



**RP - Sanjiv Goenka
Group**

Report & Accounts 2014-15



Phillips Carbon Black Limited



An artist's impression of PCBL factory at Kochi, Kerala



Phillips Carbon Black Limited

Corporate Identity Number: L23109WB1960PLC024602

Registered Office: 31, Netaji Subhas Road, Kolkata - 700001

Tele: (033) 6625 1000, 6625 1500, 6625 1461-64, Fax: (033) 2248 0140

E-mail: pcbl@rp-sg.in, Website: www.pcbltld.com

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Board of Directors

Mr Sanjiv Goenka, Chairman

Mr Kaushik Roy, Managing Director

Mr Shashwat Goenka

Mr C R Paul

Mr O P Malhotra

Dr Ram S Tarneja

Mr K S B Sanyal

Mr Paras K Chowdhary

Mr Pradip Roy

Mrs Kusum Dadoo (w.e.f 1st April, 2015)

Company Secretary

Mr Kaushik Mukherjee

Chief Financial Officer

Mr Raj Kumar Gupta

Banks

Bank of Baroda

Allahabad Bank

State Bank of India

State Bank of Bikaner & Jaipur

IDBI Bank Limited

State Bank of Travancore

Export Import Bank of India

ICICI Bank Limited

Syndicate Bank

Citibank, N. A.

Auditors

Price Waterhouse

Chartered Accountants

Solicitors

Khaitan & Co.

Notice to the Members

Notice is hereby given that the Fifty-fourth Annual General Meeting of the Members of Phillips Carbon Black Limited will be held at "Uttam Mancha", 10/1/1, Monoharpukur Road, Kolkata- 700026, on Friday, the 31st day of July, 2015 at 10.30 a.m to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2015 including Consolidated Audited Financial Statements for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the year ended 31st March, 2015.
3. To appoint a Director in place of Mr. Paras K Chowdhary (holding DIN 00076807), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Auditors and to fix their remuneration and for the purpose to consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the re-appointment of the retiring Auditors, M/s. Price Waterhouse (Firm Registration No. 301112E) to hold office from the conclusion of the 53rd AGM of the Company till the conclusion of the 56th AGM of the Company to be held in the year 2017, be and is hereby ratified and the said Auditors be paid such remuneration as may be decided by the Audit Committee of the Board of Directors of the Company."

SPECIAL BUSINESS:

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

5. (As an Ordinary Resolution)

"Resolved that pursuant to the provisions of Sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Article 93(1) of the Articles of Association of the Company, Mr. Shashwat Goenka (DIN 03486121) who was appointed by the Board of Directors as an Additional Director of the Company w.e.f 1st September, 2014 and who holds office upto the date of this Annual General Meeting and in respect of whom a notice has been received from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. (As an Ordinary Resolution)

"Resolved that pursuant to the provisions of Sections 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment

thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and with Article 93(1) of the Articles of Association of the Company, Mrs. Kusum Dadoo (DIN 06967827), who was appointed by the Board of Directors of the Company as an Additional Director of the Company w.e.f 1st April, 2015 and who holds office upto the date of this Annual General Meeting and in respect of whom a notice has been received from a Member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company and be also appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of five years w.e.f 1st April, 2015."

7. (As a Special Resolution)

"Resolved that pursuant to the provisions of Sections 196, 197, 198, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of the Central Government, if necessary and such other necessary approval(s), consent(s) or permission(s), as may be required, the consent of the members of the Company, be and is hereby accorded for the remuneration as set out in the explanatory statement annexed hereto, paid to Mr. Altaf Jiwani (DIN: 05166241), Whole Time Director & Chief Financial Officer of the Company for the period from 1st April, 2014 till 30th January, 2015, in absence of adequate profits.

Resolved further that the Board of Directors be and is hereby authorized, to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

8. (As an Ordinary Resolution)

"Resolved that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the consent of the Company be and is hereby accorded for the ratification of appointment of M/s. Shome & Banerjee, Cost Accountants, the Cost Auditors appointed by the Board of Directors of the Company ("the Board") for the financial year ending 31st March, 2016, with a remuneration of Rs. 3,50,000/- (Rupees three lacs fifty thousand only).

Resolved further that, the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

9. (As an Ordinary Resolution)

"Resolved that pursuant to the provisions of Sections 197, and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), Article 96 of the Articles of Association of the Company and Clause 49(II)(C) of the Listing Agreement with the Stock Exchanges and subject to such permissions, sanctions and approvals if necessary, consent of the Company be and is hereby accorded for payment of commission to the Directors, who are neither in the

whole time employment of the Company nor its Managing Director at a rate not exceeding three per cent of the net profits of the Company computed in the manner stated in Section 198(1) of the Act, subject to the total managerial remuneration not exceeding eleven per cent of the net profits for the relevant financial year commencing from the financial year 2014-15 to be distributed amongst the said Directors in such manner as the Board of Directors of the Company ("the Board") and/or Nomination and Remuneration Committee constituted by the Board may from time to time determine and that the said commission be paid in addition to the fee payable to the aforesaid Directors for attending the meetings of the Board or any Committee thereof.

Resolved further that for the purpose of giving effect to this Resolution, the Board and /or Nomination and Remuneration Committee of the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

10. (As a Special Resolution)

"Resolved that in modification of the previous Resolution passed at the Annual General Meeting of the Members of the Company held on 30th July, 2014, consent of the Company be and is hereby accorded under the provisions of Section 180(1)(c) of the Companies Act, 2013 to the Board of Directors of the Company, for borrowing any sum or sums of money from time to time from any one or more of the Financial Institutions, Government/Government Bodies, Company's Bankers and/or other persons, Firms or Bodies Corporate whether resident in India or not and whether by way of Term Loans, Cash Credit, Advance, Deposits, Bills Discounting, issue of instruments and securities such as bonds, debentures, commercial paper and other debt securities or otherwise, and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however, that the total amount upto which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 1500/- crores (Rupees one thousand five hundred crores only) exclusive of interest. The Board of Directors are hereby further authorised to execute such deeds of debentures and debenture trust deeds for mortgage, charge, hypothecation, lien, promissory

notes, deposits receipts and other deeds and instruments or writings as they may think fit and containing such conditions and covenants as the Board of Directors may think fit and that for the purpose of implementation of this Resolution, the Board may act through any member thereof or any other person duly authorized by the Board in that behalf."

Registered Office :

31, Netaji Subhas Road

Kolkata - 700 001

CIN: L23109WB1960PLC024602

6th May, 2015

By Order of the Board

Kaushik Mukherjee
Company Secretary

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts relating to Special Businesses to be transacted at the Annual General Meeting is attached hereto.
2. **A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy/Proxies to attend and vote on a poll instead of himself/herself. A proxy need not be a member of the Company.** A person can act as proxy on behalf of members not exceeding fifty(50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A Proxy Form is annexed to this Notice.
3. **The businesses set out in the Notice will be transacted through remote electronic voting system and the Company is providing facility for voting by remote electronic means.** Instructions and other information relating to remote e-voting are given in the Notice under Note No. 21.

Members attending the meeting, who have not cast their vote by remote e-voting, shall be able to exercise their right to vote at the meeting through ballot papers.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 24th day of July, 2015 to 31st day of July, 2015 (both days inclusive).
5. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agents, M/s. Link Intime India Private Limited, cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are

to be advised only to the Depository Participants of the members.

- Members holding shares in dematerialized form are requested to intimate all changes pertaining to their Bank Details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc. to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Company's Registrar and Share Transfer Agent.

In case the mailing address mentioned on the Attendance Slip is without the PINCODE, Members are requested to kindly inform the PINCODE immediately.

- The Company has transferred all unclaimed or unpaid Dividend declared upto the financial year ended 31st March, 2007 to the Investor Education and Protection Fund (IEPF) of the Central Government pursuant to Section 125(1) of the Companies Act, 2013.
- Dividend for the Financial Year ended 31st March, 2008 and thereafter, which remains unclaimed or unpaid for a period of seven years will be transferred to the IEPF under Section 124(5) of the Companies Act, 2013. Members who have not encashed the dividend warrant(s), so far for the financial year ended 31st March, 2008 or any subsequent financial years, are requested to submit their claims to the Registered Office of the Company. It may also be noted that once the unclaimed dividend is transferred to IEPF as stated no further claim shall be entertained by the Company in respect thereof. The dividend for the financial year ended 31st March, 2008 is due to be transferred to the aforesaid Fund immediately after 5th September, 2015.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with the Companies) Rules, 2012, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years starting from 2003-2005 on the website of IEPF viz. www.iepf.gov.in and under "Investors Relations" section on the website of the Company viz. www.pcblltd.com.

- Members can avail of the nomination facility, under Section 72 of the Companies Act, 2013 by submitting Form No. SH. 13 as per rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 with the Company. Blank forms will be made available on request.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom

they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent/ Share Department of the Company.

- Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Company's Registrar and Share Transfer Agent, Link Intime India Private Limited for the same.
- Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
- In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- Non-resident Indian Members are requested to Inform Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, immediately of :
 - Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Registrar and Share Transfer Agent / Depositories for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
- Electronic copy of the Notice of the 54th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being also sent to all the members whose email IDs are registered with the Registrar and Share Transfer Agent/Depository Participants for communication purposes. For members who have not registered their email address, physical copies of the Notice of the 54th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
- Electronic copy of the Annual Report for Financial Year 2014-2015 is being sent to all members whose email IDs are registered with the Registrar and Share Transfer Agent/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email

address, physical copies of the Annual Report for Financial Year 2014-2015 are being sent in the permitted mode.

18. Members may also note that the Notice of the 54th Annual General Meeting and the Annual Report for Financial Year 2014-2015 will also be available on the Company's website at www.pcblltd.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kolkata for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id kaushik.mukherjee@rp-sg.in.
19. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting at least 3 days before the AGM.
20. Details under revised Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms an integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
21. **Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, members may cast their vote on all the resolutions proposed to be considered in this Annual General Meeting by electronic means from a remote location ("Remote E-voting") and the Company is pleased to provide to its members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by "Remote E-voting". The company has engaged M/s National Securities Depository Limited (NSDL) and the facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("Remote E-voting") will be provided by the said National Securities Depository Limited (NSDL).
 - II. Members of the company, instead of casting their votes by the aforesaid "Remote E-voting" may cast their vote at the venue of the Annual General Meeting through physical ballot papers, which shall be made available at the venue of the AGM and only such members attending the meeting, who have not cast their vote by remote e-voting, shall be able to exercise their right to vote at the meeting through ballot papers.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM, but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on 28th July, 2015 (9:00 am) and ends on 30th July, 2015 (5:00 pm). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., 24th July, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

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

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

signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to pcb1.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in .

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

- (i) Initial password is provided at the bottom of the Attendance Slip for the AGM, in the following manner:

EVEN	USER ID	PASSWORD/PIN
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- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- (iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no: 1800-222-990.
- (iv) If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password/PIN for casting your vote.
- (v) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (vi) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 24th July, 2015.
- (vii) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 24th July, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or kolkata@linkintime.co.in .

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- (viii) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- (ix) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- (x) Pursuant to the provisions of Section 108 of the Companies Act 2013 read with the rules thereof, Mr. Anjan Kumar Roy, Practicing Company Secretary,

(Membership No. FCS 5684) has been appointed as the Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.

- (xi) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Papers" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (xii) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report on the votes cast in favour or votes cast against the respective resolutions and shall provide the said report to the Chairman or to a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.pcblltd.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to all the stock exchanges in India, where the shares of the Company are listed.

- 22. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
- 23. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 6.00 pm) on all working days, up to and including the date of Annual General Meeting of the Company.

Registered Office :	By Order of the Board
31, Netaji Subhas Road	
Kolkata - 700 001	
CIN: L23109WB1960PLC024602	Kaushik Mukherjee
6th May, 2015	Company Secretary

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

Item No. 5

Mr. Shashwat Goenka (25 years) was appointed by the Board of Directors ('the Board') as an Additional Director of the Company with effect from 1st September, 2014 pursuant to

Section 149, 152, and 161 (1) of the Companies Act, 2013 read with Article 93(1) of the Articles of Association of the Company. Mr. Shashwat Goenka holds office as a Director of the Company upto the date of this Annual General Meeting. The Company has received a notice in writing from a member proposing candidature of Mr. Shashwat Goenka, for the office of the Director of the Company.

Mr. Shashwat Goenka has graduated from The Wharton School, University of Pennsylvania with a Bachelor of Science in Economics, specializing in Finance, Marketing and Management. Mr. Shashwat Goenka has worked with companies like Nestle India Limited and KPMG India. Presently he is on the Board of Firstsource Solutions Limited, Spencer International Hotels Limited and Retailers Association of India.

Mr. Shashwat Goenka does not hold by himself or for any other person in any manner, any shares in the Company. Mr. Shashwat Goenka is not related to any other director except Mr. Sanjiv Goenka.

The Board recommends the resolution in relation to appointment of Mr. Shashwat Goenka as a Director, for the approval by the shareholders of the Company.

Except Mr. Shashwat Goenka, being an appointee and Mr. Sanjiv Goenka, being related to Mr. Shashwat Goenka, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution set out at Item No. 5 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 6

As per the provisions of Section 149(1) of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement, the Company should have at least one Woman Director. Accordingly, pursuant to Sections 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and with Article 93(1) of the Articles of Association of the Company, Mrs. Kusum Dadoo (62 years) was appointed by the Board of Directors ('the Board') as an Additional Director of the Company with effect from 1st April, 2015. Mrs. Kusum Dadoo holds office as a Director of the Company upto the date of this Annual General Meeting. The Company has received a notice in writing from a member proposing candidature of Mrs. Kusum Dadoo for the office of Director of the Company under the provisions of Section 160 of the Companies Act, 2013.

The Company has received from Mrs. Kusum Dadoo requisite consent, intimation and a declaration in connection with her appointment as an Independent Director.

Mrs. Kusum Dadoo is a Science Graduate from Bethune College and a Law Graduate from Calcutta University. Mrs. Kusum Dadoo has done attorneyship from Calcutta High Court. Mrs. Kusum Dadoo is associated with Khaitan & Co. Advocates, one of the leading firms of India, for over 35 years having expertise in Real Estate, Banking and Finance.

Presently Mrs. Kusum Dadoo is on the Board of The Standard Batteries Limited. Mrs. Kusum Dadoo is a Member of Audit Committee of The Standard Batteries Limited. Mrs. Kusum Dadoo does not hold by herself or for any other person in any manner, any shares in the Company. Mrs. Kusum Dadoo is not related to any director of the Company.

In the opinion of the Board, Mrs. Kusum Dadoo fulfills the conditions specified in Section 149 of the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreement, for her appointment as a Woman director and as an Independent Director of the Company. Copy of the draft letter for appointment of Mrs. Kusum Dadoo as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board recommends the resolution in relation to appointment of Mrs. Kusum Dadoo as an Independent Director, for the approval by the shareholders of the Company.

Except Mrs. Kusum Dadoo, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution set out at Item No. 6 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 7

The members of the Company at the Annual General Meeting held on 30th July, 2014 has approved the remuneration payable to Mr. Altaf Jiwani, Whole Time Director and Chief Financial Officer the Company and the Board of Directors were authorized to revise the same within the overall limits as prescribed in this regard.

Mr. Altaf Jiwani has resigned from the services of the Company at the close of business on 30th January, 2015.

The Nomination and Remuneration Committee approved that in case of absence or inadequacy of profits in any financial year during the tenure of the appointment, Mr. Altaf Jiwani will be entitled to draw the subsisting remuneration as Minimum Remuneration, subject to the provisions of Schedule V of the Companies Act, 2013.

Mr. Altaf Jiwani was associated with the Company in his professional capacity, since April, 2006 and had contributed towards the growth of the Company.

The Nomination and Remuneration Committee and the Board in their respective meetings held on 30th July, 2014, approved, the payment of the following remuneration as minimum remuneration paid to Mr. Altaf Jiwani during his tenure i.e, from 1st April, 2014 to 30th January, 2015.

Basic Salary:

Rs. 2,46,000/- per month (01.04.2014 to 30.06.2014)

Rs. 3,33,700/- per month (01.07.2014 to 30.01.2015)

Management Allowance:

Rs. 2,46,000/- per month (01.04.2014 to 30.06.2014)

Rs. 3,33,700/- per month (01.07.2014 to 30.01.2015)

Customised Allowance Pool:

Rs. 3,55,300/- per month (01.04.2014 to 30.06.2014)

Rs. 3,88,500/- per month (01.07.2014 to 30.01.2015)

Perquisites:

In addition to the above remuneration, Mr. Altaf Jiwani was also entitled to the following perquisites during his tenure :

- (i) Personal accident insurance, encashment of leave at the end of the tenure of service, club fees, medical insurance and privilege leave on full pay and allowance etc. in accordance with the Rules of the Company.
- (ii) Subject to any statutory ceiling, Mr. Altaf Jiwani may be given any other allowance, performance bonus/incentive, perquisites, benefits and facilities as the Board of Directors of the Company may from time to time decide.
- (iii) Valuation of perquisites shall be done as per the Income Tax Rules, wherever applicable. In absence of any such rule, the perquisites shall be evaluated at actual cost.
- (iv) Company's contribution to the Provident Fund and Superannuation Fund shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the provisions of Income Tax Act.
- (v) Gratuity : One half of a month's salary for each completed year of service in accordance with the Rules of the Company.

General Exemption : Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, Gratuity payable and Leave Encashment at the end of the tenure shall not be included in the computation of the ceiling on Remuneration under Schedule V of the Companies Act, 2013.

Provisions of cars with driver for use on Company's business and telephone will not be considered as perquisites. Personal long distance calls and use of cars for private purpose shall however be billed by the Company.

The remuneration paid to Mr. Altaf Jiwani as stated above is subject to the approval of the Members and Central Government, if necessary.

The Board accordingly recommends the Resolution as set out at Item No. 7 of the Notice in relation to the approval of remuneration paid to Mr. Altaf Jiwani during the period from 1st April, 2014 to 30th January, 2015.

Except Mr. Altaf Jiwani, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution set out at Item No. 7 of the Notice.

The information as required under section II of part II of Schedule V of the Companies Act, 2013 for Item No. 7 of the Notice is given below:

I. GENERAL INFORMATION:

(1) Nature of Industry

The Company is primarily engaged in the manufacture and sale of carbon black, which is used by the rubber

industry. The Company also produces and sells excess electric power generated from the low calorific value off gas which is generated in the process of manufacture of Carbon Black.

(2) Date or expected date of commencement of commercial production

5th December, 1962.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable.

(4) Financial performance based on given Indicators:

Key financials for last three are given as below:

(Rs. in lakhs)

	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013
Sales (Gross)	271139.17	253051.60	253220.38
Profit/ (Loss) before tax	1432.99	(8790.93)	(4004.43)
Profit/(Loss) after tax	1264.46	(8659.64)	(2064.99)
Paid up share capital	3446.73	3446.72	3446.72
Rate of dividend (%)	10%	-	5%

(5) Foreign Investments or collaborations, if any

None

II. INFORMATION ABOUT THE APPOINTEE:

MR. ALTAF JIWANI:

(1) Background details:

Mr. Altaf Jiwani was qualified as BE (Production) and MMS (Finance). Mr. Altaf Jiwani had more than 21 years of experience in Corporate Finance across industries such as electrical, textile and automobile. He had developed expertise in the areas of foreign exchange, risk management and trade finance. He has significantly contributed in derisking the business model of Phillips Carbon Black Limited in his role as CFO.

(2) Past remuneration:

For the year ended 31st March, 2014, Mr. Altaf Jiwani's total remuneration was Rs 1.05 crores.

(3) Recognition or awards:

Mr. Altaf Jiwani received the 'Outstanding Achiever' award within RPG Group in 2007-08.

(4) Job profile and his suitability:

Please see (1) above.

(5) Remuneration proposed :

The remuneration paid to Mr. Altaf Jiwani for the period 1st April, 2014 till 30th January, 2015, subject to the approval of the Members, is set out in the Explanatory Statement to Item No. 7 of the Notice.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of origin):

The remuneration paid to Mr. Altaf Jiwani, was reasonably in line with the remuneration in similar sized companies in the same segment of business.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any :

Apart from having received the remuneration as stated above, Mr. Altaf Jiwani does not have any pecuniary relationship directly or indirectly, with the Company and its managerial personnel.

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits:

PCBL has an inadequate profit after tax of Rs. 12.64 crores primarily because of the following reasons:

1. Pressure on margins due to unabated dumping of carbon black in India by Chinese carbon black companies coupled with the pressure on export realization, particularly in the South East Asian markets.
2. Crash in crude prices resulting in significant write down of inventory.

(2) Steps taken or proposed to be taken for improvement:

To remain competitive in the current challenges of economy and industry, the Company has taken following steps in manufacturing and procurement:

- a. Improve yields.
- b. Develop new sources for procurement of raw materials like CBFS and CBO which are contributing by way of better yields and lower prices.
- c. Strengthen marketing and technical functions.
- d. Undertaken initiatives in manufacturing to reduce variability in process.

(3) Expected increase in productivity and profits in measurable terms:

The Company has taken all out measures to reduce costs as well as improve operational efficiency and above all increase the price of carbon black to the extent possible considering the market scenario both

Domestic and International. Despite the odds, the Company has been maintaining a steady growth and is expected to turnaround sooner than later.

IV. DISCLOSURES:

The required disclosures as to remuneration package, etc. have been appropriately provided in the Report on Corporate Governance, forming a part of this Annual Report which may be referred to.

Item No. 8

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Shome & Banerjee, Cost Accountants, the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out under Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016.

None of the Directors, Key Managerial Personnel, and their relatives are concerned or interested in the aforesaid Resolution.

Item No. 9

In terms of the provisions of Section 197 of the Companies Act, 2013, (" the Act"), the Company may pay commission to the Directors who are neither in the whole time employment of the Company nor its Managing Director at a rate not exceeding 3% of the net profits of the Company computed in the manner stated in Section 198(1) of the Act.

Article 96 of the Articles of Association of the Company also authorizes such payment of commission.

Keeping in view the growth of the Company, contribution, responsibilities and the time devoted by the Non-Executive Directors, it is proposed to pay commission to the Non-Executive Directors of the Company at a rate not exceeding 3 % of the its net profit each year, commencing from the financial year 2014-15. The total managerial remuneration will not exceed 11% of the net profits of the Company for the relevant year. The said commission will be distributed amongst the said directors in such a manner as the Board and/or the Nomination and Remuneration Committee constituted by the Board may from time to time determine. The Resolution set out under Item No. 9 of the Notice may be considered accordingly.

The Board of Directors accordingly recommends the Resolution set out at Item No. 9 of the Notice for the approval by the shareholders of the Company.

All the non-executive Directors of the Company may be deemed to be concerned or interested in this Resolution to the extent

of commission that may be payable to them from time to time.

Item No. 10

In terms of Section 180(1)(c) of the Companies Act, 2013, the consent of the Members in General Meeting is required to enable the Board of Directors to borrow moneys, where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceeds the aggregate of the paid up capital and free reserves, that is to say, reserves not set apart for any specific purpose.

The earlier limit for borrowings approved by the Members of the Company is Rs. 1000 crores. In view of your Company's requirements of funds for expansion, diversification and acquisition, the Board considers it necessary and appropriate that the limit be enhanced to Rs. 1500 crores in the interest of the Company.

The Board recommends the Resolution as set out at Item No. 10 of the Notice be passed in the interest of the Company.

None of the Directors, Key Managerial Personnel, and their relatives are concerned or interested, in the aforesaid Resolution.

II. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE

(i) Re-appointment of Mr. Paras K Chowdhary (Item No. 3)

Mr. Paras K Chowdhary (63 years) joined the Board of Directors of the Company in December, 1999. Mr. Paras K Chowdhary is a Member of Audit Committee of the Board of Directors of the Company.

Mr. Paras K Chowdhary is a Science graduate. He has been associated with the Tyre and Carbon Black Industry for over 36 years and his last assignment was Managing Director of CEAT Ltd. He continues to be on the Board of Directors of CEAT Ltd.

Mr. Paras K Chowdhary is a Member of Stakeholders Relationship Committee and Nomination and Remuneration Committee of CEAT Ltd. Mr. Paras K Chowdhary does not hold by himself or for any other person in any manner, any shares in the Company.

Mr. Paras K Chowdhary is not related to any director of the Company.

Except Mr. Paras K Chowdhary, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution set out at Item No. 3 of the Notice.

(ii) Appointment of Mr. Shashwat Goenka (Item No. 5)

For the details of Mr. Shashwat Goenka, please refer to the above Explanatory Statement in respect of the Special Business set out at Item No. 5 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

(iii) Appointment of Mrs. Kusum Dadoo (Item No. 6)

For the details of Mrs. Kusum Dadoo, please refer to the above Explanatory Statement in respect of the Special Business set out at Item No. 6 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

Registered Office :
31, Netaji Subhas Road
Kolkata - 700 001
CIN: L23109WB1960PLC024602
6th May, 2015

By Order of the Board

Kaushik Mukherjee
Company Secretary

Boards' Report, Management Discussion and Analysis

The Directors of your Company have pleasure in presenting their fifty - fourth Annual Report on business and operations of the Company and the audited accounts for the financial year ended 31st March, 2015.

FINANCIAL HIGHLIGHTS

(Rs. in crore)

Year ended	31.03.15	31.03.14
Total Revenue	2484.61	2297.97
PBDIT	210.21	104.48
Less: Finance and hedging cost	138.35	138.65
PBDT	71.86	(34.17)
Less: Depreciation	57.53	53.74
PBT	14.33	(87.91)
Tax Expense	1.69	(1.31)
PAT	12.64	(86.60)
Balance brought forward	168.97	255.57
Less: Adjustment consequent to revision of useful life of certain assets pursuant to Schedule II of the Companies Act, 2013	0.72	—
Balance brought forward (net of adjustment)	168.25	255.57
Profit available for Appropriation	180.89	168.97
Proposed Dividend	3.45	—
Tax on aforesaid Dividend	0.70	—
Balance carried forward to Balance Sheet	176.74	168.97

DIVIDEND

For approval of members at the ensuing Annual General Meeting your Directors are happy to recommend a dividend of 10 % i.e., @ Re. 1/- per share which will absorb Rs. 3.45 crore. The tax on aforesaid dividend, to be borne by the Company, will be Rs. 0.70 crore.

INDUSTRY STRUCTURE & DEVELOPMENT

Led by the recovery in US market, the global automobile industry in FY15 grew by 3 %. Passenger car output in Western Europe was up by 4% largely driven by a rise in passenger car output in Germany and Spain. Sales of heavy truck in Western Europe declined by 6%, while light vehicle sales declined by 10%. Growth in vehicle sales in the world's largest car market, China, halved to 7% as the country's economic expansion slowed. Indian automobile sales grew by an estimated 9%, driven by export sales 17% and domestic sales 8%. The estimated European passenger car and light truck tyre market increased marginally by around 1% in the replacement market and by 3%

in the OEM market with depressed demand in Russia. The US truck tyre market was up by 9-10%. In the Indian Tyre market, domestic demand grew by 6-7% driven by a 5-6% rise in the OEM segment and 6-7% in the replacement segment.

Estimated global annual demand in FY15 for carbon black was 12 million tons, against estimated capacity of 15 million tons. In India, total production capacity was around 1 million tons p.a. while FY15 consumption was approx. 700 KT leading to lower capacity utilization.

The national carbon black industry continues to reel under pressure by unabated dumping of the product by China and South Korea. Estimated FY 15 import of carbon black to India was 105 KT. Import from China and South Korea accounts for 84% of the total import. Due to dumping, procurement of carbon black from national sources was affected and indian carbon black companies had to resort to production cuts during the year.

PERFORMANCE

Carbon Black

Your Company's operating profit during FY15 was Rs. 210 crore, a significant jump over Rs.105 crore achieved in the previous year. This was mainly on account of improvement in operational efficiency. While global carbon black demand rose by 4-5%, your company achieved better growth on account of higher national market share and venturing out to new segments in international markets. However, operating efficiency and rise in market share was largely offset by the crash in crude prices resulting in significant inventory write-down.

After a gap of two years, PBT and PAT for the year were in positive trajectory at Rs.14.33 crore and Rs.12.64 crore respectively.

Power

Your Company's power segment revenue (excluding inter segment revenue) was higher at Rs.69 crore vis-à-vis Rs.65 crore last year on account of higher realization.

Manufacturing

Production during FY15 was 311,823 MT compared to 288,676 MT in the previous year.

Capacity utilization is expected to improve further this year with higher volume demand expected from the market and the rise in consumption trend of the automobile sector. With the strategic location of its four plants, your Company is well poised to service the demand from various customers in India and overseas. The close vicinity of seaports to a couple of plants should facilitate logistic costs within India and abroad.

Research and Development

The Research and Development (R&D) units located at Durgapur, Kochi, Palej and Mundra continued to receive recognition as in-house Research and Development units from

the Department of Scientific and Industrial Research, Ministry of Science and Technology.

During the year your Company successfully - i) developed new grades of carbon black for domestic and international markets, ii) improved product characteristics to meet more stringent customer specifications, iii) continued recasting of Standard Operating Procedures, iv) established state of the art rubber application laboratory v) and modified reactor design operating conditions to improve yield.

Environment, Health, Safety and Social Responsibility

The Company's commitment to preserve and enrich environment by conducting all operations in an environment-friendly and safe manner continues. We are continuing our initiatives to touch the lives of communities in and around our manufacturing units by supporting environmental and health care projects as also educational programs.

Every plant is focussed on driving safe workplace initiatives, which resulted in achieving a no-fatal accident record. Regarding environmental performance, we continued to strictly adhere to all environmental conformances.

Human Resource Development

Focus on Human Resource Development gives an edge to every international business in this era of global competition. We endeavoured to achieve this through promoting a continuous culture of coaching, undertaking various Learning and Development initiatives aimed at providing support to employee building capabilities and helping people to succeed.

One of the initiatives, Nirantar Gyan Vardhan (Continuous Knowledge Enhancement) is focussed on skill development to make your company a great learning organization. This initiative also enhanced both theoretical and operational domain/industry knowledge. Your Company recognizes that in today's fast-paced, competitive business environment, continuous learning is a key to success.

During the year, your Company provided various training programs for its employees across the organization.

The Company also took strong steps in its transformation journey, aimed at driving a cultural change and embracing strategic imperatives.

A Young Executive Board (YEB), an aspirational forum for young managers, supports the Management Committee in strategic issues pertaining to the Company's vision and growth.

Some of the significant progress made during FY15 are :

- Implemented process for employee goal setting, aimed at better alignment of Organizational and Individual performance and rewards.
- Implemented effective Talent Management Process.
- Automated two more processes in "HR Connect - Employee Portal".

- Industrial relation scenario at all the units continued to remain healthy and forward looking.

Internal Control System and Adequacy

Your Company maintains adequate internal control systems in all areas of operation. Services of internal and external auditors are utilized from time to time, as also in-house expertise and resources. The Company continuously upgrade these systems in line with the best available practices.

These reports and deviations are regularly discussed with Management Committee Members and actions taken whenever necessary.

An independent Audit Committee of the Board reviews the adequacy of internal control.

Opportunities and Threats

Your Company is always on the lookout for opportunities that may arise while keeping tab on the likely threats to its business.

Opportunities

- In India, major tyre companies have expansion plans that are currently underway and may go on stream during next 2 to 3 years. Carbon black demand in the domestic market in the coming years is expected to rise.
- Thrust on infrastructure, mining sector development and the Make in India initiative is expected to provide a major boost to Automobile & Tyre Industries.
- Moderation in inflation and likely reduction in interest rate, may revive the automobile sector and raise the demand for tyres / carbon black from the OEM segment.

Threats

- Import of carbon black from China and South Korea continues to be a threat for the national carbon black industry.
- Volatility in raw material price which is linked with the global crude price movement.
- Volatility in Rupee exchange rate vis-à-vis US\$.
- Inadequate infrastructure at ports, causing detention of vessels and higher freight cost.

Segment wise Performance

The performance of carbon black and power segments have been covered in this Report earlier.

Risks and Concern

Major raw material for your Company viz., carbon black feedstock (CBFS) is a residue from the distillation process and is subject to daily volatility, whereas the selling price of finished carbon black is revised on a monthly/quarterly basis. In the event the Company is unable to pass on the increase in CBFS cost, it may have an adverse impact on profit.

In view of long transit time in import of CBFS, a sudden crash

in the CBFS price may lead to loss of profit. Increase in import or drop in demand for carbon black may also have significant impact on the Company's bottom-line.

The Company is also exposed to risks from fluctuation of Indian Rupee vis-à-vis other currencies, interest rate, realisation for power and regulations relating to environment.

Major Expansion Plans

Projects are proceeding at a pace considered appropriate in the prevailing economic situation, global scenario and the Company's business strategy.

Subsidiary Companies

In accordance with the provisions of Section 129(3) of the Companies Act, 2013, the Company has prepared a Consolidated Financial Statement of the Company and of all the subsidiaries namely, Phillips Carbon Black Cyprus Holding Limited, PCBL Netherlands Holdings B.V, Phillips Carbon Black Vietnam Joint Stock Company and Goodluck Dealcom Private Limited, in the form and manner as that of its own, duly audited by M/s. Price Waterhouse, the auditors, in compliance with the applicable accounting standards and the listing agreement with the Stock Exchanges. The Consolidated Financial Statement for the year 2014-15 form a part of the Annual Report and Accounts and shall be laid before the Annual General Meeting while laying its financial statements under sub-section (2) of the said section. A report on the performance and the financial position of the Subsidiary Companies in form AOC-1, forms a part of the Consolidated Financial Statement.

The Company does not have any material subsidiary in the immediately preceding accounting year. However, as per revised Clause 49 of the Listing Agreement, SEBI has made it mandatory for all listed companies to formulate a policy for determining 'material' subsidiaries. Accordingly, a policy on 'material' subsidiaries was formulated by the Audit Committee of the Board of Directors and the same is also posted on the website of the Company and may be accessed at the link <http://pcblltd.com/investorrelations/investorrelations.php> .

FUTURE OUTLOOK

Carbon Black

Demand for carbon black in India is expected to grow @ 6-7% during the next couple of years and is likely to receive boost when new capacity for tyre manufacturing hits the market. Your Company is well poised to cater to higher demand as and when such need arises in the national market.

Overseas demand for carbon black is expected to grow @ 4-4.5%. Your Company has established offices and logistics network overseas to widen its presence and reduce the delivery period in the international market. This will continue to be a major thrust area for your Company in the coming years.

Steps in Manufacturing and Procurement

Your Company continues to focus on various initiatives to

improve operational efficiencies like improving yield, exploring new geographies for feedstock sourcing as well as investing in technical capabilities for developing new grades particularly for non-rubber applications.

Share Capital

The paid up Equity Share Capital as on 31st March, 2015 was Rs. 34.46 crore. During the year under review, the Company has not issued shares with differential voting rights, neither granted stock options nor sweat equity. As on 31st March, 2015, none of the Directors of the Company hold shares or convertible instruments of the Company.

Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

As required under provisions of Section 134 of the Companies Act, 2013 and read with Rule 8(3) of the Companies (Accounts) Rules, 2014, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the 'Annexure - B', which is annexed hereto and forms part of the Board's Report.

Public Deposits

The Company does not have any Public Deposit Scheme and has repaid all Public Deposits that matured and were claimed by the depositors under the earlier Public Deposit Schemes. Matured unclaimed deposits amounted to Rs. 45,000/- have been transferred to Investor Education and Protection Fund during the year and there is no outstanding balance as on 31st March, 2015.

Details of significant and material orders passed by the Regulators, Courts and Tribunals

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and company's operations in future.

Particulars of Loans, Guarantees and Investments

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

Audit Committee

The Audit Committee of the Board of Directors of the Company comprises Mr. K S B Sanyal as Chairman and Mr. C R Paul, Mr. O P Malhotra, Dr. Ram S Tarneja, Mr. Paras K Chowdhary as members. The Company Secretary is the Secretary of the Committee. The Managing Director and Chief Financial Officer are permanent invitees to the meeting. The details of all related party transactions, if any are placed before the Audit Committee. During the year there was no instance where the Board had not accepted the recommendations of the Audit Committee.

The Audit Committee has also been delegated the responsibility of monitoring and reviewing risk management assessment and minimization procedures, implementing and monitoring the risk management plan and identifying, reviewing and mitigating all elements of risks which the Company may be exposed to.

The details of terms of reference of the Audit Committee, number and dates of meetings held, attendance of the Directors and remuneration paid to them are given separately in the attached Corporate Governance Report.

Stakeholders Relationship Committee

A Stakeholders Relationship Committee was constituted with Mr. C R Paul as Chairman and Mr. K S B Sanyal as Member of the Committee. The Company Secretary act as the Secretary to this Committee. The Committee has delegated the responsibility for share transfers and other routine share maintenance work to the Company Secretary and to M/s. Link Intime India Pvt. Ltd., the Registrar and Share Transfer Agent of the Company. All requests for dematerialization and rematerialisation of shares, transfer or transmission of shares and other share maintenance matters are completed within 10 days of receipt of valid and complete documents. Minutes of the Committee meetings are circulated to all Directors and discussed at the Board meetings. The details of the member and dates of meetings of this Committee which were held during the year ended 31st March, 2015, attendance of the Directors and remuneration paid to them are given separately in the attached Corporate Governance Report.

Nomination and Remuneration Committee

A Nomination and Remuneration Committee was constituted with Mr. K S B Sanyal as Chairman, Mr. C R Paul and Mr. O P Malhotra as Members of the Committee. The Company Secretary acts as the Secretary of this Committee.

The details of terms of reference of the Nomination and Remuneration Committee, number and dates of meetings held, attendance of the Directors and remuneration paid to them are given separately in the attached Corporate Governance Report.

Corporate Social Responsibility Committee

A Corporate Social Responsibility Committee was constituted with Mr. K S B Sanyal as Chairman, Mr. Kaushik Roy and Mr. Shashwat Goenka as Members of the Committee.

The terms of reference of the Corporate Social Responsibility Committee, number and the date of the meeting held, attendance of the Directors and remuneration paid to them are given separately in the attached Corporate Governance Report.

The detail of the CSR Policy is also posted on the website of the Company and may be accessed at the link <http://pcblltd.com/investorrelations/investorrelations.php> .

Pursuant to the requirement under Section 135 of the Companies Act, 2013 and Rules made thereunder, a Report on CSR activities in the prescribed format is given in 'Annexure - C', which is annexed hereto and forms part of the Board's Report.

Vigil Mechanism /Whistle Blower Policy

In compliance with provisions of Section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company

has framed a Whistle Blower Policy / Vigil Mechanism to report concerns about the Company's working or about any violation of its policies. The details of the Vigil Mechanism/ Whistle Blower Policy is also posted on the website of the Company and may be accessed at the link <http://pcblltd.com/investorrelations/investorrelations.php> .

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Remuneration Policy

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The extract of Remuneration Policy is stated in the Corporate Governance Report.

Related Party Transactions

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Hence, the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus, disclosure in Form AOC-2 is not required. Further, there are no materially significant Related Party Transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons.

All Related Party Transactions are placed before the Audit Committee for approval.

The policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company and may be accessed at the link <http://pcblltd.com/investorrelations/investorrelations.php> .

Risk Management

Risk Management is the process of identification, assessment, and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The Company has laid a comprehensive Risk Assessment and Minimization Procedure, which is reviewed by the Audit committee and approved by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT – 9 as required under Section 92 of the Companies

Act, 2013, is marked as 'Annexure - A', which is annexed hereto and forms a part of the Boards' Report.

Particulars of Employees

As required under provisions of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of the employees concerned forms a part of the Board's Report. Having regard to the provisions of Section 136 of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such particulars may write to the Company Secretary of the Company.

Details relating to Remuneration of Directors, Key Managerial Personnel and employees

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is marked as 'Annexure - D', which is annexed hereto and forms a part of the Board's Report.

Corporate Governance

Under Clause 49 of the Listing Agreement with the Stock Exchanges, a section on Corporate Governance together with a certificate from the Company's Auditors confirming compliance is set out in the Annexure forming part of this Annual Report.

Number of meetings of Board of Directors

The details of the number of meetings of the Board of Directors held during the financial year 2014-15 forms a part of the Corporate Governance Report.

Directors' Responsibility Statement

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Directors to the best of their knowledge and belief confirm that:

- i) in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards have been followed;
- ii) appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit and loss of the Company for the period;
- iii) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis;
- v) Internal financial controls laid down by the Directors have been followed by the Company and such internal financial controls are adequate and were operating effectively.

- vi) proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Declaration by Independent Directors

Mr. C R Paul, Mr O P Malhotra, Dr. Ram S Tarneja, Mr. K S B Sanyal, Mr. Pradip Roy and Mrs. Kusum Dadoo, are Independent Directors on the Board of the Company. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed both under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s. Price Waterhouse (Firm Registration No. 301112E), Chartered Accountants, were appointed as Statutory Auditors of the Company from the conclusion of the 53rd Annual General Meeting (AGM) of the Company held on 30th July, 2014 till the conclusion of 56th AGM to be held in the year 2017, subject to ratification of their appointment at every AGM. Accordingly, a Resolution seeking Members ratification for their appointment is included at item no. 4 of the Notice convening the Annual General Meeting.

Cost Audit

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost Audit records maintained by the Company relating to manufacture of Carbon Black and generation and transmission of electricity at the plants located at Durgapur, Cochin, Palej and Mundra, of the Company is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed Messrs Shome & Banerjee, to audit the cost accounts of the Company for the financial year 2015-2016 on a remuneration of Rs. 3,50,000/- (Rupees three lacs fifty thousand only). As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the members in a Annual General Meeting for their ratification. Accordingly, a Resolution seeking Members ratification for the remuneration payable to Messrs Shome & Banerjee, Cost Auditors is included at item no. 8 of the Notice convening the Annual General Meeting.

The Company submits its Cost Audit Report with the Ministry of Corporate Affairs within the stipulated time period.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Anjan Kumar Roy & Co., Company Secretaries (Membership No. FCS 5684) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the Financial Year ended 31st March, 2015 is annexed herewith and marked as 'Annexure - E'.

Directors

Mr. Altaf Jiwani, who was a Whole Time Director and Chief Financial Officer of the Company, resigned from the services of the Company at the close of the business on 30th January, 2015. The Board has placed on record its appreciation for the invaluable support and guidance received from Mr. Altaf Jiwani during his association with the Company.

Mr. Shashwat Goenka, was appointed by the Board of Directors at its meeting held on 30th July, 2014 as an Additional Director of the Company with effect from 1st September, 2014. Mr. Shashwat Goenka holds office as an Additional Director of the Company upto the date of the ensuing Annual General Meeting. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 along with prescribed deposit from a member of the Company signifying his intention to propose the candidature of Mr. Shashwat Goenka for the office of the Director of the Company. Details of the proposal for appointment of Mr. Shashwat Goenka is mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 54th Annual General Meeting.

The Companies Act, 2013 and the revised Clause 49 of the Listing Agreement require that a Woman Director should be a member of the Board of Directors. Mrs. Kusum Dadoo was appointed by the Board of Directors at its meeting held on 22nd January, 2015 as an Additional Director of the Company with effect from 1st April, 2015. Mrs. Kusum Dadoo holds office as an Additional Director of the Company up to the date of the ensuing Annual General Meeting. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 along with prescribed deposit from a member of the Company signifying his intention to propose the candidature of Mrs. Kusum Dadoo for the office of a Director of the Company. Details of the proposal for appointment of Mrs. Kusum Dadoo is mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 54th Annual General Meeting.

Mr. Paras K Chowdhary, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Key Managerial Personnel

The following persons were formally appointed as Key Managerial Personnel of the Company effective from 1st April, 2014 in compliance with the provisions of Section 203 of the Companies Act, 2013:

- a) Mr. Kaushik Roy, Managing Director.
- b) Mr. Kaushik Mukherjee, Company Secretary.
- c) Mr. Altaf Jiwani, Chief Financial Officer (till 30th January, 2015).
- d) Mr. Raj Kumar Gupta, Chief Financial Officer (w.e.f 1st February, 2015).

Mr. Altaf Jiwani having resigned at the close of business on 30th January, 2015, Mr. Raj Kumar Gupta was appointed as the Chief Financial Officer and Key Managerial Personnel effective from 1st February, 2015. Remuneration and other details of the Key Managerial Personnel for the year ended 31st March, 2015 are mentioned in the extract of the Annual Return, which is attached as 'Annexure – A' and forms a part of the Board's Report.

Forward - looking Statement

This Report contains forward-looking statements that involve risks and uncertainties. Actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. Significant factors that could make a difference to the Company's operations include domestic and international economic conditions affecting demand-supply and price conditions, foreign exchange fluctuations, changes in government regulations, tax regimes and other statutes.

Acknowledgement

Your Directors record their deep appreciation for the encouragement, assistance and co-operation received from members, government authorities, banks and customers. They also thank them for the trust reposed in the Management and wish to thank all employees for their commitment and contribution.

For and on behalf of the Board

Kolkata
6th May, 2015

Sanjiv Goenka
Chairman
(DIN: 00074796)

Annexure A to the Board's Report

Form No. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i) CIN :	L23109WB1960PLC024602
ii) Registration Date:	31/03/1960
iii) Name of the Company:	Phillips Carbon Black Limited
iv) Category / Sub-Category of the Company:	Public Company / Limited by shares
v) Address of the Registered office and contact details :	31, Netaji Subhas Road, Kolkata - 700 001 Telephone No. : 033-6625 1461-1464 Fax : 033-2248 0140 E-mail : pcbd@rp-sg.in
vi) Whether listed company :	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :	Link Intime India Pvt. Ltd Address of Registered Office:- C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078 Contact Details: 022-25946970 Address of Branch Office:- 59 – C, Chowringee Road, 3rd Floor, Kolkata - 700 020 Contact Details: 033 - 22890539/40

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Products/Services	% to total turnover of the company (Gross)
1	Manufacturing of Carbon Black	2803	95.69 (approx)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held by the Company	Applicable Section
1	Phillips Carbon Black Cyprus Holdings Limited, 15 Dimitriou Karatasou Street, Anastasio Building, 6th Floor, Office/Flat 601 2024, Strovolos, Nicosia, Cyprus	N.A	Wholly Owned Subsidiary Company	100%	2(87)
2	PCBL Netherlands Holdings B.V., WTC Amsterdam, Tower C - 11, Strawinskyalaan 1143, 1077 XX, Amsterdam, Netherlands	N.A	Wholly Owned Subsidiary of Phillips Carbon Black Cyprus Holdings Limited	100%	2(87)
3	Phillips Carbon Black Vietnam Joint Stock Company, Lot No. 04, My Xuan - A -Industrial, Zone, Tan Thanh District, Ba-Ria Vung Tan Provinces, Vietnam	N.A	Subsidiary Company of PCBL Netherlands Holdings B.V.	80%	2(87)
4	Goodluck Dealcom Private Limited, 31, Netaji Subhas Road, Kolkata 700 001	U51909WB2010PTC149077	Wholly Owned Subsidiary Company	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) [As per records with the Registrar]

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2014)				No. of Shares held at the end of the year (as on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	18,426,557	0	18,426,557	53.461	18,461,557	0	18,461,557	53.562	+0.101%
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1)	18,426,557	0	18,426,557	53.461	18,461,557	0	18,461,557	53.562	+0.101%
2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other....	0	0	0	0	0	0	0	0	0
Sub-total(A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	18,426,557	0	18,426,557	53.461	18,461,557	0	18,461,557	53.562	+0.101%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	5,18,039	1,602	5,19,641	1.508	8,29,585	1,602	8,31,187	2.412	+0.904%
b) Banks / FI	1,649	1,352	3,001	0.009	19,368	1,352	20,720	0.060	+0.051%
c) Central Govt.	4,67,900	0	4,67,900	1.358	4,67,900	0	4,67,900	1.358	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	34,00,131	0	34,00,131	9.865	21,26,086	0	21,26,086	6.168	-3.697%
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	43,87,719	2,954	43,90,673	12.739	34,42,939	2,954	34,45,893	9.997	-2.742%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	34,90,876	8,076	34,98,952	10.151	36,87,041	8,075	36,95,116	10.721	+0.57%
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	52,83,152	7,99,674	60,82,826	17.648	55,02,837	7,85,408	62,88,245	18.244	+0.596%
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	14,89,688	13,333	15,03,021	4.361	20,12,292	13,333	20,25,625	5.877	+1.516%

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2014)				No. of Shares held at the end of the year (as on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (Specify)	0	0	0	0	0	0	0	0	0
i) Clearing Member	1,92,162	0	1,92,162	0.558	1,83,121	58,984	2,42,105	0.702	+0.144%
ii) NRIs	2,44,013	65,696	3,09,709	0.899	1,92,457	64,665	2,57,122	0.746	-0.153%
iii) NRNs	63,499	173	63,672	0.185	51,736	173	51,909	0.151	-0.034%
Sub-total (B)(2)	10,763,390	8,86,952	11,650,342	33.801	11,629,484	9,30,638	12,560,122	36.440	+2.639%
Total Public Shareholding(B) = (B) (1)+ (B)(2)	15,151,109	8,89,906	16,041,015	46.539	15,072,423	9,33,592	16,006,015	46.438	-0.101%
C) Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	33,577,666	8,89,906	34,467,572	100	33,533,980	9,33,592	34,467,572	100	0

(ii) Shareholding of Promoters :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2014)			Shareholding at the end of the year (31.03.2015)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Universal Industrial Fund Limited	58,56,762	16.992	0	0	0	0	-16.992%
2	Adorn Investments Limited	41,63,749	12.080	0	0	0	0	-12.080%
3	Ujala Agency Private Limited	27,36,019	7.938	0	0	0	0	-7.938%
4	Off Shore India Limited	26,99,655	7.832	0	0	0	0	-7.832%
5	Adapt Investments Limited	25,58,039	7.422	0	0	0	0	-7.422%
6	Trade Apartments Limited	3,21,850	0.934	0	0	0	0	-0.934%
7	Dotex Merchandise Private Limited	0	0	0	11,55,000	3.351	0	+3.351%
8	Rainbow Investments Limited	0	0	0	1,72,16,074	49.949	0	+49.949%
9	STEL Holdings Limited	90,383	0.262	0	90,383	0.262	0	0
10	Saregama India Limited	100	0.000	0	100	0.000	0	0
	Total :	18,426,557	53.461	0	18,461,557	53.562	0	+0.101%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning/end of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014)/ end of the year (31.03.2015)	% of shares of the Company				No. of shares	% of total shares of the company
1	Universal Industrial Fund Limited	5,856,762	16.99	01.04.2014	0	—	5,856,762	16.99
				14.11.2014	(5,856,762)	Transfer	0	0
		0	0	31.03.2015	0	—	0	0

Sl. No.		Shareholding at the beginning/end of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014)/ end of the year (31.03.2015)	% of shares of the Company				No. of shares	% of total shares of the company
2	Adorn Investments Limited	4,163,749	12.08	01.04.2014	0	—	4,163,749	12.08
				14.11.2014	(4,163,749)	Transfer	0	0
		0	0	31.03.2015	0	—	0	0
3	Ujala Agency Private Limited	2,736,019	7.94	01.04.2014	0	—	2,736,019	7.94
				14.11.2014	(2,736,019)	Transfer	0	0
		0	0	31.03.2015	0	—	0	0
4	Off Shore India Limited	2,699,655	7.83	01.04.2014	0	—	2,699,655	7.83
				30.09.2014	(1,120,000)	Transfer	1,579,655	4.58
				17.10.2014	1,120,000	Acquired	2,699,655	7.83
				14.11.2014	(2,699,655)	Transfer	0	0
		0	0	31.03.2015	0	—	0	0
5	Adapt Investments Limited	2,558,039	7.42	01.04.2014	0	—	2,558,039	7.42
				14.11.2014	(2,558,039)	Transfer	0	0
		0	0	31.03.2015	0	—	0	0
6	Rainbow Investments Limited	0	0	01.04.2014	0	—	0	0
				14.11.2014	17,216,074	Acquired	17,216,074	49.95
		17,216,074	49.95	31.03.2015	0	—	17,216,074	49.95
7	Dotex Merchandise Private Limited	0	0	01.04.2014	0	—	0	0
				30.09.2014	1,120,000	Acquired	1,120,000	3.25
				17.10.2014	(1,120,000)	Transfer	0	0
				14.11.2014	1,120,000	Acquired	1,120,000	3.25
				28.11.2014	34,000	Acquired	1,154,000	3.35
				19.12.2014	1000	Acquired	1,155,000	3.35
		1,155,000	3.35	31.03.2015	0	—	1,155,000	3.35
8	Trade Apartments Limited	0	0	01.04.2014	0	—	0	0
				14.11.2014	(321,850)	Disposed	0	0
		0	0	31.03.2015	0	—	0	0

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

Sl. No.		Shareholding at the beginning/end of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning of the year (01.04.2014)/ end of the year (31.03.2015)	% of shares of the Company				No. of shares	% of total shares of the company
1	National Westminster Bank as Trustee of the Jupiter India Fund	1,000,000	2.90	01.04.2014	0	Nil movement during the year	1,000,000	2.90
		1,000,000	2.90	31.03.2015	0		1,000,000	2.90

Sl. No.		Shareholding at the beginning/end of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning of the year (01.04.2014)/ end of the year (31.03.2015)	% of shares of the Company				No. of shares	% of total shares of the company
2	Acacia Partners LP#	637,500	1.85	01.04.2014	0	—	637,500	1.85
				14.11.2014	(302,274)	Transfer	335,226	0.97
				21.11.2014	(335,226)	Transfer	0	0
		0	0.00	31.03.2015	0	—	0	0
3	M.G. Shares and Stocks Private Limited#	530,000	1.54	01.04.2014	0	—	530,000	1.54
				09.05.2014	(530,000)	Transfer	0	0
		0	0	31.03.2015	0	—	0	0
4	Acacia Institutional Partners, LP#	501,600	1.46	01.04.2014	0	—	501,600	1.46
				14.11.2014	(501,600)	Transfer	0	0
		0	0	31.03.2015	0	—	0	0
5	Kerala State Industrial Development Corporation	467,900	1.36	01.04.2014	0	Nil movement during the year	467,900	1.36
		467,900	1.36	31.03.2015	0		467,900	1.36
6	Acacia Conservation Fund LP#	360,000	1.04	01.04.2014	0	—	360,000	1.04
				17.10.2014	(72,904)	Transfer	287,096	0.83
				31.10.2014	(17,953)	Transfer	269,143	0.78
				07.11.2014	(160,308)	Transfer	108,835	0.32
				14.11.2014	(108,835)	Transfer	0	0
		0	0	31.03.2015	0	—	0	0
7	Sachdeva Stocks Private Limited	305,000	0.88	01.04.2014	0	—	305,000	0.88
				16.05.2014	(305,000)	Transfer	0	0
				16.05.2014	375,000	Acquired	375,000	1.09
				19.06.2014	(75,000)	Transfer	300,000	0.87
				30.09.2014	65,000	Acquired	365,000	1.06
				11.07.2014	(15,000)	Transfer	350,000	1.02
				30.09.2014	(50,000)	Transfer	300,000	0.87
				19.12.2014	550	Acquired	300,550	0.87
				30.01.2015	39,450	Acquired	340,000	0.99
		340,000	0.99	31.03.2015	0	—	340,000	0.99
8	Mohan Gupta	300,000	0.87	01.04.2014	0	—	300,000	0.87
				30.09.2014	30,000	Acquired	330,000	0.96
				21.11.2014	(30,000)	Transfer	300,000	0.87
				06.02.2015	(62,000)	Transfer	238,000	0.69
				13.02.2015	(38,000)	Transfer	200,000	0.58
		200,000	0.58	31.03.2015	0	—	200,000	0.58
9	Jupiter South Asia Investment Company Limited	300,000	0.87	01.04.2014	0	Nil movement during the year	300,000	0.87
		300,000	0.87	31.03.2015	0		300,000	0.87

Sl. No.		Shareholding at the beginning/end of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014)/ end of the year (31.03.2015)	% of shares of the Company				No. of shares	% of total shares of the company
10	DSP Blackrock Opportunities Fund	0	0	01.04.2014	0	—	0	0
				21.11.2014	600,892	Acquired	600,892	1.74
				30.01.2015	(24,196)	Transfer	576,696	1.67
				06.02.2015	(196,602)	Transfer	380,094	1.10
				13.02.2015	(80,094)	Transfer	300,000	0.87
				20.02.2015	(74,309)	Transfer	225,691	0.65
				27.02.2015	(81,073)	Transfer	144,618	0.42
				13.03.2015	(144,618)	Transfer	0	0
		0	0	31.03.2015	0	—	0	0
11	Nirmal Bang Securities Private Limited*	0	0	01.04.2014	0	—	0	0
				09.05.2014	532,303	Acquired	532,303	1.54
				23.05.2014	(18,900)	Transfer	513,403	1.49
				19.06.2014	1,900	Transfer	515,303	1.50
				08.08.2014	(130,000)	Transfer	385,303	1.12
				12.09.2014	(100,015)	Transfer	285,288	0.83
				30.09.2014	(150,000)	Transfer	135,288	0.39
				17.10.2014	(21,450)	Transfer	113,838	0.33
				21.11.2014	(100,400)	Transfer	13,438	0.03
13438	0.03	31.03.2015	0	—	13,438	0.03		
12	DSP Blackrock Balanced Fund*	0	0	01.04.2014	0	—	0	0
				21.11.2014	418,272	Acquired	418,272	1.21
				06.02.2015	196,602	Acquired	614,874	1.78
		614,874	1.78	31.03.2015	0	—	614,874	1.78
13	Elara Capital PLC A/c Elara Globe Funds*	0	0	01.04.2014	0	—	0	0
				14.11.2014	386,280	Acquired	386,280	1.12
				19.12.2014	114,045	Acquired	500,325	1.45
				30.01.2015	60,000	Acquired	560,325	1.63
				13.02.2015	80,000	Acquired	640,325	1.86
				13.03.2015	61,278	Acquired	701,603	2.04
				31.03.2015	61,059	Acquired	762,662	2.21
762,662	2.21	31.03.2015	0	—	762,662	2.21		
14	Chandra Singh Lodha*	0	0	01.04.2014	0	—	0	0
				11.07.2014	316,014	Acquired	316,014	0.92
				08.08.2014	2,000	Acquired	318,014	0.92
				22.08.2014	5,850	Acquired	323,864	0.94
				12.09.2014	7,600	Acquired	331,464	0.96

Sl. No.		Shareholding at the beginning/end of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014)/ end of the year (31.03.2015)	% of shares of the Company				No. of shares	% of total shares of the company
				30.09.2014	536	Acquired	332,000	0.96
				28.11.2014	5,000	Acquired	337,000	0.98
				31.03.2015	(8,800)	Transfer	328,200	0.95
		328,200	0.95	31.03.2015	0	–	328,200	0.95
15	DSP Blackrock Natural Resources and New Energy*	0	0	01.04.2014	0	–	0	0
				14.11.2014	214,711	Acquired	214,711	0.62
		214,711	0.62	31.03.2015	0	–	214,711	0.62
16	Kotak Mahindra Investments Limited*	0	0	01.04.2014	0	–	0	0
				13.02.2015	245,500	Acquired	245,500	0.71
				20.03.2015	6,000	Acquired	251,500	0.73
		251,500	0.73	31.03.2015	0	–	251,500	0.73
17	BNK Capital Market Limited	520,000	1.51	01.04.2014	0	–	520,000	1.51
				31.03.2015	244,500	Acquired	764,500	0.71
		764,500	2.22	31.03.2015	0	–	764,500	2.22

Notes :

*Not in the list of top 10 shareholders as on 01.04.2014. The same has been reflected above since the shareholder was one of the top 10 shareholders as on 31.03.2015.

Ceased to be in the list of top 10 shareholders as on 31.03.2015. The same is reflected above, since the shareholder was one of the top 10 shareholders as on 01.04.2014.

! Not in the list of top 10 shareholders as on 01.04.2014 and 31.03.2015. The same has been reflected above since the shareholder was one of the top 10 shareholders during the period from 01.04.2014 till 31.03.2015.

v) Shareholding of Directors and Key Managerial Personnel : NONE

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In Lacs)

	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	82,556.35	26,071.52	0	108,627.87
ii) Interest due but not paid	0	0	0	279.62
iii) Interest accrued but not due	0	0	0	0
Total (i +ii+iii)	82,556.35	26,071.52	0	108,907.49
Change in indebtedness during the financial year				
I Addition	10,617.60	5,839.22	0	16,456.82
I Reduction	(3110.80)	0	0	(3110.80)
Interest accrued but not due	0	0	0	0
Interest due but not paid	0	0	0	(32.46)
Net Change	7506.80	5839.22	0	13,313.56
Indebtedness at the end of the financial year				
i) Principal Amount	90,063.15	31,910.74	0	121,973.89
ii) Interest due but not paid	0	0	0	247.16
iii) Interest accrued but not due	0	0	0	0
Total (i +ii+iii)	90,063.15	31,910.74	0	122,221.05

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (In Rs.)
		Kaushik Roy	Altaf Jiwani (WTD & CFO) Till 30th January, 2015	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	28,977,236	15,965,600	44,942,836
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400	30,600	63,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as % of profit - others, specify ...	0	0	0
5.	Others, please specify	0	0	0
	Total: (A)	29,009,636	15,996,200	45,005,836
	Ceiling as per the Act	The remuneration is well within the limits prescribed under the Companies Act, 2013, read with the notification issued from time to time.		

B. Remuneration to other directors :

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount (In Rs.)
		C.R. Paul	O.P. Malhotra	Dr. Ram S. Tarneja	K.S.B. Sanyal	Pradip Roy	Sanjiv Goenka	Paras K Chowdhary	Shashwat Goenka*	
	1. Independent Directors									
	I Fee for attending board committee meetings	2,00,000	1,90,000	1,80,000	2,05,000	1,00,000	0	0	0	8,75,000
	I Commission	0	0	0	0	0	0	0	0	0
	I Others, please specify	0	0	0	0	0	0	0	0	0
	Total (1)	2,00,000	1,90,000	1,80,000	2,05,000	1,00,000	0	0	0	8,75,000
	2. Other Non-Executive Directors									
	I Fee for attending board committee meetings	0	0	0	0	0	80,000	1,20,000	45,000	2,45,000
	I Commission	0	0	0	0	0	0	0	0	0
	I Others, please specify	0	0	0	0	0	0	0	0	0
	Total (2)	0	0	0	0	0	80,000	1,20,000	45,000	2,45,000
	Total (B) = (1+2)	2,00,000	1,90,000	1,80,000	2,05,000	1,00,000	80,000	1,20,000	45,000	11,20,000
	Total Managerial Remuneration									11,20,000
	Ceiling as per the Act - The remuneration is well within the limits prescribed under the Companies Act, 2013.									

*Mr. Shashwat Goenka was appointed as an Additional Director w.e.f 1st September, 2014.

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Management Personnel				Total Amount (In Rs.)
		CEO	Company Secretary (Kaushik Mukherjee)	CFO (Altaf Jiwani Till 30th January, 2015)	CFO (Raj Kumar Gupta w.ef.1st February, 2015)	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961		2,649,368	15,965,600	611,268	19,226,236
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		9,383	30,600	0	39,983
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		0	0	0	0
2.	Stock Option		0	0	0	0
3.	Sweat Equity	Not Applicable	0	0	0	0
4.	Commission - as % of profit - others, specify ...		0	0	0	0
5.	Others, please specify		0	0	0	0
	Total:		2,658,751	15,996,200	611,268	19,266,219

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : NONE

For and on behalf of the Board

Kolkata
6th May, 2015

Sanjiv Goenka
Chairman
(DIN 00074796)

Annexure B to the Board's Report

Statement in accordance with Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Boards' Report for the year ended 31st March, 2015.

1.A. Conservation of Energy

(a) Energy conservation measures taken:

- The process of manufacture of Carbon Black results in generation of lean gases which have both sensible heat and low calorific value.

Instead of wasting the energy, PCBL has installed extremely specialised and state of the art 12 MW Co - generation Power Plant at Baroda, 30 MW Co-generation Power Plant at Durgapur, 16 MW Co- generation Power Plant at Mundra, 10 MW Co-generation Power Plant at Kochi and 8 MW Co-generation Power Plant at Mundra.

The entire lean gas is used to generate power for meeting the entire internal process requirements for production of Carbon Black as well as to sell the surplus.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

—

(c) Impact of measures (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

To be realised in coming years.

(d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule thereto:

Form – A

Form for disclosure of particulars with respect to Conservation of Energy

	Current Year 31.03.2015	Previous Year 31.03.2014
A. Power and Fuel consumption :		
1. Electricity		
(a) Purchased units (KWH)	8390735	3789672
Total amount (Rs. in lakhs)	1059	839
Rate per unit (Rs.)	12.62	22.14
(b) Own generation		
(i) Through diesel generators units (KWH)	—	—
Units per ltr. of diesel oil (KWH)	—	—
Cost per unit (Rs.)	—	—
(ii) Through steam/turbine generators units (KWH)	—	—
Units per ltr. of fuel/ gas oil (KWH)	—	—
Cost per unit (Rs.)	—	—
(iii) Through co-gen power plants (off-gas burning) units (KWH)	140652593	99849447
Units per ltr. of fuel oil (KWH)	1071.00	798.00
Cost per unit (Rs.)	0.15	0.16

Current Year
31.03.2015

Previous Year
31.03.2014

2. Coal (specify quality and where used)		
Quantity (tons)	—	—
Total Cost (Rs. in lakhs)	—	—
Average rate (Rs.)	—	—
3. Furnace Oil		
Quantity (K. ltr.)	—	—
Total Cost (Rs. in lakhs)	—	—
Average rate (Rs.)	—	—
4. Others/internal generation [process steam Quantity (MT)]	1626764.00	1713624.00
Total Cost (Rs. in lakhs)	59.26	119.22
Average rate (Rs.)	3.64	6.96
5. Consumption per unit of production : CARBON BLACK		
(i) Electricity (KWH/MT)	346	347
(ii) Furnace Oil (Ltr./MT)	—	—
(iii) Coal	—	—
(iv) Others – process steam (MT/MT)	5.22	5.74

B. Technology Absorption :

(a) Efforts made in technology absorption as per Form-B of the Annexure.

Form – B

Form for disclosure of particulars, with respect to absorption:

Research & Development (R&D)

1. Specific areas in which R&D has been carried out by the Company:

- The Company has successfully developed new grades for international and domestic markets.
- Improvement of product characteristics to meet more stringent customer specifications.
- Joint development projects with Strategic Business Partners for new Carbon Black grade development.

2. Technical Competence Center (TCC)

- TCC is guiding Plant Manufacturing team for existing product and process optimisation.
- Continuous recasting of Standard Operating Procedures for manufacturing efficiency improvement.
- Reactor design and operating conditions suitably modified to match international benchmarks.
- Reactor design optimisation using state of the art software modules.
- Technical support to customer at various levels of product development and manufacturing.
- Aligning the Company's processes with International Quality, Health & Safety requirements.
- Computerized Fluid Dynamic simulations were carried out for optimizing design and operating parameters of existing and new process equipment.
- New technology choke (water cooled) was designed and installed in Kochi unit. - this is the first of its kind in India.
- Unique Oil Blending system designed, developed and installed in Palej, Kochi and Mundra units.
- Developing processes to improve product cost structure.

3. **Benefits derived as a result of the above R&D and TCC:**
- Improved sales in domestic and international market and entry into niche markets.
 - Higher price realisation in markets.
 - Customised grade development aligned with strategic partner's R&D projects for more business share.
 - Improved equipment life and reliability.
 - Quality consistency and improvement.
 - Improved manufacturing efficiency and reduced costs.

4. **Future Plan of Action:**

1. Development of more specialised grades for specific applications in conjunction with customers.
2. Improved processes for higher yield.
3. More focus on customised grade development aligning strategic business partner's manufacturing and product requirements.
4. Enhancement of laboratory facilities for new product and customer development.
5. Improved process operation, debottlenecking of various processes, equipment and quality related issues.
6. Increased technical expertise to support customers and market development.
7. Development of niche product portfolio for non rubber applications.
8. Leveraging external R & D resources for Basic Research.
9. Patent application for new product / process technologies

5. **Expenditure on R & D :**

	(Rs. in Lakhs)	
	Current Year	Previous Year
(a) Capital	—	—
(b) Recurring	377.06	1080.91
(c) Total	377.06	1080.91
(d) Total R&D Expenditure as a percentage of total expenditure	0.15	0.45

Technology absorption, adaptation & innovation:

1. **Efforts in brief towards technology absorption, adaptation and innovation:**
 - The revision in Standard Operating Procedures resulted in improved yields.

2. Benefits derived as a result of the above efforts:
 - Improved quality of the product.
3. Particulars of Imported Technology in the last 5 years:

(a) Technology Imported	:	Not applicable
(b) Year of Import	:	Not applicable
(c) Has the technology been fully absorbed?	:	Not applicable
(d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action	:	Not applicable

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:
Various initiatives relating to improvement in quality and service, developing new markets, etc have resulted in exports of Rs. 62094.33 lakhs

- (b) Total foreign exchange used and earned :

	(Rs. in Lakhs)	
	Current Year	Previous Year
Foreign Exchange used	210503.36	139886.06
Foreign Exchange earned	62094.33	64353.26

For and on behalf of the Board

Kolkata
6th May, 2015

Sanjiv Goenka
Chairman
(DIN: 00074796)

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES
FOR THE FINANCIAL YEAR 2014-2015**

[Pursuant to Section 135 of the Companies Act, 2013 & Rules made thereunder]

1. **A brief outline of the company’s CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:**

In accordance with the provisions of Companies Act, 2013 and the rules made thereunder, the Company has framed its CSR Policy to carry out its CSR activities in accordance with Schedule VII of the Act. The Company has been undertaking community oriented programs for inclusive development of the deprived sections of the population. The Company’s focus areas are concentrated on increasing access to health, education and holistic development with a focus on underprivileged people living around its manufacturing units and other establishments. The Company wishes to formalize and institutionalize its efforts made in the domain of Corporate Social Responsibility and this Policy shall serve as a guiding document to help identify, execute and monitor CSR projects in keeping with the spirit of the Policy. This Policy shall apply to all CSR initiatives and activities taken up by the Company for the benefit of different sections of the society. The Company’s CSR policy is placed on its website and the web-link for the same is <http://pcbltd.com/investorrelations/investorrelations.php>.

2. **The Composition of the CSR Committee:**

The Composition of the CSR Committee of the Board is as follows:-

Mr. K S B Sanyal	Chairman
Mr. Kaushik Roy	Member
Mr. Shashwat Goenka	Member

3. **Average net profit of the company for last three financial years:**

Not applicable, as the company had average net loss (after tax) of Rs. 6.71 crores during the last three financial years.

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** Not applicable

Despite having incurred losses over the last two financial years, the CSR initiatives continued to be focused to touch the lives of communities in and around its manufacturing units. The Company is committed to preserve and enrich environment by conducting all its operations in an environment friendly and safe manner. The Company provides free medical facility for diagnosis and consultation for communities around its plants. The Company also continues to provide evening tuition classes to the under privileged children for past seven years around its Kochi Plant. In association with Rotary club of Durgapur, Durgapur Plant continues with the computer literacy program for housewives and students of nearby communities. Tree plantation is a continuous effort at all plant locations.

5. **Details of CSR spent during the financial year:** Not applicable. Refer para 3 above.

(a) Total amount to be spent for the financial year 2014 – 2015 : N. A.

(b) Amount unspent, if any: N. A.

(c) Manner in which the amount spent during the financial year is detailed below: N.A.

6. **In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report:** Not Applicable.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:**

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

Kolkata
6th May, 2015

Sd/-
Kaushik Roy
Managing Director
(DIN: 06513489)

Sd/-
K S B Sanyal
Chairman of the CSR Committee
(DIN: 00009497)

Annexure D to the Board's Report

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

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 are as under :

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2014-15 (Rs. in lacs)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Mr. Kaushik Roy, Managing Director	310.35	0	66.03:1
2.	Mr. Altaf Jiwani, Whole Time Director & CFO (resigned at the close of business on 30.01.2015)	155.46	25.82%	40.42:1
3.	Mr. Raj Kumar Gupta, Chief Financial Officer (appointed w.e.f 1st February, 2015)	6.68	N.A	N.A
4.	Mr. Kaushik Mukherjee, Company Secretary & GM - Legal	28.31	23.67%	N.A

Note: No other Director other than the Managing Director and Whole Time Director received any remuneration other than sitting fees during the financial year 2014-15.

- ii) In the financial year, there was an increase of 3.5% in the median remuneration of employees.
- iii) There were 802 permanent employees on the rolls of Company as on March 31, 2015.
- iv) The average increase in the remuneration of management employees in the last financial year was 4.2%. This was given considering the inflation rise only as the Company's performance was much below the budget and incurred a loss at the PBT level in the financial year 2013-2014.
- v) The remuneration of the Key Managerial Personnel put together is Rs. 542 lacs which increased by 8.4% from Rs. 500.8 lacs as against a increase of 116% in profit before tax in the Financial year 2014-2015.
- vi) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2014-15 was 5.34% whereas the increase in the managerial remuneration for the same financial year was 8.60%.
- vii) The market capitalization of the Company as on 31st March, 2015 increased by 132%, when compared to that of 31st March, 2014. The Company has not made any public offer in the recent past and accordingly comparison of public offer price and the current market price of the Company's shares will not be relevant.
- viii) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors and Senior Management Personnel.
- ix) The Managing Director is the highest paid Director. No employee received remuneration higher than the Managing Director.
- x) It is hereby affirmed that the remuneration paid during the Financial Year ended 31st March, 2015 is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Kolkata
6th May, 2015

Sanjiv Goenka
Chairman
(DIN: 00074796)

Annexure E to the Board's Report

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31.03.2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with the Guidance Note on Secretarial Audit (Release – 1.2) of the Institute of Company Secretaries of India]

To,
The Members
M/s Phillips Carbon Black Limited
31, Netaji Subhas Road
Kolkata 700 001

1. We have conducted the Secretarial Audit of **M/s. Phillips Carbon Black Limited**, having its Registered office at 31, Netaji Subhas Road, Kolkata - 700 001 and having CIN L23109WB1960PLC024602 (hereinafter called 'the Company'), for the financial year ended on 31st March, 2015 ("the period under review" here in after). The aforesaid Secretarial Audit has been conducted, pursuant to the provisions of section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with the Guidance Note on Secretarial Audit (Release - 1.2) of The Institute of Company Secretaries of India, in a manner that provided us a reasonable basis for evaluating the corporate conduct and the process of statutory compliances under various statutes, rules, regulations, guidelines, as indicated here in below in the instant report and as such expressing our opinion thereon.
2. On the basis of verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, as shown to us, during the said audit and also based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of the aforesaid secretarial audit, we hereby report that in our opinion and to the best of our understanding, the Company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions, listed hereunder and in our view the Company has adequate board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter:
 - (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
 - (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (iv) and other laws generally applicable to the company.
 - (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), were not applicable to the Company during the period under review:-
 - a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
3. We have examined the secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by M/s. Phillips Carbon Black Limited for the financial year ended on 31st March, 2015 and as shown to us during our audit, according to the provisions of the following laws:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

To the best of our knowledge and understanding, we are of the view that during the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., as referred above, so far as compliance of company secretarial functions, board process and existence of a compliance management system are concerned.

4. We have checked the standard listing agreement entered by the Company with the following Stock Exchanges in India and to the best of our understanding, we are of the view that the Company has adequately complied with the secretarial functions and board processes to comply with the applicable provision thereof, during the aforesaid period under review.

- (i) National Stock Exchange of India Limited (NSE);
- (ii) Bombay Stock Exchange Limited (BSE) and
- (iii) Calcutta Stock Exchange Limited (CSE)

5. We further report to the best of our understanding that,

- a) The Board of Directors of the Company is duly constituted as per the provisions of the Companies Act, 2013 and of the Stock Exchanges Standard Listing Agreement, as applicable for the time being. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notices were given to all directors for the Board and Committee Meetings. Agenda and notes

on agenda were sent in advance and further information and clarifications on the agenda items were provided for meaningful participation at the meeting.

- c) All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.
6. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, such as laws related to taxation, local laws applicable to the area of operation of business and other laws generally applicable to Company.
7. This report is to be read with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.

For **Anjan Kumar Roy & Co.**
Company Secretaries

Anjan Kumar Roy
Proprietor
FCS No. 5684
CP. No. 4557

Place: Kolkata
Date: May 6, 2015

Annexure A to the Secretarial Audit Report

To,
The Members
M/s Phillips Carbon Black Limited
31, Netaji Subhas Road
Kolkata 700 001

Our Secretarial Audit Report for the financial year ended 31/03/2015 of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on existence of adequate board process and compliance management system, commensurate to the size of the company, based on these secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers and agents of the company during the said audit.
2. We have followed the audit practices and processes as were appropriate, to the best of our understanding, to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the board and by various committees of the Company during the period under review. We have checked the board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees, of the board, of the members of the company and of other authorities as per the provisions of various statutes as referred in the aforesaid secretarial audit report.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of compliance procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

For Anjan Kumar Roy & Co.
Company Secretaries

Anjan Kumar Roy
Proprietor
FCS No. 5684
CP. No. 4557

Place: Kolkata
Date: May 6, 2015

Corporate Governance Report

I. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company continues to focus on good Corporate Governance, which aims to improve the Company’s efficiency, effectiveness and social responsibility. The basic philosophy of Corporate Governance in the Company emphasizes on highest levels of transparency, accountability and equity, in all respects of its operations. The Company believes that the governance process should ensure economic prosperity and long term value creation for the enterprise and its shareholders keeping in view the needs and interests of all its stakeholders. The Company also respects the rights of its shareholders and other stakeholders to information on the performance of the Company based on highest professional, ethical and financial reporting standards.

II. COMPOSITION OF THE BOARD OF DIRECTORS AS ON 31ST MARCH, 2015.

(a) The Board of Directors of the Company comprises

- 3 Non-Executive Directors
- 5 Non-Executive Independent Directors
- 1 Executive Director who is the Managing Director.

The composition of the Board satisfies the requirements of Section 149 of the Companies Act, 2013 (“the Act”) and Clause 49 of the Listing Agreement.

The names and categories of Director, the number of Directorships and Committee positions held by them in other companies and also the shareholdings in the Company are given below:

Name of the Director	Category of Director	No. of Directorships in other Public Limited Companies incorporated in India ¹	No. of other Membership(s)/Chairman-ship(s) held #2	No. of Shares held in the Company
Mr. Sanjiv Goenka	Non-Executive (Chairman)	9	4 (including 2 as Chairman)	NIL
Mr. Shashwat Goenka ³	Non-Executive	3	—	NIL
Mr. C. R. Paul	Non-Executive & Independent	—	—	NIL
Mr. O. P. Malhotra	Non-Executive & Independent	3	—	NIL
Dr. Ram S. Tarneja	Non-Executive & Independent	9	7 (including 3 as Chairman)	NIL
Mr. K. S. B. Sanyal	Non-Executive & Independent	4	3 (including 2 as Chairman)	NIL
Mr. Paras K. Chowdhary	Non-Executive	1	1	NIL
Mr. Pradip Roy	Non-Executive & Independent	7	5 (including 1 as Chairman)	NIL
Mr. Kaushik Roy	Managing Director	2	—	NIL
Mr. Altaf Jiwani ⁴	Whole Time Director & CFO	1	1	NIL

Notes:

1. The Directorships held by Directors as mentioned in the above table do not include alternate directorships and directorships of foreign

companies, Section 8 companies, one person companies and private limited companies.

2. In accordance with Clause 49 of the Listing Agreement, Memberships/ Chairmanships of only the Audit Committee and Stakeholders Relationship Committees of all public limited companies have been considered.
3. Mr. Shashwat Goenka, was appointed as an Additional Director with effect from 1st September, 2014.
4. Mr. Altaf Jiwani, has resigned as Whole Time Director & CFO at the close of business on 30th January, 2015.

(b) Attendance Record of the Directors at the Board Meetings held on 29th April, 2014, 30th July, 2014, 12th November, 2014 and 22nd January, 2015 and Annual General Meeting held on 30th July, 2014 are given below:

Name of the Director	Board Meetings		Attendance at the last Annual General Meeting
	Held during tenure	Attended	
Mr. Sanjiv Goenka	4	4	No
Mr. Shashwat Goenka*	2	2	N.A
Mr. C. R. Paul	4	4	Yes
Mr. O. P. Malhotra	4	4	Yes
Dr. Ram S. Tarneja	4	4	Yes
Mr. K. S. B. Sanyal	4	4	Yes
Mr. Paras K. Chowdhary	4	3	Yes
Mr. Pradip Roy	4	4	Yes
Mr. Kaushik Roy	4	4	Yes
Mr. Altaf Jiwani	4	4	Yes

* Mr. Shashwat Goenka, was appointed as an Additional Director with effect from 1st September, 2014.

III. AUDIT COMMITTEE

1. Terms of Reference

The Company has an Audit Committee and the terms of reference are in conformity with the powers as stipulated in Clause 49III(C), the Role of the Audit Committee as laid down in Clause 49III (D) and Review of information pursuant to Clause 49III (E) of the revised Listing Agreement with the stock exchanges. The terms of reference also fully conform to the requirements of Section 177 of the Companies Act, 2013.

The role of the Audit Committee of the Company include the following:

1. Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board , the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to :
 - a) Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s Report in terms of Section 134 of the Act.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgement by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.

- e) Compliance with listing and other legal requirements relating to financial statements.
- f) Disclosure of any related party transactions.
- g) Qualifications in the draft audit report, if any.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors of any significant findings and follow up thereon.
9. Investigating into any matter in relation to the items specified in the terms of reference and reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post –audit discussion to ascertain any area of concern.
11. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. Approval of appointment of CFO (i.e, Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Auditors and the Key Managerial Personnel have a right to be heard in the meetings of the Audit Committee when it considers the Auditor's Report.

The Audit Committee is also empowered, pursuant to its terms of reference, to :

- a) Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- b) Obtain professional advice from external sources to carry on any investigation and have full access to information contained in the records of the Company.
- c) Discuss any related issues with the internal and statutory auditors and the management of the Company.
- d) Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- e) Approve subsequent modification of transactions of the Company with related parties.
- f) Scrutinize the inter-corporate loans and investments and evaluate internal financial controls and risk management systems.
- g) Oversee the vigil mechanism/whistle blower policy of the Company.
- h) Valuation of undertakings or assets of the Company, wherever it is necessary.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management.

- Management letters/letters of internal control weaknesses issued by the statutory auditors.
- Internal Audit Reports relating to internal control weaknesses, and
- The appointment, removal and terms of remuneration of the chief internal auditor.

Whenever applicable, monitoring end use of funds raised through public issues, right issues, preferential issues by major category (capital expenditure, sales and marketing, working capital etc.), shall form a part of the quarterly declaration of financial results.

In addition, the Audit Committee of the Board is also empowered to review the financial statements, in particular, the investments made by the unlisted subsidiary companies, in view of the requirements under Clause 49(V) of the Listing Agreement. No person has been denied access to the Committee.

2. Composition

The Audit Committee comprises 5 Directors' out of which 4 are Non - Executive Independent Directors and 1 is Non-Executive Director. The composition of the Audit Committee meetings held and attendance thereof are as below:

Name of the Director	Position held	No. of Meetings	
		Held during tenure	Attended
Mr. K. S. B. Sanyal (Non-Executive & Independent)	Chairman	4	4
Mr. C. R. Paul (Non-Executive & Independent)	Member	4	4
Mr. O. P. Malhotra (Non-Executive & Independent)	Member	4	4
Dr. Ram S. Tarneja (Non-Executive & Independent)	Member	4	4
Mr. Paras K. Chowdhary (Non-Executive)	Member	4	3

3. Meetings

- Audit Committee Meetings were held on 29th April, 2014, 30th July, 2014, 12th November, 2014 and 22nd January, 2015. The Annual Accounts for the year ended 31st March, 2014 was reviewed by the Audit Committee at its meeting held on 29th April, 2014. The Audit Committee also reviewed the audited financial results for the year ended 31st March, 2014 and unaudited financial results for the quarters ended 30th June, 2014, 30th September, 2014 and 31st December, 2014 before recommending their adoption to the Board.
- Audit Committee Meetings were also attended by the Managing Director, Chief Financial Officer, Internal Auditor, Statutory Auditors and Cost Auditors of the Company.
- The Company Secretary acts as Secretary to the Audit Committee.
- Members of the Audit Committee are eminent persons in their fields having expertise in Finance and Accounting.
- The Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on 30th July, 2014.

IV. NOMINATION AND REMUNERATION COMMITTEE

1. Terms of Reference

The Company has a Nomination and Remuneration Committee and the terms of reference of the Nomination and Remuneration Committee are in conformity with the role as stipulated in Clause 49IV(B) of the revised Listing Agreement. The terms of reference also fully conform to the requirements of Section 178 of the Companies Act, 2013.

The role of the Committee inter alia includes the following:

- Identify persons qualified to become directors or hold senior management positions and advise the Board for such appointments/removals where necessary.
- Formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees.
- Evaluate the performance of Independent Directors and of the Board.
- Devise a policy on Board diversity.

In accordance with the recommendation of the Committee, the Company has since formulated a Remuneration Policy for directors, key managerial personnel and other employees of the Company. The Committee is responsible for recommending the fixation and periodic revision of remuneration of the managing Director. The Committee also decides on payment of commission to non-executive Directors and other senior managerial personnel. The performance evaluation criteria for non-executive including independent directors laid down by Committee and taken on record by the Board includes-

- a. Attendance and participation in the Meetings.
- b. Preparedness for the Meetings.
- c. Understanding of the Company and the external environment in which it operates and contributes to strategic direction.
- d. Raising of valid concerns to the Board and constructive contribution to issues and active participation at meetings.
- e. Engaging with and challenging the management team without being confrontational or obstructionist.

2. Composition

The Nomination and Remuneration Committee comprises 3 Directors, all of whom are Non - Executive Independent Directors. The composition of the Nomination and Remuneration Committee meetings held and attendance thereof are as below:

Name of the Director	Position held	No. of Meetings	
		Held during tenure	Attended
Mr. K. S. B. Sanyal	Chairman	2	2
Mr. C. R. Paul	Member	2	2
Mr. O. P. Malhotra	Member	2	2

3. Meetings

During the year ended 31st March, 2015, the Nomination and Remuneration Committee met twice on 29th April, 2014 and 30th July, 2014.

4. Remuneration Policy –

Payment of remuneration to the Managing Director is governed by the agreements executed between him and the Company and are governed by Board and shareholders’ resolutions. The remuneration structure comprises salary, variable pay, perquisites and allowances and retirement benefits in the forms of superannuation and gratuity.

The details of all remuneration paid or payable to the Directors have been given below.

I. Details of Sitting Fees/ Remuneration

A. Sitting Fees/ Commission paid to the Non -Executive Directors

The sitting fees for the Board and the Committee meetings and Commission paid to the Non-Executive Directors during the year ended 31st March, 2015 are as follows:

Mr. Sanjiv Goenka – Sitting Fee Rs. 80,000/-, Mr. Shashwat Goenka – Sitting Fee Rs. 45,000/-, Mr. C R Paul – Sitting Fee Rs. 2,00,000/-, Mr. O P Malhotra – Sitting Fee Rs. 1,90,000/-, Dr. Ram S Tarneja – Sitting Fee Rs. 1,80,000/-, Mr. K S B Sanyal – Sitting Fee Rs. 2,05,000/-, Mr. Paras K Chowdhary – Sitting Fee 1,20,000/-, and Mr. Pradip Roy – Sitting Fee Rs. 1,00,000/-

No commission was paid to the Non-Executive Directors during the year ended 31st March, 2015.

B. Remuneration paid to the Executive Directors

Executive Directors	Business relationships with the Company, if any	All elements of remuneration package, i.e. salary, benefits, bonuses, pension etc. for the year ended 31st March, 2015	
		Description	Amount (Rs. in lakhs)
Mr. Kaushik Roy*	Managing Director	Salary and Allowances,	278.72
		Contribution to Provident, Gratuity and Superannuation Funds, Perquisites	20.39
			11.24
		Total	310.35
Mr. Altaf Jiwani #	Whole Time Director & CFO	Salary and Allowances,	100.09
		Contribution to Provident, Gratuity and Superannuation Funds, Perquisites	47.97
			7.40
		Total	155.46

* Service Contract : For a period of three years w.e.f 5th February, 2013

*Notice Period : Ninety days notice from either side.

* Severance Fees : Ninety days salary in lieu of notice.

* Stock Options : None

Service Contract : For a period of 3 years w.e.f 1st April, 2014

Notice Period : Ninety days notice from either side.

Severance Fees : Ninety days salary in lieu of notice.

Stock Options : None

#Mr. Altaf Jiwani, has resigned as Whole Time Director & CFO at the close of business on 30th January, 2015.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

1. Terms of Reference

The Company has a Stakeholders Relationship Committee and the terms of reference of the Stakeholders Relationship Committee are in conformity with the role as stipulated in Section 178 of the Companies Act, 2013. The Stakeholders Relationship Committee specifically looks into redressal of

grievances of shareholders and other security holders such as transfer of shares, issue of share certificates, non-receipt of Annual Report and non- receipt of declared dividends.

2. Composition

The Stakeholders Relationship Committee of the Board of Directors under the Chairmanship of a Non-Executive Director meets at regular intervals and specifically looks into redressal of grievances of shareholders and other security holders. The composition of the Stakeholders Relationship Committee meetings held and attendance thereof are as below:

Name of the Director	Position held	No. of Meetings	
		Held during tenure	Attended
Mr. C. R. Paul	Chairman	2	2
Mr. K. S. B. Sanyal	Member	2	2

Name and designation of Compliance Officer: Mr. Kaushik Mukherjee, Company Secretary.

3. Status of Shareholders' Complaints

Number of complaints received during the year ended 31st March, 2015 as per records of the Company	Number of complaints resolved during the year ended 31st March, 2015	Number of complaints pending as on 31st March, 2015
1	1	NIL**

** The Company has received confirmations from National Stock Exchange of India Limited, Bombay Stock Exchange Limited and The Calcutta Stock Exchange Ltd. that no investor complaints are pending against the Company as on 31st March, 2015.

4. Share Transfer

Mr. Kaushik Roy, Managing Director, Mr. Raj Kumar Gupta, Chief Financial Officer, and Mr. Kaushik Mukherjee, Company Secretary & GM – Legal are severally authorized to approve share transfers in physical mode.

5. Meetings

During the year ended 31st March, 2015, the Stakeholders Relationship Committee met twice on 30th July, 2014 and 22nd January, 2015, which was attended by all the members.

VI . Corporate Social Responsibility (CSR) Committee

1. Terms of Reference

The Board of Directors of the Company has constituted a Corporate Social Responsibility Committee in compliance with Section 135 of the Companies Act, 2013.

The role of Committee inter alia includes the following :-

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII
- Recommend the amount of expenditure to be incurred on the activities referred to in the above point,
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

2. Composition

The Corporate Social Responsibility Committee comprises 3 Directors out of which 1 is a Non - Executive Independent Director , 1 is a Non-Executive Director and 1 is an Executive

Director. The composition of the Corporate Social Responsibility Committee Meetings held and attendance thereof are as below:

Name of the Director	Position held	No. of Meetings	
		Held during tenure	Attended
Mr. K. S. B. Sanyal (Non-Executive & Independent)	Chairman	1	1
Mr. Kaushik Roy (Managing Director)	Member	1	1
Mr. Shashwat Goenka (Non-Executive)	Member	1	1

3. Meetings

- Corporate Social Responsibility Committee Meeting was held on 25th March,2015,
- The Company Secretary acts as a Secretary to the Corporate Social Responsibility Committee.

VII. Independent Directors Meeting

During the year under review the Independent Directors met on 22nd January, 2015 , interalia to review the performance of non-independent directors including that of the Chairman taking into account the views of the executive and non – executive directors; assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties and other related matters. All the five Independent Directors attended the said meeting.

The details of the familiarisation programme for Independent Directors is disclosed on the website of the Company and may be accessed at the link <http://pcbltd.com/investorrelations/investorrelations.php> .

VIII. GENERAL BODY MEETINGS

1. Location and time of the last 3 Annual General Meetings (AGM) held :

AGM	Date	Venue	Time	Special Resolution Passed
53rd	30th July, 2014	“Uttam Mancha”	10.30 A.M.	Yes
52nd	26th July, 2013	“Vidya Mandir”	10.30 A.M.	Yes
51st	27th July, 2012	“Uttam Mancha”	10.30 A.M.	Yes

Neither any resolution was put through postal ballot last year nor any resolution is proposed to be conducted through postal ballot in the ensuing Annual General Meeting.

2. Disclosure regarding appointment or re-appointment of Directors in accordance with Clause 49 VIII(E)(1) of the Listing Agreement has been provided in the Notice convening the Annual General Meeting of the Company.

IX. DISCLOSURES

1. Disclosures on materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the Directors, or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large :

No such transactions took place during the year ended 31st March, 2015.

2. Disclosure by Senior Management in accordance with Clause 49VIII(D)(2) of the Listing Agreement:

The Senior Management of the Company has confirmed to the Board of Directors that they do not have any personal interest relating to material, financial and commercial transactions with the Company that may have a potential conflict with the interests of the Company at large.

3. Disclosures on compliance of law :

The Company has complied with the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties or strictures were imposed by SEBI, Stock Exchanges, or any statutory authorities on any matter related to capital markets during the last three years.

4. Vigil mechanism / Whistle Blower Policy:

The Company has a Whistle Blower Policy / Vigil Mechanism which is posted on the website of the Company for its directors and employees to report their concerns about the Company's working or about any violation of its policies and no personnel are being denied any access to the Audit Committee.

5. Code for Prevention of Insider Trading Practices

In compliance with the SEBI Regulation on prevention of insider trading, the Company has in place a comprehensive code of conduct for its Directors and Senior Management Officers. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company. The code clearly specifies, among other matters, that Directors and specified employees of the Company can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and material events, as per the Code.

Since the close of the year, two new sets of codes – Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to regulate, monitor and report trading by Insiders – have been adopted by the Board, in supersession of the earlier one in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

Mr. Kaushik Mukherjee, Company Secretary, is the Compliance Officer who also acts as the Chief Investor Relations Officer.

6. Details of compliance with mandatory requirements and adoption of non mandatory requirements

All mandatory requirements have been complied with and the non-mandatory requirements are dealt with at the end of the Report.

7. Certificate from the Managing Director and the Chief Financial Officer

Certificate from Mr. Kaushik Roy, Managing Director and Mr. Raj Kumar Gupta, Chief Financial Officer, in terms of Clause 49(IX) of the Listing Agreement with the Stock Exchanges for the financial year ended 31st March, 2015 was placed before the Board of Directors of the Company in its meeting held on 6th May, 2015.

8. Code of Conduct

A new code of Business Conduct and Ethics for members of the Board and Senior Management Personnel has been adopted by the Board, in supersession of the earlier one, to bring it in line with the revised Listing requirements of the Stock Exchanges. The Code of Conduct for Board Members and Senior Management of the Company is posted on the website of the Company and may be accessed at the link <http://pcblltd.com/investorrelations/investorrelations.php>.

All Board Members and Senior Management Personnel have affirmed compliance with the Code on an annual basis. A declaration to this effect signed by the Managing Director forms part of this Annual Report.

9. Sexual Harassment Policy

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. Internal Complaints Committee set up for the purpose did not receive any complaints for redressal during the year.

X. MEANS OF COMMUNICATION

1. In compliance with Clause 41 of the Listing Agreement, the Company sends the quarterly/half yearly/Audited Results to the Stock Exchanges. Results are published in the Financial Express/Business Standard (all editions) and Aajkal (Kolkata).
2. Information and details of the Company in all respects are posted on the Company's [website: www.pcblltd.com](http://www.pcblltd.com)
3. Whenever the Company issues any press release, it is sent to the Stock Exchanges as well as posted on the Company's website.
4. Management Discussion and Analysis forms a part of the Directors' Report.

XI. GENERAL SHAREHOLDER INFORMATION

• Annual General Meeting date, time and venue:

Date: 31st July, 2015 at 10.30 a.m. to be held at "Uttam Mancha", 10/1/1, Monoharpukur Road, Kolkata – 700026.

• Financial Year:

1st April, 2014 to 31st March, 2015.

• Book Closure:

24th July, 2015 to 31st July, 2015 (both days inclusive).

• Dividend payment date:

Dividend, if declared, at the ensuing Annual General Meeting will be paid on and from 4th August, 2015.

• Listing on Stock Exchanges and Stock Codes:

- a) The Calcutta Stock Exchange Ltd. - 26125
7, Lyons Range,
Kolkata – 700 001.
- b) Bombay Stock Exchange Limited - 506590 (B2)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.
- c) National Stock Exchange of India Ltd. - PHILIPCARB
Exchange Plaza,
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

Listing Fees for all the above Stock Exchanges for 2015 - 2016 have been paid.

- Market Price high, low, close during each month from April, 2014 to March, 2015 (in Rs.) (as available from the website of National Stock Exchange of India Limited and Bombay Stock Exchange Limited)

Month	High		Low		Close	
	NSE	BSE	NSE	BSE	NSE	BSE
Apr. '14	67.90	67.90	55.50	55.35	60.70	61.15
May '14	77.90	77.00	58.10	53.25	70.70	70.65
June '14	88.00	88.10	71.00	72.00	84.80	84.85
July '14	106.70	106.40	83.50	84.00	88.40	88.45
Aug '14	98.40	98.60	80.05	80.25	87.85	87.80
Sep '14	147.65	147.50	87.00	87.60	111.15	111.15
Oct '14	120.60	122.00	109.30	109.50	116.75	116.90
Nov. '14	158.45	158.65	112.65	113.00	144.65	144.30
Dec. '14	161.85	161.95	123.00	122.50	150.20	150.10
Jan. '15	171.85	172.80	138.40	138.30	148.10	147.95
Feb. '15	151.35	154.40	118.40	118.10	120.40	119.80
Mar. '15	134.95	134.90	95.15	95.40	131.60	131.10

Monthly Comparison Chart of the Share Prices (in Rs.) with the NSE Nifty and BSE SENSEX along with the No. of Shares traded during the period April, 2014 to March, 2015.

Month	Nifty/Sensex (Close)		Share Price (Close) (Rs.)		No. of Shares Traded	
	NSE	BSE	NSE	BSE	NSE	BSE
Apr. '14	6696.40	22417.80	60.70	61.15	2319700	612980
May '14	7229.95	24217.34	70.70	70.65	1565976	495659
Jun. '14	7611.35	25413.78	84.80	84.85	2523218	821923
Jul. '14	7721.30	25894.97	88.40	88.45	6989773	2194874
Aug. '14	7954.35	26638.11	87.85	87.80	2719857	859256
Sep. '14	7964.80	26630.51	111.15	111.15	10528913	2605135
Oct. '14	8322.20	27865.83	116.75	116.90	2102965	699628
Nov. '14	8588.25	28693.99	144.65	144.30	12645063	3848381
Dec. '14	8282.70	27499.42	150.20	150.10	8761226	2806365
Jan. '15	8808.90	29182.95	148.10	147.95	7712697	2343750
Feb. '15	8901.85	29361.50	120.40	119.80	2952040	1488259
Mar. '15	8491.00	27957.49	131.60	131.10	5049172	1500780

- Registrar and Share Transfer Agent:

Link Intime India Pvt. Ltd.
59-C Chowringhee Road
3rd Floor
Kolkata 700 020
Telephone No: (033) 2289 0539/40
Fax – 033- 2289 0539
E-Mail: kolkata@linkintime.co.in

- Share Transfer Process

The shares in physical form for transfer should be lodged at the office of the Company's Registrar and Share Transfer Agent, Link Intime India Pvt. Ltd., Kolkata or at the Registered Office of the Company. The transfers are processed within 10 days from the date of receipt of such request for transfer, if technically found to be in order and complete in all respects. As per

directives issued by SEBI, it is compulsory to trade in securities of any Company's equity shares in dematerialized form.

- Dematerialisation

The process of conversion of shares from physical form to electronic form is known as dematerialisation. For dematerializing the shares, the shareholders should open a demat account with a Depository Participant (DP). He/She is required to submit a Demat Request Form duly filled up along with the share certificates to his/her DP. The DP will allocate a demat request number and shall forward the request physically as well as electronically, through NSDL/CDSL, to the Registrar and Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialised and an electronic credit of shares is given in the account of the shareholder.

- Distribution of Shareholding as on 31st March, 2015

Shareholding Pattern – Size of Holdings	No. of Shares	Percentage (%) to Share Capital	No. of Shareholders	Percentage (%) to Total holders
1 – 500	21210	66.70	921327	2.67
1001 – 500	7796	24.50	1981692	5.75
501 – 1000	1494	4.70	1184928	3.44
1001 – 2000	673	2.10	1031370	2.99
2001 – 3000	201	0.60	510298	1.48
3001 – 4000	103	0.30	367201	1.07
4001 – 5000	86	0.30	407654	1.18
5001 – 10000	125	0.40	934681	2.71
10001 & above	119	0.40	27128421	78.71
TOTAL	31807	100.00	34467572	100.00

- Shareholding Pattern as on 31st March, 2015

No. of holdings	No. of Shareholders	No. of Shares	Percentage of Holdings
Non Resident Indians	725	309031	0.897
Institutional Investors	40	3445893	9.997
Promoter* * Includes Persons acting in concert	4	18461557	53.562
Bodies Corporate	723	3937221	11.423
Resident Individuals	30315	8313870	24.121
TOTAL	31807	34467572	100.000

- Dematerialisation of shares :

	Shares	%
NSDL	30409458	88.22
CDSL	3183506	9.24
TOTAL	33592964	97.46

- ISIN NO. INE 602A01015

- Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

Nil

- Plant Locations

A list of locations of Company's Plants has been given separately in this Annual Report.

● **Address for correspondence :**

1) Registrar and Share Transfer Agent :
(For share and dividend related queries)
Link Intime India Pvt. Ltd.
59-C, Chowringhee Road, 3rd Floor
Kolkata - 700 020
Telephone : (033) 2289-0539/40
Fax : (033) 2289-0539
E-mail : kolkata@linkintime.co.in

2) Company
(For any other matter and unresolved complaints)
Company Secretary
Phillips Carbon Black Limited
31, Netaji Subhas Road, Kolkata - 700 001
Phones : (033) 6625 1000, 2242 0839
Fax : (033) 2248 0140
E-mail : kaushik.mukherjee@rp-sg.in

XII. STATUS OF ADOPTION OF THE NON MANDATORY REQUIREMENTS

The applicable Non Mandatory Requirements will be implemented by the Company as and when required and/or deemed necessary by the Board.

For and on behalf of the Board

Kolkata
6th May, 2015

Sanjiv Goenka
Chairman
(DIN 00074796)

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49(E)(2) OF THE LISTING AGREEMENT

I, Kaushik Roy, Managing Director of Phillips Carbon Black Limited declare that all the Members of the Board of Directors and Senior Management personnel have, for the year ended 31st March, 2015 affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Listing Agreement entered with the Stock Exchanges.

Kolkata
6th May, 2015

Kaushik Roy
Managing Director
(DIN 06513489)

Auditors' Certificate

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
Phillips Carbon Black Limited

We have examined the compliance of conditions of Corporate Governance by Phillips Carbon Black Limited, for the year ended 31st March 2015, as stipulated in Clause 49 of the revised Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For PRICE WATERHOUSE
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner

Kolkata
6th May, 2015

Membership Number 57572

Independent Auditors' Report

To the Members of Phillips Carbon Black Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Phillips Carbon Black Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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 knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2015 on its financial position in its standalone financial statements – Refer Note 31;
 - ii. There were no material foreseeable losses, on the Company's long-term contracts including derivative contracts, as at March 31, 2015.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March, 31, 2015.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Kolkata
May 6, 2015

Pinaki Chowdhury
Partner
Membership Number 57572

Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Phillips Carbon Black Limited on the standalone financial statements as of and for the year ended March 31, 2015

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- ii. (a) The inventory [excluding stocks with third parties] has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. The Company's operations do not involve sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund and employees state insurance though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including sales tax, income tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax and wealth-tax which have not been deposited on account of any dispute. The particulars of dues of sales tax, service tax, duty of customs, duty of excise, value added tax, as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	45.83	2011-12	Additional Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	218.07	1994-95, 1995-96, 1999-00, 2014-15	High Court at Calcutta
Central Sales Tax Act, 1956	Central Sales Tax	138.61	2007-08	Senior Joint Commissioner Commercial Taxes
Central Sales Tax Act, 1956	Central Sales Tax	886.20	2000-01, 2003-04, 2004-05, 2005-06, 2006-07, 2008-09, 2009-10, 2010-11	West Bengal Commercial Taxes Appellate & Revisional Board
West Bengal Sales Tax Act, 1994	Sales Tax	104.75	2000-01, 2003-04	West Bengal Commercial Taxes Appellate & Revisional Board
West Bengal Sales Tax Act, 1994	Sales Tax	55.43	1994-95, 1995-96, 1999-00, 2004-05	West Bengal Taxation Tribunal
West Bengal Value Added Tax Act, 2003	Value Added Tax	17.42	2011-12	Additional Commissioner
West Bengal Value Added Tax Act, 2003	Value Added Tax	78.31	2007-08	Senior Joint Commissioner Commercial Taxes

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
West Bengal Value Added Tax Act, 2003	Value Added Tax	40.20	2006-07, 2009-10, 2010-11	West Bengal Commercial Taxes Appellate & Revisional Board
West Bengal Value Added Tax Act, 2003	Value Added Tax	28.16	2005-06, 2014-15	West Bengal Taxation Tribunal
Gujarat Value Added Tax Act, 2006	Value Added Tax	22.57	2006-07	Gujarat Value Added Tax Tribunal
Central Excise Act, 1944	Excise Duty	443.41	1997-98, 1998-99, 2003-04, 2004-05, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	4,947.99	1999-00, 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14	Customs Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	0.77	2004-05	High Court at Kerala
Central Excise Act, 1944	Excise Duty	3.08	2009-10	Ministry of Finance
Customs Act, 1962	Customs Duty	0.67	2012-13	Commissioner (Appeals)
Customs Act, 1962	Customs Duty	38.30	2006-07, 2007-08, 2008-09, 2009-10, 2010-11	Deputy Commissioner of Custom
Customs Act, 1962	Customs Duty	35.17	2004-05, 2005-06, 2006-07, 2007-08, 2009-10, 2012-13	Customs Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Customs Duty	11.79	2008-09, 2009-10	Supreme Court
Finance Act 1994	Service Tax	80.43	2009-10	Customs Excise and Service Tax Appellate Tribunal

- c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date. The Company has incurred cash losses in the immediately preceding financial year.
- ix. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable, as at the balance sheet date.
- x. In our opinion, and 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 during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
May 6, 2015

Balance Sheet as at 31st March, 2015

	Note	As at 31st March, 2015 Rupees in Lakhs	As at 31st March, 2014 Rupees in Lakhs
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2	3,446.73	3,446.72
Reserves and surplus	3	47,581.01	46,804.28
		<u>51,027.74</u>	<u>50,251.00</u>
NON-CURRENT LIABILITIES			
Long-term borrowings	4	32,743.68	40,010.12
Deferred tax liabilities (Net)	5	2,779.94	2,984.96
Other Long term liabilities	6	59.40	59.40
Long-term provisions	7	365.17	361.07
		<u>35,948.19</u>	<u>43,415.55</u>
CURRENT LIABILITIES			
Short-term borrowings	8	77,586.21	61,129.39
Trade payables	9	14,693.74	44,675.59
Other current liabilities	10	15,795.76	12,403.52
Short-term provisions	11	1,239.41	196.49
		<u>109,315.12</u>	<u>118,404.99</u>
TOTAL		<u>196,291.05</u>	<u>212,071.54</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	12		
Tangible assets		81,982.24	85,646.38
Intangible assets		63.96	114.60
Capital work-in-progress		7,346.24	6,736.34
		<u>89,392.44</u>	<u>92,497.32</u>
Non-current investments	13	7,236.83	7,236.83
Long-term loans and advances	14	2,933.27	3,638.73
Other non-current assets	15	5,389.13	5,389.13
		<u>104,951.67</u>	<u>108,762.01</u>
CURRENT ASSETS			
Inventories	16	29,683.99	42,873.50
Trade receivables	17	52,141.98	51,703.99
Cash and Bank Balances	18	1,149.52	889.81
Short-term loans and advances	19	6,776.92	6,572.01
Other current assets	20	1,586.97	1,270.22
		<u>91,339.38</u>	<u>103,309.53</u>
TOTAL		<u>196,291.05</u>	<u>212,071.54</u>

The Notes are an integral part of these Financial Statements.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
Date : 6 May, 2015

For and on behalf of Board of Directors

Kaushik Roy
Managing Director
(DIN: 06513489)

K. S. B. Sanyal
Director
(DIN: 00009497)

C. R. Paul
Director
(DIN: 00009056)

Kaushik Mukherjee
Company Secretary

Raj Kumar Gupta
Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March, 2015

	Note	Year ended 31st March, 2015 Rupees in Lakhs	Year ended 31st March, 2014 Rupees in Lakhs
Income :			
Revenue from operations (Gross)	21	271,139.17	253,051.60
Less: Excise Duty		24,119.94	25,305.52
Revenue from operations (Net)		247,019.23	227,746.08
Other income	22	1,441.71	2,051.45
Total Revenue		248,460.94	229,797.53
Expenses :			
Cost of materials consumed	23	186,441.05	185,605.32
Purchase of Stock-in-trade (Carbon Black Feed Stock)		3,294.37	-
Changes in inventories of finished goods	24	4,309.16	(2,553.53)
Employee benefits expense	25	7,016.46	6,291.24
Finance costs	26	9,480.13	8,023.43
Depreciation and amortisation expense	12	5,753.14	5,373.58
Other expenses	27	30,733.64	35,848.42
Total expenses		247,027.95	238,588.46
Profit / (Loss) before tax		1,432.99	(8,790.93)
Tax expense :			
Current tax	28	336.00	2,148.77
Deferred tax - (Credit)		(167.46)	(2,280.06)
Profit / (Loss) for the Year		1,264.45	(8,659.64)
Earning / (Loss) per Equity Share :	29		
[Nominal Value per share - Rs. 10/- (Previous year - Rs.10/-)]			
Basic (Rs.)		3.67	(25.12)
Diluted (Rs.)		3.67	(25.12)

The Notes are an integral part of these Financial Statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
Date : 6 May, 2015

For and on behalf of Board of Directors

Kaushik Roy
Managing Director
(DIN: 06513489)

K. S. B. Sanyal
Director
(DIN: 00009497)

C. R. Paul
Director
(DIN: 00009056)

Kaushik Mukherjee
Company Secretary

Raj Kumar Gupta
Chief Financial Officer

Cash Flow Statement for the year ended 31st March, 2015

	Year ended 31st March, 2015 Rupees in Lakhs	Year ended 31st March, 2014 Rupees in Lakhs
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before taxation	1,432.99	(8,790.93)
Adjustments for:		
Depreciation and amortisation expense	5,753.14	5,373.58
Loss on Disposal of Fixed Assets/Fixed Assets Scrapped (net)	7.98	85.52
Unrealised (gain) / loss (net) on foreign currency transaction/ translation	1,051.66	(852.02)
Income from Dividend	(0.81)	(109.77)
Interest Income	(763.99)	(943.80)
Interest Expense	9,179.08	7,504.07
Other Borrowing Costs	148.95	519.36
Applicable net loss on foreign currency transactions/ translations (to the extent as adjustment to Interest cost)	152.10	—
Provision for Doubtful Debts (net)	—	305.72
Provision for Doubtful Advances	28.80	41.68
Provision for Mark to Market Losses on Derivative Contracts	364.24	—
Liabilities no longer required written back	(384.19)	(740.07)
	<u>15,536.96</u>	<u>11,184.27</u>
Operating Profit before Working Capital Changes	16,969.95	2,393.34
Adjustments for:		
Inventories	13,189.51	7,065.40
Trade and Other Receivables	(664.70)	1,898.55
Trade and Other Payables	(30,028.86)	(26,564.50)
	<u>(17,504.05)</u>	<u>(17,600.55)</u>
Cash Generated from/(used in) Operations	(534.10)	(15,207.21)
Direct Taxes (Paid)/ Refunded (net) (including Tax Deducted at Source)	(117.08)	255.82
Net Cash (used in) Operating Activities	(651.18)	(14,951.39)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(3,430.56)	(4,040.78)
Sale proceeds of Fixed Assets	87.52	16.43
Advance to Subsidiary	(2.99)	(63.62)
Purchase of Current Investment	—	(28,600.00)
Proceeds from Sale of Current Investments	—	28,600.00
Dividend received from Investment	0.81	109.77
Inter Corporate Deposits given	(8,406.00)	(7,300.00)
Inter Corporate Deposits realised	8,406.00	7,300.00
Interest Received	763.99	943.80
Net Cash (used in) Investing Activities	(2,581.23)	(3,034.40)
C. Cash Flow from Financing Activities		
Arrear Allotment money received	0.08	—
Repayment of deposits	(0.45)	—
Proceeds from Long Term Borrowings	5,000.00	27,500.00
Proceeds from Short Term Borrowings	212,335.78	185,012.54
Repayment of Long Term Borrowings	(7,523.14)	(5,633.94)
Repayment of Short Term Borrowings	(195,024.12)	(187,324.01)
Increase/(decrease) in Cash Credit facilities from banks	(1,906.50)	2,098.83
Dividends paid [including Tax on Dividend Rs. NIL (Previous Year - Rs 29.29 lakhs)]	(7.14)	(199.71)
Interest paid	(9,211.54)	(8,631.10)
Applicable net loss on foreign currency transactions/ translations (to the extent as adjustment to Interest cost)	(152.10)	—
Other Borrowing Costs paid	(148.95)	(619.36)
Net Cash from Financing Activities	3,361.92	12,203.25
Net increase/(decrease) in Cash and Cash Equivalents	129.51	(5,782.54)
Opening Cash and Cash Equivalents	880.54	6,663.08
Closing Cash and Cash Equivalents	1,010.05	880.54

Notes:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard (AS) 3 'Cash Flow Statement'.
- Cash and Cash Equivalents (Refer Note 18 to Financial Statements) include Unpaid Dividend Account not available for use by the Company.
- Previous year's figures have been regrouped or rearranged, where considered necessary.

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
Date : 6th May, 2015

For and on behalf of Board of Directors

Kaushik Roy
Managing Director
(DIN: 06513489)

K. S. B. Sanyal
Director
(DIN: 00009497)

C. R. Paul
Director
(DIN: 00009056)

Kaushik Mukherjee
Company Secretary

Raj Kumar Gupta
Chief Financial Officer

1. Significant Accounting Policies:

1.1. Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis except for certain tangible fixed assets which are being carried at revalued amounts. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules 2006, as amended] and other relevant provisions of the Companies Act, 2013.

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 Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current- non current classification of assets and liabilities.

1.2. Fixed Assets

Fixed assets are stated at revalued amounts (for items revalued)/ cost of acquisition/construction (for items not revalued) less accumulated depreciation/ amortization, impairment loss, if any and inclusive of borrowing cost, where applicable, and adjustments for exchange difference referred to in Note 1.7 below. Cost includes inward freight, non refundable duties/ taxes and incidental expenses directly related to acquisition/ installation. Computer Software is capitalized in the period in which the software is implemented for use, where it is expected to provide future enduring economic benefit; such capitalization costs include license fees and cost of implementation/ system integration services.

1.3. Impairment

The Carrying amounts of fixed assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of fixed assets of a cash generating unit exceeds its recoverable amount (i.e., higher of net selling price and value in use).

1.4. Borrowing Cost

Borrowing costs attributable to acquisition/ construction of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

1.5. Depreciation/ Amortization

Depreciation on the incremental amount added on revaluation in respect of revalued items is calculated on straight line method at rates considered applicable by valuers and technical evaluation carried out during the year by the Company's expert.

Computer Software capitalized are amortized on a straight line basis over a period of three years from the date of capitalization.

In case of certain assets, depreciation is provided on a pro rata basis on the straight line method over the estimated useful lives of the assets which are different than the rates prescribed under the Schedule II to the Companies Act 2013. In order to reflect the actual usage of the assets; in the following cases the estimates of useful lives of the assets based on technical evaluation carried out by the Company's expert, have not undergone a change on account of transition to the Companies Act, 2013;

Assets	Useful life
Plant & Equipments and Electrical Installations (Other than certain revalued items mentioned above)	18 to 20 Years

Depreciation on original cost of other fixed assets is provided on pro rata basis on straight line method based on useful lives specified in Schedule II to the Companies Act, 2013 which is in line with the technical evaluation carried out during the year by the Company's expert

(Also refer Note 47)

1.6. Government Grants

Grants of Capital nature (not related to specific fixed assets) are credited to Capital Reserve. Grants related to revenue are credited to related expense account.

1.7. Foreign Currency Transaction as applicable under Accounting Standard 11 on 'The effect of changes in Foreign Exchange Rates'

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end exchange rates. Gains/ losses (other than relating to reporting of long-term foreign currency monetary items) arising out of settlement of foreign currency transaction or from year end restatement are recognized in the Statement of Profit and Loss in the period in which they arise. Exchange differences arising on reporting of long-term foreign currency monetary items (i) relating to acquisition of depreciable capital assets are adjusted to the carrying amount of such assets (to be adjusted over the balance life of the related asset) and (ii) in other cases accumulated in a 'Foreign Currency Monetary item Translation Difference Account' (to be adjusted over the balance period of the related long term monetary asset/ liability).

Premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of contract.

1.8. Investments

Long Term Investments are valued at cost less provision for diminution (other than temporary) in the carrying amount thereof as determined by the Board of Directors based on periodical review.

1.9. Inventories

Inventories are valued at lower of cost and net realizable value. Cost is determined on weighted average basis. Cost includes expenditure incurred in the normal course of business in bringing inventories to its location and condition, labour and overhead, where applicable.

Also refer Note 46

1.10. Revenue

Revenue from sales is recognized on transfer of risks and rewards of ownership to customers based on the contract with the customer for delivery. Sales include excise duty and are net of sales returns, discounts and exclude sales tax/ value added tax where applicable.

1.11. Employee Benefits

a. Short term

Short term Employee Benefits (i.e. benefits falling due within one year after the end of the period in which employees render the related service) are recognized as expense in the period in which employee services are rendered as per the Company's scheme based on expected obligations on undiscounted basis.

b. Post-employment

Post-employment benefits comprise of Provident Fund, Superannuation Fund, Gratuity and Post Retirement Medical Benefit which are accounted for as follows:

i) Provident Fund

This is a defined contribution plan for certain employees and contributions are remitted to Provident Fund authorities in accordance with relevant statute and charged to the Statement of Profit and Loss in the period in which the related employee services are rendered. The Company has no further obligations for future Provident Fund benefits other than its monthly contributions.

Certain employees of the Company receive provident fund benefits, which are administered by the Provident Fund Trust set up by the Company. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employees and the Company make monthly contributions at specified percentage of the employees' salary to such Provident Fund Trust. The Company has an obligation to fund any shortfall in return on plan assets over the interest rates prescribed by the authorities from time to time. In view of the Company's obligation to meet the shortfall this is a defined benefit plan. Actuarial valuation of the Company's liability under such

scheme is carried out under the Projected Unit Credit Method at the year end and the charge/ gain, if any, is recognized in the Statement of Profit and Loss. Actuarial gains/ losses are recognized immediately in the Statement of Profit and Loss as income/ expense.

ii) Superannuation Fund

This is a defined contribution plan. The Company contributes a certain % of the eligible salary for employees covered under the scheme towards superannuation fund administered by the Trustees and managed by Life Insurance Corporation of India (LIC). The Company has no further obligations for future superannuation benefits other than its contributions and recognizes such contributions as expense in the period in which the related employee services are rendered.

iii) Gratuity

This is a defined benefit plan. The Company's scheme is administered by LIC. The liability is determined based on year-end actuarial valuation using Projected Unit Credit Method. Actuarial gains/ losses are recognised immediately in the Statement of Profit and Loss as income/ expense.

iv) Post Retirement Medical Benefit

Post Retirement Medical Benefits [comprising payment of annual medical insurance premium to cover hospitalizations and reimbursement of domiciliary medical expenses within a defined monetary limit] are extended to certain employees. The liability in respect thereof is determined by actuarial valuation at the year end based on the Projected Unit Credit Method and are recognized as a charge on accrual basis. This is a defined benefit plan. Actuarial gains / losses are recognised immediately in Statement of Profit and Loss as income/ expense.

c. Other Long term

Other long term employee benefits represent compensated absence (defined benefit plan) which is provided for based on year end actuarial valuation using Projected Unit Credit Method. Actuarial gains/losses are recognised immediately in the Statement of Profit and Loss as income/expense.

d. Termination benefits

Termination benefits represent compensation towards Voluntary Retirement Scheme which is expensed on accrual of liability.

1.12. Research and Development

Revenue expenditure on research and development is charged off during the period in which it is incurred. Capital expenditure on development is capitalized on compliance of conditions in keeping with Accounting Standard 26 on 'Intangible Assets'.

1.13. Derivative Contracts

In respect of derivative contracts (other than forward exchange contracts covered under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'), gains/losses on settlement and mark to market loss (net) relating to outstanding contracts as at the Balance Sheet date is recognised in the Statement of Profit and Loss. Refer Note 1.7 above for forward

exchange contracts covered under Accounting Standard 11 on "The effects of Changes in Foreign Exchange Rates."

1.14. Taxes on Income

Current tax is provided as the amount of tax payable in respect of taxable income for the year measured using applicable tax rules and laws.

Deferred tax is provided on timing differences between taxable income and accounting income measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only if there is a virtual/ reasonable certainty, as applicable, in keeping with Accounting Standard 22 on 'Accounting for Taxes on Income' that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are reviewed for the appropriateness of their respective carrying amount at each Balance Sheet date.

Minimum Alternate Tax (MAT) credit is recognized as an assets only when and to the extent there is convincing evidence that the Company will pay normal income tax in excess of MAT during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit assets is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax in excess of the MAT during the specified period.

1.15 Provision and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provision are measured at the best estimate of the expenditure required to settle the present obligation as at the Balance Sheet date and are not discounted to its present value.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

1.16 Use of Estimates

The Preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the periods and discloser of contingent liabilities at the balance sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements. Actual results could differ from estimates.

2 SHARE CAPITAL

AUTHORISED

50,000,000 (31.03.2014 - 50,000,000) Equity Shares of Rs. 10/- each

ISSUED, SUBSCRIBED AND PAID UP

34,467,572 (31.03.2014 - 34,467,572) Equity Shares of Rs. 10/- each fully paid up

Less : Allotment Money receivable

As at 31st March, 2015 Rupees in Lakhs	As at 31st March, 2014 Rupees in Lakhs
<u>5,000.00</u>	<u>5,000.00</u>
<u>3,446.77</u>	3,446.77
<u>0.04</u>	0.05
<u><u>3,446.73</u></u>	<u><u>3,446.72</u></u>

2a. Reconciliation of Shares outstanding at the beginning and at the end of the reporting year

	Number	Rupees in lakhs	Number	Rupees in lakhs
Shares at the beginning of the year	<u>34,467,572</u>	<u>3,446.72</u>	34,467,572	3,446.72
Add: Arrear Allotment Money received	-	<u>0.01</u>	-	-
Outstanding at the end of the year	<u><u>34,467,572</u></u>	<u><u>3,446.73</u></u>	<u><u>34,467,572</u></u>	<u><u>3,446.72</u></u>

No additional shares were allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash during the last five years. Further, none of the shares were bought back by the company during the last five years.

Notes to Financial Statements for the year ended 31st March, 2015

2b(i) Detail of shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2015		As at 31st March, 2014	
	Number	Holding	Number	Holding
Equity Shares of Rs.10/- each				
i Rainbow Investments Limited	17,216,074	49.95%	-	-
ii Universal Industrial Fund Limited	-	-	5,856,762	16.99%
iii Adorn Investments Limited	-	-	4,163,749	12.08%
iv Ujala Agency Private Limited	-	-	2,736,019	7.94%
v Offshore India Limited	-	-	2,699,655	7.83%
vi Adapt Investments Limited	-	-	2,558,039	7.42%

2b(ii) The Company became a subsidiary of Rainbow Investments Limited (RIL) pursuant to a Scheme of Amalgamation and Arrangement between Rainbow Investments Limited and certain companies and their respective shareholders as sanctioned by the Hon'ble High Court at Calcutta vide order passed during the current year. The certified copy of the aforesaid order has been filed with the Registrar of Companies on July 8, 2014 (effective date of the aforesaid Scheme). Effective September 23, 2014, the holding of RIL in the Company became 49.95%.

2c. Terms/ Rights attached to Equity Shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2d. Allotment of 1823 shares is pending against Rights Issue made during 1993-94.

2e. 48 Shares have not been issued to the concerned non-resident shareholders pending approval of the Reserve Bank of India.

	As at 31st March, 2015	As at 31st March, 2014
	Rupees in Lakhs	Rupees in Lakhs
3 RESERVES AND SURPLUS		
Capital Reserve	156.81	156.81
Securities Premium Account		
Balance as at the beginning of the year	22,411.53	22,411.53
Add: Received during the year #	0.07	-
Balance as at the end of the year	22,411.60	22,411.53
General Reserve		
Balance as at the beginning and end of the year	7,338.43	7,338.43
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	16,897.51	25,557.15
Adjustment consequent to revision of useful life of certain assets pursuant to Schedule II of the Companies Act, 2013 (Net of Deferred Tax of Rs. 37.56 lakhs) (Refer Note 47)	(72.94)	-
Profit / (Loss) for the year	1,264.45	(8,659.64)
Less: Appropriations		
Proposed Dividend on Equity Shares for the year [Re. 1 Per share (Previous year Rs. Nil per share)]	344.68	-
Dividend distribution tax on Proposed dividend on Equity Shares	70.17	-
Balance as at the end of the year	17,674.17	16,897.51
	47,581.01	46,804.28

Rs 0.07 lakhs (Previous year Rs. Nil) received against realisation of arrear allotment money.

	As at 31st March, 2015	As at 31st March, 2014
	Rupees in Lakhs	Rupees in Lakhs
4 LONG -TERM BORROWINGS		
SECURED LOANS		
Term Loans		
From Banks	44,387.68	47,498.48
Less: Current maturities of Long Term Debt referred to in Note 10	11,644.00	7,488.36
	32,743.68	40,010.12
	32,743.68	40,010.12
UNSECURED LOANS		
Deferred Payment Liabilities		
Sales Tax Deferred Loans	-	34.78
Less: Current maturities of Long Term Debt referred to in Note 10	-	34.78
	-	-
	-	-
	32,743.68	40,010.12

Notes to Financial Statements for the year ended 31st March, 2015

a. Nature of Security and terms of repayment for Secured Borrowings availed from the Banks

Nature of Security	Terms of Repayment
<p>Term loan from banks excluding adjustment for foreign exchange difference amounting to Rs. 6,089.68 lakhs (31.03.2014: Rs.10,149.47 lakhs) are secured by way of pari-passu first charge created/ to be created on all the immovable properties of the Company situated in Durgapur in West Bengal (excluding those relating to 30 MW Co-generation power plant at Durgapur in West Bengal), Palej and Mundra in Gujarat and Kochi in Kerala and also on the Company's movable Plant and Machinery, Machinery Spares, Tools and Accessories and other movable properties both present and future excluding those properties relating to 30 MW Co-generation power plant at Durgapur in West Bengal.</p> <p>The above term loan from bank is also secured by pari-passu second charge on the Company's existing and future stock of raw materials, finished and semi finished goods, consumables stores and spares, including stock in transit and in the possession of any third party, present and future Book debts, Monies Receivable, Claims etc. held by any third party to the order of the disposition of the Company excluding those relating to 30 MW Co-generation Power Plant at Durgapur in West Bengal.</p> <p>Term Loan from bank amounting to Rs. 8571.43 lakhs (Previous year Rs. 10,000 lakhs) is secured by way of first pari-passu charge over all the immovable and movable properties of the Company.</p> <p>The above term loan from bank is also secured by second charge by way of hypothecation of the Company's entire stocks of raw materials, semi finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables (excluding current assets relating to 30 MW co-generation power plant at Durgapur), both present and future, in a form and manner satisfactory to the bank, ranking pari-passu with other participating banks.</p> <p>Term Loan from bank amounting to Rs. 10,000 lakhs (Previous year Rs. 5000) is secured by way of first pari passu charge over all the immovable and movable properties of the Company.</p> <p>The above term loan from bank is also secured by second charge by way of hypothecation of the Company's entire stocks of raw materials, semi finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables (excluding current assets relating to 30 MW Co generation power plant at Durgapur) both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other participating banks.</p>	<p>Loan availed Rs. 24,358.72 lakhs is repayable in 12 equal semi-annual installments, first installment being due at the end of 30 months from the first drawdown date of the facility i.e. on March 29, 2011 and at the end of every six months there after.</p> <p>Loan availed of Rs. 10,000 lakhs is repayable in 14 equal quarterly installments. First installment being due at the end of 21st month from the first drawdown date of the facility i.e. on November 26, 2014.</p> <p>Loan availed of Rs. 10,000 lakhs (till previous year Rs. 5,000) is repayable in 22 equal quarterly installments. First installment being due at the end of 21st month from the first drawdown date of the facility i.e. on 30th July 2015.</p>

Nature of Security	Terms of Repayment
<p>Term Loan from bank amounting to Rs. 8,000 lakhs (Previous year Rs. 10,000 lakhs) is secured by way of first charge on the Fixed Assets both present and future, of the Company (excluding the fixed assets relating to 30 MW Co-generation power plant at Durgapur) by way of mortgage on pari-passu basis.</p> <p>Term Loan from bank amounting to Rs. 10,000 lakhs (Previous year Rs. 10,000 lakhs) is secured by way of first charge on Fixed Assets both present and future, of the Company (excluding the fixed assets relating to the 30 MW Co generation power plant at Durgapur) by way of hypothecation and mortgage on pari-passu basis with other term lenders.</p> <p>Second Charge on all current assets (present & future) of company on pari passu basis excluding current assets relating to 30 MW Co generation power plant at Durgapur.</p>	<p>Loan availed of Rs.10,000 lakhs is repayable in 20 equal quarterly installments. First installment being due on 30.06.2014.</p> <p>Loan availed of Rs.10,000 lakhs is repayable in 22 equal quarterly installments. First installment being due after a moratorium period of 18 month from the date of disbursement i.e. on 21 August 2015.</p>

b. Terms of repayment for unsecured borrowings:

Borrowings	Terms of Repayment
<p>i. Sales Tax Deferred Loans/ Output Tax Deferred Loans allowed by the State Government of West Bengal.</p>	<p>Repayable in stipulated periodic installments commencing from August 2006 and ending on April 2014.</p>

Notes to Financial Statements for the year ended 31st March, 2015

	As at 31st March, 2015 Rupees in Lakhs	As at 31st March, 2014 Rupees in Lakhs
5 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability on account of -		
- Depreciation	11,410.33	11,139.02
	<u>11,410.33</u>	<u>11,139.02</u>
Deferred Tax Asset on account of -		
Items allowable for tax purpose on payment/adjustments	517.94	268.32
- Unabsorbed Depreciation/Business Loss [®]	7,834.60	7,604.66
- Others	277.85	281.08
	<u>8,630.39</u>	<u>8,154.06</u>
	<u>2,779.94</u>	<u>2,984.96</u>
[®] Considered based on future taxable income against which it can be realised.		
6 OTHER LONG TERM LIABILITIES		
Security Deposits	59.40	59.40
	<u>59.40</u>	<u>59.40</u>
7 LONG-TERM PROVISIONS		
Provisions for Employee Benefits		
Provision for compensated absences	311.07	279.28
Provision for post retirement medical liability / Others	54.10	81.79
	<u>365.17</u>	<u>361.07</u>
8 SHORT-TERM BORROWINGS		
SECURED LOANS FROM BANKS		
Loans repayable on demand	6,878.01	13,884.51
Other Loans	38,797.46	21,173.36
	<u>45,675.47</u>	<u>35,057.87</u>
UNSECURED LOAN FROM BANKS	31,910.74	26,071.52
	<u>77,586.21</u>	<u>61,129.39</u>

Balance outstanding as at 31st March, 2015 in respect of Commercial Paper was **Rs. Nil** (Previous Year Rs. Nil). Maximum amount outstanding at any time during the year was **Rs. 7,500 Lakhs** (Previous Year Rs. Nil)

Nature of Security on Secured Borrowings availed from the Banks

Secured Loan from banks are secured by way of hypothecation in favour of the banks as and by way of first charge, ranking pari-passu among themselves, of the Company's existing and future stock of Raw Materials, Finished and Semi Finished Goods, Consumables Stores and Spares, including Stock in transit and in the possession of any third party, present and future Book debts, Monies Receivable, Claims etc. held by any third party to the order of the disposition of the Company (excluding those relating to 30 MW Co-generation power plant at Durgapur in West Bengal) and also by a pari-passu second charge created/to be created on the fixed assets of the Company at Durgapur in West Bengal (excluding those relating to 30 MW Co-Generation power plant at Durgapur in West Bengal), Palej and Mundra in Gujarat and Kochi in Kerala.

	As at 31st March, 2015 Rupees in Lakhs	As at 31st March, 2014 Rupees in Lakhs
9 TRADE PAYABLES		
- Dues to Micro Enterprises and Small Enterprises [Refer Note 9.1 below]	4.90	7.95
- Others	14,688.84	44,667.64
	<u>14,693.74</u>	<u>44,675.59</u>
	<u>14,693.74</u>	<u>44,675.59</u>

9.1 Information relating to Micro, Small and Medium Enterprises (MSME)s:

(i) The Principal amount and interest due there on remaining unpaid to suppliers under MSMED		
Principal	1.09	4.14
Interest	-	-
(ii) The amount of interest paid in terms of section 16 of MSMED along with the amount of payment made to suppliers beyond the appointed day during the year		
Principal	-	-
Interest	-	-
(iii) The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED		
Principal	-	41.44
Interest	-	1.64
(iv) The amount of interest accrued and remaining unpaid at the end of the year [including Rs. 3.81 lakhs (Previous year Rs. 2.17 lakhs) being interest outstanding as at the beginning of the accounting year]	3.81	3.81
(v) The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED.	-	1.64

Notes to Financial Statements for the year ended 31st March, 2015

	As at 31st March, 2015 Rupees in Lakhs	As at 31st March, 2014 Rupees in Lakhs
10 OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Refer Note 4)	11,644.00	7,523.14
Interest accrued but not due on borrowings	247.16	279.62
Unpaid dividends [Refer Note (a) below]	70.86	78.00
Unpaid matured deposits and interest accrued thereon [Refer Note (a) below]	-	0.45
Other Payables:		
Advance from Customer	272.27	689.00
Security Deposit	1.16	-
Employee Benefits payable	238.50	190.75
Capital Creditors	632.15	881.02
Statutory dues including provident fund and tax deducted at source	1,252.69	1,599.77
Liability for Export Obligation	1,436.97	1,161.77
	<u>3,833.74</u>	<u>4,522.31</u>
	<u>15,795.76</u>	<u>12,403.52</u>

a. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

11 SHORT TERM PROVISIONS

Provisions for Employee Benefits

Provision for gratuity	360.16	95.66
Provision for compensated absences	92.94	91.50
Provision for post retirement medical liability/others	7.22	9.33

Other Provisions

Provision for Mark-to-Market losses on derivatives	364.24	
Provision for Proposed Dividend on Equity Shares	344.68	-
Provision for Dividend Distribution Tax on proposed Dividend	70.17	-
	<u>414.85</u>	<u>-</u>
	<u>1,239.41</u>	<u>196.49</u>

12 FIXED ASSETS

(Rupees in Lakhs)

DESCRIPTION	GROSS BLOCK						DEPRECIATION				NET BLOCK		
	Original/ Revalued cost of Assets as at April 1, 2014	Additions during the year at cost	Adjustments during the year Borrowing Cost	Exchange Differences (Refer Note 1.7 above)	Disposal Adjustment during the year	Total Original /Revalued cost as at March 31, 2015	Depreciation as at April 1, 2014	Depreciation during the year (Also refer Note 47)	Adjustment of Depreciation on disposal	Adjustment Consequent to revision of useful life pursuant to schedule II of Companies Act, 2013 (Also refer Note 47)	Depreciation as at March 31, 2015	Balance as at March 31, 2015	Balance as at March 31, 2014
TANGIBLE ASSETS													
Freehold Land	2,709.97	-	-	-	-	2,709.97	-	-	-	-	2,709.97	2,709.97	
Leasehold Land Acquisition and Development Expenses	818.62	-	-	-	-	818.62	-	-	-	-	818.62	818.62	
Buildings (a)	7,268.15	16.25	-	-	-	7,284.40	1,964.16	223.63	-	2,187.79	5,096.61	5,303.99	
Non-Factory Buildings and Flats	3,144.68	821.75	-	-	-	3,966.43	552.48	59.12	-	611.60	3,354.83	2,592.20	
Plant and Equipment	106,974.35	1,840.58	-	(622.45)	-	108,192.48	35,695.84	5,040.24	-	40,736.08	67,456.40	71,278.51	
Furniture and Fixtures	516.22	24.12	-	-	21.89	518.45	327.74	41.62	8.64	37.98	398.70	119.75	188.48
Office Equipments	803.12	117.40	-	-	8.78	911.74	521.76	104.02	5.14	69.74	690.38	221.36	281.36
Vehicles	263.65	41.39	-	-	142.44	162.60	167.57	31.39	64.76	2.78	136.98	25.62	96.08
Electrical Installations	4,287.66	5.32	-	-	166.30	4,126.68	1,911.10	202.48	165.37	-	1,948.21	2,178.47	2,376.56
Railway Sidings	89.62	-	-	-	-	89.62	89.01	-	-	-	89.01	0.61	0.61
	<u>126,876.04</u>	<u>2,866.81</u>	<u>-</u>	<u>(622.45)</u>	<u>339.41</u>	<u>128,780.99</u>	<u>41,229.66</u>	<u>5,702.50</u>	<u>243.91</u>	<u>110.50</u>	<u>46,798.75</u>	<u>81,982.24</u>	<u>85,646.38</u>
Previous Year	111,448.64	14,006.55	1,389.69	410.66	379.50	126,876.04	36,170.94	5,336.37	277.55	-	41,229.66	85,646.38	
INTANGIBLE ASSETS													
Computer Software-Acquired	358.93	-	-	-	-	358.93	244.33	50.64	-	-	294.97	63.96	114.60
	<u>358.93</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>358.93</u>	<u>244.33</u>	<u>50.64</u>	<u>-</u>	<u>-</u>	<u>294.97</u>	<u>63.96</u>	<u>114.60</u>
Previous Year	207.02	151.91	-	-	-	358.93	207.02	37.31	-	-	244.33	114.60	-
Capital Work-in-Progress											7,346.24	6,736.34	

(a) Cost and accumulated depreciation include **Rs. 3,966.34 lakhs** (31.03.2014 - Rs. 3,963.72 lakhs) and **Rs. 1573.13 lakhs** (31.03.2014 - Rs. 1,456.39 lakhs) respectively in respect of Buildings on Leasehold Land.

Notes to Financial Statements for the year ended 31st March, 2015

	As at 31st March, 2015 <u>Rupees in Lakhs</u>	As at 31st March, 2014 <u>Rupees in Lakhs</u>
13 NON-CURRENT INVESTMENT		
Unquoted unless otherwise stated		
Long Term		
Other than Trade Investment		
Investment in Equity Instruments - At cost unless otherwise indicated		
In Subsidiaries		
18,118 Fully paid Equity Shares of Euro 1/- each in Phillips Carbon Black Cyprus Holdings Limited	3,022.40	3,022.40
8,390,000 Fully Paid Equity Shares of Rs. 10/- each in Goodluck Dealcom Private Limited	4,195.00	4,195.00
In Others		
35,930 Fully paid Equity Shares of Rs.2/- each (Previous Year 7186 Fully paid Equity Shares of Rs. 10/- each) in Bank of Baroda (Quoted)	16.53	16.53
11,400 Fully paid Equity Shares of Rs.10/- each in Indian Overseas Bank (Quoted)	2.74	2.74
600,000 Fully paid Equity Shares of Rs.10/- each in Norplex Oak India Ltd. (Quoted)*	60.00	60.00
1,910,000 Fully paid Equity Shares of Rs.10/- each in Maple Circuits Ltd. (Quoted)*	191.01	191.01
1,600 Fully Paid Equity Shares of Rs. 10/- each in Apeejay Charter Ltd.	0.16	0.16
	<u>270.44</u>	<u>270.44</u>
Investment in preference shares-		
At cost unless otherwise indicated		
50 Fully paid Preference Shares of Rs.100/- each in Norplex Oak India Ltd.*	0.05	0.05
50 Fully paid Preference Shares of Rs.100/- each in Maple Circuits Ltd.*	0.05	0.05
	<u>0.10</u>	<u>0.10</u>
	<u>7,487.94</u>	<u>7,487.94</u>
Less: *Provision for diminution in carrying amount of Investments in Norplex Oak India Ltd. and Maple Circuits Ltd.	(251.11)	(251.11)
	<u>7,236.83</u>	<u>7,236.83</u>
Notes: (a) Aggregate amount of Quoted Investments	270.28	270.28
(b) Aggregate amount of Unquoted Investments	7,217.66	7,217.66
(c) Aggregate provision for diminution in value of investments	(251.11)	(251.11)
	<u>7,236.83</u>	<u>7,236.83</u>
(d) Market value of Quoted Investments (excluding Norplex Oak India Ltd. and Maple Circuits Ltd. in absence of any current quotation)	63.57	57.59
14 LONG TERM LOANS AND ADVANCES		
Unsecured Considered Good (Unless otherwise stated)		
Capital Advances		
Considered Good :	682.86	993.60
Considered Doubtful :	15.72	
Less : Provision for doubtful advances	15.72	-
	<u>1,120.82</u>	1,839.83
Security Deposits		
Advances given to related parties		
Phillips Carbon Black Cyprus Holdings Limited (Subsidiary)	619.42	616.43
Other Loans & Advances		
Loans to Employees #	125.99	137.11
Advance to Employee	0.61	-
Prepaid expenses	383.57	51.76
	<u>2,933.27</u>	<u>3,638.73</u>

Loans to Employees includes Rs. 0.08 lakh (31.03.2014 - Rs. 0.14 lakh) due by an officer of the Company.

Notes to Financial Statements for the year ended 31st March, 2015

	As at 31st March, 2015 Rupees in Lakhs	As at 31st March, 2014 Rupees in Lakhs
15 OTHER NON-CURRENT ASSETS		
MAT Credit Entitlement	5,389.13	5,389.13
	<u>5,389.13</u>	<u>5,389.13</u>
16 INVENTORIES (Valued at lower of cost and net realisable value)		
Raw Materials	17,458.26	26,919.16
Finished Goods [includes in transit Rs. 53.31 lakhs (31.03.2014: Rs. Nil)]	8,701.79	13,010.95
Stores and Spares (including packing materials)	3,523.94	2,943.39
	<u>29,683.99</u>	<u>42,873.50</u>
17 TRADE RECEIVABLES		
Unsecured		
Outstanding for a period exceeding 6 months from the date they are due for payment		
Considered Good	2,336.32	1,141.82
Considered Doubtful	809.55	809.55
Less : Provision for doubtful debts	<u>809.55</u>	<u>809.55</u>
	-	-
	<u>2,336.32</u>	<u>1,141.82</u>
Other Debts - Considered Good	49,805.66	50,562.17
	<u>52,141.98</u>	<u>51,703.99</u>
18 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand	3.83	7.25
Remittances in Transit	866.67	735.67
Balances with Banks		
- On Current Accounts	68.54	59.50
- On Unpaid Dividend Accounts*	71.01	78.12
Total (A)	<u>1,010.05</u>	<u>880.54</u>
Other bank balances		
- On Margin Money Account against Guarantee (with maturity more than 3 months and less than 12 months)	139.47	9.27
Total (B)	<u>139.47</u>	<u>9.27</u>
Total (A+B)	<u>1,149.52</u>	<u>889.81</u>
*earmarked for payment of unpaid dividend only.		
19 SHORT TERM LOANS AND ADVANCES		
Unsecured Considered Good (unless otherwise stated)		
Advances to Suppliers/ Service providers		
Considered Good :	1,207.88	2,234.70
Considered Doubtful :	54.76	41.68
Less : Provision for doubtful advances	<u>54.76</u>	<u>41.68</u>
Balances with statutory/government authorities	4,525.06	3,194.44
Advance payment of Taxes, etc. [Net of Provision for Taxation Rs. 11,698.28 lakhs (31.03.2013 - Rs.11,362.28 lakhs)]	151.62	370.54
Loans to Employees #	83.18	96.21
Advances to Employees	83.44	94.11
Prepaid Expenses	725.74	582.01
	<u>6,776.92</u>	<u>6,572.01</u>
# Loans to Employees includes Rs. 0.06 lakh (31.03.2014 - Rs. 0.06 lakh) due by an officer of the Company.		
20 OTHER CURRENT ASSETS		
Unsecured Considered Good		
Export Benefit Receivables	1,586.97	1,270.22
	<u>1,586.97</u>	<u>1,270.22</u>

Notes to Financial Statements for the year ended 31st March, 2015

	Year ended 31st March, 2015		Year ended 31st March, 2014		
	Rupees in Lakhs		Rupees in Lakhs		
21 REVENUE FROM OPERATION					
Sales of Products					
Finished Goods					
Carbon Black	260,504.02		246,392.63		
[Net of Trial run sales Rs. Nil (Previous Year Rs. 5,236.91)]					
Less : Excise Duty	<u>24,119.94</u>		<u>25,305.52</u>		
		236,384.08		221,087.11	
Power		6,912.90		6,522.70	
Traded Goods (Carbon Black Feed Stock)		3,427.13		-	
Other Operating Revenues					
Scrap Sale		295.12		136.27	
		<u>247,019.23</u>		<u>227,746.08</u>	
22 OTHER INCOME					
Interest Income					
On Inter Corporate Deposit	763.99		943.80		
On Income Tax Refund	-		114.16		
On Overdue Invoices	<u>36.28</u>		<u>41.10</u>		
		800.27		1,099.06	
Dividend from Long Term Investments-Other than Trade		0.81		2.64	
Dividend from Current Investments-Other than Trade		-		107.13	
Liability no longer required written back		384.19		740.07	
Miscellaneous Income		256.44		102.55	
		<u>1,441.71</u>		<u>2,051.45</u>	
23 Cost of Materials Consumed					
Opening Stock		26,919.16		36,141.31	
Add : Purchases		176,980.15		176,383.17	
		203,899.31		212,524.48	
Less : Closing Stock		<u>17,458.26</u>		<u>26,919.16</u>	
		<u>186,441.05</u>		<u>185,605.32</u>	
23.1 Details of Raw Materials consumed					
Carbon Black Feed Stock		179,460.06		178,460.24	
Others		7,297.19		13,900.85	
		<u>186,757.25</u>		<u>192,361.09</u>	
Less: Consumption through Research and Development/ Trial runs					
- Carbon Black Feed Stock		293.97		6,675.78	
- Others		22.23		79.99	
		<u>186,441.05</u>		<u>185,605.32</u>	
23.2 Details of Raw Material Inventory					
Carbon Black Feed Stock		16,323.23		25,721.61	
Others		1,135.03		1,197.55	
		<u>17,458.26</u>		<u>26,919.16</u>	
23.3 Raw material purchase is net of Rs. 2,099.96 lakhs (Previous year Rs. 2,439.52 lakhs) being benefits under duty exemption scheme pertaining to exports/deemed exports.					
23.4 VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORE AND SPARE PARTS CONSUMED*:					
		Year ended 31st March, 2015		Year ended 31st March, 2014	
Raw Materials	%	Rupees in lakhs		%	Rupees in lakhs
Imported	92.04	171,598.97		80.67	149,731.61
Indigenous	7.96	14,842.08		19.33	35,873.71
Total	100.00	<u>186,441.05</u>		100.00	<u>185,605.32</u>
Stores and Spares including packing material					
Imported	5.45	351.15		2.55	145.31
Indigenous	94.55	6,088.05		97.45	5,562.81
Total	100.00	<u>6,439.20</u>		100.00	<u>5,708.12</u>

* Excluding stores and spares and raw material consumption for Research and Development/Trial runs.

Notes to Financial Statements for the year ended 31st March, 2015

VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORE AND SPARE PARTS CONSUMED FOR RESEARCH AND DEVELOPMENT AND TRIAL RUNS :

	Year ended 31st March, 2015		Year ended 31st March, 2014	
	%	Rupees in lakhs	%	Rupees in lakhs
Raw Materials				
Imported	60.04	189.86	86.55	5,846.85
Indigenous	39.96	126.34	13.45	908.92
Total	100.00	316.20	100.00	6,755.77
Stores and Spares including packing material				
Imported	-	-	28.08	578.54
Indigenous	-	-	71.92	1,481.53
Total	-	-	100.00	2,060.07
		Year ended 31st March, 2015 Rupees in Lakhs		Year ended 31st March, 2014 Rupees in Lakhs
24 CHANGES IN INVENTORIES OF FINISHED GOODS				
Closing Stock (Carbon black)		8,701.79		13,010.95
Less: Opening Stock (Carbon Black)		13,010.95		10,457.42
		4,309.16		(2,553.53)
25 EMPLOYEE BENEFITS EXPENSE				
Salaries and Wages		5,817.14		5,057.70
Contribution to Provident and Other Funds		610.45		595.46
Staff Welfare Expense		588.87		638.08
		7,016.46		6,291.24
26 FINANCE COSTS				
Interest expense [Net of interest capitalized Rs. Nil (Previous Year - Rs. 1,183.69 lakhs)]		9,179.08		7,504.07
Other borrowing costs (Net of borrowing costs capitalised Rs. Nil (Previous year Rs. 100 Lakh)		148.95		519.36
Applicable net loss on foreign currency transactions and translations		152.10		-
		9,480.13		8,023.43
27 OTHER EXPENSES				
Consumption of Stores and Spares parts		2,495.31		2,188.73
Consumption of Packing Materials		3,943.89		3,519.39
Power and Fuel		1,608.75		1,547.46
Water Charges		207.92		166.48
Rent		448.80		260.51
Rates and Taxes		138.91		188.55
Repairs and Maintenance :				
- Buildings	313.04		268.58	
- Plant and Machinery	611.83		784.12	
- Others	195.45		211.57	
		1,120.32		1,264.27
Insurance		178.77		313.00
Travelling and Transport Expenses		984.27		944.35
Subscriptions and Donations		30.22		92.58
Freight Outward		4,822.20		3,925.32
Commission to Selling Agents		2,504.52		2,438.17
Directors' Fees		11.20		9.55
Research and Development Expenses		377.06		1,080.91
Hedging cost		4,355.27		6,361.02
Net loss on foreign currency transaction/translation		880.20		4,498.56
Loss on Disposal of Fixed Assets/Fixed Assets Scrapped (net)		7.98		85.52
Provision for Doubtful Debts [Net of doubtful debts written back Rs. Nil (Previous year Rs. 102.84)]		-		305.72
Provision for Doubtful Advances		28.80		41.68
Miscellaneous Expenses		6,589.25		6,616.65
		30,733.64		35,848.42

Notes to Financial Statements for the year ended 31st March, 2015

	Year ended 31st March, 2015	Year ended 31st March, 2014
	Rupees in Lakhs	Rupees in Lakhs
27.1 PAYMENT TO AUDITORS		
Auditors' Remuneration:		
Audit Fees for Standalone Financial Statements	30.00	25.00
Audit Fees for Consolidated Financial Statements	5.00	5.00
Tax Audit Fees	5.75	5.00
Others (Certification etc.) [including Rs. 0.78 Lakhs (Previous Year Rs. 3.50 Lakhs) relating to prior year]	18.09	14.45
Reimbursement of Expenses	1.21	0.96
	<u>60.05</u>	<u>50.41</u>
27.2 Miscellaneous expenses includes Rs. (222.92 lakhs) (Previous year Rs.370.93 lakhs) being the aggregate amount of excise duty borne by the company and difference between excise duty on opening and closing stock of finished goods.		
28 CURRENT TAX		
Current Tax	336.00	-
Reversal of MAT credit recognised in earlier years	-	2,148.77
	<u>336.00</u>	<u>2,148.77</u>
29 EARNING PER SHARE		
Basic and Diluted		
(i) Number of Equity Shares at the beginning of the year	34,467,572	34,467,572
(ii) Number of Equity Shares at the end of the year	34,467,572	34,467,572
(iii) Weighted average number of Equity Shares outstanding during the year	34,467,572	34,467,572
(iv) Face value of each Equity Shares (Rs.)	10.00	10.00
(v) Profit/(Loss) after Tax available for Equity Shareholders (Rs. in lakhs)	1,264.45	(8,659.64)
(vi) Basic and Diluted Earning/(Loss) per Share (Rs.) [(v)/(iii)]	3.67	(25.12)
30 PROPOSED DIVIDEND		
On Equity Shares of Rs. 10 each		
Amount of dividend proposed	344.68	-
Dividend per Equity Share	1.00	-
31 CONTINGENT LIABILITIES		
Contingent Liabilities for :		
(a) (i) Claims against the Company not acknowledged as debts :		
Income-tax matters under dispute	42.27	-
Excise Duty matters under dispute	310.27	367.51
Custom Duty matters under dispute	57.12	57.12
(ii) Others		
Excise Duty matters under dispute	156.52	99.28
Entry Tax matter under dispute	1,605.77	1,046.08
(b) Outstanding Bank Guarantees etc.	911.70	1,024.59
(c) Guarantees or Counter Guarantees or Counter Indemnity given by the Company :		
On behalf of bodies corporate and others		
- Limit	9.00	9.00
- Outstanding	9.00	9.00
(d) Bills Discounted	-	205.33
32 CAPITAL COMMITMENTS AND OTHER COMMITMENTS		
Capital Commitments	832.61	3,737.33
Other Capital Commitments		
Export commitments in lieu of imported capital goods under the Export Promotion Capital Goods scheme	98.70	-

	Rupees in Lakhs				
	Total	Durgapur	Kochi	Palej	Mundra
	Year ended 31st March, 2015				
33 RESEARCH AND DEVELOPMENT EXPENSES					
Raw Materials Consumed	316.20	99.63	-	216.57	-
	(835.93)	(71.44)	(303.44)	(316.93)	(144.12)
Salaries Wages and Bonus	48.62	11.47	-	37.15	-
	(231.04)	(7.81)	-	(223.23)	-
Contribution to Provident and Other Funds	4.81	1.13	-	3.68	-
	(10.55)	(0.75)	-	(9.80)	-
Staff Welfare Expense	1.90	0.45	-	1.45	-
	(2.67)	(0.27)	-	(2.40)	-
Miscellaneous Expenses	5.53	-	-	5.53	-
	(0.72)	(0.09)	-	(0.63)	-
Total	377.06	112.68	-	264.38	-
	(1,080.91)	(80.36)	(303.44)	(552.99)	(144.12)

Note: Figures in brackets indicate previous years figures.

Notes to Financial Statements for the year ended 31st March, 2015

34 RELATED PARTY DISCLOSURES

(In accordance with Accounting Standard-18 notified under Section 211(3C) of the Companies Act, 1956.)

i) Related Parties		
Name	Relationship	
a) Where control exists		
Name of Related Parties		
Phillips Carbon Black Cyprus Holding Limited	Wholly Owned Subsidiary Company	
PCBL Netherlands Holding B.V.	Wholly Owned Subsidiary Company of Phillips Carbon Black Cyprus Holdings Limited	
Phillips Carbon Black Vietnam Joint Stock Company	Subsidiary Company of PCBL Netherlands Holdings B.V.	
Goodluck Dealcom Private Limited (GDPL)	Wholly Owned Subsidiary Company	
Rainbow Investments Limited [(Refer Note 2b(ii))]	Holding Company and an enterprise related to the Company in terms of Para 3 (e) of Accounting Standard - 18 [From 8th July 2014 till 22nd September, 2014]	
b) Others with whom transactions have taken place		
Mr. Kaushik Roy, Managing Director	Key Management Personnel	
Mr. Altaf Jiwani	Key Management Personnel (Effective 1st April 2014 till 30 January 2015)	
Mr. Ashok Goyal	Key Management Personnel (Upto 31 March 2014)	
Mr. Sanjiv Goenka [From 8th July 2014]	Chairman	
Mr. Shashwat Goenka [From 8th July 2014]	Relative of Mr. Sanjiv Goenka	
c) Investment party in respect of which the Company is an Associate and an enterprise related to the Company in terms of Para 3(e) of Accounting Standard -18		
	Rainbow Investments Limited [Effective 23rd September 2014, also Refer Note 2b(ii)]	

ii) Particulars of Transactions during the year ended 31st March, 2015

	Year ended 31st March, 2015 Rupees in Lakhs	Year ended 31st March, 2014 Rupees in Lakhs
A) Holding Company and an enterprise related to the Company in terms of Para 3 (e) of Accounting Standard - 18		
a) Rent Paid	1.75	-
b) Interest Income on Loan	24.39	-
B) Subsidiary Companies		
a) Advances given to Phillips Carbon Black Cyprus Holdings Limited	2.99	63.62
b) Loan given to GDPL	4,156.00	-
c) Loan recovered from GDPL	4,156.00	-
d) Interest Income on loan given to GDPL	213.64	-
C) Investment party in respect of which the Company is an Associate and an enterprise related to the Company in terms of Para 3 (e) of accounting Standard-18		
a) Rent paid	4.31	-
b) Loan Recovered	1,250.00	-
c) Interest Income on loan	59.87	-

D) Key Management Personnel

	Year ended 31st March, 2015 Rupees in Lakhs	Year ended 31st March, 2014 Rupees in Lakhs
a) Directors' Remuneration		
Mr. Ashok Goyal	-	263.47*
Mr. Kaushik Roy	310.35	307.27
Mr. Altaf Jiwani	155.46	-

* Includes Rs.Nil (Previous Year: Rs.175.27 lakhs) capitalised to project.

E) Chairman and his relative

	Year ended 31st March, 2015 Rupees in Lakhs	Year ended 31st March, 2014 Rupees in Lakhs
Sitting Fees		
Mr. Sanjiv Goenka	0.60	-
Mr. Shashwat Goenka	0.45	-

iii) Balance Outstanding at the year end

	As at 31st March, 2015 Rupees in Lakhs	As at 31st March, 2014 Rupees in Lakhs
A) Subsidiary Companies Advances		
Phillips Carbon Black Cyprus Holdings Limited	619.42	616.43
Investments		
Phillips Carbon Black Cyprus Holdings Limited (Refer Note 13 above)		
Goodluck Dealcom Pvt. Limited (Refer Note 13 above)		
B) Investment party in respect of which the Company is an Associate and an enterprise related to the Company in terms of Para 3 (e) of accounting Standard-18		
Security Deposit receivable	604.00	
Short Term Loans and Advances	69.12	
Payable on account of Rent expense	1.86	

35 CIF VALUE OF IMPORTS

	Year ended 31st March, 2015 Rupees in Lakhs	Year ended 31st March, 2014 Rupees in Lakhs
(a) Raw Materials	155,003.70	137,327.10
(b) Stores and Spares	92.66	52.61
(c) Capital Equipment	237.91	152.21
(d) Stock-in-trade (Carbon Black Feed Stock)	3,294.37	-

36 EXPENDITURE IN FOREIGN CURRENCY DURING THE YEAR ON ACCOUNT OF

	Year ended 31st March, 2015 Rupees in Lakhs	Year ended 31st March, 2014 Rupees in Lakhs
(a) Commission on Export Sales	505.63	405.56
(b) Interest	533.47	775.19
(c) Professional and Consultancy Fees	302.11	276.17
(d) Others	1,596.50	897.22

37 EARNINGS IN FOREIGN CURRENCY DURING THE YEAR ON ACCOUNT OF

	Year ended 31st March, 2015 Rupees in Lakhs	Year ended 31st March, 2014 Rupees in Lakhs
Sales (F.O.B. Value)		
- Carbon Black	58,667.20	64,353.26
- Carbon Black Feed Stock (Traded)	3,427.13	-

38 SEGMENT REPORTING

- a Information relating to the two business segments, being Carbon black and Power has been disclosed as Primary Segment.
b Inter-Segment transfers being power consumed for manufacture of Carbon Black are based on price paid for power purchased from external Sources.
c Segment Revenues, Results and other information:

Business Segment		(Rupees in Lakhs)			Business Segment		(Rupees in Lakhs)			
		Year ended 31st March, 2015			Year ended 31st March, 2014					
		Carbon Black	Power	Total	Carbon Black	Power	Total			
(i)	Segment Revenue									
	External Sales	240,106.33	6,912.90	247,019.23	221,223.38	6,522.70	227,746.08			
	Inter-segment Sales	-	4,916.95	4,916.95	-	4,474.51	4,474.51			
		240,106.33	11,829.85	251,936.18	221,223.38	10,997.21	232,220.59			
(ii)	Segment Results									
	Profit / (Loss) before interest and tax	7,306.21	7,795.92	15,102.13	(4,578.25)	7,337.82	2,759.57			
	Unallocated (expenses)/ income (net)	-	-	(4,490.06)	-	-	(4,046.43)			
	Interest	-	-	(9,179.08)	-	-	(7,504.07)			
	Profit/(Loss) before tax			1,432.99			(8,790.93)			
(iii)	Segment Assets									
	Unallocated	148,541.49	31,274.60	179,816.09	159,521.86	33,551.01	193,072.87			
		-	-	16,474.96	-	-	18,998.67			
				196,291.05			212,071.54			
(iv)	Segment Liabilities									
	Unallocated	18,545.73	166.89	18,712.62	48,183.07	957.67	49,140.74			
		-	-	126,550.69	-	-	112,679.80			
				145,263.31			161,820.54			

Notes to Financial Statements for the year ended 31st March, 2015

Business Segment (Rupees in Lakhs)

		Year ended 31st March, 2015		
		Carbon Black	Power	Total
(v)	Capital Expenditure	1,908.95	341.34	2,250.29
(vi)	Depreciation/Amortization	3,620.21	1,965.94	5,586.15
(vii)	Non Cash Expense other than Depreciation	28.80	—	28.80

Business Segment (Rupees in Lakhs)

Year ended 31st March, 2014		
Carbon Black	Power	Total
4,314.36	58.61	4,372.97
3,192.89	2,096.27	5,289.16
450.24	—	450.24

Geographical Segment Rupees in Lakhs

		Year ended 31st March, 2015		
		Within India	Outside India	Total
(i)	Segment Revenue	184,924.90	62,094.33	247,019.23
(ii)	Capital Expenditure	2,250.29	—	2,250.29
(iii)	Segment Assets	167,875.48	11,940.61	179,816.09

Geographical Segment Rupees in Lakhs

		Year ended 31st March, 2014		
		Within India	Outside India	Total
(i)	Segment Revenue	163,392.82	64,353.26	227,746.08
(ii)	Capital Expenditure	4,372.97	—	4,372.97
(iii)	Segment Assets	180,668.33	12,404.54	193,072.87

39A POST EMPLOYMENT DEFINED BENEFIT PLANS

I. Gratuity and Post retirement medical benefits

Gratuity

In keeping with the Company's gratuity scheme, eligible employees are entitled for gratuity benefit as per The Payment of Gratuity Act, 1972 on retirement/death/incapacitation/termination etc. Also refer Note 1.11 (b) (iii) for accounting policy related to gratuity.

Post retirement medical benefits

Post Retirement Medical Benefits [comprising payment of annual medical insurance premium to cover hospitalizations and reimbursement of domiciliary medical expenses within a defined monetary limit] are extended to certain employees. The liability in respect thereof is determined by actuarial valuation at the year end based on the Projected Unit Credit Method and are recognized as a charge on accrual basis. This is a defined benefit plan.

39.1 Reconciliation of opening and closing balances of the present value of defined benefit obligations –

Rupees in Lakhs

	Funded		Unfunded	
	Gratuity		Medical	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Opening balance	1,038.03	883.47	55.02	60.01
Current Service Cost	57.52	52.77	—	1.96
Interest cost	83.24	65.77	4.86	4.67
Actuarial loss / (gain)	213.05	158.84	(32.21)	(8.44)
(Benefits paid)	(226.20)	(122.82)	(2.02)	(3.18)
Closing balance	1,165.64	1,038.03	25.65	55.02

39.2 Reconciliation of opening and closing balances of the fair value of plan assets –

Rupees in Lakhs

	Gratuity	
	As at 31st March, 2015	As at 31st March, 2014
Opening balance	942.37	865.03
Expected return on Plan Asset	66.00	69.00
Actuarial (loss) / gain	22.35	10.39
Company's contribution	0.96	120.77
(Benefits paid)	(226.20)	(122.82)
Closing balance	805.48	942.37

The expected return on plan assets is determined after taking into consideration composition of plan assets held, assessed risks of asset management, historical results of return on plan assets, company's policies for plan asset management and other relevant factors.

39.3 Actual Return on Plan Assets –

Rupees in Lakhs

	Gratuity	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Actual Return on Plan Assets	88.35	79.39

39.4 Plan assets for gratuity is funded with Life Insurance Corporation of India.

Notes to Financial Statements for the year ended 31st March, 2015

39.5 Amount recognised in Balance Sheet –

Rupees in Lakhs

	Funded		Unfunded	
	Gratuity		Medical	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Present value of obligation	1,165.64	1,038.03	25.65	55.02
Fair Value of Plan Asset	805.48	942.37	-	-
Net Asset / (Liability)	(360.16)	(95.66)	(25.65)	(55.02)

39.6 Amount recognised in Statement of Profit and Loss –

Rupees in Lakhs

	Gratuity		Medical	
	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Current service cost	57.52	52.77	0.00	1.96
Interest cost	83.24	65.77	4.86	4.67
Expected Return on Plan Asset	(66.00)	(69.00)	-	-
Actuarial loss / (gain) (net)	190.70	148.45	(32.21)	(8.44)
Recognised in Statement of Profit and Loss	265.46	197.99	(27.35)	(1.81)

The expenses for the above mentioned benefits have been included and disclosed under the following line items:-

Gratuity - under 'Contribution to Provident and other Funds' in Note 25

Post Retirement Medical Benefit - under 'Staff Welfare Expenses' in Note 25

39.6 (a) Principal Actuarial Assumptions used (Gratuity) –

	Year ended 31st March, 2015	Year ended 31st March, 2014
Mortality Table	Indian Assured Lives Mortality (2006-08) (Modified) Ult.	Indian Assured Lives Mortality (2006-08) (Modified) Ult.
Discount rate	7.90%	9.00%
Salary Escalation Rate	5.00%	5.00%
Expected Return on assets	8.00%	8.00%

(b) Principal Actuarial Assumptions used (Post Retirement Medical Benefit) –

	Year ended 31st March, 2015	Year ended 31st March, 2014
Mortality Table (In Service)	Indian Assured Lives Mortality (2006-08) (Modified) Ult.	Indian Assured Lives Mortality (2006-08) (Modified) Ult.
Mortality Table (Post Retirement)	LIC (1996 to 1998 ultimate)	LIC (1996 to 1998 ultimate)
Discount rate	7.90%	9.00%
Medical Inflation rate	5.00%	5.00%

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

39.7 Effect of increase / decrease of one percentage point in the assumed medical cost trend rates on:

	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Increase	Decrease	Increase	Decrease
	Rupees in Lakhs		Rupees in Lakhs	
Aggregate of current service cost and interest cost	5.01	4.73	6.83	6.46
Accumulated Post Employment benefit obligation for medical cost	0.77	0.65	1.65	1.45

Notes to Financial Statements for the year ended 31st March, 2015

39.8 Other Disclosures

Rupees in Lakhs

	2014-2015		2013-2014	
	Gratuity	Medical	Gratuity	Medical
a) Present value of obligation at end of the year	1,165.64	25.65	1,038.03	55.02
b) Fair value of Plan Assets as at end of the year	805.48	-	942.37	-
c) (Surplus)/Deficit as at the end of the year	360.16	25.65	95.66	55.02
d) Experience Adjustment on Plan Obligation [(Gain)/Loss]	156.73	(34.28)	192.45	(8.44)
e) Experience Adjustments on Plan Assets [(Gain)/Loss]	(22.35)	-	(10.39)	-

Rupees in Lakhs

	2012-2013		2011-2012	
	Gratuity	Medical	Gratuity	Medical
a) Present value of obligation at end of the year	883.47	60.01	781.54	68.15
b) Fair value of Plan Assets as at end of the year	865.03	-	705.30	-
c) (Surplus)/Deficit as at the end of the year	18.44	60.01	76.24	68.15
d) Experience Adjustment on Plan Obligation [(Gain)/Loss]	66.19	(90.18)	(22.71)	17.03
e) Experience Adjustments on Plan Assets [(Gain)/Loss]	6.14	-	4.80	-

Rupees in Lakhs

	2010-2011	
	Gratuity	Medical
a) Present value of obligation at end of the year	723.78	155.66
b) Fair value of Plan Assets as at end of the year	740.71	-
c) (Surplus)/Deficit as at the end of the year	(16.93)	155.66
d) Experience Adjustment on Plan Obligation [(Gain)/Loss]	28.97	43.04
e) Experience Adjustments on Plan Assets [(Gain)/Loss]	(18.20)	-

39.9 The contribution to the defined benefits plan expected to be made by the company during the annual period beginning after the balance sheet date is yet to be reasonably determined.

II. Provident Fund

In terms of the Guidance on implementing Accounting Standard 15 (Revised 2005) on employee benefits issued by the Accounting Standard Board of the Institute of Chartered Accountants of India, a provident fund setup by the Company is a defined benefit plan in view of the Company's obligation to meet shortfall, if any, on account of interest.

The Actuary has carried out actuarial valuation of the plan's liabilities and interest rate guarantee obligations as at the balance sheet date using Projected Unit Credit Method and deterministic approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, the future anticipated shortfall with regard to interest rate obligation of the Company written back during the year amounts to **Rs 0.43 lakhs** (Previous year Rs.11.03 lakhs) and outstanding as at the balance sheet date amounts to **Rs 35.67 lakhs** (Previous year Rs. 36.10 Lakhs). Disclosure given hereunder are restricted to the relevant information available as per the Actuaries Report.

Principal Acturaial Assumption	2014-15	2013-14
Discount Rate	7.90%	9.00%
Expected Return on Exempted Fund	8.60%	8.60%
Expected EPFO return	8.75% for first 1 year and 8.60% thereafter	8.75% for first 2 years and 8.60% thereafter

39B Amount recognised as expenses (included in Note 25 Employee Benefit Expense under the line item Contribution to Provident and Other Funds) during the year under Defined Contribution Plan aggregate to **Rs.155.21 lakhs** (Previous year Rs. 255.33 lakhs).

Notes to Financial Statements for the year ended 31st March, 2015

40 Derivative Instrument and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date

Amount in Lakhs

Particulars	Currency	As at 31st March, 2015	As at 31st March, 2014
Forward Contracts	USD	753.53	440.47
Swap (Currency and Interest)	USD	125.00	208.33

(b) Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	Currency	As at 31st March, 2015	As at 31st March, 2014
Receivables	USD	173.86	196.13
	EURO	12.57	14.19
	JPY	49.64	-
	GBP	0.21	0.23
Payables	USD	77.33	163.85
	EURO	1.56	2.32
	GBP	0.09	-
Loans	USD	116.71	261.13

(c) Mark to Market Losses provided for

364.24

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41. Based on the valuation reports submitted by the valuers appointed for the purpose, certain items of the Company's fixed assets [viz., Land (Freehold/Leasehold), Acquisition and Development Expenses, Buildings on such Land, Flats, Electrical Installations, Plant and Machinery and Railway Siding] were revalued on 30th November, 1984, on 30th September, 1991 and also on 30th September, 2001 (except Railway Siding) after considering the following factors:

- Estimated current market value pertaining to Land (Freehold/Leasehold), Acquisition and Development Expenses, Buildings on such land and Flats.
- Values of Electrical Installations, Plant and Machinery and Railway Siding (when applicable) based on their current cost of replacement.
- Adjustments for the condition, the standard of maintenance, depreciation up to valuation dates, etc.

The resultant revaluation surplus of Rs.1,011.07 lakhs, Rs.2,994.04 lakhs and Rs. 5,995.27 lakhs arising from the aforesaid revaluations were transferred to Revaluation Reserve in the Company's annual accounts for the years 1983-84, 1990-91 and 2000-01 respectively. Such Revaluation Reserves have however been fully adjusted in earlier years.

42. Depreciation for the year ended 31st March, 2015 on items of fixed assets revalued include an additional charge of Rs. 165.81 lakhs (Previous Year - Rs. 180.92 lakhs) over that calculated on original cost at lives based on technical evaluation carried out during the year by the Company's expert representing depreciation on the incremental amounts added on revaluation calculated at the rates considered applicable by the valuers and confirmed on technical evaluation carried out during the year by the Company's expert.

43. Capital Work in Progress/Tangible assets as at 31st March 2015 includes, Consumption of Raw Material Rs. Nil (Previous Year - Rs. 5,919.84 lakhs), Salaries and wages Rs. Nil (Previous Year- Rs. 363.40 Lakhs), Contribution to Provident Fund and Other Funds Rs. Nil (Previous Year- Rs.24.89 lakhs), Staff Welfare expenses Rs. Nil (Previous Year- Rs.9.16 lakhs), Consumption of Stores and Spares parts Rs. Nil (Previous Year- Rs.2,060.07 lakhs), Rent Rs. Nil (Previous Year- Rs.2.52 lakhs), Rates and Taxes Rs. Nil (Previous Year- Rs.0.40 lakhs), Repairs and Maintenance - Plant & Machinery Rs. Nil (Previous Year - Rs. 64.02 lakh), Repairs and Maintenance - Others Rs. Nil lakhs (Previous Year - Rs. 5.34 lakhs), Power Rs. Nil (Previous Year - Rs. 0.18) incurred during the year on various projects.

44. Pending completion of the relevant formalities of transfer of certain assets acquired pursuant to the Scheme of Amalgamation of Transmission Holdings Limited with the Company in 2001-2002, such assets remain included in the books of the Company under the name of the transferor company.

45. A) Rent of Rs. 448.80 lakhs (Previous Year - Rs. 251.63 lakhs) relates to operating leases taken on or after 01.04.2001. These lease arrangements range from 11 months to 3 years and are primarily in respect of accommodation for offices, warehouses etc. and inter alia include escalation clause and option for renewal.

B) Operating Lease	Year ended 31 March 2015	Year ended 31 March 2014
Future minimum lease payments under non-cancellable operating lease :		
i) Not Later than one year	191.67	Nil
ii) Later than one year and not later than five years	212.34	Nil

46. Effective 1st April, 2014, the Company has changed the basis of determining the cost of raw material from "First in First out (FIFO)" to "Weighted Average" for the purpose of inventory valuation. As a result of this change, year end inventories is higher by Rs. 42.97 lakhs, with corresponding favorable impact on the profit before tax for the year.

47. The Company has charged depreciation in keeping with the requirements of Schedule II to the Companies Act, 2013. Consequently, the estimated useful lives of certain fixed assets have been revised, where considered appropriate, in keeping with the provisions of Schedule II to the Companies Act, 2013 effective 1st April, 2014. Pursuant to the said revision in useful lives, the depreciation expense for the year ended 31st March, 2015 is higher and profit before tax is lower by Rs. 85.55 lakhs and the net book value aggregating Rs. 72.94 lakhs (net of deferred tax Rs.37.56 lakhs) relating to fixed assets, where the revised useful lives have expired by 31st March, 2014, has been adjusted against opening balance of retained earnings as on 1st April, 2014.

48. The Company has provided interest bearing (which is not lower than prevailing yield of related Government security close to the tenure of the respective loans) unsecured loans repayable on demand during the year aggregating to Rs. 12,406.00 lacs (Previous Year Rs. 7,300.00 lacs) to certain companies for temporary financial assistance. **Year-end balance of aforesaid loans is Rs. Nil (31.03.2014 Rs. Nil).**

49. Previous year's figures have been regrouped/rearranged wherever necessary.

Signatures to Note 1 to 49

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants
Pinaki Chowdhury
Partner
Membership Number 57572
Kolkata
Date : 6 May, 2015

For and on behalf of Board of Directors

Kaushik Roy Managing Director (DIN: 06513489)	K. S. B. Sanyal Director (DIN: 00009497)	C. R. Paul Director (DIN: 00009056)
Kaushik Mukherjee Company Secretary	Raj Kumar Gupta Chief Financial Officer	

Independent Auditors' Report

To the Members of Phillips Carbon Black Limited Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Phillips Carbon Black Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"); (refer Note 43 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the consolidated financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements/financial information of two subsidiaries, whose financial statements/ financial information reflect total assets of Rs. 12,694.92 lakhs and net assets of Rs. 8,214.29 lakhs as at March 31, 2015, total revenue of Rs. 191.55 lakhs, net profit of Rs. 14.90 lakhs and net cash flows amounting to Rs. (59.36) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and the subsidiary company incorporated in India (Refer Note 43 to the consolidated financial statements), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law maintained by the Holding Company and its subsidiary included in the Group, incorporated in India, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiary included in the Group, incorporated in India, including relevant records relating to the preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, incorporated in India, none of

the directors of the Group companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2015 on the consolidated financial position of the Group-Refer Note 30 to the consolidated financial statements.
 - ii. There were no material foreseeable losses, on the Group's long-term contracts including derivative contracts, as at March 31, 2015.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, during the year ended March 31, 2015. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company incorporated in India during the year ended March 31, 2015.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
May 6, 2015

Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Phillips Carbon Black Limited on the consolidated financial statements as of and for the year ended March 31, 2015

- i. (a) The Holding Company incorporated in India is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Holding Company incorporated in India have been physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the aforesaid Holding Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management of the aforesaid Holding Company during the year and no material discrepancies have been noticed on such verification.

Based on the report of the other auditors of the Holding company's subsidiary incorporated in India, clause 3(i) of the said Order is not applicable for such subsidiary.

- ii. (a) The inventory [excluding stocks with third parties] has been physically verified by the Management of the Holding Company incorporated in India during the year. In respect of inventory of the aforesaid Holding Company lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management of the Holding Company incorporated in India are reasonable and adequate in relation to the size of the aforesaid Holding Company and the nature of its businesses.
- (c) On the basis of our examination of the inventory records of the Holding Company incorporated in India, in our opinion, the aforesaid Holding Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory of the aforesaid Holding Company as compared to the book records were not material.

Based on the report of the other auditors of the Holding Company's Subsidiary incorporated in India, clause 3(ii) of the said Order is not applicable for such subsidiary.

- iii. The Holding Company incorporated in India has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the aforesaid Holding Company. Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, the aforesaid subsidiary has not granted any loans, secured or unsecured to companies firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii) (b) of the said Order is not applicable to the aforesaid subsidiary Company.

- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Holding Company incorporated in India and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. The aforesaid Holding Company's operations do not involve sale of services. Further, on the basis of our examination of the books and records of the aforesaid Holding Company and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

Based on the report of the other auditors of the Holding Company's Subsidiary incorporated in India, clause 3(iv) of the said Order is not applicable for such subsidiary.

- v. The Holding Company incorporated in India has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified. Based on the report of the other auditors of the Holding Company's Subsidiary incorporated in India as furnished to us, the aforesaid subsidiary has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Holding Company incorporated in India in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and based on such review, are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for the subsidiary incorporated in India.
- vii. (a) According to the information and explanations given to us and the records of the Holding Company incorporated in India examined by us, in our opinion, the aforesaid Holding Company is generally regular in depositing undisputed statutory dues in respect of provident fund and employees state insurance, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including sales tax, income tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities. Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, the subsidiary is generally regular in depositing undisputed statutory dues like provident fund, income tax, duty of customs, sales tax, service tax and other statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Holding Company examined by us, there are no dues of income-tax and wealth-tax which have not been deposited on account of any dispute. The particulars of dues of sales tax, service tax, duty of

customs, duty of excise, value added tax as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	45.83	2011-12	Additional Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	218.07	1994-95, 1995-96, 1999-00, 2014-15	High Court at Calcutta
Central Sales Tax Act, 1956	Central Sales Tax	138.61	2007-08	Senior Joint Commissioner Commercial Taxes
Central Sales Tax Act, 1956	Central Sales Tax	886.20	2000-01, 2003-04, 2004-05, 2005-06, 2006-07, 2008-09, 2009-10, 2010-11	West Bengal Commercial Taxes Appellate & Revisional Board
West Bengal Sales Tax Act, 1994	Sales Tax	104.75	2000-01, 2003-04	West Bengal Commercial Taxes Appellate & Revisional Board
West Bengal Sales Tax Act, 1994	Sales Tax	55.43	1994-95, 1995-96, 1999-00, 2004-05	West Bengal Taxation Tribunal
West Bengal Value Added Tax Act, 2003	Value Added Tax	17.42	2011-12	Additional Commissioner
West Bengal Value Added Tax Act, 2003	Value Added Tax	78.31	2007-08	Senior Joint Commissioner Commercial Taxes
West Bengal Value Added Tax Act, 2003	Value Added Tax	40.20	2006-07, 2009-10, 2010-11	West Bengal Commercial Taxes Appellate & Revisional Board
West Bengal Value Added Tax Act, 2003	Value Added Tax	28.16	2005-06, 2014-15,	West Bengal Taxation Tribunal
Gujarat Value Added Tax Act, 2006	Value Added Tax	22.57	2006-07	Gujarat Value Added Tax Tribunal
Central Excise Act, 1944	Excise Duty	443.41	1997-98, 1998-99, 2003-04, 2004-05, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	4,947.99	1999-00, 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14	Customs Excise and Service Tax Appellate Tribunal

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	0.77	2004-05	High Court at Kerala
Central Excise Act, 1944	Excise Duty	3.08	2009-10	Ministry of Finance
Customs Act, 1962	Customs Duty	0.67	2012-13	Commissioner (Appeals)
Customs Act, 1962	Customs Duty	38.30	2006-07, 2007-08, 2008-09, 2009-10, 2010-11	Deputy Commissioner of Custom
Customs Act, 1962	Customs Duty	35.17	2004-05, 2005-06, 2006-07, 2007-08, 2009-10, 2012-13	Customs Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Customs Duty	11.79	2008-09, 2009-10	Supreme Court
Finance Act, 1994	Service Tax	80.43	2009-10	Customs Excise and Service Tax Appellate Tribunal

Based on the report of other auditors of the Holding Company's subsidiary incorporated in India there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.

- (c) The amount required to be transferred to Investor Education and Protection Fund by the Holding Company incorporated in India has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder. Based on the report of the other auditors of the Holding company's subsidiary incorporated in India, there are no amounts required to be transferred by the subsidiary company incorporated in India to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. The Holding Company incorporated in India has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date. The aforesaid Holding Company has incurred cash losses in the immediately preceding financial year. Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, clause 3(viii) of the said Order is not applicable for such subsidiary.
- ix. According to the records of the Holding Company examined by us, and the information and explanation given to us, the Holding Company incorporated in India has not defaulted in repayment of dues to any financial institution or bank or debenture holders as applicable at the balance sheet date.

Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, clause 3(ix) of the said Order is not applicable for such subsidiary.

- x. In our opinion, and according to the information and explanations given to us, and based on the report of the other auditors furnished to us the Holding Company and its subsidiary incorporated in India have not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the aforesaid Holding Company and its subsidiary incorporated in India.
- xi. In our opinion, and according to the information and explanations given to us, the term loans obtained by the Holding Company incorporated in India have been applied for the purposes for which they were obtained.

Based on the report of the other auditors of the Holding Company's subsidiary incorporated in India, clause 3(xi) of the said Order is not applicable for such subsidiary.

- xii. During the course of our examination of the books and records of the Holding Company incorporated in India carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and based on the reports of the other auditors of the Holding Company's subsidiary incorporated in India, we/the other auditors have neither come across any instance of

material fraud on or by the Holding Company and its subsidiary incorporated in India, noticed or reported during the year, nor have we / the other auditors been informed of any such case by the respective Managements of the aforesaid Holding Company and its subsidiary

Kolkata
May 6, 2015

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number 57572

Consolidated Balance Sheet of Phillips Carbon Black Limited and its subsidiaries as at 31st March, 2015

	Note	As at 31st March, 2015 Rupees in Lakhs	As at 31st March, 2014 Rupees in Lakhs
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2	3,446.73	3,446.72
Reserves and surplus	3	47,270.12	46,681.98
		<u>50,716.85</u>	<u>50,128.70</u>
MINORITY INTEREST		688.38	704.47
NON-CURRENT LIABILITIES			
Long-term borrowings	4	32,743.68	40,010.12
Deferred tax liabilities (Net)	5	2,779.94	2,984.96
Other Long term liabilities	6	59.40	59.40
Long-term provisions	7	365.17	361.07
		<u>35,948.19</u>	<u>43,415.55</u>
CURRENT LIABILITIES			
Short-term borrowings	8	77,586.21	61,129.39
Trade payables	9	14,723.79	44,705.24
Other current liabilities	10	20,246.33	12,508.35
Short-term provisions	11	1,239.41	196.49
		<u>113,795.74</u>	<u>118,539.47</u>
TOTAL		<u>201,149.16</u>	<u>212,788.19</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	12		
Tangible assets		81,982.24	85,646.83
Intangible assets		3,164.74	3,241.95
Capital work-in-progress		7,964.12	7,354.42
		<u>93,111.10</u>	<u>96,243.20</u>
Non-current investments	13	8,557.47	3,815.18
Long-term loans and advances	14	2,313.85	3,022.30
Other non-current assets	15	5,389.13	5,389.13
		<u>109,371.55</u>	<u>108,469.81</u>
CURRENT ASSETS			
Inventories	16	29,683.99	42,873.50
Trade receivables	17	52,141.98	51,703.99
Cash and Bank Balances	18	1,285.40	1,085.05
Short-term loans and advances	19	7,038.97	7,342.19
Other current assets	20	1,627.27	1,313.65
		<u>91,777.61</u>	<u>104,318.38</u>
TOTAL		<u>201,149.16</u>	<u>212,788.19</u>

The notes are an integral part of the Consolidated Financial Statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
Date : 6th May, 2015

For and on behalf of Board of Directors

Kaushik Roy
Managing Director
(DIN: 06513489)

K. S. B. Sanyal
Director
(DIN: 00009497)

C. R. Paul
Director
(DIN: 00009056)

Kaushik Mukherjee
Company Secretary

Raj Kumar Gupta
Chief Financial Officer

Consolidated Statement of Profit and Loss of Phillips Carbon Black Limited and its subsidiaries for the year ended 31st March, 2015

	Note	Year ended 31st March, 2015 Rupees in Lakhs	Year ended 31st March, 2014 Rupees in Lakhs
Income :			
Revenue from operations (Gross)	21	271,139.17	253,051.60
Less: Excise Duty		24,119.94	25,305.52
Revenue from operations(Net)		247,019.23	227,746.08
Other income	22	1,419.61	2,253.31
Total Revenue		248,438.84	229,999.39
Expenses :			
Cost of materials consumed	23	186,441.05	185,605.32
Purchase of Stock-in-trade (Carbon Black Feed Stock)		3,294.37	-
Changes in inventories of finished goods	24	4,309.16	(2,553.53)
Employee benefits expense	25	7,036.28	6,329.57
Finance costs	26	9,480.13	8,024.61
Depreciation and amortisation expense	12	5,835.92	5,455.73
Other expenses	27	30,834.51	35,941.92
Total expenses		247,231.42	238,803.62
PROFIT/LOSS BEFORE TAXATION & MINORITY INTEREST		1,207.42	(8,804.23)
Tax expense :			
Current tax [including relating to earlier years Rs. 1.60 lakhs (Previous year Rs. nil)]	28	337.94	2,163.77
Deferred tax (Credit)		(167.46)	(2,280.06)
Profit/ (Loss) after Taxation and before Minority Interest		1,036.94	(8,687.94)
Minority Interest		28.77	31.65
Profit / (Loss) after Taxation and Minority Interest		1,065.71	(8,656.29)
Earning/ (Loss) per Equity Share :	29		
[Nominal Value per share - Rs. 10/- (Previous year - Rs.10/-)]			
Basic (Rs.)		3.09	(25.11)
Diluted (Rs.)		3.09	(25.11)

The Notes are an integral part of the Consolidated Financial Statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
Date : 6th May, 2015

For and on behalf of Board of Directors

Kaushik Roy
Managing Director
(DIN: 06513489)

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Director
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Raj Kumar Gupta
Chief Financial Officer

C. R. Paul
Director
(DIN: 00009056)

Consolidated Cash Flow Statement of Phillips Carbon Black Limited and its subsidiaries for the year ended 31st March, 2015

	Year ended 31st March, 2015 Rupees in Lakhs	Year ended 31st March, 2014 Rupees in Lakhs
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before taxation and Minority Interest	1,207.42	(8,804.23)
Adjustments for:		
Depreciation and amortisation expense	5,835.92	5,455.73
Loss on Disposal of Fixed Assets/Fixed Assets Scrapped (net)	7.98	85.52
Unrealised (gain) / loss (net) on foreign currency transaction/ translation	1,083.74	(882.61)
Effect of Changes in Foreign Exchange Translation	(33.32)	56.45
Income from Dividend	(135.71)	(227.80)
Interest Income	(550.48)	(987.17)
Interest Expense	9,179.08	7,505.25
Other Borrowing Costs	148.95	519.36
Applicable net loss on foreign currency transactions/ translations(to the extent as adjustment to Interest cost)	152.10	-
Provision for Doubtful Debts (net)	-	305.72
Provision for Doubtful Advances (net)	28.80	8.03
Investments write off	49.25	-
Provision for Mark to Market Loss on Derivative Contracts	364.24	-
Liabilities no longer required written back	(434.40)	(740.07)
	<u>15,696.15</u>	<u>11,098.41</u>
Operating Profit before Working Capital Changes	16,903.57	2,294.18
Adjustments for:		
Inventories	13,189.51	7,065.40
Trade and Other Receivables	(794.96)	1,941.38
Trade and Other Payables	(25,632.51)	(26,499.74)
	<u>(13,237.96)</u>	<u>(17,492.96)</u>
Cash Generated from/(used in) Operations	3,665.61	(15,198.78)
Direct Taxes Paid/ Refunded (net) (including Tax Deducted at Source)	(133.11)	255.37
	<u>3,532.50</u>	<u>(14,945.41)</u>
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(3,430.33)	(4,108.81)
Sale proceeds of Fixed Assets	87.88	17.11
Purchase of Long Term Investments	(4,791.54)	(50.00)
Purchase of Current Investments	-	(28,600.00)
Proceeds from Sale of Current Investments	-	28,600.00
Dividend received from Investments	135.71	227.80
Inter Corporate Deposits/Loans given	(3,598.65)	(7,962.35)
Inter Corporate Deposits realised	4,250.00	7,300.00
Interest Received	554.74	943.74
	<u>(6,792.19)</u>	<u>(3,632.51)</u>
C. Cash Flow from Financing Activities		
Arrear Allotment money received	0.08	-
Repayment of deposits	(0.45)	-
Proceeds from Long Term Borrowings	5,000.00	27,500.00
Proceeds from Short Term Borrowings	212,335.78	185,012.54
Repayment of Long Term Borrowings	(7,523.14)	(5,633.94)
Repayment of Short Term Borrowings	(195,024.12)	(187,324.01)
Increase/(decrease) in Cash Credit facilities from banks	(1,906.50)	2,098.83
Dividends paid [including Tax on Dividend Rs. NIL (Previous Year - Rs 29.29 lakhs)]	(7.14)	(199.71)
Interest Costs paid	(9,211.54)	(8,632.28)
Applicable net loss on foreign currency transactions/ translations (to the extent as adjustment to Interest cost)	(152.10)	-
Other Borrowing Costs paid	(148.95)	(619.36)
	<u>3,361.92</u>	<u>12,202.07</u>
D. Exchange differences on Translation of Foreign Currency Cash and Cash Equivalents	(32.08)	30.59
Net increase/(decrease) in Cash and Cash Equivalents	<u>70.15</u>	<u>(6,345.26)</u>
Opening Cash and Cash Equivalents	<u>1,075.78</u>	<u>7,421.04</u>
Closing Cash and Cash Equivalents	<u><u>1,145.93</u></u>	<u><u>1,075.78</u></u>

Notes:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard (AS) 3 Cash Flow Statement.
- Cash and Cash Equivalents (Refer Note 18 to Consolidated Financial Statements) include Unpaid Dividend Account not available for use by the Company.
- Previous year's figures have been regrouped or rearranged, where considered necessary.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
Date : 6th May, 2015

For and on behalf of Board of Directors

Kaushik Roy
Managing Director
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K. S. B. Sanyal
Director
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C. R. Paul
Director
(DIN: 00009056)

Kaushik Mukherjee
Company Secretary

Raj Kumar Gupta
Chief Financial Officer

1. Significant Accounting Policies:

1.1. Basis of preparation

These Consolidated Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis except for certain tangible fixed assets which are being carried at revalued amounts. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these Consolidated Financial Statements have been prepared to comply in all material aspects with accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules 2006, as amended].

All assets and liabilities have been classified as current or non-current as per the Group's (Phillips Carbon Black Limited and its subsidiaries) normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current-non current classification of assets and liabilities.

1.2. Fixed Assets

Fixed assets are stated at revalued amounts (for items revalued)/ cost of acquisition/construction (for items not revalued) less accumulated depreciation/ amortization, impairment loss, if any and inclusive of borrowing cost, where applicable, and adjustments for exchange difference referred to in Note 1.7 below. Cost includes inward freight, non refundable duties/ taxes and incidental expenses directly related to acquisition/ installation. Computer Software is capitalized in the period in which the software is implemented for use, where it is expected to provide future enduring economic benefit; such capitalization costs include license fees and cost of implementation/ system integration services.

1.3. Impairment

The Carrying amounts of fixed assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of fixed assets of a cash generating unit exceeds its recoverable amount (i.e., higher of net selling price and value in use).

1.4. Borrowing Cost

Borrowing costs attributable to acquisition/ construction of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

1.5. Depreciation/ Amortization

Depreciation on the incremental amount added on revaluation in respect of revalued items is calculated on straight line method at rates considered applicable by valuers and technical evaluation carried out during the year by the internal experts.

Computer Software capitalized are amortized on a straight line basis over a period of three years from the date of capitalization.

Land use rights are amortised on a straight line basis over forty two years being the lease period in keeping with the agreement to use the land.

In case of certain assets, depreciation is provided on a pro rata basis on the straight line method over the estimated useful lives of the assets which are different than the rates prescribed under the Schedule II to the Companies Act 2013; in order to reflect the actual usage of the assets, in the following cases, the

estimates of useful lives of the assets, based on technical evaluation carried out by the internal experts, have not undergone a change on account of transition to the Companies Act, 2013.

Assets	Useful life
Plant & Equipments and Electrical Installations (Other than certain revalued items mentioned above)	18 to 20 Years

Depreciation on original cost of other fixed assets is provided on pro rata basis on straight line method based on useful lives specified in Schedule II to the Companies Act, 2013 which is in line with the technical evaluation carried out during the year by the internal expert.

Also Refer Note 42

1.6. Government Grants

Grants of Capital nature (not related to specific fixed assets) are credited to Capital Reserve. Grants related to revenue are credited to related expense account.

1.7. Foreign Currency Transaction as applicable under Accounting Standard 11 on 'The effect of changes in Foreign Exchange Rates'

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end exchange rates. Gains/losses (other than relating to reporting of long-term foreign currency monetary items) arising out of settlement of foreign currency transaction or from year end restatement are recognized in the Statement of Profit and Loss in the period in which they arise. Exchange differences arising on reporting of long-term foreign currency monetary items (i) relating to acquisition of depreciable capital assets are adjusted to the carrying amount of such assets (to be adjusted over the balance life of the related asset) and (ii) in other cases accumulated in a 'Foreign Currency Monetary item Translation Difference Account' (to be adjusted over the balance period of the related long term monetary asset/ liability). Premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract.

1.8. Investments

Long Term Investments are valued at cost less provision for diminution (other than temporary) in the carrying amount thereof as determined by the Board of Directors based on periodical review.

1.9. Inventories

Inventories are valued at lower of cost and net realizable value. Cost is determined on weighted average basis. Cost includes expenditure incurred in the normal course of business in bringing inventories to its location and condition, labour and overhead, where applicable.

Also Refer Note 41

1.10. Revenue

Revenue from sales is recognized on transfer of risks and rewards of ownership to customers based on the contract with the customer for delivery. Sales include excise duty and are net of sales returns, discounts and exclude sales tax/ value added tax where applicable.

1.11. Employee Benefits

a. Short term

Short term Employee Benefits (i.e. benefits falling due within one year after the end of the period in which employees render the related service) are recognized as expense in the period in which employee services are rendered as per the Group's scheme based on expected obligations on undiscounted basis.

b. Post-employment

Post-employment benefits of Parent Company comprise of Provident Fund, Superannuation Fund, Gratuity and Post

Retirement Medical Benefit which are accounted for as follows:

i) Provident Fund

This is a defined contribution plan for certain employees and contributions are remitted to Provident Fund authorities in accordance with relevant statute and charged to the Statement of Profit and Loss in the period in which the related employee services are rendered. The Parent Company has no further obligations for future Provident Fund benefits other than its monthly contributions.

Certain employees of the Parent Company receive provident fund benefits, which are administered by the Provident Fund Trust set up by the Parent Company. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employees and the Parent Company make monthly contributions at specified percentage of the employees' salary to such Provident Fund Trust. The Parent Company has an obligation to fund any shortfall in return on plan assets over the interest rates prescribed by the authorities from time to time. In view of the Parent Company's obligation to meet the shortfall this is a defined benefit plan. Actuarial valuation of the Parent Company's liability under such scheme is carried out under the Projected Unit Credit Method at the year end and the charge/ gain, if any, is recognized in the Statement of Profit and Loss. Actuarial gains/ losses are recognized immediately in the Statement of Profit and Loss as income/ expense.

ii) Superannuation Fund

This is a defined contribution plan. The Parent Company contributes a certain percentage of the eligible salary for employees covered under the scheme towards superannuation fund administered by the Trustees and managed by Life Insurance Corporation of India (LIC). The Parent Company has no further obligations for future superannuation benefits other than its contributions and recognizes such contributions as expense in the period in which the related employee services are rendered.

iii) Gratuity

This is a defined benefit plan. The Parent Company's scheme is administered by LIC. The liability is determined based on year-end actuarial valuation using Projected Unit Credit Method. Actuarial gains / losses are recognised immediately in the Statement of Profit and Loss as income/ expense.

iv) Post Retirement Medical Benefit

Post Retirement Medical Benefits [comprising payment of annual medical insurance premium to cover hospitalizations and reimbursement of domiciliary medical expenses within a defined monetary limit] are extended to certain employees in the Parent Company. The liability in respect thereof is determined by actuarial valuation at the year end based on the Projected Unit Credit Method and are recognized as a charge on accrual basis. This is a defined benefit plan. Actuarial gains / losses are recognised immediately in the Statement of Profit and Loss as income/expense.

c. Other Long term

Other long term employee benefits represent compensated absence (defined benefit plan) which is provided for based on year end actuarial valuation using Projected Unit Credit Method. Actuarial gains/losses are recognised immediately in the Statement of Profit and Loss as income/expense.

d. Termination benefits

Termination benefits represent compensation towards Voluntary Retirement Scheme which is expensed on accrual of liability.

1.12. Research and Development

Revenue expenditure on research and development is charged off during the period in which it is incurred. Capital expenditure on development is capitalized on compliance of conditions in keeping with Accounting Standard 26 on 'Intangible Assets'.

1.13. Derivative Contracts

In respect of derivative contracts (other than forward exchange contracts covered under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'), gains/ losses on settlement and mark to market loss (net) relating to outstanding contracts as at the Balance Sheet date is recognised in the Statement of Profit and Loss. Refer Note 1.7 above for forward exchange contracts covered under Accounting Standard 11 on 'The effects of Changes in Foreign Exchange Rates.'

1.14. Taxes on Income

Current tax is provided as the amount of tax payable in respect of taxable income for the year measured using applicable tax rules and laws.

Deferred tax is provided on timing differences between taxable income and accounting income measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only if there is a virtual/ reasonable certainty, as applicable, in keeping with Accounting Standard 22 on 'Accounting for Taxes on Income' that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are reviewed for the appropriateness of their respective carrying amount at each Balance Sheet date.

Minimum Alternate Tax (MAT) credit is recognized as an assets only when and to the extent there is convincing evidence that the entity will pay normal income tax in excess of MAT during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit assets is written down to the extent there is no longer a convincing evidence to the effect that the entity will pay normal income tax in excess of the MAT during the specified period.

1.15. Provision and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provision are measured at the best estimate of the expenditure required to settle the present obligation as at the Balance Sheet date and are not discounted to its present value.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

1.16. Use of Estimates

The Preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the periods and discloser of contingent liabilities at the balance sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements. Actual results could differ from estimates.

1.17. Consolidation

a) Consolidated financial statements relate to Phillips Carbon Black Limited, the Parent Company and its subsidiaries (the

Phillips Carbon Black Limited and its Subsidiaries

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

Group). The consolidated financial statements are in conformity with the Accounting Standard – 21 on Consolidated Financial Statements notified under Section 211(3C) of the Companies (Accounting Standard) Rules, 2006 as amended and are prepared as set out below:

- i. The financial statements of the Parent Company and its subsidiaries have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after adjustments / elimination of inter-company balances, transactions including unrealized profits on inventories etc, if any.
- ii. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent required and possible, in the same manner as the Parent Company's separate financial statements.
- iii. The translation of the functional currencies into Indian Rupees (reporting currency) of foreign subsidiaries (non integral foreign operations) is performed for assets and liabilities using closing exchange rates at the Balance Sheet date, for revenues, costs, and expenses using average rates prevailing during the period. The resultant exchange difference arising out of such transactions is

recognized as part of equity (Foreign Currency Translation Reserve) by the Parent Company until the disposal of Investment.

- iv. The excess of cost to the Parent Company of its investment in the subsidiaries over the Parent's portion of equity of the subsidiaries at the dates they became subsidiaries is recognized in the financial statements as Goodwill.
- v. Minority interest in the consolidated financial statements is identified and recognized in the consolidated balance sheet separate from liabilities and the equity of the Company's Shareholders after taking into consideration:
 - The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.
 - The minorities' share of movement in equity since the date parent-subsidiary relationship came into existence.
 - Adjustment of the losses attributable to the minorities against the minority interest in the equity of the subsidiaries and thereafter adjustment of the excess of loss, if any, over the minority interest in the equity against the majority interest.

2 SHARE CAPITAL AUTHORISED

50,000,000 (31.03.2014 - 50,000,000) Equity Shares of Rs. 10/- each

ISSUED, SUBSCRIBED AND PAID UP

34,467,572 (31.03.2014 - 34,467,572) Equity Shares of Rs. 10/- each fully paid up

Less : Allotment Money receivable

	As at 31st March, 2014	As at 31st March, 2013
	Rupees in Lakhs	Rupees in Lakhs
	<u>5,000.00</u>	<u>5,000.00</u>
	<u>3,446.77</u>	<u>3,446.77</u>
	<u>0.04</u>	<u>0.05</u>
	<u><u>3,446.73</u></u>	<u><u>3,446.72</u></u>

2a. Reconciliation of Shares outstanding at the beginning and at the end of the reporting year

	Number	Rupees in lakhs	Number	Rupees in lakhs
Shares at the beginning of the year	<u>34,467,572</u>	<u>3,446.72</u>	<u>34,467,572</u>	<u>3,446.72</u>
Add: Arrear allotment money received	<u>-</u>	<u>0.01</u>	<u>-</u>	<u>-</u>
Outstanding at the end of the year	<u><u>34,467,572</u></u>	<u><u>3,446.73</u></u>	<u><u>34,467,572</u></u>	<u><u>3,446.72</u></u>

No additional shares were allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash during the last five years. Further, none of the shares were bought back by the Parent company during the last five years.

2b(i) Detail of shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2015		As at 31st March, 2014	
	Number	Holding	Number	Holding
Equity Shares of Rs.10/- each				
i Rainbow Investments Limited	17,216,074	49.95%	-	-
ii Universal Industrial Fund Limited	-	-	5,856,762	16.99%
iii Adorn Investments Limited	-	-	4,163,749	12.08%
iv Ujala Agency Private Limited	-	-	2,736,019	7.94%
v Offshore India Limited	-	-	2,699,655	7.83%
vi Adapt Investments Limited	-	-	2,558,039	7.42%

2b(ii) The Parent Company became a subsidiary of Rainbow Investments Limited (RIL) pursuant to a Scheme of Amalgamation and Arrangement between Rainbow Investments Limited and certain companies and their respective shareholders as sanctioned by the Hon'ble High Court at Calcutta vide Order passed during the current year. The certified copy of the aforesaid Order has been filed with the Registrar of Companies on July 8, 2014 (Effective date of the aforesaid Scheme). Effective September 23, 2014, the holding of RIL in the Parent Company became 49.95%.

2c. Terms/ Rights attached to Equity Shares

The Parent Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Parent Company after distribution of all preferential amounts, in proportion to their shareholding.

2d. Allotment of 1823 shares is pending against Rights Issue made during 1993-94.

2e. 48 Shares have not been issued to the concerned non-resident shareholders pending approval of the Reserve Bank of India.

Phillips Carbon Black Limited and its Subsidiaries

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
	<u>Rupees in Lakhs</u>	<u>Rupees in Lakhs</u>
3 RESERVES AND SURPLUS		
Capital Reserve	156.81	156.81
Statutory Reserve (u/s 45 IC of the RBI Act, 1934)		
Balance as at the beginning of the year	60.34	-
Add: Transferred from the surplus in the statement of Profit & Loss of the subsidiary company Goodluck Dealcom Private Limited	-	60.34
Balance as at the end of the year	<u>60.34</u>	<u>60.34</u>
Securities Premium Account		
Balance as at the beginning of the year	22,411.53	22,411.53
Add: Received during the year #	0.07	-
Balance as at the end of the year	<u>22,411.60</u>	<u>22,411.53</u>
General Reserve		
Balance as at the beginning and end of the year	7,338.43	7,338.43
Foreign Currency Translation Reserve		
Balance as at the beginning of the year	548.69	278.54
Add: Adjustment during the year	10.15	270.15
Balance as at the end of the year	<u>558.84</u>	<u>548.69</u>
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	16,166.18	24,882.81
Adjustment consequent to revision of useful life of certain assets pursuant to Schedule II of the Companies Act, 2013 (Net of Deferred Tax of Rs. 37.56 lakhs) (Refer Note 42)	(72.94)	-
Profit / (Loss) for the year	1,065.71	(8,656.29)
Less: Appropriations		
Proposed Dividend on Equity Shares for the year [Re. 1 Per share (Previous year Rs. Nil per share)]	344.68	-
Dividend distribution tax on Proposed dividend on Equity Shares	70.17	-
Transfer to statutory Reserve	-	60.34
Balance as at the end of the year	<u>650.86</u>	<u>16,166.18</u>
	<u>47,270.12</u>	<u>46,681.98</u>

Rs 0.07 lakhs (Previous year Rs. Nil) received against realisation of arrear allotment money.

	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
	<u>Rupees in Lakhs</u>	<u>Rupees in Lakhs</u>
4 LONG -TERM BORROWINGS		
SECURED LOANS		
Term Loans		
From Banks	44,387.68	47,498.48
Less: Current maturities of Long Term Debt referred to in Note 10	<u>11,644.00</u>	<u>7,488.36</u>
	<u>32,743.68</u>	<u>40,010.12</u>
	<u>32,743.68</u>	<u>40,010.12</u>
UNSECURED LOANS		
Deferred Payment Liabilities		
Sales Tax Deferred Loans	-	34.78
Less: Current maturities of Long Term Debt referred to in Note 10	-	34.78
	<u>-</u>	<u>-</u>
	<u>32,743.68</u>	<u>40,010.12</u>

Phillips Carbon Black Limited and its Subsidiaries

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

a. Nature of Security and terms of repayment for Secured Borrowings availed from the Banks

Nature of Security	Terms of Repayment
<p>Term loan from banks excluding adjustment for foreign exchange difference amounting to Rs. 6,089.68 lakhs (31.03.2014: Rs.10,149.47 lakhs) are secured by way of pari-passu first charge created/ to be created on all the immovable properties of the Company situated in Durgapur in West Bengal (excluding those relating to 30 MW Co-generation power plant at Durgapur in West Bengal), Palej and Mundra in Gujarat and Kochi in Kerala and also on the Company's movable Plant and Machinery, Machinery Spares, Tools and Accessories and other movable properties both present and future excluding those properties relating to 30 MW Co-generation power plant at Durgapur in West Bengal.</p> <p>The above term loan from bank is also secured by pari-passu second charge on the Company's existing and future stock of Raw Materials, Finished and Semi Finished Goods, Consumables Stores and Spares, including Stock in transit and in the possession of any third party, present and future Book debts, Monies Receivable, Claims etc held by any third party to the order of the disposition of the Company excluding those relating to 30 MW Co-generation Power Plant at Durgapur in West Bengal.</p> <p>Term Loan from bank amounting to Rs. 8,571.43 lakhs (Previous year Rs. 10,000 lakhs) is secured by way of first pari-passu charge over all the immovable and movable properties of the Company.</p> <p>The above term loan from bank is also secured by second charge by way of hypothecation of the Company's entire stocks of raw materials, semi finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables (excluding current assets relating to 30 MW co-generation power plant at Durgapur), both present and future, in a form and manner satisfactory to the bank, ranking pari-passu with other participating banks.</p> <p>Term Loan from bank amounting to Rs. 10,000 lakhs (Previous year Rs. 5,000 lakhs) is secured by way of first pari passu charge over all the immovable and movable properties of the Company.</p> <p>The above term loan from bank is also secured by second charge by way of hypothecation of the Company's entire stocks of raw materials, semi finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables (excluding current assets relating to 30 MW Co generation power plant at Durgapur) both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other participating banks.</p> <p>Term Loan from bank amounting to Rs. 8,000 lakhs (Previous year Rs. 10,000 lakhs) is secured by way of first charge on the Fixed Assets both present and future, of the Company (excluding the fixed assets relating to 30 MW Co-generation power plant at Durgapur, by way of mortgage on pari-passu basis.</p> <p>Term Loan from bank amounting to Rs. 10,000 lakhs (Previous year Rs. 10,000 lakhs) is secured by way of first charge on Fixed Assets both present and future, of the Company (excluding the fixed assets relating to the 30 MW Co generation power plant at Durgapur, by way of hypothecation and mortgage on pari-passu basis with other term lenders.</p> <p>Second Charge on all current assets (present & future) of company on pari passu basis excluding current assets relating to 30 MW Co generation power plant at Durgapur.</p>	<p>Loan availed Rs. 24,358.72 lakhs is repayable in 12 equal semi-annual installments, first installment being due at the end of 30 months from the first drawdown date of the facility i.e. on March 29, 2011 and at the end of every six months there after.</p> <p>Loan availed of Rs. 10,000 lakhs is repayable in 14 equal quarterly installments. First installment being due at the end of 21st month from the first drawdown date of the facility i.e. on November 26, 2014.</p> <p>Loan availed of Rs. 10,000 lakhs (till previous year Rs. 5,000 lakhs) is repayable in 22 equal quarterly installments. First installment being due at the end of 21st month from the first drawdown date of the facility i.e on 30th July 2015.</p> <p>Loan availed of Rs.10,000 lakhs is repayable in 20 equal quarterly installments. First installment being due on 30.06.2014.</p> <p>Loan availed of Rs.10,000 lakhs is repayable in 22 equal quarterly installments. First installment being due after a moratorium period of 18 month from the date of disbursement i.e. on 21 August 2015.</p>

b. Terms of repayment for unsecured borrowings:

Borrowings	Terms of Repayment
<p>Sales Tax Deferred Loans/ Output Tax Deferred Loans allowed by the State Government of West Bengal.</p>	<p>Repayable in stipulated periodic installments commencing from August 2006 and ending on April 2014.</p>

Phillips Carbon Black Limited and its Subsidiaries

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
	<u>Rupees in Lakhs</u>	<u>Rupees in Lakhs</u>
5 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability on account of -		
- Depreciation	11,410.33	11,139.02
	<u>11,410.33</u>	<u>11,139.02</u>
Deferred Tax Asset on account of -		
- Items allowable for tax purpose on payment / adjustments	517.94	268.32
- Unabsorbed Depreciation/Business Loss [®]	7,834.60	7,604.66
- Others	277.85	281.08
	<u>8,630.39</u>	<u>8,154.06</u>
	<u>2,779.94</u>	<u>2,984.96</u>
<p>[®]Considered based on future taxable income against which it can be realised.</p>		
6 OTHER LONG TERM LIABILITIES		
Security Deposits	59.40	59.40
	<u>59.40</u>	<u>59.40</u>
7 LONG-TERM PROVISIONS		
Provisions for Employee Benefits		
Provision for compensated absences	311.07	279.28
Provision for post retirement medical liability / Others	54.10	81.79
	<u>365.17</u>	<u>361.07</u>
8 SHORT-TERM BORROWINGS		
SECURED LOANS FROM BANKS		
Loans repayable on demand	6,878.01	13,884.51
Other Loans	38,797.46	21,173.36
	<u>45,675.47</u>	<u>35,057.87</u>
UNSECURED LOAN FROM BANKS	31,910.74	26,071.52
	<u>77,586.21</u>	<u>61,129.39</u>

Balance outstanding as at 31st March, 2015 in respect of Commercial Paper was **Rs. Nil** (Previous Year Rs. Nil). Maximum amount outstanding at any time during the year was **Rs. 7,500 lakhs** (Previous Year Rs. Nil)

Nature of Security on Secured Borrowings availed from the Banks

Secured Loan from banks are secured by way of hypothecation in favour of the banks as and by way of first charge, ranking pari-passu among themselves, of the Company's existing and future stock of Raw Materials, Finished and Semi Finished Goods, Consumables Stores and Spares, including Stock in transit and in the possession of any third party, present and future Book debts, Monies Receivable, Claims etc. held by any third party to the order of the disposition of the Company (excluding those relating to 30 MW Co-generation power plant at Durgapur in West Bengal) and also by a pari-passu second charge created/to be created on the fixed assets of the Company at Durgapur in West Bengal (excluding those relating to 30 MW Co-Generation power plant at Durgapur in West Bengal), Palej and Mundra in Gujarat and Kochi in Kerala.

	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
	<u>Rupees in Lakhs</u>	<u>Rupees in Lakhs</u>
9 TRADE PAYABLES		
Trade Payable	14,723.79	44,705.24
	<u>14,723.79</u>	<u>44,705.24</u>
10 OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Refer Note 4)	11,644.00	7,523.14
Interest accrued but not due on borrowings	247.16	279.62
Unpaid dividends [Refer Note (a) below]	70.86	78.00
Unpaid matured deposits and interest accrued thereon [Refer Note (a) below]	-	0.45
Other Payables:		
Advance from Customer	272.27	689.00
Security Deposit	1.16	-
Employee Benefits payable	241.37	193.55
Capital Creditors	632.15	881.02
Statutory dues including provident fund and tax deducted at source	1,274.39	1,600.48
Liability for Export Obligation	1,436.97	1,161.77
Book Overdraft	4,341.34	-
Others	84.66	101.32
	<u>8,284.31</u>	<u>4,627.14</u>
	<u>20,246.33</u>	<u>12,508.35</u>

a. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

Phillips Carbon Black Limited and its Subsidiaries

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	As at 31st March, 2015 Rupees in Lakhs	As at 31st March, 2014 Rupees in Lakhs
11 SHORT TERM PROVISIONS		
Provisions for Employee Benefits		
Provision for gratuity	360.16	95.66
Provision for compensated absences	92.94	91.50
Provision for post retirement medical liability/others	7.22	9.33
Other Provisions		
Provision for mark-to-market losses on derivatives	364.24	
Provision for Proposed Dividend on Equity Shares	344.68	-
Provision for Dividend Distribution Tax on proposed dividend on Equity Shares	70.17	-
	414.85	-
	1,239.41	196.49

(Rupees in Lakhs)															
12 FIXED ASSETS	GROSS BLOCK							DEPRECIATION					NET BLOCK		
DESCRIPTION	Original/ Revalued cost of Assets as at April 1, 2014	Adjustment on account of Reinstatement	Additions during the year at cost	Adjustments during the year Borrowing Cost	Exchange Differences (Refer Note 1.7 above)	Disposal Adjustment during the year	Total Original /Revalued cost as at March 31, 2015	Depreciation as at April 1, 2014	Adjustment on account of Reinstatement	Depreciation during the year	Adjustment of Depreciation on disposal	Adjustment Consequent to revision of useful life pursuant to schedule II of Companies Act, 2013 (Also refer Note 42)	Depreciation as at March 31, 2015	Balance as at March 31, 2015	Balance as at March 31, 2014
TANGIBLE ASSETS															
Freehold Land	2,709.97	-	-	-	-	-	2,709.97	-	-	-	-	-	2,709.97	2,709.97	
Leasehold Land Acquisition and Development Expenses	818.62	-	-	-	-	-	818.62	-	-	-	-	-	818.62	818.62	
Buildings (a)	7,268.15	-	16.25	-	-	-	7,284.40	1,964.16	-	223.63	-	-	2,187.79	5,096.61	
Non-Factory Buildings and Flats	3,144.68	-	821.75	-	-	-	3,966.43	552.48	-	59.12	-	-	611.60	3,354.83	
Plant and Equipment	106,974.35	-	1,840.58	-	(622.45)	-	108,192.48	35,695.84	-	5,040.24	-	-	40,736.08	67,456.40	
Furniture and Fixtures	516.22	-	24.12	-	-	21.89	518.45	327.74	-	41.62	8.64	37.98	398.70	119.75	
Office Equipments	804.20	-	117.40	-	-	9.86	911.74	522.39	-	104.08	5.83	69.74	690.38	221.36	
Vehicles	263.65	-	41.39	-	-	142.44	162.60	167.57	-	31.39	64.76	2.78	136.98	25.62	
Electrical Installations	4,287.66	-	5.32	-	-	166.30	4,126.68	1,911.10	-	202.48	165.37	-	1,948.21	2,178.47	
Railway Sidings	89.62	-	-	-	-	-	89.62	89.01	-	-	-	-	89.01	0.61	
	126,877.12	-	2,866.81	-	(622.45)	340.49	128,780.99	41,230.29	-	5,702.56	244.60	110.50	46,798.75	81,982.24	
Previous Year	111,451.95	0.09	14,006.55	1,389.69	410.66	381.82	126,877.12	36,172.84	0.01	5,336.63	279.19	-	41,230.29	85,646.83	
INTANGIBLE ASSETS															
Goodwill on Consolidation	4.00	-	-	-	-	-	4.00	-	-	-	-	-	4.00	4.00	
Land Use Right	3,366.73	60.37	-	-	-	-	3,427.10	243.38	4.22	82.72	-	-	330.32	3,096.78	
Computer Software Acquired	358.93	-	-	-	-	-	358.93	244.33	-	50.64	-	-	294.97	63.96	
	3,729.66	60.37	-	-	-	-	3,790.03	487.71	4.22	133.36	-	-	625.29	3,164.74	
Previous Year	3,301.91	275.84	151.91	-	-	-	3,729.66	356.10	12.51	119.10	-	-	487.71	3,241.95	
Capital Work-in-Progress													7,964.12	7,354.42	

(a) Cost and accumulated depreciation include **Rs. 3,966.34 lakhs** (31.03.2014 - Rs. 3,963.72 lakhs) and **Rs. 1573.13 lakhs** (31.03.2014 - Rs. 1,456.39 lakhs) respectively in respect of Buildings on Leasehold Land.

Phillips Carbon Black Limited and its Subsidiaries

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
	<u>Rupees in Lakhs</u>	<u>Rupees in Lakhs</u>
13 NON-CURRENT INVESTMENT (Unquoted unless otherwise stated)		
Long Term		
Other than Trade Investment		
Investment in Equity Instruments - At cost unless otherwise indicated		
35,930 Fully paid Equity Shares of Rs. 2/- each (Previous year 7,186 Fully paid Equity Shares of Rs. 10/- each) in Bank of Baroda (Quoted)	16.53	16.53
11,400 Fully Paid Equity Shares of Rs. 10/- each in Indian Overseas Bank (Quoted)	2.74	2.74
600,000 Fully paid Equity Shares of Rs.10/- each in Norplex Oak India Ltd. (Quoted)*	60.00	60.00
1,910,000 Fully paid Equity Shares of Rs.10/- each in Maple Circuits Ltd. (Quoted)*	191.01	191.01
1,686,198 Fully Paid Equity Shares of Rs. 10/- each in CESC Ltd. (Quoted)	3,730.95	3,730.95
145,480 Fully Paid Equity Shares of Rs. 10/- each in Woodlands Multispeciality Hospital Limited	14.80	14.80
7,500 (Previous year 500,000) Fully paid Equity Shares of Rs.10/- each in Open Media Network Private Ltd (Note below) (Refer Note 27)	0.75	50.00
330,875 (Previous year Nil) Fully paid Equity Shares of Rs.10/- each in Spotboy Tracom Private Ltd acquired during the year	16.54	-
1,600 Fully paid Equity Shares of Rs.10/- each in Apeejay Charter Pvt. Ltd.	0.16	0.16
	4,033.48	4,066.19
Investment in preference shares - At cost unless otherwise indicated		
4,775,000 (Previous year Nil) Fully paid 2% Non Convertible Redeemable Preference Share of Rs. 100/- each in Rainbow Investments Ltd acquired during the year	4,775.00	-
50 Fully paid Preference Shares of Rs.100/- each in Norplex Oak India Ltd.*	0.05	0.05
50 Fully paid Preference Shares of Rs.100/- each in Maple Circuits Ltd.*	0.05	0.05
	4,775.10	0.10
	8,808.58	4,066.29
Less:*Provision for diminution in carrying amount of Investments in Norplex Oak India Ltd. and Maple Circuits Ltd.	(251.11)	(251.11)
	8,557.47	3,815.18
Notes: (a) Aggregate amount of Quoted Investments	4,001.23	4,001.23
(b) Aggregate amount of Unquoted Investments	4,807.35	65.06
(c) Aggregate provision for diminution in value of investments	(251.11)	(251.11)
	8,557.47	3,815.18
(d) Market value of Quoted Investments (excluding Norplex Oak India Ltd. and Maple Circuits Ltd. in absence of any current quotation)	10,239.77	8,496.17
(e) In pursuance of the Order of the Hon'ble High Court at Calcutta dated 3rd March, 2015, 5,00,000 equity shares of Rupees 10/- each fully paid of Open Media Network Pvt. Ltd. stands reduced and consolidated into 7,500 equity shares of Rupees 10/- each fully paid. The resultant reduction in value of investments in Open Media Network Pvt. Ltd., being other than temporary in nature, has been written off in this year account.		
14 LONG TERM LOANS AND ADVANCES		
Unsecured Considered Good (Unless otherwise stated)		
Capital Advances		
Considered Good :	682.86	993.60
Considered Doubtful :	15.72	-
Less : Provision for doubtful advances	15.72	-
Security Deposits	1,120.82	1,839.83
Other Loans & Advances		
Loans to Employees #	125.99	137.11
Advance to Employee	0.61	-
Prepaid expenses	383.57	51.76
	2,313.85	3,022.30

Loans to Employees includes **Rs. 0.08** lakh (31.03.2014 - Rs. 0.14 lakh) due by an officer of the Company.

Phillips Carbon Black Limited and its Subsidiaries

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	As at 31st March, 2015 Rupees in Lakhs	As at 31st March, 2014 Rupees in Lakhs
15 OTHER NON-CURRENT ASSETS		
MAT Credit Entitlement	5,389.13	5,389.13
	<u>5,389.13</u>	<u>5,389.13</u>
16 INVENTORIES (Valued at lower of cost and net realisable value)		
Raw Materials	17,458.26	26,919.16
Finished Goods [includes in transit Rs. 53.31 lakhs (31.03.2014: Rs. Nil)]	8,701.79	13,010.95
Stores and Spares (including packing materials)	3,523.94	2,943.39
	<u>29,683.99</u>	<u>42,873.50</u>
17 TRADE RECEIVABLES		
Unsecured		
Outstanding for a period exceeding 6 months from the date they are due for payment		
Considered Good	2,336.32	1,141.82
Considered Doubtful	809.55	809.55
Less : Provision for doubtful debts	<u>809.55</u>	<u>809.55</u>
	-	-
	<u>2,336.32</u>	<u>1,141.82</u>
Other Debts - Considered Good	49,805.66	50,562.17
	<u>52,141.98</u>	<u>51,703.99</u>
18 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand	3.86	7.25
Remittances in Transit	866.67	735.67
Balances with Banks		
- On Current Accounts	204.39	254.74
- On Unpaid Dividend Accounts*	71.01	78.12
Total (A)	<u>1,145.93</u>	<u>1,075.78</u>
Other bank balances		
- On Margin Money Account against Guarantee (with maturity more than 3 months and less than 12 months)	139.47	9.27
Total (B)	<u>139.47</u>	<u>9.27</u>
Total (A+B)	<u>1,285.40</u>	<u>1,085.05</u>
*earmarked for payment of unpaid dividend only.		
19 SHORT TERM LOANS AND ADVANCES - Unsecured Considered Good (unless otherwise stated)		
Advances to Suppliers/ Service providers		
Considered Good :	1,325.38	2,350.52
Considered Doubtful :	54.76	41.68
Less : Provision for doubtful advances	<u>54.76</u>	<u>41.68</u>
Advance payment of Taxes, etc.		
Advance against Equity	130.00	-
Balances with statutory/government authorities	4,528.86	3,198.66
Advance payment of Taxes, etc. [Net of Provision for Taxation Rs. 11,717.00 lakhs (31.03.2014 - Rs.11,376.62 lakhs)]	151.37	356.20
Loans to Employees #	83.18	96.21
Advances to Employees	83.44	94.11
Prepaid Expenses	725.74	584.14
Inter Corporate Loans	11.00	662.35
	<u>7,038.97</u>	<u>7,342.19</u>
# Loans to Employees includes Rs. 0.06 lakh (31.03.2014 - Rs. 0.06 lakh) due by an officer of the Company.		
20 OTHER CURRENT ASSETS		
Unsecured Considered Good		
Interest Receivable	39.17	43.43
Export Benefit Receivables	1,586.97	1,270.22
Others	1.13	-
	<u>1,627.27</u>	<u>1,313.65</u>

Phillips Carbon Black Limited and its Subsidiaries

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	<u>Year ended 31st March, 2015</u>	<u>Year ended 31st March, 2014</u>
	<u>Rupees in Lakhs</u>	<u>Rupees in Lakhs</u>
21 REVENUE FROM OPERATION		
Sales of Products		
Finished Goods		
Carbon Black	260,504.02	246,392.63
[Net of Trial run sales Rs. Nil (Previous Year Rs. 5,236.91)]		
Less : Excise Duty	<u>24,119.94</u>	<u>25,305.52</u>
	236,384.08	221,087.11
Power	6,912.90	6,522.70
Traded Goods (Carbon Black Feed Stock)	3,427.13	-
Other Operating Revenues		
Scrap Sale	295.12	136.27
	<u>247,019.23</u>	<u>227,746.08</u>
22 OTHER INCOME		
Interest Income		
On Inter Corporate Deposit	550.48	987.17
On Income Tax Refund	-	114.16
On Overdue Invoices	36.28	41.10
On Others	<u>0.52</u>	<u>5.60</u>
	587.28	1,148.03
Dividend from Long Term Investments-Other than Trade	135.71	120.67
Dividend from Current Investments-Other than Trade	-	107.13
Provision for Doubtful Advance written back	-	33.65
Liability no longer required written back	434.40	740.07
Miscellaneous Income	<u>262.22</u>	<u>103.76</u>
	<u>1,419.61</u>	<u>2,253.31</u>
23 Cost of Materials Consumed		
Opening Stock	26,919.16	36,141.31
Add : Purchases	<u>176,980.15</u>	<u>176,383.17</u>
	203,899.31	212,524.48
Less : Closing Stock	<u>17,458.26</u>	<u>26,919.16</u>
	<u>186,441.05</u>	<u>185,605.32</u>
23.1 Raw material purchase is net of Rs. 2,099.96 lakhs (Previous year Rs. 2,439.52 lakhs) being benefits under duty exemption scheme pertaining to exports/deemed exports.		
24 CHANGES IN INVENTORIES OF FINISHED GOODS		
Closing Stock (Carbon black)	8,701.79	13,010.95
Less: Opening Stock (Carbon Black)	<u>13,010.95</u>	<u>10,457.42</u>
	<u>4,309.16</u>	<u>(2,553.53)</u>
25 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	5,833.10	5,078.69
Contribution to Provident and Other Funds	611.69	598.96
Staff Welfare Expense	<u>591.49</u>	<u>651.92</u>
	<u>7,036.28</u>	<u>6,329.57</u>
26 FINANCE COSTS		
Interest expense [Net of interest capitalized Rs. Nil (Previous Year - Rs. 1,183.69 lakhs)]	9,179.08	7,505.25
Other borrowing costs (Net of borrowing costs capitalised Rs. Nil (Previous year Rs. 100 Lakh)	148.95	519.36
Applicable net loss on foreign currency transactions and translations	<u>152.10</u>	-
	<u>9,480.13</u>	<u>8,024.61</u>

Phillips Carbon Black Limited and its Subsidiaries

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

	Year ended 31st March, 2015	Year ended 31st March, 2014
	Rupees in Lakhs	Rupees in Lakhs
27 OTHER EXPENSES		
Consumption of Stores and Spares parts	2,495.31	2,188.73
Consumption of Packing Materials	3,943.89	3,519.39
Power and Fuel	1,608.75	1,547.46
Water Charges	207.92	166.48
Rent	448.80	260.51
Rates and Taxes	139.23	188.72
Repairs and Maintenance :		
- Buildings	313.04	268.58
- Plant and Machinery	611.83	784.12
- Others	195.45	211.57
	1,120.32	1,264.27
Insurance	178.77	313.00
Travelling and Transport Expenses	985.66	945.58
Subscriptions and Donations	30.22	92.58
Freight Outward	4,822.20	3,925.32
Commission to Selling Agents	2,504.52	2,438.17
Directors' Fees	11.20	9.55
Research and Development Expenses	377.06	1,080.91
Hedging cost	4,355.27	6,361.02
Net loss on foreign currency transaction/translation	915.98	4,488.12
Loss on Disposal of Fixed Assets/Fixed Assets Scrapped (net)	7.98	85.52
Provision for Doubtful Debts	-	305.72
[Net of doubtful debts written back Rs. Nil (Previous year Rs. 102.84)]		
Provision for Doubtful Advances	28.80	41.68
Investment written off (Refer Note 13)	49.25	-
Miscellaneous Expenses	6,603.38	6,719.19
	30,834.51	35,941.92
27.1 Miscellaneous expenses includes Rs. (222.92 lakhs) (Previous year Rs.370.93 lakhs) being the aggregate amount of excise duty borne by the Parent company and difference between excise duty on opening and closing stock of finished goods.		
28 CURRENT TAX		
Current Tax [including relating to earlier years Rs. 1.60 lakhs (Previous year Rs. Nil)]	337.94	15.00
Reversal of MAT credit recognised in earlier years	-	2,148.77
	337.94	2,163.77
29 EARNING PER SHARE		
Basic and Diluted		
(i) Number of Equity Shares at the beginning of the year	34,467,572	34,467,572
(ii) Number of Equity Shares at the end of the year	34,467,572	34,467,572
(iii) Weighted average number of Equity Shares outstanding during the year	34,467,572	34,467,572
(iv) Face value of each Equity Shares (Rs.)	10.00	10.00
(v) Profit/(Loss) after Tax available for Equity Shareholders (Rs. in lakhs)	1,065.71	(8,656.29)
(vi) Basic and Diluted Earnings/(Loss) per Share (Rs.) [(v)/(iii)]	3.09	(25.11)
30 CONTINGENT LIABILITIES		
Contingent Liabilities for :		
(a) (i) Claims against the Company not acknowledged as debts :		
Income-tax matters under dispute	42.27	-
Excise Duty matters under dispute	310.27	367.51
Custom Duty matters under dispute	57.12	57.12
(ii) Others		
Excise Duty matters under dispute	156.52	99.28
Entry Tax matter under dispute	1,605.77	1,046.08
(b) Outstanding Bank Guarantees etc.	911.70	1,024.59
(c) Guarantees or Counter Guarantees or Counter Indemnity given by the Company :		
On behalf of bodies corporate and others		
- Limit	9.00	9.00
- Outstanding	9.00	9.00
(d) Bills Discounted	-	205.33
31 CAPITAL AND OTHER COMMITMENTS		
Capital Commitments	832.61	3,737.33
Other Commitments :		
Export commitments in lieu of imported capital goods under the Export Promotion Capital Goods Scheme	98.70	-

Phillips Carbon Black Limited and its Subsidiaries

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

32 RELATED PARTY DISCLOSURES

(In accordance with Accounting Standard-18 notified under Section 211(3C) of the Companies Act, 1956.)

i) Related Parties

Name	Relationship
a) Where control exists	
Name of Related Parties	
Rainbow Investments Limited [(Refer Note 2b(ii))]	Holding Company of Parent Company and an enterprise related to the Parent Company in terms of Para 3 (e) of Accounting Standard - 18 [From 8th July 2014 till 22nd September, 2014]
b) Others with whom transactions have taken place	
Mr. Kaushik Roy, Managing Director	Key Management Personnel
Mr. Altaf Jiwani	Key Management Personnel (Effective 1st April 2014 till 30 January 2015)
Mr. Ashok Goyal	Key Management Personnel (Upto 31 March 2014)
Mr. Sanjiv Goenka [From 8th July 2014]	Chairman
Mr. Shashwat Goenka [From 8th July 2014]	Relative of Mr. Sanjiv Goenka
c) Investment party in respect of which the Parent Company is an Associate and an enterprise related to the Parent Company in terms of Para 3(e) of Accounting Standard -18	
	Rainbow Investments Limited [Effective 23rd September 2014, also Refer Note 2b(ii)]

ii) Particulars of Transactions during the year ended 31st March, 2015

	Year ended	Year ended
	31st March, 2015	31st March, 2014
	Rupees in Lakhs	Rupees in Lakhs
A) Holding Company of Parent Company and an enterprise related to the Parent Company in terms of Para 3 (e) of Accounting Standard - 18		
a) Rent Paid	1.75	-
b) Interest Income on Loan	24.39	-

Year ended	Year ended
31st March, 2015	31st March, 2014
Rupees in Lakhs	Rupees in Lakhs

B) Investment party in respect of which the Parent Company is an Associate and an enterprise related to the Parent Company in terms of Para 3 (e) of Accounting Standard-18

a) Rent paid	4.31	-
b) Loan Recovered	1,250.00	-
c) Interest Income on loan	59.87	-

C) Key Management Personnel

a) Directors' Remuneration		
Mr. Ashok Goyal	-	263.47*
Mr. Kaushik Roy	310.35	307.27
Mr. Altaf Jiwani	155.46	-

* Includes Rs. Nil (Previous Year: Rs. 175.27 lakhs) capitalised to project.

D) Chairman and his relative

Sitting Fees		
Mr. Sanjiv Goenka	0.60	-
Mr. Shashwat Goenka	0.45	-

iii) Balance Outstanding at the year end

	As at	As at
	31st March, 2015	31st March, 2014
	Rupees in Lakhs	Rupees in Lakhs
A) Investment party in respect of which the Parent Company is an Associate and an enterprise related to the Parent Company in terms of Para 3 (e) of Accounting Standard-18		
Security Deposit receivable	604.00	-
Short Term Loans and Advances	69.12	-
Payable on account of Rent expenses	1.86	-

33 RESEARCH AND DEVELOPMENT EXPENSES

Rupees in Lakhs

	Total	Durgapur	Kochi	Palej	Mundra
	Year ended 31st March, 2015				
Raw Materials Consumed	316.20	99.63	-	216.57	-
	(835.93)	(71.44)	(303.44)	(316.93)	(144.12)
Salaries Wages and Bonus	48.62	11.47	-	37.15	-
	(231.04)	(7.81)	-	(223.23)	-
Contribution to Provident and Other Funds	4.81	1.13	-	3.68	-
	(10.55)	(0.75)	-	(9.80)	-
Staff Welfare Expense	1.90	0.45	-	1.45	-
	(2.67)	(0.27)	-	(2.40)	-
Miscellaneous Expenses	5.53	-	-	5.53	-
	(0.72)	(0.09)	-	(0.63)	-
Total	377.06	112.68	-	264.38	-
	(1,080.91)	(80.36)	(303.44)	(552.99)	(144.12)

Note: Figures in brackets indicate previous years figures.

34 SEGMENT REPORTING

- Information relating to the two business segments, being Carbon black and Power has been disclosed as Primary Segment.
- Inter-Segment transfers being power consumed for manufacture of Carbon Black are based on price paid for power purchased from external Sources.
- Segment Revenues, Results and other information:

Business Segment

(Rupees in Lakhs)

	Year ended 31st March, 2015		
	Carbon Black	Power	Total
(i) Segment Revenue			
External Sales	240,106.33	6,912.90	247,019.23
Inter-segment Sales	-	4,916.95	4,916.95
	240,106.33	11,829.85	251,936.18

Business Segment

(Rupees in Lakhs)

Year ended 31st March, 2014		
Carbon Black	Power	Total
221,223.38	6,522.70	227,746.08
-	4,474.51	4,474.51
221,223.38	10,997.21	232,220.59

Phillips Carbon Black Limited and its Subsidiaries

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

Business Segment		(Rupees in Lakhs)			Business Segment		(Rupees in Lakhs)		
		Year ended 31st March, 2015			Year ended 31st March, 2014				
		Carbon Black	Power	Total	Carbon Black	Power	Total		
(ii)	Segment Results								
	Profit/(Loss) before interest, tax and minority interest	7,208.85	7,795.92	15,004.77	(4,736.52)	7,337.82	2,601.30		
	Unallocated (expenses)/ income (net)	—	—	(4,618.27)	—	—	(3,900.28)		
	Interest	—	—	(9,179.08)	—	—	(7,505.25)		
	Profit/(Loss) before tax and minority interest			1,207.42			(8,804.23)		
(iii)	Segment Assets	152,375.39	31,274.60	183,649.99	162,769.13	33,551.01	196,320.14		
	Unallocated	—	—	17,499.17	—	—	16,468.05		
				201,149.16			212,788.19		
(iv)	Segment Liabilities	18,662.99	166.89	18,829.88	48,316.95	957.67	49,274.62		
	Unallocated	—	—	130,914.05	—	—	112,680.40		
				149,743.93			161,955.02		
(v)	Capital Expenditure	1,908.95	341.34	2,250.29	4,658.49	58.61	4,717.10		
(vi)	Depreciation/Amortization	3,702.99	1,965.94	5,668.93	3,275.04	2,096.27	5,371.31		
(vii)	Non Cash Expense other than Depreciation	28.80	—	28.80	450.24	—	450.24		

Geographical Segment		Rupees in Lakhs		
		Year ended 31st March, 2015		
		Within India	Outside India	Total
(i)	Segment Revenue	184,924.90	62,094.33	247,019.23
(ii)	Capital Expenditure	2,250.29	—	2,250.29
(iii)	Segment Assets	167,875.48	15,774.51	183,649.99

Geographical Segment		Rupees in Lakhs		
		Year ended 31st March, 2014		
		Within India	Outside India	Total
(i)	Segment Revenue	163,392.81	64,353.26	227,746.08
(ii)	Capital Expenditure	4,372.97	344.13	4,717.10
(iii)	Segment Assets	180,668.33	15,651.81	196,320.14

35 POST EMPLOYMENT DEFINED BENEFIT PLANS

I. Gratuity and Post retirement medical benefits

Gratuity

In keeping with the Parent Company's gratuity scheme, eligible employees of the Parent Company are entitled for gratuity benefit as per The Payment of Gratuity Act, 1972 on retirement / death/ incapacitation/ termination etc. Also refer Note 1.11 (b) (iii) for accounting policy related to gratuity.

Post retirement medical benefits

Post Retirement Medical Benefits [comprising payment of annual medical insurance premium to cover hospitalizations and reimbursement of domiciliary medical expenses within a defined monetary limit] are extended to certain employees. The liability in respect thereof is determined by actuarial valuation at the year end based on the Projected Unit Credit Method and are recognized as a charge on accrual basis. This is a defined benefit plan.

35.1 Reconciliation of opening and closing balances of the present value of defined benefit obligations –

Rupees in Lakhs

	Funded		Unfunded	
	Gratuity		Medical	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Opening balance	1,038.03	883.47	55.02	60.01
Current Service Cost	57.52	52.77	—	1.96
Interest cost	83.24	65.77	4.86	4.67
Actuarial loss / (gain)	213.05	158.84	(32.21)	(8.44)
(Benefits paid)	(226.20)	(122.82)	(2.02)	(3.18)
Closing balance	1,165.64	1,038.03	25.65	55.02

35.2 Reconciliation of opening and closing balances of the fair value of plan assets –

Rupees in Lakhs

	Gratuity	
	As at 31st March, 2015	As at 31st March, 2014
Opening balance	942.37	865.03
Expected return on Plan Asset	66.00	69.00
Actuarial (loss) / gain	22.35	10.39
Company's contribution	0.96	120.77
(Benefits paid)	(226.20)	(122.82)
Closing balance	805.48	942.37

The expected return on plan assets is determined after taking into consideration composition of plan assets held, assessed risks of asset management, historical results of return on plan assets, company's policies for plan asset management and other relevant factors.

Phillips Carbon Black Limited and its Subsidiaries

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

35.3 Actual Return on Plan Assets –

Rupees in Lakhs

	Gratuity	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Actual Return on Plan Assets	88.35	79.39

35.4 Plan assets for gratuity is funded with Life Insurance Corporation of India.

35.5 Amount recognised in Balance Sheet –

Rupees in Lakhs

	Funded		Unfunded	
	Gratuity		Medical	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Present value of obligation	1,165.64	1,038.03	25.65	55.02
Fair Value of Plan Asset	805.48	942.37	–	–
Net Asset / (Liability)	(360.16)	(95.66)	(25.65)	(55.02)

35.6 Amount recognised in Statement of Profit and Loss –

Rupees in Lakhs

	Gratuity		Medical	
	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Current service cost	57.52	52.77	–	1.96
Interest cost	83.24	65.77	4.86	4.67
Expected Return on Plan Asset	(66.00)	(69.00)	–	–
Actuarial loss / (gain) (net)	190.70	148.45	(32.21)	(8.44)
Recognised in Statement of Profit and Loss	265.46	197.99	(27.35)	(1.81)

The expenses for the above mentioned benefits have been included and disclosed under the following line items:-

Gratuity - under 'Contribution to Provident and other Funds' in Note 25

Post Retirement Medical Benefit - under 'Staff Welfare Expenses' in Note 25

35.6 (a) Principal Actuarial Assumptions used (Gratuity) –

	Year ended 31st March, 2015	Year ended 31st March, 2014
Mortality Table	Indian Assured Lives Mortality (2006-08) (Modified) Ult.	Indian Assured Lives Mortality (2006-08) (Modified) Ult.
Discount rate	7.90%	9.00%
Salary Escalation Rate	5.00%	5.00%
Expected Return on assets	8.00%	8.00%

(b) Principal Actuarial Assumptions used (Post Retirement Medical Benefit) –

	Year ended 31st March, 2015	Year ended 31st March, 2014
Mortality Table (In Service)	Indian Assured Lives Mortality (2006-08) (Modified) Ult.	Indian Assured Lives Mortality (2006-08) (Modified) Ult.
Mortality Table (Post Retirement)	LIC (1996 to 1998 ultimate)	LIC (1996 to 1998 ultimate)
Discount rate	7.90%	9.00%
Medical Inflation rate	5.00%	5.00%

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

Phillips Carbon Black Limited and its Subsidiaries

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

35.7 Effect of increase / decrease of one percentage point in the assumed medical cost trend rates on:

	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Increase	Decrease	Increase	Decrease
	Rupees in Lakhs		Rupees in Lakhs	
Aggregate of current service cost and interest cost	5.01	4.73	6.83	6.46
Accumulated Post Employment benefit obligation for medical cost	0.77	0.65	1.65	1.45

35.8 Other Disclosures

Rupees in Lakhs

	2014-2015		2013-2014	
	Gratuity	Medical	Gratuity	Medical
a) Present value of obligation at end of the year	1,165.64	25.65	1,038.03	55.02
b) Fair value of Plan Assets as at end of the year	805.48	-	942.37	-
c) (Surplus)/Deficit as at the end of the year	360.16	25.65	95.66	55.02
d) Experience Adjustment on Plan Obligation [(Gain)/Loss]	156.73	(34.28)	192.45	(8.44)
e) Experience Adjustments on Plan Assets [(Gain)/Loss]	(22.35)	-	(10.39)	-

Rupees in Lakhs

	2012-2013		2011-2012	
	Gratuity	Medical	Gratuity	Medical
a) Present value of obligation at end of the year	883.47	60.01	781.54	68.15
b) Fair value of Plan Assets as at end of the year	865.03	-	705.30	-
c) (Surplus)/Deficit as at the end of the year	18.44	60.01	76.24	68.15
d) Experience Adjustment on Plan Obligation [(Gain)/Loss]	66.19	(90.18)	(22.71)	17.03
e) Experience Adjustments on Plan Assets [(Gain)/Loss]	6.14	-	4.80	-

Rupees in Lakhs

	2010-2011	
	Gratuity	Medical
a) Present value of obligation at end of the year	723.78	155.66
b) Fair value of Plan Assets as at end of the year	740.71	-
c) (Surplus)/Deficit as at the end of the year	(16.93)	155.66
d) Experience Adjustment on Plan Obligation [(Gain)/Loss]	28.97	43.04
e) Experience Adjustments on Plan Assets [(Gain)/Loss]	(18.20)	-

35.9 The contribution to the defined benefits plan expected to be made by the Parent Company during the annual period beginning after the balance sheet date is yet to be reasonably determined.

II. Provident Fund

In terms of the Guidance on implementing Accounting Standard 15 (Revised 2005) on employee benefits issued by the Accounting Standard Board of the Institute of Chartered Accountants of India, a provident fund setup by the Parent Company is a defined benefit plan in view of the Parent Company's obligation to meet shortfall, if any, on account of interest.

The Actuary has carried out actuarial valuation of the plan's liabilities and interest rate guarantee obligations as at the balance sheet date using Projected Unit Credit Method and deterministic approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, the future anticipated shortfall with regard to interest rate obligation of the Parent Company written back during the year amounts to **Rs. 0.43 lakhs** (Previous year Rs. 11.03 lakhs) and outstanding as at the balance sheet date amounts to **Rs. 35.67 lakhs** (Previous year Rs. 36.10 lakhs). Disclosure given hereunder are restricted to relevant information available as per the Parent's Actuaries Report.

Principal Acturaial Assumption	2014-15	2013-14
Discount Rate	7.90%	9.00%
Expected Return on Exempted Fund	8.60%	8.60%
Expected EPFO return	8.75% for first 1 year and 8.60% thereafter.	8.75% for first 2 years and 8.60% thereafter.

Phillips Carbon Black Limited and its Subsidiaries

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

35B Amount recognised as expenses (included in Note 25 Employee Benefit Expense under the line item Contribution to Provident and Other Funds) during the year under Defined Contribution Plan aggregate to **Rs. 155.21 lakhs** (Previous year Rs. 255.33 lakhs).

36 Derivative Instrument and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date

Amount in Lakhs

Particulars	Currency	As at 31st March, 2015	As at 31st March, 2014
Forward Contracts	USD	753.53	440.47
Swap (Currency and Interest)	USD	125.00	208.33

(b) Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	Currency	As at 31st March, 2015	As at 31st March, 2014
Receivables	USD	173.86	196.13
	EURO	12.57	14.19
	JPY	49.64	-
	GBP	0.21	0.23
Payables	USD	77.33	163.85
	EURO	1.56	2.32
	GBP	0.09	-
Loans	USD	116.71	261.13

(c) **Mark to Market Losses**

Particulars	Currency	As at 31st March, 2015	As at 31st March, 2014
Mark to Market Losses provided for		364.24	-

37. Based on the valuation reports submitted by the valuers appointed for the purpose, certain items of the Parent Company's fixed assets [viz., Land (Freehold/Leasehold), Acquisition and Development Expenses, Buildings on such Land, Flats, Electrical Installations, Plant and Machinery and Railway Siding] were revalued on 30th November, 1984, on 30th September, 1991 and also on 30th September, 2001 (except Railway Siding) after considering the following factors:

- Estimated current market value pertaining to Land (Freehold/Leasehold), Acquisition and Development Expenses, Buildings on such land and Flats.
- Values of Electrical Installations, Plant and Machinery and Railway Siding (when applicable) based on their current cost of replacement.
- Adjustments for the condition, the standard of maintenance, depreciation up to valuation dates, etc.

The resultant revaluation surplus of Rs.1,011.07 lakhs, Rs.2,994.04 lakhs and Rs. 5,995.27 lakhs arising from the aforesaid revaluations were transferred to Revaluation Reserve in the Parent Company's accounts for the years 1983-84, 1990-91 and 2000-01 respectively. Such Revaluation Reserves have however been fully adjusted in earlier years.

38. Depreciation for the year ended 31st March, 2015 on items of fixed assets revalued include an additional charge of **Rs. 165.81 Lakhs** (Previous Year - Rs. 180.92 Lakhs) over that calculated on original cost at lives based on technical evaluation carried out during the year by the entity's experts representing depreciation on the incremental amounts added on revaluation calculated at the rates considered applicable by the valuers and confirmed on technical evaluation carried out during the year by the entity's experts.

39. Pending completion of the relevant formalities of transfer of certain assets acquired pursuant to the Scheme of Amalgamation of Transmission Holdings Limited with the Parent Company in 2001-2002, such assets remain included in the books of the Parent Company under the name of the transferor company.

40. A) Rent of **Rs. 448.80 lakhs** (Previous Year - Rs. 251.63 lakhs) relates to operating leases taken on or after 1.04.2001. These lease arrangements range from 11 months to 3 years and are primarily in respect of accommodation for offices, warehouses etc. and inter alia include escalation clause and option for renewal.

B) Operating Lease

	Year ended 31 March 2015	Year ended 31 March 2014
Future minimum lease payments under non cancellable operating lease :		
i) Not Later than one year	191.67	Nil
ii) Later than one year and not later than five years	212.34	Nil

41. Effective 1st April, 2014, the Parent Company has changed the basis of determining the cost of raw material from "First in First out (FIFO)" to "Weighted Average" for the purpose of inventory valuation. As a result of this change, year end inventories is higher by Rs. 42.97 Lakhs, with corresponding favorable impact on the profit before tax for the year.

42. The Group has charged depreciation in keeping with the requirements of Schedule II to the Companies Act, 2013. Consequently, the estimated useful lives of certain fixed assets have been revised, where considered appropriate, in keeping with the provisions of Schedule II to the Companies Act, 2013 effective 1st April, 2014. Pursuant to the said revision in useful lives, the depreciation expense for the year ended 31st March, 2015 is higher and profit before tax is lower by Rs. 85.55 lakhs and the net book value aggregating Rs. 72.94 lakhs (net of deferred tax Rs.37.56 lakhs) relating to fixed assets, where the revised useful lives have expired by 31st March, 2014, has been adjusted against opening balance of retained earnings as on 1st April, 2014

43. The Consolidated Financial Statements comprise the financial statements of the Parent Company and its subsidiary companies as detailed below:

Name of the Company	Country of Incorporation
Domestic:	
Goodluck Dealcom	
Private Limited (@)	India
Overseas:	
Phillips Carbon Black Cyprus	
Holdings Limited (@)	Cyprus
PCBL Netherlands Holdings B.V. (#)	Netherlands
Phillips Carbon Black Vietnam Joint Stock Company(*)	Vietnam
@ Wholly Owned Subsidiary Company	
# Wholly Owned Subsidiary Company of Phillips Carbon Black Cyprus Holdings Limited	
* Subsidiary Company of PCBL Netherlands Holdings B.V. (80%)	

Phillips Carbon Black Limited and its Subsidiaries

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

44. The Parent Company has provided interest bearing (which is not lower than prevailing yield of related Government security close to the tenure of the respective loans) unsecured loans repayable on

demand during the year aggregating to Rs. 12,406.00 lacs (Previous Year Rs. 7,300.00 lacs) to certain companies for temporary financial assistance. **Year-end balance of aforesaid loans is Rs. Nil (31.03.2014 Rs. Nil).**

45. Additional Disclosure under Schedule III of Companies Act, 2013

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
1	2	3	4	5
Parent				
Phillips Carbon Black Limited	85.16	43,190.94	98.60	1,050.81
Subsidiaries				
Indian				
Goodluck Dealcom Private Limited	8.60	4,362.09	7.83	83.48
Foreign				
Phillips Carbon Black Cyprus Holdings Ltd	-	(2.44)	(0.29)	(3.11)
PCBL Netherlands Holdings B.V.	-	0.04	4.66	49.61
Phillips Carbon Black Vietnam Joint Stock Company	7.60	3,854.60	(13.50)	(143.85)
Minority Interests in all subsidiaries				
Foreign				
Phillips Carbon Black Vietnam Joint Stock Company	(1.36)	(688.38)	2.70	28.77
TOTAL	100.00	50,716.85	100.00	1,065.71

46. The Previous year's figures have been regrouped/rearranged wherever necessary.

Signatures to Note 1 to 46

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
Date : 6 May, 2015

For and on behalf of Board of Directors

Kaushik Roy
Managing Director
(DIN: 06513489)

K. S. B. Sanyal
Director
(DIN: 00009497)

C. R. Paul
Director
(DIN: 00009056)

Kaushik Mukherjee
Company Secretary

Raj Kumar Gupta
Chief Financial Officer

FORM AOC - I

(Prusuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures as per the Companies Act, 2013.

PART "A" : Subsidiaries

1. Sl. No.	1 Phillips Carbon Black Cyprus Holdings Ltd	2 PCBL Netherlands Holdings B.V. Company	3 Phillips Carbon Black Vietnam Joint Stock	4 Goodluck Dealcom Private Limited
2. Name of the subsidiary				
3. Reporting period for the subsidiary concerned, if different from the holding company/s reporting period	No	No	No	No
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Euro 66.83	Euro 66.83	VND 0.0029	INR 1
5. Share capital	12.11	12.03	3,475.23	839.00
6. Reserves & surplus	3,158.40	3,326.08	(1,045.17)	3,519.10
7. Total assets	332.12	310.76	3,969.06	183.41
8. Total Liabilities	597.37	331.76	1,539.00	4,363.35
9. Investments	3,435.75	3,359.11	-	8,538.04
10. Turnover	-	-	-	-
11. Profit before taxation	(2.75)	49.29	(143.60)	(128.56)
12. Provision for taxation	0.34	-	-	1.60
13. Profit after taxation	(3.09)	49.29	(143.60)	(130.16)
14. Proposed Dividend	-	-	-	-
15. % of shareholding	100%	100%	80%	100%

PART "B" : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and joint Ventures

Name of Associates / Joint Ventures	N.A.
1. Latest audited Balance Sheet Date	-
2. Shares of Associates / Joint Ventures held by the company at the year end	-
Amount of Investment in Association / Joint Venture Extend of Holding %	-
3. Description of how there is significant influence	-
4. Reason why the associate/Joint venture is not consolidated	-
5. Networth attribuite to Shareholding as per latest audited Balance Sheet	-
6. Profit / Loss for the year	-
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	-

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
Date : 6th May, 2015

For and on behalf of Board of Directors

Kaushik Roy
Managing Director
(DIN: 06513489)

K. S. B. Sanyal
Director
(DIN: 00009497)

C. R. Paul
Director
(DIN: 00009056)

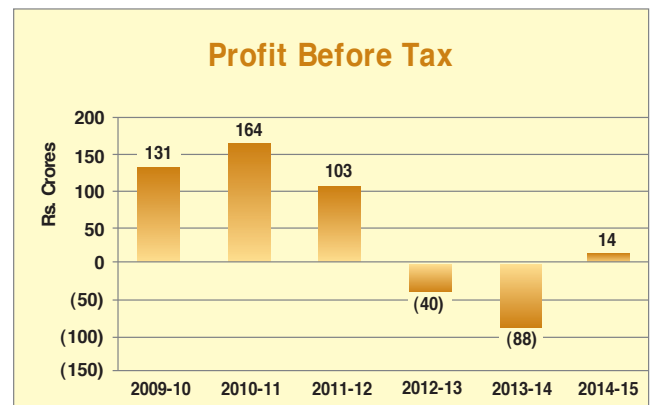
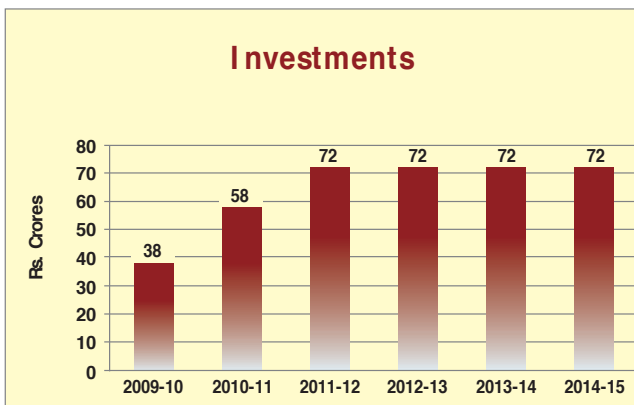
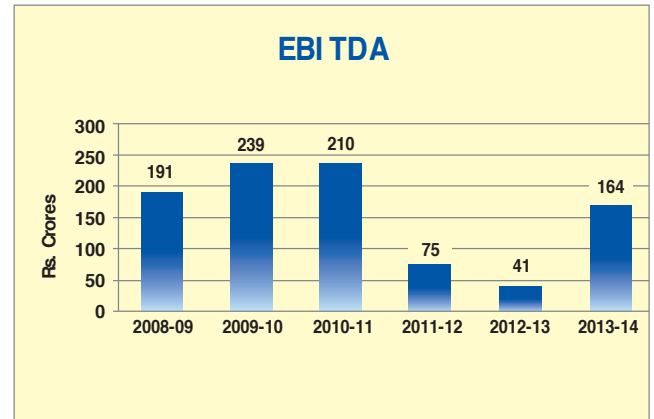
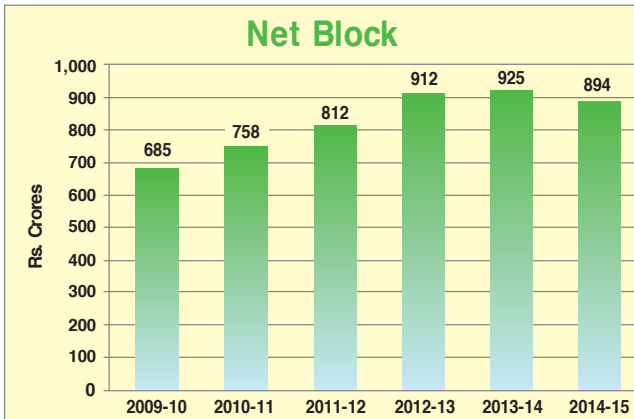
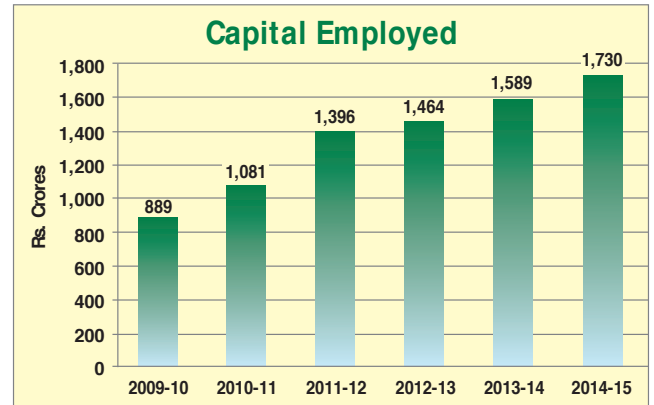
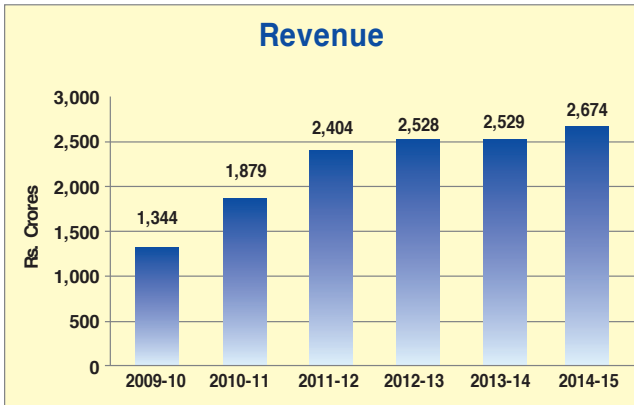
Kaushik Mukherjee
Company Secretary

Raj Kumar Gupta
Chief Financial Officer

Financial Summary : 2010 - 2015

(Rupees in Lakhs)

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Sales	267,416.92	252,915.33	252,801.31	240,443.30	187,883.95	134,437.91
Other Income	936.56	1,088.66	509.12	1,177.30	891.09	281.14
Expenses	266,920.49	262,794.92	257,314.86	231,278.73	172,339.86	121,660.66
Profit Before Tax	1,432.99	(8,790.93)	(4,004.43)	10,341.87	16,435.18	13,058.39
Taxation	168.54	(131.29)	(1,939.44)	1,629.71	4,806.78	788.90
Profit After Tax	1,264.45	(8,659.64)	2,064.99	8,712.16	11,628.40	12,269.49
Dividend (including Tax)	414.85	—	201.63	1,602.36	2,219.79	1,647.30
Retained Profits/(Loss)	849.60	(8,659.64)	2,064.99	7,109.80	9,408.61	10,622.19
Capital Employed	173,001.63	158,913.65	146,361.24	139,604.23	108,063.79	88,946.72
Application of Funds Fixed Assets (including CWIP)	89,392.44	92,497.32	91,181.55	81,235.73	75,755.66	68,546.77
Investments	7,236.83	7,236.83	7,236.83	7,236.67	5,761.72	3,777.96
Net Current Assets	(17,975.75)	(15,095.46)	(26,508.79)	(14,694.66)	(11,086.96)	16,621.99



Phillips Carbon Black Limited

CIN : L23109WB1960PLC024602

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