efforts to contribute towards various CSR initiatives namely –

- Efforts to minimize its harm to the environment through the use of energy efficient devices at the plants.
- Corporate sponsorship of a promising Goa State Chess player.
- Financial assistance to Matruchaya Trust for the year 2013-14.
- Providing the services of a medical doctor for the locals residing around the Company's Goa Plant.
- Donation to various educational institutes.
- Donation / Sponsorship to various clubs for conduct of sports and cultural activities.

During the year 2013-14, your Company has spent ₹20.57 lacs on CSR activities against ₹30.58 lacs during the previous year.

### 9.7 Cost Auditor

With reference to the General Circular No. 15/2011 – 52/5/CAB-2011 dated 11 April 2011 issued by the Government of India, Ministry

of Corporate Affairs, Cost Audit Branch, New Delhi, following are the details of Cost Auditor and date of filing of Cost Audit Report with the Central Government:

Particulars of the Cost Auditor	Details of filing Cost Audit Report for the year ended 31 <sup>st</sup> March, 2013
Mr. Savari Muthu I., (Firm Registration no. 100107) 2nd Floor, Magnum Chambers, St. Inez, Panaji-Goa 403 001 Email: sav.goa@gmail.com	Due date of filing: 30.09.2013 Filing date: 06.09.2013

## 10. Means of Communication

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

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

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

## 11. General Shareholder Information:

### 11.1 Annual General Meeting

Date and Time : Saturday,  
the 6<sup>th</sup> September, 2014  
at 10.30 a.m.

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

### 11.2 Financial Year Calendar (2014-2015)

(Tentative and subject to change)

Results for quarter ending June 30, 2014	By August 15, 2014
Results for quarter ending September 30, 2014	By November 15, 2014
Results for quarter ending December 31, 2014	By February 15, 2015
Results for quarter ending March 31, 2015	By May 15, 2015
Annual General Meeting for the year ending March 31, 2015	By September, 2015

### 11.3 Book Closure Date

The Company's Share Transfer Books and Register of Members of equity shares shall

remain closed from Thursday, the 28<sup>th</sup> August, 2014 to Saturday, the 6<sup>th</sup> September, 2014 (both days inclusive), to determine the entitlement of shareholders to receive dividend for the year ended March 31, 2014.

### 11.4 Dividend Payment Date

The dividend on equity shares, if declared at the Annual General Meeting to be held on 6<sup>th</sup> September, 2014, will be credited / despatched on 22<sup>nd</sup> September, 2014 to those members whose names appear on the Company's Register of Members and to the beneficial owners whose particulars are furnished by the depositories as on 27<sup>th</sup> August, 2014.

### 11.5 Listing of Equity Shares

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

### 11.6 Stock Codes

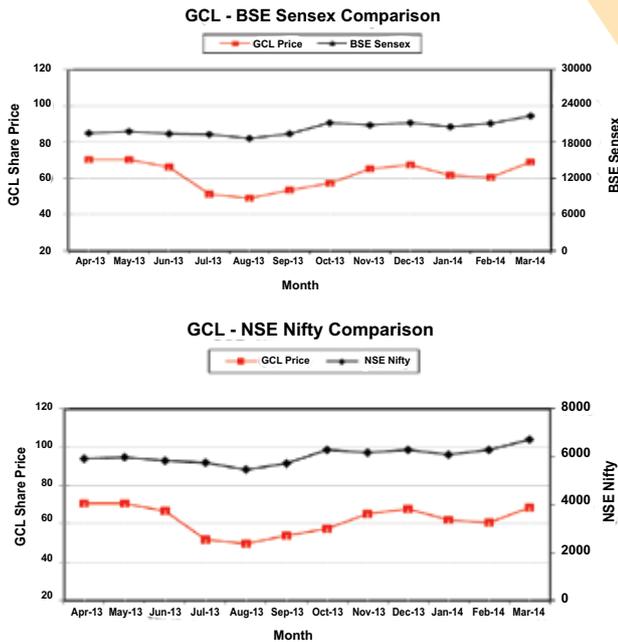
Name of Stock Exchange	Scrip Code	Demat ISIN Number in NSDL & CDSL
Bombay Stock Exchange Ltd.	509567	INE426D01013
National Stock Exchange of India Ltd.	GOACARBON	

### 11.7 Market Price Data (in ₹)

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High	Low	Volume	High	Low	Volume
April 2013	78.00	66.40	154820	78.00	66.35	316091
May 2013	87.20	70.00	614690	86.60	69.65	1550850
June 2013	73.60	65.30	85719	73.70	65.75	169002
July 2013	71.60	51.25	85201	72.00	51.00	200334
August 2013	58.00	49.00	40006	59.60	47.50	98280
September 2013	59.60	53.65	52829	59.60	48.25	85365
October 2013	67.50	57.40	189989	69.20	50.70	404416
November 2013	75.45	65.20	607391	75.50	53.70	1557942
December 2013	69.70	67.65	499861	69.50	57.90	1154936
January 2014	79.90	61.90	805545	79.70	60.75	1875241
February 2014	65.20	60.70	72801	65.90	59.35	177479
March 2014	71.75	60.75	407637	71.80	60.45	1011135

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

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



### 11.9 Registrar and Share Transfer Agent

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

### 11.10 Share Transfer System

Share Transfers in physical form can be lodged with the Company’s Registrar and Share Transfer Agents. The Company in order to improve the quality of services to investors, process share transfer requests within the stipulated time and for reasons of convenience, has given powers to its Registrar and Share Transfer Agents to approve and effect the transmission/ transfer/transposition of shares and give effect to dematerialization requests. Shares held in dematerialized form are traded electronically in the Depositories. As at March 31, 2014 no equity shares were pending for transfer.

As per the requirement of Clause 47 (c) of the Listing Agreement with the stock exchanges, the

Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities.

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

### 11.11 Shares in Unclaimed Suspense Account

The shares remaining unclaimed were transferred to the Unclaimed Suspense Account in the name of “Goa Carbon Limited - Unclaimed Suspense Account” during the year and have since been dematerialised.

Following was the status of outstanding shares lying in the said account as on 31st March, 2014:

Particulars	Number of shareholders	Number of Equity shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1 <sup>st</sup> April, 2013.	1321	31,654
Number of shareholders who approached the Company / RTA for transfer of shares from Unclaimed Suspense Account during the year ended 31 <sup>st</sup> March, 2014.	1	20
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year ended 31 <sup>st</sup> March, 2014.	1	20
Aggregate Number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. as on 31 <sup>st</sup> March, 2014.	1320	31,634

## 11.12 Distribution of Shareholding

### Distribution Schedule as on March 31, 2014

No. of Shares	No. of Share-holders	% of Share-holders	No. of Shares	% to Total
Upto 500	15,328	93.35	15,85,496	17.33
501 to 1000	616	3.75	4,92,801	5.38
1001 to 2000	265	1.61	3,86,089	4.22
2001 to 3000	78	0.48	1,98,362	2.17
3001 to 4000	41	0.25	1,42,830	1.56
4001 to 5000	27	0.16	1,25,855	1.38
5001 to 10000	37	0.23	2,55,543	2.79
10001 and above	28	0.17	59,64,076	65.17
<b>TOTAL</b>	<b>16,420</b>	<b>100.00</b>	<b>91,51,052</b>	<b>100.00</b>

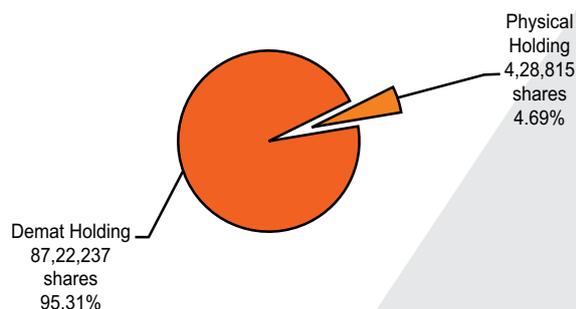
### Distribution of Shareholding (Categorywise) as on March 31, 2014

Category	No. of share-holders	No of shares held	% of share-holding
Promoters, Directors, their relatives & Associates	6	55,03,279	60.14
Mutual Funds / UTI	1	550	0.01
Financial Institutions / Banks	10	805	0.01
Foreign Institutional Investors	1	1,000	0.01
Bodies Corporate	262	2,92,338	3.19
Non-Resident Indians (NRI's)	78	47,163	0.51
Resident Individuals / Trusts	15,951	32,41,673	35.43
Clearing Members	111	64,244	0.70
<b>TOTAL</b>	<b>16,420</b>	<b>91,51,052</b>	<b>100.00</b>

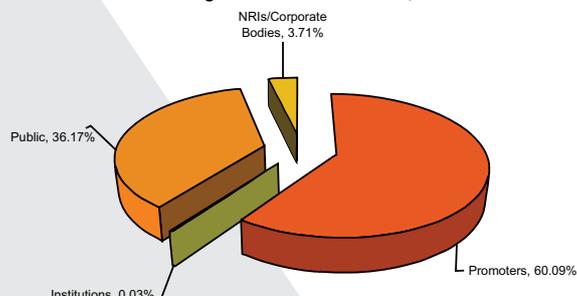
## 11.13 Dematerialisation of shares and liquidity

As on March 31, 2014, 95.31% of the Company's paid-up capital representing 87,22,237 shares were held in dematerialized form as compared to 95.16% of the Company's paid-up capital representing 87,08,565 shares as on March 31, 2013.

### Shares held in Demat/Physical form as at March 31, 2014



### Shareholding Pattern as on March 31, 2014



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

- Nil -

## 11.15 Plant Locations

### Goa Plant

St. Jose de Areal, Salcete, Goa 403 709

### Bilaspur Plant

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

### Paradeep Plant

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

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

### Subsidiary

#### GCL Global Resources SGP Pte Ltd.

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

### Step-down Subsidiary

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

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

## 11.17 Address for correspondence

Investor correspondence for transfer/  
dematerialisation of shares and any other query

relating to the shares of the Company should be addressed to -

**Link Intime India Pvt. Ltd.**

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

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

Secretarial Department,

**Goa Carbon Limited**

Dempo House, Campal,  
Panaji-Goa 403 001  
Tel.: (0832) 2441458 Fax: (0832) 2427192  
Email: [legal@goacarbon.com](mailto:legal@goacarbon.com)

Investor complaints, if any, may be addressed to -

P. S. Mantri

**Goa Carbon Limited**

Dempo House, Campal,  
Panaji-Goa 403 001  
Tel.: (0832) 2441354 Fax: (0832) 2427192  
Email: [investorrelations@goacarbon.com](mailto:investorrelations@goacarbon.com)

**11.18 Status of compliance with Non Mandatory requirements**

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

Accordingly, the adoption of non-mandatory requirements is given below:-

**i) The Board:**

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

No policy has been fixed on the tenure of independent Directors.

**ii) Remuneration Committee:**

For Remuneration Committee, please refer to Para 4 of this report.

**iii) Shareholders Rights:**

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

**iv) Audit Qualifications:**

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

**v) Training of Board Members:**

Not yet adopted by the Company.

**vi) Mechanism for evaluating non-executive Board Members:**

Not yet adopted by the Company.

**vii) Whistle Blower Policy:**

The Company does not have any Whistle Blower Policy. However any employee, if he / she so desires, would have free access to meet Senior Level Management and report any matter of concern.

**viii) MCA voluntary guidelines:**

The Company is in substantial compliance with the voluntary guidelines and it will always be the Company's endeavour to attain the best practices in corporate governance.

# AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of Goa Carbon Limited,

We have examined the compliance of conditions of Corporate Governance by **Goa Carbon Limited** ("the Company"), for the year ended on 31<sup>st</sup> March 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreements.

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

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

**B. Ramaratnam**  
Partner  
(Membership No. 21209)

Panaji, Goa, 11<sup>th</sup> April, 2014

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

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

- (a) We have reviewed the financial statements and the cash flow statement of the Company for the financial year ended March 31, 2014 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period, which are fraudulent, illegal or violative of the Company’s code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee
  - (i) Significant changes, if any, in internal control over financial reporting during the year;
  - (ii) Significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

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

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

Panaji, Goa, April 11, 2014

# STANDALONE FINANCIAL STATEMENTS INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF GOA CARBON LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **GOA CARBON LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report)

Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified

under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs).

(e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For Deloitte Haskins & Sells**

Chartered Accountants  
(Firm Registration No. 008072S)

**B. Ramaratnam**

Partner  
(Membership No. 21209)

Panaji, Goa, April 11, 2014

## Annexure to the Independent Auditors' Report

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

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses vi, x, xi, xii, xiii, xiv, xv, xvi, xviii, xix and xx of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of Company's inventories:
  - (a) The inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of

its inventories and no material discrepancies were noticed on physical verification.

- (iv) (a) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (b) In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

The Company has taken an unsecured loan amounting to ₹1,600 lacs (including opening balance of ₹1,050 lacs) from one party covered in the Register maintained under Section 301 of the Companies Act, 1956. The outstanding balance of such loan at the year-end amounted to ₹1,100 lacs and the maximum amount involved during the year amounted to ₹1,600 lacs.

In our opinion the rate of interest and other terms and conditions of the said loan are not, *prima facie*, prejudicial to the interest of the Company.

The loan is repayable on demand and has been repaid as demanded. The interest payment on the loan will be made as and when demanded.
- (v) In our opinion and according to the information and explanations given to us, and having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods. During the course of our audit, we have not observed any major weakness in such internal control system.

- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- the particulars of contracts or arrangements referred to in the said Section 301 that needed to be entered in the Register maintained under the said Section have been so entered; and
  - where each of such transaction is in excess of ₹5 lacs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us in respect of statutory and other dues:
- The Company has been regular in depositing undisputed dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Excise Duty, Cess, Custom's Duty, Central Sales Tax, State Value Added Tax, Service Tax, Income Tax, Wealth Tax, and other material statutory dues applicable to it with the appropriate authorities.
  - According to the information and explanations given to us, no undisputed statutory dues payable in respect of Provident fund, Investor Education and Protection Fund, Employees'

State Insurance, Excise duty, Cess, Custom's duty, Central Sales Tax, State Value Added Tax, Service Tax, Income-Tax, Wealth Tax, and other material statutory dues applicable to it were in arrears as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us, there are no dues of Income-tax, Central Sales Tax, State Value Added Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited as on 31<sup>st</sup> March, 2014, on account of any dispute except for the following:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lacs)
The Central Excise Act, 1944	Excise duty	Customs, Excise and Service Tax Appellate Tribunal, New Delhi	2005-06	90.09
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Panaji	AY 1994-95	37.58
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Panaji	AY 2009-10	410.59
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Panaji	AY 2010-11	41.57
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Panaji	AY 2011-12	227.37

- (x) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**For Deloitte Haskins & Sells**

Chartered Accountants  
(Firm Registration No. 008072S)

**B. Ramaratnam**

Partner  
(Membership No. 21209)

Panaji, Goa, April 11, 2014

# BALANCE SHEET AS AT 31ST MARCH 2014

₹ in lacs

	Note	As on 31 <sup>st</sup> March 2014	As on 31 <sup>st</sup> March 2013
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share capital	3	915.11	915.11
Reserves and surplus	4	7,643.58	7,521.40
		<b>8,558.69</b>	8,436.51
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities (net)	5	330.05	365.49
		<b>330.05</b>	365.49
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	6	22,672.45	13,313.57
Trade payables	7	784.14	684.76
Other current liabilities	8	1,028.79	679.06
Short-term provisions	9	139.41	325.55
		<b>24,624.79</b>	15,002.94
		<b>33,513.53</b>	23,804.94
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
Tangible assets	10	1,950.27	2,148.06
Non-current investments	11	1,942.67	1,401.04
Long-term loans and advances	12	370.02	349.64
Other non-current assets	13	2,211.34	2,145.47
		<b>6,474.30</b>	6,044.21
<b>CURRENT ASSETS</b>			
Inventories	14	8,502.23	7,427.97
Trade receivables	15	3,367.00	876.97
Cash and cash equivalents	16	13,535.31	7,611.76
Short-term loans and advances	17	1,320.92	1,702.46
Other current assets	18	313.77	141.57
		<b>27,039.23</b>	17,760.73
		<b>33,513.53</b>	23,804.94
See accompanying notes forming part of the financial statements.	1 - 41		

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**B. Ramaratnam**  
Partner

Panaji, Goa, 11<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**  
Chairman

**K. Balaraman**  
Sr. General Manager-Finance

**Jagmohan J. Chhabra**  
Executive Director

**P.S. Mantri**  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

₹ in lacs

	Note	Year ended 31 <sup>st</sup> March 2014	Year ended 31 <sup>st</sup> March 2013
<b>REVENUE FROM OPERATIONS</b>			
Revenue from sale of products			
Sale of calcined petroleum coke		33,037.87	33,049.48
Less: Excise duty		3,854.74	3,502.47
Net sales		29,183.13	29,547.01
Other operating revenue	19	19.82	12.51
Other income	20	564.73	645.82
		29,767.68	30,205.34
<b>EXPENSES</b>			
Cost of materials consumed	21	25,547.21	22,507.23
Changes in inventories of finished goods	22	(1,251.40)	1,301.75
Employee benefit expenses	23	1,512.51	1,441.24
Finance costs	24	618.77	501.29
Depreciation and amortisation expense	10	220.43	224.04
Other expenses	25	2,877.57	3,013.44
		29,525.09	28,988.99
<b>Profit before tax</b>		242.59	1,216.35
Less: Provision for tax			
Current		117.00	443.00
Prior year		(68.21)	(1.18)
Deferred		(35.44)	(16.74)
		13.35	425.08
<b>Profit for the year</b>		229.24	791.27
Earnings per equity share of ₹10/- each (Basic and diluted) (₹)	37	2.51	8.65
See accompanying notes forming part of the financial statements.	1 - 41		

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**B. Ramaratnam**  
Partner

Panaji, Goa, 11<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**  
Chairman

**K. Balaraman**  
Sr. General Manager-Finance

**Jagmohan J. Chhabra**  
Executive Director

**P.S. Mantri**  
Company Secretary

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

₹ in lacs

	Year ended 31 <sup>st</sup> March 2014	Year ended 31 <sup>st</sup> March 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	242.59	1,216.35
Adjustments for :		
Depreciation and amortisation expense	220.43	224.04
Finance costs	618.77	501.29
Loss on assets sold / scrapped	5.53	7.64
Bad debts written off	4.30	5.63
Provision for doubtful debts / advances	16.12	-
Interest income	(559.45)	(641.05)
Sundry credit balances written back	(2.48)	(1.38)
Profit on sale of assets	(0.10)	(1.16)
Unrealised exchange loss/(gain)- (net)	(770.12)	(87.98)
Dividend income	(2.70)	(2.23)
	(469.70)	4.80
Operating Profit/(Loss) before working capital changes	(227.11)	1,221.15
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(1,074.26)	6,266.54
Trade receivables	(2,504.70)	1,930.00
Short term loans and advances	376.25	(446.59)
Other current assets	3.10	1,668.63
Long term loans and advances	2.09	0.30
Other non-current assets	(87.67)	(1,725.47)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	84.90	(141.12)
Other current liabilities	215.93	(42.36)
Short term provisions	(17.14)	5.12
	(3,001.50)	7,515.05
Cash flow from operations	(3,228.61)	8,736.20
Direct taxes (net)	(59.63)	(458.42)
<b>Net cash (used in)/from operating activities</b>	<b>(3,288.24)</b>	<b>8,277.78</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets including capital advances	(28.78)	(53.65)
Investments in a subsidiary	(541.63)	(1,396.94)
Proceeds from sale of fixed assets	0.71	3.75
Margin money and bank deposits (placed) / realised	(7,935.27)	(1,061.80)
Interest received	381.13	609.85
Dividend received	2.70	2.23
<b>Net cash (used in)/from investing activities</b>	<b>(8,121.14)</b>	<b>(1,896.56)</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014 (CONTD.)

₹ in lacs

	Year ended 31 <sup>st</sup> March 2014	Year ended 31 <sup>st</sup> March 2013
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of short term borrowings from Banks (Net)	10,095.38	(4,192.63)
Proceeds from short term borrowings from the holding company	550.00	1,050.00
Repayment of short term borrowings from the holding company	(500.00)	-
Finance costs	(487.99)	(445.28)
Dividends paid	(225.76)	(358.89)
Tax on dividend paid	(37.11)	(59.38)
<b>Net cash (used in)/from financing activities</b>	<b>9,394.52</b>	<b>(4,006.18)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS ( A + B + C )</b>	<b>(2,014.86)</b>	<b>2,375.04</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>3,114.28</b>	<b>739.18</b>
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	0.12	0.06
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>1,099.54</b>	<b>3,114.28</b>
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 16)	13,535.31	7,611.76
Less: Bank balances not considered as Cash and cash equivalents		
Unpaid dividend account	(38.70)	(35.68)
Deposits more than 3 months	(5,589.69)	(2,500.00)
Margin money deposits	(6,807.38)	(1,961.80)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR *</b>	<b>1,099.54</b>	<b>3,114.28</b>
* Comprises		
Cash on hand	3.23	2.68
Cheques and drafts on hand	0.51	10.00
Balances with banks		
In current accounts	895.80	251.60
In deposit account with original maturity less than 3 months	200.00	2,850.00
See accompanying notes forming part of the financial statements.	1 - 41	

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**B. Ramaratnam**  
Partner

Panaji, Goa, 11<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**  
Chairman

**K. Balaraman**  
Sr. General Manager-Finance

**Jagmohan J. Chhabra**  
Executive Director

**P. S. Mantri**  
Company Secretary

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

## 1 Corporate information

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

## 2 Significant accounting policies

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

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### b Use of estimates

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

estimates are recognized in the periods in which the results are known / materialized.

### c Inventories

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

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

### d Cash flow statement

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

### e Fixed assets (Tangible / Intangible)

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

### Capital work-in-progress:

Projects under which assets are not ready for their intended use are carried at cost, comprising

direct cost, related incidental expenses and attributable interest.

#### **f Depreciation and amortisation**

Depreciation is provided on the straight line method as per the rates specified in Schedule XIV of the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:

Computers and printers - 3 years

Mobile phones - One year.

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

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

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

#### **g Revenue recognition**

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

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

#### **h Foreign currency transactions**

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

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

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

#### **i Investments**

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

#### **j Employee Benefits**

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

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

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

(a) in case of accumulated compensated

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

### **Long term employee benefits**

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

##### **Superannuation:**

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

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

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

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

##### **Gratuity:**

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

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

In respect of Goa unit, contributions are made to the Company's Employees Provident Fund Trust

in accordance with the Trust rules. The interest rate payable by the Trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The interest rate guarantee is actuarially determined and the shortfall if any is charged to Statement of Profit and Loss.

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

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

#### **k Borrowing costs**

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

**l Earnings per share**

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

**m Taxes on income**

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

Deferred tax is recognised on timing differences arising between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only if there is a virtual certainty that they will be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

**n Impairment of assets**

The carrying values of assets / cash generating units are reviewed at each balance sheet date

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

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

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

**p Operating Cycle**

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

	As at 31 March 2014		As at 31 March 2013	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
<b>3. SHARE CAPITAL</b>				
Authorised:				
Equity shares of ₹10/- each with voting rights	22,000,000	2,200.00	22,000,000	2,200.00
Preference shares of ₹100/- each	300,000	300.00	300,000	300.00
		2,500.00		2,500.00
Issued, subscribed and fully paid up:				
Equity shares of ₹10/- each with voting rights	9,151,052	915.11	9,151,052	915.11
		915.11		915.11
i There has been no movement in equity shares outstanding at the beginning and at the end of the year				
ii The Company has only one class of equity shares having a par value of ₹10/-. Each holder is entitled to one vote per equity share. Dividends are paid in Indian Rupees. Dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting. The amount of dividend proposed to be distributed to equity shareholders is ₹91.51 lacs (Previous year ₹228.78 lacs) and the related amount per equity share is ₹1 (Previous year ₹2.50). Repayment of capital will be in proportion to the number of equity shares held.				
iii Details of equity shares held by each shareholder holding more than 5% shares		% held		% held
V. S. Dempo Holdings Private Limited, the holding company	5,069,040	55.40	5,069,040	55.40

₹ in lacs

	As at 31 March 2014		As at 31 March 2013	
<b>4. RESERVES AND SURPLUS</b>				
Securities premium account		3,131.01		3,131.01
Amalgamation reserve		475.38		475.38
General reserve				
Opening balance	1,780.05		1,700.05	
Add: Transferred from Statement of Profit and Loss	23.00		80.00	
Closing balance		1,803.05		1,780.05
Surplus in Statement of Profit and Loss				
Opening balance	2,134.96		1,689.58	
Add: Profit for the year	229.24		791.27	
	2,364.20		2,480.85	
Less: Proposed dividend	91.51		228.78	
Tax on proposed dividend	15.55		37.11	
Transfer to general reserve	23.00		80.00	
Closing balance		2,234.14		2,134.96
		7,643.58		7,521.40

₹ in lacs

	As at 31 March 2014	As at 31 March 2013
<b>5. DEFERRED TAX LIABILITIES (NET)</b>		
Deferred tax liability arising on account of:		
Depreciation	358.46	394.39
Deferred tax asset arising on account of:		
Provision for doubtful debts / advances	15.51	10.03
Provision for employee benefits	12.90	18.87
	28.41	28.90
	330.05	365.49
<b>6. SHORT TERM BORROWINGS</b>		
From banks (secured)		
Loans repayable on demand		
Cash credit	250.94	198.92
Other loans		
Loan against fixed deposits	2,560.00	400.00
Buyers credit	18,761.51	11,664.65
	21,321.51	12,064.65
	21,572.45	12,263.57
The cash credit and buyers credit facilities are secured by first and equitable mortgage on pari-passu basis of all immovable properties and by hypothecation of all movable fixed assets, inventories, book debts and other receivables of the Company.		
Unsecured loan from a related party (repayable on demand) (Refer note 36 (ii) and (iii))		
V. S. Dempo Holdings Private Limited, the holding company	1,100.00	1,050.00
	22,672.45	13,313.57
<b>7. TRADE PAYABLES</b>		
Other than acceptances		
Related parties (Refer note 36(iii))	16.02	-
Micro and small enterprises (Refer note 32)	0.07	-
Others	768.05	684.76
	784.14	684.76
<b>8. OTHER CURRENT LIABILITIES</b>		
Interest accrued but not due on borrowings	29.05	58.35
Interest accrued and due on unsecured loan from a related party (Refer note 36 (iii))	196.87	36.79
Unclaimed dividends (Refer note 39)	38.70	35.68
Other payables:		
Statutory remittances	734.68	522.58
Advances from customers	18.16	16.46
Employee recoveries	0.68	3.65
Trade and security deposits received	10.65	5.55
	764.17	548.24
	1,028.79	679.06
<b>9. SHORT TERM PROVISIONS</b>		
Employee benefits	32.35	49.49
Provision for tax (net of advance tax)	-	10.17
Proposed dividend	91.51	228.78
Tax on proposed dividend	15.55	37.11
	139.41	325.55

10. FIXED ASSETS												
Description	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
	As at 01.04.2013	Additions	Deductions	As at 31.03.2014	As at 01.04.2013	For the year	Deductions	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013		
<b>Tangible Assets</b>												
Land (Freehold)	13.58	-	-	13.58	-	-	-	-	13.58	13.58		
Land (Leasehold)	100.83	-	-	100.83	19.13	1.25	-	20.38	80.45	81.70		
Plot development on leasehold land	100.83	-	-	100.83	17.88	1.25	-	19.13	81.70	82.95		
	101.95	-	-	101.95	85.30	10.29	-	95.59	6.36	16.65		
	101.95	-	-	101.95	75.01	10.29	-	85.30	16.65	26.94		
Buildings	1,405.09	-	-	1,405.09	665.52	37.55	-	703.07	702.02	739.57		
	1,405.09	-	-	1,405.09	627.97	37.55	-	665.52	739.57	777.12		
Plant and equipment	3,335.34	3.49	15.04	3,323.79	2,148.66	152.62	8.90	2,292.38	1,031.41	1,186.68		
	3,325.31	39.93	29.90	3,335.34	2,018.70	153.45	23.49	2,148.66	1,186.68	1,306.61		
Furniture and fixtures	84.72	0.95	-	85.67	76.12	1.06	-	77.18	8.49	8.60		
	82.59	2.13	-	84.72	72.76	3.36	-	76.12	8.60	9.83		
Office equipments	115.11	3.83	0.27	118.67	89.89	6.47	0.27	96.09	22.58	25.22		
	105.09	10.60	0.58	115.11	83.15	7.13	0.39	89.89	25.22	21.94		
Vehicles	116.58	20.51	-	137.09	40.52	11.19	-	51.71	85.38	76.06		
	126.23	7.08	16.73	116.58	42.67	10.95	13.10	40.52	76.06	83.56		
	5,273.20	28.78	15.31	5,286.67	3,125.14	220.43	9.17	3,336.40	1,950.27	2,148.06		
	5,260.67	59.74	47.21	5,273.20	2,938.14	223.98	36.98	3,125.14	2,148.06	2,322.53		
<b>Intangible Assets</b>												
Technical knowhow	30.21	-	-	30.21	30.21	-	-	30.21	-	-		
	30.21	-	-	30.21	30.21	-	-	30.21	-	-		
Computer software	66.27	-	-	66.27	66.27	-	-	66.27	-	-		
	66.27	-	-	66.27	66.21	0.06	-	66.27	-	0.06		
	96.48	-	-	96.48	96.48	-	-	96.48	-	-		
	96.48	-	-	96.48	96.42	0.06	-	96.48	-	0.06		
<b>Total</b>	<b>5,369.68</b>	<b>28.78</b>	<b>15.31</b>	<b>5,383.15</b>	<b>3,221.62</b>	<b>220.43</b>	<b>9.17</b>	<b>3,432.88</b>	<b>1,950.27</b>	<b>2,148.06</b>		
Total	5,357.15	59.74	47.21	5,369.68	3,034.56	224.04	36.98	3,221.62	2,148.06	2,322.59		

Figures in italics represent previous year figures.

₹ in lacs

	As at 31 March 2014	As at 31 March 2013
<b>11. NON-CURRENT INVESTMENTS</b>		
<b>Long term investments (at cost)</b>		
Investments in equity instruments		
Quoted (Non Trade):		
13,500 (Previous year: 13,500) fully paid up equity shares of ₹10/- each in ICICI Bank Limited	4.05	4.05
Unquoted (Trade):		
In wholly owned subsidiary company:		
3,480,000 (Previous year: 2,550,000) fully paid up equity shares of USD 1 each in GCL Global Resources SGP Pte. Limited, Singapore	1,938.62	1,396.99
	1,942.67	1,401.04
Market value of quoted investment	168.08	141.96
<b>12. LONG-TERM LOANS AND ADVANCES (Unsecured, considered good)</b>		
Capital advances	328.81	328.81
Security deposits	18.11	19.05
Prepaid expenses	-	1.26
Loans to employees	0.63	0.52
Advance tax (net of provision)	22.47	-
	370.02	349.64
<b>13. OTHER NON-CURRENT ASSETS</b>		
Taxes paid in dispute (Refer note 26(ii) and (iii))	2,211.34	2,145.47
	2,211.34	2,145.47
<b>14. INVENTORIES (At lower of cost and net realisable value)</b>		
Raw materials	3,681.47	3,878.09
Finished goods	4,618.25	3,366.85
Stores and spares	202.51	183.03
	8,502.23	7,427.97
<b>15. TRADE RECEIVABLES (Unsecured)</b>		
Outstanding for a period exceeding six months from the date they were due for payment		
Doubtful	40.33	29.50
Other trade receivables		
Considered good	3,367.00	876.97
	3,407.33	906.47
Less: Provision for doubtful trade receivables	40.33	29.50
	3,367.00	876.97

₹ in lacs

	As at 31 March 2014	As at 31 March 2013
<b>16. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	3.23	2.68
Cheques and drafts on hand	0.51	10.00
Balances with banks		
In current accounts	895.80	251.60
In deposit accounts	5,789.69	5,350.00
Unpaid dividend accounts	38.70	35.68
Margin money deposits and security against borrowings (Refer note (i) below)	6,807.38	1,961.80
	13,531.57	7,599.08
	13,535.31	7,611.76
Of the above the balances that meet the definition of cash and cash equivalents as per cash flow statement is	1,099.54	3,114.28
(i) Includes deposits with remaining maturity of more than 12 months from the Balance Sheet date	-	0.50

<b>17. SHORT TERM LOANS AND ADVANCES (Unsecured considered good unless otherwise stated)</b>		
Loans and advances to related parties (Refer note 36(iii))		
Subsidiaries	190.86	91.77
Others	-	0.35
	190.86	92.12
Security and tender deposits	7.28	5.78
Loans and advances to employees	6.97	8.38
Other receivables	37.95	5.29
Less: Provision for doubtful advances	5.29	-
	32.66	5.29
Prepaid expenses	34.96	37.66
Balances with government authorities		
CENVAT credit receivable	861.77	745.86
VAT credit receivable	56.34	27.28
Service tax credit receivable	45.14	146.65
	963.25	919.79
Advances to suppliers	84.94	633.44
	1,320.92	1,702.46

<b>18. OTHER CURRENT ASSETS</b>		
Interest accrued on margin money and other bank deposits	313.77	135.45
Unamortised premium on forward contracts	-	6.12
	313.77	141.57

₹ in lacs

	Year ended 31 March 2014		Year ended 31 March 2013	
<b>19. OTHER OPERATING REVENUE</b>				
Sale of scrap		19.82		12.51
		19.82		12.51

<b>20. OTHER INCOME</b>				
Interest income:				
From banks deposits	550.59		502.46	
On income tax refunds	8.33		138.39	
Others	0.53		0.20	
		559.45		641.05
Dividend from long term investments		2.70		2.23
Profit on sale of fixed assets		0.10		1.16
Miscellaneous income		2.48		1.38
		564.73		645.82

<b>21. COST OF MATERIALS CONSUMED</b>				
Opening stock		3,878.09		8,825.93
Add: Purchases		25,350.59		17,559.39
		29,228.68		26,385.32
Less: Closing stock		3,681.47		3,878.09
		25,547.21		22,507.23

<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS</b>				
Inventories of finished goods at the end of the year		4,618.25		3,366.85
Inventories of finished goods at the beginning of the year		3,366.85		4,668.60
		(1,251.40)		1,301.75

<b>23. EMPLOYEE BENEFITS EXPENSES</b>				
Salaries, wages, bonus and allowances		1,227.69		1,183.60
Contribution to provident and other funds		130.78		112.44
Staff welfare expenses		154.04		145.20
		1,512.51		1,441.24

	Year ended 31 March 2014		Year ended 31 March 2013	
<b>24. FINANCE COSTS</b>				
Interest expense on:				
Borrowings	367.15		314.82	
Delayed payment of income tax	3.75		13.50	
Others	1.33		4.23	
		372.23		332.55
Other borrowing costs		246.54		168.74
		618.77		501.29

<b>25. OTHER EXPENSES</b>				
Fuel and power		219.91		212.86
Excise duty on inventory differential (Refer note 28)		178.18		2.47
Repairs and maintenance:				
Buildings	93.45		93.09	
Plant and machinery	148.43		170.05	
Others	32.52		31.98	
		274.40		295.12
Rent		64.39		55.85
Rates and taxes		19.92		5.42
Insurance		44.64		42.17
Travelling expenses		77.24		109.13
Selling and distribution expenses		1,222.83		1,325.98
Bad debts written off		4.30		5.63
Provision for doubtful debts / advances		16.12		-
Payments to auditors (net of service tax credit):				
Audit fees	12.00		10.00	
Taxation matters	2.50		2.25	
Other services	3.50		2.75	
Reimbursement of expenses	0.93		1.19	
		18.93		16.19
Directors' sitting fees		8.35		8.64
Loss on assets sold / scrapped		5.53		7.64
Exchange loss on foreign currency transactions and translations		433.16		375.13
Forward premium expenses		8.16		261.31
Miscellaneous expenses (Refer note 38)		281.51		289.90
		2,877.57		3,013.44

₹ in lacs

26. Contingent Liabilities : (Claims against the Company not acknowledged as debts)	As at 31 March 2014	As at 31 March 2013
i) Disallowance of Cenvat Credit and Educational Cess on purchase of raw materials	90.19	90.19
ii) Income tax demands under appeal	1,954.55	1,658.21
iii) The Company's appeal to the High Court of Bombay at Goa against the order of the Income Tax Appellate Tribunal which had confirmed the disallowance of the deduction under section 80HHC of the Income Tax Act, 1961 for Assessment Years 1993-94 to 2004-05 was allowed by the High Court vide its order dated 21.10.2010. The disputed amount of tax and interest paid amounting to ₹963.68 lacs (after adjusting the refund of ₹454.66 lacs received) is included under Other Non-Current Assets. The income tax department has filed a Special Leave petition before the Supreme Court praying for ex-parte stay of the aforementioned Order of the High Court. The petition is yet to be admitted.	-	-
The above amounts are based on the notice of demand or the assessment orders or notification by the relevant authorities, as the case may be, and the Company is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the Judiciary. No reimbursements are expected.		

27. Commitments:	As at 31 March 2014	As at 31 March 2013
Export obligation in respect of imports under Advance Licence Scheme to be fulfilled.	5,767.39	5,839.38
28. Excise duty on sales for the year has been disclosed as reduction from Revenue from operations. Excise duty relating to the difference between the closing stock and the opening stock of Finished goods has been included in Note - 25 "Other Expenses"		

29. Raw materials consumed	Year ended 31 March 2014		Year ended 31 March 2013	
	₹ in lacs	%	₹ in lacs	%
Imported	24,935.14	97.60	22,499.42	99.97
Indigenous	612.07	2.40	7.81	0.03
<b>Total</b>	<b>25,547.21</b>	<b>100.00</b>	<b>22,507.23</b>	<b>100.00</b>

30. Value of stores & spare parts consumed for repair jobs	Year ended 31 March 2014		Year ended 31 March 2013	
	₹ in lacs	%	₹ in lacs	%
Imported	-	-	-	-
Indigenous	102.71	100	130.59	100

₹ in lacs

31.		Year ended 31 March 2014	Year ended 31 March 2013
	Value of imports on CIF basis:		
	Raw materials	22,942.30	16,151.73
	Earnings in foreign currency:		
	FOB value of exports	2,357.98	5,205.38
	Expenditure in foreign currency:		
	Travelling	4.45	6.55
	Interest	131.37	247.38
	Analysis fee, subscriptions etc.	3.10	24.50
32.	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. Amount outstanding but not due as at the year end ₹0.07 lacs (Previous year ₹Nil)		

33. Derivative instruments:								
	The Company enters into forward contracts which are not intended for trading or speculative purposes, but for hedging.							
a)	Forward Exchange Contracts outstanding at the year end:							
	As at 31 March 2014				As at 31 March 2013			
	Buy-Sell	No. of Contracts	US Dollars	₹ in lacs	Buy-Sell	No. of Contracts	US Dollars	₹ in lacs
	-	-	-	-	Buy	6	2,186,831	1,189.29
b)	The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:							
					As at 31 March 2014		As at 31 March 2013	
					US Dollars	₹ in lacs	US Dollars	₹ in lacs
	Amount payable in foreign currency:							
	Buyers credit				31,310,936	18,761.51	19,288,089	10,475.36
	Trade payables				296,398	177.60	291,906	158.53
	Interest accrued but not due on borrowings				42,482	25.46	107,063	58.15
	Amount receivable in foreign currency:							
	Other receivables				54,492	32.65	-	-
	Advances to suppliers				8,237	4.93	7,873	4.28

<b>34. Employee benefit plans</b>			
a) Defined benefit plans:			
i) The following table sets out the status of the gratuity plan (included as part of "Contribution to provident and other funds" in Note 23 Employee benefit expenses) as required under AS-15 (Revised):			
			₹ in lacs
Particulars		As at 31 March 2014	As at 31 March 2013
<b>i) Change in present value of obligation</b>			
Defined benefit obligation at the beginning of the year		354.71	314.83
Current service cost		41.37	41.75
Interest cost		27.67	25.52
Actuarial losses/(gains)		(14.53)	(11.86)
Benefits paid		(43.37)	(15.53)
Defined benefit obligation at the end of the year		365.85	354.71
<b>ii) Change in fair value of plan assets</b>			
Fair value of plan assets at the beginning of the year		361.70	345.05
Expected return on plan assets		27.06	26.98
Actuarial gain/(loss)		(2.80)	5.20
Contributions		29.07	-
Benefit paid		(43.37)	(15.53)
Fair value of plan assets at the end of the year		371.66	361.70
<b>iii) Net assets/(liability) recognised in the Balance Sheet</b>			
Defined benefit obligation at the end of the year		365.85	354.71
Fair value of the plan assets at the end of the year		371.66	361.70
Excess of funding over obligation		5.81	6.99
<b>iv) Expenses recognised in the statement of profit and loss</b>			
Current service cost		41.37	41.75
Interest cost		27.67	25.52
Expected return on plan assets		(27.06)	(26.98)
Net actuarial losses / (gains) recognised in the year		(11.73)	(17.06)
Net cost recognised in the statement of profit and loss		30.25	23.23
<b>v) Return on plan assets</b>			
Expected return on plan assets		27.06	26.98
Actuarial gain/(loss)		(2.80)	5.20
Actual return on plan assets		24.26	32.18
The plan assets of the company are managed by the Life Insurance Corporation of India and ICICI Prudential Life Insurance and the composition of the investment relating to these assets is not available with the company.			
<b>vi) Assumption</b>			
Rate of Mortality		<b>As per LIC Mortality rate (1994-96)</b>	
Discount rate		8.31%	8.31%
Expected salary increase rate		7.00%	7.00%
Expected rate of return on plan assets		8.00%	8.00%
Attrition rate		1.00%	3.00%
The estimates of future salary increases considered in the actuarial valuation, take into account inflation, seniority, promotions, increments and other related factors such as supply and demand in the employment market.			
The contributions expected to be made by the Company during the financial year 2014-15 are ₹30.25 lacs.			

₹ in lacs

	2013-14	2012-13	2011-12	2010-11	2009-10
<b>Experience adjustment</b>					
Present value of obligation	365.85	354.71	314.83	276.46	242.34
Fair value of plan assets	371.66	361.70	345.05	276.50	242.34
Surplus/(deficit)	5.81	6.99	30.22	0.04	-
Experience adjustment on plan liabilities	14.53	11.86	(1.70)	16.48	8.31
Experience adjustment of plan assets	(2.80)	5.20	(4.12)	1.81	(3.41)
ii)	The following table set out the status of the leave encashment plan (included as part of "Salaries, wages, bonus and allowances" in Note 23 Employee benefit expenses) as required under AS-15 (Revised).				
	₹ in lacs				
	<b>Particulars</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>		
<b>i) Change in present value of obligation</b>					
Defined benefit obligation at the beginning of the year		133.37	98.62		
Current service cost		39.58	39.40		
Interest cost		10.61	8.10		
Actuarial losses / (gains)		(26.52)	(10.52)		
Benefits paid		(11.45)	(2.23)		
Defined benefit obligation at the end of the year		145.59	133.37		
<b>ii) Change in fair value of plan assets</b>					
Fair value of plan assets at the beginning of the year		133.49	98.62		
Expected return on plan assets		11.94	8.92		
Actuarial gain/(loss)		0.56	0.24		
Contributions		9.85	27.94		
Benefit paid		(11.45)	(2.23)		
Fair value of plan assets at the end of the year		144.39	133.49		
<b>iii) Net (liability)/assets recognised in the Balance Sheet</b>					
Defined benefit obligation at the end of the year		145.59	133.37		
Fair value of the plan assets at the end of the year		144.39	133.49		
(Liability) /Assets recognised in the Balance Sheet		(1.20)	0.12		
<b>iv) Expenses recognised in the Statement of Profit and Loss</b>					
Current service cost		39.58	39.40		
Interest on obligation		10.61	8.10		
Expected return on plan assets		(11.94)	(8.92)		
Net actuarial losses / (gains) recognised in the year		(27.08)	(10.76)		
Net cost recognised in the statement of profit and loss		11.17	27.82		
<b>v) Assumption</b>					
Rate of Mortality		As per LIC Mortality rate (1994-96)			
Discount rate		8.31%	8.31%		
Expected salary increase rate		7.00%	7.00%		
Expected rate of return on plan assets		8.00%	8.00%		
Attrition rate		1.00%	3.00%		

iii)	Actuarial valuation relating to interest rate guarantee on exempt provident fund has resulted in an additional charge of ₹11.41 lacs (Previous year ₹2 lacs) during the year.
b)	Defined contribution plans:
	A sum of ₹35.47 lacs (Previous year ₹33.09 lacs) has been charged to the statement of profit and loss in respect of Company's contribution to superannuation fund and provident and pension fund for Paradeep and Bilaspur unit employees.

<b>35. Segment reporting:</b>	
	The Company is engaged in manufacture and sale (both domestic and export) of Calcined Petroleum Coke which constitutes single business segment. As per management's perspective, the risks and returns from its sales do not materially vary geographically. Accordingly there are no other business / geographical segments to be reported under Accounting Standard (AS) 17.

<b>36. Disclosures in respect of Related Parties pursuant to Accounting Standard (AS) 18.</b>	
i)	<b>List of related parties:</b>
	Names of the related parties and nature of relationship
a	Holding Company:
	V. S. Dempo Holdings Private Limited
b	Subsidiaries:
	GCL Global Resources SGP Pte Ltd, Singapore
	Goa Carbon (Cangzhou) Company Ltd, PRC
c	Fellow Subsidiaries (with whom transactions have taken place during the year):
	Aparant Iron & Steel Pvt. Ltd.
	Dempo Sports Club Pvt. Ltd
	Dempo Industries Pvt. Ltd.
	Dempo Travels Pvt. Ltd.
	Marmagoa Shipping & Stevedoring Co. Pvt. Ltd.
	Motown Investments Pvt. Ltd.
d	Individual who is able to exercise significant influence:
	Mr. Shrinivas V. Dempo (Chairman)
e	Enterprises over which Mr Shrinivas V. Dempo is able to exercise significant influence:
	Dempo Cricket Club
	Dempo Charities Trust
	Devashri Nirman LLP.
	Vasantrao Dempo Education and Research Foundation
f	Key Management Personnel:
	Mr Jagmohan J. Chhabra (Executive Director)

₹ in lacs

ii) Disclosure of transactions with Related Parties.		Year ended 31 March 2014	Year ended 31 March 2013
a	Sale of goods		
	Aparant Iron & Steel Pvt. Ltd	-	1.30
b	Expenses incurred		
	Dempo Industries Pvt. Ltd.	4.58	4.36
	Dempo Travels Pvt. Ltd.	57.38	58.50
	Marmagoa Shipping & Stevedoring Co. Pvt. Ltd.	-	84.98
c	Rent paid		
	V. S. Dempo Holdings Private Limited	22.90	22.90
d	Reimbursement of expenses		
	V. S. Dempo Holdings Private Limited	0.43	0.11
e	Recovery of expenses		
	V. S. Dempo Holdings Private Limited	5.12	4.65
f	Interest on Inter Corporate Deposit		
	V. S. Dempo Holdings Private Limited	177.95	40.87
g	Advances given		
	GCL Global SGP Pte Ltd, Singapore	-	3.79
	Goa Carbon (Cangzhou) Company Ltd, PRC	99.09	91.77
h	Advances repaid		
	GCL Global SGP Pte Ltd, Singapore	-	21.44
i	Investments in Equity Shares		
	GCL Global SGP Pte Ltd, Singapore	541.63	1,396.94
j	Loan taken		
	V. S. Dempo Holdings Private Limited	550.00	1,050.00
k	Loan repaid		
	V. S. Dempo Holdings Private Limited	500.00	-
l	Sponsorship		
	Dempo Cricket Club.	-	10.00
	Dempo Sports Club Pvt. Ltd	-	1.10
m	Donations		
	Dempo Charities Trust	-	40.00
n	Remuneration		
	Mr Jagmohan J. Chhabra (Executive Director) #	122.68	134.24
iii)	Outstanding (receivable)/payable as at year end.		
	Dempo Travels Pvt. Ltd.	-	(0.35)
	Goa Carbon (Cangzhou) Company Ltd, PRC	(190.86)	(91.77)
	V. S. Dempo Holdings Private Limited	1,312.89	1,086.79

# Subject to ratification at the ensuing Shareholder's Annual General Meeting.

37. Earning per share:		Year ended 31 March 2014	Year ended 31 March 2013
i)	Profit after tax as per the Statement of Profit and Loss (₹ in lacs)	229.24	791.27
ii)	Number of equity shares	9,151,052	9,151,052
iii)	Basic and diluted earnings per share of ₹10/- each (₹)	2.51	8.65

₹ in lacs

38. Miscellaneous expenses include donations to given to Political Parties as under :			
Name of the Political Party	Year ended 31 March 2014		Year ended 31 March 2013
	Bhartiya Janata Party	7.00	
Goa Pradesh Congress Party	5.00		-

39 There are no amounts due and payable to Investor Education and Protection Fund.

40 The Company's wholly owned step down subsidiary company "Goa Carbon (Cangzhou) Company Limited" China (the "China Company") has obtained a business licence to set up a plant in Cangzhou, Hebei Province, the People's Republic of China, with an annual capacity to manufacture 3,00,000 MT of Calcined Petroleum Coke. The Company has invested USD 3.48 million (₹1,938.62 lacs) in its wholly owned subsidiary "GCL Global Resources SGP Pte Limited" Singapore (the "Singapore Company") which is the holding company of the China Company and granted advances of ₹190.86 lacs to the China Company. The Singapore Company has in turn invested this money in 3,329,983 Equity Shares of USD 1 each to the authorised capital of the China Company which is being used for the purpose of setting up of the plant in China. The required approvals have been obtained for the project from the Chinese administration. The Company is now pursuing with their bankers and the Reserve Bank of India for further funding and appropriate approvals. The Company is hopeful of successful completion of the project within a year of obtaining the aforesaid approvals.

41 Previous year's figures have been regrouped wherever necessary, to conform with the current year's disclosures.

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**  
Chairman

**Jagmohan J. Chhabra**  
Executive Director

**K. Balaraman**  
Sr. General Manager-Finance

**P. S. Mantri**  
Company Secretary

Panaji, Goa, 11<sup>th</sup> April, 2014

## STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT, 1956

Amount ₹ in lacs

Name of the Subsidiaries	Extent of interest in the Subsidiaries at the end of financial year of the Subsidiary			Net aggregate amount of the Subsidiaries Profits/(Losses) so far as it concerns members of the Holding Company			
				Profits/(Losses) not dealt with in the Holding Company's Accounts		Profits dealt with or (Losses) provided for in the Holding Company's Accounts	
	Subsidiaries Financial year ended on	No. of shares held (Equity) 1 USD each	% of total paid-up capital	For the current financial year	For the previous financial year	For the current financial year	For the previous financial year
GCL Global Resources SGP Pte Limited, Singapore	31.03.2014	3,480,000	100%	(6.05)	(21.15)	Nil	Nil
Goa Carbon (Cangzhou) Company Limited, China	31.03.2014	3,329,953	100%	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**  
Chairman

**Jagmohan J. Chhabra**  
Executive Director

**K. Balaraman**  
Sr. General Manager-Finance

**P. S. Mantri**  
Company Secretary

Panaji, Goa, 11<sup>th</sup> April, 2014

## FINANCIAL SUMMARY OF THE SUBSIDIARIES OF THE COMPANY FOR THE YEAR ENDING 31ST MARCH 2014

(Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies)

Name of the Subsidiaries	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investments other than investments in Subsidiaries	Turnover	Profit/(Loss) before taxation	Provision for taxation	Dividend	Country
GCL Global Resources SGP Pte Limited, Singapore	SGD	48.0037	4,304,851	(94,398)	4,222,452	12,000	-	-	(12,598)	-	-	Singapore
Goa Carbon (Cangzhou) Company Limited, China	RMB	9.6405	20,634,901	-	22,999,779	2,364,878	-	-	-	-	-	China

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**  
Chairman

**Jagmohan J. Chhabra**  
Executive Director

**K. Balaraman**  
Sr. General Manager-Finance

**P. S. Mantri**  
Company Secretary

Panaji, Goa, 11<sup>th</sup> April, 2014

# CONSOLIDATED FINANCIAL STATEMENTS INDEPENDENT AUDITORS' REPORT

## To The Board of Directors of Goa Carbon Limited Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **GOA CARBON LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of

the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

## Other Matter

We did not audit the financial statements of the subsidiaries: GCL Global Resources SGP Pte Limited and Goa Carbon (Cangzhou) Company Limited, whose financial statements reflect total assets (net) of ₹2,263 lacs as at 31<sup>st</sup> March, 2014, total revenues of ₹Nil and net cash flows amounting to ₹84 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

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

**B. Ramaratnam**  
Partner  
(Membership No. 21209)

Panaji, Goa, April 11<sup>th</sup>, 2014

# CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

₹ in lacs

	Note	As on 31 <sup>st</sup> March 2014	As on 31 <sup>st</sup> March 2013
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share capital	3	915.11	915.11
Reserves and surplus	4	7,760.67	7,485.06
		<b>8,675.78</b>	<b>8,400.17</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities (net)	5	330.05	365.49
		<b>330.05</b>	<b>365.49</b>
<b>CURRENT LIABILITIES</b>			
Short term borrowings	6	22,672.45	13,313.57
Trade payables	7	800.13	689.91
Other current liabilities	8	1,028.79	679.06
Short term provisions	9	139.41	325.55
		<b>24,640.78</b>	<b>15,008.09</b>
		<b>33,646.61</b>	<b>23,773.75</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
Tangible assets	10	1,950.27	2,148.06
Capital work in progress	38	387.12	118.09
Non-current investments	11	4.05	4.05
Long term loans and advances	12	2,140.73	720.12
Other non-current assets	13	2,211.34	2,145.47
		<b>6,693.51</b>	<b>5,135.79</b>
<b>CURRENT ASSETS</b>			
Inventories	14	8,502.23	7,427.97
Trade receivables	15	3,367.00	876.97
Cash and cash equivalents	16	13,619.60	8,556.90
Short term loans and advances	17	1,150.50	1,634.55
Other current assets	18	313.77	141.57
		<b>26,953.10</b>	<b>18,637.96</b>
		<b>33,646.61</b>	<b>23,773.75</b>
See accompanying notes forming part of the consolidated financial statements.	1 - 39		

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

**B. Ramaratnam**

Partner

Panaji, Goa, 11<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**

Chairman

**K. Balaraman**

Sr. General Manager-Finance

**Jagmohan J. Chhabra**

Executive Director

**P. S. Mantri**

Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

₹ in lacs

	Note	Year ended 31 <sup>st</sup> March 2014	Year ended 31 <sup>st</sup> March 2013
<b>REVENUE FROM OPERATIONS</b>			
Revenue from sale of products			
Sale of calcined petroleum coke		33,037.87	33,049.48
Less: Excise duty		3,854.74	3,502.47
Net sales		29,183.13	29,547.01
Other operating revenue	19	19.82	12.51
Other income	20	564.73	645.82
		29,767.68	30,205.34
<b>EXPENSES</b>			
Cost of materials consumed	21	25,547.21	22,507.23
Changes in inventories of finished goods	22	(1,251.40)	1,301.75
Employee benefit expenses	23	1,512.51	1,441.24
Finance costs	24	619.18	502.57
Depreciation and amortisation expense	10	220.43	224.04
Other expenses	25	2,723.73	3,039.00
		29,371.66	29,015.83
<b>Profit before tax</b>		396.02	1,189.51
Less: Provision for tax			
Current		117.00	443.00
Prior year		(68.21)	(1.18)
Deferred		(35.44)	(16.74)
		13.35	425.08
<b>Profit for the year</b>		382.67	764.43
Earnings per equity share of ₹10/- each (Basic and diluted) (₹)	34	4.18	8.35
See accompanying notes forming part of the consolidated financial statements.	1 - 39		

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**B. Ramaratnam**  
Partner

Panaji, Goa, 11<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**  
Chairman

**K. Balaraman**  
Sr. General Manager-Finance

**Jagmohan J. Chhabra**  
Executive Director

**P. S. Mantri**  
Company Secretary

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

₹ in lacs

	Year ended 31 <sup>st</sup> March 2014	Year ended 31 <sup>st</sup> March 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	396.02	1,189.51
Adjustments for :		
Depreciation and amortisation expense	220.43	224.04
Finance costs	619.18	502.57
Loss on assets sold / scrapped	5.53	7.64
Bad debts written off	4.30	5.63
Provision for doubtful debts / advances	16.12	-
Interest income	(559.45)	(641.05)
Sundry credit balances written back	(2.48)	(1.38)
Profit on sale of assets	(0.10)	(1.16)
Unrealised exchange loss/(gain)- (net)	(777.07)	(81.84)
Dividend income	(2.70)	(2.23)
	(476.24)	12.22
Operating Profit/(Loss) before working capital changes	(80.22)	1,201.73
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(1,074.26)	6,266.54
Trade receivables	(2,504.70)	1,930.00
Short term loans and advances	478.76	(388.57)
Other current assets	3.10	1,668.63
Long term loans and advances	2.09	0.30
Other non-current assets	(87.67)	(1,725.47)
Adjustments for increase / (decrease) in operating liabilities:		
Long term provisions	-	-
Trade payables	95.74	(137.38)
Other current liabilities	215.93	(42.36)
Short term provisions	(17.14)	5.12
	(2,888.15)	7,576.81
Cash flow from operations	(2,968.37)	8,778.54
Direct taxes (net)	(59.63)	(458.42)
<b>Net cash (used in)/from operating activities</b>	<b>(3,028.00)</b>	<b>8,320.12</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets including capital advances	(1,698.04)	(542.22)
Proceeds from sale of fixed assets	0.71	3.75
Margin money and bank deposits (placed) / realised	(7,935.27)	(1,061.80)
Interest received	381.13	609.85
Dividend received	2.70	2.23
<b>Net cash (used in)/from investing activities</b>	<b>(9,248.77)</b>	<b>(988.19)</b>

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014 (CONTD.)

₹ in lacs

	Year ended 31 <sup>st</sup> March 2014	Year ended 31 <sup>st</sup> March 2013
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of short term borrowings from Banks (Net)	10,095.38	(4,192.63)
Proceeds from short term borrowings from the holding company	550.00	1,050.00
Repayment of short term borrowings from the holding company	(500.00)	-
Finance costs	(488.40)	(446.56)
Dividends paid	(225.76)	(358.89)
Tax on dividend paid	(37.11)	(59.38)
<b>Net cash (used in)/from financing activities</b>	<b>9,394.11</b>	<b>(4,007.46)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS ( A + B + C )</b>	<b>(2,882.66)</b>	<b>3,324.47</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>4,059.42</b>	<b>739.18</b>
Effect of exchange differences on restatement of foreign currency Cash and Cash equivalents	7.07	(4.23)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>1,183.83</b>	<b>4,059.42</b>
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and Cash equivalents as per Balance Sheet (Refer Note 16)	13,619.60	8,556.90
Less: Bank balances not considered as Cash and Cash equivalents		
Unpaid dividend account	(38.70)	(35.68)
Deposits more than 3 months	(5,589.69)	(2,500.00)
Margin money deposits	(6,807.38)	(1,961.80)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR *</b>	<b>1,183.83</b>	<b>4,059.42</b>
* Comprises		
Cash on hand	3.45	3.45
Cheques and drafts on hand	0.51	10.00
Balances with banks		
In current accounts	979.87	1,195.97
In deposit account with original maturity less than 3 months	200.00	2,850.00
See accompanying notes forming part of the consolidated financial statements.	1 - 39	

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**B. Ramaratnam**  
Partner

Panaji, Goa, 11<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**  
Chairman

**K. Balaraman**  
Sr. General Manager-Finance

**Jagmohan J. Chhabra**  
Executive Director

**P. S. Mantri**  
Company Secretary

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

## 1. Corporate information

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

## 2. Significant accounting policies

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

The consolidated financial statements of Goa Carbon Limited (the 'Company') and its subsidiaries (the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

### b) Use of estimates

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

estimates are recognized in the periods in which the results are known / materialized.

### c) Principles of consolidation

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

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

Name of the subsidiaries	Country of Incorporation	% of holding as at	
		31.03.2014	31.03.2013
GCL Global Resources SGP Pte Ltd.	Singapore	100%	100%
Goa Carbon (Cangzhou) Company Ltd.	China	100% #	100% #

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

### d) Inventories

Inventories are valued at the lower of cost (net of CENVAT where applicable) and the net realisable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

In respect of raw materials, cost is determined on specific identification method, while cost of stores and spares is determined on First-in First-out basis.

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

**e) Cash flow statement**

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

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

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

**Capital work-in-progress:**

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

**g) Depreciation and amortisation**

Depreciation is provided on the straight line method as per the rates specified in Schedule XIV of the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the asset has been assessed as under:

Computers and printers – 3 years

Mobile phones – One year

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

Assets costing less than ₹5,000 each are fully depreciated in the year of acquisition.

Depreciation on additions and deletions during the year are charged on pro- rata basis. Intangible assets are amortised over their estimated useful life on straight line basis.

**h) Revenue recognition**

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

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

**i) Foreign currency transactions**

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

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

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

## **j) Investments**

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

## **k) Employee Benefits**

### **Short term employee benefits**

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

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

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

### **Long term employee benefits**

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

##### **Superannuation:**

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

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

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

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

##### **Gratuity:**

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

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

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

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

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

value of the plan assets. Actuarial gain or loss is recognized in the Statement of Profit and Loss.

#### **l) Borrowing costs**

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

#### **m) Earnings per share**

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

#### **n) Taxes on income**

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

Deferred tax is recognised on timing differences arising between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognised for timing differences

of items other than unabsorbed depreciation and carry forward losses only if there is a virtual certainty that they will be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

#### **o) Impairment of assets**

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

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

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

#### **q) Operating Cycle**

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

	As at 31 March 2014		As at 31 March 2013	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
<b>3 SHARE CAPITAL</b>				
Authorised:				
Equity shares of ₹ 10/- each with voting rights	22,000,000	2,200.00	22,000,000	2,200.00
Preference shares of ₹100/- each	300,000	300.00	300,000	300.00
		2,500.00		2,500.00
Issued, subscribed and fully paid up:				
Equity shares of ₹10/- each with voting rights	9,151,052	915.11	9,151,052	915.11
		915.11		915.11
i There has been no movement in equity shares outstanding at the beginning and at the end of the year				
ii The Company has only one class of equity shares having a par value of ₹10/-. Each holder is entitled to one vote per equity share. Dividends are paid in Indian Rupees. Dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting. The amount of dividend proposed to be distributed to equity shareholders is ₹91.51 lacs (Previous year ₹228.78 lacs) and the related amount per equity share is ₹1 (Previous year ₹2.50). Repayment of capital will be in proportion to the number of equity shares held.				
iii Details of equity shares held by each shareholder holding more than 5% shares		% held		% held
V. S. Dempo Holdings Private Limited, the holding company	5,069,040	55.40	5,069,040	55.40

₹ in lacs

	As at 31 March 2014		As at 31 March 2013	
<b>4 RESERVES AND SURPLUS</b>				
Securities premium account		3,131.01		3,131.01
Amalgamation reserve		475.38		475.38
General reserve				
Opening balance	1,780.05		1,700.05	
Add: Transferred from Statement of Profit and Loss	23.00		80.00	
Closing balance		1,803.05		1,780.05
Surplus in Statement of Profit and Loss				
Opening balance	2,098.62		1,680.08	
Add: Profit for the year	382.67		764.43	
	2,481.29		2,444.51	
Less: Proposed dividend	91.51		228.78	
Tax on proposed dividend	15.55		37.11	
Transfer to general reserve	23.00		80.00	
Closing balance		2,351.23		2,098.62
		7,760.67		7,485.06

<b>5 DEFERRED TAX LIABILITIES (NET)</b>				
Deferred tax liability arising on account of:				
Depreciation		358.46		394.39
Deferred tax asset arising on account of:				
Provision for doubtful debts / advances	15.51		10.03	
Provision for employee benefits	12.90		18.87	
		28.41		28.90
		330.05		365.49

₹ in lacs

		As at 31 March 2014	As at 31 March 2013	
<b>6</b>	<b>SHORT TERM BORROWINGS</b>			
	From banks (secured)			
	Loans repayable on demand			
	Cash credit		250.94	198.92
	Other loans			
	Loan against fixed deposits	2,560.00	400.00	
	Buyers credit	18,761.51	11,664.65	
			21,321.51	12,064.65
			21,572.45	12,263.57
	The cash credit and buyers credit facilities are secured by first and equitable mortgage on pari-passu basis of all immovable properties and by hypothecation of all movable fixed assets, inventories, book debts and other receivables of the Company.			
	Unsecured loan from a related party (repayable on demand) (Refer note 36 (ii) and (iii))			
	V. S. Dempo Holdings Private Limited, the holding company		1,100.00	1,050.00
			22,672.45	13,313.57

<b>7</b>	<b>TRADE PAYABLES</b>			
	Other than acceptances			
	Related parties (Refer note 33(iii))		16.02	-
	Micro and small enterprises (Refer note 29)		0.07	-
	Others		784.04	689.91
			800.13	689.91

<b>8</b>	<b>OTHER CURRENT LIABILITIES</b>			
	Interest accrued but not due on borrowings		29.05	58.35
	Interest accrued and due on unsecured loan from related party (Refer note 33 (iii))		196.87	36.79
	Unclaimed dividends (Refer note 36)		38.70	35.68
	Other payables:			
	Statutory remittances	734.68	522.58	
	Advances from customers	18.16	16.46	
	Employee recoveries	0.68	3.65	
	Trade and security deposits received	10.65	5.55	
			764.17	548.24
			1,028.79	679.06

<b>9</b>	<b>SHORT-TERM PROVISIONS</b>			
	Employee benefits		32.35	49.49
	Provision for tax (net of advance tax)		-	10.17
	Proposed dividend		91.51	228.78
	Tax on proposed dividend		15.55	37.11
			139.41	325.55

10	FIXED ASSETS	GROSS BLOCK						DEPRECIATION /AMORTISATION				NET BLOCK		
		Description	As at 01.04.2013	Additions	Deductions	As at 31.03.2014	As at 01.04.2013	For the year	Deductions	As at 31.03.2014	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	
		<b>Tangible Assets</b>												
		Land (Freehold)	13.58	-	-	13.58	-	-	-	-	-	-	13.58	13.58
		Land (Leasehold)	100.83	-	-	100.83	19.13	1.25	-	20.38	-	-	80.45	81.70
		Plot development on leasehold land	100.83	-	-	100.83	17.88	1.25	-	19.13	-	-	81.70	82.95
		Buildings	101.95	-	-	101.95	85.30	10.29	-	95.59	-	-	6.36	16.65
			101.95	-	-	101.95	75.01	10.29	-	85.30	-	-	16.65	26.94
			1,405.09	-	-	1,405.09	665.52	37.55	-	703.07	-	-	702.02	739.57
			1,405.09	-	-	1,405.09	627.97	37.55	-	665.52	-	-	739.57	777.12
		Plant and equipment	3,335.34	3.49	15.04	3,323.79	2,148.66	152.62	8.90	2,292.38	-	-	1,031.41	1,186.68
			3,325.31	39.93	29.90	3,335.34	2,018.70	153.45	23.49	2,148.66	-	-	1,186.68	1,306.61
		Furniture and fixtures	84.72	0.95	-	85.67	76.12	1.06	-	77.18	-	-	8.49	8.60
			82.59	2.13	-	84.72	72.76	3.36	-	76.12	-	-	8.60	9.83
		Office equipments	115.11	3.83	0.27	118.67	89.89	6.47	0.27	96.09	-	-	22.58	25.22
			105.09	10.60	0.58	115.11	83.15	7.13	0.39	89.89	-	-	25.22	21.94
		Vehicles	116.58	20.51	-	137.09	40.52	11.19	-	51.71	-	-	85.38	76.06
			126.23	7.08	16.73	116.58	42.67	10.95	13.10	40.52	-	-	76.06	83.56
			5,273.20	28.78	15.31	5,286.67	3,125.14	220.43	9.17	3,336.40	-	-	1,950.27	2,148.06
			5,260.67	59.74	47.21	5,273.20	2,938.14	223.98	36.98	3,125.14	-	-	2,148.06	2,322.53
		<b>Intangible Assets</b>												
		Technical knowhow	30.21	-	-	30.21	30.21	-	-	30.21	-	-	-	-
			30.21	-	-	30.21	30.21	-	-	30.21	-	-	-	-
		Computer software	66.27	-	-	66.27	66.27	-	-	66.27	-	-	-	-
			66.27	-	-	66.27	66.21	0.06	-	66.27	-	-	-	0.06
			96.48	-	-	96.48	96.48	-	-	96.48	-	-	-	-
			96.48	-	-	96.48	96.42	0.06	-	96.48	-	-	-	0.06
		<b>TOTAL</b>	<b>5,369.68</b>	<b>28.78</b>	<b>15.31</b>	<b>5,383.15</b>	<b>3,221.62</b>	<b>220.43</b>	<b>9.17</b>	<b>3,432.88</b>	<b>9.17</b>	<b>3,432.88</b>	<b>1,950.27</b>	<b>2,148.06</b>
		<b>TOTAL</b>	<b>5,357.15</b>	<b>59.74</b>	<b>47.21</b>	<b>5,369.68</b>	<b>3,034.56</b>	<b>224.04</b>	<b>36.98</b>	<b>3,221.62</b>	<b>36.98</b>	<b>3,221.62</b>	<b>2,148.06</b>	<b>2,322.59</b>

Figures in italics represent previous year figures.

₹ in lacs

11	NON-CURRENT INVESTMENTS	As at 31 March 2014		As at 31 March 2013	
	Long term investments (at cost)				
	Investments in equity instruments				
	Quoted (Non Trade):				
	13,500 (Previous year: 13,500) fully paid up equity shares of ₹ 10/-each in ICICI Bank Limited		4.05		4.05
			4.05		4.05
	Market value of quoted investment		168.08		141.96

12	LONG-TERM LOANS AND ADVANCES				
	(Unsecured, considered good)				
	Capital advances		2,099.52		699.29
	Security deposits		18.11		19.05
	Prepaid expenses		-		1.26
	Loans to employees		0.63		0.52
	Advance tax (net of provision)		22.47		-
			2,140.73		720.12

13	OTHER NON-CURRENT ASSETS				
	Taxes paid in dispute (Refer note 26(ii) and (iii))		2,211.34		2,145.47
			2,211.34		2,145.47

14	INVENTORIES				
	(At lower of cost and net realisable value)				
	Raw materials		3,681.47		3,878.09
	Finished goods		4,618.25		3,366.85
	Stores and spares		202.51		183.03
			8,502.23		7,427.97

15	TRADE RECEIVABLES				
	(Unsecured)				
	Outstanding for a period exceeding six months from the date they were due for payment				
	Doubtful		40.33		29.50
	Other trade receivables				
	Considered good		3,367.00		876.97
			3,407.33		906.47
	Less: Provision for doubtful trade receivables		40.33		29.50
			3,367.00		876.97

₹ in lacs

16	CASH AND CASH EQUIVALENTS	As at 31 March 2014		As at 31 March 2013	
	Cash on hand		3.45		3.45
	Cheques and drafts on hand		0.51		10.00
	Balances with banks				
	In current accounts	979.87		1,195.97	
	In deposit accounts	5,789.69		5,350.00	
	Unpaid dividend accounts	38.70		35.68	
	Margin money deposits and security against borrowings (Refer note (i) below)	6,807.38		1,961.80	
			13,615.64		8,543.45
			13,619.60		8,556.90
	Of the above the balances that meet the definition of cash and cash equivalents as per cash flow statement is		1,183.83		4,059.42
(i)	Includes deposits with remaining maturity of more than 12 months from the Balance Sheet date		-		0.50

17	SHORT-TERM LOANS AND ADVANCES:				
	<b>(Unsecured considered good unless otherwise stated)</b>				
	Loans and advances to related parties (Refer note 33(iii))		-		0.35
	Security and tender deposits		11.66		9.78
	Loans and advances to employees		6.97		13.53
	Other receivables	37.95		5.29	
	Less: Provision for doubtful advances	5.29		-	
			32.65		5.29
	Prepaid expenses		36.88		39.39
	Balances with government authorities				
	CENVAT credit receivables	861.77		745.86	
	VAT credit receivables	56.34		27.28	
	Service tax credit receivables	45.14		146.65	
			963.25		919.79
	Advances to suppliers		99.08		646.42
			1,150.50		1,634.55

18	OTHER CURRENT ASSETS				
	Interest accrued on margin money and other bank deposits		313.77		135.45
	Unamortised premium on forward contracts		-		6.12
			313.77		141.57

₹ in lacs

19	OTHER OPERATING REVENUE	Year ended 31 March 2014		Year ended 31 March 2013	
	Sale of scrap		19.82		12.51
			19.82		12.51

20	OTHER INCOME				
	Interest income:				
	From banks deposits	550.59		502.46	
	On income tax refunds	8.33		138.39	
	Others	0.53		0.20	
			559.45		641.05
	Dividend from long-term investments		2.70		2.23
	Profit on sale of fixed assets		0.10		1.16
	Miscellaneous income		2.48		1.38
			564.73		645.82

21	COST OF MATERIALS CONSUMED				
	Opening stock		3,878.09		8,825.93
	Add: Purchases		25,350.59		17,559.39
			29,228.68		26,385.32
	Less: Closing stock		3,681.47		3,878.09
			25,547.21		22,507.23

22	CHANGES IN INVENTORIES OF FINISHED GOODS				
	Inventories of finished goods at the end of the year		4,618.25		3,366.85
	Inventories of finished goods at the beginning of the year		3,366.85		4,668.60
			(1,251.40)		1,301.75

23	EMPLOYEE BENEFITS EXPENSES				
	Salaries, wages, bonus and allowances		1,227.69		1,183.60
	Contribution to provident and other funds		130.78		112.44
	Staff welfare expenses		154.04		145.20
			1,512.51		1,441.24

24	FINANCE COSTS				
	Interest expense on:				
	Borrowings	367.15		314.82	
	Delayed payment of income tax	3.75		13.50	
	Others	1.33		4.23	
			372.23		332.55
	Other borrowing costs		246.95		170.02
			619.18		502.57

₹ in lacs

25	OTHER EXPENSES	Year ended 31 March 2014	Year ended 31 March 2013
	Fuel and power	219.91	212.86
	Excise duty on inventory differential (Refer note 28)	178.18	2.47
	Repairs and maintenance:		
	Buildings	93.45	93.09
	Plant and machinery	148.43	170.05
	Others	32.52	31.98
		274.40	295.12
	Rent	64.63	56.08
	Rates and taxes	19.92	5.42
	Insurance	44.64	42.17
	Travelling expenses	77.24	109.13
	Selling and distribution expenses	1,222.83	1,325.98
	Bad debts written off	4.30	5.63
	Provision for doubtful debts / advances	16.12	-
	Payments to auditors (net of service tax credit):		
	Audit fees	18.02	15.14
	Taxation matters	2.50	2.25
	Other services	3.50	2.75
	Reimbursement of expenses	0.93	1.19
		24.95	21.33
	Directors' sitting fees	8.35	8.64
	Loss on assets sold/scrapped	5.53	7.64
	Exchange loss on foreign currency transactions and translations	269.80	388.09
	Forward premium expenses	8.16	261.31
	Miscellaneous expenses (Refer note 35)	284.77	297.13
		2,723.73	3,039.00

₹ in lacs

26	Contingent Liabilities : (Claims against the Group not acknowledged as debts)	As at 31 March 2014	As at 31 March 2013
	i) Disallowance of Cenvat Credit and Educational Cess on purchase of raw materials	90.19	90.19
	ii) Income tax demands under appeal.	1,954.55	1,658.21
	iii) The Group's appeal to the High Court of Bombay at Goa against the order of the Income Tax Appellate Tribunal which had confirmed the disallowance of the deduction under section 80HHC of the Income Tax Act, 1961 for Assessment Years 1993-94 to 2004-05 was allowed by the High Court vide its order dated 21.10.2010. The disputed amount of tax and interest paid amounting to ₹963.68 lacs (after adjusting the refund of ₹454.66 lacs received) is included under Other Non-Current Assets. The income tax department has filed a Special Leave petition before the Supreme Court praying for ex-parte stay of the aforementioned Order of the High Court. The petition is yet to be admitted.	-	-
	The above amounts are based on the notice of demand or the assessment orders or notification by the relevant authorities, as the case may be, and the Group is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Group's rights for future appeals before the Judiciary. No reimbursements are expected.		

₹ in lacs

<b>27</b>	<b>Commitments:</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
	Export obligation in respect of imports under Advance Licence Scheme to be fulfilled.	<b>5,767.39</b>	5,839.38
<b>28</b>	Excise duty on sales for the year has been disclosed as reduction from Revenue from operations. Excise duty relating to the difference between the closing stock and the opening stock of Finished goods has been included in Note - 25 "Other Expenses"		
<b>29</b>	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. Amount outstanding but not due as at the year end ₹0.07 lacs (Previous year ₹ Nil)		

<b>30</b>	<b>DERIVATIVE INSTRUMENTS:</b>							
	The Group enters into forward contracts which are not intended for trading or speculative purposes, but for hedging.							
a)	Forward Exchange Contracts outstanding at the year end:							
	<b>As at 31 March 2014</b>				<b>As at 31 March 2013</b>			
	<b>Buy-Sell</b>	<b>No. of Contracts</b>	<b>US Dollars</b>	<b>₹ in lacs</b>	<b>Buy-Sell</b>	<b>No. of Contracts</b>	<b>US Dollars</b>	<b>₹ in lacs</b>
	-	-	-	-	Buy	6	2,186,831	1,189.29
b)	The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:							
		<b>As at 31 March 2014</b>		<b>As at 31 March 2013</b>				
	Amount payable in foreign currency:	<b>US Dollars</b>	<b>₹ in lacs</b>	<b>US Dollars</b>	<b>₹ in lacs</b>			
	Buyers credit	<b>31,310,936</b>	<b>18,761.51</b>	19,288,089	10,475.36			
	Trade payables	<b>296,398</b>	<b>177.60</b>	291,906	158.53			
	Interest accrued but not due on borrowings	<b>42,482</b>	<b>25.46</b>	107,063	58.15			
	Amount receivable in foreign currency:							
	Other receivables	<b>54,492</b>	<b>32.65</b>	-	-			
	Advances to suppliers	<b>8,237</b>	<b>4.93</b>	7,873	4.28			

<b>31</b>	<b>Employee benefit plans</b>				
a)	Defined benefit plans:				
i)	The following table sets out the status of the gratuity plan as required under AS-15 (Revised):				
					₹ in lacs
		<b>Particulars</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>	
	<b>i)</b>	<b>Change in present value of obligation.</b>			
		Defined benefit obligation at the beginning of the year	354.71	314.83	
		Current service cost	41.37	41.75	
		Interest cost	27.67	25.52	
		Actuarial losses / (gains)	(14.53)	(11.86)	
		Benefits paid	(43.37)	(15.53)	
		Defined benefit obligation at the end of the year	365.85	354.71	
	<b>ii)</b>	<b>Change in fair value of plan assets</b>			
		Fair value of plan assets at the beginning of the year	361.70	345.05	
		Expected return on plan assets	27.06	26.98	
		Actuarial gain/(loss)	(2.80)	5.20	
		Contributions	29.07	-	
		Benefit paid	(43.37)	(15.53)	
		Fair value of plan assets at the end of the year	371.66	361.70	
	<b>iii)</b>	<b>Net assets/(liability) recognised in the Balance Sheet</b>			
		Defined benefit obligation at the end of the year	365.85	354.71	
		Fair value of the plan assets at the end of the year	371.66	361.70	
		Excess of funding over obligation	5.81	6.99	
	<b>iv)</b>	<b>Expenses recognised in the statement of profit and loss</b>			
		Current service cost	41.37	41.75	
		Interest cost	27.67	25.52	
		Expected return on plan assets	(27.06)	(26.98)	
		Net actuarial losses / (gains) recognised in the year	(11.73)	(17.06)	
		Net cost recognised in the statement of profit and loss	30.25	23.23	
	<b>v)</b>	<b>Return on plan assets</b>			
		Expected return on plan assets	27.06	26.98	
		Actuarial gain/(loss)	(2.80)	5.20	
		Actual return on plan assets	24.26	32.18	
		The plan assets of the Group are managed by the Life Insurance Corporation of India and ICICI Prudential Life Insurance and the composition of the investment relating to these assets is not available with the Group.			
	<b>vi)</b>	<b>Assumption</b>			
		Rate of Mortality	<b>As per LIC Mortality rate (1994-96)</b>		
		Discount rate	8.31%	8.31%	
		Expected salary increase rate	7.00%	7.00%	
		Expected rate of return on plan assets	8.00%	8.00%	
		Attrition rate	1.00%	3.00%	
		The estimates of future salary increases considered in the actuarial valuation, take into account inflation, seniority, promotions, increments and other related factors such as supply and demand in the employment market.			
		The contributions expected to be made by the Group during the financial year 2014-15 are ₹30.25 lacs.			
			<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
			<b>2010-11</b>	<b>2009-10</b>	
		<b>Experience adjustment</b>			
		Present value of obligation	365.85	354.71	314.83
		Fair value of plan assets	371.66	361.70	345.05
		Surplus/(deficit)	5.81	6.99	30.22
		Experience adjustment on plan liabilities	14.53	11.86	(1.70)
		Experience adjustment of plan assets	(2.80)	5.20	(4.12)

ii) The following table set out the status of the leave encashment plan as required under AS-15 (Revised).		₹ in lacs	
	Particulars	As at 31 March 2014	As at 31 March 2013
<b>i)</b>	<b>Change in present value of obligation.</b>		
	Defined benefit obligation at the beginning of the year	133.37	98.62
	Current service cost	39.58	39.40
	Interest cost	10.61	8.10
	Actuarial losses / (gains)	(26.52)	(10.52)
	Benefits paid	(11.45)	(2.23)
	Defined benefit obligation at the end of the year	145.59	133.37
<b>ii)</b>	<b>Change in fair value of plan assets</b>		
	Fair value of plan assets at the beginning of the year	133.49	98.62
	Expected return on plan assets	11.94	8.92
	Actuarial gain/(loss)	0.56	0.24
	Contributions	9.85	27.94
	Benefit paid	(11.45)	(2.23)
	Fair value of plan assets at the end of the year	144.39	133.49
<b>iii)</b>	<b>Net (liability)/assets recognised in the Balance Sheet</b>		
	Defined benefit obligation at the end of the year	145.59	133.37
	Fair value of the plan assets at the end of the year	144.39	133.49
	(Liability) /Assets recognised in the Balance Sheet	(1.20)	0.12
<b>iv)</b>	<b>Expenses recognised in the Statement of Profit and Loss</b>		
	Current service cost	39.58	39.40
	Interest on obligation	10.61	8.10
	Expected return on plan assets	(11.94)	(8.92)
	Net actuarial losses / (gains) recognised in the year	(27.08)	(10.76)
	Net cost recognised in the statement of profit and loss	11.17	27.82
<b>v)</b>	<b>Assumption</b>		
	Rate of Mortality	<b>As per LIC Mortality rate (1994-96)</b>	
	Discount rate	8.31%	8.31%
	Expected salary increase rate	7.00%	7.00%
	Expected rate of return on plan assets	8.00%	8.00%
	Attrition rate	1.00%	3.00%
iii)	Actuarial valuation relating to interest rate guarantee on exempt provident fund has resulted in an additional charge of ₹11.41 lacs (Previous year ₹2 lacs) during the year.		
b)	Defined contribution plans:		
	A sum of ₹35.47 lacs (Previous year ₹33.09 lacs) has been charged to the statement of profit and loss in respect of Group's contribution to superannuation fund and provident and pension fund for Paradeep and Bilaspur unit employees.		

**32 Segment reporting:**

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

<b>33 Disclosures in respect of Related Parties pursuant to Accounting Standard (AS) 18.</b>			
<b>i)</b>	<b>List of related parties:</b>		
	Names of the related parties and nature of relationship		
<b>a</b>	Holding Company:		
	V. S. Dempo Holdings Private Limited		
<b>b</b>	Fellow Subsidiaries (with whom transactions have taken place during the year):		
	Aparant Iron & Steel Pvt. Ltd.		
	Dempo Sports Club Pvt. Ltd		
	Dempo Industries Pvt. Ltd.		
	Dempo Travels Pvt. Ltd.		
	Marmagoa Shipping & Stevedoring Co. Pvt. Ltd.		
	Motown Investments Pvt. Ltd.		
<b>c</b>	Individual who is able to exercise significant influence:		
	Mr. Shrinivas V. Dempo (Chairman)		
<b>d</b>	Enterprises over which Mr Shrinivas V. Dempo is able to exercise significant influence:		
	Dempo Cricket Club		
	Dempo Charities Trust		
	Devashri Nirman LLP.		
	Vasantrao Dempo Education and Research Foundation		
<b>e</b>	Key Management Personnel:		
	Mr Jagmohan J. Chhabra (Executive Director)		
			₹ in lacs
<b>ii)</b>	<b>Disclosure of transactions with Related Parties.</b>	<b>Year ended 31 March 2014</b>	<b>Year ended 31 March 2013</b>
<b>a</b>	<b>Sale of goods</b>		
	Aparant Iron & Steel Pvt. Ltd	-	1.30
<b>b</b>	<b>Expenses incurred</b>		
	Dempo Industries Pvt. Ltd.	4.58	4.36
	Dempo Travels Pvt. Ltd.	57.38	58.50
	Marmagoa Shipping & Stevedoring Co. Pvt. Ltd.	-	84.98
<b>c</b>	<b>Rent paid</b>		
	V. S. Dempo Holdings Private Limited	22.90	22.90
<b>d</b>	<b>Reimbursement of expenses</b>		
	V. S. Dempo Holdings Private Limited	0.43	0.11
<b>e</b>	<b>Recovery of expenses</b>		
	V. S. Dempo Holdings Private Limited	5.12	4.65
<b>f</b>	<b>Interest on Inter Corporate Deposit</b>		
	V. S. Dempo Holdings Private Limited	177.95	40.87
<b>g</b>	<b>Loan taken</b>		
	V. S. Dempo Holdings Private Limited	550.00	1,050.00
<b>h</b>	<b>Loan repaid</b>		
	V. S. Dempo Holdings Private Limited	500.00	-
<b>i</b>	<b>Sponsorship</b>		
	Dempo Cricket Club.	-	10.00
	Dempo Sports Club Pvt. Ltd	-	1.10
<b>j</b>	<b>Donations</b>		
	Dempo Charities Trust	-	40.00
<b>k</b>	<b>Remuneration</b>		
	Mr Jagmohan J. Chhabra (Executive Director) #	122.68	134.24
<b>iii)</b>	<b>Outstanding (receivable)/payable as at year end.</b>		
	Dempo Travels Pvt. Ltd.	-	(0.35)
	V. S. Dempo Holdings Private Limited	1,312.89	1,086.79
	# Subject to ratification at the ensuing Shareholder's Annual General Meeting.		

<b>34</b>	<b>Earnings per share:</b>	<b>Year ended 31 March 2014</b>	<b>Year ended 31 March 2013</b>
	i) Profit after tax as per the Statement of Profit and Loss (₹ in lacs)	<b>382.67</b>	764.43
	ii) Number of equity shares	<b>9,151,052</b>	9,151,052
	iii) Basic and diluted earnings per share of ₹10/- each (₹)	<b>4.18</b>	8.35
<b>35</b>	<b>Miscellaneous expenses include donations to given to Political Parties and the details are as under:</b>		₹ in lacs
	<b>Name of the Political Party</b>	<b>Year ended 31 March 2014</b>	<b>Year ended 31 March 2013</b>
	Bhartiya Janata Party	<b>7.00</b>	2.50
	Goa Pradesh Congress Party	<b>5.00</b>	-
<b>36</b>	There are no amounts due and payable to Investor Education and Protection Fund.		
<b>37</b>	The Company's wholly owned step down subsidiary company "Goa Carbon (Cangzhou) Company Limited" China (the "China Company") has obtained a business licence to set up a plant in Cangzhou, Hebei Province, the People's Republic of China, with an annual capacity to manufacture 3,00,000 MT of Calcined Petroleum Coke. The Company has invested USD 3.48 million (₹1,938.62 lacs) in its wholly owned subsidiary "GCL Global Resources SGP Pte Limited" Singapore (the "Singapore Company") which is the holding company of the China Company and granted advances of ₹190.86 lacs to the China Company. The Singapore Company has in turn invested this money in 3,329,983 Equity Shares of USD 1 each to the authorised capital of the China Company which is being used for the purpose of setting up of the plant in China. The required approvals have been obtained for the project from the Chinese administration. The Company is now pursuing with their bankers and the Reserve Bank of India for further funding and appropriate approvals. The Company is hopeful of successful completion of the project within a year of obtaining the aforesaid approvals.		
<b>38</b>	<b>Capital Work-in-Progress includes</b>		
	Pre-operative expenditure incurred by Goa Carbon (Cangzhou) Company Limited, China in setting up the CPC Plant.		
			₹ in lacs
	<b>Particulars</b>	<b>As at 31 March 2014</b>	<b>As at 31 March 2013</b>
	Salary & wages	<b>89.64</b>	19.85
	Repairs and maintenance - others	<b>1.85</b>	0.95
	Travelling expenses	<b>151.51</b>	70.97
	Exchange loss on foreign currency transactions and translations	<b>15.33</b>	5.93
	Miscellaneous expenses	<b>129.07</b>	20.52
		<b>387.40</b>	118.22
	Less: Interest income	<b>0.28</b>	0.13
		<b>387.12</b>	118.09
<b>39</b>	Previous year's figures have been regrouped wherever necessary, to conform with the current year's disclosures.		

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**  
Chairman

**Jagmohan J. Chhabra**  
Executive Director

**K. Balaraman**  
Sr. General Manager-Finance

**P. S. Mantri**  
Company Secretary

Panaji, Goa, 11<sup>th</sup> April, 2014

# FINANCIAL HIGHLIGHTS FOR LAST FIVE YEARS

₹ in lacs

		2013-14	2012-13	2011-12	2010-11	2009-10
Sales (net)		29,183.13	29,547.01	34,383.64	26,775.73	25,071.63
Other Income		584.55	658.33	625.02	318.10	883.59
	(A)	29,767.68	30,205.34	35,008.66	27,093.83	25,955.22

Raw materials & manufacturing expenses		28,685.89	28,263.66	32,458.31	24,677.31	24,678.74
Finance charges		618.77	501.29	745.07	755.37	836.52
	(B)	29,304.66	28,764.95	33,203.38	25,432.68	25,515.26
Gross Profit (A - B)	(C)	463.02	1,440.39	1,805.28	1,661.15	439.96
Depreciation		220.43	224.04	239.18	258.65	254.54
Provision for Tax		13.35	425.08	517.35	483.38	144.77
	(D)	233.78	649.12	756.53	742.03	399.31
Net Profit (C - D)		229.24	791.27	1,048.75	919.12	40.65
Dividend declared		10%	25%	40%	40%	20%

WHAT THE COMPANY OWNED						
Net Fixed Assets		1,950.27	2,148.06	2,331.17	2,527.42	3,061.67
Non-Current Investments		1,942.67	1,401.04	4.10	4.10	4.10
Non-Current Assets		2,581.36	2,495.11	767.45	-	-
Current Assets, Loans & Advances		27,039.23	17,760.73	23,716.84	24,797.10	16,481.63
		<b>33,513.53</b>	<b>23,804.94</b>	<b>26,819.56</b>	<b>27,328.62</b>	<b>19,547.40</b>

WHAT THE COMPANY OWED						
Secured Loans		21,572.45	12,263.57	16,492.42	16,733.44	9,412.18
Unsecured Loans		1,100.00	1,050.00	-	400.00	-
Deferred tax liability		330.05	365.49	382.23	388.04	438.64
Current Liabilities & Provisions		1,952.34	1,689.37	2,033.78	2,519.34	2,902.48
		<b>24,954.84</b>	<b>15,368.43</b>	<b>18,908.43</b>	<b>20,040.82</b>	<b>12,753.30</b>

NET WORTH OF THE COMPANY						
Equity Share Capital		915.11	915.11	915.11	915.11	915.11
Reserves & Surplus		7,643.58	7,521.40	6,996.02	6,372.69	5,878.99
		<b>8,558.69</b>	<b>8,436.51</b>	<b>7,911.13</b>	<b>7,287.80</b>	<b>6,794.10</b>



## GOA CARBON LIMITED

(CIN: L23109GA1967PLC000076)

Dempo House, Campal, Panaji-Goa 403001

### ASSENT / DISSENT FORM FOR VOTING ON AGM RESOLUTIONS

1. Name(s) & Registered Address of the sole / first named Member :
2. Name(s) of the Joint-Holder(s), if any :
3. i) Registered Folio No.  
ii) DP ID No. & Client ID No. :  
(Applicable for Members holding shares in dematerialized form)
4. Number of Shares held :
5. I/We hereby exercise my / our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated July 5, 2014, by conveying my / our assent / dissent to the resolutions by placing (√) mark in the appropriate box below:

RESOLUTIONS	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
<b>Ordinary Business</b>			
1. Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2014.			
2. Approval of dividend for 2013-14.			
3. Re-appointment of Mr. Soiru V. Dempo, who retires by rotation and being eligible offer himself for re-appointment.			
4. Appointment of M/s Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors and fixing their remuneration.			
<b>Special Business</b>			
5. Appointment of Mr. Dara P. Mehta, who retires by rotation, as an Independent Director under Section 149 of the Companies Act, 2013.			
6. Appointment of Mr. Keki M. Elavia, as an Independent Director under Section 149 of the Companies Act, 2013.			
7. Appointment of Dr. A. B. Prasad, as an Independent Director under Section 149 of the Companies Act, 2013.			
8. Appointment of Mr. Raman Madhok, as an Independent Director under Section 149 of the Companies Act, 2013.			
9. Special Resolution under Section 198, 309, 310, Schedule XIII of the erstwhile Companies Act, 1956 for ratification of remuneration of ₹ 122.68 lacs paid to Mr. Jagmohan J. Chhabra, Executive Director.			
10. Special Resolution for borrowing limits under Section 180(1)(c) of the Companies Act, 2013.			
11. Ratification of payment of remuneration to Cost Auditor for the Financial Year ending March 31, 2015.			

Place :

Date :

Signature of the Member  
or  
Authorised Representative

- Notes:
1. If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
  2. Last date for receipt of Assent/Dissent Form: September 1, 2014 (6:00 p.m.).
  3. Please read the instructions printed overleaf carefully before exercising your vote.

## **INSTRUCTIONS**

### **General Instructions**

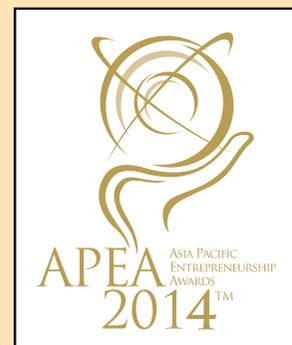
1. Shareholders have option to vote either through e-voting i.e. electronic means or to convey assent/dissent in physical form. If a shareholder has opted for Physical Assent / Dissent Form, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through both physical assent/dissent form and e-voting, then vote cast through physical assent/dissent shall be considered, subject to the assent/dissent form being found to be valid and vote cast through e-voting shall be treated as invalid.
2. The notice of Annual General Meeting is dispatched/e-mailed to the members whose names appear on the Register of Members as on July 25, 2014 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through physical assent / dissent form cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorised representatives with proof of their authorization, as stated below.

### **Instructions for voting physically on Assent / Dissent Form**

1. A Member desiring to exercise vote by Assent / Dissent should complete this Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, Mr. Sadashiv V. Shet, Practicing Company Secretary and send the same at their cost to reach the Scrutinizer at the registered office of the Company on or before the close of working hours i.e. 6.00 p.m. on September 1, 2014. All Forms received after this date will be strictly treated as if the reply from such Member has not been received.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Assent / Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/ appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
4. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (√) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Assent / Dissent Form for every folio / Client id irrespective of the number of joint holders.
7. A Member may request for a duplicate Assent / Dissent Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No.1 above.
8. Members are requested not to send any other paper along with the Assent / Dissent Form. They are also requested not to write anything in the Assent / Dissent form excepting giving their assent or dissent and putting their signature. If any such other paper is sent the same will be destroyed by the Scrutinizer.
9. The Scrutinizer's decision on the validity of the Assent / Dissent Form will be final and binding.
10. Incomplete, unsigned or incorrectly ticked Assent / Dissent Forms will be rejected.



**Mr. Shrinivas V. Dempo in his capacity as Chairman, Goa Carbon Ltd., receiving the Asia Pacific Enterprise Award 2014 for Outstanding Entrepreneurship at the hands of Mr. G. V. G. Krishnamurthy, former Chief Election Commissioner to the Government of India, and Mr. William Ng, President, Enterprise Asia, at a function at the Marriott, Aerocity, New Delhi, 4th March, 2014.**





## Goa Carbon Ltd

**Registered Office:** Dempo House, Campal, Panaji, Goa - 403 001  
Tel. No. (91) (832) 2441300  
Fax: (91) (832) 2225098, 2427192, e-mail: goacarbon@gmail.com

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

**Bilaspur Plant:** 34-40, Sector B, Sirigitti Industrial Area  
Bilaspur - 495 004, Chattisgarh.  
Tel. No. (91) (07752) 220822, 650720  
Fax: (91) (07752) 238167, 261115, e-mail: bsp@goacarbon.com

**Paradeep Plant:** Village Udayabata, Post Office Paradeepgarh  
Dist. Jagatsinghpur, Odisha - 754 142  
Tel. No. 09937034882, 09238110372  
Fax: (91) (06722) 211450, e-mail: pclvpster@gmail.com



# PROXY FORM

## GOA CARBON LIMITED

(CIN: L23109GA1967PLC000076)

Dempo House, Campal, Panaji-Goa 403001

Name:
Folio / Client ID:
E.mail:

I/We, being the member(s) of ..... shares of the above named Company, hereby appoint

(1) Name : ..... Address: .....  
E.mail ID: ..... Signature: ..... or failing him

(2) Name : ..... Address: .....  
E.mail ID: ..... Signature: ..... or failing him

(3) Name : ..... Address: .....  
E.mail ID: ..... Signature: ..... as my/our

proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46<sup>th</sup> Annual General Meeting of the Company, to be held on the 6<sup>th</sup> September, 2014 at 10:30 a.m. at the Registered Office of the Company at Dempo House, Campal, Panaji-Goa 403001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no.	RESOLUTIONS	Optional*	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2014.		
2.	Approval of dividend for 2013-14.		
3.	Re-appointment of Mr. Soiru V. Dempo, who retires by rotation and being eligible offer himself for re-appointment.		
4.	Appointment of M/s Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors and fixing their remuneration.		
<b>Special Business</b>			
5.	Appointment of Mr. Dara P. Mehta, who retires by rotation, as an Independent Director under Section 149 of the Companies Act, 2013.		
6.	Appointment of Mr. Keki M. Elavia, as an Independent Director under Section 149 of the Companies Act, 2013.		
7.	Appointment of Dr. A. B. Prasad, as an Independent Director under Section 149 of the Companies Act, 2013.		
8.	Appointment of Mr. Raman Madhok, as an Independent Director under Section 149 of the Companies Act, 2013.		
9.	Special Resolution under Section 198, 309, 310, Schedule XIII of the erstwhile Companies Act, 1956 for ratification of remuneration of ₹122.68 lacs paid to Mr. Jagmohan J. Chhabra, Executive Director.		
10.	Special Resolution for borrowing limits under Section 180(1)(c) of the Companies Act, 2013.		
11.	Ratification of payment of remuneration to Cost Auditor for the Financial Year ending March 31, 2015.		

Signed this ..... day of ....., 2014

Signature of shareholder .....

Signature of Proxy holder(s) .....

Affix ₹ 1/- Revenue Stamp
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### Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of the 46<sup>th</sup> Annual General Meeting.
- \*3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.



**GOA CARBON LIMITED**

(CIN: L23109GA1967PLC000076)

Dempo House, Campal, Panaji-Goa 403001

**ATTENDANCE SLIP**

<b>46<sup>th</sup> Annual General Meeting</b>

I/We hereby record my/our presence at the 46<sup>th</sup> Annual General Meeting of the Company at the Registered Office of the Company at Dempo House, Campal, Panaji-Goa 403001 on Saturday, the 6<sup>th</sup> September, 2014 at 10.30 a.m.

\_\_\_\_\_

Member's Folio No./DP ID-Client ID No.                      Member's/Proxy's in Block Letters                      Member's/ Proxy's Signature

**Note:** Please complete the Folio No. / DP ID-Client No. and name, sign this Attendance Slip and hand over at the Meeting Hall.

**ELECTRONIC VOTING PARTICULARS**

<b>EVEN (E-Voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD/PIN</b>

**NOTE:** Please read instructions given at Note No. 15 of the Notice of the 46<sup>th</sup> Annual General Meeting carefully before voting electronically