

# Goa Carbon Limited



Registered & Corporate Office:

Dempo House, Campal, Panjim - Goa - 403 001., INDIA.  
Tel.: +91 (0832) 2441300 Fax: +91 (0832) 2427192  
E-mail: goacarbon@gmail.com Website: www.goacarbon.com  
Corporate Identity Number - L23109GA1967PLC000076



Company Scrip Code / Symbol: 509567 / GOACARBON

ISIN Code: INE426D01013

Ref. No.: 2018VIII341

24<sup>th</sup> July 2018

<p>The General Manager Department of Corporate Services <b>BSE Limited</b>, ..... Thru' Listing Centre 25<sup>th</sup> Floor, P. J. Towers, Dalal Street, Mumbai 400001</p>	<p>The Listing Department <b>National Stock Exchange of India Ltd.</b>, ..... Thru' NEAPS Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051</p>
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Sub.: Submission of 50<sup>th</sup> Annual Report for the year 2017-18

Dear Sir(s),

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the 50<sup>th</sup> Annual Report of our Company for the year 2017-18 containing the Audited Balance Sheet, Profit & Loss Account, Cash Flow Statements together with the Auditors' Report and Directors' Report, Corporate Governance Report, Auditors' Certificate on compliance of conditions of Corporate Governance, Secretarial Audit Report and Management Discussion & Analysis Report for the year ended 31<sup>st</sup> March 2018 which were approved and adopted at the Annual General Meeting of the Company held on 17<sup>th</sup> July 2018.

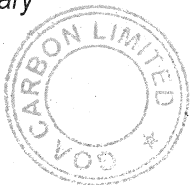
Kindly take the same on record and oblige.

Thanking you,

Yours faithfully,  
For **Goa Carbon Limited**

**Pravin Satardekar**  
Company Secretary  
ACS 24380

Encl.: as above.



## Plants :

**GOA** : Tel. 0832-2860363 to 68, 2860336, 2861052  
Fax: 2860364 E-mail: head\_works@goacarbon.com  
**PARADEEP** : Tel: 07894462761,09238110372  
E-mail: pcvpster@gmail.com  
**BILASPUR** : Tel +91 (07752) 261220, 650720 Fax +91 (07752) 261115  
E-mail. bsp@goacarbon.com





A Dempo Group Company



*and the journey continues...*

**Goa Carbon Limited**

50<sup>th</sup> Annual Report 2017-18



# 50<sup>th</sup> Annual Report 2017-18



Please find this report online at  
[www.goacarbon.com](http://www.goacarbon.com)

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The Attendance Slip and Proxy Form are being sent together with the Annual Report.

#### Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

## Chairman's Message



#### Dear Stakeholders,

I am happy to share in brief the highlights of your Company's performance during FY 2017-18. This has been an exciting year for Goa Carbon and your Company has delivered a strong financial and operational performance. What an amazing time to witness this achievement when your Company has also reached the milestone of the Golden Jubilee Year!

Global aluminum demand rose by 6% to 64.2 million tonnes in 2017. In the world, excluding China, demand grew by 3.7% to 29.2 million tonnes. So, while China was the definite leader in aluminum demand, even smaller countries such as Thailand, Vietnam and Indonesia are witnessing rising aluminum demand, thanks to increasing industrialization and urbanization (*Source: Strategic Research Institute, Steelguru*).

While India's GDP grew by 6.2% over the previous fiscal, it is worth noting that the economy really picked up speed in the final two quarters. Going forward, rapid urbanization will augment consumer demand for aluminum products, which is a positive for the sector. Moreover, our per capita aluminum consumption is far below the global average. This offers a huge potential, given our demographic and economic outlook.

We are positive on the performance for FY 2018-19. Having said that, the growth and profitability of CPC will depend

on two major factors — the rupee-dollar exchange rate and availability of raw petroleum coke at commercially viable prices. Your Company sources most of its raw material from China. With prices of raw petroleum coke creeping up due to lack of availability, we may see some impact on CPC prices in coming quarters.

Coming to the performance of your Company, during the year under review, the Company sold 2,09,343 MT of calcined petroleum coke against 1,59,579 MT in FY 2016-17, achieving the strong financial performance. The performance was aided by advantageous market conditions, better capacity utilization, well managed foreign exchange and favorable raw material costs. Further, Goa Carbon's stock mirrored our strong operational performance. I am pleased to mention that your Board of Directors has also recommended the declaration of an all-time high dividend for FY 2017-18 for your consideration.

All our actions are focused towards creating a more sustainable enterprise. Besides business performance, we are also making significant investments in community engagements through the implementation of meaningful CSR projects.

Corporate governance and ethical management have always been the guiding principles of carrying out the business at Goa Carbon. The Board has adopted several policies to support its values and good corporate governance. We firmly believe that ethical and transparent corporate governance is critical to our long-term success and ability to create value for our shareholders. The Company is committed to creating wealth and enhancing shareholders' value.

Before I conclude, I take this opportunity to thank the Government of India, Government of Goa, Chhattisgarh, and Odisha, Marmugao Port Trust, Paradeep Port Trust, various regulatory authorities and our bankers, associates, and suppliers and all other stakeholders for their support, faith and continued association. I would also like to thank your Company's employees and the board for their consistent commitment, engagement, support, and encouragement in our journey. We will continue to seek our shareholders' participation and support, as we extend our footprint to create new pathways to progress and tap impending business opportunities.

Thank you,

**Shrinivas Dempo**  
Chairman

7<sup>th</sup> June 2018

## Introducing Goa Carbon Limited



**Goa Carbon Limited, established in 1967 is engaged in the processing and manufacture of Calcined Petroleum Coke (CPC), which is a highly specialised and technically sophisticated process. The Company's first Petroleum Coke Calcination Plant was set up in Goa with technical assistance from the Great Lakes Carbon Corporation, USA. The other two Plants of the Company at Bilaspur in Chhattisgarh and at Paradeep in Odisha were acquired by the Company.**

The Company has been supplying CPC to aluminium smelters, graphite electrode and titanium dioxide manufacturers as well as other users in the metallurgical and chemical industries. Over the past 50 years, the Company has acquired great experience and knowledge and has gained expertise in blending of green cokes to cater to the specification requirements of its customers.

### Listing & Certification

Listed on the BSE Ltd and the National Stock Exchange of India Ltd., the Company has over the years consistently rewarded its shareholders.

The Plants of the Company are ISO 9001 and ISO 14001 certified, have well-equipped laboratories to boost quality control, have accessibility to both domestic and imported source of green petroleum coke and the Goa and Paradeep Plants are port-based, thereby ensuring accessibility to a wider range of export markets.

As a responsible corporate citizen, the Company has always focused on the environment in which it operates.

### Manufacturing Facilities

**Goa:** The Company's Goa Plant has a production capacity to manufacture 75,000 MT per annum of Calcined

Petroleum Coke and has recently been upgraded with a state-of-the-art dust extraction system to improve the quality of air and bring down pollution levels in the vicinity.

**Bilaspur:** Acquired in 1998, the Company's Bilaspur Plant has a production capacity to manufacture 40,000 MT per annum of Calcined Petroleum Coke.

**Paradeep:** Acquired in 2001, the Company's Paradeep Plant has a production capacity to manufacture 1,25,000 MT per annum of Calcined Petroleum Coke. This Plant also boasts of a state-of-the-art dust extraction system.



State-of-the-art Dust Extraction System



A Section of the Rotary Kiln

### Management

Goa Carbon Limited is a flagship company of the Dempo Group of Companies. The Dempo Business House is the leading corporate group of Goa whose modern-era business operations commenced in the year 1941. The highly diversified conglomerate's major activities today comprise the production and export of calcined petroleum coke, shipbuilding and repair, newspaper publishing and the media, manufacture of pig iron, baby foods, real estate development, sports promotion, the travel business, renewable energy, and mining. The Group, with a human resource strength of above 1000, is also well known for having taken a leadership position in social responsibility in the State and the region.

Under the mentorship of Mr. Shrinivas Dempo, Chairman, the Company is professionally managed by a team of qualified professionals.

### Customer Base

The Company, in the domestic market has been supplying to National Aluminium Co. Ltd., Hindalco Industries, Bharat Aluminium Co. Ltd., Vedanta Aluminium, Kerala Minerals and Metals Ltd., Steel Authority of India Ltd. and a number of steel plants and foundries located in the south western region and in Odisha. The overseas clients to whom the Company had been supplying are Aluminium Pechiney – France, Aluminium of Greece (AOG), SABIC – Saudi Arabia, Dubai Aluminium (DUBAL), Sohar Aluminium Co. – Sultanate of Oman, ALUCAM – Cameroun etc.

### Product

Calcined Petroleum Coke is one of the purest form of carbon and is used in the aluminium smelting process, manufacture of graphite electrodes, carbon paste, the manufacturing process of titanium dioxide pigment as a carbon additive in steel and foundries, and also in the glass and battery industries.

## Corporate Journey and Milestones

Goa Carbon Limited is constantly reinventing itself, and pursuing futuristic growth while maintaining the core values and ethics of its parent organization - The Dempo Group. The key milestones achieved by the Company in the stretch of five decades are:



## Corporate Social Responsibility (CSR)

Over the years, the Company through the Dempo Group CSR initiatives as well as of its own has been contributing to the well-being and upliftment of the surroundings in which it operates, be it at Goa, Bilaspur or Paradeep.



The significant focus areas have been:



Sports Promotion



Education



Environmental Conservation, Health and Sanitation

Amongst many other CSR programs, the Company has been associated with the 'Hamara School' – project for street kids and orphans in Goa for the last several years. It has also been supporting its own

sporting ambassador, chess sensation – Ms. Bhakti Kulkarni, a Woman Grand Master. She is currently ranked 2<sup>nd</sup> in National Championships, 50<sup>th</sup> in Asia and 211<sup>th</sup> in the World among active female players.



## Stalwarts of our Corporate History



### Late Mr. Vasant S. Dempo (1910-2000)

The founding father of the Dempo Group of Companies, and Chairman Emeritus of its constituent companies, including Goa Carbon Ltd.

The Government of India awarded him the fourth highest civilian honor of the Padmashree in 1991 and a commemorative postage stamp was released in his honor in 2016.



### Late Mr. Vasudeva V. Dempo (1935-1999)

The former Chairman and elder son of Vasant S. Dempo, the Group founder.

Becoming Vice-Chairman in the mid nineteen eighties, he came to head the Group a decade later in trying times marked by the withdrawal, owing to ill-health, of the Founder.

## Board of Directors



**Mr. Shrinivas Dempo**  
Chairman-Promoter



**Mr. Dara Mehta**  
Independent Director



**Mr. Keki Elavia**  
Independent Director



**Mr. Raman Madhok**  
Independent Director



**Late Dr. A. B. Prasad**  
Independent Director  
(Up to 08.02.2018)



**Ms. Kiran Dhingra**  
Independent Director



**Mr. Rajesh Dempo**  
Non-Executive Director



**Mr. Jagmohan Chhabra**  
Executive Director

## Corporate Information

### Company Secretary

Mr. Purushottam Mantri  
(up to 06.01.2018)  
Mr. Pravin Satardekar  
(w.e.f. 07.01.2018)

### Chief Financial Officer

Mr. K. Balaraman

### Registered Office

Dempo House, Campal,  
Panaji-Goa - 403 001  
CIN: L23109GA1967PLC000076

### Website

www.goacarbon.com  
 www.dempos.com

### Plant Locations

**Goa Unit:** St. Jose de Areal, Salcete,  
Goa - 403 709

**Bilaspur Unit:** 34-40, Sector B, Sirgitti  
Industrial Area, Bilaspur - 495 004  
(Chhattisgarh)

**Paradeep Unit:** Vill. Udayabata, P.O.  
Paradeepgarh, Dist. Jagatsinghpur,  
Odisha - 754 142

### Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.  
C 101, 247 Park, L.B.S. Marg,  
Vikhroli (West),  
Mumbai - 400 083  
Phone: (022) 22 49186270  
Email: rnt.helpdesk@linkintime.co.in  
Website: www.linkintime.co.in

### Statutory Auditors

B S R & Co. LLP, Chartered Accountants  
(FRN: 101248W/W-100022)

### Internal Auditors

Sharp & Tannan LLP, Chartered Accountants  
(FRN: 127145W/W-100218)

### Secretarial Auditor

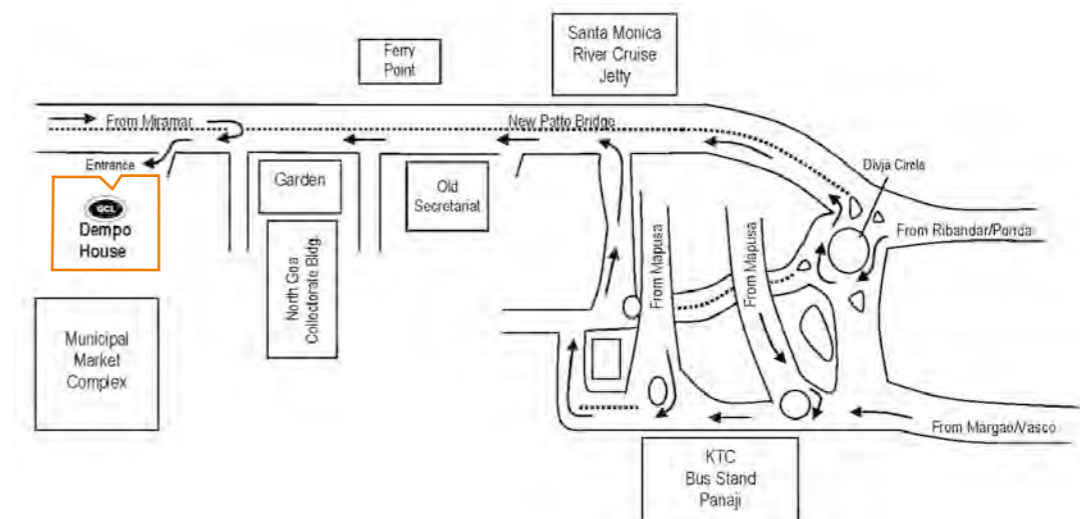
Sadashiv V. Shet, Practicing Company Secretary  
ICSI Membership No.: FCS-2477, CP-2540

### Bankers

Bank of India  
Bank of Baroda  
ICICI Bank Ltd.

50<sup>th</sup> Annual General Meeting on Tuesday, 17<sup>th</sup> July 2018 at 10:30 a.m. at Dempo House, Campal, Panaji, Goa - 403 001

### Route Map to AGM Venue



## Notice

Notice is hereby given that the Fiftieth Annual General Meeting of the Members of Goa Carbon Limited (CIN L23109GA1967PLC000076) will be held at the Registered Office of the Company at Dempo House, Campal, Panaji, Goa 403 001, on Tuesday, the 17<sup>th</sup> July 2018 at 10:30 a.m., to transact the following business:

### Ordinary Business:

#### 1. Adoption of Financial Statements

To consider and, if deemed fit, to pass the following as an **Ordinary Resolution:**

“RESOLVED THAT the Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2018 including the Audited Balance Sheet as at 31<sup>st</sup> March 2018 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board and Auditors thereon be and are hereby considered, approved and adopted.”

#### 2. Declaration of Dividend

To consider and, if deemed fit, to pass the following as an **Ordinary Resolution:**

“RESOLVED THAT a final dividend of ₹10/- per equity share of ₹10/- each be declared for the financial year ended 31<sup>st</sup> March 2018 and that the same be paid out of the profits of the Company for the financial year ended 31<sup>st</sup> March 2018 to those shareholders whose names appear in the Register of Members as on 10<sup>th</sup> July 2018 in case the shares are held in physical form and to the beneficial holders of the dematerialised shares as on 10<sup>th</sup> July 2018 as per the details provided by National Securities Depository Limited and Central Depository Services (India) Limited in case the shares are held in the electronic form.

RESOLVED FURTHER THAT the interim dividend of ₹5/- per equity share of ₹10/- each already paid for the financial year ended 31<sup>st</sup> March 2018 be and is hereby confirmed.”

#### 3. Re-appointment of Mr. Rajesh Dempo, Director retiring by rotation as a Director.

To consider and, if deemed fit, to pass the following as an **Ordinary Resolution:**

“RESOLVED THAT Mr. Rajesh Dempo holding DIN 05143106, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company.”

### Special Business:

#### 4. Increase the Borrowing Limit u/s 180(1)(c) of the Companies Act, 2013 upto ₹500 Crores.

To consider and, if thought fit, to pass, the following as a **Special Resolution:**

“RESOLVED THAT in supersession of the resolution passed by the members at its Annual General Meeting held on 6<sup>th</sup> September 2014 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) to borrow by way of loan/debentures (whether secured or unsecured)/ bonds/deposits/fund based/non fund based limits/guarantee for the purpose of the business of the Company any sum or sums of money either in Indian or Foreign Currency from time to time from any Bank(s) or any Financial Institution(s) or any other Institution(s), firm(s), body corporate(s), or other person(s) or from any other source in India or outside India whomsoever in addition to the temporary loans obtained from the Company’s Banker(s) in the ordinary course of business provided that the sum or sums so borrowed under this resolution and remaining outstanding at any time shall not exceed in the aggregate ₹500 Crores (Rupees Five Hundred Crores only).

RESOLVED FURTHER THAT the Board of Directors or Committee thereof be and is hereby authorized to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution.”

#### 5. Create charge on the Assets of the Company.

To consider and, if thought fit, to pass, the following as a **Special Resolution:**

“RESOLVED THAT consent of shareholders of the company be and is hereby accorded, pursuant to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013, to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company

and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed ₹500 Crores (Rupees Five Hundred Crores only) at any time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalise, settle, and execute such documents/deeds/writings/papers/agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid.”

### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM” OR “MEETING”) IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE TIME FOR HOLDING THE MEETING.

Proxy/Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) members and holding in the aggregate not more than ten (10) per cent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten (10) percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Only registered Members of the Company or any proxy appointed by such registered Member may attend and vote at the Meeting as provided under the provisions of the Companies Act, 2013 (“the Act”). In case any

shareholder has voted electronically, then he/she can participate in the Meeting but not vote.

3. The statement setting out the material facts pursuant to Section 102 of the Act concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India as approved by the Central Government, of the person seeking appointment/re-appointment as Director, is also annexed to this Notice.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the 11<sup>th</sup> July 2018 to Tuesday, the 17<sup>th</sup> July 2018 (both days inclusive) for determining the entitlement of the members to the final dividend for financial year ended 31<sup>st</sup> March 2018 and AGM.
5. The dividend warrants in respect of the final dividend of ₹10/- per equity share for the financial year ended 31<sup>st</sup> March 2018 recommended by the Board of Directors is proposed to be posted on Monday, 6<sup>th</sup> August 2018 subject to the approval of the members at the ensuing AGM. In case of members opting for National Electronic Clearance System (NECS)/National Automated Clearing House (NACH), the dividend would in the normal course be credited to their respective accounts by Monday, 6<sup>th</sup> August 2018.
6. Institutional Members/Corporate Members (i.e. other than Individuals, HUF, NRI, etc.) intending to send their authorized representatives to attend the AGM are requested to submit before the commencement of the AGM a duly certified copy of their Board Resolution/ Authority Letter.
7. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
8. Pursuant to the provisions of Section 124(5) of the Act, the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.



Further, pursuant to the provisions of Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the IEPF Rules”) and amendments thereto, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the demat account of the IEPF Authority. Accordingly, during the financial year, the unclaimed dividend declared by the Company for Financial Year 2009-10 was transferred to IEPF and all the shares on which dividend had not been paid or claimed for seven consecutive years with Financial Year 2009-10 as the base year, were transferred to the demat account of the IEPF Authority. The unclaimed dividend for the Financial Year 2010-11 and all subsequent years must be claimed as early as possible failing which it would be transferred to IEPF as per the (tentative) dates mentioned herein below.

Financial year ended	Due date of transfer
31.03.2011	25.09.2018
31.03.2012	06.09.2019
31.03.2013	11.08.2020
31.03.2014	13.10.2021
31.03.2015	14.08.2022
31.03.2017 (Interim)	17.02.2024
31.03.2017 (Final)	05.08.2024
31.03.2018 (Interim)	09.02.2025

Members are requested to contact Link Intime India Pvt. Ltd., the Registrar and Share Transfer Agent of the Company for claiming the dividend for the aforesaid years.

The details of the unclaimed dividends are available on the Company’s website at [www.goacarbon.com](http://www.goacarbon.com) and Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in)

The Members/claimants whose shares, unclaimed dividend have been transferred to the Fund may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on [iepf.gov.in](http://iepf.gov.in)) along with requisite fee as decided by the Authority from time to time. The Member/claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules and amendments thereto.

It is in the Members interest to claim any un-encashed dividends and for future, opt for National Electronic Clearance System (NECS)/National Automated Clearing House (NACH), so that dividends paid by the Company are credited to the investor’s account on time.

9. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission/transposition of shares. Members are requested to submit the PAN details to their Depository Participant (DP) in case of holdings in dematerialised form or to Link Intime India Pvt. Ltd. in case of holdings in physical form, mentioning your correct reference folio number. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to Link Intime India Pvt. Ltd.
10. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with Link Intime India Pvt. Ltd. In respect of shares held in demat form, the nomination form may be filed with the respective DP.
11. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact Link Intime India Pvt. Ltd. for assistance in this regard.
12. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their DP only. Changes intimated to the DP will then be automatically reflected in the Company’s records which will help the Company and Link Intime India Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime India Pvt. Ltd.
13. Electronic copy of the Annual Report for FY 2017-18, Notice of the 50<sup>th</sup> Annual General Meeting of the Company inter-alia indicating the process and manner of remote e-voting along with Attendance Slip/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 50<sup>th</sup> Annual General Meeting

of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip/Proxy Form is being sent in the permitted mode.

14. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, and amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to offer voting by electronic means to the members to cast their votes electronically on all resolutions set forth in this notice. The detailed instructions for e-voting are appended hereto.
15. In view of the Green Initiative being undertaken by the Company, Members who have not yet registered their e-mail address so far are requested to register/update their e-mail addresses with Link Intime India Pvt. Ltd. or with the Company at [greeninitiative@goacarbon.com](mailto:greeninitiative@goacarbon.com). Shareholders holding shares in dematerialized form are requested to register their e-mail addresses and changes therein with the concerned Depositories through their DP.
16. Members may also note that the Notice of the 50<sup>th</sup> Annual General Meeting and the Annual Report for FY 2017-18 will also be available on the Company’s website [www.goacarbon.com](http://www.goacarbon.com) for their download.
17. Relevant 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.
18. Route Map showing directions to reach to the venue of the 50<sup>th</sup> AGM is given in the Corporate Information Section of this Report.
19. **Instructions for e-voting**
  - i. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is pleased to provide e-voting facility to members to cast their vote on all resolutions set forth in the notice convening the 50<sup>th</sup> Annual General Meeting (AGM). The Company has engaged the services of National

Securities Depository Limited (NSDL) to provide the remote e-voting facility. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM is termed as ‘remote e-voting’.

- ii. The facility of voting through ballot or polling paper shall also be made available for the members at the Meeting who have not been able to vote electronically and who are attending the Meeting. The members who have cast their vote electronically would be entitled to attend the Meeting but would not be permitted to cast their vote again at the Meeting. The facility to vote by electronic voting system will not be provided at the Meeting.
- iii. The remote e-voting period commences on Saturday, 14<sup>th</sup> July 2018 (9.00 a.m. IST) and ends on Monday, 16<sup>th</sup> July 2018 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the close of working hours on Tuesday, 10<sup>th</sup> July 2018 (“Cut-off date”) may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting on Monday, 16<sup>th</sup> July 2018 after 5.00 p.m. IST. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently.
- iv. The details of the process and manner for remote e-voting are explained herein below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>  
Step 2 : Cast your vote electronically on NSDL e-Voting system.

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

**How to Log-in to NSDL e-Voting website?**

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

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS*

login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

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

5. Your password details are given below:

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

6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:

- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

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

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of the Company.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [sadashivshet@gmail.com](mailto:sadashivshet@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  - In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- v. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Cut-off Date.

Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either

in physical form or in dematerialized form, as on the closing working hours of Cut-off Date and not casting their vote electronically, may cast their vote at the Meeting.

- CS Sadashiv V. Shet, Practising Company Secretary, Panaji, who has consented to act as the scrutinizer and is available for the purpose of ascertaining the requisite majority, has been appointed as the scrutinizer to scrutinize the remote e-voting process/ ballot/poll in a fair and transparent manner.
- The Chairman shall, at the Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot or polling paper for all those Members who are present at the Meeting but have not cast their votes by availing the remote e-voting facility.
- Scrutinizer shall, immediately after the conclusion of the Meeting will first count the votes cast at the Meeting and thereafter unblock the votes in the presence of at least two witnesses not in the employment of the Company and within a period not exceeding 48 hours from the conclusion of the Meeting make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman of the Company or any other person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- 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 [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to BSE Limited and National Stock Exchange of India Limited.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM 4 & 5**

The members of the Company at its Annual General Meeting held on 6<sup>th</sup> September 2014 had authorised the Board of Directors to exercise borrowing powers the outstanding amount of which at any time shall not exceed in the aggregate of ₹100 Crores (Rupees One Hundred Crores Only) in excess of and in addition to the paid-up capital and free reserves of the Company for the time being.

As per the provisions of Section 180(1)(c) of the Companies Act, 2013 ("Act"), the Board of Directors shall not borrow 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.

Further, in view of Company's business requirements and growth plans, it is necessitated to enhance the borrowing limits by authorizing Board of the Directors or Committee thereof to borrow money upto ₹500 Crores (Rupees Five Hundred Crores Only) in excess of and in addition to the paid-up capital and free reserves of the Company for the time being.

Accordingly, it is, therefore, necessary for the members to pass a special resolution under Section 180(1)(c) of the Act, to enable the Board of Directors or Committee thereof to borrow money in excess of the aggregate of the Paid-up Share Capital and Free Reserves of the Company.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting.

The Board of Directors recommends the said resolutions for your approval.

None of the Directors or any Key Managerial Personnel or any relative of any of the Directors of the Company or the relatives of any Key Managerial Personnel is, in anyway, concerned or interested, financially or otherwise, in the said resolutions.

By Order of the Board of Directors

**Pravin Satardekar**  
Company Secretary  
ACS 24380

Panaji, 9<sup>th</sup> May 2018

**Registered Office:**  
Dempo House, Campal,  
Panaji, Goa 403 001

CIN: L23109GA1967PLC000076

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

**Annexure to the Notice**

Particulars and additional information of the director seeking re-appointment pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and in terms of Clause 1.2.5 of Secretarial Standard - 2 on General Meetings:

Name of the Director	Rajesh Dempo
Category	Non-Executive, Non-Independent Director
Age	42 years
Date of first appointment	08/01/2016
Profile of the Director	A third-generation entrepreneur, from an Industrial family, Mr. Rajesh Dempo completed his Bachelor of Commerce at the University of Mumbai. After completing MBA in London, he returned to Goa and joined Aparant Iron & Steel Pvt. Ltd., a Dempo Group Company as a management trainee and rose up the ladder to head the same. Thereafter, he founded "Vision Dempo Hospitality And Estates Pvt. Ltd." and diversified into various industries such as Real Estate, Hospitality, Healthcare and upcoming industries such as Media & Entertainment and Child Care.
Expertise in specific functional area	Leadership and Business Management.
Qualification	B.Com., MBA
Directorship held in other companies (including foreign and private companies)	1. Hindustan Foods Ltd. 2. Vishwas Media and Entertainment Pvt. Ltd. 3. Vision Dempo Hospitality and Estates Pvt. Ltd. 4. V. S. Dempo Mining Corporation Pvt. Ltd. 5. Vishwasrao Dempo Academy Pvt. Ltd. 6. Dempo Vision Resorts and Construction Pvt. Ltd.
Chairmanship/Membership of the Committees of the Board of all the public companies	Hindustan Foods Ltd. – Member of the Share Transfer, Investors Grievances and Stakeholders Relationship Committee  Goa Carbon Ltd. – Member of the Share Transfer, Investors Grievances and Stakeholders Relationship Committee (Appointed as Chairman w.e.f. 12 <sup>th</sup> April 2018)
Number of shares held in the Company	Nil
No. of Board meetings attended during the year 2017-18	5 (Five)
Relationship with other directors inter-se	'Cousin' of Mr. Shrinivas Dempo, Chairman of the Company.

## Directors' Report

The Members,

Your Directors have pleasure in presenting the 50<sup>th</sup> Annual Report on the business and operations of the Company and the audited financial statements for the year ended 31<sup>st</sup> March 2018.

### Financial Results

₹ in Lacs

	2017-18	2016-17
Profit for the year before tax	8,952.09	1,575.23
Less: Tax Expense – Current Tax Deferred Tax	3,586.81 (19.57)	412.14 213.55
	3,567.24	625.69
Profit for the year after tax	5,384.85	949.54
Other Comprehensive income for the year	7.71	(10.89)
Total Comprehensive income for the year	5,392.56	938.65

### Year in Retrospect

The Company has adopted Ind AS with effect from 1<sup>st</sup> April 2017 with a transition date of 1<sup>st</sup> April 2016. Accordingly, results for the year ended 31<sup>st</sup> March 2018 have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Previous periods figures have been restated as per Ind AS to make them comparable.

During the year under review, the Company's sales and other income was ₹59,598.78 Lacs as compared to ₹34,081.86 Lacs during the previous year. The production of Calcined Petroleum Coke (CPC) was 2,04,114 MT as compared to 1,64,323 MT during the previous year. The sales of CPC were 2,09,343 MT for the period under review as compared to 1,59,579 MT for the previous year. Thus, the year gone by has witnessed a strong operational performance. Your Company has also reached the milestone of the Golden Jubilee Year during the FY 2017-18.

### Dividend and Transfer to Reserve

Considering the current year's operating profit, the Board has considered it appropriate to recommend a final dividend of ₹10/- per equity share of ₹10/- each. It may be recalled that in January 2018, an interim dividend at the rate of ₹5/- per equity share of ₹10/- each was declared and paid. This aggregates to a total dividend of ₹15 per equity share of ₹10/- each for the financial year ended 31<sup>st</sup> March 2018 as compared to ₹4.50 per equity share of ₹10/- each paid in the previous financial year.

The provisions of the Companies Act, 2013 does not mandate any transfer of profits to General Reserve. Hence, no transfer has been made to the General Reserve for the year under review.

### Subsidiary Companies

The Company did not have any subsidiary as on 31<sup>st</sup> March 2018.

During the year under review, the Company's wholly owned subsidiary namely, "GCL Global Resources SGP Pte Limited", Singapore was liquidated.

### Accreditation

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

### Public Deposits

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public deposits was outstanding as on 31<sup>st</sup> March 2018.

### Directors

Dr. A. B. Prasad, Independent Director of the Company ceased to be Director w.e.f. 9<sup>th</sup> February 2018 due to his demise. The Directors place on record their deep appreciation for the invaluable contributions made by Late Dr. A. B. Prasad during his tenure as the Company's Whole time Director/Managing Director from December 1995 to November 2006 and thereafter as Non-Executive Director (from December 2006) and Independent Director (from September 2014).

Mr. Rajesh Dempo retires by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment. Approval of the members is being sought at the ensuing Annual General Meeting for his re-appointment and the requisite details in this connection are contained in the Notice convening the meeting.

### Independent Directors' Declarations

All Independent Directors of the Company have given declarations under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations.

### Key Managerial Personnel

In terms of the Section 203 of the Companies Act, 2013, following are the Key Managerial Personnel (KMP) of the Company as on the date of this report:

Sr. No.	Name of the KMP	Designation
1	Mr. Jagmohan Chhabra (DIN: 01007714)	Executive Director
2	Mr. K. Balaraman (ACA 029283)	Chief Financial Officer
3	Mr. Pravin Satardekar (ACS 24380)	Company Secretary

### Company Secretary and Compliance Officer

During the year, Mr. Purushottam Mantri, Company Secretary, KMP and Compliance Officer of the Company retired from the services of the Company effective 6<sup>th</sup> January 2018.

Consequent to Mr. Mantri's retirement, the Board appointed Mr. Pravin Satardekar as the Company Secretary, KMP and Compliance Officer of the Company effective 7<sup>th</sup> January 2018.

### Meetings of the Board of Directors

A minimum of four Board meetings are held annually. Additional Board meetings are convened by giving appropriate notice to address the Company's specific needs. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

During the year under review, five Board meetings were held, the details of which are given in the Corporate Governance Report which forms part of this Annual Report.

The intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

### Audit Committee

Composition of the Audit Committee

Sr. No.	Name of the Director	Chairman/Member
1	Mr. Dara Mehta	Chairman
2	Mr. Keki Elavia	Member
3	Mr. Raman Madhok	Member
4	Ms. Kiran Dhingra	Member (w.e.f. 12 <sup>th</sup> April 2018)

The terms of reference and other details of the Audit Committee are provided in Corporate Governance Report which forms part of this Annual Report. During the Financial Year 2017-18, all the recommendations of the Audit Committee were duly approved and accepted by the Board.

### Policy on Director's appointment and Remuneration and other details

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

The salient features of the Nomination and Remuneration Policy is included in this Report as Annexure - I.

### Board Evaluation

The annual evaluation process of the Board of Directors ("Board"), Committees and individual Directors was carried out in the manner prescribed in the provisions of the Companies

Act, 2013, Guidance Note on Board Evaluation issued by Securities and Exchange Board of India on 5<sup>th</sup> January 2017 and as per the Corporate Governance requirements prescribed by SEBI Listing Regulations.

The performance of the Board, Committees and individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The Nomination and Remuneration Committee reviewed the performance of the individual Directors, a separate meeting of Independent Directors was also held to review the performance of Non-Independent Directors; performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the views of the Executive Director and Non-Executive Directors. This was followed by a Board meeting that discussed the performance of the Board, its Committees and individual Directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure; effectiveness of Board processes, information and functioning, etc. The criteria for performance evaluation of Committees of the Board included aspects like composition and structure of the Committees, functioning of Committee meetings, contribution to decision of the Board, etc. The criteria for performance evaluation of the individual Directors included aspects on contribution to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, integrity etc. In addition, the Chairman was also evaluated on the key aspects of his role.

### Familiarization Programme for Independent Directors

The details of the Familiarisation Programme for Independent Directors with the Company in respect of their roles, rights, responsibilities in the Company, nature of the industry in which Company operates, business model of the Company and related matters are put up on the website of the Company at [www.goacarbon.com](http://www.goacarbon.com)

### Internal Control System

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

as business evolves. The Company has a process in place to continuously identify such gaps and implement newer and or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

### **Statutory Auditors**

Pursuant to provisions of Section 139 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules, 2014, In the 49<sup>th</sup> Annual General Meeting (AGM) held on 30<sup>th</sup> June 2017, M/s. B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) were appointed as Statutory Auditors of the Company for a term of five years, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company. The Ministry of Corporate Affairs has vide notification dated 7<sup>th</sup> May 2018 obliterated the requirement of seeking Member's ratification at every AGM on appointment of Statutory Auditor during their tenure of 5 years.

### **Statutory Auditors' Observations**

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

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

### **Cost Audit**

The maintenance of cost records is not applicable to the Company as per the amended Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.

### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules thereunder, the Board of Directors of the Company had appointed CS Sadashiv V. Shet, Practising Company Secretary to conduct the Secretarial Audit for FY 2017-18. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2018 forms a part of this Annual Report. The same is self explanatory and requires no comments.

### **Vigil Mechanism/Whistle Blower Policy**

The Company has established a Vigil Mechanism/ Whistleblower Policy for the employees to report their genuine concerns or grievances and the same has been posted on the Company's website [www.goacarbon.com](http://www.goacarbon.com).

The Audit Committee of the Company oversees the Vigil Mechanism.

### **Risk Management**

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

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

### **Particulars of loans, guarantees or investments**

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

### **Related Party Transactions**

All transactions with related parties entered into during the financial year 2017-18 were at arm's length basis and in the ordinary course of business and in accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. During the Financial Year 2017-18, there have been no related party transactions of the Company with its Directors and Key Managerial Personnel or their relatives, its holding, subsidiary or associate companies as prescribed under Section 188 of the Companies Act 2013 and SEBI Listing Regulations. Also, there are no material transactions with any related party that are required to be disclosed under Form AOC-2.

All transactions with related parties are placed before the Audit Committee for approval. An omnibus approval of the Audit Committee is obtained for the related party transactions which are repetitive in nature. The Audit Committee reviews all transactions entered into pursuant to the omnibus approval so granted on a quarterly basis.

As required under regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy has been uploaded on the website of the Company and can be accessed at: [http://www.goacarbon.com/downloads/Related%20Party%20Transaction%20Policy\\_GOA%20CARBON%20LIMITED.pdf](http://www.goacarbon.com/downloads/Related%20Party%20Transaction%20Policy_GOA%20CARBON%20LIMITED.pdf)

### **Significant and material orders passed by the Regulators or Courts**

There were no significant material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

### **Material changes and commitment, if any, affecting financial position of the Company from financial year end and till the date of this report**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

### **Particulars of employees and related disclosures**

The information required pursuant to Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure – II to this Report.

The statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197(12) of the Companies Act 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate Annexure forming part of the Report. In terms of proviso to Section 136(1) of the Companies Act 2013, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. The said statement is also open for inspection at the Registered Office of the Company. Any member interested in obtaining a copy of the same may write to the Company Secretary.

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

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

### **Corporate Social Responsibility (CSR)**

Pursuant to Section 135 of the Companies Act, 2013 read with rules made there under, your Directors have constituted the Corporate Social Responsibility (CSR) Committee.

Composition of the CSR Committee

Sr. No.	Name of the Director	Chairman/Member
1	Mr. Shrinivas Dempo	Chairman
2	Mr. Raman Madhok	Member
3	Ms. Kiran Dhingra	Member (w.e.f. 12 <sup>th</sup> April 2018)
4	Mr. Jagmohan Chhabra	Member

The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities

during the year are set out in Annexure - IV of this Report in the format prescribed in the Companies (CSR Policy) Rules, 2014. The Policy is available on the Company's web-site at [www.goacarbon.com](http://www.goacarbon.com).

### **Extract of Annual Return**

As provided under Section 92(3) of the Act, the details forming part of the extract of the Annual Return in Form MGT-9 is annexed as Annexure - V.

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

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

The policy aims at educating employees on conduct that constitutes sexual harassment, ways and means to prevent occurrence of any such incident, and the mechanism for dealing with such incident in the unlikely event of its occurrence.

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

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

### **Corporate Governance**

It has been the endeavour of your Company to follow and implement best practices in corporate governance, in letter and spirit. The following forms part of this Annual Report:

- (i) Declaration regarding compliance of Code of Conduct by Board Members and Senior Management Personnel;
- (ii) Management Discussion and Analysis;
- (iii) Corporate Governance Report;
- (iv) Practising Company Secretary's Certificate regarding compliance of conditions of corporate governance.

### **Directors' Responsibility Statement**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal auditors, statutory auditors, secretarial auditors and any other external agencies, if any, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the Audit Committee, the Board is of the

opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2017-18.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm:

- (a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- (b) that such accounting policies as mentioned in Notes to the annual accounts have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2018 and of the profit of the Company for the year ended on that date;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis;

- (e) that proper internal financial controls are in place and that the internal financial controls are adequate and are operating effectively;
- (f) that proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems are adequate and operating effectively.

**Appreciation and Acknowledgement**

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

For and on behalf of the Board of Directors

**Shrinivas Dempo**  
Chairman  
DIN: 00043413

Panaji-Goa  
9<sup>th</sup> May 2018

**Annexure – I to the Directors' Report**

**Salient features of the Nomination and Remuneration Policy**

**Policy for appointment and removal of Director, KMP and Senior Management:**

**Appointment criteria and qualifications:**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**Term/Tenure:**

- a) **Managing Director/Whole-time Director:**  
The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) **Independent Director:**
  - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Directors' report.
  - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company

in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

**Evaluation:**

The Committee shall carry out evaluation of performance of every Director (on yearly basis).

The Committee shall identify evaluation criteria which will evaluate Directors based on the attendance/preparedness/ participation/performance at board meetings, professional conduct and independence etc. The appointment/re-appointment/continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

Framework for performance evaluation of the Board and Independent Directors is as per "Annexure A" to this Policy.

**Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

**Retirement:**

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company as the case may be. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**Policy on Board diversity:**

The Board of Directors shall have the optimum combination

of Directors from the different areas/fields like Process/Projects, Production, Management, Finance, Legal, Sales and Marketing, Research and Development, Human Resources etc. or as may be considered appropriate.

The Board shall have at least one Board member who has accounting or related financial management expertise and at least two members who are financially literate.

**Familiarization Programme for Independent Directors:**

- a) The Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.
- b) As and when familiarization programme is conducted, the same will be disclosed on the website of the Company. A web link of the disclosure shall also be given in the Annual Report of the Company.

**Policy relating to the remuneration for the Managing Director/Whole-time Director/Manager, KMP and Senior Management Personnel:**

**General:**

- a) The remuneration/commission etc. to the Managing Director/Whole-time Director/Manager and Independent Directors will be determined by the Committee and recommended to the Board for approval. The remuneration/commission etc. shall be in accordance with Companies Act, 2013 and the rules made there under for the time being in force and shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration of KMP and Senior Management Personnel, shall be determined by way of a presentation before the Committee by the Head (Personnel/HR) or by the Chief Financial Officer, which would have requisite details. The Committee shall peruse the same and approve accordingly.
- c) Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director/Whole-time Director/Manager. Increments will be effective from 1st April.
- d) Where any insurance is taken by the Company on behalf of its Managing Director/Whole-time Director/Manager, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable

to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**Remuneration to Managing Director/Whole-time Director/Manager, KMP and Senior Management Personnel:**

**Remuneration to Managing Director/Whole-time Director/Manager:**

- a) Remuneration:  
The Managing Director/Whole-time Director/Manager shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.
- b) Minimum Remuneration:  
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Whole-time Director/Manager in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the approval of the Central Government.
- c) Provisions for excess remuneration:  
If any Managing Director/Whole-time Director/Manager draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**Remuneration to Non-Executive/Independent Director:**

- a) Sitting Fees:  
The Non-Executive/Independent Director shall be paid sitting fees for attending meetings of the Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- b) Profit-linked Commission:  
The profit-linked commission may be paid within the

monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Regulations.

- c) Stock Options:  
An Independent Director shall not be entitled to any stock option of the Company.

**Remuneration to KMP and Senior Managerial Personnel:**

The KMP and Senior Management Personnel of the Company shall be paid monthly remuneration as per the Company's HR policies and/or as may be approved by the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

In case of any proposed performance based increments or incentives in any financial year, the Head (Personnel/HR) or the Chief Financial Officer of the Company, shall make an annual presentation before the Committee which would have requisite details setting out the proposed performance based payouts for the financial year. The Committee shall peruse and approve the same unless required under relevant

regulations, to refer the same to the Board of Directors and/ or Shareholders of the Company.

This Policy shall apply to all future/continuing employment/engagement(s) with the Company. In other respects, the Policy shall be of guidance for the Board. Any deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

The remuneration for KMP and Senior Managerial Personnel of the Company shall be approved by the Committee based on the recommendation/presentation by the Head (Personnel/HR) or the Chief Financial Officer of the Company. In case any of the relevant regulations require that remuneration of KMPs or any other officer is to be specifically approved by the Committee and/or the Board of Directors then such approval will be accordingly procured.

**Loans and advances to employees of the Company:**

The employees of the Company, on an application in writing to the CEO of the Company, be granted loan or advance at an interest rate to be decided by the KMP's of the Company with consideration to the income/financial status or position of the requesting employee/any other criteria or as per the Company's HR policies.

## Annexure – II to the Directors' Report

### Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) The percentage increase in remuneration of each Director and KMP during the financial year 2017-18 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 are as under:

Sr. No.	Name of Director/KMP	Designation/Category	Remuneration (₹ in Lacs)	% Increase in remuneration	Ratio of Remuneration of each Director to median remuneration of employees
1.	Mr. Shrinivas Dempo	Chairman - Non-Executive Director@	18.53	961.71	4.18:1
2.	Mr. Dara Mehta	Independent - Non-Executive Director@	19.22	1608.89	4.32:1
3.	Mr. Keki Elavia	Independent - Non-Executive Director@	18.02	836.36	4.05:1
4.	Mr. Raman Madhok	Independent - Non-Executive Director@	16.43	517.42	3.70:1
5.	Ms. Kiran Dhingra	Independent - Non-Executive Director@	13.25	754.84	2.98:1
6.	Mr. Rajesh Dempo	Non-Executive Director@	13.28	610.16	2.98:1
7.	Late Dr. A. B. Prasad*	Independent - Non-Executive Director@	6.70	#	#
8.	Mr. Jagmohan Chhabra	Executive Director	138.61	52.87	31.13:1
9.	Mr. K. Balaraman	Chief Financial Officer	49.61	17.86	Not applicable
10.	Mr. Purushottam Mantri*	Company Secretary	42.44	#	Not applicable
11.	Mr. Pravin Satardekar*	Company Secretary	5.90	#	Not applicable

@ The Sitting fees payable to the Non-Executive Directors (NED) was increased effective 12<sup>th</sup> April 2017. The payment of profit linked commission to NEDs has been made effective from Financial Year 2017-18 (please refer the Corporate Governance report for further details).

\* Late Dr. A. B. Prasad ceased to be Director with effect from 9<sup>th</sup> February 2018 due to his demise. Mr. P. S. Mantri, Company Secretary retired from the services of the Company with effect from 6<sup>th</sup> January 2018. Mr. Pravin Satardekar was appointed as the Company Secretary with effect from 7<sup>th</sup> January 2018.

# Since the remuneration is only for part of the year, the ratio of their remuneration to median remuneration/percentage increase in remuneration is not comparable and hence not stated.

- ii) The median remuneration of employees of the Company during the Financial Year was ₹4.45 lacs  
 iii) The percentage increase in the median remuneration of employees for the Financial Year was 0%.  
 iv) The Company had 205 permanent employees on the rolls of Company as on 31<sup>st</sup> March 2018.  
 v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 3.60% whereas the increase in the managerial remuneration for the same financial year was 134.74%. (The Sitting fees payable to the Non-Executive Directors (NED) was increased effective 12<sup>th</sup> April 2017. The payment of profit linked commission to NEDs has been made effective from Financial Year 2017-18).  
 vi) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

**Shrinivas Dempo**  
 Chairman  
 DIN: 00043413

Panaji-Goa  
 9<sup>th</sup> May 2018

## Annexure – III to the Directors' Report

Particulars with respect to conservation of energy, etc. as per Companies (Accounts) Rules, 2014

(A) Conservation of Energy	Goa Plant	Bilaspur Plant	Paradeep Plant
(i) the steps taken or impact on conservation of energy	Total electrical units consumed during the year was 9,65,544 kwh units as against 7,15,268 kwh units of the previous year. Consumption of electrical energy per metric ton of Calcined Petroleum Coke (CPC) produced during the year was 16.98 kwh/MT of CPC as against 18.64 kwh/MT of previous year. This is due to decrease in production run days from 190 days to 285 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 ₹2,46,043/-.	Electrical Energy consumption during the year has decreased to 14.81 kwh/MT as compared to 16.80 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 minimize power consumption. Furnace Oil consumption per MT of CPC has decreased from 1.45 litres/MT to 0.38 litres/MT for heating & cooling of the Kiln and also Furnace Oil used for processing has decreased from 1.97 litres/MT to 0.82 litres/MT due to concerted efforts and continuous monitoring of process parameters.	The specific Electrical Energy consumption for the financial year 2017-18 was 32.70 Kwh/MT. In comparison with the previous financial year 2016-17, the specific energy consumption is more by 0.37 Kwh/MT of CPC produced. The reason for this increase in specific energy consumption is due to reduced average production per day since January 2018 as we were forced to operate the kiln by postponing its maintenance due to value addition for CPC. The average production per day was 354.93 MT during the year as compared to 331.25 MT of the previous year. The power cost per MT of CPC has decreased by ₹1.90/MT compared to previous year. The consumption of Furnace oil for production was nil as in the previous year.
(ii) the steps taken by the company for utilising alternate sources of energy	1) Replaced normal light fittings of 11,700 watts with LED light fittings of 3,010 watts 2) Conditioned monitoring of equipments & strict monitoring for efficient usage of equipment is being continued in all sections.	1) Additional transperant FRP sheets provided in CPC storage godown for using natural light. 2) Installed energy efficient luminaries. 3) Initiation to install energy efficient motors.	
(iii) the capital investment on energy conservation equipments			



**(B) Technology Absorption**

- |  |   |   |
|--|---|---|
| (i) the efforts made towards technology absorption.<br>(ii) the benefits derived like product improvement, cost reduction, product development or import substitution.<br>(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-<br>(a) the details of technology imported;<br>(b) the year of import;<br>(c) whether the technology has been fully absorbed;<br>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and<br>(iv) the expenditure incurred on Research and Development. | } | The Company has been continuously making efforts to achieve reduction in energy consumption and higher product recovery with consistent reviews of all processes and operations and consequent improvement actions like recently installed bag filters. The Company is also making all round efforts to improve on the efficiency of the production of CPC quality by experimenting various specifications of raw materials and its blends. |
| (a) the details of technology imported;<br>(b) the year of import;<br>(c) whether the technology has been fully absorbed;<br>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and<br>(iv) the expenditure incurred on Research and Development.   | } | Not Applicable  |

**(C) Foreign Exchange Earnings and Outgo**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows

Foreign Exchange used for importing raw material, interest on foreign currency loans and travel expenses of employees for official work etc. were equivalent to ₹27,424.40 Lacs.

Foreign Exchange earned during the year 2017-18 was Nil.

**Annexure – IV to the Directors' Report**
**Annual Report on Corporate Social Responsibility (CSR) Activities**
**1. A brief outline of the Company's CSR Policy**

Goa Carbon Limited (hereafter referred to as "the Company") is committed to fulfilling its responsibilities to society in a qualitative manner beyond statutory obligations in line with the time-honoured record of ethics and responsibility of the Dempo conglomerate, which it belongs to. The Company views compliance as the bare minimum in terms of its endeavour to be a good citizen in all three aspects of corporate life – environmental, social and economic.

The CSR vision of the Company is to become the most admired company of the region by doing business the ethical way and embed the ethos of a socially and environmentally responsible corporate citizen in its strategy and activities. Coupling its regular business with innovative and creative choices in CSR, the Company endeavours to contribute meaningfully to nation-building.

**2. Average net profit of the Company for last three financial years: ₹377.76 Lacs**
**3. Prescribed CSR expenditure (two percent of the amount as in item 2 above): ₹7.56 Lacs**
**4. Details of CSR Spend during the financial year**

- Total amount spent during the financial year: ₹10.59 Lacs
- Amount unspent, if any: Not Applicable
- Manner in which the amount is spent during the financial year:

Amount in ₹

Sr. No.	CSR project/ activity	Sector (Schedule VII)	Projects or programs (1) Local area (2) State & district	Amount outlay (Budget) project or program wise	Amount spent (1) Direct expenditure (2) Overheads	Cumulative expenditure up to the reporting period	Direct or through implementing agency*
1.	Sponsorship to Bhakti Kulkarni - Brand Ambassador, Chess Competitions	Sports Promotion	Local Area	2,00,000.00	(1) 2,00,000.00 (2) Nil	2,00,000.00	Direct
2.	Electrification of road from Dochhaki to Atharbanki	Rural Development	Paradeep, Odisha	60,000.00	(1) 60,000.00 (2) Nil	60,000.00	Direct
3.	Organizing a Cultural heritage Programme 'Niali Mahostav'	Art & Culture	Paradeep, Odisha	25,000.00	(1) 25,000.00 (2) Nil	25,000.00	Direct
4.	Sponsorship for Water Purifier under "Adopt a Home Programme" undertaken by Ministry of Women & Child Development	Women Empowerment/ Child Development/ Safe Drinking Water & Sanitation	Paradeep, Odisha	1,00,000.00	(1) 1,00,000.00 (2) Nil	1,00,000.00	Through the Department of Women & Child Development, GOI
5.	Village development work. Sponsorship for a Garbage Compacting and collection vehicle	Sanitation	Local Area	6,74,680.00	(1) 6,74,680.00 (2) Nil	6,74,680.00	Direct
<b>Total</b>				<b>10,59,680.00</b>	<b>(1) 10,59,680.00 (2) Nil</b>	<b>10,59,680.00</b>	

**5. Reasons for falling short of the required spend**

Not Applicable

**6. Responsibility statement of the CSR committee:**

The CSR Committee of the Company's Board states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company. The Company through its Promoter Group has engaged M/s NextGen PMS Pvt. Ltd., for assurance on CSR spend by the Company under Section 135 of the Companies Act, 2013 and Schedule VII.

**Jagmohan Chhabra**

 Executive Director  
(DIN: 01007714)

**Shrinivas Dempo**

 Chairman  
(DIN: 00043413)  
Chairman CSR Committee

 Panaji-Goa  
9<sup>th</sup> May 2018

## Annexure – V to the Directors' Report

### Relevant extract of Annual Return as on the financial year ended on 31<sup>st</sup> March 2018.

#### I. REGISTRATION AND OTHER DETAILS

i. Corporate Identity Number (CIN) of the Company	L23109GA1967PLC000076
ii. Registration Date	22 <sup>nd</sup> June 1967
iii. Name of the Company	Goa Carbon Limited
iv. Category/Sub-Category of the Company	Public Company Limited by shares
v. Address of the Registered office and contact details	Dempo House, Campal, Panaji, Goa 403 001 Tel +91 832 2441300, Fax +91 832 2427192
vi. Whether listed company	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park, LBS Marg, Vikhroli (West) Mumbai 400 083 E-Mail: rnt.helpdesk@linkintime.co.in Ph.: (022) 49186270, Fax: (022) 49186060

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section of Companies Act, 2013
1.	V. S. Dempo Holdings Pvt. Ltd. Dempo House, Campal, Panaji, Goa 403 001	U65993GA1984PTC000570	Holding	55.39%	2(46)

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

##### i) Category-wise Share Holding

Category of shareholders	Number of shares held on 1 <sup>st</sup> April 2017				Number of shares held on 31 <sup>st</sup> March 2018				% change during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares		
<b>A. Promoters</b>										
<b>1. Indian</b>										
Individuals/HUF	3,95,939	Nil	3,95,939	4.3267	3,95,939	Nil	3,95,939	4.3267	Nil	
Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Bodies Corporate	51,03,340	Nil	51,03,340	55.7678	50,69,050	Nil	50,69,050	55.3931	(0.3747)	
Financial Institutions/Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
<b>Sub-Total (A)(1)</b>	<b>54,99,279</b>	<b>Nil</b>	<b>54,99,279</b>	<b>60.0945</b>	<b>54,64,989</b>	<b>Nil</b>	<b>54,64,989</b>	<b>59.7198</b>	<b>(0.3747)</b>	
<b>2. Foreign</b>										
Individuals (Non-Resident Individuals/Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	

Category of shareholders	Number of shares held on 1 <sup>st</sup> April 2017				Number of shares held on 31 <sup>st</sup> March 2018				% change during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares		
Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
<b>Sub-Total (A)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	
<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>54,99,279</b>	<b>Nil</b>	<b>54,99,279</b>	<b>60.0945</b>	<b>54,64,989</b>	<b>Nil</b>	<b>54,64,989</b>	<b>59.7198</b>	<b>(0.3747)</b>	
<b>B. Public shareholding</b>										
<b>1. Institutions</b>										
Mutual Funds/UTI	Nil	550	550	0.0060	Nil	550	550	0.0060	Nil	
Financial Institutions/Banks	22,876	635	23,511	0.2569	304	570	874	0.0096	(0.2473)	
Central Government/State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Foreign Portfolio Investors	Nil	Nil	Nil	Nil	8,461	Nil	8,461	0.0925	0.0925	
Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Qualified Foreign Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
<b>Sub-Total (B)(1)</b>	<b>22,876</b>	<b>1,185</b>	<b>24,061</b>	<b>0.2629</b>	<b>8,765</b>	<b>1,120</b>	<b>9,885</b>	<b>0.1080</b>	<b>(0.1549)</b>	
<b>2. Central/State Government</b>										
<b>Sub-Total (B)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	
<b>3. Non-institutions</b>										
Bodies Corporate	2,93,675	3,012	2,96,687	3.2421	2,83,535	2,760	2,86,295	3.1285	(0.1136)	
Individuals –										
i. Individual shareholders holding nominal share capital up to ₹2 Lacs	25,46,534	3,84,752	29,23,495	31.9471	24,36,507	2,80,118	27,16,625	29.6865	(2.2606)	
ii. Individual shareholders holding nominal share capital in excess of ₹2 Lacs	28,300	Nil	28,300	0.3093	2,55,543	Nil	2,55,543	2.7925	2.4832	
Qualified Foreign Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Any Other (specify)										
i. Clearing Member	1,40,951	Nil	1,40,951	1.5403	1,56,706	Nil	1,56,706	3.1285	1.5882	
ii. Non Resident Indian (Repat.)	42,562	20	42,582	0.4653	60,314	20	60,334	0.6593	0.1940	
iii. Non Resident Indian (Non Repat.)	72,445	4,760	77,205	0.8437	29,838	260	30,098	0.3289	(0.5148)	
iv. Directors & their relatives	Nil	4,000	4,000	0.0437	Nil	4,000	4,000	0.0437	Nil	
v. Trusts	100	Nil	100	0.0011	550	Nil	550	0.0060	0.0049	
vi. Hindu Undivided Family	1,14,392	Nil	1,14,392	1.2500	81,423	Nil	81,423	0.8898	(0.3602)	
vii. IEPF Authority	Nil	Nil	Nil	Nil	84,604	Nil	84,604	0.9245	0.9245	
<b>Sub-Total (B)(3)</b>	<b>32,38,959</b>	<b>3,96,544</b>	<b>36,27,712</b>	<b>39.6426</b>	<b>33,89,020</b>	<b>2,87,158</b>	<b>36,76,178</b>	<b>40.1722</b>	<b>0.5296</b>	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>32,61,835</b>	<b>3,89,938</b>	<b>36,51,773</b>	<b>39.9055</b>	<b>33,97,785</b>	<b>2,88,278</b>	<b>36,86,063</b>	<b>40.2802</b>	<b>0.3747</b>	
<b>C. Shares held by Custodians for GDR's &amp; ADR's</b>										
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>87,61,114</b>	<b>3,89,938</b>	<b>91,51,052</b>	<b>100.0000</b>	<b>88,62,774</b>	<b>2,88,278</b>	<b>91,51,052</b>	<b>100.0000</b>		

## ii) Shareholding of Promoters

Shareholder's name	Number of shares held on 1 <sup>st</sup> April 2017			Number of shares held on 31 <sup>st</sup> March 2018			% change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
Shrinivas Vasudeva Dempo	3,95,939	4.3267	Nil	3,95,939	4.3267	Nil	Nil
V. S. Dempo Holdings Pvt. Ltd.	50,69,040	55.3930	Nil	50,69,040	55.3930	Nil	Nil
Motown Trading Pvt. Ltd.	34,300	0.3748	Nil	10	0.0001	Nil	(0.3747)
<b>TOTAL</b>	<b>54,99,279</b>	<b>60.0945</b>	<b>Nil</b>	<b>54,64,989</b>	<b>59.7198</b>	<b>Nil</b>	<b>(0.3747)</b>

## iii) Change in Promoters' Shareholding

Shareholder's name	Shareholding at the beginning of the year (1 <sup>st</sup> April 2017)		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during/at the end of the year (31 <sup>st</sup> March 2018)	
	No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
Shrinivas Vasudeva Dempo	3,95,939	4.3267	-	-	-	3,95,939	4.3267
V. S. Dempo Holdings Pvt. Ltd.	50,69,040	55.3930	-	-	-	50,69,040	55.3930
Motown Trading Pvt. Ltd.	34,300	0.3748	27 <sup>th</sup> July 2017	(34,290)	Transfer	10	0.0001
<b>TOTAL</b>	<b>54,99,279</b>	<b>60.0945</b>		<b>(34,290)</b>		<b>54,64,989</b>	<b>59.7198</b>

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

Top Ten Shareholders	Shareholding as on 1 <sup>st</sup> April 2017		Shareholding as on 31 <sup>st</sup> March 2018	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
Natarajan B	-	-	87,008	0.9508
Dolly Khanna	-	-	48,195	0.5267
Balkrishna Gobindram Shroff	-	-	39,460	0.4312
Aditya Birla Money Limited	725	0.0079	32,419	0.3543
Abhishek Khaitan	-	-	30,127	0.3292
Pravina Kantilal Karani	28,300	0.3092	28,300	0.3093
Shyam Gobindram Shroff	-	-	22,453	0.2454
Lalit Khaitan	-	-	20,000	0.2186
Angel Broking Private Limited	3,976	0.0434	18,108	0.1979
Rashida Hatim Miyajiwala	20,000	0.2186	15,100	0.1650

## v) Shareholding of Directors and Key Managerial Personnel

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>At the beginning of the year, 1<sup>st</sup> April 2017</b>				
Shrinivas Vasudeva Dempo	3,95,939	4.3267	-	-
Dara P. Mehta	4,000	0.0437	-	-
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)	-	-	-	-
<b>At the end of the year, 31<sup>st</sup> March 2018</b>				
Shrinivas Vasudeva Dempo	-	-	3,95,939	4.3267
Dara P. Mehta	-	-	4,000	0.0437

## V. INDEBTEDNESS

Particulars	Secured Loans excluding deposits			Unsecured Loans		Deposits		Total Indebtedness
Indebtedness of the Company including interest outstanding/accrued but not due for payment								
Indebtedness at the beginning of the financial year								
i) Principal Amount	15,869.64	-	-	-	-	-	-	15,869.64
ii) Interest due but not paid	-	181.01	-	-	-	-	-	181.01
iii) Interest accrued but no due	51.83	-	-	-	-	-	-	51.83
<b>Total (i+ii+iii)</b>	<b>15,921.47</b>	<b>181.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,102.48</b>
Change in Indebtedness during the financial year								
* Addition	3,703.52	-	-	-	-	-	-	3,703.52
* Reduction	-	-	-	-	-	-	-	-
<b>Net Change</b>	<b>3,703.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,703.52</b>
Indebtedness at the end of the financial year								
i) Principal Amount	19,487.65	-	-	-	-	-	-	19,487.65
ii) Interest due but not paid	-	181.01	-	-	-	-	-	181.01
iii) Interest accrued but not due	137.34	-	-	-	-	-	-	137.34
<b>Total (i+ii+iii)</b>	<b>19,624.99</b>	<b>181.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,806.00</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Particulars of Remuneration	Name of MD/WTD/Manager	
	Jagmohan Chhabra	
A. Remuneration to Managing Director, Whole-time Directors and/or Manager		
Gross salary		
(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961		107.00
(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		20.42
(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961		Nil
Stock Option		Nil
Sweat Equity		Nil
Commission – as % of profit – others, specify...		Nil
Others, please specify – Retirement benefits		11.09
<b>Total (A)</b>		<b>138.51</b>
Ceiling as per the Act	5% of Net Profits of FY 2017-18 (i.e. ₹456 Lacs) calculated as per Section 198 of the Companies Act, 2013)	

Particulars of Remuneration	Name of Directors					Total Amount
	Independent Directors	Dara Mehta	Keki Elavia	Late Dr. A. B. Prasad	Raman Madhok	
B. Remuneration to other Directors						
Fee for attending board/committee meetings	2.57	2.73	1.30	2.99	2.00	11.59
Commission	16.65	15.30	5.40	13.50	11.25	62.10
Others, please specify	-	-	-	-	-	-
<b>Total (1)</b>	<b>19.22</b>	<b>18.03</b>	<b>6.70</b>	<b>16.49</b>	<b>13.25</b>	<b>73.69</b>
Other Non-Executive Directors						
Fee for attending board/committee meetings	1.93	2.03				3.96
Commission	16.65	11.25				27.90
Others, please specify	-	-				-
<b>Total (2)</b>	<b>18.58</b>	<b>13.28</b>				<b>31.86</b>
<b>Total (B)=(1+2)</b>						<b>105.55</b>
Ceiling as per the Act	1% of Net Profits of FY 2017-18 (i.e. ₹91 Lacs) calculated as per Section 198 of the Companies Act, 2013) This does not include Sitting fees payable to the Non-executive Directors					
<b>Total Managerial Remuneration (A+B)</b>						<b>244.06</b>
Overall Ceiling as per the Act	6% of Net Profits of FY 2017-18 (i.e. ₹547 Lacs) calculated as per Section 198 of the Companies Act, 2013). This does not include Sitting fees payable to the Non-executive Directors					

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD** ₹ in Lacs

Particulars of Remuneration	Key Managerial Personnel			Total Amount
	Mr. K. Balaraman CFO	Mr. Purushottam Mantri Company Secretary up to 06.01.2018	Mr. Pravin Satardekar Company Secretary w.e.f. 07.01.2018	
Gross salary				
(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	41.16	39.77	5.03	85.96
(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	5.06	2.67	0.58	8.31
(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
Stock Option	Nil	Nil	Nil	Nil
Sweat Equity	Nil	Nil	Nil	Nil
Commission				
– as % of profit	Nil	Nil	Nil	Nil
– others, specify...	Nil	Nil	Nil	Nil
Others, please specify				
– Retirement benefits	3.39	Nil	0.30	3.69
<b>Total</b>	<b>49.61</b>	<b>42.44</b>	<b>5.91</b>	<b>97.96</b>

**VII. PENALTIES/PUNISHMENT/ COMPOUNDING OF OFFENCES**

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

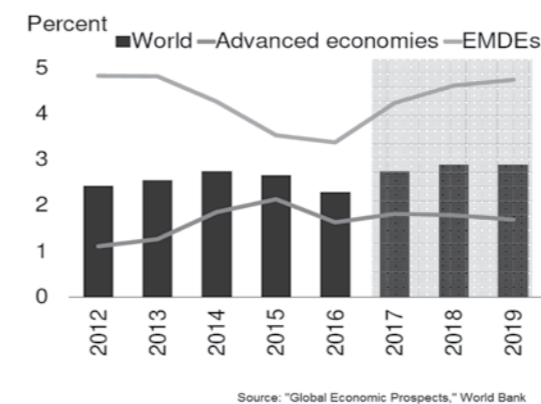
## Management Discussion and Analysis

### Global Economic Overview

Global economy strengthened to 3.8% compared to 3.1% in 2016 with a notable rebound in global trade mainly driven by an investment recovery in Advanced Economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. On the economic front, FY 2017-18 ended on a high note, with GDP continuing to accelerate over much of the world in the broadest cyclical upswing since the start of the decade. Stronger activity, expectations of more robust global demand, optimistic financial markets, the cyclical recovery in manufacturing and trade, etc. are all upside developments. Moreover, the global economy witnessed an upsurge in trade (with trade growth rising from 2.2 percent in 2016 to 6.4 percent in 2017), reflecting improved investment growth rates in formerly stressed commodity exporters as well as the recovery in advanced economy investment.

Going forward, with partial recovery in commodity prices, increased global growth momentum and the expected impact of the recently approved U.S. tax policy changes, the global growth forecasts for 2018 and 2019 have been revised upward by 20 basis points to 3.9%. (Source: IMF World Economic Outlook, July 2018)

### Outlook for global growth



\*EMDEs- Emerging Market and Developing Economies

### Indian Economic Overview

On the domestic front, the economic activity was hit by the twin blows of demonetization and rollout of Goods and Service Tax (GST) resulting in a lower GDP of 6.5% in 2017-18 as compared to 7% in 2016-17. However, this year

also witnessed significant steps being undertaken towards resolution of problems associated with Non-Performing Assets of the banks, Insolvency and Bankruptcy Code (IBC), further liberalization of FDI, etc., thus strengthening the momentum of reforms. (Source: Central Statistics Office)

GST is a significant move that will enable the country to overcome the multiple taxation regime and have a unified tax system. Though in the initial stages, GST saw some challenges faced by small and medium businesses, in the longer run, GST will boost corporate investment, productivity and growth by creating a single market and reducing the cost of capital equipment. GST is expected to benefit companies by narrowing the price gap between organised & unorganised players, streamlining business operations to become more compliance and profitability-oriented and reducing logistics costs. The country's economic performance is likely to witness an improvement in 2018-19 owing to greater stability in GST, recovery in investment levels and ongoing structural reforms.

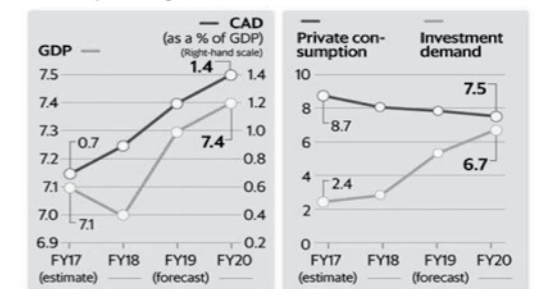
Recent initiatives by the NDA Government such as 'Make in India', 'Digital India', nation wide road-building program, Ease of Doing Business, etc. will boost and uplift the manufacturing sector. Apart from these, the government plans to build 100 smart cities with an outlay of ₹2.04 Lakh Crores, investment over ₹50 Lakh Crore in the country's infrastructure to increase the GDP growth, etc. thus uplifting the country's economy. (Source: Union Budget 2018-19; IBEF Report)

Owing to these positive developments in the country, IMF has predicted India's GDP at 7.4% in 2018 and a higher 7.8% in 2019, citing it as the world's fastest-growing economy in 2018 and 2019.

### Growth trajectory

The World Bank projected India's economy to recover gradually with a sharp improvement in investment demand. Though current account deficit is expected to rise, it will be fully financed by foreign direct investment inflows.

Year-on-year change (in %)



facility each on both of India's coasts at **Goa and Paradeep**. The Company has its third plant which is centrally located at **Bilaspur-Chhattisgarh** offering strategic benefits of better logistics management. The total installed capacity of all the three plants is 2,40,000 MT per annum. All the plants of the Company are ISO 9001 and ISO 14001 certified by Bureau Veritas.

The wide experience in the industry and well-established suppliers contacts provides the Company flexibility to capitalize on market opportunities by selecting raw materials from a wide range of sources across various geographies adjusting the composition of our product-mix and producing products that meet stringent quality specifications of each individual customer. In FY 2017-18, the Company clocked better overall capacity utilization at 90%. This growth was attributed to the rising demand for aluminium and steel in the country.

### Industry Overview

As 85% of Calcined Petroleum Coke (CPC) is used in the aluminium smelting process, aluminium production is one of the most important factors influencing CPC usage. Resultantly, the growth of CPC industry is directly linked with the growth of the Aluminium industry. As per the Industry Reports, global aluminium production is projected to resume growing in 2018 and 2019 at an increasing rate, with output reaching 76 million MT by 2022, driven by increased capacity in China, the Middle East and the USA.

On account of its inherent characteristics of being light in weight, superior electric conductivity, non-corrosive and high tensile strength, it is expected that aluminium output will show increasing trend owing to its preferred use in packaging and transportation. Also, owing to government emphasis on boosting power and construction projects as well as the automobile sector, the aluminium and steel industry is expected to grow at a robust pace which in turn, will bode well for CPC demand. The People's Republic of China has emerged as the world's largest producer of aluminium. It continues to be the primary driver of growth in the aluminium industry despite a lower GDP growth rate. As per the industry data, the country produced 36 million tons of aluminium in Calendar Year 2017, a rise of 10% from that of the Previous Year, thereby contributing to 57% of the total world production. The aluminium demand in Western Europe is expected to grow around 2.5%. Asia and the Middle East are expected to register around 5-6% growth in consumption. (Source: S & P Global Platts, World Aluminium Publications)

On the domestic front, the Country's aluminium consumption is expected to grow from 3.3 million tonnes now to reach 5.3

million tonnes by 2020-21. Demand in the domestic market is likely to accelerate on the back of expected traction in industrial activity, infra spending, demand for packaging material and government focus on power transmission and distribution. Today, the Indian aluminium industry is on the cusp of transformation and this bodes well for the domestic manufacturers. The growing demand for aluminium in the last decade, driven by India's underlying growth story, has resulted in the expansion of smelting capacities of the major domestic players. Despite the challenging commodity market, the aluminium industry continued its growth trajectory throughout the year 2017. (Source: IIFLW, CRISIL Report)

### Outlook

Various government reforms such as the Make in India Campaign, Smart Cities, Rural Electrification and focus on building renewable energy projects under the National Electricity Policy will spur the demand for aluminium. Further more, rapid urbanization, government initiatives to boost infrastructural development, rapid growth in automobile and food packaging sector, etc. shall augment consumer demand. India's aluminium production is expected to grow at a CAGR of 3-5% in the next 2-3 years. Also, increase in use of recycled aluminium products globally provides lucrative opportunities for the market expansion. Therefore, with the growth of the Aluminium industry, it is expected that CPC industry will grow in the same proportion.

### Production trend of Aluminium in India (mn tonnes)

	FY 2016-17	FY 2017-18 (E)	FY 2018-19 (E)	FY 2019-2020 (E)
Aluminium	2.80	2.94	3.12	3.33

Source: CARE Ratings Industry Research

As per the Industry Reports, the global Petroleum Coke market is forecasted to grow at a CAGR of 7.82% during the period 2017-2021 resulting in a positive impact of CPC demand too.

### Financial & Operational Review

The following operating and financial review is intended to convey the management's perspective on the operating and financial performance of the Company for the Financial Year 2017-18. This should be read in conjunction with the Financial Statements, the schedules and notes thereto and the other information included elsewhere in the Annual Report. The Financial Statements have been prepared in compliance with

the requirements of the Companies Act, 2013, the guidelines issued by the Securities and Exchange Board of India ("SEBI"), in accordance with Indian Accounting Standards (Ind AS) and the other accounting principles generally accepted in India.

Some of the Key Financial ratios are given below in percentage, except for earnings per share :

	As at 31.03.2018	As at 31.03.2017*
PAT (Loss)/ Sales	<b>9.18%</b>	2.86%
Return on Net Worth	<b>52.44%</b>	12.28%
Earnings per share (₹)	<b>58.84</b>	10.38

The net cash flow of the Company during the year ended 31.03.2018 is as follows:

	As at 31.03.2018	As at 31.03.2017*
Cash from operations	<b>2678.06</b>	1737.57
Cash from/(used in) investing activities	<b>190.27</b>	1125.89
Cash from/(used in) financial activities	<b>2000.84</b>	(5571.33)
Net increase/(decrease) in cash	<b>4869.17</b>	(2707.87)

\*The figures for FY 2016-17 have been recast as per the applicability of Ind AS.

### Business Challenges

The Risk Management framework of the Company ensures the identification of potential threats and challenges and addressing them appropriately to minimize the losses. The key business challenges identified by the Company along with their mitigation plans include:

#### Industry

Variance in the demand and supply of aluminium and steel may impact the demand for CPC. However, as aluminium production is shifting from West to East due to the high cost of operations in the West, demand is coming closer to Company's manufacturing facilities, catalyzing to its growth.

#### Foreign Exchange and Interest Rate

The Company imports almost 100% of its raw material - Green Petroleum Coke and has USD currency exposures. A down turn in the value of currency could lead to huge losses or reduction in profits of the Company.

The management of the Company tracks the movement of currency daily and takes forward contracts to hedge the currency. The management does not do speculative hedging.

#### Raw material Supply

Another challenge for the Company is to source right type of raw material at the right price and right time which otherwise may affect production and quality. However, since the Company has long-term relationships with refineries and suppliers, raw materials are procured from different sources at competitive prices. New refineries are coming up in China in line with increased demand for CPC with additional cokers to produce raw material. The management has put in place a mechanism to ensure proper production planning and inventory control systems which enhances control over raw materials planning.

#### Environment & Regulations

The various regulators have been imposing stringent provisions on the use of Green Petroleum Coke and manufacturing of the CPC which has an important bearing on the smooth business for the Company.

For every tonne of aluminium produced, it needs approximately 0.4 tonnes of CPC. Thus, any regulation affecting the use of Calcined Petroleum Coke will significantly impact the Aluminium Industry in India. Aluminium is the second most used metal in the world after steel. Thus, it is a critical and strategic part of the economic growth of India and occupies a due position in the global economy.

According to the Congressional Research Service (CRS), The Environmental Protection Agency (EPA) does not classify Green (Raw) Petroleum Coke as hazardous. EPA has surveyed the potential human health and environmental impacts of Green (Raw) Petroleum Coke through its High Production Volume (HPV) challenge program and found the material to be highly stable and non-reactive at ambient environmental conditions. Most toxicity analysis of coke finds that it has a low potential to cause adverse effects on aquatic or terrestrial environments as well as a low health hazard potential in human, with no observed carcinogenic, reproductive, or developmental effects.

#### Working Capital Requirements

The Company mainly avails non-fund-based facilities from Indian Banks in the form of Letter of Undertaking (LOU) to avail Buyer's credit facilities from overseas banks at a lower interest rate. Recently, the Reserve Bank of India has vide circular no. RBI/2017-18/139 dated 13.03.2018, barred the issue of Letter of Undertaking by banks for trade credits. This has compelled

the Company to borrow expensive fund-based facilities like overdraft from its bankers which are sanctioned strictly based on the working capital cycle. Instead of procuring the raw material in bulk at competitive prices considering the ocean freight, now the Company is constrained to limit the procurement of raw material based on working capital cycle at the higher interest rate applicable to overdraft facility till RBI lifts the ban on issue of LOUs by banks. However, efforts have been made to explore the possibilities of newer ways of financing the working capital requirements and the commercial contracts are being negotiated to contain the finance cost impact.

### Human Resources

The Company has an excellent combination of experienced and talented Technical Managers. Numerous skill development training is imparted to the employees from time to time for a continuous growth in their competencies and to keep them updated on new technical developments resulting in optimum capacity utilization and cost-effectiveness. In order to boost employee morale and motivate them to perform the best, the Company also provides a safe and healthy work environment.

In 2017-18, the Company ensured a healthy relationship with its workforce. As on 31<sup>st</sup> March 2018, the Company had 205 employees consisting of 17 managerial personnel and 188 other employees including workmen.

### Internal Control System

The Company's internal control is commensurate with the size of its business and the nature of industry it operates in. The

Internal Auditor ensures prompt recording of transactions and their adherence to the applicable laws, statutes as well as internal policies and procedures. Internal Audit is conducted regularly and the reports are submitted to the Audit Committee at their quarterly meetings.

### 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, 1956/2013 and SEBI Regulations.

### 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 those 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, environmental laws and labour relations. The Company undertakes no obligation to periodically revise any such forward looking statement to reflect future events or circumstances.

# Corporate Governance Report for the Financial Year 2017-18

[As required under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)]

### Introduction

Your Company has complied in all material respects with the requirements of the corporate governance provisions as specified in chapter IV of the Listing Regulations.

A report on the implementation of the corporate governance provisions of the Listing Regulations by the Company is given below:

#### **1. Company's philosophy on code of governance**

The Company's philosophy on the code of 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 as well as in achieving the objectives of the principles as mentioned in Regulation 4(2) of the Listing Regulations.

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

The Board of Directors along with its Committees provide leadership and guidance to the Company's management as also direct, supervise and control the performance of the Company. The Board currently comprises of 7 Directors out of which 6 Directors are Non-Executive Directors. As at 31<sup>st</sup> March 2018, the Company has a Non-Executive Chairman and 4 Independent Directors consequent to the sad demise of Late Dr. A. B. Prasad, an Independent Director on 9<sup>th</sup> February 2018. All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149 of the Companies Act, 2013 ("Act").

All the Directors have made necessary disclosures regarding their directorships as required under Section 184 of the Act and on the Committee positions held by them in all the companies. None of the Directors on the Company's Board hold the office of Director in more than 20 companies, including maximum 10 public companies and except Mr. Shrinivas Dempo and Mr. Rajesh Dempo who are cousins, none of the other Directors of the Company are related to each other. In accordance with Regulation 26 of the Listing Regulations, none of the Directors are members in more than 10 committees

or act as chairperson of more than 5 committees [the committees being, Audit Committee and Stakeholders' Relationship Committee]. All Non-Executive Directors who are not Independent Directors, are liable to retire by rotation. The appointment of the Executive Director, including the tenure and terms of remuneration is also approved by the members at the first meeting after the said appointment.

The required information, including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the Listing Regulations is made available to the Board of Directors, for discussions and consideration at Board Meetings. The Board reviews the declaration made by the Executive Director regarding compliance with all applicable laws on a quarterly basis, as also steps taken to remediate instances of non-compliance, if any.

Pursuant to Regulation 27(2) of the Listing Regulations, the Company also submits a quarterly compliance report on Corporate Governance to the Stock Exchanges where its shares are listed, within 15 days from the close of every quarter. The Executive Director and the Chief Financial Officer ("CFO") have certified to the Board on inter alia, the accuracy of the financial statements and adequacy of internal controls for financial reporting, in accordance with Regulation 17(8) read together with Part B of Schedule II of the Listing Regulations, pertaining to CEO and CFO certification for the Financial Year ended 31<sup>st</sup> March 2018. During the Financial Year 2017-18, Five Board Meetings were held on 11<sup>th</sup> April 2017, 30<sup>th</sup> June 2017, 13<sup>th</sup> July 2017, 11<sup>th</sup> October 2017 and 6<sup>th</sup> January 2018. The gap between any two Meetings did not exceed 120 days.

The composition of the Board, attendance at Board Meetings held during the Financial Year under review and at the last Annual General Meeting (AGM), number of directorships (excluding Goa Carbon Limited), memberships/chairmanships of the Board and Committees of all the public companies and their shareholding as at 31<sup>st</sup> March 2018 in the Company are as follows:

Name	Category	Board Meetings during FY 2017-18		Whether attended last AGM held on 30 <sup>th</sup> June 2017	Directorships <sup>o</sup>	Committee positions		Number of shares held as on 31 <sup>st</sup> March 2018
		Held	Attended			Member <sup>f</sup>	Chair-person	
Mr. Shrinivas Dempo (Chairman) DIN: 00043413	Promoter Non-Executive	5	5	Yes	12	1	1	3,95,939
Mr. Dara Mehta DIN: 00041164	Independent Non-Executive	5	5	Yes	6	3	3	4,000
Mr. Keki Elavia DIN: 00003940	Independent Non-Executive	5	5	Yes	12	10	5	Nil
Late Dr. A. B. Prasad * DIN: 00817902 (up to 9 <sup>th</sup> February 2018)	Independent Non-Executive	5	3	Yes	N.A.	N.A.	N.A.	N.A.
Mr. Raman Madhok DIN: 01798377	Independent Non-Executive	5	5	Yes	1	3	2	Nil
Ms. Kiran Dhingra DIN: 00425602	Independent Non-Executive	5	5	Yes	5	3	1	Nil
Mr. Rajesh Dempo DIN: 05143106	Non-Executive Non-Independent	5	5	Yes	6	2	Nil	Nil
Mr. Jagmohan Chhabra DIN: 01007714	Executive Director	5	5	Yes	Nil	Nil	Nil	Nil

<sup>o</sup> Includes directorships in private limited companies and Section 8 (Not for profit) companies and excludes directorships in foreign companies.

\* Late Dr. A. B. Prasad ceased to be a Director of the Company with effect from 9<sup>th</sup> February 2018 due to his demise.

<sup>f</sup> Includes the chairmanship, if any.

## 2.1 Independent Directors' Meeting

As per Regulation 25(1) of the Listing Regulations, none of the Directors serves as Independent Director in more than 7 listed entities and in case of whole-time director in any listed entity, then they do not serve as Independent Director in more than 3 listed entities.

An Independent Directors meeting in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the Listing Regulations was convened on 11<sup>th</sup> April 2018, to review the performance of the Non-Independent, Non-Executive Directors including the Chairman of the Board and performance of the Board as a whole for the FY 2017-18. For FY 2016-17, the meeting of Independent Directors was convened on 11<sup>th</sup> April 2017.

## 2.2 Board Effectiveness Evaluation

Pursuant to provisions of Regulation 17(10) of the Listing Regulations and the provisions of the Act, Board evaluation involving evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman, was conducted for the FY 2017-18. For details pertaining to the same kindly refer to the Directors' Report.

## 2.3 Familiarization Programme for Independent Directors

The Executive Director of the Company provides a brief of the industry and business of the Company to the new Independent Directors (ID) and also has a discussion to familiarize the ID with the Company's operations. The

appointment letter issued to the ID *inter alia* includes the role, functions, duties and responsibilities expected of him/her as a director of the Company. The Company also from time to time familiarizes the IDs about the Company, its product, business and the on-going events relating to the Company through presentations. The details on the Company's Familiarization Programme for IDs can be accessed at: [http://www.goacarbon.com/downloads/Familiarization%20Programmes%20for%20IDs\\_NEW.pdf](http://www.goacarbon.com/downloads/Familiarization%20Programmes%20for%20IDs_NEW.pdf)

## 3 Committees of the Board

The Board has constituted a set of Committees with specific terms of reference/scope to focus effectively on the issues and ensure expedient resolution of diverse matters. The Committees operate as empowered agents of the Board as per their terms of reference. The Board of Directors and the Committees also take decisions by circular resolutions which are noted at the next meeting. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/ noting.

### 3.1 Audit Committee

**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 Regulation 18(1) of the Listing Regulations read with Section 177 of the Companies Act, 2013.

The Statutory Auditors, the Internal Auditors, Executive Director and the Chief Financial Officer are permanent invitees to the Meetings.

Mr. Pravin Satardekar, Company Secretary, functions as the Secretary to all the Committee of the Board.

The Committee meets at least once a quarter. The terms of reference of the Audit Committee are as per the guidelines set out in Part C of Schedule II of the Listing Regulations. The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the management, the internal auditor and the statutory auditor and notes the processes and safeguards employed by each of them.

During the Financial Year 2017-18, Four Meetings were held on 11<sup>th</sup> April 2017, 12<sup>th</sup> July 2017, 10<sup>th</sup> October 2017 and 5<sup>th</sup> January 2018. The gap between no two meetings exceeded 120 days. The quorum was present for all the above four Meetings.

The present composition of the Committee and the attendance details of the members are given below:

Name of Member	Profession	Category	No. of meetings during FY 2017-18	
			Held	Attended
Mr. Dara Mehta – Chairman	Solicitor	ID	4	4
Mr. Keki Elavia	Chartered Accountant	ID	4	4
Mr. Raman Madhok	Corporate Consultant	ID	4	4
Ms. Kiran Dhingra*	Retired IAS Officer	ID	-	-

ID – Independent Director

\* Ms. Kiran Dhingra was appointed as a member of the Committee with effect from 12<sup>th</sup> April 2018.

The Chairman of the Audit Committee was present at the 49<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> June 2017.

### 3.2 Nomination and Remuneration Committee

**Details of the composition of the Nomination and Remuneration Committee and attendance of the members are as follows:**

The Nomination and Remuneration Committee (NRC) of the Company is constituted in line with the provisions of Regulation 19(1) and (2) of the Listing Regulations read

with Section 178 of the Act. The terms of reference of the NRC are as per the guidelines set out in Part D(A) of Schedule II of the Listing Regulations.

During the Financial Year 2017-18, two Meetings were held on 11<sup>th</sup> April 2017 and 5<sup>th</sup> January 2018.

The present composition of the Committee and the attendance details of the members are given below:

Name of Member	Category	No. of meetings during FY 2017-18	
		Held	Attended
Mr. Keki Elavia – Chairman	ID	2	2
Mr. Raman Madhok	ID	2	2
Ms. Kiran Dhingra ©	ID	2	2
Mr. Shrinivas Dempo*	NED	-	-

ID – Independent Director; NED – Non-Executive Director

© Ms. Kiran Dhingra ceased to be a member of the Committee with effect from 11<sup>th</sup> April 2018.

\* Mr. Shrinivas V. Dempo was appointed as a member of the Committee with effect from 12<sup>th</sup> April 2018.

The Chairman of the Nomination and Remuneration Committee was present at the 49<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> June 2017.

### 3.2.1 Remuneration Policy

The Company has in place a Remuneration Policy for Directors, KMP and others in accordance with the provisions of the Act and the Listing Regulations. For details on Remuneration Policy for Directors, KMP and others, kindly refer to the Directors' Report and the website of the Company – [www.goacarbon.com](http://www.goacarbon.com).

#### Remuneration of Directors

The Non-Executive Directors are paid Sitting Fees for attending the Board and Committee Meetings. The remuneration by way of commission to the Non-Executive Directors is decided by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee and distributed to them based on their participation and contribution at the Board and certain Committee meetings as well as time spent on matters other than at meetings. The Members had, at the Annual General Meeting held on 30<sup>th</sup> June 2017, approved the payment of remuneration by way of commission to the Non-Executive Directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Act.

The details of remuneration paid to all the Non-Executive Directors for the year ended 31<sup>st</sup> March 2018 are as follows:

Name of Director	Sitting Fees paid for Board Meetings (₹)	Sitting Fees paid for Committee Meetings (₹)	Commission (₹)
Mr. Shrinivas Dempo	1,85,000	8,000	16,65,000
Mr. Dara Mehta	1,85,000	72,500	16,65,000
Mr. Keki Elavia	1,85,000	87,500	15,30,000
Late Dr. A. B. Prasad *	1,20,000	10,000	5,40,000
Mr. Raman Madhok	1,85,000	1,13,500	13,50,000
Ms. Kiran Dhingra	1,85,000	15,000	11,25,000
Mr. Rajesh Dempo	1,85,000	18,000	11,25,000
<b>Total</b>	<b>12,30,000</b>	<b>3,24,500</b>	<b>90,00,000</b>

\* Late Dr. A. B. Prasad ceased to be a Director of the Company with effect from 9<sup>th</sup> February 2018 due to his demise.

The Non-Executive Directors have no material pecuniary relationships or transactions with the Company in their personal capacity.

Effective 12<sup>th</sup> April 2017, Sitting Fees payable to Non-Executive Directors for attending Board and Committee Meeting have been enhanced as follows:

Meeting	Sitting fees enhanced	
	From (₹)	To (₹)
Board	25,000	40,000
Audit Committee	12,500	20,000
Nomination & Remuneration Committee	5,000	10,000
Share Transfer, Investors' Grievance and Stakeholders Relationship Committee	3,000	5,000
Corporate Social Responsibility Committee	3,000	5,000
Project Review Committee	12,500	15,000
Resources Raising Committee	3,000	5,000

The details of Remuneration paid to the Executive Director for the year ended 31<sup>st</sup> March 2018 is as follows:

Name of Director	Salary (₹)	Value of Perquisite & Allowance (₹)	Performance Linked Bonus (₹)	Contribution to Retiral Funds (₹)	Service Contract/ Notice Period/ Severance Fees
Mr. Jagmohan Chhabra	66,00,000	26,42,103	35,00,000	11,09,308	31 <sup>st</sup> March 2019/ 4 months period/ No severance fees

The Company does not have any Employee Stock Option Scheme.

### 3.3 Share Transfer, Investors' Grievance and Stakeholders Relationship Committee

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

The Share Transfer, Investors' Grievance and Stakeholders Relationship Committee of the Company is headed by a NED. During the Financial Year 2017-18, four Meetings were held on 11<sup>th</sup> April 2017, 13<sup>th</sup> July 2017, 11<sup>th</sup> October 2017 and 6<sup>th</sup> January 2018.

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/transmission of shares, non-receipt of share certificates, non-receipt of annual report and non-receipt of dividend warrants etc.

The present composition of the Committee and the attendance details of the members are given below:

Name of Member	Category	No. of meetings during FY 2017-18	
		Held	Attended
Mr. Rajesh Dempo – Chairman <sup>a</sup>	NED	4	4
Mr. Raman Madhok <sup>©</sup>	ID	4	4
Late Dr. A. B. Prasad *	ID	4	2
Mr. Jagmohan Chhabra**	ED	-	-

ID – Independent Director; NED – Non-Executive Director; ED – Executive Director

<sup>a</sup> Mr. Rajesh Dempo was appointed as Chairman of the Committee with effect from 12<sup>th</sup> April 2018.

<sup>©</sup> Mr. Raman Madhok ceased to be the Chairman and member of the Committee with effect from 11<sup>th</sup> April 2018.

\* Late Dr. A. B. Prasad ceased to be a Director of the Company with effect from 9<sup>th</sup> February 2018 due to his demise.

\*\* Mr. Jagmohan Chhabra was appointed as a member of the Committee with effect from 12<sup>th</sup> April 2018.

#### 3.3.1 Details of Shareholders' complaints

During the year under review, the Company received five complaints of which four complaints were resolved. One complaint received from SEBI by our RTA on 28<sup>th</sup> March 2018 was being attended and remained pending as on 31<sup>st</sup> March 2018.

#### 3.3.2 Compliance Officer

**Name, designation and address of the present Compliance Officer under Regulation 6(1) of the Listing Regulations:**

Pravin Satardekar,  
Company Secretary  
Goa Carbon Limited  
Dempo House, Campal, Panaji-Goa – 403 001  
Tel.: (0832) 2441300 Fax: (0832) 2427192  
Email: [legal@goacarbon.com](mailto:legal@goacarbon.com)

#### 3.4 Corporate Social Responsibility (CSR) Committee

**Details of the composition of the CSR Committee, meetings and attendance of the members are as follows:**

In terms of Section 135 of the Act, the Board has constituted a Corporate Social Responsibility (CSR) Committee to monitor the Corporate Social Responsibility Policy of the Company and the activities included in the policy.

During the Financial Year 2017-18, the Committee met twice on 11<sup>th</sup> April 2017 and 27<sup>th</sup> March 2018.

The present composition of the Committee and the attendance details of the members are given below:

Name of Member	Category	No. of meetings during FY 2017-18	
		Held	Attended
Mr. Shrinivas Dempo - Chairman	NED	2	2
Mr. Raman Madhok	ID	2	2
Mr. Jagmohan Chhabra	ED	2	2
Ms. Kiran Dhingra *	ID	-	-

NED – Non-Executive Director; ID – Independent Director; ED – Executive Director

\* Ms. Kiran Dhingra was appointed as a member of the Committee with effect from 12<sup>th</sup> April 2018.

#### 3.5 Project Review Committee

**Details of the composition of the Project Review Committee, meetings and attendance of the members are as follows:**

The Project Review Committee was constituted to review new projects and monitor the progress of the projects. The Committee comprises of 4 directors namely Mr. Shrinivas Dempo, Chairman, Mr. Keki Elavia, Mr. Raman Madhok and Mr. Jagmohan Chhabra. No meeting of the Committee was held during the Financial Year 2017-18.

#### 3.6 Resources Raising Committee

**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 overseas project as well as other projects in India, the Committee comprises of 4 directors namely Mr. Shrinivas Dempo, Chairman, Mr. Dara Mehta, Mr. Keki Elavia and Mr. Raman Madhok. No meeting of the Committee was held during the Financial Year 2017-18.

#### 4 General Meetings and Postal Ballot

##### 4.1 Location and time, where last three AGMs were held:

Financial Year Ended	Date & Time	Venue
31 <sup>st</sup> March 2015	8 <sup>th</sup> July 2015 at 10.30 a.m.	Dempo House, Campal, Panaji-
31 <sup>st</sup> March 2016	6 <sup>th</sup> July 2016 at 10.30 a.m.	Panaji-
31 <sup>st</sup> March 2017	30 <sup>th</sup> June 2017 at 10.30 a.m.	Goa – 403 001

The following is/are the special resolution(s) passed at the previous three AGMs:

AGM held on	Special Resolution passed	Summary
8 <sup>th</sup> July 2015	Yes	Ratification of remuneration of ₹114.88 lacs paid to Mr. Jagmohan Chhabra, Executive Director during the period from 1 <sup>st</sup> April 2014 to 31 <sup>st</sup> March 2015.
6 <sup>th</sup> July 2016	Yes	1. Ratification of remuneration of ₹114.83 lacs paid to Mr. Jagmohan Chhabra, Executive Director during the period from 1 <sup>st</sup> April 2015 to 31 <sup>st</sup> March 2016. 2. Re-appointment and payment of remuneration to Mr. Jagmohan Chhabra as a Whole-time Director with designation "Executive Director" of the Company with effect from 1 <sup>st</sup> April 2016 for a period of 3 years.
30 <sup>th</sup> June 2017	Yes	1. Revision in remuneration of Mr. Jagmohan Chhabra, Executive Director for the remaining period of his tenure i.e. upto 31 <sup>st</sup> March 2019. 2. Approval of payment of commission to Non-Executive Directors of the Company from FY 2017-18 and thereafter.

##### 4.2 Postal Ballot

All resolutions moved at the last AGM were passed by means of electronic and physical voting by the requisite majority. There were no resolutions passed by Postal Ballot by the Company during the year under review.



## 5 Means of Communication

All important information relating to the Company, its financial performance, shareholding pattern, quarterly results, other information as per the Listing Regulations are regularly posted on Company's website. The quarterly, half-yearly and annual financial results of the Company are published in newspapers such as Financial Express/Economic Times/Navhind Times (English Dailies) and Navprabha (Marathi Daily). These results are also available on the websites of the Company, BSE Limited and National Stock Exchange of India Limited. No presentations have been made to institutional investors/analysts during the financial year.

The Annual Report, Quarterly Results, Shareholding Pattern, Intimation of Board Meetings and other relevant information of the Company are posted through BSE Listing Centre and NSE Electronic Application Processing System (NEAPS) portals for investor information.

### 5.1 Green Initiative

In support of the "Green Initiative" undertaken by the Ministry of Corporate Affairs, the Company had during FY 2017-18 sent various communications including intimation of dividend by email to those shareholders whose email addresses were registered with the depositories or the Registrar and Transfer Agents.

In line with the SEBI Listing Regulations, the Company has emailed soft copies of its Annual Report to all those shareholders who have registered their email address for the said purpose. We would greatly appreciate and encourage more Members to register their email address with their Depository Participant or the Registrar and Transfer Agent of the Company, to receive soft copies of the Annual Report, Postal Ballot Notices and other information disseminated by the Company, on a real-time basis without any delay.

## 6 General Shareholder Information:

### 6.1 Annual General Meeting

Date and Time : Tuesday, 17<sup>th</sup> July 2018 at 10.30 a.m.  
Venue : Dempo House, Campal  
Panaji-Goa – 403 001

### 6.2 Financial Year Calendar for the year 2018-19

Publication of Unaudited results for the quarter ending June 2018	July/August 2018
Publication of Unaudited results for the quarter ending September 2018	October/November 2018
Publication of Unaudited results for the quarter ending December 2018	January/February 2019
Publication of Audited results for the year ending March 2019	April/May 2019
Annual General Meeting for the year ending March 2019	June to September 2019

### 6.3 Book Closure Date

The Company's Share Transfer Books and Register of Members of equity shares shall remain closed from Wednesday, 11<sup>th</sup> July 2018 to Tuesday, 17<sup>th</sup> July 2018 (both days inclusive).

### 6.4 Dividend Payment Date

Interim dividend for 2017-18 was paid on 2<sup>nd</sup> February 2018. Final dividend, if declared at the Annual General Meeting to be held on 17<sup>th</sup> July 2018, will be credited/dispensed on 6<sup>th</sup> August 2018 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 10<sup>th</sup> July 2018.

### 6.5 Listing of Equity Shares

The Company's shares are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The address of BSE and NSE are as follows:

Name of Stock Exchange	Address & Contact details
BSE Ltd.	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 Tel.: (022) 22721233/4; Fax: (022) 22721919 Website: <a href="http://www.bseindia.com">www.bseindia.com</a>
National Stock Exchange of India Ltd.	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400051 Tel.: (022) 26598100 - 8114; Fax: (022) 26598120 Website: <a href="http://www.nseindia.com">www.nseindia.com</a>

The Annual Listing Fees for 2018-2019 shall be paid to both the Stock Exchanges within the scheduled dates.

### 6.6 Stock Codes

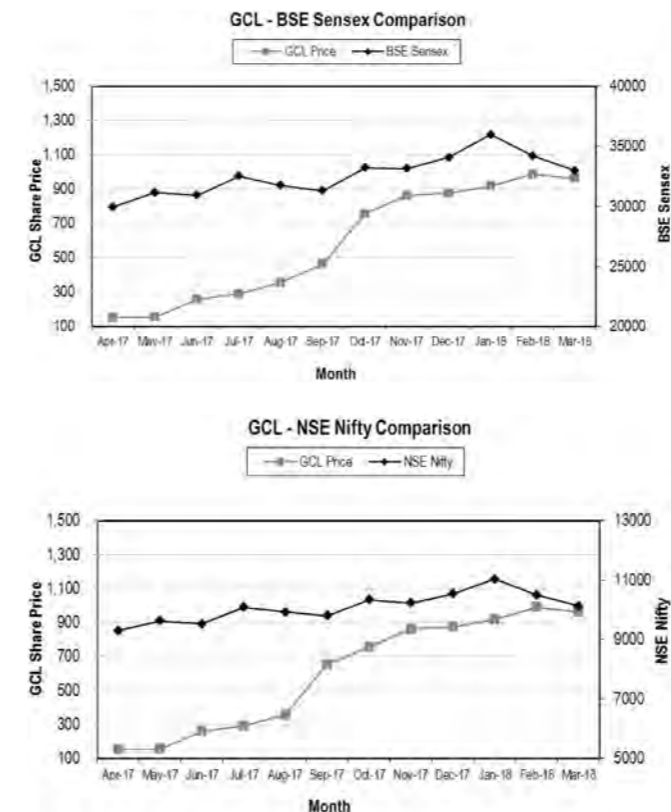
Name of Stock Exchange	Scrip Code/Symbol	International Securities Identification Number (ISIN)
BSE Ltd.	509567	INE426D01013
National Stock Exchange of India Ltd.	GOACARBON	

### 6.7 Market Price Data (In ₹)

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
April 2017	158.60	116.00	27,90,667	158.75	117.75	1,35,34,823
May 2017	159.80	128.35	7,54,461	160.00	128.75	30,01,285
June 2017	269.90	149.95	68,57,050	269.40	149.60	3,13,27,240
July 2017	383.00	250.35	39,28,014	383.90	250.00	1,51,02,363
August 2017	354.70	253.65	5,30,258	355.35	252.35	13,97,203
September 2017	479.65	345.00	15,89,621	479.00	346.00	55,22,076
October 2017	845.00	467.00	14,06,202	828.80	468.80	78,28,812
November 2017	1,029.00	720.05	18,02,920	1,030.55	718.40	96,01,416
December 2017	896.00	765.95	10,15,514	897.90	761.10	54,89,234
January 2018	1,215.40	851.10	13,57,116	1,215.00	840.00	71,63,278
February 2018	1,038.70	787.80	6,19,382	1,034.00	787.10	30,85,240
March 2018	1,013.00	842.00	7,58,208	1,013.70	845.85	37,87,545

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

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



### 6.9 Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.  
C 101, 247 Park  
LBS Marg, Vikhroli (West), Mumbai – 400 083  
Ph.: (022) 49186270  
Fax: (022) 49186060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

### 6.10 Share Transfer System

Share Transfers in physical form can be lodged with the Company's Registrar and Share Transfer Agents. The Board of Directors have delegated powers to the Registrar and Share Transfer Agents for effecting share transfers, splits, consolidation, sub-division, issue of duplicate share certificates, rematerialization and dematerialization etc., as and when such requests are received. Shares held in dematerialized form are traded electronically in the Depositories. As at 31<sup>st</sup> March 2018 no equity shares were pending for transfer.

As per the requirement of Regulation 40(9) of the Listing Regulations, 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.

### 6.11 Shares in Unclaimed Suspense Account (Demat)

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

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 2017.	926	31,534
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 2018.	2	200
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year ended 31 <sup>st</sup> March 2018.	2	200
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 2018.	924	31,334

The voting rights in respect of outstanding shares lying in the Unclaimed Suspense Account (Demat) shall remain frozen till the rightful owner of such shares claims the shares.

### 6.12 Distribution of Shareholding

Distribution Schedule as on 31<sup>st</sup> March 2018

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% to Total
Up to 500	24,876	96.11	16,56,817	18.11
501 to 1000	572	2.21	4,43,371	4.85
1001 to 2000	247	0.95	3,66,138	4.00
2001 to 3000	64	0.25	1,62,365	1.77
3001 to 4000	44	0.17	1,54,959	1.69
4001 to 5000	20	0.08	92,556	1.01
5001 to 10000	35	0.13	2,43,085	2.66
10001 and above	25	0.10	60,31,761	65.91
<b>TOTAL</b>	<b>25,883</b>	<b>100.00</b>	<b>91,51,052</b>	<b>100.00</b>

Distribution of Shareholding (Category-wise) as on 31<sup>st</sup> March 2018

Category	No. of Share-holders	No. of Shares held	% of Share-holding
Promoters/Promoter Group	5	54,64,989	59.72
Mutual Funds/UTI	1	550	0.01
Banks & Indian Financial Institutions	10	874	0.01
Bodies Corporate	265	2,86,295	3.13
Non-Resident Indians (NRI's)	309	90,432	0.99
Foreign Institutional/Portfolio Investors	4	8,461	0.09
Public	24,952	31,38,745	34.30
Clearing Members	336	1,56,706	1.71
Directors & their relatives	1	4,000	0.04
<b>TOTAL</b>	<b>25,883</b>	<b>91,51,052</b>	<b>100.00</b>

Shareholding Pattern as on 31<sup>st</sup> March 2018



### 6.13 Dematerialisation of shares and Liquidity

The details of Equity Shares dematerialised and those held in physical form as on 31<sup>st</sup> March 2018 are given hereunder:

Particulars of Equity Shares	Equity Shares of ₹10/- each		Shareholders	
	Number	% of total	Number	% of total
Dematerialised form				
NSDL	77,61,921	84.82	12,668	48.95
CDSL	11,00,853	12.03	9,883	38.18
<b>Sub-total</b>	<b>88,62,774</b>	<b>96.85</b>	<b>22,551</b>	<b>87.13</b>
Physical form	2,88,278	3.15	3,332	12.87
<b>Total</b>	<b>91,51,052</b>	<b>100.00</b>	<b>25,883</b>	<b>100.00</b>

Considering the advantages of dealing in securities in electronic/dematerialised form, shareholders still holding Shares in physical form are requested to dematerialise their shares at the earliest. For further information/clarification/assistance in this regard, please contact Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent.

As per the directions of SEBI, Equity Shares of the Company can be traded by all the investors only in dematerialised form. The Company's Shares are actively traded on BSE and NSE.

### 6.14 Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity

The Company has not issued any such securities.

### 6.15 Plant Locations

<b>Goa Plant</b>	St. Jose de Areal, Salcete, Goa – 403 709
<b>Bilaspur Plant</b>	34-40, Sector B, Sirgitti Industrial Area, Bilaspur – 495 004, Chhattisgarh
<b>Paradeep Plant</b>	Vill. Udayabata, P.O. Paradeepgarh, Dist. Jagatsinghpur, Odisha – 754 142

### 6.16 Address for correspondence

Investor correspondence for transfer/dematerialisation of shares, queries relating to payment/revalidation of dividend on shares and any other query relating to the shares of the Company should be addressed to -

Link Intime India Pvt. Ltd.  
C 101 247 Park,  
LBS Marg, Vikhroli (West), Mumbai – 400 083  
Ph.: (022) 49186270  
Fax: (022) 49186060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Investor complaints, if any, may be addressed to -

Pravin Satardekar, *Company Secretary*  
Goa Carbon Limited  
Dempo House, Campal  
Panaji, Goa – 403 001  
Tel.: (0832) 2441354 Fax: (0832) 2427192  
Email: [investorrelations@goacarbon.com](mailto:investorrelations@goacarbon.com)

### 6.17 Status of compliance with discretionary requirements

The Listing Regulations requires disclosures of adoption by the Company of discretionary requirements as specified in Part E of Schedule II of the said regulations, which as the name suggests, the implementation of which is discretionary on the part of the Company. Accordingly, the adoption of the discretionary requirements is given below:

#### (a) The Board:

An office with required facilities for the non-executive Chairman is not provided/maintained by the Company. However, the Company reimburses the expenses incurred by the non-executive Chairman in the performance of his duties.

#### (b) Shareholders Rights:

The quarterly financial results are published in the newspapers of wide circulation and not sent to individual shareholders on a half-yearly basis. Financial Results are also available on the website

of the Company and of Stock Exchanges where the Equity shares of the Company are listed. Further, significant events are informed to the Stock Exchanges from time to time and then the same is also posted on the website of the Company under the 'Investors' section.

#### (c) Modified opinion(s) in audit report:

The Auditors' have expressed an unmodified opinion on the Financial Statements.

#### (d) Separate posts of Chairperson and Chief Executive Officer:

Mr. Shrinivas Dempo is the Chairman of the Company and Mr. Jagmohan Chhabra is the Whole-time Director of the Company designated as "Executive Director".

#### (e) Reporting of Internal Auditor:

The Company has outsourced the Internal Audit function to M/s. Sharp & Tannan LLP who acts as the Internal Auditor of the Company pursuant to Section 138 of the Act read with the Companies (Accounts) Rules, 2014. The Internal Auditor directly present their report to the Audit Committee for their consideration.

## 7 Other Disclosures

### 7.1 Related Party Transactions/Materially significant related party transactions

Details of relevant Related Party Transactions entered into by the Company are included in the Directors' report and in the Notes to Accounts. The Company has in place a policy on dealing with related party transactions and the same has been uploaded and available on the Company's website ([http://www.goacarbon.com/downloads/Related%20Party%20Transaction%20Policy\\_GOA%20CARBON%20LIMITED.pdf](http://www.goacarbon.com/downloads/Related%20Party%20Transaction%20Policy_GOA%20CARBON%20LIMITED.pdf)).

All transactions entered into with related parties as defined under the Act and Regulation 23 of the Listing Regulations during the year were at an arm's length price basis and in the ordinary course of business. The same are placed periodically before the Audit Committee for review and approval.

The Company has not entered into any transaction of a material nature with the Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large.

### 7.2 Code of Conduct for Prohibition of Insider Trading

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015,

the Company has, inter-alia, adopted a Code of Conduct for Prohibition of Insider Trading (Code) duly approved by the Board of Directors of the Company.

### 7.3 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.

### 7.4 Compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company confirms that it has complied with all mandatory requirements prescribed in the Listing Regulations. The Company has partially adopted the non-mandatory requirements. Disclosures of the extent to which the discretionary requirements have been adopted are given in Item no. 6.17 of this report.

### 7.5 Policy for Determining Material Subsidiaries

In terms of Regulation 16(1)(c) of the Listing Regulations, the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website. The Policy can be accessed at: [http://www.goacarbon.com/downloads/Policy%20for%20determining%20material%20subsidiaries\\_GOA%20CARBON%20LIMITED.pdf](http://www.goacarbon.com/downloads/Policy%20for%20determining%20material%20subsidiaries_GOA%20CARBON%20LIMITED.pdf)

### 7.6 Whistle Blower Policy

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

### 7.7 Commodity price risks or foreign exchange risks and hedging activities

The Company manages foreign exchange risk as per its policies. The Company uses forward contracts to manage foreign exchange risk. The Company does not undertake any derivative transaction for pure trading in foreign exchange markets or for speculative purposes.

### 8 Details of non-compliance with requirements of corporate governance report

The Company has complied with all the requirements of the corporate governance report as specified in sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations.

### 9 Details of compliance with corporate governance requirements

The Company has complied with the corporate governance requirements as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 10 Certificate on corporate governance

As required by the Listing Regulations, the compliance certificate from the Practising Company Secretary regarding compliance of conditions of corporate governance is annexed to the Directors' report.

### 11 Compliance Certificate from CEO & CFO

The Executive Director and CFO have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II of the Listing Regulations pertaining to CEO & CFO certification for the Financial Year ended 31<sup>st</sup> March 2018.

### 12 Code of Conduct

A Code of Conduct has been formulated for the Directors and Senior Management Personnel of the Company and the same is available on the Company's website [www.goacarbon.com](http://www.goacarbon.com). The Company has received confirmations from all Directors and Senior Management of the Company regarding compliance with the Code of Conduct for the Financial Year ended 31<sup>st</sup> March 2018, as applicable to them. A certificate from Mr. Jagmohan

Chhabra, Executive Director, to this effect, is given below. The duties of the Independent Directors as laid down in the Companies Act, 2013 has been suitably incorporated in the Code of Conduct, as necessary.

**Declaration by the Executive Director under Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding compliance with Code of Conduct**

In accordance with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended 31<sup>st</sup> March 2018.

Jagmohan Chhabra  
Executive Director  
DIN: 01007714

Place: Panaji, Goa  
Date: 11<sup>th</sup> April 2018

## Practising Company Secretary's Certificate on Compliance of Conditions of Corporate Governance

To,  
The Members  
Goa Carbon Limited

I have examined the compliance of conditions of Corporate Governance by GOA CARBON LIMITED (the Company), for the financial year ended on 31<sup>st</sup> March 2018, as stipulated under the relevant clauses of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors & the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sadashiv V. Shet  
Practising Company Secretary  
CP No.: 2540; Membership No.: 2477

Date : 11<sup>th</sup> April 2018  
Place : Panaji, Goa

## Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March 2018

### FORM NO. MR - 3

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

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

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

Based on my verification of the GOA CARBON LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2018 and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India

(Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; ..... **Not applicable to the Company during the period under review.**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; ..... **Not applicable to the Company during the period under review.**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), 2008; ..... **Not applicable to the Company during the period under review.**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; ..... **Not applicable to the Company during the period under review.**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; ..... **Not applicable to the Company during the period under review.**
- (vi) Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.  
The following other Laws as may be applicable specifically to the Company are:  
The Petroleum Act, 1934 and the Petroleum Rules, 2002.  
**I further report that**, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/Company Secretary/Executive

Director/ Internal Auditor, taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor compliance with applicable general laws like Labour laws, Environment laws and other legislations.

**I further report that** the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws, GST and other Tax Legislations, have not been reviewed and I have relied on the representations made by the Company, its Officers and Reports issued by the Statutory Auditors.

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

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

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

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. The Company has appointed

Mr. Pravin Satardekar as a Company Secretary in Whole Time Employment of the Company w.e.f. 07.01.2018, in place of Mr. Purushottam S. Mantri, who retired on account of superannuation w.e.f. 06.01.2018 from the post of Company Secretary in Whole Time Employment of the Company.

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

As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

**I further report that** during the audit period there are no instances of major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. during the year under review.

Sadashiv V. Shet

Practicing Company Secretary

FCS No. 2477

C P No.: 2540

Date: 11<sup>th</sup> April 2018

Place: Panaji, Goa

## Independent Auditors' Report

### To the Members of Goa Carbon Limited

#### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Goa Carbon Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

#### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March 2018, its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Other Matter

The comparative financial information of the Company for the year ended 31<sup>st</sup> March, 2017 and the transition date opening Balance Sheet as at 1<sup>st</sup> April, 2016 prepared in accordance with Ind AS included in these Ind AS financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated 30<sup>th</sup> June 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 31 to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred by the Company during the year to the Investor Education and Protection Fund by the Company; and
  - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 have not been made since they do not pertain to the financial year ended 31<sup>st</sup> March 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31<sup>st</sup> March 2017 have been disclosed.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/ W-100022

**Swapnil Dakshindas**

Place: Panaji  
Date: 11<sup>th</sup> April 2018

Partner  
Membership No.: 113896

## Annexure A to the Independent Auditors' Report on the Ind AS Financial Statements of Goa Carbon Limited

### Referred to in paragraph 2(f) in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of Goa Carbon Limited on the Ind AS financial statements for the year ended 31<sup>st</sup> March 2018.

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

We have audited the internal financial controls over financial reporting of Goa Carbon Limited ("the Company") as of 31<sup>st</sup> March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over

financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018,

based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/ W-100022

Place: Panaji  
Date: 11<sup>th</sup> April 2018

**Swapnil Dakshindas**  
Partner  
Membership No.: 113896

## Annexure B to the Independent Auditors' Report – 31<sup>st</sup> March 2018

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31<sup>st</sup> March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which its fixed assets are verified in a phased manner every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) Immovable properties of land and buildings whose title deeds have been pledged as security for cash credit and buyer's credit facilities taken from banks are held in the name of the Company based on the confirmations directly received by us from banks. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements and the buildings constructed on such leasehold land, whose lease deeds have been pledged as security for cash credit and buyer's credit facilities taken from banks, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement based on the confirmations directly received by us from banks.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and there were no material discrepancies noted during such verification.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investment made. The Company has not granted any loans or provided any guarantees and security to which the provisions of Section 185 of the Companies Act, 2013 apply.

- (v) The Company has not accepted any deposits in accordance with the provisions of Section 73 to 76 of the Act and the rules framed thereunder.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for the goods manufactured by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Sales tax, Service tax, Duty of customs, Duty of excise, Goods and Service tax, Value added tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, except 'Goa Green Cess'.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Sales tax, Service tax, Duty of customs, Duty of excise, Goods and Service tax, Value added tax and other material statutory dues were in arrears as at 31 March 2018, for a period of more than six months from the date they became payable, except 'Goa Green Cess'. The arrears of 'Goa Green Cess' outstanding for more than six months as at 31<sup>st</sup> March 2018 amounts to ₹202 Lacs.

- (b) According to the information and explanations given to us, there are no dues of Income tax, Service tax, Sales tax, Duty of customs, Duty of excise, Goods and Service tax and Value added tax which have not been deposited by the Company with appropriate authorities on account of any disputes except for the following:

Name of the statute	Nature of dues	Amount (₹ Lacs)	Amount paid under protest (₹ Lacs)	Period to which the amount relates (Assessment Year)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	901	901	1995-96 to 2003-04	Supreme Court of India
Income Tax Act, 1961	Income Tax	237	237	2009-10	Bombay High Court
Income Tax Act, 1961	Income Tax	261	94	2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	247	247	1994-95	Assistant Commissioner of Income Tax

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the banks. The Company did not have any loan or borrowings from financial institutions, government or any debentures outstanding during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, reporting under this clause is not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the managerial remuneration is paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with related

- parties are in compliance with Section 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the Ind AS financial statements.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year. Accordingly, reporting under this clause is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under Section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/ W-100022

**Swapnil Dakshindas**

Partner

Place: Panaji

Date: 11<sup>th</sup> April 2018

Membership No.: 113896

## Balance Sheet

as at 31<sup>st</sup> March 2018

₹ in Lacs

Particulars	Note No.	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>I. ASSETS</b>				
(1) <b>Non-current assets</b>				
(a) Property, plant and equipment	4	2,384.82	2,474.64	2,646.36
(b) Capital work in progress		364.40	-	-
(c) Intangible assets	5	16.54	-	-
(d) Financial assets				
(i) Investments	6	206.67	1,122.68	1,095.55
(ii) Others	7	72.07	75.93	71.86
(e) Income tax assets (net)	8	1,126.88	1,553.24	1,548.10
(f) Other non-current assets	9	409.16	406.64	412.08
		4,580.54	5,633.13	5,773.95
(2) <b>Current assets</b>				
(a) Inventories	10	9,342.81	8,318.74	8,743.67
(b) Financial assets				
(i) Trade receivables	11	5,620.96	2,183.17	1,912.08
(ii) Cash and cash equivalents	12	4,710.27	153.65	2,602.13
(iii) Bank balances other than (ii) above	13	9,487.81	8,695.76	9,428.48
(iv) Others	14	130.56	254.19	308.91
(c) Current tax assets (net)		10.92	10.92	54.25
(d) Other current assets	15	1,664.80	1,042.61	1,160.12
		30,968.13	20,659.04	24,209.64
<b>TOTAL ASSETS</b>		35,548.67	26,292.17	29,983.59
<b>II. EQUITY AND LIABILITIES</b>				
(1) <b>Equity</b>				
(a) Equity share capital	16	915.11	915.11	915.11
(b) Other equity	17	11,624.43	7,112.99	6,339.55
		12,539.54	8,028.10	7,254.66
(2) <b>Non-current liabilities</b>				
(a) Deferred tax liabilities (net)	18	342.12	368.10	174.68
		342.12	368.10	174.68
(3) <b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	19	19,487.65	15,869.64	20,541.29
(ii) Trade payables	20	1,412.63	907.00	1,090.37
(iii) Others	21	391.07	291.51	288.69
(b) Other current liabilities	22	1,338.25	792.09	606.44
(c) Provisions	23	37.41	35.73	27.46
		22,667.01	17,895.97	22,554.25
<b>TOTAL EQUITY AND LIABILITIES</b>		35,548.67	26,292.17	29,983.59
Summary of significant accounting policies	2 - 3			
The accompanying notes to the financial statements.	4 - 45			
The notes referred to above form an integral part of financial statements.				

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/ W-100022

**Swapnil Dakshindas**  
Partner  
Membership No.: 113896  
Panaji, Goa: 11<sup>th</sup> April 2018

For and on behalf of the Board of Directors

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

**K. Balaraman**  
Chief Financial Officer  
M.No.: ACA - 029283

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

**Pravin R. Satardekar**  
Company Secretary  
M.No.: ACS - 24380

## Statement of Profit and Loss Account

for the year ended 31<sup>st</sup> March 2018

₹ in Lacs

Particulars	Note No.	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
I. Revenue from operations (net)	24	58,724.64	33,179.24
II. Other income	25	874.14	902.62
III. <b>Total income (I+II)</b>		59,598.78	34,081.86
<b>IV. Expenses:</b>			
(a) Cost of materials consumed	26	41,236.44	22,567.63
(b) Changes in inventories of finished goods	27	247.85	(601.26)
(c) Excise duty on sale of products		1,095.38	4,070.76
(d) Employees benefit expenses	28	1,864.14	1,718.51
(e) Finance cost	29	970.73	854.30
(f) Depreciation and amortisation expenses	4 - 5	185.83	187.84
(g) Other expenses	30	5,046.32	3,708.85
<b>Total expenses (IV)</b>		50,646.69	32,506.63
V. <b>Profit before tax (III-IV)</b>		8,952.09	1,575.23
<b>VI. Tax expense:</b>			
(a) Current tax		3,586.81	412.14
(b) Deferred tax		(19.57)	213.55
VII. <b>Profit for the period (V-VI)</b>		5,384.85	949.54
<b>VIII. Other comprehensive income:</b>			
(i) Items that will not be reclassified to profit and loss:			
(a) Remeasurements of the defined benefit plans		(18.50)	(58.16)
(b) Equity instruments through other comprehensive income		19.80	27.14
(ii) Tax relating to items that will not be reclassified to profit and loss		6.41	20.13
IX. <b>Total comprehensive income for the period (VII+VIII)</b>		5,392.56	938.65
<b>X. Earnings per equity share of ₹10 each (in ₹)</b>			
(1) Basic		58.84	10.38
(2) Diluted		58.84	10.38
Summary of significant accounting policies	2 - 3		
The accompanying notes to the financial statements.	4 - 46		
The notes referred to above form an integral part of financial statements.			

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 101248W/ W-100022

**Swapnil Dakshindas**  
Partner  
Membership No.: 113896

Panaji, Goa: 11<sup>th</sup> April 2018

For and on behalf of the Board of Directors

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

**K. Balaraman**  
Chief Financial Officer  
M.No.: ACA - 029283

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

**Pravin R. Satardekar**  
Company Secretary  
M.No.: ACS - 24380



## Cash Flow Statement

for the year ended 31<sup>st</sup> March 2018

₹ in Lacs

Particulars	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	8,952.09	1,575.23
<b>Adjustments for :</b>		
Depreciation and amortisation expense	185.83	187.84
Finance costs	970.73	854.30
Assets written off	19.96	24.74
Bad debts written off	19.40	8.49
Interest income	(609.10)	(548.09)
Interest income from income tax	(5.02)	-
Provision for doubtful debts written back	-	(10.79)
Sundry credit balances written back	(4.59)	(0.15)
Net gain on disposal of property, plant and equipment	(2.55)	(0.14)
Exchange gain on disposal of subsidiary	(146.35)	-
Exchange Loss/(gain) - (net)	176.57	(376.45)
Dividend income	(1.69)	(3.38)
	603.19	136.37
Operating Profit before working capital changes	9,555.28	1,711.60
<b>Changes in working capital</b>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Other non-current financial assets	3.86	(4.07)
Other non-current assets	(2.52)	5.44
Inventories	(1,024.07)	424.93
Trade receivables	(3,457.19)	(268.79)
Other current financial assets	123.63	54.72
Other current assets	(640.69)	57.78
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	510.50	(183.20)
Other current financial liabilities	0.86	0.65
Other current liabilities	546.16	185.65
Provisions	0.11	9.84
	(3,939.35)	282.95
Cash flow from operations	5,615.93	1,994.55
Direct taxes (net)	(2,937.87)	(256.98)
<b>Net cash from operating activities</b>	<b>2,678.06</b>	1,737.57
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipments including capital advances	(507.02)	(41.97)
Proceeds from sale of property, plant and equipments	0.83	1.25
Investments in GCL Global liquidated	1,082.16	-
Margin money and bank deposits realised/ (placed)	(632.54)	629.20
Interest received	457.69	651.00
Tax on interest income	(212.54)	(116.97)
Dividend received	1.69	3.38
<b>Net cash from investing activities</b>	<b>190.27</b>	1,125.89

## Cash Flow Statement

for the year ended 31<sup>st</sup> March 2018 (Continued)

₹ in Lacs

Particulars	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of current borrowings from Banks (Net)	3,753.99	(4,554.61)
Finance costs	(885.22)	(851.51)
Dividends paid	(718.89)	(137.27)
Tax on dividend paid	(149.04)	(27.94)
<b>Net cash from / (used in) financing activities</b>	<b>2,000.84</b>	(5,571.33)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS ( A + B + C )	4,869.17	(2,707.87)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	(163.09)	2,544.84
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(0.04)	(0.06)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>4,706.04</b>	(163.09)
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 12 and Note 13)	14,198.08	8,849.41
Less: Bank balances not considered as Cash and cash equivalents :		
Earmarked unpaid dividend account	(46.49)	(33.30)
Bank deposits having original maturity more than 3 months but not more than 12 months (including interest accrued thereon)	(2,037.45)	(5,174.40)
Margin money deposits and security against borrowings (including interest accrued thereon)	(7,403.87)	(3,488.06)
Add: Bank overdraft balances, being part of cash management policy		
Cash credit, repayable on demand	(4.23)	(316.74)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR *</b>	<b>4,706.04</b>	(163.09)
* Comprises		
Cash on hand	3.82	2.79
Balances with banks in current accounts	30.74	50.42
Deposits with original maturity less than 3 months (including interest accrued thereon)	4,675.71	100.44
Cash Credit	(4.23)	(316.74)
Reconciliation of liabilities arising from financing activities as required under amendment to IND AS 7:		
Particulars	Amount	
Short-term borrowings as at 31 <sup>st</sup> March 2017	15,869.64	
Less: Cash credit as at 31 <sup>st</sup> March 2017 considered as cash and cash equivalent	(316.74)	
Add: Cash inflows (Proceeds of current borrowings from Banks (Net))	3,753.99	
Add: Non cash changes (Effects of unrealised foreign exchange)	176.53	
Add: Cash credit as at 31 <sup>st</sup> March 2018	4.23	
Short-term borrowings as at 31 <sup>st</sup> March 2018	19,487.65	
Summary of significant accounting policies	2 - 3	
The accompanying notes to the financial statements	4 - 46	
The notes referred to above form an integral part of financial statements.		
As per our report of even date attached		For and on behalf of the Board of Directors
For <b>B S R &amp; Co. LLP</b>	<b>Shrinivas V. Dempo</b>	<b>Jagmohan J. Chhabra</b>
Chartered Accountants	Chairman	Executive Director
Firm Registration No.: 101248W/ W-100022	DIN: 00043413	DIN: 01007714
<b>Swapnil Dakshindas</b>	<b>K. Balaraman</b>	<b>Pravin R. Satardekar</b>
Partner	Chief Financial Officer	Company Secretary
Membership No.: 113896	M.No.: ACA - 029283	M.No.: ACS - 24380
Panaji, Goa: 11 <sup>th</sup> April 2018		

## Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2018

### A. Equity share capital

	Note	Number of shares	₹ in Lacs
Balance as at 1 <sup>st</sup> April 2016		9,151,052	915.11
Changes in equity share capital during 2016-17	16 B	-	-
Balance as at 31 <sup>st</sup> March 2017		9,151,052	915.11
Changes in equity share capital during 2017-18	16 B	-	-
Balance as at 31 <sup>st</sup> March 2018		9,151,052	915.11

### B. Other equity

As at 31<sup>st</sup> March 2017

₹ in Lacs

Particulars	Attributable to the owners of the Company						Total
	Reserves and surplus				Items of OCI		
	Securities premium	Amalgamation reserve	General reserve	Retained earnings	Remeasurement of employee benefit obligation	Equity instruments through other comprehensive income	
Balance as at 1 <sup>st</sup> April 2016	3,131.01	475.38	1,803.05	774.42	-	155.69	6,339.55
Profit for the year	-	-	-	949.54	-	-	949.54
Other comprehensive income for the year, net of deferred tax	-	-	-	-	(38.03)	27.14	(10.89)
Total comprehensive income for the year	-	-	-	949.54	(38.03)	27.14	938.65
Dividends including tax	-	-	-	165.21	-	-	165.21
Balance as at 31 <sup>st</sup> March 2017	3,131.01	475.38	1,803.05	1,558.75	(38.03)	182.83	7,112.99

As at 31<sup>st</sup> March 2018

Particulars	Attributable to the owners of the Company						Total
	Reserves and surplus				Items of OCI		
	Securities premium	Amalgamation reserve	General reserve	Retained earnings	Remeasurement of employee benefit obligation	Equity instruments through other comprehensive income	
Balance as at 1 <sup>st</sup> April 2017	3,131.01	475.38	1,803.05	1,558.75	(38.03)	182.83	7,112.99
Profit for the year	-	-	-	5,384.85	-	-	5,384.85
Other comprehensive income for the year, net of deferred tax	-	-	-	-	(12.09)	19.80	7.71
Total comprehensive income for the year	-	-	-	5,384.85	(12.09)	19.80	5,392.56
Dividends including tax	-	-	-	881.12	-	-	881.12
Balance as at 31 <sup>st</sup> March 2018	3,131.01	475.38	1,803.05	6,062.48	(50.12)	202.63	11,624.43

Summary of significant accounting policies

2 - 3

The accompanying notes to the financial statements

4 - 46

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

As per our report of even date attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**

**Shrinivas V. Dempo**

**Jagmohan J. Chhabra**

Chartered Accountants

Chairman

Executive Director

Firm Registration No.: 101248W/ W-100022

DIN: 00043413

DIN: 01007714

**Swapnil Dakshindas**

**K. Balaraman**

**Pravin R. Satardekar**

Partner

Chief Financial Officer

Company Secretary

Membership No.: 113896

M.No.: ACA - 029283

M.No.: ACS - 24380

Panaji, Goa: 11<sup>th</sup> April 2018

## Notes to the Financial Statements

for the year ended 31<sup>st</sup> March 2018

### 1 Company overview

Goa Carbon Limited is a public limited company incorporated and domiciled in India and has its registered office at Panaji-Goa, India.

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

### 2 Basis of preparation of financial statements

#### a. Basis of preparation and compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements up to and for the year ended 31<sup>st</sup> March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 44 - 45.

The financial statements were authorized for issue by the Company's Board of Directors on 11<sup>th</sup> April 2018.

Details of the Company's significant accounting policies are included in Note 3.

#### b. Basis of measurement

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial instruments and defined benefit plans which have been measured at fair value as required by the relevant Ind AS. Refer note 3(d) and 3(h) below.

#### c. Functional and presentation currency

The financial statements are prepared in Indian Rupees, which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest Lacs with two decimals.

#### d. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

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

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

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

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

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/liabilities are classified as non-current. Deferred tax liabilities are classified as non-current liabilities.

Operating cycle:

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle less than twelve months for the purpose of current non-current classification of assets and liabilities.

#### e. Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt the standard from 1<sup>st</sup> April 2018.

### Ind AS 115 Revenue from contracts with customers

The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. According to the new standard, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard establishes a five step model that will apply to revenue earned from a contract with a customer, regardless of the type of revenue transaction or the industry. The standard is effective from 01 April 2018.

The Company has preliminarily assessed that the impact on revenue and profit impact of IND AS 115 will be immaterial to the financial statements. The Company is still in the process of assessing the full impact of the application of IND AS 115 on the Company's financial statements, including on additional disclosures required.

### 3 Significant accounting policies

The Company has applied the following accounting policies to all periods presented in the financial statements.

#### a. Revenue recognition

Revenues are measured at the fair value of the consideration received or receivable, net of discounts, outgoing GST and other indirect taxes excluding excise duty.

Excise duty is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to Company on its own account, revenue includes excise duty.

Revenue from sale of products is recognised on transfer of significant risks and rewards of ownership to the buyer.

#### b. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses if any. The initial cost of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalised.

The identified components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss.

Major machinery spares parts are capitalized when they meet the definition of property, plant and equipment.

#### Capital work-in-progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

#### Depreciation

Depreciation commences when the assets are ready for their intended use. Assets in the course of development or construction and freehold land are not depreciated.

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

- Mobile phones - One year.
- 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.

The residual value and the useful life of an asset is reviewed at each financial year end and if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with Ind AS 8, 'Accounting Policies, Accounting Estimates and Errors'.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as of 1st April 2016 (transition date) measured as per the previous GAAP

and use that carrying value as its deemed cost as of the transition date. Also refer note 4 on first time adoption of Ind AS for the related transition provisions.

#### c. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment if any. Intangible assets are amortised over their estimated useful life on straight line basis. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any. Estimated useful of intangible assets (ERP software) is 3 years.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as of 1st April 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Also refer note 4 on first time adoption of Ind AS for the related transition provisions.

#### d. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### i) Financial assets

###### Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

###### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three broad categories:

##### a. Financial assets at amortised cost

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest

rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

##### b. Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss if both the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual assets cash flows represent SPPI.

##### c. Financial assets at fair value through profit and loss (FVTPL)

FVTPL is a residual category. Any instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI is classified as at FVTPL.

In addition, even if an instrument meets the requirements for measurement at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit or loss.

All equity investments are measured at fair value in the Balance Sheet, with fair value changes recognised in the Statement of Profit and Loss, except for those equity investments for which the Company has elected to present fair value changes in 'other comprehensive income'. If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value

through other comprehensive income with only dividend income recognised in the Statement of Profit and Loss.

#### Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

#### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are measured at amortised cost e.g., loans, deposits and trade receivables
- Financial assets that are measured as at FVOCI e.g. derivatives designated as hedges.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss. In the Balance Sheet, for financial assets measured as at amortised cost, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces

the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

#### ii) Financial liabilities

##### Initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost or at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and borrowings including bank overdrafts and derivative financial instruments.

##### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### a. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and designated upon initial recognition as at fair value through profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

##### b. Financial liabilities at amortised cost (Loans & Borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

##### Derecognition

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

#### iii) Offsetting of financial instruments

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

#### iv) Derivative financial instruments

##### Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange, the Company enters into forward contracts. The Company does not hold derivative financial instruments for speculative purposes. Such derivative financial instruments are initially recognised at fair value on the date on which a forward contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

#### v) Income/Loss recognition

##### Interest income:

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

##### Dividends:

Dividend income from investments is recognised when the right to receive it is established.

##### Borrowing costs:

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expenses in the Statement of Profit and Loss in the period in which they are incurred. Borrowing cost includes interest expense as per effective interest rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest costs.

#### e. Impairment of non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units. 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.

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or the CGU is reduced to its recoverable amount. An impairment loss is recognised in the income statement.

#### f. Inventories

Inventories are stated at the lower of cost (net of CENVAT where applicable) and the net realisable value. Cost of inventories 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 and apportionment of production overheads.

Net realisable value is estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

#### g. Taxation

Tax expense comprises current tax and deferred tax. Tax expense is recognised in the income statement except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside the Statement of Profit and Loss.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the reporting date and includes any adjustments to tax payable in respect of previous years.

Deferred tax is recognised, using the balance sheet method on temporary differences as at Balance Sheet date between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of current tax.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets

are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets (including MAT credit receivable) is reviewed at each Balance Sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company has a legally enforceable right for such set off.

#### h. Employee benefits

##### Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

##### Long term employee benefits:

##### i) Defined contribution plans

###### a. 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.

###### b. Provident fund

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

###### a. Gratuity

The Company offers its employees defined

benefit plan, in the form of Gratuity Plan. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan covers all employees as statutorily required under the Payment of Gratuity Act, 1972. The Company makes annual contributions to gratuity funds maintained with Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited which are irrevocable. The liability of gratuity benefits payable in the future is based on an independent actuarial valuation as at the end of the year. The actuarial valuation is done based on the "Projected Unit Credit" method.

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

##### 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 to the fund maintained with Life Insurance Corporation of India for this, 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. Non-accumulating

compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

#### i. Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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 not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

#### j. Foreign currency transactions

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised 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 assets and liabilities outstanding at the Balance Sheet date are restated at the year end rates. Non-monetary assets and liabilities denominated in foreign currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All Exchange differences arising on settlement/restatement are charged to the Statement of Profit and Loss in the period in which they arise.

#### k. Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders

and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

#### l. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### m. Cash flow statement

Cash flows are reported using indirect method as set out in Ind AS-7 "Statement of cash flows" whereby profit/(loss) before 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.

Effective 1<sup>st</sup> April 2017, the Company adopted the amendment to Ind AS-7, which requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The disclosure as required by the amendment has been made in the Cash flow statement for the year ended 31<sup>st</sup> March 2018.

#### n. Leases

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the same is in line with inflation.

#### o. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following accounting policies and/or notes.

#### Critical estimates and judgments in applying accounting policies

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Information about estimates and judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

##### i) Accounting policy on impairment of assets

In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits such as reduction in CPC prices and increase in RPC prices, the Company's business plans and changes in regulatory environment are taken into consideration. The carrying value of the assets of a cash generating unit (CGU) is compared with the recoverable amount of those assets, that is, the higher of fair value less costs of disposal and value in use.

##### ii) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as

liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

##### iii) Accounting policy on taxation

In preparing financial statements, the Company recognises income taxes of the jurisdiction in which it operates. There are certain transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Company determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

##### iv) Defined benefit plans

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 33 for details of the key assumptions used in determining the accounting for these plans.

##### v) Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realizable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

##### vi) Measurement of fair values

A number of the accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values which is overseen by the Chief Financial Officer (CFO).

Significant valuation issues are reported to the Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as a lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

##### vii) Operating segments

The Company is engaged in manufacture and sale of Calcined Petroleum Coke which constitutes single business segment. Further all the commercial operations of the Company are based in India. Performance is measured based on the management accounts as included in the internal management reports that are reviewed by the Company's Chairman. Accordingly, there is no separate reportable segments.

#### 4 Property, plant and equipment

##### A. Reconciliation of carrying amount

Year ended 31<sup>st</sup> March 2017

₹ in Lacs

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2016 (Deemed cost)	Additions	Deductions	As at 31.03.2017	As at 01.04.2016	For the year	Deductions	As at 31.03.2017	As at 31.03.2017
Land	13.58	-	-	13.58	-	-	-	-	13.58
Buildings	632.84	-	0.10	632.74	-	30.56	0.02	30.54	602.20
Plant and equipment	1,906.46	22.39	26.66	1,902.19	-	130.34	2.15	128.19	1,774.00
Furniture and fixtures	4.49	0.79	0.28	5.00	-	1.34	0.08	1.26	3.74
Vehicles	78.99	10.07	0.02	89.04	-	17.59	-	17.59	71.45
Office equipments	10.00	8.72	1.35	17.37	-	8.01	0.31	7.70	9.67
<b>TOTAL</b>	<b>2,646.36</b>	<b>41.97</b>	<b>28.41</b>	<b>2,659.92</b>	<b>-</b>	<b>187.84</b>	<b>2.56</b>	<b>185.28</b>	<b>2,474.64</b>

Year ended 31<sup>st</sup> March 2018

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	As at 01.04.2017	For the year	Deductions	As at 31.03.2018	As at 31.03.2018
Land	13.58	-	-	13.58	-	-	-	-	13.58
Buildings	632.74	-	-	632.74	30.54	30.31	-	60.85	571.89
Plant and equipment	1,902.19	32.71	23.42	1,911.48	128.19	128.49	3.61	253.07	1,658.41
Furniture and fixtures	5.00	0.76	0.22	5.54	1.26	1.39	0.10	2.55	2.99
Vehicles	89.04	80.23	6.86	162.41	17.59	18.87	1.73	34.73	127.68
Office equipments	17.37	5.97	0.12	23.22	7.70	5.33	0.08	12.95	10.27
<b>TOTAL</b>	<b>2,659.92</b>	<b>119.67</b>	<b>30.62</b>	<b>2,748.97</b>	<b>185.28</b>	<b>184.39</b>	<b>5.52</b>	<b>364.15</b>	<b>2,384.82</b>

##### B. Security

Refer note 19 for details of assets mortgaged

		₹ in Lacs
5.	<b>Intangible assets</b>	
	ERP Software	
	<b>a. Year ended 31<sup>st</sup> March 2017</b>	
	Deemed cost as at 1 <sup>st</sup> April 2016	-
	Additions	-
	Deductions	-
	Closing Gross Carrying Value	-
	Amortisation charge for the year	-
	Deductions	-
	<b>Closing accumulated amortisation</b>	-
	Net carrying amount	-
	<b>b. Year ended 31<sup>st</sup> March 2018</b>	
	Opening gross carrying amount	-
	Additions	17.98
	Deductions	-
	<b>Closing Gross Carrying Value</b>	17.98
	Opening accumulated amortisation	-
	Amortisation charge for the year	1.44
	Deductions	-
	<b>Closing accumulated amortisation</b>	1.44
	<b>Net carrying amount</b>	16.54

6.	Non-current financial assets - Investments	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
	Investments in equity instruments at cost			
	Unquoted (Trade):			
	In wholly owned subsidiary company:			
	3,480,000 fully paid up equity shares of \$1 each in GCL Global Resources SGP Pte. Limited, Singapore. (Ref note no. 38)	-	935.81	935.81
	Investments in equity instruments at FVOCI			
	Quoted (Non Trade):			
	74,250 (Previous year 67,500) fully paid up equity shares of ₹2 each in ICICI Bank Limited	206.67	186.87	159.74
	Aggregate amount of quoted investment	206.67	1,122.68	1,095.55
	Market value of quoted investment	206.67	186.87	159.74
	Aggregate amount of unquoted investment	-	935.81	935.81

As at 1<sup>st</sup> April 2016, the Company designated the investments shown below as equity shares at FVOCI because these equity shares represents investments that the Company intends to hold for long term.

	Fair value at 31 <sup>st</sup> March 2018	Dividend income 2017-18	Fair value at 31 <sup>st</sup> March 2017	Dividend income 2016-17	Fair value at 1 <sup>st</sup> April 2016
Investments in ICICI Bank Limited	206.67	1.69	186.87	3.38	159.74

No investments were disposed off during the year, and there were no transfer of any cumulative gain or loss with in equity relating to this investment.

		₹ in Lacs
7.	<b>Non-current financial assets - Others</b>	
	Security deposits	72.07
		75.93
		71.86
		75.93
		71.86
8.	<b>Income tax assets (net)</b>	
	Advance tax (net of provision)	85.21
	Taxes paid in dispute	1,041.67
	(Net of provision of ₹444.51 Lacs (31 <sup>st</sup> March 2017 ₹Nil, 1 <sup>st</sup> April 2016 ₹Nil))	1,126.88
		1,553.24
		1,548.10
9.	<b>Other non-current assets</b>	
	Capital advances	333.78
	Others	328.81
	– Prepaid expenses	0.95
	– Leasehold land prepayments (Refer footnote i below)	74.43
		2.21
		75.62
		412.08
		406.64
		412.08

i Represents prepayments in respect of land taken under operating leases, being amortised equally over the period of the lease.

10.	Inventories	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
	Raw materials	5,710.49	4,508.65	5,586.22
	Finished goods	3,358.12	3,605.97	3,004.71
	Stores and spares	274.20	204.12	152.74
		9,342.81	8,318.74	8,743.67
	Carrying amount of inventories (included above) hypothecated (refer note 19)	9,342.81	8,318.74	8,743.67

The write down of inventories to net realisable value during the year amounted to ₹40.83 Lacs (31<sup>st</sup> March 2017 ₹3.46 Lacs, 1<sup>st</sup> April 2016 ₹4.83 Lacs)

For mode of valuation of inventories, please refer Note 3f.

11.	Current financial assets - Trade receivables	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
	Unsecured			
	– Considered good	5,620.96	2,183.17	1,912.08
	– Considered doubtful	19.64	19.64	30.47
		5,640.60	2,202.81	1,942.55
	Less : Allowances for doubtful trade receivables	(19.64)	(19.64)	(30.47)
		5,620.96	2,183.17	1,912.08

Trade receivables with a carrying value of ₹5,620.96 Lacs and ₹2,183.17 Lacs have been given as collateral towards borrowings as at 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 respectively. (Refer note no. 19 on borrowings)

The credit period given to customers ranges from 7 days to 30 days. For the existing customers based on their past records, the Company fixes the credit limit as well as credit period. For new customers, Company generally supplies the goods against advances.

Of the trade receivables balance as at 31<sup>st</sup> March 2018, ₹5,182.84 Lacs (31<sup>st</sup> March 2017 ₹1,799.21 Lacs) is due from Aluminium Smelters in India. Hence, the credit risk concentration is limited to the large Aluminium Smelters in India.

The expected credit loss allowance are determined based on the probability of losses to be incurred from the specific customers considering the quality, shortages and liquidated damages, if any, for delay in supplying the goods as per the agreed delivery schedule.

₹ in Lacs			
Age of receivables	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Within the credit period	<b>3,900.88</b>	400.81	312.18
1 – 30 days past due	<b>548.25</b>	1,684.13	1,375.85
31 – 60 days past due	<b>566.54</b>	-	28.57
61 – 90 days past due	<b>130.27</b>	0.01	27.50
more than 90 days past due	<b>475.02</b>	98.22	167.98
	<b>5,620.96</b>	2,183.17	1,912.08
Movement in expected credit loss allowance			
Balance at the beginning of the year	19.64	30.47	40.33
Movement in expected credit loss allowance on trade receivables calculated at 12 months expected credit losses	-	(10.83)	(9.86)
Balance at end of the year	<b>19.64</b>	19.64	30.47
<b>12. Current financial assets – Cash and cash equivalents</b>			
Balances with banks in current accounts	<b>30.74</b>	50.42	48.74
Deposits with original maturity less than 3 months (including interest accrued thereon)	<b>4,675.71</b>	100.44	2,550.49
Cash on hand	<b>3.82</b>	2.79	2.90
	<b>4,710.27</b>	153.65	2,602.13
<b>13. Current financial assets – Other bank balances</b>			
Bank deposits having original maturity more than 3 months but not more than 12 months (including interest accrued thereon)	<b>2,037.45</b>	5,174.40	5,298.79
Margin money deposits and security against borrowings (including interest accrued thereon)	<b>7,403.87</b>	3,488.06	4,095.78
Earmarked unpaid dividend accounts	<b>46.49</b>	33.30	33.91
	<b>9,487.81</b>	8,695.76	9,428.48
<b>14. Current financial assets - Others</b>			
Advance to wholly owned Subsidiary (Refer note no. 38 and 39 (iii))	-	190.88	190.88
Advances to PF Trust	<b>19.75</b>	54.40	102.89
Advances to employees	<b>1.21</b>	5.91	10.14
Security and tender deposits	<b>5.00</b>	3.00	5.00
Derivative financial asset	<b>104.60</b>	-	-
	<b>130.56</b>	254.19	308.91

₹ in Lacs				
15. Other current assets	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016	
Advances other than capital advances				
– Advances to suppliers	<b>128.44</b>	216.54	188.29	
Others				
– Prepaid expenses	<b>153.23</b>	218.29	222.88	
– Balances with government authorities:				
GST Credit	<b>1,349.96</b>	-	-	
CENVAT credit receivable	-	457.89	533.93	
VAT credit receivable	-	72.97	72.11	
Service tax credit receivable	-	43.27	113.29	
– Other receivables	<b>31.97</b>	32.45	28.42	
– Leasehold land prepayment	<b>1.20</b>	1.20	1.20	
	<b>1,664.80</b>	1,042.61	1,160.12	
<b>16. Equity share capital</b>	<b>As at 31<sup>st</sup> March 2018</b>	<b>As at 31<sup>st</sup> March 2017</b>		
	<b>Number of shares</b>	<b>₹ in Lacs</b>	<b>Number of shares</b>	<b>₹ in Lacs</b>
<b>A Authorised share capital</b>				
Equity shares of ₹10 each with voting rights				
Balance as at beginning and as at the end of the year	<b>22,000,000</b>	<b>2,200.00</b>	22,000,000	2,200.00
Preference shares of ₹100/- each				
Balance as at beginning and as at the end of the year	<b>300,000</b>	<b>300.00</b>	300,000	300.00
<b>B Issued, subscribed and fully paid up</b>				
Equity shares of ₹10 each with voting rights				
Balance as at beginning and as at the end of the year	<b>9,151,052</b>	<b>915.11</b>	9,151,052	915.11
<b>C Shares held by holding Company</b>				
V. S. Dempo Holdings Private Limited				
Balance as at beginning and as at the end of the year	<b>5,069,040</b>	<b>506.90</b>	5,069,040	506.90
<b>D Details of shareholders holding more than 5% shares in the Company</b>		<b>% of Holding</b>		<b>% of Holding</b>
V. S. Dempo Holdings Private Limited				
Balance as at beginning and as at the end of the year	<b>5,069,040</b>	<b>55.40</b>	5,069,040	55.40
<b>E During the year, the Company has paid Interim Dividend of ₹457.55 Lacs (₹5/- per equity share) on 2<sup>nd</sup> February 2018. The amount of final dividend proposed to be distributed to equity shareholders is ₹915.11 Lacs (₹10/- per equity share). Dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting.</b>				
<b>F Terms / rights attached to equity shares:</b>				
The Company has only one class of issued equity shares having a face value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				



**17. Other equity\***
**General reserve**

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer on net income at a specified percentage in accordance with the applicable regulations. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn. The balances in the general reserve as determined in accordance with applicable regulations is ₹1,803.05 Lacs as at 31<sup>st</sup> March 2018.

\* Refer Statement of Changes in Equity

₹ in Lacs			
18. Deferred tax liabilities (net)	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Deferred tax liabilities	600.13	600.13	606.89
MAT Credit Entitlement	(96.44)	(96.44)	-
Deferred tax assets	(161.57)	(135.59)	(432.21)
	<b>342.12</b>	<b>368.10</b>	<b>174.68</b>

**a) Amount recognised in Profit and Loss Account**

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Current tax on profit for the year	3,142.30	334.00
Charge/ (credits) in respect of current tax for earlier years	444.51	78.14
Total Current Tax Expense (i)	3,586.81	412.14
MAT Credit	-	(96.44)
Origination and reversal of temporary differences	(19.57)	309.99
Total Deferred Tax Expense (ii)	(19.57)	213.55
Tax expense for the year (i+ii)	<b>3,567.24</b>	625.69

**b) Amount recognised in other comprehensive income**

Deferred tax (credit)/charge on:		
Re-measurement of defined benefit obligation	(6.41)	(20.13)
	<b>(6.41)</b>	<b>(20.13)</b>

**c) Reconciliation of tax expense and accounting profit multiplied by prevailing tax rate**

Accounting profit before tax	8,952.09	1,575.23
Statutory tax Rate as Applicable	34.608%	34.608%
Tax on profit at statutory tax rate	3,098.14	545.16
Disallowable expenses	49.52	15.55
Non-taxable income	(0.58)	(1.17)
Other permanent differences	68.00	(0.41)
Allowable expenses	(92.35)	(11.58)
Other Comprehensive Income considered separately	(6.41)	(20.13)
Adjustments in respect of prior years	444.51	78.14
Tax charge for the year	<b>3,560.83</b>	605.56

**d) Reconciliation of deferred tax assets/liabilities**

₹ in Lacs

Particulars	Balance as at 1 <sup>st</sup> April 2016	Charged / (credited) to Statement of income	Charged / (credited) to OCI	Balance as at 31 <sup>st</sup> March 2017
Property, plant and equipment	606.89	(6.76)	-	600.13
Provision for doubtful debts / advances	(10.54)	3.74	-	(6.80)
Provision for employee benefits	(17.35)	19.97	(20.13)	(17.51)
Unabsorbed depreciation	(265.64)	265.64	-	-
Unabsorbed business loss	(58.60)	58.60	-	-
Fair valuation of forward contracts	-	(16.39)	-	(16.39)
MAT credit entitlement	-	(96.44)	-	(96.44)
Others	(80.08)	(14.81)	-	(94.89)
	174.68	213.55	(20.13)	368.10

Particulars	Balance as at 1 <sup>st</sup> April 2017	Charged / (credited) to Statement of income	Charged / (credited) to OCI	Balance as at 31 <sup>st</sup> March 2018
Property, plant and equipment	600.13	(37.71)	-	562.42
Provision for doubtful debts / advances	(6.80)	-	-	(6.80)
Provision for employee benefits	(17.51)	(0.10)	(6.41)	(24.02)
Fair valuation of forward contracts	(16.39)	16.39	-	-
MAT credit entitlement	(96.44)	-	-	(96.44)
Others	(94.89)	1.85	-	(93.04)
	368.10	(19.57)	(6.41)	342.12

**19. Current financial liabilities - Borrowings**

 As at 31<sup>st</sup>  
March 2018

 As at 31<sup>st</sup>  
March 2017

 As at 1<sup>st</sup>  
April 2016

**Secured:**
**From banks**
**Loans repayable on demand**

Cash credit	4.23	316.74	57.29
Buyers credit	19,483.42	15,552.90	20,484.00
	<b>19,487.65</b>	15,869.64	20,541.29

The cash credit and buyer's credit facilities are secured by first and equitable mortgage on pari-passu basis of all immovable properties and by hypothecation of all movable properties, plant and equipments, inventories, trade receivables and other receivables of the Company.

Cash credit facilities availed from bank is payable on demand and carries interest rate ranging between 12% p.a. to 12.50% p.a., computed on a daily basis on the actual amount utilised. Buyer's credit is repayable within 180 days and carries interest rate ranging between LIBOR +25 bps to LIBOR + 75 bps.

**20. Current financial liabilities - Trade payables**

Total outstanding dues of micro enterprises and small enterprises (Refer note no. 32)	-	0.35	-
Related parties (Refer note 39(iii))	44.18	-	91.96
Others	1,368.45	906.65	998.41
	<b>1,412.63</b>	907.00	1,090.37

Trade Payables are non-interest bearing and are normally settled within 7 to 30 days. The Company's imports of raw materials are based on the letter of credit opened/suppliers credit availed.

₹ in Lacs			
21. Current financial liabilities – Others	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Interest accrued but not due on borrowings	137.34	51.83	49.05
Interest accrued and due on unsecured loan from a related party (Refer note no. 39 (iii))	181.01	181.01	181.01
Unclaimed dividends (Refer footnote below)	46.49	33.30	33.91
Employee recoveries	0.84	3.11	3.64
Trade and security deposits	25.39	22.26	21.08
	<b>391.07</b>	291.51	288.69
Does not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.			
22. Other current liabilities			
Statutory remittances (Refer footnote below)	588.04	749.55	593.74
Advances from customers	45.10	42.54	12.70
Export obligation payable	705.11	-	-
	<b>1,338.25</b>	792.09	606.44
Statutory remittances include contribution to PF, ESIC, GST, TDS, Dividend distribution tax, etc.			
23. Current liabilities - Provisions			
Provisions for employee benefits	37.41	35.73	27.46
	<b>37.41</b>	35.73	27.46
24. Revenue from operations (Net)	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017	
Sale of products (refer note below)	58,717.02	33,163.34	
Other operating revenues			
– Sale of scrap	7.62	15.90	
	<b>58,724.64</b>	33,179.24	
In accordance with the requirements of Ind AS, revenue for the period 1 <sup>st</sup> July 2017 to 31 <sup>st</sup> March 2018 is net of Goods and Service Tax (GST). However, revenue for period 1 <sup>st</sup> April 2017 to 30 <sup>th</sup> June 2017 and year ended 31 <sup>st</sup> March 2017 is inclusive of excise duty.			
25. Other income			
Interest income from financial assets at amortised cost			
– Banks deposits	604.76	542.71	
– Others	4.34	5.38	
	<b>609.10</b>	548.09	
Interest income from income tax refunds	5.02	-	
Dividend income from non-current investments measured at FVOCI	1.69	3.38	
MTM of forward contracts	104.60	177.23	
Net gain on foreign currency transactions and translation	146.35	159.69	
Net gain on disposal of property, plant and equipment	2.55	0.14	
Provision for doubtful trade receivables written back	-	10.79	
Sundry credit balances written back	4.59	0.15	
Other non-operating income	0.24	3.15	
	<b>874.14</b>	<b>902.62</b>	

₹ in Lacs		
26 Cost of material consumed	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
	41,236.44	22,567.63
27 Changes in inventories of finished goods		
Inventories of finished goods at the end of the year	3,358.12	3,605.97
Inventories of finished goods at the beginning of the year	3,605.97	3,004.71
	<b>247.85</b>	(601.26)
28 Employees benefit expenses		
Salaries, wages, bonus and allowances	1,545.50	1,410.14
Contribution to provident and other funds	133.80	97.30
Staff welfare expenses	184.84	211.07
	<b>1,864.14</b>	1,718.51
29 Finance cost		
Interest expense on financial liabilities at amortised cost		
– Borrowings	541.37	235.33
– Others	2.30	11.71
	<b>543.67</b>	247.04
Other borrowing costs (letter of credit/bank charges etc.)	320.25	607.26
Net loss on foreign currency transactions and translation	106.81	-
	<b>970.73</b>	854.30
30 Other expenses		
Excise duty on stock differential	(503.18)	83.28
Fuel and power	427.76	364.58
Repairs and maintenance		
– Buildings	175.26	201.91
– Plant and machinery	257.38	236.61
– Others	45.20	40.48
	<b>477.84</b>	479.00
Rent	51.97	55.40
Rates and taxes	91.10	55.38
Insurance	39.18	36.75
Processing/labour charges	124.98	103.09
Travelling expenses	113.40	99.98
Selling and distribution expenses	2,423.21	1,991.43
Bad debts written off	19.40	8.49

₹ in Lacs

	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Payments to auditors (net of service tax credit)		
– Audit fees	15.50	13.50
– Other services	4.50	9.50
– Reimbursement of expenses	2.88	0.86
	<b>22.88</b>	23.86
Directors' sitting fees and commission	105.55	12.48
Assets written off	19.96	24.74
Corporate social responsibility	10.60	7.97
Amortisation of leasehold land prepayments	1.19	1.19
Export obligation expense	705.11	-
General expenses (Refer note 40)	915.37	361.23
	<b>5,046.32</b>	3,708.85

₹ in Lacs

31. Contingent Liabilities : (Claims against the Company not acknowledged as debts)	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
i) Disallowance of Cenvat Credit and Educational Cess on purchase of raw materials	-	-	90.19
ii) Income tax demands under appeal	247.44	350.19	610.87
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 October 21, 2010. The income tax department has filed a Special Leave petition before the Honourable Supreme Court. The petition has been admitted and is pending for hearing.	-	-	-

The amounts mentioned against (ii) above are based on the notice of demand or the assessment orders issued by the relevant authorities, as the case may be. The Company is contesting these demands with the relevant appellate authorities. Outflows, if any, arising out of these demands would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the Judiciary. However, the Company is hopeful of successful outcome in the appellate proceedings.

32. The information as required under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 as received by the Company and relied upon by Auditors is as follows:

₹ in Lacs

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Principal amount & interest due thereon (separately) payable to any supplier (under MSMED) at the end of each accounting year		
– Principal amount	-	-
– Interest due thereon	-	-
Amount of interest paid and payments made to the supplier beyond the appointed day during each accounting year		
– Principal amount	53.97	52.61
– Interest due thereon	-	-
Amount of interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under this Act	0.22	0.35
Amount of interest accrued and remaining unpaid at the end of each accounting year	0.22	0.35
Amount of further interest remaining due and payable even in the succeeding years, till actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Income Tax Act, 1961	-	-
Note: The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises as per the MSMED Act on the basis of information available with the Company		
Note: The information has been given in respect of such suppliers to the extent they could be identified as Micro and Small Enterprises on basis of information available with the Company.		

### 33. Employee benefit plans

#### 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 30 Employees benefit expenses) as required under Ind AS 19:

₹ in Lacs

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
i) <b>Change in present value of obligation</b>			
Defined benefit obligation at the beginning of the year	434.72	340.64	336.51
Current service cost	23.36	18.69	18.20
Past service cost	26.22	-	-
Interest cost	30.98	26.01	24.51
Actuarial (gain)/ loss due to financial assumption	(3.89)	19.81	(0.70)
Actuarial losses due to experience	10.58	48.07	8.35
Benefits paid	(38.76)	(18.50)	(46.23)
Defined benefit obligation at the end of the year	483.21	434.72	340.64

₹ in Lacs

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>ii) Change in fair value of plan assets</b>			
Fair value of plan assets at the beginning of the year	491.10	425.56	408.62
Adjustment to opening fair value of plan assets	7.50	10.10	2.84
Interest income	37.22	34.65	32.20
Re-measurement gain / (loss) arising from return on plan assets	(16.67)	9.28	(18.46)
Contributions received	39.42	30.00	46.59
Benefit paid	(38.76)	(18.50)	(46.23)
Fair value of plan assets at the end of the year	519.81	491.09	425.56
<b>iii) Net assets/(liability) recognised in the Balance Sheet</b>			
Defined benefit obligation at the end of the year	483.21	434.72	340.64
Fair value of the plan assets at the end of the year	519.81	491.09	425.56
Excess of funding over obligation	36.60	56.37	84.92
<b>iv) Expenses recognised in the Statement of Profit and Loss</b>			
Current service cost	23.36	18.69	
Past service cost	26.22	-	
Net Interest	(6.24)	(8.64)	
Net cost recognised in the Statement of Profit and Loss	43.34	10.05	
<b>v) Expenses recognised in Other Comprehensive Income</b>			
Actuarial losses on obligation	6.69	67.88	
Re-measurement (gain) / loss arising from return on plan assets	16.67	(9.28)	
Total actuarial losses recognised in OCI	23.36	58.60	
<b>vi) Return on plan assets</b>			
Expected return on plan assets	37.22	34.65	
Re-measurement gain / (loss) arising from return on plan assets	(16.67)	9.28	
Actual return on plan assets	20.55	43.93	
vii) The projected service cost for the financial year ended 31 <sup>st</sup> March 2019 is ₹28.36 Lacs.			

viii) Asset Information

₹ in Lacs

Allocation of plan assets	LIC			ICICI		
	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Gratuity fund	115.11	78.75	46.88	-	-	-
Debt security - Government Bond	-	-	-	30.99	27.63	23.24
Equity securities - Corporate debt securities	-	-	-	210.57	231.99	219.79
Other insurance contracts	-	-	-	163.05	152.65	135.57
Property	-	-	-	0.09	0.08	0.08
Total itemized assets	115.11	78.75	46.88	404.70	412.35	378.68
<b>ix) Assumption</b>						
Rate of Mortality	IALM (2006-08) Ult					
Discount rate	7.59%		7.46%			
Expected salary increase rate	5.35%		5.35%			
Attrition rate	1.00%		1.00%			
The estimates of future salary increases considered in the actuarial valuation, take into account inflation, seniority, promotions, increments and other related factors such as supply and demand in the employment market.						
<b>x) Sensitivity Analysis</b>						
	31 <sup>st</sup> March 2018			31 <sup>st</sup> March 2018		
	DR - Discount Rate			ER - Salary Escalation Rate		
	PVO DR+1%	PVO DR -1%	PVO ER +1%	PVO ER -1%		
PVO	428.95	488.44	483.33	432.18		
<b>xi) Asset liability comparisons</b>						
Year	31.03.2014	31.03.2015	31.03.2016	31.03.2017	31.03.2018	
PVO at end of period	365.85	336.51	340.64	434.72	483.21	
Plan assets	371.67	408.62	425.56	491.09	519.81	
Surplus/(deficit)	5.82	72.11	84.92	56.37	36.60	
Experience adjustments on plan assets	(2.80)	21.30	(18.46)	9.28	9.28	

ii) Risk analysis

Company is exposed to a number of risks in the defined benefit plan. Most significant risks pertaining to defined benefits plan and management estimation of the impact of these risks are as follows:

a. Investment risk

The gratuity plan is funded with Life Insurance Corporation of India (LIC) and ICICI Prudential Life (ICICI). Company does not have any liberty to manage the fund provided to LIC and ICICI prudential.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

b. Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

c. Longevity risk/Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

## d. Salary growth risk

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

## b) Defined contribution plans:

A sum of ₹103.18 lacs (Previous year ₹97.34 lacs) has been charged to the Statement of Profit and Loss in respect of Company's contribution to superannuation fund, provident and pension fund.

## 34 Financial instruments - Fair value and risk management

## i) Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 3d.

## ii) Accounting classification and fair value

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

₹ in Lacs

Financial Assets	Note	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
<b>As at 1<sup>st</sup> April 2016</b>						
<i>Financial assets measured at fair value</i>						
Non-current investments - Equity Shares in ICICI Bank Limited	6	-	159.74	-	159.74	159.74
Derivative financial asset	14	-	-	-	-	-
<i>Financial assets not measured at fair value*</i>						
Other non-current financial assets	7	-	-	71.86	71.86	-
Trade receivables	11	-	-	1,912.08	1,912.08	-
Cash and cash equivalents	12	-	-	2,602.13	2,602.13	-
Other bank balances	13	-	-	9,428.48	9,428.48	-
Other current financial assets	14	-	-	308.91	308.91	-
<b>Total</b>		-	<b>159.74</b>	<b>14,323.46</b>	<b>14,483.20</b>	<b>159.74</b>
<b>As at 31<sup>st</sup> March 2017</b>						
<i>Financial assets measured at fair value</i>						
Non-current investments - Equity Shares in ICICI Bank Limited	6	-	186.87	-	186.87	186.87
Derivative financial asset	14	-	-	-	-	-
<i>Financial assets not measured at fair value*</i>						
Other non-current financial assets	7	-	-	75.93	75.93	-
Trade receivables	11	-	-	2,183.17	2,183.17	-
Cash and cash equivalents	12	-	-	153.65	153.65	-
Other bank balances	13	-	-	8,695.76	8,695.76	-
Other current financial assets	14	-	-	254.19	254.19	-
<b>Total</b>		-	<b>186.87</b>	<b>11,362.70</b>	<b>11,549.57</b>	<b>186.87</b>

₹ in Lacs

Financial Assets	Note	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
<b>As at 31<sup>st</sup> March 2018</b>						
<i>Financial assets measured at fair value</i>						
Non-current investments - Equity Shares in ICICI Bank Limited	6	-	206.67	-	206.67	206.67
Derivative financial asset	14	104.60	-	-	104.60	104.60
<i>Financial assets not measured at fair value*</i>						
Other non-current financial assets	7	-	-	72.07	72.07	-
Trade receivables	11	-	-	5,620.96	5,620.96	-
Cash and cash equivalents	12	-	-	4,710.27	4,710.27	-
Other bank balances	13	-	-	9,487.81	9,487.81	-
Other current financial assets	14	-	-	25.96	25.96	-
<b>Total</b>		<b>104.60</b>	<b>206.67</b>	<b>19,917.07</b>	<b>20,228.34</b>	<b>311.27</b>
<b>As at 1<sup>st</sup> April 2016</b>						
<i>Financial liabilities not measured at fair value*</i>						
Borrowings	19	-	-	20,541.29	20,541.29	-
Trade payables	20	-	-	1,090.37	1,090.37	-
Other current financial liabilities	21	-	-	288.69	288.69	-
<b>Total</b>		-	-	<b>21,920.35</b>	<b>21,920.35</b>	-
<b>As at 31<sup>st</sup> March 2017</b>						
<i>Financial liabilities not measured at fair value*</i>						
Borrowings	19	-	-	15,869.64	15,869.64	-
Trade payables	20	-	-	907.00	907.00	-
Other current financial liabilities	21	-	-	291.51	291.51	-
<b>Total</b>		-	-	<b>17,068.15</b>	<b>17,068.15</b>	-
<b>As at 31<sup>st</sup> March 2018</b>						
<i>Financial liabilities not measured at fair value*</i>						
Borrowings	19	-	-	19,487.65	19,487.65	-
Trade payables	20	-	-	1,412.63	1,412.63	-
Other current financial liabilities	21	-	-	391.07	391.07	-
<b>Total</b>		-	-	<b>21,291.35</b>	<b>21,291.35</b>	-
* Financial assets and liabilities such as trade receivables, cash and cash equivalents, bank balance other than cash and cash equivalents, security deposits, advances, borrowings, trade payables, interest accrued but not due on borrowings, unclaimed dividends and security deposits are largely short term in nature. The fair value of these financial assets and liabilities approximate there carrying amount due to the short term nature of such assets and liabilities.						
iii) <b>Valuation techniques used to determine fair value</b>						
a) The fair value of forward exchange contract is determined using forward exchange rate at the balance sheet date. The fair value of equity shares in ICICI Bank Limited is determined basis the quoted market price.						
b) The finance department of the Company performs the valuation of financial assets and liabilities required for financial reporting purposes. The finance department reports directly to the Chief Financial Officer (CFO). Discussions of valuation processes and results are held between the CFO and the finance department at least once every three months, in line with the Company's quarterly reporting periods.						

iv) **Fair value hierarchy**

The table shown below analysis financial instruments carried at fair value, by valuation method. The different levels have been defined below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	₹ in Lacs		
	Level 1	Level 2	Level 3
<b>As at 1<sup>st</sup> April 2016</b>			
<b>Financial assets</b>			
Non-current investments - Equity Shares in ICICI Bank Limited	159.74	-	-
<b>Total</b>	<b>159.74</b>	<b>-</b>	<b>-</b>
<b>As at 31<sup>st</sup> March 2017</b>			
<b>Financial assets</b>			
Non-current investments - Equity Shares in ICICI Bank Limited	186.87	-	-
<b>Total</b>	<b>186.87</b>	<b>-</b>	<b>-</b>
<b>As at 31<sup>st</sup> March 2018</b>			
<b>Financial assets</b>			
Non-current investments - Equity Shares in ICICI Bank Limited	206.67	-	-
Other current financial assets - Derivative financial assets	-	104.60	-
<b>Total</b>	<b>206.67</b>	<b>104.60</b>	<b>-</b>

v) **Risk management framework**

a. **Risk management**

The Company's business is subject to several risks and uncertainties including financial risks. The Company's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, commodity price risk, foreign exchange risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers at both the corporate and plant level. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance functions and is regularly reviewed by the Company's Audit Committee. The Audit Committee meets regularly to review risks as well as the progress against the planned actions. Key business decisions are also discussed at the periodic meetings of the Audit committee and the Board of Directors. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee and the Board.

The risk management framework aims to:

improve financial risk awareness and risk transparency

identify, control and monitor key risks

identify risk accumulations

provide management with reliable information on the Company's risk situation

improve financial returns

b. **Treasury management**

The Company's treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the Company through internal reports which analyses exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Company uses derivative instruments (forward contracts) as part of its management of exposure to fluctuations in foreign currency exchange rates. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes.

c. **Price risk on raw materials and finished goods i.e. RPC and CPC**

The Company imports raw material only based on the confirmed orders in hand and indicated orders placed by the reputed aluminium smelters. The Company enters into contract with the major aluminium smelters for the supply of CPC on quarterly basis with the agreed selling price.

d. **Financial risk**

The Company avails Buyers credit facility from overseas banks for a period of 180 days with the option to renew it for a further period of 180 days. The Company collects due from the customers within a period of 30 days. The Company places fixed deposits with the Company Bankers and the Company's liquid assets like trade receivables, finished goods and raw material which has been procured based on the confirmed orders/indicated orders will be sufficient enough to repay the foreign currency loans availed. The management regularly monitors the liquid assets value with the loan availed.

e. **Liquidity risk**

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening its balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the company.

	₹ in Lacs				
Financial liabilities	<1 Year	1-3 Years	3-5 Years	> 5 Years	Total
<b>As at 31<sup>st</sup> March 2017</b>					
Borrowings	15,869.64	-	-	-	15,869.64
Trade payables	907.00	-	-	-	907.00
Other financial liabilities	291.51	-	-	-	291.51
<b>Total</b>	<b>17,068.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,068.15</b>
<b>Financial liabilities</b>	<b>&lt;1 Year</b>	<b>1-3 Years</b>	<b>3-5 Years</b>	<b>&gt; 5 Years</b>	<b>Total</b>
<b>As at 31<sup>st</sup> March 2018</b>					
Borrowings	19,487.65	-	-	-	19,487.65
Trade payables	1,412.63	-	-	-	1,412.63
Other financial liabilities	391.07	-	-	-	391.07
<b>Total</b>	<b>21,291.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,291.35</b>

As at 31<sup>st</sup> March 2018, the Company had access to funding facilities of ₹27,300 Lacs, of which ₹7,812.35 Lacs was yet not drawn, as set out below:

Funding facility	₹ in Lacs		
	Total Facility	Drawn	Undrawn
As at 31 <sup>st</sup> March 2018			
Less than 1 year	27,300.00	19,487.65	7,812.35
1-5 years and above	-	-	-
<b>Total</b>	<b>27,300.00</b>	<b>19,487.65</b>	<b>7,812.35</b>

As at 31<sup>st</sup> March 2017, the Company had access to funding facilities of ₹25,300 Lacs, of which ₹9,430.36 Lacs was yet not drawn, as set out below:

Funding facility	₹ in Lacs		
	Total Facility	Drawn	Undrawn
As at 31 <sup>st</sup> March 2017			
Less than 1 year	25,300.00	15,869.64	9,430.36
1 – 5 years and above	-	-	-
<b>Total</b>	<b>25,300.00</b>	<b>15,869.64</b>	<b>9,430.36</b>

#### Collateral

The Company has pledged its trade receivables and cash and cash equivalents in order to fulfill the collateral requirements for the financial facilities in place. The counterparties have an obligation to return the securities to the Company. There are no other significant terms and conditions associated with the use of collaterals.

#### f. Foreign exchange risk

The Company's business activities include import of raw materials like Raw Petroleum Coke, which are linked to international price in dollar terms. As a result the company is exposed to exchange rate fluctuation on its imports. The Company also avails foreign currency funding in term of Buyers credit facilities for the purchase of raw materials. The impact of these fluctuations affects the Company's profitability and finance.

#### g. Interest rate risk

The Company generally avails foreign currency loan in the form of Buyers credit facilities with overseas banks with tenure of 180 days at an interest rate of 6M LIBOR with certain agreed additional basis points. Since the rate is fixed and agreed well in advance, the Company is not exposed to interest-rate risk due to adverse movement in interest rates. Further the Company has availed fund based facilities from Banks and the Company intends to use it for emergency needs only.

#### h. Derivative financial 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 <sup>st</sup> March 2018				As at 31 <sup>st</sup> March 2017				As at 1 <sup>st</sup> April 2016
Buy-Sell	No. of Contracts	US Dollars	₹ in Lacs	Buy-Sell	No. of Contracts	US Dollars	₹ in Lacs	
Buy	2	11,795,388	7,588.67	Buy	19	10,182,367	6,711.89	Nil

b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017		As at 1 <sup>st</sup> April 2016	
	US Dollars	₹ in Lacs	US Dollars	₹ in Lacs	US Dollars	₹ in Lacs
Amount payable in foreign currency						
Buyers credit	18,096,342	11,795.20	13,686,604	8,876.45	30,914,579	20,484.00
Trade payables	-	-	1,320	0.86	20,202	13.39
Interest accrued but not due on borrowings	212,748	138.67	46,864	30.39	74,026	49.05

#### 35 Capital management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements.

Net debt are non-current and current debts as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components excluding other components of equity (which comprise non-current financial investments measured through OCI).

#### 36 Segment reporting

The Company is engaged in manufacture and sale 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 Ind AS 108.

#### 37 Corporate social responsibility expense

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
	₹ in Lacs	₹ in Lacs
a) Amount required to be spent	7.56	Nil
b) Amount spent during the year (in cash)		
i) Construction / acquisition of any assets	6.75	-
ii) On purpose other than (i) above	3.85	7.97
<b>Total (b)</b>	<b>10.60</b>	<b>7.97</b>

**38. Investment in wholly owned subsidiary company**

The Board of Directors of the Company had decided to liquidate its wholly owned subsidiary GCL Global Resources SGP Pte Limited, Singapore in the previous year ended 31<sup>st</sup> March 2017. The Company had accordingly, started the liquidation process of the subsidiary in the current year. As at 31<sup>st</sup> March 2018, the subsidiary has been liquidated and the Company has received the entire proceeds on liquidation of the subsidiary along with the 'Liquidator's Final Statement of Account'. The Company does not exercise any control over the subsidiary as at the year end and the resulting gain from liquidation of the subsidiary has been accounted in the statement of profit and loss. Further, there are no other accounting effects arising from the subsidiary during the year in the Company's Statement of profit and loss. Since the Company has no other Subsidiary as at 31<sup>st</sup> March, 2018, the Company has not prepared and presented the Consolidated financial statements.

**39. Disclosures in respect of Related Parties pursuant to Accounting Standard (AS) 18**
**i) List of related parties:**
**Names of the related parties and nature of relationship**
**a Holding Company:**

V. S. Dempo Holdings Private Limited

**b Subsidiary:**

GCL Global Resources SGP Pte. Ltd., Singapore (up to 09.03.2018)

**c Fellow Subsidiaries (with whom transactions have taken place during the year):**

Dempo Industries Pvt. Ltd.

Dempo Travels Pvt. Ltd.

Dempo Sports Club Pvt. Ltd.

**d Individual who is able to exercise significant influence:**

Mr. Shrinivas V. Dempo (Chairman)

**e Enterprises over which Mr Shrinivas V. Dempo is able to exercise significant influence:**

Motown Trading Pvt. Ltd.

Devashri Investments Pvt. Ltd.

Devashri Nirman LLP

Dempo Charities Trust

Vasantrao Dempo Education and Research Foundation

Esmeralda International Exports LLP

Ratnaprabha Advisory Services LLP

Vassudeva Dempo Family Private Trust

**f Key Management Personnel:**

Mr. Shrinivas V. Dempo (Chairman)

Mr. Dara P. Mehta (Independent Director)

Mr. Keki M. Elavia (Independent Director)

Mr. Raman Madhok (Independent Director)

Dr. A. B. Prasad (up to 08.02.2018)

Ms. Kiran Dhingra (Independent Director)

Mr. Rajesh S. Dempo (Non-Executive Director)

Mr. Jagmohan J. Chhabra (Executive Director)

Mr. P. S. Mantri (Company Secretary) (up to 06.01.2018)

Mr. Pravin Satardekar (Company Secretary) (from 07.01.2018)

Mr. K. Balaraman (Chief Financial Officer)

₹ in Lacs

	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
ii) Disclosure of transactions with Related Parties.		
a Expenses incurred		
Dempo Industries Pvt. Ltd.	3.76	2.70
Dempo Travels Pvt. Ltd.	22.91	32.32
b Rent paid		
V. S. Dempo Holdings Private Limited	27.69	23.42
c Reimbursement of expenses		
V. S. Dempo Holdings Private Limited	-	1.00
d Recovery of expenses		
V. S. Dempo Holdings Private Limited	3.83	5.10
e Sponsorship		
Dempo Sports Club Pvt. Ltd.	109.00	28.96
f Remuneration		
i) Salary and other employee benefits :		
Mr. Jagmohan J. Chhabra (Executive Director)	138.51	90.61
Mr. P. S. Mantri (Company Secretary) (up to 06.01.2018)	42.44	45.35
Mr. Pravin Satardekar (Company Secretary) (from 07.01.2018)	5.91	-
Mr. K. Balaraman (Chief Financial Officer)	49.61	42.09
ii) Commission other benefits payable to Non-Executive and Independent Directors		
a. Commission	90.00	-
b. Sitting fees	15.55	12.48

₹ in Lacs

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
iii) Outstanding (receivable)/payable as at year end			
GCL Global Resources SGP Pte Ltd., Singapore	-	(190.88)	(190.88)
V. S. Dempo Holdings Private Limited	181.01	181.01	228.97
Vassudeva Dempo Family Private Trust	-	-	44.00
Dempo Industries Pvt. Ltd.	0.08	-	-
Dempo Sports Club Pvt. Ltd.	44.10	-	-

**40. Miscellaneous expenses include donations given to Political Parties as under :**

₹ in Lacs

Name of the Political Party	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
1 Bhartiya Janata Party	5.00	-
2 Goa Pradesh Congress Party	5.00	-
3 Orissa Pradesh Congress Committee	3.00	-
	13.00	-





B Reconciliation of equity as at 31<sup>st</sup> March 2017

Nature of adjustments	Notes	₹ in Lacs	
		As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Shareholder's Equity as per erstwhile Indian GAAP		7,876.25	7,098.97
<b>Adjustments</b>			
Fair valuation of equity investment through OCI	i	182.83	155.69
Fair valuation of forward contracts	vii	(47.37)	-
Deferred tax impact on above adjustment	iii	16.39	-
<b>Shareholder's Equity as per Ind AS</b>		<b>8,028.10</b>	<b>7,254.66</b>

C Reconciliation of total comprehensive income for the year ended 31<sup>st</sup> March 2017

Nature of adjustments	Notes	₹ in Lacs	
		Year ended 31 <sup>st</sup> March 2017	
Net profit as per erstwhile Indian GAAP		942.49	
<b>Adjustments</b>			
Actuarial loss/gain recognised in OCI	ii	58.16	
Fair valuation of forward contracts	vii	(47.37)	
Deferred tax impact on above adjustments	iii	(3.74)	
Net profit as per Ind AS		949.54	
Add: Other comprehensive income		(10.89)	
<b>Total comprehensive income as per Ind AS</b>		<b>938.65</b>	

D Reconciliation of cash flows for the year ended 31<sup>st</sup> March 2017

The adjustments as explained above are of non-cash nature and accordingly, there are no material differences in the cash flows from operating, investing and financing activities as per the erstwhile IGAAP and as per Ind AS.

E Notes on adjustments

i Investments in equity instruments of a company, other than subsidiary:

Under the previous GAAP, investments in equity instruments, were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, such investments (in companies other than subsidiaries) are required to be measured at fair value. These investments have been designated as Fair Value through OCI (FVOCI) and accordingly, the fair value changes with respect to such investments have been recognised in OCI under "Equity investments through other comprehensive income".

ii Re-measurement gains or losses:

Ind AS 19 Employee Benefits requires the impact of re-measurement in net defined benefit liability/asset to be recognized in other comprehensive income (OCI). Re-measurement of net defined benefit liability/asset comprises actuarial gains and losses, return on plan assets (excluding interest on net defined benefit liability/asset). However, under IGAAP this is recognised in the Statement of Profit and Loss.

iii Deferred tax:

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base.

Various transitional adjustments made while transitioning to Ind AS has lead to temporary differences. The Company has accounted for such differences. Deferred tax adjustments have been recognised in correlation to the underlying transaction either in retained earnings, OCI or profit and loss respectively.

iv Minimum Alternate Tax (MAT) Credit Entitlement:

As per Ind AS 12, the Company has considered MAT credit entitlement as deferred tax asset being unused tax credit entitlement.

v Excise Duty:

Under Previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products is inclusive of excise duty amounting to ₹4070.76 Lacs for the year ended 31<sup>st</sup> March 2017. Accordingly, Excise duty has been included in the cost of production, as it is a liability of the manufacturer, irrespective of whether the goods are sold or not.

vi Other Comprehensive Income (OCI):

Under Previous GAAP, there was no concept of OCI. Under Ind AS, fair valuation Equity Investments not held for trade (other than Subsidiaries, Joint Ventures and Associates) and re-measurement of defined benefit plan liability are recognised in OCI.

vii Fair Valuation of forward contracts:

The Company has valued derivative assets/liabilities at fair value which hitherto were accounted for at cost. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss.

viii Leases:

Under Ind AS, leases of land are classified as operating leases unless the title to the leasehold land is expected to be transferred to the Company at the end of the lease term. Lease rentals paid in advance and lease deposits are recognized as other assets. Under previous GAAP, the lease rentals paid in advance and lease deposits are recognized in property, plant and equipment. The lease rentals paid in advance are charged to the Statement of Profit and Loss over the lease term.

46. The disclosures regarding details of specified bank notes held and transacted during 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 as appearing in the audited Ind AS financial statements for the period ended 31<sup>st</sup> March 2017 have been disclosed below. The corresponding details for the year ended 31<sup>st</sup> March 2018 have not been disclosed as the requirement does not pertain to financial year ended 31<sup>st</sup> March 2018.

	SBN	Other Denomination Notes	Total
Closing cash in hand as on 8 <sup>th</sup> November 2016	1.48	0.17	1.65
Add: Permitted receipts	-	10.38	10.38
Less: Permitted payments	-	9.56	9.56
Less: Amount deposited in Banks	1.48	-	1.48
Closing cash in hand as on 30 <sup>th</sup> December 2016	-	0.99	0.99

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/ W-100022

**Swapnil Dakshindas**

Partner

Membership No.: 113896

Panaji, Goa: 11<sup>th</sup> April 2018

For and on behalf of the Board of Directors

**Shrinivas V. Dempo**

Chairman

DIN: 00043413

**K. Balaraman**

Chief Financial Officer

M.No.: ACA - 029283

**Jagmohan J. Chhabra**

Executive Director

DIN: 01007714

**Pravin R. Satardekar**

Company Secretary

M.No.: ACS - 24380

## Notes

## A Historical Perspective of the Company

Amount ₹ in Lacs

	2017-18*	2016-17*	2015-16	2014-15	2013-14
Sales (net)	58,724.64	33,179.24	31,545.52	18,748.76	29,183.13
Other Income	874.14	902.62	617.33	845.75	584.55
(A)	59,598.78	34,081.86	32,162.85	19,594.51	29,767.68
Raw materials & manufacturing expenses	49,490.13	31,464.49	30,904.11	18,583.93	28,685.89
Finance charges	970.73	854.30	1,521.44	842.96	618.77
(B)	50,460.86	32,318.79	32,425.55	19,426.89	29,304.66
Gross (Loss)/Profit (A - B)	(C) 9,137.92	1,763.07	(262.70)	167.62	463.02
Depreciation	185.83	187.84	186.57	166.55	220.43
Other comprehensive income	(7.71)	10.89	-	-	-
Exceptional item	-	-	-	1,002.81	-
Provision for Tax	3,567.24	625.69	(141.62)	7.27	13.35
(D)	3,745.36	824.42	44.95	1,176.63	233.78
Net (Loss)/Profit (C - D)	5,392.56	938.65	(307.65)	(1,009.01)	229.24
Dividend declared	150%	45%	-	10%	10%
<b>WHAT THE COMPANY OWNED</b>					
Net Fixed Assets	2,765.76	2,474.64	2,646.36	2,586.00	1,950.27
Non-Current Investments	206.67	1,122.68	1,095.55	939.86	1,942.67
Non-Current Assets	1,608.11	2,035.81	2,032.04	2,727.30	2,581.36
Current Assets	30,968.13	20,659.04	24,209.64	18,989.91	27,039.23
	35,548.67	26,292.17	29,983.59	25,243.07	33,513.53
<b>WHAT THE COMPANY OWED</b>					
Secured Loans	19,487.65	15,869.64	20,541.29	15,569.78	21,572.45
Unsecured Loans	-	-	-	-	1,100.00
Deferred Tax Liability	342.12	368.10	174.68	318.33	330.05
Current Liabilities & Provisions	3,179.36	2,026.33	2,012.96	1,948.34	1,952.34
	23,009.13	18,264.07	22,728.93	17,836.45	24,954.84
<b>NET WORTH OF THE COMPANY</b>					
Equity Share Capital	915.11	915.11	915.11	915.11	915.11
Other Equity	11,624.43	7,112.99	6,339.55	6,491.51	7,643.58
	12,539.54	8,028.10	7,254.66	7,406.62	8,558.69

\* As per Ind AS Financial Statements

**Registered Office:**

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**Goa Plant:**

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**Bilaspur Plant:**

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**Paradeep Plant:**

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Fax: (91) (06722) 211450  
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