

CHAIRMAN EMERITUS

Mr P C Goenka

BOARD OF DIRECTORS

Mr R Himatsingka, Chairman

Mr Ron Marno

Mr Neil P Hoyland

Mr Hitesh Saiwal

Mrs Anita Himatsingka

Mr Rajesh Prasad - Nominee of AIDC Ltd

Mr Prabhat C Goenka

Mr Vivekananda S Lokre, Managing Director

Mr G P Chawla, Executive Director (Upto 15.6.12)

COMPANY SECRETARY

Mr Saugata De

REGISTERED OFFICE

Birkuchi

Guwahati 781 026

Ph: 0361 - 264074

Fax: 0361 - 2640368

E Mail: acplghy@ascarbon.com

CORPORATE OFFICE

2, I D A Phase-I

Patancheru – 502 319

Dist – Medak

Andhra Pradesh

Ph : 08455 - 242091/089

Fax : 08455 - 242237

Email: acplpat@ascarbon.com

AUDITORS

BSR & Co

Infinity Benchmark,

Plot No-G- 1,

Block EP & GP

Sector-V, Salt Lake,

Kolkata – 700 091

REGISTRARS & SHARE TRANSFER AGENTS

C B Management Services Ltd

P-22 Bondel Road

Kolkata – 700 019

BANKERS

HSBC

Axis Bank Ltd

State Bank of India

State Bank of Hyderabad

WORKS

Plant I:

Copper Powder Unit

NH Coke Unit, SIG

Contact Unit, Material - Birkuchi

(Block, Blanks, etc) & Guwahati – 781 026

Brush Finishing Plant Assam

Plant II:

Engineered Carbon - 2, I D A Phase-I

Finishing & Metalising Patancheru – 502 319

Plant Dist – Medak

Andhra Pradesh

INDEX

	<u>Page No.</u>
1. Notice	2 - 4
2. Directors Report	5 - 8
3. Auditors Report	9 - 15
4. Balance Sheet	16
5. Profit & Loss Account	17
6. Cash flow Statement	18 - 19
7. Schedules & Notes on Accounts	20 - 42

NOTICE TO MEMBERS

NOTICE is hereby given that the 50th Annual General Meeting of the Members of Assam Carbon Products Limited will be held on Thursday, the 19th day of September, 2013 at 10.30 A.M. at the registered office at Birkuchi, Guwahati – 781 026 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2013, the Balance Sheet as at that date, and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr Prabhat C Goenka, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs Anita Himatsingka, who retires by rotation and, being eligible, offers herself for re-appointment.
4. To appoint Auditors and to fix their remuneration and this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT M/s BSR & Co, Chartered Accountants, be and is hereby appointed as the Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as fixed by the Board of Directors of the Company".

SPECIAL BUSINESS:

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

5. **Waiver of excess remuneration paid to Mr R Himatsingka, Non Whole time Director for the year ended 31st March, 2013:**

"RESOLVED THAT the company, pursuant to provisions of section 309 (5B) and such other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government do waive the recovery of the remuneration for the year ended 31st March, 2013 paid in excess of the limits prescribed in sections 198, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 to Mr. Rakesh Himatsingka, Non Whole Time Director of the Company."

Place : 22nd May 2013

Date : Patancheru

By Order of the Board

Saugata De

Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD IN HIS OR HER PLACE, AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.**
2. The Register of Members and Share Transfer Registers of the Company will remain close from 13th September, 2013 to 19th September, 2013, both days inclusive.
3. Equity shares of the Company are listed with Calcutta and Guwahati Stock Exchanges. Listing fees for the current year have been paid.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**Re: Item 5**

The Remuneration Committee and the Board of Directors of the Company at its meeting held on 29th July 2010 approved the payment of remuneration to Mr R Himatsingka, Director by way of quarterly payment of an amount not exceeding Rs 3,75,000/- (Rupees three lacs seventy five thousand) per quarter, w.e.f. quarter ending 30th September, 2010, for two financial years and Rs. 4,25,000/- (Four lakhs twenty five thousand) per quarter ending 30th September, 2012 for next three financial years, however, subject to his re-appointment as Director on retirement by rotation, in view of time being devoted and contribution expected to be made by him towards company's growth and prospects particularly in view of his long standing experience in the business the Company deals in.

Further, the Board proposed to pay aforesaid remuneration as Minimum Remuneration pursuant to provisions of section 198(4) read with section 309(4) of the Companies Act, 1956.

The Shareholders at its meeting held on 29th September 2010 had also approved the aforesaid payment. However on an application made to the Central Government, the Central Government allowed payment to Mr Himatsingka to the tune of 1% of the net profits as computed under section 198 of the Companies Act.

On computing the net profits under section 198 of the Companies Act, 1956, the remuneration for the year ended 31st March, 2013 paid to Mr R Himatsingka exceeded by Rs 16,50,000 the limits prescribed in sections prescribed in sections 198, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

The Remuneration Committee of the Board of Directors and also the Board of Directors at their meeting held on 22nd May 2013, decided to waive recovery of the excess remuneration paid to Mr R Himatsingka, however, subject to approval of the Shareholders and the Central Government as required by provisions of section 309 (5B) of the Companies Act, 1956.

Information required under the provisions of Schedule XIII is furnished below:

The Company's main business is manufacture and sale of Electrical and Engineered Carbon Materials and components, at its two factories at Guwahati, Assam and Patancheru, Andhra Pradesh for over three decades. The Morgan Crucible Co plc, UK and its subsidiary hold 52.62% of the Company's Equity Share capital. Its products are exported to Luxemburg, Hungry and Far Eastern countries.

Working results of the Company for the last three years are given below:

	Year ended 31.3.11 (Rs 000s)	Year ended 31.3.12 (Rs 000s)	Year ended 31.3.13 (Rs 000s)
(i) Paid up Capital	27,556	27,556	27,556
(ii) Sales & Other Income	425,028	406,403	423,053
(iii) Profit before tax	(21,571)	(5,211)	(79,626)
(iv) Dividend (%)	–	–	–

The Board noted that Mr Himatsingka (61) is B E (Hons) in Mechanical Engineering, from Birla Institute of Technology & Science, Pilani. Subsequent to completion of his Engineering, after working in India for two (2) years, Mr Himatsingka worked and was trained as 'Carbon Technologist' in Company's foreign collaborator's factory in Swansea, U K for over two (2) years. Mr Himatsingka was instrumental in the setting up of the Company's new factory in Birkuchi, Guwahati, Assam.

Mr Himatsingka was appointed as a Director of the Company w.e.f. 29.12.1975 and upon his return from the U K he was appointed as the Deputy Managing Director of the Company from July 1977 to July 1982 and Jt Managing Director from July, 1982 to June, 1983. Presently, he is Chairman of the Company. He is also Chairman and Managing Director of India Carbon Limited. He had also been, inter alia, director of Morganite Electrical Carbon Ltd, Swansea, U K, from 1992 to 2003.

Mr Himatsingka is a Chartered Member of the "Institution of Engineers", and Committee member of Institute of Modern Management, Kolkata. He has been President of Confederation of EOUs and was and is actively associated with Chambers of Commerce, Philanthropic/NGO bodies, Public Trusts, Rotary Movement and other social & cultural clubs.

Except Mr R Himatsingka and Mrs Anita Himatsingka none of the remaining Directors is concerned or interested in the resolution.

The Board recommends that the resolution be adopted and be passed as Special Resolution by the members of the Company.

The above may also be treated as a statement as required under Section 302 of the Companies Act, 1956.

By Order of the Board

Place : 22nd May 2013

Date : Patancheru

Saugata De
Company Secretary

DIRECTORS' REPORT TO THE MEMBERS

Your Directors presents the 50th Annual Report of the Company along with the Audited Accounts for the year ended 31st March, 2013.

1. FINANCIAL RESULTS

	(Rs.000's)	
	2012-2013	2011-2012
Sales & Other Income	423,053	406,403
Profit/(Loss) before tax	(79,626)	(5,211)
Less: Provision for tax	Nil	Nil
Profit/(Loss) after Tax	(79,626)	(5,211)
Add: Unappropriated Profit of last year	62,360	67,571
Balance carried forward	(17,266)	62,360

2. OPERATIONS

During the year under review, Gross Sales of the Company were Rs.3983.74 Lacs as compared to Rs. 4022.96 Lacs in the previous year. For the year, your company has made a Gross loss of Rs. 796.26 Lacs as against Gross Loss of Rs. 52.11 Lacs in the previous year. The Export Sales were Rs. 510.27 Lacs as compared to Rs. 797.46 Lacs in the previous year.

During the year under review it became necessary to provide substantial amounts in the accounts. These included Unrecovered Debts more than one year old, and Provision for substantial amounts for Free Replacement of Electrical Brushes due to defective products delivered to customers during the previous year 2011-12.

While the Guwahati factory was in operation during the current year 2012-13, there were substantial unused stocks of imported carbon blocks ("mother material") from Morgan UK, and it was necessary to utilize these stocks first. The result of this was under-utilization of the Guwahati plant, due to which the Overhead costs of the Guwahati plant could not be absorbed during the current year.

Market conditions during 2012-13 have been extremely slow and the offtake from customers, especially the OEM customers for Electrical and Mechanical products was significantly lower than the previous year.

The combined effect of the provisions mentioned above, unabsorbed overheads, and the depressed market conditions has been extremely adverse on the financial results of the company for the said year.

On the positive side, during the year under review, the entire quality system of the company especially in Electrical Brush manufacturing was revamped and new systems and shop-floor discipline was introduced to ensure the right quality levels are produced. Positive feedback received from customers strengthens our belief that the systems now in place are robust. Some more positives were the streamlining of at the Guwahati plant operations which had just been re-started in March 2012, as well as stabilization of Industrial Relations there.

Efforts to improve Price Levels of products sold by the company were started during the year under review and the part benefits of this have added to the bottom line. However the full benefits of this initiative will be seen during the coming year 2013-14.

3. FUTURE OUTLOOK

The market situation continues to be depressed and it is not likely to improve in near future. The company's efforts are to improve sales volumes and price levels by focusing on alternate growth areas and product-lines which were untapped so far. Measures have been identified and under implementation for cutting costs in operation and various other areas. As mentioned earlier, a price improvement initiative is already underway, and the benefit of this are expected to be seen during the coming year of 2013-14.

4. DIVIDEND

Your Directors do not recommend payment of any dividend in view of the loss made during the year under review.

5. PUBLIC DEPOSIT

The Company has not accepted / renewed any public deposit under section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975 during the year 2012-2013.

6. INVESTOR EDUCATION AND PROTECTION FUND

Your company has transferred Rs. 2,35,164/- to the Investors and Protection Fund set up by the Central Government pursuant to the provisions of section 205C of the Companies Act, 1956.

7. STATUTORY AUDITORS' AND THEIR REPORT

M/s B S R & Co, the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re appointment. In respect of observations in their report, notes referred therein and forming a part of the Accounts are self-explanatory.

8. DIRECTORS

Mr. G P Chawla resigned from the Board and the Company w.e.f. 15th June 2012. The Board places on record its appreciation to the contribution made by him during the tenure of his Directorship.

Mr Prabhat C Goenka and Mrs Anita Himatsingka retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

9. INDUSTRIAL RELATIONS

Your company is pleased to inform that during the year under review Industrial Relations at the Patancheru factory and Guwahati Factory remained normal and peaceful.

Due to administrative and business exigencies, the company had decided to shift the corporate office from Kolkata to Patancheri and as such was shifted as of 23rd November, 2012 and all employees either transferred to Hyderabad or released under VSS.

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

Information on Conservation of Energy, Technological Absorption and Foreign Exchange earnings and outgo as per section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is appended as Annexure "A" of this report.

11. EMPLOYEES

Vide circular no. GSR 289(E) dated 31st March 2011 issued by the Ministry of Corporate Affairs, Government of India, the statement of particulars of employees as required under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the limit has been enhanced to Rs. Sixty lakhs per annum or Rs. Five lakhs per month. Since no employee falls in that category no disclosure has been given in this report.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

1. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
2. the Directors have selected such Accounting Policies and applied them consistently, and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability;
4. the Directors have prepared the Accounts on a going concern basis.

13. A NOTE OF APPRECIATION

The Directors express their gratitude for the assistance and co-operation that the Company has received from the Central Government, State Governments of Assam and Andhra Pradesh, Other State Governments, Statutory Authorities, Regulatory Bodies, Customers, Bankers, Suppliers, Shareholders.

For and on behalf of the Board

22nd May 2013
Patancheru

R Himatsingka
Chairman

ANNEXURE TO DIRECTORS' REPORT

'ANNEXURE A'

1. DISCLOSURE OF PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTOR'S REPORT.

A. Conservation of Energy

(a) Energy Conservation Measures :

As energy is a significant cost to the company especially at its Guwahati plant, some initiatives to improve the same have been planned, but regrettably due to the on going Industrial activities, the Company has not been able to implement the same.

B. Technology Absorption

Research and Development (R&D)

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

No major R&D activity could be carried out

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

No benefit was expected in the period.

3. Future plan of action

Special attention would be given in the next year for R & D purpose.

4. Expenditure on R & D

(Rs. In lacs)

a. Capital	–
b. Recurring	6.16
c. Total	6.16
d. Total R & D expenditure as a percentage of total turnover	0.16

Technology absorption, adaptation and innovation

NIL

C. Foreign exchange earnings and outgo:

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

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

b. Total foreign exchange used and earned	Rs. In Lacs
Total Foreign Exchange used	714.15
Total Foreign Exchange earned	514.69

For and on behalf of the Board

22nd May 2013
Patancheru

R Himatsingka
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASSAM CARBON PRODUCTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Assam Carbon Products Limited, ('the Company'), which comprise the Balance Sheet as at 31 March 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, the financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Basis for Qualified opinion

- a) *The Inventory in the previous year 'work-in-progress' amounting to Rs. 16,333 thousands did not include a systematic allocation of fixed and variable production overheads as required by paragraph 8 of Accounting Standard 2: Valuation of Inventories. Further certain items of finished goods amounting to Rs. 11,659 thousands were valued at standard cost which was not in line with the requirements of paragraph 18 of Accounting Standard 2: Valuation of Inventories. The audit report in the previous year was qualified with respect to the above matters. The closing work in progress has been appropriately valued. However, finished goods inventory aggregating to Rs. 7,817 thousands continues to be valued at standard cost. Accordingly we are unable to satisfy ourselves regarding impact of adjustments if any, which will be required on increase/decrease in inventories and loss for the year ended 31 March 2013.*

Further, inventories include Rs. 7,841 thousand as at 31 March 2013 which has not moved for more than one year. The management is yet to evaluate further utilization of the same and no provisions have been considered for reduced selling opportunities for the same. Accordingly, we are unable to satisfy ourselves regarding adjustments, if any, which will be required to the values of inventories as at 31 March 2013 and its consequential impact on increase/decrease in inventories and loss for year ended 31 March 2013.

- b) As more fully explained in Note 24, the Company has not established a provision for employee wages and benefits for the lock out period at the Company's Guwahati Factory during the years 2007-2008 and for the subsequent lock out period from 7 December 2010 to 8 March 2012 on the principle of 'No Work No Pay'. The labour matter is sub-judice and hence the impact, if any, in terms of provision of employee wages and employee benefits and its resultant impact on loss for the year ended 31 March 2013, reserves and surplus and current liabilities cannot currently be determined. Our report in the previous year was also modified with respect to the above matter.
- c) The Company, during the period 1 April 2012 to 31 March 2013, has paid remuneration amounting to Rs. 1,650 thousands to the non-executive Director in excess of the Central Government approvals. The Company is planning to file an application with the Central Government for approval of aforesaid remuneration paid/ payable to the non executive director.

Further, the Company, during the period 1 April 2011 to 31 March 2012, has paid remuneration amounting to Rs. 1,500 thousands to the non-executive Director in excess of the Central Government approvals. The Company has filed an application with the Central Government for approval of the above remuneration paid/ payable to the non executive director. The Central Government approval in this regard is awaited.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion Paragraph above, the 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:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- ii. in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 39 which indicates that the Company has incurred a net loss of Rs. 79,626 thousands during the year ended March 31, 2013 resulting in erosion of the net worth. Also, the Company's current liabilities exceed its total current assets by Rs 95,235 thousands. In view of the continued operational and financial support from its parent, the management has prepared the financial statements on a going concern basis.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. As required by Section 227(3) of the Act, we report that:
- a) *Subject to our comments in paragraphs (a) and (b) in the Basis for Qualified Opinion Paragraph above*, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) *Subject to our comments in paragraphs (a) and (b) in the Basis for Qualified Opinion Paragraph above*, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) *Subject to our comments in paragraphs (a) and (b) in the Basis for Qualified Opinion Paragraph above*, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956; and
 - e) On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **BSR & Co**
Chartered Accountants
Firm Registration No.: 101248W

Jiten Chopra
Partner
Membership No.: 092894

Date : 22nd May, 2013

Place : Patancheru

Annexure referred to in our report of even date to the Members of Assam Carbon Products Limited on the financial statements for the year ended 31 March 2013

- (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 fixed assets are verified in a phased manner over a period of 2 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were identified on such verification.
- (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) (a) The inventory, except for goods in transit, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stock lying with third parties at the yearend written confirmations have been obtained.
- (b) According to the information and explanations given to us, the procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) *In our opinion, maintenance of inventory needs to be further improved as regards timely updation of value of finished goods inventory.* The discrepancies noticed on verification between the physical stocks and the book records were not material
- (iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain goods sold are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods. The activities of the Company do not involve sale of services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system
- (v) (a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

- (b) According to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (v)(a) above and exceeding the value of Rs. 5 lakhs with any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for purchases of certain items of inventories and fixed assets which are for the Company's specialised requirements and similarly for sale of certain goods which are for the specialised requirements of the buyers and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- (vii) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of sale of goods are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (ix) (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, Sales Tax, Service Tax, Customs Duty, Income tax, Excise Duty, Investor Education and Protection Fund, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Wealth Tax.

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, Customs Duty, Excise Duty, Investor Education and Protection Fund and other material statutory dues were in arrears as at 31 March 2013 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, Service Tax, Customs duty and Excise Duty which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Sales Tax, have not been deposited by the Company on account of disputes:

Name of the statute	Nature of the dues	Amount involved* (Rs. '000)	Amount paid under protest (Rs. '000)	Period to which the amount relates	Forum where dispute is pending`
Andhra Pradesh General Sales tax Act, 1957	Sales Tax /VAT	126	46	2001-2002	Andhra Pradesh Sales Tax Appellate Tribunal, Hyderabad
Central Sales Tax Act, 1956	Sales tax	178	46	2001-2002	Andhra Pradesh Sales Tax Appellate Tribunal, Hyderabad

* The proceeding with respect to the above have been remanded for reassessments by appropriate authorities.

- (x) *Without considering the effect of paragraphs (a) and (b) described in Basis for Qualified Opinion Paragraph of the auditor's report, the accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net-worth. Further, the Company has incurred cash losses during the current financial year. The Company had not incurred any cash losses in the immediately preceding financial year. However, the effect of paragraphs (a) and (b) described in Basis for Qualified Opinion Paragraph of the auditor's report has not been considered above.*
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures during the year.
- (xii) According to information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) According to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, *we are of the opinion that the Company has used funds raised on short term basis amounting to Rs 95,235 thousands for long term investments.*

- (xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Date : 22nd May, 2013

Place : Patancheru

For **BSR & Co**
Chartered Accountants
 Firm Registration No.: 101248W
Jiten Chopra
Partner
 Membership No.: 092894

BALANCE SHEET AS AT 31 MARCH, 2013

(Amount in Rupees thousand)

	Notes	As at 31 March 2013	As at 31 March 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	27,556	27,556
Reserves and surplus	3	259	79,885
		<u>27,815</u>	<u>107,441</u>
Non-current liabilities			
Other long-term Liabilities	4	–	80
Long-term provisions	5	15,565	37,770
		<u>15,565</u>	<u>37,850</u>
Current liabilities			
Short-term borrowing	6	99,506	60,383
Trade payables	7	190,226	160,153
Other current liabilities	8	37,083	31,001
Short-term provisions	5	27,054	7,104
		<u>353,869</u>	<u>258,641</u>
TOTAL		<u><u>397,249</u></u>	<u><u>403,932</u></u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	9	125,442	140,377
Intangible fixed assets	9	2,554	3,234
Capital work-in-progress	9	4,144	2,869
Non-current investments	10	5	5
Long-term loans and advances	11	6,304	6,594
Other non-current assets	12	166	210
		<u>138,615</u>	<u>153,289</u>
Current assets			
Inventories	13	106,175	105,415
Trade receivables	14	129,985	113,297
Cash and bank balances	15	5,113	18,536
Short-term loans and advances	11	11,984	12,840
Other current assets	12	5,377	555
		<u>258,634</u>	<u>250,643</u>
TOTAL		<u><u>397,249</u></u>	<u><u>403,932</u></u>

Significant accounting policies

1

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

As per our report of even date attached

For and on behalf of the Board of Directors of

For **B S R & Co****Assam Carbon Products Limited**

Chartered Accountants

Firm Registration No.: 101248W

R.HIMATSINGKA*Chairman***V.S.LOKRE***Managing Director***NEIL HOYLAND***Director***JITEN CHOPRA***Partner*

Membership No.: 092894

HITESH SAIWAL*Director***PRABHAT C GOENKA***Director***ANITA HIMATSINGKA***Director*

Place : Patancheru

Date : 22 May 2013

Place : Patancheru

Date : 22 May 2013

SAUGATA DE*Company Secretary*

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013

(Amount in Rupees thousand)

	Note	For the Year Ended 31st March 2013	For the Year Ended 31st March 2012
Revenue			
Revenue from operations	16	398,374	402,296
Less: Excise duty		32,586	29,273
[Net of excise duty refund Rs. 4,370 (previous year Rs. Nil)]		365,788	373,023
Other income	17	24,679	4,107
Total revenue		390,467	377,130
Expenses			
Cost of materials consumed	18	168,743	184,495
Purchase of stock in trade	19	4,046	4,656
Changes in inventories of finished goods, work in progress and stock in trade	20	(5,413)	(11,369)
Employee benefits	21	117,660	75,729
Depreciation and amortisation	9	12,928	12,932
Other expenses	22	164,004	108,192
Finance cost	23	8,125	7,706
Total		470,093	382,341
Loss for the year		79,626	5,211
Loss per share [nominal value of share Rs 10 (previous year Rs 10)]			
Basic	29	28.90	1.89
Diluted		28.90	1.89

Significant accounting policies

1

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of

For **B S R & Co**

Assam Carbon Products Limited

Chartered Accountants
Firm Registration No.: 101248W

R.HIMATSINGKA
Chairman

V.S.LOKRE
Managing Director

NEIL HOYLAND
Director

JITEN CHOPRA

Partner

Membership No.: 092894

HITESH SAIWAL
Director

PRABHAT C GOENKA
Director

ANITA HIMATSINGKA
Director

Place : Patancheru
Date : 22 May 2013

Place : Patancheru
Date : 22 May 2013

SAUGATA DE
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

(Amount in Rupees thousand)

	For the year ended 31 March 2013	For the year ended 31 March 2012
A. <u>Cash flow from operating activities</u>		
Loss before tax	79,626	5,211
<u>Adjusted for :</u>		
Depreciation and amortisation	12,928	12,932
Provision for doubtful receivables	12,051	7,740
Provision for warranty	10,724	–
Finance cost	8,125	7,706
Interest received	(50)	(270)
Government grant	(80)	(62)
Provisions and Liabilities no longer required written back	(24,227)	(2,825)
Unrealised foreign exchange loss / (gain) (net)	(5,044)	4,400
Loss on sale of fixed asset	1,086	91
Operating profit before working capital changes	(64,113)	24,501
<u>Changes in :</u>		
Trade receivables, loans and advances and other current assets	(28,208)	19,325
Inventories	(760)	(21,952)
Trade payable, provisions and other liabilities	48,645	7,915
Net Cash (utilised)/ generated from operating activities	(44,436)	29,789
B. <u>Cash flow from investing activities</u>		
Purchase of fixed assets (including net movement in capital WIP)	(1,048)	(3,268)
Interest received	74	270
Proceeds on disposal of fixed assets	725	85
Net cash (used in) investing activities	(249)	(2,913)

(Amount in Rupees thousand)

For the year ended 31 March 2013 For the year ended 31 March 2012

C. Cash flow from financing activities

Proceeds from/ (Repayment) of borrowings	39,123	(22,606)
Finance Cost paid	<u>(7,881)</u>	<u>(7,833)</u>
Net cash (used in)/ provided from financing activities	31,242	(30,439)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	<u>(13,443)</u>	<u>(3,563)</u>
Cash and cash equivalents - opening balance	18,536	22,099
Cash and cash equivalents - closing balance	<u>5,093</u>	<u>18,536</u>
	<u>(13,443)</u>	<u>(3,563)</u>

As at 31 March
2013

As at 31 March
2012

Cash and cash equivalents as at the year end comprises of :

Cash in hand	169	56
Balances with scheduled banks		
- on current accounts	4,924	18,245
- on unpaid dividend accounts*	<u>-</u>	<u>235</u>
	<u>5,093</u>	<u>18,536</u>

* accounts are not available for use by the Company

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statements as prescribed by the Companies (Accounting Standard) Rules, 2006.

As per our report of even date attached

For and on behalf of the Board of Directors of

For **B S R & Co**

Assam Carbon Products Limited

Chartered Accountants
Firm Registration No.: 101248W

R.HIMATSINGKA
Chairman

V.S.LOKRE
Managing Director

NEIL HOYLAND
Director

JITEN CHOPRA

Partner

Membership No.: 092894

HITESH SAIWAL
Director

PRABHAT C GOENKA
Director

ANITA HIMATSINGKA
Director

Place : Patancheru
Date : 22 May 2013

Place : Patancheru
Date : 22 May 2013

SAUGATA DE
Company Secretary

Notes to financial statements for the year ended 31 March 2013

Background

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

1. SIGNIFICANT ACCOUNTING POLICIES

i. Basis of preparation of financial statements

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 1956 and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest thousands.

ii. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

iii. Current – non current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of operations, the Company has ascertained its operating cycle for the purpose of current – non current classification of assets and liabilities as 12 months.

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

Assets

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

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

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

All other assets are classified as non-current.

Liabilities

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

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

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

All other liabilities are classified as non-current.

iv. Fixed assets

Fixed assets are stated at cost of acquisition (net of CENVAT) less accumulated depreciation. Cost of acquisition includes taxes, duties, freight and other costs that are directly attributable to bringing assets to their working condition for their intended use.

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

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

v. Depreciation / Amortisation

Depreciation on tangible fixed assets is provided under straight line method over useful lives of fixed assets, as estimated by the management. Useful lives so estimated are in line with the useful lives derived from depreciation rates prescribed by Schedule XIV to the Companies Act, 1956. Depreciation on additions/ deletions are provided on pro rata basis in the year of purchase/ disposal.

Assets individually costing upto Rs. 5,000 are depreciated fully in the year of acquisition.

Intangible fixed assets

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

vi. Impairment

The carrying amounts of fixed assets and capital work in progress are reviewed at each balance sheet date in accordance with Accounting Standard 28 on 'Impairment of Assets', prescribed by the Companies (Accounting Standards) Rules, 2006, to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts of assets are estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or the cash generating unit of which it is a part, exceeds the corresponding recoverable amount. Impairment losses are recognised in the statement of profit and loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount

that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

vii. Investments

Long term investments are stated at cost less amount written off, where there is a diminution in value, other than temporary.

Current investments are stated at lower of cost and fair value.

viii. Inventories

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

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

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

Excise duty liability is included in the value of closing inventory of finished goods

ix. Revenue

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

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

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

x. Income from Government Grant

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to depreciable assets, grants are treated as deferred income which is recognised in the statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged.

xi. Foreign exchange transactions

Foreign exchange transactions are recorded in the books of the Company at the exchange rate prevailing on the dates of the transactions. Year-end monetary assets and liabilities denominated in foreign currencies are translated at the year-end foreign exchange rates.

Exchange differences arising on settlements/ year-end translations are recognised in the statement of Profit and Loss for the year.

xii. Employee benefits

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

Short term benefits

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

Post employment benefits

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

Other long term benefits

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

Termination benefits

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

xiii. Taxation

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

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

xiv. Provisions and contingent liabilities

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

xv. Operating leases

Lease payments under operating lease arrangements are recognised as expense in the statement of Profit and Loss on a straight line basis over the period of the lease.

xvi. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding at the year end, except where the results would be anti dilutive.

Notes to financial statements for the year ended 31 March 2013

	(Amount in Rupees thousand)	
	As at 31 March 2013	As at 31 March 2012
	Number of shares	Amount
2 Share capital		
Authorised shares		
Equity shares of Rs. 10 each	9,800,000	98,000
Cumulative convertible preference shares of Rs. 100 each fully paid up	20,000	2,000
	<u>9,820,000</u>	<u>100,000</u>
Issued, subscribed and fully paid up equity shares of Rs.10 each	<u>2,755,600</u>	<u>27,556</u>

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares of Rs. 10 each fully paid up
At the commencement and at the end of the year

2,755,600 27,556 2,755,600 27,556

Terms attached to equity shares

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

Terms attached to preference shares

Preference shares of both classes carry a preferential right as to dividend over equity shareholders. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the company directly affecting their rights. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

Shares held by holding / ultimate holding company and/or their subsidiaries

	As at 31 March 2013		As at 31 March 2012	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each fully paid up held by:				
Morgan Crucible Co Plc. - Ultimate Holding company	850,000	85,000	850,000	85,000
Morganite Carbon Limited - Subsidiary of ultimate holding company	600,000	60,000	600,000	60,000

Particulars of shareholders holding more than 5% shares of the Company

	As at 31 March 2013		As at 31 March 2012	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of Rs. 10 each fully paid up held by				
Morgan Crucible Co Plc. - Ultimate Holding company	850,000	31%	850,000	31%
Morganite Carbon Limited - Subsidiary of ultimate holding company	600,000	22%	600,000	22%

Notes to financial statements for the year ended 31 March 2013

(Amount in Rupees thousand)

	As at 31 March 2013	As at 31 March 2012	
3 RESERVES AND SURPLUS			
Capital reserve			
At the commencement and at the end of the year	<u>3,606</u>	<u>3,606</u>	
Capital redemption reserve			
At the commencement and at the end of the year	<u>2,244</u>	<u>2,244</u>	
General reserve			
At the commencement and at the end of the year	<u>11,675</u>	<u>11,675</u>	
Surplus/(Deficit) [profit and loss balance]			
At the beginning of the year	62,360	67,571	
Less : Loss transferred from Statement of Profit and Loss	<u>(79,626)</u>	<u>(5,211)</u>	
At the end of the year	<u>(17,266)</u>	<u>62,360</u>	
Total	<u><u>259</u></u>	<u><u>79,885</u></u>	
4 Other Long-term Liabilities			
Deferred government grants			
At the beginning of the year	80	142	
Less : Transferred to statement of Profit and Loss as "Other Income"	<u>80</u>	<u>62</u>	
	<u>-</u>	<u>80</u>	
	<u><u>-</u></u>	<u><u>80</u></u>	
5 Provisions			
	Long-term	Short-term	
	As at	As at	As at
	31 March 2013	31 March 2012	31 March 2013
			As at
			31 March 2012
Provision for employee benefits			
Gratuity	8,175	3,352	5,498
Compensated absences	7,390	8,195	832
Provision for contingencies	-	26,223	10,000
Provision for warranties	-	-	10,724
	<u>15,565</u>	<u>37,770</u>	<u>27,054</u>
	<u><u>15,565</u></u>	<u><u>37,770</u></u>	<u><u>27,054</u></u>
			<u>7,104</u>
			<u><u>7,104</u></u>

Notes to financial statements for the year ended 31 March 2013

(Amount in Rupees thousand)

Movement of provisions	Provision for contingencies	Provision for warranties
Balance as at 1 April 2012	26,223 (26,223)	— (—)
Add: Provision during the year	— (—)	10,724 (—)
Less: Utilised during the year	— (—)	— (—)
Less: Reversed during the year	16,223 (—)	— (—)
Balance as at 31 March 2013	10,000 (—)	10,724 (—)

(previous year figures are in bracket)

a) Provision for contingencies

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

b) Provision for warranties

Cost of free replacement of materials is provided based on the estimate of total costs to be incurred with respect to free replacement of defective materials sold to various customers.

	Secured/ Unsecured	As at 31 March 2013	As at 31 March 2012
6 Short-term borrowings			
Loans repayable on demand			
From banks			
a) Working capital demand loan	Secured (a)	83,000	30,000
b) Packing credit foreign currency loan	Secured (a)	—	14,104
From related parties			
Morgan Crucible Co Plc, Ultimate holding company	Un-secured	16,506	16,279
		<u>99,506</u>	<u>60,383</u>

- Secured by first pari passu charge by way of hypothecation of stocks, book debts of the Company both present and future.
- The Working capital demand loan is repayable on demand and carries interest at the rate 11% to 13% per annum.
- The packing credit loan was repayable in the month of June 2012 and August 2012 and carried interest at the rate of 4.5% to 5% per annum.
- The foreign currency loan from the ultimate holding company is interest free and is repayable on demand.
- There is no continuing default in repayment of principal loan and interest amount.

Notes to financial statements for the year ended 31 March 2013

(Amount in Rupees thousand)

	As at 31 March 2013	As at 31 March 2012
7 Trade payables		
Total outstanding dues to micro and small enterprises	5,384	1,576
Total outstanding dues of trade payable other than micro and small enterprises	184,842	158,577
	190,226	160,153
Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprise Development Act, 2006 (MSMED):		
Particulars		
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
– Principal	634	234
– Interest	136	142
The amount of interest paid by the buyer as per the MSMED	–	–
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	2,277	974
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED	25	100
The amount of interest accrued and remaining unpaid at the end of each accounting year	–	–
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED	1,503	1,342
	As at 31 March 2013	As at 31 March 2012
8 Other current liabilities		
Current maturities of long-term debt	–	1,456
Interest accrued but not due on borrowings	289	45
Creditor for capital goods	6,228	4,356
Advance from customer	3,792	3,201
Unpaid dividends **	–	235
Income-tax and other taxes payable	8,165	4,552
Employee liabilities	18,609	17,156
	37,083	31,001

** There is no amount due and outstanding to be credited to investor education and protection fund.

Notes to financial statements for the year ended 31 March 2013

(Amount in Rupees thousand)

9. Tangible Fixed Assets

	Freehold Land	Buildings	Plant and Machineries	Furniture & Fittings	Office Equipments	Vehicles	Total
Gross Block							
Balance as at 1 April 2011	1,853	37,048	236,641	5,380	21,589	7,412	309,923
Additions	-	-	35	120	498	-	653
Disposals	-	-	-	-	-	459	459
Balance as at 31 March 2012	1,853	37,048	236,676	5,500	22,087	6,953	310,117
Balance as at 1 April 2012	1,853	37,048	236,676	5,500	22,087	6,953	310,117
Additions	-	50	1,367	218	10	-	1,645
Disposals	-	426	1,840	-	220	2,075	4,561
Reclassification to asset held for Sale	-	2,641	-	705	2,369	-	5,715
Balance as at 31 March 2013	1,853	34,031	236,203	5,013	19,508	4,878	301,486
Depreciation							
Balance as at 1 April 2011	-	15,435	119,995	4,256	14,711	3,374	157,771
Depreciation for the Year	-	988	9,336	188	1,138	602	12,252
Accumulated depreciation on Disposals	-	-	-	-	-	283	283
Balance as at 31 March 2012	-	16,423	129,331	4,444	15,849	3,693	169,740
Balance as at 1 April 2012	-	16,423	129,331	4,444	15,839	3,693	169,730
Depreciation for the Year	-	988	9,585	232	909	534	12,248
Accumulated depreciation on Disposals	-	404	626	-	163	1,556	2,749
Reclassification to asset held for Sale	-	444	-	556	2,185	-	3,185
Balance as at 31 March 2013	-	16,563	138,290	4,120	14,400	2,671	176,044
Net Block							
As at 31 March 2012	1,853	20,625	107,345	1,056	6,238	3,260	140,377
As at 31 March 2013	1,853	17,468	97,913	893	5,108	2,207	125,442

9. Intangible Fixed Assets

	Computer Software
Gross Block	
Balance as at 1 April 2011	4,198
Additions	-
Balance as at 31 March 2012	4,198
Balance as at 1 April 2012	4,198
Additions	-
Balance as at 31 March 2013	4,198
amortisation	
Balance as at 1 April 2011	284
amortisation for the Year	680
Balance as at 31 March 2012	964
Balance as at 1 April 2012	964
amortisation for the Year	680
Balance as at 31 March 2013	1,644
Net Block	
As at 31 March 2012	3,234
As at 31 March 2013	2,554

Notes to financial statements for the year ended 31 March 2013

(Amount in Rupees thousand)

Capital work-in-progress	Computer Software
Balance as at 1 April 2011	254
Addition	2,615
Assets capitalised during the year	–
Balance as at 31 March 2012	<u>2,869</u>
Balance as at 1 April 2012	2,869
Addition	1,275
Assets capitalised during the year	–
Balance as at 31 March 2013	<u>4,144</u>

As at	As at
31 March 2013	31 March 2012

10 Non-current investment

(valued at cost unless otherwise stated)

Non-trade investment

Un-Quoted equity shares

500 (previous year 500) equity shares

of Rs.10 each fully paid up in Assam

Petrochemicals Limited

5

5

11 Loans and advances**Long-term****Short-term**

As at 31 March 2013

As at 31 March 2012

As at 31 March 2013

As at 31 March 2012

To parties other than related parties

Security deposits

Unsecured, considered good **4,997**

5,261

1,870

1,564

4,997

5,261

1,870

1,564

Other loans and advances

*Unsecured considered good,
unless otherwise stated*

Advances to employees

–

–

1,748

1,605

Recoverable from directors

–

–

–

375

Balance with excise and

sale tax authorities

–

–

1,296

2,923

Prepaid expenses

20

46

3,473

3,522

Advance income-tax

1,287

1,287

–

–

Advances recoverable
in cash or in kind or for
value to be received

–

–

3,597

2,851

- Considered good

–

–

1,371

1,371

- Considered doubtful

–

–

11,485

12,647

1,307

1,333

11,485

12,647

Less: Provision for
doubtful advances

–

–

1,371

1,371

1,307

1,333

10,114

11,276

6,304

6,594

11,984

12,840

Notes to financial statements for the year ended 31 March 2013

(Amount in Rupees thousand)

12 Other assets

	Non-current		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Unsecured considered good, unless otherwise stated				
Interest accrued on margin money	48	72	-	-
Fixed asset reclassified as held for sale (refer note 9)	-	-	2,530	-
Others receivable	-	-	2,847	555
Other bank balances				
Balance in banks for margin money	118	118	-	-
Deposit with original maturity for more than twelve months (Refer Note 15)	-	20	-	-
	<u>166</u>	<u>210</u>	<u>5,377</u>	<u>555</u>

13 Inventories (Valued at lower of cost and net realizable value)

	As at 31 March 2013	As at 31 March 2012
Raw materials [including in transit Rs.17,069 (previous year Rs. 27,041)]	53,365	59,177
Stores and spares parts	5,869	4,710
Work-in-progress	35,031	28,509
Finished goods		
- Manufactured	10,654	11,659
- Traded	1,256	1,360
	<u>106,175</u>	<u>105,415</u>

14 Trade receivables

Receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	8,437	10,648
Unsecured, considered doubtful	49,553	37,502
	<u>57,990</u>	<u>48,150</u>
Less: Provision for doubtful receivables	49,553	37,502
	<u>8,437</u>	<u>10,648</u>
Other receivables		
Unsecured, considered good	121,548	102,649
	<u>121,548</u>	<u>102,649</u>
	<u>129,985</u>	<u>113,297</u>

Notes to financial statements for the year ended 31 March 2013

(Amount in Rupees thousand)

	As at 31 March 2013	As at 31 March 2012
15 Cash and bank balances		
Cash and cash equivalents		
Balance with banks:		
Current accounts	4,924	18,245
Unpaid dividend account	–	235
Cash on hand	169	56
Other bank balance	20	–
	<u>5,113</u>	<u>18,536</u>
Details of deposits		
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	20	–
Bank deposits due to mature after 12 months of the reporting date included under 'Other noncurrent assets' (refer note 12)	–	20
	Year ended 31 March 2013	Year ended 31 March 2012
16 Revenue from operations		
Sale of products (gross)*		
Own manufactured	389,699	393,843
Traded	7,445	7,703
Other operating income		
Scrap sales	1,230	750
Total	<u>398,374</u>	<u>402,296</u>
(*) Sale of products		
Manufactured		
EG, HC, NG and RB carbon blocks	27,881	16,826
MG and SG carbon blocks	13,746	9,715
Electrical carbon brushes	158,059	121,720
Mechanical and Special Carbon components	175,013	214,060
ISO Graphite components	14,416	30,915
Others	584	607
	<u>389,699</u>	<u>393,843</u>
Traded		
Carbon Brushes	7,153	6,822
Commutator Maintenance Accessories	292	881
	<u>7,445</u>	<u>7,703</u>
17 Other income		
Interest on deposits	50	270
Provision and liabilities no longer required written back	24,227	2,825
Government grant	80	62
Rent received	–	240
Gain on foreign exchange fluctuations (net)	165	–
Miscellaneous income	157	710
	<u>24,679</u>	<u>4,107</u>

Notes to financial statements for the year ended 31 March 2013

(Amount in Rupees thousand)

	Year ended 31 March 2013	Year ended 31 March 2012
18 Cost of materials consumed		
Opening Stock	59,177	49,375
Add : Purchases	162,931	194,297
	<u>222,108</u>	<u>243,672</u>
Less : Closing Stock	53,365	59,177
	<u>168,743</u>	<u>184,495</u>
Break up of cost of material consumed		
Lamp black, carbon black, coke, natural & synthetic graphite, pitch etc	57,650	65,926
Non ferous metals, copper sheets, brass sheets, flexible wires, tubes etc	32,397	26,457
Copper sheets, brass sheets, flexible wires, tubes, rodes etc	14,795	14,492
Carbon brush components	11,824	14,495
ISO graphite & carbon blocks, blanks etc	44,432	61,371
Others	7,645	1,754
	<u>168,743</u>	<u>184,495</u>
Breakup of inventory - materials		
Lamp black, carbon black, coke, natural & synthetic graphite, pitch etc	22,898	22,843
Non ferous metals, copper sheets, brass sheets, flexible wires, tubes etc	2,293	2,384
Copper sheets, brass sheets, flexible wires, tubes, rodes etc	5,530	3,641
Carbon brush components	1,630	1,716
ISO graphite & carbon blocks, blanks etc	19,682	27,501
Others	1,332	1,092
	<u>53,365</u>	<u>59,177</u>
19 Purchases of stock in trade		
Carbon brushes	3,918	4,656
Commutator Maintenance Accessories	128	-
	<u>4,046</u>	<u>4,656</u>
20 Changes in inventories of finished goods, work in progress and stock-in-trade		
Opening inventory		
Work-in-progress	28,509	20,015
Finished goods		
- Own manufactured	11,659	9,129
- Traded	1,360	1,015
	<u>41,528</u>	<u>30,159</u>
Less :		
Closing inventory		
Work-in-progress	35,031	28,509
Finished goods		
- Own manufactured	10,654	11,659
- Traded	1,256	1,360
	<u>(5,413)</u>	<u>(11,369)</u>

Notes to financial statements for the year ended 31 March 2013

(Amount in Rupees thousand)

	Year ended 31 March 2013	Year ended 31 March 2012
21 Employee benefit expense		
Salaries, wages and bonus	88,932	57,279
Provident fund and employee benefit	15,200	11,536
Workmen and staff welfare expense	13,528	6,914
	<u>117,660</u>	<u>75,729</u>
22 Other expenses		
Stores and spares parts consumed	18,924	9,790
Power and fuel	42,520	16,159
Fabrication costs	12,535	12,296
Repairs to:		
- building	918	871
- plant and machinery	2,918	1,533
- others	1,816	1,387
Insurance	3,220	3,284
Rent (Refer note 30)	3,507	3,482
Provision for warranty	10,724	-
Commission - others	848	1,397
Packing and freight	6,262	3,387
Travelling and conveyance	14,985	13,473
Bad receivables written off	-	-
(Net of Provision Rs. NIL , Previous Year Rs.7,953)		
Provision for doubtful receivables	12,051	7,740
Rates and taxes	616	560
Professional fee	15,426	11,414
Auditors' remuneration (refer note 37)	1,755	1,634
Non executive directors' fees	1,795	1,635
Loss on sale / discard of fixed assets	1,086	91
Loss on foreign exchange fluctuations	-	7,031
Excise duty - opening and closing stock of finished goods	92	(17)
Postage and telephone	1,931	2,584
Security charges	2,592	2,045
Bank charges	841	575
Miscellaneous expenses	6,642	5,841
	<u>164,004</u>	<u>108,192</u>
23 Finance cost		
Interest on		
- Term loan	-	613
- Others	8,125	7,093
	<u>8,125</u>	<u>7,706</u>

Notes to financial statements for the year ended 31 March 2013

(Amount in Rupees thousand)

As at **As at**
31 March 2013 **31 March 2012**

24 Capital and other commitments (to the extent not provided for)

- (i) Estimated amount of contracts (net of advances) remaining to be executed on Capital account and not provided for – –
- (ii) The issue of payment of back wages during the period of strike / lock-out at the Company's Guwahati Unit for certain employees effective from 29 November 2007 to 24 July 2008 and for others from 29 November 2007 to 3 November 2008, has been referred to appropriate authorities for adjudication. 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 for certain employees effective from 29 November 2007 to 24 July 2008 and for others from 29 November 2007 to 3 November 2008. Guwahati unit was again under lock out with effect from 7 December 2010 to 8 March 2012 . The Company on the principle of No work No Pay, has neither ascertained nor made any provision for payment of wages and other employee benefits for the period of strike and lock out for certain employees with effect from 7 December 2010 to 8 March 2012.

As at **As at**
31 March 2013 **31 March 2012**

25 Contingent liability not provided for:

- (i) Sales tax matters under appeal **304** **304**

26 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Section 92-92F of the Income - Tax Act, 1961. Since the law requires the existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of the International transactions entered into with the associated enterprises from 1 April 2012 to 31 March 2013 and expects such records to be in existence within the due date. The management is of the opinion that its international transaction are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

27 The Company has not hedged the following foreign currency exposure as at the year end.

	GBP	Equivalent Rs.	Euro	Equivalent Rs.	US Dollar	Equivalent Rs.
Trade Payables	1,634	138,272	76	5,327	178	9,527
	[1308]	[106,434]	[95]	[6,526]	[113]	[5,742]
Trade Receivables	255	20,819	1	69	26	1,803
	[232]	[18,891]	[12]	[829]	[90]	[4,598]
Borrowings from related party	200	16,505	-	-	-	-
	[200]	[16,279]	[-]	[-]	[-]	[-]
Other Receivable	3	253	3	167	-	-
	[-]	[-]	[-]	[-]	[-]	[-]

(Previous year figures are in brackets)

Notes to financial statements for the year ended 31 March 2013

(Amount in Rupees thousand)

	As at 31 March 2013	As at 31 March 2012
28 Deferred Tax		
Deferred tax assets		
Provision for doubtful receivables and advances	15,735	12,614
Provision for employee benefits	6,765	6,052
Provision for Warranties	3,314	—
Carried forward tax losses	37,196	23,008
Total	<u>63,010</u>	<u>41,674</u>
Deferred tax liabilities		
Difference between written down value of fixed assets as per books of accounts and for tax purposes	20,652	22,637
Total	<u>20,652</u>	<u>22,637</u>
Deferred tax asset / (liability) [net]	<u>42,358</u>	<u>19,037</u>

Note: In view of absence of virtual certainty of realisation of deferred tax asset in the foreseeable future, deferred tax asset is not recognised in the financial statements.

	As at 31 March 2013	As at 31 March 2012
29 Loss per share:		
(a) Weighted average number of equity shares outstanding during the year	2,755,600	2,755,600
(b) Net loss after tax attributable to equity shareholders (Rs. '000)	79,626	5,211
(c) Basic and diluted loss per equity share of face value Rs. 10 (Rs.)	28.90	1.89
30 (a) Cancellable Operating Leases: The Company has taken various office and residential premises on operating lease arrangements. These agreements are for a period of 11 months to 3 years, cancellable during the life of the contract at the option of both the parties.		
(b) Non- Cancellable Operating Leases: The Company acquired three vehicle under non-cancellable operating lease agreement. Future minimum lease payments outstanding as on 31 March 2013 are given below :		
	As at 31 March 2013	As at 31 March 2012
Not later than one year	961	441
Later than one year but not later than five years	763	617
	<u>1,724</u>	<u>1,058</u>
(c) Minimum lease payment (under both cancellable and non cancellable leases) charged during the year to the statement of profit and loss aggregated to Rs. 3,507 (Previous year Rs. 3,482).		

Notes to financial statements for the year ended 31 March 2013

(Amount in Rupees thousand)

31 Employee Benefits

Disclosures made in accordance with Accounting Standard 15 - Employee Benefits (AS 15) pertaining to defined benefit plans:

SI No.	Particulars	31 March 2013	31 March 2012
		Gratuity	Gratuity
		Funded	Funded
(i)	Net Asset / (liability) recognised in Balance sheet as at the year end		
	Present value of defined obligation at year end	46,349	49,206
	Fair value of plan assets at year end	32,676	39,632
	Net Asset / (liability) recognised in the balance sheet	(13,673)	(9,574)
(ii)	Components of employer expense		
	Current service costs	2,383	2,356
	Interest costs	3,464	3,513
	Expected return on plan assets	(3,170)	(1,853)
	Actuarial loss recognised	3,504	2,362
	Expense recognised in the statement of profit and loss	6,181	6,378
	The gratuity expenses have been recognised in 'Provident fund and employee benefit expenses' under note 22		
(iii)	Change in defined benefit obligations :		
	Obligation at beginning of the year	49,206	42,609
	Service cost	2,383	2,356
	Interest cost	3,464	3,513
	Actuarial loss recognised	3,100	3,316
	Benefits paid	(11,804)	(2,588)
	Defined benefit obligation at end of the year	46,349	49,206
(iv)	Change in plan assets:		
	Fair value of plan assets at the beginning of the year	39,632	23,157
	Expected return on plan assets	3,170	1,853
	Employer's contribution	2,082	16,254
	Benefit paid	(11,804)	(2,588)
	Actuarial gain / (loss) recognised	(404)	956
	Fair value of plan assets at the end of the year	32,676	39,632
(v)	Deficit	(13,673)	(9,574)
(vi)	Actual return on plan assets:	2,766	2,809
(vii)	Category of assets as at year end:		
	Invested in Life Insurance Corporation of India	32,676	39,632
(viii)	Assumptions:		
	Discount rate	8.00%	8.50%
	Expected return on plan assets	8.00%	8.50%
	Inflation rate	8.00%	8.50%

Notes to financial statements for the year ended 31 March 2013

(Amount in Rupees thousand)

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors.

Sl No.	PARTICULARS	2012-13	2011-12	2010-11	2009-10	2008-09
		Gratuity	Gratuity	Gratuity	Gratuity	Gratuity
		Funded	Funded	Funded	Funded	Funded
(viii)	Experience history					
	Defined benefit obligation at the end of the year	46,349	49,206	42,609	33,262	34,719
	Plan assets at the end of the year	32,676	39,632	23,157	19,206	20,853
	Funded Status	(13,673)	(9,574)	(19,452)	(14,056)	(13,866)
	Experience gain/(loss) adjustment on plan liabilities	(3,125)	(10,346)	295	58	375
	Actuarial gain/(loss) due to change in assumption	(1,167)	7,480	(9,253)	2,417	(3,935)
	Experience gain/(loss) adjustment on plan assets	788	504	294	58	375

(ix) **Major category of Plan Assets as a % of the Total Plan assets as at the year end**

Invested in Life Insurance Corporation of India

100% 100% 100% 100% 100%

(x) **Basis used to determine the Expected Rate of return on Plan Assets**

The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

32 Segment Reporting

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17) prescribed by Companies (Accounting Standard) Rules, 2006, taking into account the nature of products and services, the different risks and returns, the organisational structure and the internal financial reporting system.

The Company is engaged in the business of engineering products and hence has only one business segment. The Company's risks and returns are affected predominantly by the fact that it sells its products in the domestic and overseas market. Accordingly, geographical segments have been considered as primary segment reporting format.

Segment revenue, results, assets and liabilities include respective amounts identified to each of the segments and amounts allocated on a reasonable basis.

Particulars	Export		Domestic		Total	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31 March	31 March	31 March	31 March	31 March	31 March
	2013	2012	2013	2012	2013	2012
Revenue from Operation	51,027	79,746	347,347	322,550	398,374	402,296
Less: Excise duty	—	—	32,586	29,273	32,586	29,273
Revenue from Operation (Net)	51,027	79,746	314,761	293,277	365,788	373,023
Other income	—	—	237	3,837	237	3,837
Other income - unallocable	—	—	—	—	24,442	270
Segment revenue	51,027	79,746	314,998	297,114	390,467	377,130
Segment result	(6,498)	9,245	(57,235)	19,945	(63,733)	29,190
Unallocated expenses (net of income)	—	—	—	—	7,768	26,695
Finance cost	—	—	—	—	8,125	7,706
Loss for the year	—	—	—	—	79,626	5,211
Other Information :						
Segment assets	27,919	25,067	98,274	88,230	126,193	113,297
Unallocated assets					271,056	290,635
Total assets					397,249	403,932
Segment liabilities	26,543	34,237	167,475	129,117	194,018	163,354
Unallocated liabilities					175,416	133,137
Share Capital	—	—	—	—	27,556	27,556
Reserves and surplus	—	—	—	—	259	79,885
Total liabilities					397,249	403,932
Cost incurred to acquire fixed asset	—	—	—	—	—	—
Unallocable	—	—	—	—	2,920	3,268
Depreciation/amortisation	—	—	—	—	—	—
Unallocable	—	—	—	—	12,928	12,932
Significant non cash expenses	—	—	—	—	—	—

Notes to financial statements for the year ended 31 March 2013
(Amount in Rupees thousand)

33 Related Party Disclosures in accordance with Accounting Standard 18 prescribed by Companies (Accounting Standard) Rules, 2006. :

- (a) **Related parties (where control exists)**
Bodies corporate having control over the Company Morgan Crucible Company Plc (Holding company)
- (b) **Related parties with whom there have been transactions during the year:**

Name of the party	Nature of relationship	Sales	Purchases	Loan outstanding	Purchase of Fixed Asset	Remuneration paid	Professional fees	Receivable/ (payable) at year end
Morgan Crucible Company Plc	Holding company	-	-	16,506	-	-	1,131	(5,170)
Morgan AM&T (SEA) Pte Limited	Fellow subsidiary	-	6,571	-	-	-	-	(4,637)
Shanghai Morgan Carbon Co. Limited	Fellow subsidiary	5,934	1,629	-	-	-	-	(3,547)
Morgan Electrical Carbon Limited	Fellow subsidiary	23,513	56,816	-	1,187	-	-	(114,913)
Morgan Hungary KFT	Fellow subsidiary	19,289	1,197	-	-	-	-	2,094
Morgan Korea Company Limited	Fellow subsidiary	787	-	-	-	-	-	1,208
Morganite Luxembourg Limited	Fellow subsidiary	1,123	-	-	-	-	-	68
Morgan Cabon Italia	Fellow subsidiary	-	-	-	-	-	-	(3,913)
Mr. V S Lokre	Key management personnel	-	-	-	-	3,933	-	-
Mr. G. P. Chawla	Key management personnel	-	-	-	-	1,210	-	-
	Total	50,646	66,213	16,506	1,187	5,143	1,131	-

(c) **Related parties with whom there have been transactions during the previous year:**

Name of the party	Nature of relationship	Sales	Purchases	Loan outstanding	Purchase of Fixed Asset	Remuneration paid	Professional fees	Receivable/ (payable) at year end
Morgan Crucible Company Plc	Holding company	-	-	16,279	-	-	1,131	(3,965)
Morgan AM&T (SEA) Pte Limited	Fellow subsidiary	-	12,069	-	-	-	-	-
Shanghai Morgan Carbon Co. Limited	Fellow subsidiary	9,690	1,028	-	-	-	-	2,195
Morgan Electrical Carbon Limited	Fellow subsidiary	25,002	89,690	-	-	-	-	(98,035)
Morgan Hungary KFT	Fellow subsidiary	40,521	-	-	-	-	-	11,702
Morgan Korea Company Limited	Fellow subsidiary	699	-	-	-	-	-	-
Morganite Luxembourg Limited	Fellow subsidiary	2,476	-	-	-	-	-	829
Morgan Cabon Italia	Fellow subsidiary	-	1,389	-	2,092	-	-	(3,803)
Mr. V S Lokre	Key management personnel	-	-	-	-	3,324	-	-
Mr. D Ray	Key management personnel	-	-	-	-	1,121	-	-
Mr. G. P. Chawla	Key management personnel	-	-	-	-	2,128	-	-
	Total	78,388	104,176	16,279	2,092	6,573	1,131	-

Notes to financial statements for the year ended 31 March 2013

(Amount in Rupees thousand)

34 Details of inventories of finished goods

Class of goods	As at 31 March 2013 Amount	As at 31 March 2012 Amount
EG, HC, NG and RB carbon blocks	26	–
MG and SG carbon blocks	2	–
Electrical carbon brushes	7,658	6,098
Mechanical and special carbon blocks and blanks	–	35
Machined and special carbon components	2,644	4,881
ISO-Graphite components	324	645
Total	10,654	11,659

35 Details of inventories of traded goods

Class of goods	As at 31 March 2013 Amount	As at 31 March 2012 Amount
Trading Brush	339	362
Commutator maintenance accessories	917	998
Total	1,256	1,360

36 Details of imported and indigenous raw materials and stores and spare parts consumption

	For the year ended 31 March 2013		For the year ended 31 March 2012	
	Amount	% of total consumption	Amount	% of total consumption
Raw materials				
Imported	106,628	63	140,130	76
Indigenous	62,115	37	44,365	24
	168,743	100	184,495	100
Stores and spares				
Imported	–	–	2,444	25
Indigenous	18,924	100	7,346	75
	18,924	100	9,790	100
Total	187,667		194,285	

Notes to financial statements for the year ended 31 March 2013

(Amount in Rupees thousand)

	For the year ended 31 March 2013	For the year ended 31 March 2012
37 Auditors' remuneration includes*:		
(a) Statutory audit fees	790	700
(b) Limited Reviews	550	550
(c) Certification and Other assignments	146	146
(d) Reimbursement of out of pocket expenses for (a), (b) and (c) above	109	89
(e) Service tax	160	149
	<u>1,755</u>	<u>1,634</u>
38 Value of imports on C.I.F. basis		
Raw materials	70,112	118,705
Stores and spare parts	-	1,414
Capital goods	1,187	2,092
Trading items	116	373
39 During the financial year 2012-2013, the Company's net worth has eroded more than 50% from the net worth for the financial year 2011-2012. However the Company will continue as a going concern for the financial year 2013-2014 with continued financial and operational support of the Morgan group who shall be guiding the company's operations.		
40 Expenditure and earnings in foreign exchange		
(a) Expenditure in foreign currency		
Travelling	308	1,450
Professional fees	1,181	1,131
b) Earnings in foreign currency		
Exports on F.O.B. basis	50,740	79,746
Reimbursement of expenses	725	623

As per our report of even date attached

For **B S R & Co**

Chartered Accountants

Firm Registration No.: 101248W

JITEN CHOPRA

Partner

Membership No.: 092894

Place : Patancheru

Date : 22 May 2013

For and on behalf of the Board of Directors of

Assam Carbon Products Limited**R.HIMATSINGKA**

Chairman

V.S.LOKRE

Managing Director

NEIL HOYLAND

Director

HITESH SAIWAL

Director

PRABHAT C GOENKA

Director

ANITA HIMATSINGKA

Director

SAUGATA DE

Company Secretary

Form of Proxy



ASSAM CARBON PRODUCTS LTD

Registered Office : Birkuchi, Guwahati – 781 026

I/We _____
of _____ in the district of _____
being a member/members of the above named Company, hereby appoint
Mr./Mrs. _____ of _____ in the
district of _____ or failing him/her Mr./Mrs. _____
of _____ in the district of _____
as my/our proxy to vote for me/us and on my/our behalf at the 50th Annual General Meeting of the
Company to be held on 19th September, 2013 at the registered office at 'Birkuchi, Guwahati - 781
026, and at any adjournment thereof.

Signed this _____ day of, _____ 2013

Signature _____

Affix
Revenue
Stamp

This proxy form must be deposited at the Registered Office of the Company, not less than 48 hours
before the time of holding the Meeting.



ASSAM CARBON PRODUCTS LTD

Attendance Slip

To be handed over at the entrance of the Meeting Hall

Full name of the
Member attending : _____

Full name of the
first joint-holder : _____
(To be filled in if first named joint-holder does not attend the meeting)

Name of Proxy : _____
(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 50th Annual General Meeting being held on 19th September,
2013 at the registered office at 'Birkuchi, Guwahati - 781 026.

DP Id: _____ Client ID _____

Registered Folio No. : _____

Member's/Proxy's Signature

No. of Shares held : _____ (To be signed at the time of handing over this slip)

Note : Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.