

Independent Auditor's Report

To the Members of Assam Carbon Products Limited

Report on the IND AS Financial Statements

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

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility

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

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

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

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



statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Basis for Qualified Opinion

We draw attention to Note 26(A)(iv) to the Ind AS financial statements wherein it is stated that the Company has not established a provision for employee wages and benefits for the lock out period at the Company's Guwahati Factory from 7 December 2010 to 8 March 2012 on the principle of 'No Work No Pay'. The matter is currently pending with the labour court and hence the impact, if any, in terms of provision of employee wages and employee benefits and its resultant impact on profit for the year ended 31 March 2018, reserves and surplus and current liabilities, cannot currently be determined.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion Paragraph above, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31 March 2018, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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



- (e) The following matters, in our opinion, may have an adverse effect on the functioning of the Company:
- i. Non-provisioning of the employee wages and benefits as described in the Basis for qualified opinion paragraph.
- (f) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 26 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **D.Basu & Co.**

Chartered Accountants

Firm's Registration No.: 301111E

Atanu Chatterjee

[Atanu Chatterjee]

Partner

Membership No : 050105

Place: Kolkata

Date : 04th May 2018

Annexure A to the Independent Auditors' Report

(Referred to in our report of even date)

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

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



- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of the dues	Amount in Rs. Thousands	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales tax	499	2012-13 & 2013-14	Appellate Deputy Commissioner of Commercial Taxes, Secunderabad Division

- (viii) In our opinion and according to the information and explanation given to us, the Company did not have any outstanding debentures during the year. The company has not defaulted in repayment of loans or borrowings to any financial institution, bank and government authorities. Accordingly, paragraphs 3(viii) of the Order is not applicable.
- (ix) The Company did not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraphs 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has paid managerial remuneration during the year which is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraphs 3(xii) of the Order is not applicable.



- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraphs 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **D.Basu & Co.**

Chartered Accountants

Firm's Registration No.: 301111E



[Atanu Chatterjee]

Partner

Membership No : 050105

Place: Kolkata

Date : 4th May 2018

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

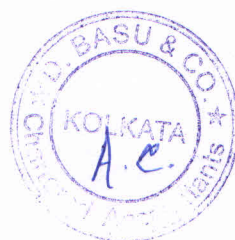
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **D.Basu & Co.**

Chartered Accountants

Firm's Registration No.: 301111E



[Atanu Chatterjee]

Partner

Membership No : 050105

Place: Kolkata

Date : 4th May 2018

ASSAM CARBON PRODUCTS LIMITED

Regd. Office : Birkuchi, Guwahati - 781 026

CIN : L23101AS1963PLC001206

Phone : 0361-2640262, Fax : 0361-2640368, Mail : acplghy@ascarbon.com. Website : www.assamcarbon.in

(INR in Lacs)

Statement of Audited Financial Results for the year ended 31 March 2018

Particulars	Three months ended			Year Ended	
	31st Mar 2018 (Audited)* Balancing fig (*)	31st Dec 2017 (Un-Audited)	31st Mar 2017 (Audited)* Balancing fig (*)	31st Mar 2018 (Audited)	31st Mar 2017 (Audited)
1. Income from Operations					
a) Revenue from Operations	1,455	911	1,263	4,393	3,906
b) Other Income	105	1	4	136	21
Total Income (a) + (b)	1,560	912	1,267	4,529	3,927
2. Expenditure					
a. Cost of materials consumed	286	275	183	1,019	851
b. Purchase of stock-in-trade	5	3	2	18	14
c. Changes in inventories of finished goods, WIP & stock in trade	101	(182)	120	(173)	(71)
d. Employee benefit expenses	276	290	230	1,147	1,121
e. Energy Consumption	158	146	36	583	461
f. Excise Duty [net of refund]	(23)	-	134	83	421
g. Depreciation and amortisation expense	38	37	31	148	123
h. Other expenses	320	239	332	1,016	735
i. Finance Cost	1	-	1	1	2
j. Total	1,162	808	1,069	3,842	3,657
3. Profit/(Loss) from operations before exceptional items (1-2)	398	104	198	687	270
4. Exceptional items	-	-	-	-	-
5. Profit/(Loss) before tax (3+4)	398	104	198	687	270
6. Tax expense	110	-	-	110	-
7. Net Profit /(Loss) from after tax (5-6)	288	104	198	577	270
8. Other Comprehensive Income, net of Income-tax					
a. i) Items that will not be reclassified to Profit & Loss A/c	-	-	-	-	-
ii) Income-tax relating to items that will not be reclassified to Profit & Loss A/c	(12)	-	-	(12)	3
b. i) Items that will be reclassified to Profit & Loss A/c	-	-	-	-	-
ii) Income-tax relating to items that will be reclassified to Profit & Loss A/c	-	-	-	-	-
Total Other Comprehensive Income, net of Income-tax	(12)	-	-	(12)	3
9. Total Comprehensive Income for the period (7+8)	276	104	198	565	273
10. Paid-up equity share capital (Face Value of Rs.10 each)	276	276	276	276	276
11. Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	598	33
12. (i) Earnings per share of Rs. 10 each (not annualised) :					
(a) Basic	10.29	3.78	7.20	20.97	9.82
(a) Diluted	10.29	3.78	7.20	20.97	9.82



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Statement of Assets & Liabilities	As at 31st March 2018	As at 31st March 2017
ASSETS		
Non Current Assets		
Property, Plant & Equipments	115,866	113,984
Capital Work in Progress	953	495
Other Intangible Assets	729	1,060
Other Financial Assets	4,969	5,352
Other Non Current Assets	-	164
	122,517	121,055
Current Assets		
Inventories	111,957	90,436
Investments	3,240	125
Trade Receivables	147,443	102,425
Cash & Cash Equivalents	14,084	24,173
Other Financial Assets	2,856	2,568
Other Current Assets	23,157	11,512
	302,737	231,239
TOTAL ASSETS	425,254	352,294
EQUITY & LIABILITIES		
Equity		
Equity Share Capital	27,556	27,556
Other Equity	59,849	3,329
	87,405	30,885
Non Current Liabilities		
Financial Liabilities	118	304
Provisions	23,708	23,827
	23,826	24,131
Current Liabilities		
Trade Payables	41,765	35,274
Other Financial Liabilities	186	166
Provisions	19,937	20,220
Other Current Liabilities	241,538	241,618
Current Tax Liabilities (Net)	10,597	-
	314,023	297,278
TOTAL EQUITY & LIABILITIES	425,254	352,294

(*) figures for the three months ended 31 March are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the respective financial years. Also the figures upto the end of the third quarter were only reviewed and not subject to audit.

- 1 The above Audited Financial Results for the year ended 31 March 2018 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 4 May 2018.



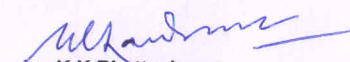
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- 2 The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted Ind AS from 1st April, 2017 and accordingly, these financial results (including for all the periods presented in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards) have been prepared in accordance with the recognition and measurement principles in Ind AS 34 - Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
Ind-AS has been made applicable with effect from 1st April, 2017 and comparative figures for the corresponding quarter of the previous year (transition date being 1st April, 2016) have accordingly been restated.
- 3 The issue of payment of back wages during the period of strike / lock-out at the Company's Guwahati Unit employees effective from 7 December 2010 to 8 March 2012 has been referred to appropriate authorities. However, the Company, on the principle of 'No Work No Pay', has neither ascertained nor made any provision for payment of such wages and other employee benefits for the period of strike and lock out. The labour matter is currently pending with the labour court.
- 4 The Company has earned a net profit of Rs 687 lacs (before tax) during the twelve months ended 31 March 2018. The Company's operational results have further improved during the current year, as compared to the earlier periods, largely due to the cost savings, operational efficiencies, improved realisation and other measures initiated by the management. The Board is of the opinion based on the facts and figures as presented by the management, that the company's performance during the next financial year is expected to show improved results.
- 5 As stated by Auditors in previous review report regarding non-provision for wages and other employee benefits for the lock out period at Guwahati factory is pending.
- 6 Figures have been regrouped or rearranged wherever necessary. Further, the figures has been rounded off to the nearest Lacs rupees. Figures for the previous quarters have been reclassified, wherever necessary to make them Ind AS compliant and comparable with the figures for the current period.

For Assam Carbon Products Limited

Kolkata
4 May, 2018




K K Bhattacharya
Managing Director
DIN : 07011241