

# Goa Carbon Limited



Registered & Corporate Office:

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



Company Scrip Code / Symbol: 509567 / GOACARBON

ISIN Code: INE426D01013

Ref. No.: 2020\VIII\288

29<sup>th</sup> August 2020

The General Manager Department of Corporate Services <b>BSE Limited</b> , ..... Thru' Listing Centre 25 <sup>th</sup> Floor, P. J. Towers, Dalal Street, <u>Mumbai 400001</u>	The Listing Department <b>National Stock Exchange of India Ltd.</b> , ..... Thru' NEAPS Exchange Plaza, Bandra Kurla Complex, Bandra (East), <u>Mumbai 400051</u>
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Sub.: Submission of 52<sup>nd</sup> Annual Report for the financial year 2019-20

Dear Sir(s),

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the 52<sup>nd</sup> Annual Report of our Company for the financial year 2019-20 (52<sup>nd</sup> Annual Report) containing the Audited Balance Sheet, Profit & Loss Account, Cash Flow Statements together with the Auditors' Report and Directors' Report, Corporate Governance Report, Auditors' Certificate on compliance of conditions of Corporate Governance, Secretarial Audit Report and Management Discussion & Analysis Report for the financial year ended 31<sup>st</sup> March 2020 and the Notice convening the 52<sup>nd</sup> Annual General Meeting (52<sup>nd</sup> AGM Notice) scheduled to be held on Wednesday, 23<sup>rd</sup> September 2020 at 3:30 p.m. (IST) through electronic mode (Video Conference or Other Audio Visual Means). In accordance with General Circular dated 5<sup>th</sup> May 2020 of the Ministry of Corporate Affairs and SEBI Circular dated 12<sup>th</sup> May 2020, the 52<sup>nd</sup> Annual Report along with the 52<sup>nd</sup> AGM Notice is sent through electronic mode to the Members of the Company.

Further, the 52<sup>nd</sup> Annual Report along with the 52<sup>nd</sup> AGM Notice has also been uploaded on the website of the Company at [www.goacarbon.com/Investors\\_Annual\\_Reports.html](http://www.goacarbon.com/Investors_Annual_Reports.html)

Kindly take the same on record and oblige.

Thanking you,

Yours faithfully,  
For **Goa Carbon Limited**

  
**Pravin Satardekar**  
Company Secretary  
ACS 24380



Encl.: as above.

## Plants :

**GOA** : Tel.: 0832-2860363 to 68, 2860336, 2861052  
Fax: 2860364 E-mail: head\_works@goacarbon.com

**PARADEEP** : Tel: 07894462761, 09238110372  
E-mail: pcvpster@gmail.com

**BILASPUR** : Tel.: +91 (07752) 261220, 650720  
Fax: +91 (07752) 261115 E-mail: bsp@goacarbon.com





# GOA CARBON LIMITED

52<sup>nd</sup> Annual Report 2019-20

In times of struggle...teamwork matters

## Stalwarts of our Corporate History



**Late Mr. Vasantrao Dempo**  
(Founder & Chairman Emeritus)



**Late Mr. Vasudeva Dempo**  
(Former Chairman)

## Our Board of Directors



**Mr. Shrinivas Dempo**  
Chairman (Non-executive)



**Mr. Keki Elavia**  
(Independent Director)



**Ms. Kiran Dhingra**  
(Independent Director)



**Mr. Nagesh Pinge**  
(Independent Director)



**Mr. Raman Madhok**  
(Independent Director)  
Up to 01.02.2020



**Mr. Rajesh Dempo**  
(Non-executive Director)



**Mr. Jagmohan Chhabra**  
(Executive Director)

### COMMITTEES

- Audit
- Nomination and Remuneration
- Stakeholders Relationship

- Corporate Social Responsibility
- Project Review
- Resources Raising

© Chairperson



## Corporate Information

### Company Secretary

Pravin Satardekar

### Chief Financial Officer

K. Balaraman

### Registered Office

Dempo House, Campal,  
Panaji-Goa 403001  
CIN: L23109GA1967PLC000076

### Website

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

 [www.demos.com](http://www.demos.com)

### Plant Locations

**Goa Unit:** St. Jose de Areal,  
Salcete, Goa 403709

**Bilaspur Unit:** 34-40, Sector B,  
Sirgitti Industrial Area,  
Bilaspur 495004  
(Chhattisgarh)

**Paradeep Unit:** Vill. Udayabata,  
P.O. Paradeepgarh,  
Dist. Jagatsinghpur,  
Odisha 754142

### Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.  
C 101, 247 Park, L.B.S. Marg,  
Vikhroli (West),  
Mumbai 400083  
Phone: (022) 49186270  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

### Statutory Auditors

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

### Internal Auditors

BDO India LLP  
(LLP ID. No. : AAB-7880)

### Secretarial Auditor

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

### Bankers

Bank of India  
State Bank of India

## Contents

### Statutory Reports

- 02 Notice
- 10 Directors' Report
- 15 Annexures to Directors' Report
- 29 Management Discussion and Analysis
- 33 Corporate Governance Report

### Financial Statements

- 51 Independent Auditors Report
- 57 Balance Sheet
- 58 Statement of Profit & Loss Account
- 59 Cash Flow Statement
- 62 Notes to Financial Statements
- 91 Financial Highlights for last five years

### Investor Information

Market Capitalisation : ₹ 11,247.64 lacs as  
at 31<sup>st</sup> March 2020

BSE Code: 509547  
NSE Symbol: GOACARBON  
AGM Date: 23<sup>rd</sup> September 2020  
AGM Mode: Video Conferencing (VC) /  
Other Audio Visual Means  
(OAVM)



## Chairman's Message



Dear Shareholders,

I hope this letter finds you safe and in good health.

It is my privilege to present to you the Annual Report for the Financial Year 2019-20.

The COVID-19 pandemic has brought manufacturing sector in India to a grinding halt. They say prosperity is a great teacher; but adversity greater. After achieving best ever performance in FY 2017-18, last two years have been really challenging for your Company; especially the financial year under consideration, was an unprecedented one, marked by significant headwinds.

As you know, the global Aluminium, Steel and CPC industries have grappled with multiple issues during the year. China Growth has decelerated more than previously expected amid cooling domestic demand and heightened trade tensions. China was further impacted by the COVID-19 Pandemic at the end of FY 2019-20. On one hand, we saw greater clarity emerge on Brexit; yet on the other hand, mounting trade tensions, muted global growth and enhanced regulatory norms have fundamentally changed the contours of the business environment in which we operate.

The metal industry, and particularly aluminium, faced a volatile and challenging year in fiscal 2019-20. The subdued growth in CY2019 was a result of rising trade barriers, uncertainty surrounding trade and geopolitics and region-specific structural factors. The impact of Covid-19 on global growth since March 2020 has further depressed the economic outlook for the year ahead.

Against this backdrop, a stringent national lockdown to slow the spread of the pandemic started in the last week of FY20 and remained active to varying degrees in different geographies through most of the Q1 of FY21. Some sectors, like airlines and hospitality, will take time to recover fully. And some supply chain

disruption effects will linger. Covid-19 struck India at a time when the underlying economic conditions were subdued on account of heightened global uncertainty and stress in the domestic financial system.

Investment in the country's infrastructure will underpin the projected economic acceleration. Over US\$ 1 billion is being invested in "Make in India" initiative. The aluminium industry is expected to benefit from this. There is great demand for the technology required to build new production facilities. Experts assume that India's annual aluminium consumption will double to 7.2 million tonnes by 2023.

Now I would like to take you through some key highlights of our performance for the year under review.

Despite the unprecedented challenges that were thrown at us, we have been able to manage an annual turnover of ₹ 419 crores. The production of Calcined Petroleum Coke stood at 148,000 MT compared to 157,000 MT in the previous year. The Company suffered a worst ever loss of ₹ 28 crores. Your Company has been tested with the extraordinary adverse business scenario in terms of rising costs and dwindling margins. We look forward to have an improved performance from the later part of FY 2020-21 when the operations stabilize and there is improved demand in the market.

There has been a disruption in regular business operations due to lock down and emergency measures taken by the Central and the respective State Governments. Your Company has been focusing on ensuring safety and business continuity within the guidelines issued by the government and health authorities. The Company had temporarily shut down or scaled-down operations of manufacturing facilities in line with state government directives.

The operations have been resumed, after obtaining necessary permissions from the respective authorities and after undertaking necessary health and safety measures to combat COVID-19 crises. This enabled the

Company to proactively commence its production and sales activities at all its major plants during April 2020 itself.

### Looking forward:

No doubt the business environment has become tough. While trying to resolve the challenges, we seek inspiration from the 50 years of our industry experience and learnings acquired over a period of time. Goa Carbon works towards building on capabilities during the crucial time of adversities.

We are building a profitable roadmap by reducing the break-evens, improving cash generation and deleveraging the business. We are taking several steps including various cost optimization initiatives and improving productivity to combat the challenges thrown at us. With decades of industry experience under our belt and with the optimistic growth of the aluminium and in turn CPC industry in the country, your Company will bounce back strongly in the near future.

In these turbulent and dynamic times, the Company's near-term focus is to hold the ship steady and to see it through the turbulence – by emphasising on conservation of cash, the safety of its teams and assets, and strengthening its business relationships. The Board of Directors along with the management are also closely examining the evolving changes in the business environment and their implications, to position itself well for leveraging the opportunities through and after the economic revival.

We will continue to focus on creating a more sustainable enterprise. Besides business performance, we are engaged in spending enormous time and money in pollution control systems and machineries. We closely work with the regulators and government authorities to ensure that all the environmental aspects are in place. Your Company has also contributed significantly to the various CSR activities including contribution to the COVID-19 Funds raised by the Government to fight against Corona Pandemic.

I take this opportunity to extend our gratitude to the Government of India, Government of Goa, Chhattisgarh, and Odisha, Marmugao Port Trust, Paradeep Port Trust, Mangalore Port, various regulatory authorities and our bankers, associates, and suppliers and all other stakeholders for their support, faith and continued association. I would like to extend my gratitude to the Company's employees and the board for their consistent commitment, engagement, support, and encouragement in our journey.

Thanking you,

Shrinivas Dempo  
Chairman  
25<sup>th</sup> August 2020



## Notice

Notice is hereby given that the Fifty-second Annual General Meeting of the Members of Goa Carbon Limited will be held on Wednesday, the 23<sup>rd</sup> September 2020 at 3:30 p.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business:-

### Ordinary Business:

#### 1. Adoption of Financial Statements

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

“RESOLVED THAT the Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2020 including the Audited Balance Sheet as at 31<sup>st</sup> March 2020 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board and Auditors thereon be and are hereby considered, approved and adopted.”

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

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

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rajesh Dempo holding DIN 05143106, who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

### Special Business:

#### 3. Re-appointment of Ms. Kiran Dhingra as an Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Kiran Dhingra holding DIN 00425602, who was appointed as an Independent Director and who holds office of Independent Director up to 7<sup>th</sup> July 2020 and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) years effective from 8<sup>th</sup> July 2020 up to 7<sup>th</sup> July 2025.”

### Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide General Circular No. 20/2020 dated 5<sup>th</sup> May 2020 read with General Circular Nos. 14/2020 dated 8<sup>th</sup> April 2020 and 17/2020 dated 13<sup>th</sup> April 2020 and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May 2020, issued by the Securities and Exchange Board of India ('SEBI') (collectively referred to as 'Circulars'), has allowed companies to conduct the Annual General Meeting (AGM) through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') without the physical presence of the Members at a common venue. In compliance with the Circulars, the AGM of the Company is being held through VC / OAVM.
2. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available and hence, Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc) are required to send a scanned copy (PDF / JPEG Format) of its Board Resolution or governing body Resolution / Authorisation etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through e-voting. The said Resolution / Authorization should be sent to the Company Secretary or authorized representative of the Company at [gclagm2020@goacarbon.com](mailto:gclagm2020@goacarbon.com).
4. Those Members whose email IDs are not registered can get their email ID registered as follows:
  - Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.
  - Members holding shares in the physical form can get their email ID registered by contacting the Company's RTA, Link Intime India Pvt Ltd.
5. The Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 17<sup>th</sup> September 2020 to Wednesday, 23<sup>rd</sup> September 2020 (both days inclusive) for the purpose of AGM.
7. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Act concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India as approved by the Central Government, of the persons seeking re-appointment as Directors, is also annexed to this Notice.

8. Pursuant to the provisions of Section 124(5) of the Act, the dividend which remains unclaimed / unpaid for a period of seven years from the date of transfer to the unpaid dividend account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Further, pursuant to the provisions of Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules") and amendments thereto, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the demat account of the IEPF Authority. Accordingly, during the financial year, the unclaimed dividend declared by the Company for Financial Year 2011-12 was transferred to IEPF and all the shares on which dividend had not been paid or claimed for seven consecutive years with Financial Year 2011-12 as the base year, were transferred to the demat account of the IEPF Authority. The unclaimed dividend for the Financial Year 2012-13 and all subsequent years must be claimed as early as possible failing which it would be transferred to IEPF as per the (tentative) dates mentioned herein below.

Financial year ended	Due date of transfer
31.03.2013	11.08.2020
31.03.2014	13.10.2021
31.03.2015	14.08.2022
31.03.2017 (Interim)	17.02.2024
31.03.2017 (Final)	05.08.2024
31.03.2018 (Interim)	09.02.2025
31.03.2018 (Final)	22.08.2025

Members are requested to contact the Company's RTA, Link Intime India Pvt Ltd. for claiming the dividend for the aforesaid years.

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

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

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

9. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission / transposition of shares. Members are requested to submit the PAN details to their Depository Participant (DP) in case of holdings in dematerialised form or to Link Intime India Pvt. Ltd. in case of holdings in physical form, mentioning your correct reference folio number.

10. Register of Directors and Key Managerial Personnel and their shareholdings and Register of Contracts or Arrangements in which Directors are interested, maintained under Sections 170 and 189 of the Companies Act, 2013, respectively will be available electronically for inspection by the Members.

All documents referred to in the Notice will also be available for electronic inspection by the Members without payment of any fee from the date of circulation of this Notice up to the date of AGM, i.e 23<sup>rd</sup> September 2020.

Members seeking to inspect such documents are requested to send an email to [gclagm2020@goacarbon.com](mailto:gclagm2020@goacarbon.com).

11. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The process and manner for availing the said facility is given in this Notice as well as in the email under which this Notice is sent to Members.
12. 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.
13. As per the General Circular 20/2020 dated 5<sup>th</sup> May 2020 of the Ministry of Corporate Affairs, the Notice of the 52<sup>nd</sup> Annual General Meeting (52<sup>nd</sup> AGM) and the Annual Report for 2019-20 shall be sent through electronic mode to only those Members whose email IDs are registered with the Company's RTA, Link Intime India Pvt Ltd. / Depository Participant. Members may note that the Notice of the 52<sup>nd</sup> AGM and the Annual Report for 2019-20 will also be available on the Company's website [www.goacarbon.com](http://www.goacarbon.com). The Notice of the 52<sup>nd</sup> AGM can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and The National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively.
14. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their DP only. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company / Company's RTA, Link Intime India Pvt Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Company's RTA, Link Intime India Pvt. Ltd.
15. Members are requested to quote their Folio No. or DP ID / Client ID, in case shares are in physical / dematerialized form, as the case may be, in all correspondence with the Company / Company's RTA, Link Intime India Pvt Ltd.
16. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their communications to [gclagm2020@goacarbon.com](mailto:gclagm2020@goacarbon.com) at least seven days before the date of the AGM. The same will be suitably replied to by the Company.

## 17. Instructions relating to Remote e-voting:

- a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The Company has engaged the services of Link Intime India Pvt. Ltd. ("LI IPL") as the Agency to provide e-voting facility. The facility of casting votes by a member through e-voting facility on the date of the AGM will be provided by LI IPL.
- b. The remote e-voting period begins on Sunday, 20<sup>th</sup> September 2020 at 10.00 a.m. (IST) and ends on Tuesday, 22<sup>nd</sup> September 2020 at 5.00 p.m. (IST). The e-voting module shall be disabled by LI IPL for voting thereafter.
- c. 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, i.e. Wednesday, 16<sup>th</sup> September 2020.
- d. Any person, who acquires shares of the Company and becomes its Member after the sending of Notice of the AGM and holds shares as on the cutoff date, i.e. Wednesday, 16<sup>th</sup> September 2020, may obtain the login ID and password by sending a request to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in). However, if he / she is already registered with LI IPL for remote e-voting then he / she can use his / her existing User ID and password for casting the vote.
- e. The facility for e-voting shall also be available at the AGM. Members who have already 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 at the AGM. Only those Members who attend the AGM and have not cast their votes through remote e-voting and are otherwise not barred from doing so will be allowed to vote through the e-voting facility available at the AGM.  
  
Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- f. The Board of Directors of the Company has appointed CS. Sadashiv Shet, Practicing Company Secretary (FCS No. 2477, C. P. No. 2450), as the Scrutinizer to scrutinize the remote e-voting and ensure that the voting process at the AGM is conducted in a fair and transparent manner.
- g. The Scrutinizer shall after the conclusion of voting at the AGM, 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 forty eight hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour / against, if any, to the Chairman or a person authorized in writing, who shall countersign the same and declare the result of the voting forthwith.

- h. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.goacarbon.com](http://www.goacarbon.com) and on the website of LI IPL <https://instavote.linkintime.co.in> and the same shall also be forwarded to the BSE Limited and The National Stock Exchange of India Limited.

### Log-in to e-voting website of Link Intime India Pvt. Ltd.

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>.

**Those who are first time users of LI IPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:**

Click on '**Sign Up**' under '**SHARE HOLDER**' tab and register with your following details:

- A. **User ID:** Enter your User ID

Members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID.**

Members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.**

Members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company.

- B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable).
- C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format).
- D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP / Company.

Members holding shares in **CDSL demat account shall provide either 'C' or 'D', above.**

Members holding shares in **NSDL demat account shall provide 'D', above.**

Members holding shares in **physical form** but have not recorded 'C' and 'D', **shall provide their Folio number in 'D' above.**

Set the password of your choice (The password should contain minimum 8 characters, at least one Special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

Click 'confirm' (Your password is now generated).

2. Click on 'Login' under '**SHARE HOLDER**' tab.



3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**.
4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
7. After selecting the desired option i.e. 'Favour / Against', click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e - v o t i n g s y s t e m o f L I I P L a t <https://instavote.linkintime.co.in> and register themselves as **'Custodian / Mutual Fund/ Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution/ authority letter / power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

#### **If you have forgotten the password:**

Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**

Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'**.

In case member is having valid email address, Password will be sent to his / her registered e-mail address.

Member can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB / DOI, Bank Account Number (last four digits) etc. as mentioned above.

The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

In case Members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or call on +91 (022) 4918 2505/4918 6000.

#### **18. Process and manner for attending the 52<sup>nd</sup> AGM through InstaMeet:**

Please read the instructions carefully and participate in the meeting. For any support, Members may also call the RTA on the dedicated number provided in the instructions.

Members can log in and join 15 (fifteen) minutes prior to the schedule time of the AGM and window for joining the meeting shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.

Members are entitled to attend the AGM through VC / OAVM facility provided by Link Intime India Pvt. Ltd. by following the below mentioned process. The said facility will be available for 1000 Members on first come first served basis. This will not include Members with 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- a. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details:
  - i. **DP ID / Client ID or Beneficiary ID or Folio No.:** Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
  - ii. **PAN:** Enter your 10 digit Permanent Account Number (PAN)
  - iii. **Mobile No.:**
  - iv. **Email ID:**
- b. Click "Go to Meeting"

#### **Notes:**

Members are encouraged to join the AGM through Tablets / Laptops connected through broadband for better experience.

Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the currency of the AGM.

Please note that Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio / Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate such kind of glitches.

#### **Instructions for Members to register themselves as Speakers during the 52<sup>nd</sup> AGM through InstaMeet**

- a. Members who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number / folio number, email id,

mobile number at [gclagm2020@goacarbon.com](mailto:gclagm2020@goacarbon.com), at least 48 hours prior to the date of the AGM i.e. on or before 3:30 p.m. (IST) on Monday, 21<sup>st</sup> September 2020.

- b. Speakers will only be allowed to express their views/ask questions on first come first served basis during the meeting. Members are requested to speak only when the Moderator of the meeting will announce their name for speaking. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- c. Those Members who register themselves as a speaker will only be allowed to express their views / ask questions during the meeting.

**Instructions for Members to Vote during the 52<sup>nd</sup> AGM through InstaMeet:**

Once the electronic voting is activated by the Scrutinizer / Moderator during the meeting, Members who have not exercised their vote through the remote e-voting can cast the vote as under:

- a. On the Shareholders VC page, click on the link for e-Voting 'Cast your vote'.
- b. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number / registered Email ID) received during registration for InstaMeet and click on 'Submit'.
- c. After successful login, you will see 'Resolution Description' and against the same the option 'Favour / Against' for voting.
- d. Cast your vote by selecting appropriate option i.e. 'Favour / Against' as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour / Against'.
- e. After selecting the appropriate option i.e. 'Favour / Against' as desired and you have decided to vote, click on 'Save'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Confirm', else to change your vote, click on 'Back' and accordingly modify your vote.

- f. Once you confirm your vote on the Resolution, you will not be allowed to modify or change your vote subsequently.

**Note:** Members present at the 52<sup>nd</sup> AGM through InstaMeet facility and who have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting facility during the meeting from 3.30 p.m. (IST) till the expiry of 15 minutes after the 52<sup>nd</sup> AGM is over. Members who have voted through remote e-voting prior to the 52<sup>nd</sup> AGM will be eligible to attend / participate in the 52<sup>nd</sup> AGM through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case Members have any queries regarding e-voting, they can address them to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or call on +91 (022) 4918 6175

19. Investor Grievance Redressal: The Company has designated an email ID [investorrelations@goacarbon.com](mailto:investorrelations@goacarbon.com) to enable investors to register their complaints, if any.

By Order of the Board of Directors

**Pravin Satardekar**  
Company Secretary  
ACS 24380

Panaji, 30<sup>th</sup> June 2020.

**Registered Office:**  
Dempo House, Campal,  
Panaji, Goa 403001

CIN: L23109GA1967PLC000076  
Website: [www.goacarbon.com](http://www.goacarbon.com)

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

### Item 3

Ms. Kiran Dhingra holding DIN 00425602 was appointed as Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 (the "Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. She holds office as Independent Director of the Company up to 7<sup>th</sup> July 2020 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors (the "NRC"), on the basis of the report of performance evaluation of Independent Directors, has recommended the re-appointment of Ms. Kiran Dhingra as Independent Director for a second term of 5 (five) years effective from 8<sup>th</sup> July 2020 up to 7<sup>th</sup> July 2025.

The Board of Directors of the Company, based on the performance evaluation of Independent Directors and as per the recommendation of the NRC, considers that, given her background and experience and contributions made by her during her tenure, the continued association of Ms. Kiran Dhingra would be beneficial to the Company and it is desirable to continue to avail her services as Independent Director. Accordingly, it is proposed to re-appoint Mr. Kiran Dhingra as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) years effective from 8<sup>th</sup> July 2020 up to 7<sup>th</sup> July 2025.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Ms. Kiran Dhingra is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Ms. Kiran Dhingra for the office of Independent Director of the Company.

The Company has also received declaration from Ms. Kiran Dhingra that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Ms. Kiran Dhingra fulfils the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations and is independent of the management of the Company.

Details of Ms. Kiran Dhingra are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of draft letter of (re)appointment of Ms. Kiran Dhingra setting out the terms and conditions of appointment is available for electronic inspection by the Members.

Except for Ms. Kiran Dhingra and her relatives, to the extent of their shareholding, if any, none of the Directors or Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise, in the resolutions set out at item no. 3 of the Notice with regard to her re-appointment.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Special Resolution set out at item no. 3 of the Notice for approval by the Members.

## ANNEXURE TO THE NOTICE

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

Name of the Director	Rajesh Dempo	Kiran Dhingra
Category	Non-Executive, Non-Independent Director	Non-Executive, Independent Director
Age	44 years	67 years
Date of first appointment	08/01/2016	16/03/2015
Profile of the Director	<p>A third-generation entrepreneur, from an Industrial family, Mr. Rajesh Dempo completed his Bachelor of Commerce at the University of Mumbai. After completing MBA in London, he returned to Goa and joined Aparant Iron &amp; Steel Pvt. Ltd., a Dempo Group Company as a management trainee and rose up the ladder to head the same. Thereafter, he founded "Vision Dempo Hospitality And Estates Pvt. Ltd." and diversified into various industries such as Real Estate, Hospitality, Healthcare and upcoming industries such as Media &amp; Entertainment and Child Care.</p>	<p>Ms. Kiran Dhingra is a retired IAS Officer with almost 38 years of distinguished civil service with the distinction of being one of the longest serving officers at the rank of Secretary to the Government of India.</p> <p>Before her retirement in the rank and scale of Secretary and Additional Secretary to Government of India, she had been Secretary to the Government of India in various Ministries including the Ministry of Textile, Government of India and also Chief Secretary to the Government of Goa. She has held positions in several fields - the development sector, the social, the infrastructural, industrial, environmental as well as the regulatory sectors - and therefore carries with her a vast store of well-grounded experience of administration, governance, planning and policy making, personnel matters and legislative writing.</p> <p>Apart from her directorships in other listed/unlisted companies she also holds directorship on the Board of Governors of the Goa Institute of Management, Goa, one of the top-ranking management institutes of the country, since January 2018.</p>
Expertise in specific functional area	General / Business Management / Leadership / Commercial	Board experience / General Business Management / Leadership/ Legal Regulatory and Compliance
Qualification	B.Com., MBA	IAS
Directorship held in other companies (including foreign and private companies)	<ol style="list-style-type: none"> <li>1. Vishwas Media and Entertainment Pvt. Ltd.</li> <li>2. Vision Dempo Hospitality and Estates Pvt. Ltd.</li> <li>3. V. S. Dempo Mining Corporation Pvt. Ltd.</li> <li>4. Vishwasrao Dempo Academy Pvt. Ltd.</li> <li>5. Dempo Vision Resorts and Construction Pvt. Ltd.</li> <li>6. West Coast Hotels Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Zuari Agro Chemicals Ltd.,</li> <li>2. Astra Micro Wave Products Ltd.,</li> <li>3. Indian Register of Shipping,</li> <li>4. Paradeep Phosphates Ltd.,</li> <li>5. Stovec Industries Ltd.</li> </ol>
Membership of the Committees of the Board of other companies (across all Public Companies)	Nil	<ol style="list-style-type: none"> <li>1. Zuari Agro Chemicals Ltd. - Chairperson of the Stakeholders Relationship Committee &amp; Corporate Social Responsibility Committee; Member of the Audit Committee, the Nomination and Remuneration Committee and the Rights Issue Committee (CCDs)</li> </ol>

Name of the Director	Rajesh Dempo	Kiran Dhingra
Membership of the Committees of the Board of other companies (across all Public Companies)		2. Paradeep Phosphates Ltd. – Member of the Audit Committee, the Corporate Social Responsibility Committee, the Nomination and Remuneration Committee and the Finance Committee
Number of shares held in the Company	Nil	Nil
No. of Board meetings attended during the year 2019-20	4 (Four)	4 (Four)
Relationship with other directors inter-se	'Cousin' of Mr. Shrinivas Dempo, Chairman	None



## DIRECTORS' REPORT

The Members,

Your Directors present their 52<sup>nd</sup> Annual Report on the business and operations of the Company and the audited financial statements for the year ended 31<sup>st</sup> March 2020.

### Financial Summary and Highlights

	₹ in lakhs	
	2019-20	2018-19
Profit for the year before tax	(2,837.73)	(1,083.09)
Less: Tax Expense – Current Tax	11.59	13.22
Deferred Tax	(74.43)	(344.87)
	(62.84)	(331.65)
Profit for the year after tax	(2,774.89)	(751.44)
Other Comprehensive income for the year	(76.10)	73.95
Total Comprehensive income for the year	(2,850.99)	(677.49)

During the year under review, the Company's sales and other income was ₹ 41,906.74 lakhs as compared to ₹ 46,403.61 lakhs during the previous year. The production of Calcined Petroleum Coke (CPC) was 1,48,229 MT as compared to 1,57,135 MT during the previous year. The sales of CPC were 1,60,142 MT for the period under review as compared to 1,41,701 MT for the previous year.

For detailed discussion on the performance during the year, please refer to Management Discussion and Analysis.

### Dividend and Transfer to Reserve

In view of the losses incurred by the Company:

- your Directors have not recommended any dividend for the financial year ended 31<sup>st</sup> March 2020;
- no amount has been transferred to reserve for the financial year ended 31<sup>st</sup> March 2020.

### Credit Rating

The ratings given to the Company by Acuite Ratings & Research Limited, erstwhile SMERA Ratings Limited during the financial year ended 31<sup>st</sup> March 2020 is given below:

- Long term borrowing : ACUITE BBB / Outlook:Negative;
- Short term borrowing : ACUITE A3+

### Subsidiary Companies

The Company did not have any subsidiary as on 31<sup>st</sup> March 2020.

### Accreditation

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

### Public Deposits

The Company has not accepted any deposits falling under the ambit of Section 73 of the Companies Act, 2013 from public and as such, no amount on account of principal or interest on deposits from public deposits was outstanding as on 31<sup>st</sup> March 2020.

### Directors

#### Cessation

Mr. Raman Madhok, Independent Director of the Company ceased to be a Director with effect from 2<sup>nd</sup> February 2020 due to expiry of his second term of appointment pursuant to the Company's Board Policy on the Appointment / Retirement of Directors. The Directors place on record their deep appreciation for the invaluable contributions made by Mr. Raman Madhok during his tenure as Director of the Company.

#### Re-appointment

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

The first term of five years of Ms. Kiran Dhingra, as Independent Director, expires on 7<sup>th</sup> July 2020. The Board has recommended re-appointment of Ms. Kiran Dhingra as Independent Director for a second term of five years from 8<sup>th</sup> July 2020 up to 7<sup>th</sup> July 2025 given her background, experience and contributions made by her during her tenure with the Company.

The disclosures required pursuant to Regulation 36 of the SEBI Listing Regulations, Clause 1.2.5 of the Secretarial Standard are given in the Notice of AGM, forming part of the Annual Report and Schedule V of the SEBI Listing Regulations are given in the Corporate Governance Report, forming part of the Annual Report. Attention of the Members is also invited to the relevant items in the Notice of the AGM.

#### Independent Directors' Declarations

All Independent Directors of the Company have given declarations under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Further, the Board after taking these declaration/disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

#### Registration of Independent Directors in Independent Directors Databank

All the Independent Directors of the Company have been registered and are members of Independent Directors Databank maintained by the Indian Institute of Corporate Affairs.

### **Key Managerial Personnel**

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

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

During the year under review, there has been no change in the KMP's.

### **Meetings of the Board of Directors**

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

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

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

### **Audit Committee**

Composition of the Audit Committee:

Sr. No.	Name of the Director	Chairman/Member
1	Mr. Nagesh Pinge*	Chairman
2	Mr. Raman Madhok**	Member
3	Mr. Keki Elavia	Member
4	Ms. Kiran Dhingra	Member

\* Mr. Nagesh Pinge has been appointed as Chairman of the Committee with effect from 6<sup>th</sup> May 2019.

\*\* Mr. Raman Madhok ceased to be Member of the Committee with effect from 2<sup>nd</sup> February 2020.

The terms of reference and other details of the Audit Committee are provided in Corporate Governance Report which forms part of this Report. During the Financial Year 2019-20, all the recommendations of the Audit Committee were duly approved and accepted by the Board.

### **Policy on Director's appointment, remuneration and other details**

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

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

### **Board Evaluation**

The annual evaluation process of the Board of Directors ("Board"), Committees and individual Directors was carried out in the manner prescribed in the provisions of the Companies Act, 2013, Guidance Note on Board Evaluation issued by Securities and Exchange Board of India on 5<sup>th</sup> January 2017 and as per the Corporate Governance requirements prescribed by SEBI Listing Regulations.

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

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

### **Familiarization Programme for Independent Directors**

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

### **Internal Control System**

The Board has laid down Internal Financial Controls ("IFC") within the meaning of the explanation to section 134 (5) (e) of the Companies Act, 2013. The Board believes the Company has sound IFC commensurate with the nature and size of its business. Business is however dynamic. The Board is seized of the fact that IFC are not static and are in fact a fluid set of tools which evolve over time as the business, technology and fraud environment changes in response to competition, industry practices, legislation, regulation and current economic conditions. There will, therefore, be gaps in the IFC as business evolves. The Company has a process in place to continuously identify such gaps and implement newer and or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

### **Statutory Auditors**

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

### **Statutory Auditors' Observations**

The notes on financial statements referred to in the Auditors' Report for the financial year ended 31<sup>st</sup> March 2020 are self-explanatory and therefore, do not call for any further explanations or comments.

There are no qualifications, reservations or adverse remarks or disclaimer made by B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), Statutory Auditors in their report for the financial year ended 31<sup>st</sup> March 2020 which requires any clarification or explanation.

### **Cost Audit**

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

### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules thereunder, the Board of Directors of the Company had appointed CS Sadashiv V. Shet, Practicing Company Secretary to conduct the Secretarial Audit for FY 2019-20. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2020 forms a part of this Report. The same is self explanatory and requires no comments.

### **Reporting of Frauds by Auditors**

During the year under review, the Statutory Auditors, Internal Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

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

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

The Audit Committee of the Company oversees the Vigil Mechanism.

### **Risk Management**

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

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

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

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

### **Related Party Transactions**

All transactions with related parties entered into during the financial year 2019-20 were at arm's length basis and in the ordinary course of business and in accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. During the Financial Year 2019-20, there have been no related party transactions of the Company with its Directors and Key Managerial Personnel or their relatives, its holding, subsidiary or associate companies as prescribed under Section 188 of the Companies Act, 2013 and SEBI Listing Regulations. Also, there are no material transactions with any related party that are required to be disclosed under Form AOC-2.

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

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

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

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

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

There have been no material changes and commitments, if any, affecting the financial position of the Company which have



occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

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

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

The statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate Annexure forming part of the Report. In terms of proviso to Section 136(1) of the Companies Act, 2013, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. The said statement is also open for inspection. Any member interested in obtaining a copy of the same may write to the Company Secretary. None of the employees listed in the said Annexure are related to any Director of the Company.

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

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

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

The Company has complied with the provisions relating to the constitution of an Internal Complaint Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 by setting up the said Committee.

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

The following is a summary of sexual harassment complaints received and disposed off during the year:

a. Number of complaints pending as on 1 <sup>st</sup> April 2019	Nil
b. Number of complaints filed during the period 1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020	Nil
c. Number of complaints disposed of during the period 1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020	Nil
d. Number of complaints pending as on 31 <sup>st</sup> March 2020	Nil

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

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

#### **Investor Education and Protection Fund (IEPF)**

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, unclaimed dividend amount of ₹ 7,27,292.00 of the Company for the Financial Year 2011-12 has been transferred to IEPF established by the Central Government pursuant to Section 125 of the Companies Act, 2013 on 17<sup>th</sup> September 2019.

During the year under review, 5,366 equity shares have been transferred to IEPF Authority under Section 125 (2) of the Companies Act, 2013 and the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016.

The details of the nodal officer appointed by the Company under the provisions of IEPF are as under:

Name: Pravin Satardekar, Company Secretary  
Email: legal@goacarbon.com

Information in respect of unclaimed dividend when due for transfer to IEPF are given below:

Financial year ended	Date of Declaration	Unclaimed Amount as on 31.03.2020	Due date of transfer to IEPF
31.03.2013	06.07.2013	₹ 5,39,172.50	11.08.2020
31.03.2014	06.09.2014	₹ 2,45,160.00	13.10.2021
31.03.2015	08.07.2015	₹ 2,77,237.00	14.08.2022
31.03.2017 (Interim)	25.01.2017	₹ 4,41,033.00	17.02.2024
31.03.2017 (Final)	30.06.2017	₹ 8,11,101.00	05.08.2024
31.03.2018 (Interim)	17.01.2018	₹ 9,72,545.00	09.02.2025
31.03.2018 (Final)	17.07.2018	₹ 16,90,450.00	22.08.2025

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

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

Composition of the CSR Committee:

Sr. No.	Name of the Director	Chairman/Member
1	Mr. Shrinivas Dempo	Chairman
2	Mr. Raman Madhok*	Member
3	Ms. Kiran Dhingra	Member
4	Mr. Jagmohan Chhabra	Member

\* Mr. Raman Madhok ceased to be Member of the Committee with effect from 2<sup>nd</sup> February 2020.

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

### **Annual Return**

The extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013 and as prescribed in Form No. MGT-9 of the rules prescribed under Chapter VII relating to Management and Administration under the Companies Act, 2013 is set out in Annexure - V. The complete Annual Return is available on the Company's website at [www.goacarbon.com](http://www.goacarbon.com).

### **Corporate Governance**

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

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

### **Directors' Responsibility Statement**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal auditors, statutory auditors, secretarial auditors and any other external agencies, if any, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2019-20.

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

- (a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- (b) that such accounting policies as mentioned in Notes to the annual accounts have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2020 and of the loss of the Company for the year ended on that date;

- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis;
- (e) that proper internal financial controls are in place and that the internal financial controls are adequate and are operating effectively;
- (f) that proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems are adequate and operating effectively.

### **Compliance with Secretarial Standards**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

### **Appreciation and Acknowledgement**

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

For and on behalf of the Board of Directors

**Shrinivas Dempo**  
Chairman  
DIN: 00043413

Panaji-Goa  
30<sup>th</sup> June 2020

## ANNEXURE – I TO THE DIRECTORS' REPORT

### Salient features of the Nomination and Remuneration Policy

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

This policy has been prepared pursuant to the provisions of Section 178 and such other applicable sections of the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("LODR"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail, and the company shall abide by the applicable law.

#### **Appointment criteria and qualifications:**

- The philosophy for appointment and retirement of directors of Goa Carbon Limited ("the company") is based on the commitment of fostering a culture of leadership with trust. The Directors appointment and retirement policy is aligned to this philosophy.
- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
- A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

#### **Key principles governing Directors appointment/retirement policy are as follows:**

##### **Director Term, Tenure and Directorships**

- Boards are encouraged to seek a balance between change and continuity.
- In case of Non-Independent Non-Executive Director (NEDs), each term should be decided as per the provisions pertaining to the retirement by rotation. They can be reappointed for subsequent terms until the applicable retirement age.
- In case of Independent Directors (IDs), each term should not exceed a period of 5 years or until the applicable retirement age, whichever is earlier, extendable for up to a total of two consecutive terms. The Independent Director who has served the two consecutive terms as mentioned above, may be considered for a fresh appointment after the expiry of the cooling period as specified under the Act (presently three years of ceasing to become an Independent Director. Provided that the Independent Director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly).

- Each term of a Managing Director (MD)/Executive Director (ED) should not exceed a period of 5 years or until the applicable retirement age, whichever is earlier.
- MD and EDs shall hold office up to the age of 60 years, or earlier, as determined by the Board of the Company.
- The retirement age for Non-Independent NEDs would be 80 years unless a lower retirement age is specified under the laws applicable to the Company.
- The retirement age for IDs would be 75 years, unless a lower retirement age is specified under the laws applicable to the Company.

### **Board Appointment, Induction and Development**

#### **Procedure for Nomination and Appointment of Directors**

- It is the responsibility of the NRC to develop competency requirements for the Board based on the industry and strategy of the company. Board composition analysis should ideally reflect in-depth understanding of the company, including its strategies, environment, operations, financial condition and compliance requirements.
- It is recommended that the NRC conduct a gap analysis and refresh the Board on a periodic basis, including every time a director's appointment or reappointment is required.
- Board members may provide director nominations to the Chairman of the NRC. The Chairman of the NRC should ideally maintain a list of nominees. The nominees should have a good personal and professional reputation.
- To meet the objectives of driving diversity and an optimum skill mix, the NRC may seek the support of outside Industry Expert, if needed.
- The NRC is responsible for reviewing and vetting the CVs of the potential candidates vis-a-vis the required competencies. The committee may meet the potential candidates prior to making recommendations of their nomination to the Board.
- It is the responsibility of the NRC to make recommendations to the Board in relation to the appointment of new directors. The NRC should conduct appropriate reference checks and due diligence on all director prospects before recommending them to the Board.
- Post approval, the desired candidate is invited to join the Board.
- At the time of appointment, the specific requirements for the position should be communicated to the person, including the expert knowledge expected.

#### **Director's Induction and Development**

- The NRC will ensure an effective familiarization program for new directors.
- The familiarization program may include:

- Roles, rights and responsibilities of directors.
- Mechanisms to build working relationship among the Board members.
- Core values, ethics and corporate governance practices of the Dempo Group.
- Industry/sectorial overview, Company's vision, strategic direction, business model.
- Financial matters, management team and business operations.
- Meetings with stakeholders, visit to business locations and meetings with senior and middle management.
- Directors are expected to make and implement their own plan for refreshing their knowledge.
- The NRC will support the directors, as may be required, to continually update their skills and knowledge and their familiarity with the company and its business.
- Training can be conducted by the company's experts from relevant fields, or by an external agency at the Head Office or at appropriate institutions.
- The company will fund/arrange for training on all matters which are common to the Board.

#### **Evaluation:**

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

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

The Committee shall oversee the framework for performance evaluation of the Board and Independent Directors.

#### **Removal:**

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

#### **Policy on Board diversity:**

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

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

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

Key principles governing this remuneration policy are as follows:

#### **Remuneration for independent directors and non-independent non-executive directors**

- Independent directors ("ID") and non-independent nonexecutive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).
- Overall remuneration should be reflective of size of the Company, complexity of the sector/industry/Company's operations and the Company's capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognized best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

- An Independent Director shall not be entitled to any stock option of the Company.

#### **Remuneration for Managing Director ("MD")/Executive Directors ("ED")/KMP/ Sr. Management**

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be :

- Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent),
- Driven by the role played by the individual,
- Reflective of size of the Company, complexity of the sector/industry/Company's operations and the Company's capacity to pay,
- Consistent with recognized best practices and
- Aligned to any regulatory requirements.
- In terms of remuneration mix or composition,
  - The remuneration mix for the MD/EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
  - Basic/fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
  - In addition to the basic/fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides eligible employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursments or insurance cover and accidental death and dismemberment through personal accident insurance.
  - The Company provides retirement benefits as applicable.
  - In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/EDs such remuneration by way of an annual increment and/or performance pay subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board subject to the overall ceilings stipulated in Section 197 of the Act or such other applicable provisions. An indicative list of factors that may be considered for determination of the extent of this component are:
    - Company performance on certain qualitative and quantitative parameters as may be decided by the Board from time to time.
    - Industry benchmarks of remuneration.
    - Performance of the individual.

- Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Whole-time Director/Manager in accordance with the provisions of Schedule V of the Act or such other applicable provisions and if it is not able to comply with such provisions, with the approval of the shareholders or such other approvals as may be necessary.

- Provisions for excess remuneration:

If any Managing Director/Whole-time Director/Manager draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the requisite authorities, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the requisite authorities.

- The KMP and Senior Management Personnel of the Company shall be paid monthly remuneration as per the Company's HR policies approved by the Committee. The NRC shall review and recommend any proposed performance based increments or incentives in any financial year payable to the KMPs and the Senior Management Personnel based on the performance of the Company and the respective individuals.
- Loans and advances to employees of the Company:

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

#### **Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity, unless:

- The services rendered are of a professional nature; and
- The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

#### **Policy implementation**

The NRC is responsible for recommending Appointment / Retirement and Remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of this policy.

For and on behalf of the Board of Directors

**Shrinivas Dempo**  
Chairman  
DIN: 00043413

Panaji-Goa  
30<sup>th</sup> June 2020



## ANNEXURE – II TO THE DIRECTORS' REPORT

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

- (i) The percentage increase in remuneration of each Director and KMP during the financial year 2019-20 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 are as under:

Sr. No	Name of Director / KMP	Designation / Category	Remuneration (₹ in Lakhs)	% increase in remuneration	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Shrinivas Dempo	Chairman – Non-Executive Director	1.75	0%	0.33:1
2.	Mr. Keki Elavia	Independent - Non-Executive Director	2.50	-4%	0.47:1
3.	Mr. Raman Madhok*	Independent - Non-Executive Director	2.60	30%	0.49:1
4.	Ms. Kiran Dhingra	Independent - Non-Executive Director	2.55	11%	0.48:1
5.	Mr. Nagesh Pinge**	Independent - Non-Executive Director	1.80	Not applicable	0.34:1
6.	Mr. Rajesh Dempo	Non-Executive Director	1.80	0%	0.34:1
7.	Mr. Jagmohan Chhabra	Executive Director	114.19	10%	21.21:1
8.	Mr. K. Balaraman	Chief Financial Officer	62.04	8%	Not applicable
9.	Mr. Pravin Satardekar	Company Secretary	27.07	8%	Not applicable

\* Mr. Raman Madhok ceased to be a Director of the Company with effect from 2<sup>nd</sup> February 2020 due to expiry of his second term as Independent Director.

\*\* Mr. Nagesh Pinge has been appointed as Independent Director of the Company with effect from 6<sup>th</sup> May 2019.

- ii) The median remuneration of employees of the Company during the Financial Year was ₹ 5.38 lakhs.
- iii) The percentage increase in the median remuneration of employees for the Financial Year was 5.71%.
- iv) The Company had 195 permanent employees on its rolls as on 31<sup>st</sup> March 2020.
- v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 5.42% whereas the increase in the managerial remuneration for the same financial year was 9.45%.
- vi) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

**Shrinivas Dempo**  
Chairman  
DIN: 00043413

Panaji-Goa  
30<sup>th</sup> June 2020

## ANNEXURE – III TO THE DIRECTORS' REPORT

The particulars with respect to energy conservation, technology absorption, foreign exchange earnings and outgo, pursuant to Section 134 (3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

A. Conservation of Energy	Goa Plant	Bilaspur Plant	Paradeep Plant
1) The steps taken or impact on conservation of energy:	<ul style="list-style-type: none"> <li>- Replaced normal light fittings with LED light fittings;</li> <li>- Direct bagging of finished product produced through new bunkers;</li> <li>- Maintaining of power factor unity to avoid losses and get rebate in electricity bill.</li> </ul> <p>As a result of the above, the consumption of electricity per MT of production during the year reduced to 33.53 Kwh as against 34.44 Kwh in the previous year thereby saving 0.91 Kwh per MT of finished product produced and power factor rebate obtained was ₹ 4,67,795/-.</p>	N.A.	Replaced vapour lamps and office light fittings with LED light fittings thereby saving energy of approx. 103 Kwh/day.
2) The steps taken by the company for utilising alternate sources of energy:		- N.A. -	
3) The capital investment on energy conservation equipments:		- N.A. -	
<b>B. Technology Absorption</b>			
1) The efforts made towards technology absorption:	<ul style="list-style-type: none"> <li>(a) the details of technology imported</li> <li>(b) the year of import;</li> <li>(c) whether the technology has been fully absorbed;</li> <li>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;</li> </ul>	- N.A. -	
2) The benefits derived like product improvement, cost reduction, product development or import substitution:			
3) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-		- N.A. -	
4) The expenditure incurred on Research and Development:		- N.A. -	
<b>C. Foreign Exchange Earnings and Outgo</b>			
1) The Foreign Exchange earned in terms of actual inflows during the year:	Foreign exchange earned during the year 2019-20 was Nil.		
2) The Foreign Exchange outgo during the year in terms of actual outflows:	Foreign exchange used for importing raw material, interest on foreign currency loans and travel expenses of employees for official work were equivalent to ₹ 22,851.22 lakhs.		

For and on behalf of the Board of Directors

Panaji-Goa  
30<sup>th</sup> June 2020

**Shrinivas Dempo**  
Chairman  
DIN: 00043413

## ANNEXURE – IV TO THE DIRECTORS' REPORT

### Annual Report on Corporate Social Responsibility (CSR) Activities

#### 1. A brief outline of the Company's CSR Policy

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

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

#### 2. Average net profit of the Company for last three financial years: ₹ 3,150.40 Lakhs

#### 3. Prescribed CSR expenditure (two percent of the amount as in item 2 above): ₹ 63.01 Lakhs

#### 4. Details of CSR Spend during the financial year

a. Total amount spent during the financial year : ₹ 33.93 Lakhs spent + ₹ 29.80 Lakhs have been committed / accounted and the actual payment will be made based on the progress of the projects in the ensuing financial year. **Total amount spent / earmarked: ₹ 63.73 Lakhs**

b. Amount unspent, if any: Nil\*

c. Manner in which the amount is spent during the financial year:

Sr. No.	CSR project/ activity	Sector	Locations District (State)	Amount outlay (Budget) project or program wise	Amount spent (1) Direct expenditure (2) Overheads	Cumulative expenditure up to the reporting period	Direct or through implementing agency	Remarks
1.	Brand Ambassador - Chess	Promoting Sports (Schedule VII – (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sport)	South Goa (Goa)	7.00	(1) 5.90 (2) Nil	5.90	Direct	Balance amount of 1.10* will be spent next year
2.	Support to 'Hamara School', an educational institution for under-privileged children in Goa	Quality Education (Schedule VII – (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects)	North Goa (Goa)	2.50	(1) 2.50 (2) Nil	2.50	Direct	
3.	Support for conducting National Health Mission Programme by the Primary Health Centre, Government of Goa.	Promoting Health Care (Schedule VII – (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	South Goa (Goa)	0.33	(1) 0.33 (2) Nil	0.33	Direct	



Sr. No.	CSR project/activity	Sector	Locations District (State)	Amount outlay (Budget) project or program wise	Amount spent (1) Direct expenditure (2) Overheads	Cumulative expenditure up to the reporting period	Direct or through implementing agency	Remarks
4.	Child (destitute/orphaned) guardianship program	Promoting Education (Schedule VII – (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects)	South Goa (Goa)	0.20	(1) 0.20 (2) Nil	0.20	Through implementing agency-Matruchhaya Trust, Ponda	
5.	Contribution towards Group CSR initiatives in the field of education, arts and culture	Quality Education Promoting Arts and Culture (Schedule VII – (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;  (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts)	North Goa (Goa), South Goa (Goa)	20.00	(1) 20.00 (2) Nil	20.00	Through implementing agency-Vasantrao Dempo Education & Research Foundation, Panaji	
6.	Contribution to the Odisha State Disaster Management Authority for restoration needs due to severe devastation caused by cyclone Fani	Restoration and Rebuilding Mission of the State Government (Schedule VII – (xii) disaster management, including relief, rehabilitation and reconstruction activities.	Jagatsinghpur (Odisha)	5.00	(1) 5.00 (2) Nil	5.00	Direct	
7.	Rural electrification	Rural Development (Schedule VII – (x) rural development projects)	Jagatsinghpur (Odisha)	2.70	(1) Nil* (2) Nil	Nil	-	Amounts have been pledged and will be spent next year

Sr. No.	CSR project/ activity	Sector	Locations District (State)	Amount outlay (Budget) project or program wise	Amount spent (1) Direct expenditure (2) Overheads	Cumulative expenditure up to the reporting period	Direct or through implementing agency	Remarks
8.	Contribution to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund' (PM CARES Fund)	PM Relief Fund (Schedule VII – (viii) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women	Pan India	26.00	(1) Nil* (2) Nil	Nil* -	-	Amounts have been pledged and will be spent next year
<b>Total</b>				<b>63.73</b>	<b>(1) 33.93 (2) Nil</b>	<b>33.93</b>		Total of 29.80 lakhs has been committed/ accounted for and will be spent during next financial year

**Projects of the previous year completed and balance amount spent in this year:**

Sr. No.	CSR project/ activity	Sector	Locations District (State)	Amount outlay (Budget) project or program wise	Amount spent (1) Direct expenditure (2) Overheads	Cumulative expenditure up to the reporting period	Direct or through implementing agency
1.	Moving forward towards a better life: A social upliftment programme	Quality Education, Safe Drinking Water, Sanitation, Hygiene and Health (Schedule VII – (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;  (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects)	Jagatsinghpur (Odisha)		(1) 0.15 (2) Nil	18.25	Through implementing agency –People's Forum, Bhubaneswar, Odisha

Sr. No.	CSR project/ activity	Sector	Locations District (State)	Amount outlay (Budget) project or program wise	Amount spent (1) Direct expenditure (2) Overheads	Cumulative expenditure up to the reporting period	Direct or through implementing agency
2.	Moving forward towards a better life: A social upliftment programme	Women Safety, Safe Drinking Water, Sanitation, Hygiene and Health (Schedule VII – (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water; (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups)	Bilaspur (Chhattisgarh)		(1) 0.09 (2) Nil	6.74	Through implementing agency - Centre for Youth Development and Activities, Pune
<b>Total</b>					(1) 0.24 (2) Nil		

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

Not Applicable

\*Sums have been earmarked but would be spent during the next year

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

The CSR Committee of the Company's Board states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

#### Jagmohan Chhabra

Executive Director  
(DIN: 01007714)

Panaji-Goa, 30<sup>th</sup> June 2020

#### Shrinivas Dempo

Chairman  
(DIN: 00043413)  
Chairman CSR Committee



## ANNEXURE – V TO THE DIRECTORS' REPORT

Relevant extract of Annual Return as on the financial year ended on 31<sup>st</sup> March 2020.

### I. REGISTRATION AND OTHER DETAILS

i. Corporate Identity Number (CIN) of the Company	L23109GA1967PLC000076
ii. Registration Date	22 <sup>nd</sup> June 1967
iii. Name of the Company	Goa Carbon Limited
iv. Category / Sub-Category of the Company	Public Company limited by shares
v. Address of the Registered office and contact details	Dempo House, Campal, Panaji, Goa 403001 Tel +91 832 2441300, Fax +91 832 2427192
vi. Whether listed company	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C -101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400083 E-Mail: rnt.helpdesk@linkintime.co.in, Ph.: (022) 49186270, Fax: (022) 49186060

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

Sl No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of Shares held	Application Section of Companies Act , 2013
1	V. S. Dempo Holdings Pvt. Ltd. Dempo House, Campal, Panaji, Goa 403001	U65993GA1984PTC000570	Holding	55.39%	2(46)

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

#### I) Category-wise Share Holding

Category Shareholders	Number of shares held on 1st April 2019				Number of shares held on 31st March 2020				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	

#### A. Promoters

##### 1. Indian

Individuals/HUF	3,95,939	Nil	3,95,939	4.3267	3,95,939	Nil	3,95,939	4.3267	Nil
Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Financial Institutions / Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other (specify) i. Bodies Corporate	50,69,050	Nil	50,69,050	55.3931	50,69,050	Nil	50,69,050	55.3931	Nil
<b>Sub-Total (A)(1)</b>	<b>54,64,989</b>	<b>Nil</b>	<b>54,64,989</b>	<b>59.7198</b>	<b>54,64,989</b>	<b>Nil</b>	<b>54,64,989</b>	<b>59.7198</b>	<b>Nil</b>

##### 2. Foreign

Individuals (Non-Resident In-dividuals /Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Government	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Portfolio Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (A)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>54,64,989</b>	<b>Nil</b>	<b>54,64,989</b>	<b>59.7198</b>	<b>54,64,989</b>	<b>Nil</b>	<b>54,64,989</b>	<b>59.7198</b>	<b>Nil</b>

Category Shareholders	Number of shares held on 1st April 2019				Number of shares held on 31st March 2020				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>B. Public shareholding</b>									
<b>1. Institutions</b>									
Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alternate Investment Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Portfolio Investors	167	Nil	167	0.0018	Nil	Nil	Nil	Nil	(0.0018)
Financial Institutions/Banks	15,029	570	15,599	0.1705	546	570	1,116	0.0122	(0.1583)
Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Provident Funds/Pension Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total (B)(1)</b>	<b>15,196</b>	<b>570</b>	<b>15,766</b>	<b>0.1723</b>	<b>546</b>	<b>570</b>	<b>1,116</b>	<b>0.0122</b>	<b>(0.1601)</b>
<b>2. Central / State Government</b>									
<b>Sub-Total (B)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>3. Non-institutions</b>									
a. Individuals –									
i. Individual shareholders									
holding nominal share capital up to ₹ 1 lakh.	27,54,833	2,31,954	29,86,787	32.6387	29,11,970	2,07,601	31,19,571	34.0898	1.4511
ii. Individual share-holders holding nominal share capital in excess of ₹ 1 lakh.									
	42,500	11,000	53,500	0.5846	1,12,430	11,000	1,23,430	1.3488	0.7642
b. NBFCs registered with RBI	3,945	Nil	3,945	0.0431	1,130	Nil	1,130	0.0123	(0.0308)
c. Employee Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d. Overseas Depositories (holding DRs) (balancing figure)									
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e. Any Other (specify)									
i. Clearing Member	1,10,000	Nil	1,10,000	1.2020	21,431	Nil	21,431	0.2342	(0.9678)
ii. Non Resident Indian (Repat)	77,888	20	77,908	0.8514	69,237	20	69,257	0.7568	(0.0946)
iii. Non Resident Indian (Non Repat)	24,488	260	24,748	0.2704	28,851	210	29,061	0.3176	(0.0472)
iv. Trusts	100	Nil	100	0.0011	Nil	Nil	Nil	Nil	(0.0011)
v. Hindu Undivided Family	70,259	Nil	70,259	0.7678	78,494	Nil	78,494	0.8578	0.0900
vi. IEPF Authority	92,989	Nil	92,989	1.0162	97,990	Nil	97,990	1.0708	0.0546
vii. Bodies Corporate	2,47,441	2,620	2,50,061	2.7326	1,41,973	2,610	1,44,583	1.5800	(1.1526)
<b>Sub-Total (B)(3)</b>	<b>34,24,443</b>	<b>2,45,854</b>	<b>36,70,297</b>	<b>40.1079</b>	<b>34,64,052</b>	<b>2,22,011</b>	<b>36,86,063</b>	<b>40.2802</b>	<b>0.1723</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>34,39,639</b>	<b>2,46,424</b>	<b>36,86,063</b>	<b>40.2802</b>	<b>34,64,052</b>	<b>2,22,011</b>	<b>36,86,063</b>	<b>40.2802</b>	<b>0.0437</b>
<b>C. Shares held by Custodians for GDR's &amp; ADR's</b>									
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>89,04,628</b>	<b>2,46,424</b>	<b>91,51,052</b>	<b>100.0000</b>	<b>89,29,041</b>	<b>2,22,011</b>	<b>91,51,052</b>	<b>100.0000</b>	

## ii) Shareholding of Promoters

Shareholder's name	Number of shares held on 1 <sup>st</sup> April 2019			Number of shares held on 31 <sup>st</sup> March 2020			% change in share holding during the year
	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Shrinivas Vasudeva Dempo	3,95,939	4.3267	Nil	3,95,939	4.3267	Nil	Nil
V. S. Dempo Holdings Pvt. Ltd.	50,69,040	55.3930	Nil	50,69,040	55.3930	Nil	Nil
Motown Trading Pvt. Ltd.	10	0.0001	Nil	10	0.0001	Nil	Nil
<b>TOTAL</b>	<b>54,64,989</b>	<b>59.7198</b>	<b>Nil</b>	<b>54,64,989</b>	<b>59.7198</b>	<b>Nil</b>	<b>Nil</b>

## iii) Change in Promoters' Shareholding

Shareholder's name	Shareholding at the beginning of the year (1 <sup>st</sup> April 2019)		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during/ at the end of the year (31 <sup>st</sup> March 2020)	
	No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
Shrinivas Vasudeva Dempo	3,95,939	4.3267	-	-	-	3,95,939	4.3267
V. S. Dempo Holdings Pvt. Ltd.	50,69,040	55.3930	-	-	-	50,69,040	55.3930
Motown Trading Pvt. Ltd.	10	0.0001	-	-	-	10	0.0001
<b>TOTAL</b>	<b>54,64,989</b>	<b>59.7198</b>				<b>54,64,989</b>	<b>59.7198</b>

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

Top Ten Shareholders	Shareholding as on 1 <sup>st</sup> April 2019		Shareholding as on 31 <sup>st</sup> March 2020	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
Shyam Gobindram Shroff	-	-	45,216	0.4941
Pravina Kantilal Karani	28,300	0.3092	28,300	0.3093
Angel Broking Limited	43,075	0.4707	25,761	0.2815
Balkrishna Gobindram Shroff	-	-	22,347	0.2442
Amin Rassoul Hiridjee	21,487	0.2348	22,270	0.2434
Ismail Moosa Patel	14,200	0.1552	14,200	0.1552
Rashida Hatim Miyajiwala	15,100	0.1650	13,300	0.1453
Datta Manohar Panandikar	11,000	0.1202	11,000	0.1202
Ashok Kumar Sipuria	7,800	0.0852	10,418	0.1138
Gopiram Gangabishan Agarwal	-	-	10,000	0.1093

## v) Shareholding of Directors and Key Managerial Personnel

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>At the beginning of the year, 1<sup>st</sup> April 2019</b>				
Shrinivas Vasudeva Dempo	3,95,939	4.3267	-	-
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)				
	-	-	-	-
<b>At the end of the year, 31<sup>st</sup> March 2020</b>				
Shrinivas Vasudeva Dempo	-	-	3,95,939	4.3267

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

In ₹ lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	43.22	-	-	43.22
ii) Interest due but not paid	-	181.01	-	181.01
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>43.22</b>	<b>181.01</b>	<b>-</b>	<b>224.23</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	325.60	-	-	325.60
• Reduction	-	60.00	-	60.00
<b>Net Change</b>	<b>325.60</b>	<b>60.00</b>	<b>-</b>	<b>385.60</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	368.82	-	-	368.82
ii) Interest due but not paid	-	121.01	-	121.01
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>368.82</b>	<b>121.01</b>	<b>-</b>	<b>489.83</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

In ₹ lakhs

Particulars of Remuneration	Name of MD /WTD / Manager Jagmohan Chhabra
<b>Gross salary</b>	
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	78.48
(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	23.61
(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil
<b>Stock Option</b>	Nil
<b>Sweat Equity</b>	Nil
<b>Commission</b>	
- as % of profit	Nil
- others, specify...	Nil
Others, please specify	
- Retirement benefits	12.10
<b>Total (A)</b>	<b>114.19</b>
Ceiling as per the Act	See Note 1

**Note 1:** The WTD has been paid the above remuneration within the limits of Schedule V of the Act and as minimum remuneration in case of loss / inadequacy of profits as approved by the Shareholders vide Special Resolution passed at the 51<sup>st</sup> AGM held on 8<sup>th</sup> July 2019.


**B. Remuneration to other Directors**

in ₹ lakhs

Particulars of Remuneration	Name of Directors				Total Amount
	Keki Elavia	Raman Madhok	Kiran Dhingra	Nagesh Pinge	
<b>Independent Directors</b>					
Fee for attending board/committee Meetings	2.50	2.60	2.55	1.80	9.45
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
<b>Total (1)</b>	<b>2.50</b>	<b>2.60</b>	<b>2.55</b>	<b>1.80</b>	<b>9.45</b>
<b>Other Non-Executive Directors</b>	<b>Shrinivas Dempo</b>	<b>Rajesh Dempo</b>			
Fee for attending board/committee Meetings	1.75	1.80			3.55
Commission	-	-			-
Others, please specify	-	-			-
<b>Total (2)</b>	<b>1.75</b>	<b>1.80</b>			<b>3.55</b>
<b>Total (B)=(1+2)</b>					<b>13.00</b>
Ceiling as per the Act	See Note 2				
<b>Total Managerial Remuneration (A+B)</b>					<b>127.19</b>
Overall Ceiling as per the Act	See Note 1 & 2				

**Note 2:** The Directors were paid only sitting fees for attending Board/Committee meetings and no commission has been paid to the directors for FY 2019-20 in lieu of the losses. No Director has been paid sitting fees of more than ₹ 1 Lakh per meeting.

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

in ₹ lakhs

Particulars of Remuneration	Key Managerial Personnel		Total Amount
	K. Balaraman CFO	Pravin Satardekar Company Secretary	
Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	55.70	24.85	80.55
(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	2.31	0.26	2.57
(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil
Stock Option	Nil	Nil	Nil
Sweat Equity	Nil	Nil	Nil
Commission			
- as % of profit	Nil	Nil	Nil
- others, specify...	Nil	Nil	Nil
Others, please specify			
- Retirement benefits	4.03	1.97	6.00
<b>Total</b>	<b>62.04</b>	<b>27.08</b>	<b>89.12</b>

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

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

For and on behalf of the Board of Directors

 Panaji-Goa  
30<sup>th</sup> June 2020

**Shrinivas Dempo**  
Chairman  
DIN: 00043413



## Management Discussion and Analysis

### Global Economy

Global Growth decelerated markedly in FY 2019-20 with continued weakness in global trade and investment. This weakness was widespread affecting both advanced economies and emerging market & developing economies.

Bi-lateral negotiations between the United States and China since October 2019 resulted in a phase one agreement. This comes after a prolonged period of rising trade disputes between the two countries, which has heightened policy and certainty and weighed on international trade, confidence and investment. Financial market sentiment improved appreciably towards the end of 2019 along with the elevation of trade tensions.

During 2019, there has been a decline in the prices of most commodities mainly reflecting the deterioration in the growth outlook, specially, that of emerging markets. Prices for most base metals weakened in the second half of 2019, primarily due to weaker global growth and trade tensions. China Growth has decelerated more than previously expected amid cooling domestic demand and heightened trade tensions. China was further impacted by the COVID-19 Pandemic at the end of FY 2019-20. The impact of China slow-down was felt around the world. Virus out-break has disrupted manufacturing supply chains and sharply curtailed energy and commodity demand.

The metal industry and particularly, Aluminium Sector faced a volatile and challenging year in fiscal 2019-20. Global Aluminium production excluding China grew around 1% y-o-y in the year 2019 v/s growth of around 2% y-o-y a year ago; production in China declined by 3% y-o-y due to production cuts, as compared to flattish growth in 2018. In the current year 2019, due to significant weakness in demand and the ongoing US China Trade war, global aluminium prices continued to plunge from US \$ 1846 /T in January 2019 to close at US\$1770/ T in December 2019. (Source : Industry Estimates)

### Indian Economy

The Indian economy witnessed a slow down during FY 2019-20 and the GDP estimated at 4.2% as compared to 6.1% in FY 2018-19 (Source: National Statistical Office).

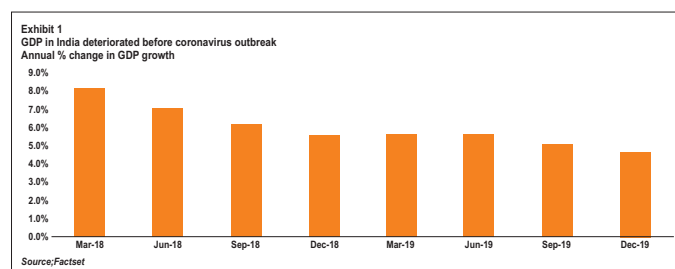
The sluggish growth is due to both endogenous and exogenous factors, key indicator being lack of credit growth and demand in market, leading to growth in final consumption expenditure, decline in gross fixed capital formation and export earnings.

Major global contributing factors are the Sino-American Trade Complex, Brexit, Geo-political tensions and deceleration in developed economies. Another reason for this sluggish growth is due to poor showing by manufacturing and construction sectors.

To improve the economic situation, the government took measures to revamp financial sector by increasing credit outflows by the Banks and non-banking financial companies (NBFCs), reducing stress in real estate sector, liberalising Foreign Direct Investment norms, a significant cut in the corporate tax rate easing tax rules for foreign portfolio investors and start-ups and

speeding up the resolution process under Insolvency and Bankruptcy Code 2016.

India's economic growth already had been weakening before the corona virus outbreak because of a slowdown in consumption and weak investment.



The COVID-19 Pandemic enforced fresh challenges to economy in the 4<sup>th</sup> quarter of FY 2019-20. Steps taken to contain its spread such as complete lock down of the Country brought economic activities to a stand-still and impacted consumption and investment. The Reserve Bank of India (RBI) has moved in a calibrated fashion to ensure conducting financial conditions and normalcy in the functioning of financial market and institutions. The Government has come up with targeted measures to ease the economic pain in various sectors and announced overall economic revival package to the industries.

In the domestic market, aluminium production declined by 2% in FY 2019-20 while domestic consumption is estimated to decline by around 6% - 7%. User industries like transportation, electrical and industrial machinery equipment sector saw drop in consumption, while packaging and consumer durables were the major demand drivers. Imports continued to be a concern for domestic players, which accounted for 58% of the market in FY 2019-20.

FY 2020-21 has started on a jarring note for aluminium makers with the price of the metal plumbing four-year lows of \$1,450 per tonne on the London Metal Exchange, and domestic demand evaporating because of the corona virus (COVID-19) pandemic-driven lock-down. While that will squeeze bottom-lines this fiscal, efficient cost structure and adequate cash would buffer credit profiles and help Indian aluminium makers weather the viral disruption, says a research note from CRISIL.

### Outlook

In the CY 2020, the global macro-economic environment is expected to remain highly volatile due to rising trade tensions between the US and China and the impact of COVID-19. The necessary protection measures imposed because of the pandemic are severely affecting the economic activity and causing demand shocks and supply chain disruption. Consequently, as per the World Bank June 2020 update, the global economy is expected to shrink by 5.2% in CY 2020 compared to 2.4% growth in CY 2019.

The global aluminium consumption is seen to be highly correlated with economic growth and hence, global aluminium consumption

growth in CY 2020 may decline by 7% to 8%. Almost all user industries except packaging are likely to show a declining trend. As smelting is a continuous process, global aluminium supply is likely to increase marginally by 1% to 63 to 64 MT. The production in the world excluding China, is expected to drop by around 1% to approx. 27-28 MT. Primary Aluminium supply in China is likely to grow marginally in the 36 to 37 MT range, on the back of ramp-ups at state owned enterprises. In CY 2020, with an increase in supply and a sharp slow-down in demand, the inventories are expected to increase by approx. 5 MT by end of 2020, leading to significant surplus market.

According to World Bank, India's GDP growth in FY 2020-21 is projected to contract sharply by negative 3.2%, which is likely to be the lowest in many decades as the impact of COVID -19 Pandemic materialises.

Stringent measures to restrict the spread of the virus, which heavily curtailed activity, will contribute to the contraction of the economic growth. Spill overs from contracting global growth and balance sheet stress in the financial sector will also adversely impact economic activity despite some support from fiscal stimulus and continued monetary policy easing.

### Industry Overview

Worldwide CPC production for CY 2019 was about 28.5 million tonnes, 75% of which was produced in China and North America. China continues to play a dominant role in the CPC industry, and its share of the world's CPC production is estimated to remain at 55-60% in the near term. China and North America will maintain a positive surplus. Due to a large gap between production and demand in the Middle East, Asian calciners are expected to increase their focus on the region for the surplus capacity.

As per recent industry estimates, worldwide demand for CPC aggregated to approximately 28.4 million tonnes in CY 2019. The demand is expected to grow to approximately 31 million tonnes by CY 2024, representing a CAGR of +2.3%. Worldwide production of CPC aggregated to approximately 29 million tonnes in CY 2019 and is expected to grow to approximately 31 million tonnes by CY 2024, representing a CAGR of +2.3%.

The availability of low-sulphur GPC is expected to be negatively affected due to regulations implemented by the International Convention for the Prevention of Pollution from Ships ("MARPOL"), which went into effect at the beginning of 2020 and is expected to cause oil-refining companies to shift to heavier or high-sulphur crudes. The regulation aims to reduce the amount of sulphurous gasses emitted at sea by reducing the allowable level of sulphur in marine fuel used for operating ships from 3% to 0.5%. It is expected that larger vessels will use scrubbers to meet this requirement. The freight cost is estimated to increase in all perspectives. Refineries may also find it reasonable to process the high-sulphur feedstock in their cokers to get a premium rather than selling high-sulphur fuel oil (HSFO) at a discount. Hence, there is a limited possibility of a petroleum coke shortage due to the implementation of new regulations by MARPOL.

It is expected that India will continue to lead CPC demand growth in the world (ex-China) as a result of capacity expansions by major aluminium producers in the country over next few years. However, it is essential to have sufficient quantity of RPC available in the world market. RPC is the by-product of the

petroleum refining process. Recent demand crash due to the COVID-19 pandemic lockdowns, continues to woe refining margins, leading to lower capacity utilization by the refineries in the United States, Asia and even Europe.

### Company Overview

Established in 1967, Goa Carbon is engaged in processing and manufacture of Calcined Petroleum Coke (CPC). The Company has three plants across India, i.e., Goa, Paradeep and Bilaspur and all the plants are ISO 9001 and ISO 14001 certified by Bureau Veritas. One of the leading producers and manufacturers, the Company possesses license capacity to manufacture CPC of 1.00 lakh MT for the Goa Unit, 1.68 lakh MT for Paradeep Unit and 0.40 lakh MT for Bilaspur Unit.

With the restrictions on the import of GPC by calciners and the import of CPC by aluminium smelters, capped at 1.40 million tonnes per annum and 0.50 million tonnes per annum respectively by the Hon'ble Supreme Court of India, the additional requirement of both calciners and smelters will have to be met from domestic supplies within India. Further, the Hon'ble Supreme Court of India has also directed the Ministry of Environment to finalise the standards of emissions from calciners by March 2020 which seems to have delayed due to COVID-19 challenges. The Company is awaiting these standards and shall ensure full compliance with the emission standards to be announced by the Ministry of Environment.

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

### Financial and Operational Review

The following operating and financial review are intended to convey the management's perspective on the operating and financial performance of the Company for the Financial Year 2019-20. This should be read in conjunction with the Financial Statements, the schedules and notes thereto and the other information included elsewhere in the Annual Report. The Financial Statements have been prepared in compliance with the requirements of the Companies Act, 2013, the guidelines issued by the Securities and Exchange Board of India ("SEBI"), in accordance with Indian Accounting Standards (Ind AS) and the other accounting principles generally accepted in India.

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

Particulars	As at 31.03.2020	As at 31.03.2019
PAT (Loss)/ Sales	(6.84%)	(1.48%)
Return on Net Worth	(30.55%)	(5.82%)
Earnings per share (₹)	(30.32)	(8.21)

The net cash flow of the Company during the year ended 31.03.2020 is as follows: (₹ in Lacs)

Particulars	As at	As at
	31.03.2020	31.03.2019
Cash from operations	345.19	10,953.76
Cash from/(used in) investing activities	1,479.24	6,096.39
Cash from/(used in) financial activities	(1,511.48)	(21,754.87)
Net increase/ (decrease) in cash	312.95	(4,704.72)

#### Details of Key Financial Ratios are given below:

Particulars	As at	As at
	31.03.2020	31.03.2019
Debtors Turnover Ratio	9.96	7.81
Inventory Turnover Ratio	2.70	3.04
Interest Coverage Ratio	(1.06)	0.07
Current Ratio	1.24	1.26
Debt Equity Ratio	1.68	2.17
Operating Profit Margin %	(3.51)	0.17
Net Profit Margin %	(6.62)	(1.62)

The Company's operation and its results fluctuate from period to period on account of the delivery schedule of the customers which vary from time to time and the inability of the Company to always increase selling prices in line with cost of imported raw material, the FOB price which varies substantially from time to time; and the exchange fluctuations arising because of the Company's dependence on imports of raw materials.

The Hon'ble Supreme Court of India vide order dated 26.07.2018 had banned the import of petroleum coke if used as a fuel. Since the company uses petroleum coke only as "Feedstock" for producing calcined petroleum coke, the Company had filed an application with the Hon'ble Supreme Court of India representing that the Company uses Raw Petroleum Coke (RPC) as "Feedstock" and hence Calcination Industries should be allowed to import RPC. Based on the recommendations of Ministry of Environment/Forest and Climate Change (MOE&CC) and Environment Pollution Control Authority (EPCA), the Hon'ble Supreme Court had passed an order dated 9.10.2018 permitting the import of RPC up to 1.40 million metric tonnes (MMT) per annum for the Indian calcination industry as a whole for feedstock.

On the basis of Court order dated 09.10.2018, the Director General of Foreign Trade (DGFT) notified the procedures to apply for quota and granting the import license for RPC every financial year which is based on the licensed capacity of the respective calciner.

Noting that at present there are no National Level Standards for So2 emissions for the Calcination Industry, the Hon'ble Supreme Court has ordered the Ministry of Environment and Forest to study and notify these standards. Your Company shall ensure full compliance with the standards that will be notified by the Ministry for the Calcination Industry.

#### COVID-19 Pandemic

The Pandemic "COVID-19" spread has severely impacted business around the world including India. There has been severe disruption in regular business operations due to lock down and emergency measures taken by the Government. The Company has done a detailed assessment of the impact on the liquidity position and carrying value of assets like trade

receivables, property, plant and equipment's and other financial assets. Based on these assessments, there are no adjustments required in the financial statement as on 31<sup>st</sup> March 2020.

Your Company has been focusing on ensuring safety and business continuity within the guidelines issued by the government and health authorities. The Company had temporarily shut down or scaled-down operations of manufacturing facilities in line with state government directives. Operations were being managed with minimal staff as part of the ongoing effort to practice social distancing. Several measures have been taken to protect the health and safety of the workforce. The operations have been resumed, after obtaining necessary permissions from the respective authorities and after undertaking necessary health and safety measures to combat COVID-19 crises. This enabled the Company to proactively commence its production activities at all its major plants during April 2020 and start selling the finished products during April 2020 itself. Further, to improve the liquidity position, the Company apart from collections from sales, has availed additional fund based facilities from Banks. Due to this, the Company has repaid all the suppliers credit facilities availed from overseas suppliers on due date without any delay. The management has taken into consideration all the known impacts of COVID-19 while preparations of the financial results and the Company will monitor any material changes in future economic conditions.

#### Business Challenges

At Goa Carbon, we ensure to work towards addressing the potential threats and challenges and thereby minimising the losses. The Company has identified some of the critical business challenges and their mitigation plans include:

##### • Aluminium Industry

There could be variations in the demand and supply of aluminium and steel, which could impact the demand for CPC. Due to the high cost of production in the west, aluminium production is going to shift to the East, and this is expected to boost demand for CPC manufacturing and thus likely to increase the business for the Company.

##### • Foreign Exchange and Interest Rate

A sharper-than-expected tightening of global financing conditions, or a renewed rapid appreciation of the U.S. Dollar against Indian Rupee, could exert further downward pressure on countries like India that have large current account deficits financed by portfolio and bank flows.



Source: xe.com

##### • Supply of Raw materials

It is essential for our Company to source the appropriate raw material with the right price and at the right time, without which the production and quality would be impacted. Since the Company

has been in the industry for decades, and have long-term relationships with refineries and suppliers, raw materials are obtained from different sources at competitive prices.

The Company has put forward a team to monitor the production planning and inventory control systems, which improves control over raw materials planning.

#### ● **Environment & Regulations**

Aluminium is the second most used metal in the world after steel, and approximately 0.4 tonnes of CPC is required in the production of every tonne of aluminium produced. Any regulations that impact either import or production of CPC will directly impact the aluminium industry in India. Thus, it is a critical and strategic part of the economic growth of India and occupies a due position in the global economy.

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

However, Aluminium and Steel production create immense pollution and can have an adverse impact on our environment. To curb the extensive production of aluminium and steel, the Hon'ble Supreme Court of India banned the import of RPC but eventually lifted it in later half of the year, permitting the import of RPC by the Indian calciners to be within 14 lakh MT/year which is used as feedstock and not as a fuel.

Presently, there are no National Level Standards for So<sub>2</sub> emissions for the Calcination Industry. The Government through the Ministry of Environment and Forest is studying the matter and shall soon notify these standards. Your Company is poised to ensure full compliance with the standards that will be notified by the Ministry for the Calcination Industry.

#### ● **Trade Wars**

Escalating trade tensions are another major downside risk to the global outlook. If all tariffs currently under consideration were implemented, they would affect about 5 percent of global trade flows and could dampen growth in the economies involved, leading to negative global spillovers. While some countries could benefit from trade diversion in the short run, rising trade protectionism would stifle investment and severely disrupt global value chains, contributing to higher prices and lower productivity.

#### ● **Working Capital Requirements**

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

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

#### **Human Resources**

Human Resources is the Company's most valuable asset and Goa Carbon Limited ensures to periodically conduct skill development training programmes for the employees from time to time for a continuous growth in their competencies and to keep them updated on new technical developments resulting in optimum capacity utilization and cost-effectiveness. In order to boost employee morale and motivate them to perform the best, the Company also provides a safe and healthy work environment. As of 31<sup>st</sup> March 2020, the Company had 195 employees consisting of 20 managerial personnel and 175 other employees. These employees provide an excellent combination of experienced workforce and talented technical managers.

#### **Internal Control System**

The Company's internal control is commensurate with the size of its business and the nature of industry it operates in. The Internal Auditor ensures prompt recording of transactions and their adherence to the applicable laws, statutes as well as internal policies and procedures. Internal Audit is conducted regularly and the reports are submitted to the Audit Committee at their quarterly meetings.

#### **Statutory Compliance**

The Executive Director submits a declaration at each Board Meeting regarding compliance with respect to the applicable statutes, enactments and guidelines after obtaining confirmation from all the operating plants and the Head of the Departments. The Company Secretary who is also the Compliance Officer gives a declaration of compliance to the Board with respect to the applicable provisions of Companies Act, 2013 and SEBI Regulations.

#### **Cautionary Statement**

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

## Report On Corporate Governance For The Year 2019-20

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

### Introduction

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

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

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

The Company's philosophy on the code of governance is to observe the highest level of ethics in all its dealings, to ensure efficient conduct of the Company and help the Company achieve its goal in maximizing value for all its stakeholders as well as in achieving the objectives of the principles as mentioned in Regulation 4(2) of the Listing Regulations.

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

The Board of Directors along with its Committees provide leadership and guidance to the Company's management as also direct, supervise and control the performance of the Company. The Board currently comprises of 6 Directors out of which 5 Directors are Non-Executive Directors. As at 31<sup>st</sup> March 2020, the Company had a Non-Executive Chairman and 3 Independent Directors. All the concerned Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Regulation 16(1)(b) of the amended SEBI Listing Regulations and Section 149 of the Companies Act, 2013 ("Act") and further, have been registered and are members of Independent Directors Databank maintained by the Indian Institute of Corporate Affairs pursuant to the provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

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

the Listing Regulations, none of the Directors are members in more than 10 committees or act as chairperson of more than 5 committees [the committees being, Audit Committee and Stakeholders' Relationship Committee]. All Non-Executive Directors who are not Independent Directors, are liable to retire by rotation. The appointment of the Executive Director, including the tenure and terms of remuneration is also approved by the members at the first meeting after the said appointment.

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

Pursuant to Regulation 27(2) of the Listing Regulations, the Company also submits a quarterly compliance report on Corporate Governance to the Stock Exchanges where its shares are listed, within 15 days from the close of every quarter. The Executive Director and the Chief Financial Officer ("CFO") have certified to the Board on inter alia, the accuracy of the financial statements and adequacy of internal controls for financial reporting, in accordance with Regulation 17(8) read together with Part B of Schedule II of the Listing Regulations, pertaining to CEO and CFO certification for the Financial Year ended 31<sup>st</sup> March 2020.

#### 2.1 Number of Board Meetings

During the Financial Year 2019-20, Four Board Meetings were held on 22<sup>nd</sup> April 2019, 8<sup>th</sup> July 2019, 9<sup>th</sup> October 2019 and 18<sup>th</sup> January 2020. The gap between any two Meetings did not exceed 120 days.

#### 2.2 Composition, Attendance, Shareholding of Directors and Other Directorships

The composition of the Board, attendance at Board Meetings held during the Financial Year under review and at the last Annual General Meeting (AGM), their shareholding as at 31<sup>st</sup> March 2020 in the Company, the number of directorships (including Goa Carbon Limited), memberships/chairmanships of the Board and Committees of public companies and details of directorships in listed entities for each director of the Company are as follows:

Name of Director, Director Identification Number & Category	Board Meetings during FY 2019-20		Whether attended last AGM held on 8 <sup>th</sup> July 2019	Director-ships <sup>o</sup>	Committee positions		Number of shares of the Company held as on 31 <sup>st</sup> March 2020	Name of the other Listed Companies in which Directors of the Company are Directors	Category of directorship in the listed entity
	Eligible to Attend	Attended			Member #	Chairperson			
<b>Mr. Shrinivas Dempo</b> (Chairman) 00043413 Promoter, Non-Executive	4	4	Yes	13	1	-	3,95,939	i) Automobile Corporation of Goa Ltd. ii) Hindustan Foods Ltd.	Independent Non Independent Non-Executive
<b>Mr. Keki Elavia</b> 00003940 Independent Director	4	4	Yes	12	10	5	Nil	i) The Bombay Dyeing And Manufacturing Co. Ltd. ii) Grindwell Norton Ltd. iii) Dai-ichi Karkaria Ltd. iv) Britannia Industries Ltd. v) Godrej Industries Ltd. vi) Sterling and Wilson Solar Ltd.	Independent Independent Independent Independent Independent Independent
<b>Mr. Raman Madhok*</b> 01798377 Independent Director	4	4	Yes	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Ms. Kiran Dhingra</b> 00425602 Independent Director	4	4	Yes	5	5	1	Nil	i) Zuari Agro Chemicals Ltd. ii) Astra Microwave Products Ltd.	Independent Independent
<b>Mr. Nagesh Pinge**</b> 00062900 Independent Director	3	3	Yes	8	5	3	Nil	i) Arvind Fashion Ltd	Independent
<b>Mr. Rajesh Dempo</b> 05143106 Non-Independent, Non-Executive Director	4	4	Yes	7	1	1	Nil	-	-
<b>Mr. Jagmohan Chhabra</b> 01007714 Executive Director	4	4	Yes	1	1	-	Nil	-	-

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

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

\* Mr. Raman Madhok ceased to be a Director of the Company with effect from 2<sup>nd</sup> February 2020 due to expiry of his second term as Independent Director.

\*\*Mr. Nagesh Pinge has been appointed as an Independent Director with effect from 6<sup>th</sup> May 2019.

### 2.3 Independent Directors' Meeting

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

An Independent Directors meeting in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the Listing Regulations was convened on 30<sup>th</sup> June 2020, to review the performance of the Non-Independent, Non-Executive Directors including the Chairman of the Board and performance of the Board as a whole for the FY 2019-20. For FY 2018-19, the meeting of Independent Directors was convened on 21<sup>st</sup> April 2019.

## 2.4 Confirmation as regards independence of Independent Directors

In the opinion of the Board of Directors of the Company, the existing Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the Management.

## 2.5 Reasons for resignation of Independent Director before the expiry of term, if any

There were no resignations by Independent Directors of the Company during FY 2019-20.

## 2.6 Board Effectiveness Evaluation

Pursuant to provisions of Regulation 17(10) of the Listing Regulations and the provisions of the Act, Board evaluation involving evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman, was conducted for the FY 2019-20. For details pertaining to the same kindly refer to the Board's Report.

## 2.7 Familiarization Programme for Independent Directors

The Executive Director of the Company provides a brief of the industry and business of the Company to the new Independent Directors (ID) and also has a discussion to familiarize the ID with the Company's operations. The appointment letter issued to the ID inter alia includes the role, functions, duties and responsibilities expected of him/her as a director of the Company. The Company also from time to time familiarizes the IDs about the Company, its product, business and the on-going events relating to the Company through presentations. The details on the Company's Familiarization Programme for IDs can be accessed at: [http://www.goacarbon.com/downloads/Familiarization\\_Programme\\_for\\_Independent\\_Directors.pdf](http://www.goacarbon.com/downloads/Familiarization_Programme_for_Independent_Directors.pdf)

## 2.8 Board Skills Matrix

Pursuant to the provisions of sub-para 2(h) of Part C of Schedule V of the Listing Regulations below is the Board skills matrix representing some of the key skills that our Board has identified as particularly valuable to the effective oversight and functioning of the Company.

Particulars	Shrinivas Dempo	Keki Elavia	Raman Madhok*	Kiran Dhingra	Nagesh Pinge**	Rajesh Dempo	Jagmohan Chhabra
<b>Board Experience</b> - Experience as a director of a company, preferably of a listed company.	✓	✓		✓	✓		
<b>General/Business Management</b> - Managing people and achieving change including experience as either a CEO or senior member of a management team in a similar or larger sized organisation.	✓			✓		✓	✓
<b>Business/Corporate Planning Experience</b> -Experience in business /corporate planning for public or private sector boards.	✓	✓	✓				
<b>Leadership Experience</b> - Experience serving as a Chairperson of a Corporate/Committee, or in other positions of leadership.	✓	✓		✓		✓	
<b>Financial and Accounting Expertise</b> - Qualifications and experience in accounting and/or finance and the ability to comprehend company accounts, financial material presented to the board, financial reporting requirements and an understanding of corporate finance.		✓			✓		

Particulars	Shrinivas Dempo	Keki Elavia	Raman Madhok*	Kiran Dhingra	Nagesh Pinge**	Rajesh Dempo	Jagmohan Chhabra
<b>Risk Assessment</b> - Experience in the process of identifying principal corporate risks and to ensure that management has implemented the appropriate systems to manage risk.		✓			✓		
<b>Industry (Manufacturing) Experience</b> - Experience in and knowledge of the industry in which the Company operates or experience in the production, marketing and sales of manufactured goods.	✓						✓
<b>Legal, Regulatory and Compliance</b> - Experience in law and compliance with a publically listed company or major organization and/or experience providing legal/regulatory advice and guidance within a complex regulatory regime.		✓		✓	✓		
<b>Technical Skills</b> - Technical/professional skills and specialist knowledge to assist with ongoing aspects of the board's role.			✓				✓
<b>Strategy</b> - Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies for the Company.	✓	✓					
<b>Commercial experience</b> - A broad range of commercial/business experience.	✓		✓			✓	✓

\* Ceased to be a Director w.e.f. 02.02.2020

\*\* Appointed as Director w.e.f. 06.05.2019

### 3 Committees of the Board

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

#### 3.1 Audit Committee (Mandatory Committee)

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

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the Listing Regulations read with Section 177 of the Companies Act, 2013.

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

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

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

A brief gist of the responsibilities of the Audit Committees is given below;

- i) Reviewing with the management, quarterly/annual financial statements before submission to the Board, focusing primarily on:
  - The Company's financial reporting process and the disclosure of its financial information, including earnings, press release, to ensure that the financial statements are correct, sufficient and credible;
  - Reports on the Management Discussion and Analysis of financial condition, results of operations and the Directors' Responsibility Statement;
  - Major accounting entries involving estimates based on exercise of judgment by Management;



- Compliance with accounting standards and changes in accounting policies and practices as well as reasons thereof;
- Draft Audit Report, qualifications, if any and significant adjustments arising out of audit;
- Scrutinise inter corporate loans and investments;
- Disclosures made under the CEO and CFO certification;
- Compliance with listing and other requirements relating to financial statements; and
- Approval or any subsequent modification of transactions with related parties, including omnibus related party transactions and necessary disclosure thereof
- ii) Reviewing with the management, external auditor and internal auditor, adequacy of internal control systems and recommending improvements to the management.
- iii) Review Management letters/Letters of internal control weakness issued by the statutory auditors.
- iv) Recommending the appointment/removal of the auditors, fixing audit fees and approving non-audit /consulting services provided by the auditors' firms to the Company and its subsidiaries; evaluating auditors' performance, qualifications, experience, independence and pending proceedings relating to professional misconduct, if any.
- v) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the chief internal auditor, coverage and frequency of internal audit, appointment, removal, performance and terms of remuneration of the chief internal auditor.
- vi) Discussing with the internal auditor and senior management, significant internal audit findings and follow-up thereon.
- vii) Reviewing the findings of any internal investigation by the internal auditor into matters involving suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board.
- viii) If required, discussing with the statutory auditor before the audit commences, the nature and scope of audit, as well as conduct post-audit discussions to ascertain any area of concern.
- ix) Establish and review the functioning of the Vigil Mechanism under the Whistle-Blower Policy of the Company.
- x) Reviewing the financial statements and investments made by subsidiary companies, if any and subsidiary oversight, relating to areas such as adequacy of the internal audit structure and function of the subsidiaries, their status of audit plan and its execution, key internal audit observations, risk management and the control environment.

- xi) Look into the reasons for any substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any.
- xii) Reviewing the effectiveness of the system for monitoring compliance with laws and regulations.
- xiii) Approving the appointment of CFO after assessing the qualification, experience and background etc. of the candidate.
- xiv) Review the system of storage, retrieval, display or printout of books of accounts maintained in electronic mode during the required period under law.
- xv) Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preterential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the board to take up steps in this matter
- xvi) Valuation of undertakings or assets of the listed entity, wherever it is necessary.
- xvii) Reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances / investments existing as on the date of coming into force of this provision.
- xviii) Review statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document /prospectus/notice in terms of Regulation 32(7).
- xix) Evaluation of Internal Financial Controls and review and monitoring of Risk Management Framework.
- xx) To approve policies in relation to the implementation of the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices ("Code") and to supervise implementation of the Code.
- xxi) To note and take on record the status reports, detailing the dealings by Designated Persons in Securities of the Company, as submitted by the Compliance Officer on a quarterly basis and to provide directions on any penal action to be initiated, in case of any violation of the Code, by any person.
- xxii) Any other responsibility/duty as may be prescribed under the Companies Act, 2013 and/or the provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.

During the Financial Year 2019-20, Four Meetings were held on 21<sup>st</sup> April 2019, 7<sup>th</sup> July 2019, 8<sup>th</sup> October 2019 and 17<sup>th</sup> January 2020. The gap between no two meetings exceeded 120 days. The quorum was present for all the above four Meetings.

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

Name of the Member	Profession	Category	No. of meetings during FY 2019-20	
			Eligible to Attend	Attended
Mr. Nagesh Pinge-* Chairman	Chartered Accountant	ID	3	3
Mr. Raman Madhok**	Corporate Consultant	ID	4	4
Mr. Keki Elavia	Chartered Accountant	ID	4	4
Ms. Kiran Dhingra	Retired IAS Officer	ID	4	4

ID – Independent Director

\* Mr. Nagesh Pinge has been appointed as Chairman of the Audit Committee with effect from 6<sup>th</sup> May 2019.

\*\* Mr. Raman Madhok ceased to be a Director of the Company with effect from 2<sup>nd</sup> February 2020 due to expiry of his second term as Independent Director

The Chairman of the Audit Committee, Mr. Nagesh Pinge was present at the 51<sup>st</sup> Annual General Meeting of the Company held on 8<sup>th</sup> July 2019.

### 3.2 Nomination and Remuneration Committee (Mandatory Committee)

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

The Nomination and Remuneration Committee (NRC) of the Company is constituted in line with the provisions of Regulation 19(1) and (2) of the Listing Regulations read with Section 178 of the Companies Act, 2013. The broad terms of reference of the NRC are as follows:

- Recommend to the Board the set up and composition of the Board and its Committees. The Committee periodically reviews the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the Board the appointment or reappointment of Directors, including Independent directors, on the basis of the performance evaluation report of Independent Directors.
- Support the Board in matters related to set-up, review and refresh of the Committees.

- Recommend to the Board on voting on resolutions for appointment and remuneration of Directors on the Boards of its material subsidiary companies, if any and provide guidelines for remuneration of Directors on material subsidiaries.
- Identify and recommend to the Board appointment of Key Managerial Personnel (“KMP” as defined by the Act) and senior executive team members of the Company (as defined by this Committee). The Committee shall consult the Audit Committee before recommending the appointment of the CFO.
- Carry out evaluation of every Director's performance and support the Board, its Committees and individual Directors, including “formulation of criteria for evaluation of Independent Directors and the Board”.
- Oversee the performance review process for the KMP and the senior executive team of the Company with a view that there is an appropriate cascading of goals and targets across the Company and on an annual basis, recommend to the Board the remuneration payable to the Directors, KMP and senior executive team of the Company.
- Recommend the Remuneration Policy for Directors, KMP, senior executive team and other employees.
- Review matters related to voluntary retirement and early separation schemes for the Company.
- Oversee familiarization programmes for Directors.
- Oversee HR philosophy, HR and people strategy and efficacy of HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, KMP and senior executive team).
- Performing such other duties and responsibilities as may be consistent with the applicable provisions.

During the Financial Year 2019-20, one Meeting was held on 22<sup>nd</sup> April 2019.

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

Name of the Member	Category	No. of meetings during FY 2019-20	
		Eligible to Attend	Attended
Mr. Keki Elavia - Chairman	ID	1	1
Mr. Shinivas Dempo	NED	1	1
Ms. Kiran Dhingra	ID	1	1

ID - Independent Director; NED – Non-Executive Director

The Chairman of the Nomination and Remuneration Committee was present at the 51<sup>st</sup> Annual General Meeting of the Company held on 8<sup>th</sup> July 2019.

### 3.2.1 Remuneration Policy

The Company has in place a Remuneration Policy for Directors, KMP and others in accordance with the provisions of the Act and the Listing Regulations. For details on Remuneration Policy for Directors, KMP and others, kindly refer to the Board's Report and the website of the Company- [www.goacarbon.com](http://www.goacarbon.com). The salient features of the NRC policy is annexed to the Directors Report (kindly refer Annexure I).

#### Remuneration of Directors

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

The details of remuneration paid to all the Non-Executive Directors for the year ended 31<sup>st</sup> March 2020 are as follows:

Name of Director	Sitting Fees paid for board Meetings (₹)	Sitting Fees paid for Committee Meetings (₹)	Commission (₹)
Mr. Shrinivas Dempo	1,60,000	15,000	Nil
Mr. Keki Elavia	1,60,000	90,000	Nil
Mr. Raman Madhok*	1,60,000	1,00,000	Nil
Ms. Kiran Dhingra	1,60,000	95,000	Nil
Mr. Nagesh Pinge**	1,20,000	60,000	Nil
Mr. Rajesh Dempo	1,60,000	20,000	Nil
<b>Total</b>	<b>9,20,000</b>	<b>3,80,000</b>	<b>Nil</b>

\* Mr. Raman Madhok ceased to be a Director of the Company with effect from 2<sup>nd</sup> February 2020 due to expiry of his second term as Independent Director.

\*\*Mr. Nagesh Pinge has been appointed as an Independent Director with effect from 6<sup>th</sup> May 2019.

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

The details of Remuneration paid to the Executive Director for the year ended 31<sup>st</sup> March 2020 is as follows:

Name of Director	Salary & Allowances (₹)	Other Benefits (₹)	Performance Linked Bonus (₹)	Contribution to Retiral Funds (₹)	Service Contract /Notes Period/ Severance Fees
Mr. Jagmohan Chhabra	101,68,034	41,100	Nil	12,10,154	3 years with effect from 1 <sup>st</sup> April 2019 / 4 months period / No severance fees

The Company does not have any Employee Stock Option Scheme.

#### Retirement Policy for Directors

As per the retirement age policy adopted by the Board of Directors of the Company, the Managing and Executive Directors retire at the age of 60 years, the Independent Directors at the age of 75 years and the Non-Executive-Non-Independent Directors at the age of 80 years. Section 149 of the Act provides that an Independent Director shall hold office for a term of up to 5 consecutive years on the Board of a Company and would not be liable to retire by rotation. An Independent Director would be eligible to be re-appointed for another 5 years on passing of a Special Resolution by the Company. However, no Independent Director shall hold office for more than 2 consecutive terms, but would be eligible for appointment after the expiration of 3 years of ceasing to become an Independent Director. Provided that, during the said period of 3 years, he/she is not appointed in or associated with the Company in any other capacity, either directly or indirectly. The retirement age for Independent Directors is 75 years as per the Company's Policy. Accordingly, all Independent Directors have a tenure of 5 years each or upon attaining the retirement age of 75 years, whichever is earlier, as approved by the Members at the respective Annual General Meetings.

### 3.3 Stakeholders Relationship Committee (Mandatory Committee)

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

The Stakeholder Relationship Committee of the Company is headed by a NED. During the Financial Year 2019-20, four Meetings were held on 22<sup>nd</sup> April 2019, 8<sup>th</sup> July 2019, 9<sup>th</sup> October 2019 and 18<sup>th</sup> January 2020.

The role of the Stakeholders' Relationship Committee is as per the guidelines set out in Part D of Schedule II of the Listing Regulations which *inter-alia* includes the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates. general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.

- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Register & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.
- Such other matters as may be stipulated in the regulations from time to time.

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

Name of the Member	Category	No. of meetings during FY 2019-20	
		Eligible to Attend	Attended
Mr. Rajesh Dempo-Chairman	NED	4	4
Mr. Raman Madhok*	ID	4	4
Ms. Kiran Dhingra <sup>†</sup>	ID	N.A.	N.A.
Mr. Jagmohan Chhabra	ED	4	4

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

\* Mr. Raman Madhok ceased to be a Director of the Company with effect from 2<sup>nd</sup> February 2020 due to expiry of his second term as Independent Director.

# Ms. Kiran Dhingra was appointed as a member of the Committee with effect from 2<sup>nd</sup> February 2020.

### 3.3.1 Details of Shareholders' complaints

During the year under review, the Company received four complaints and all these complaints were resolved satisfactorily. No complaints remained pending as on 31<sup>st</sup> March 2020.

### 3.3.2 Compliance Officer

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

Pravin Satardekar, Company Secretary  
Goa Carbon Limited  
Dempo House, Campal, Panaji-Goa 403001  
Tel.: (0832) 2441300 Fax: (0832) 2427192  
Email: [legal@goacarbon.com](mailto:legal@goacarbon.com)

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

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

In terms of Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility (CSR) Committee to:

- 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 of the Act;
- Recommend the amount of expenditure to be incurred on the activities referred to in above clause and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The CSR Policy is uploaded on the Company's website as required under the provisions of Section 135 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

During the Financial Year 2019-20, the Committee met once on 7<sup>th</sup> March 2020.

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

Name of the Member	Category	No. of meetings during FY 2019-20	
		Eligible to Attend	Attended
Mr. Shrinivas Dempo-Chairman	NED	1	1
Mr. Raman Madhok*	ID	N.A.	N.A.
Ms. Kiran Dhingra	ID	1	1
Mr. Jagmohan Chhabra	ED	1	1

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

\* Mr. Raman Madhok ceased to be a Director of the Company with effect from 2<sup>nd</sup> February 2020 due to expiry of his second term as Independent Director.

### 3.5 Project Review Committee (Non-mandatory Committee)

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

The Project Review Committee was constituted to review new projects and monitor the progress of the projects. The Committee comprises of 3 directors namely Mr. Shrinivas Dempo, Chairman, Mr. Keki Elavia, Mr. Raman Madhok\* and Mr. Jagmohan Chhabra. No meeting of the Committee was held during the Financial Year 2019-20.

\* Mr. Raman Madhok ceased to be a Director of the Company with effect from 2<sup>nd</sup> February 2020 due to expiry of his second term as Independent Director.

### 3.6 Resources Raising Committee (Non-mandatory Committee)

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

Constituted to review the proposal of raising equity / preference capital, considering the Company's overseas project as well as other projects in India, the Committee comprises of 3 directors namely Mr. Shrinivas Dempo, Chairman, Mr. Keki Elavia, Mr. Raman Madhok\* and Mr. Nagesh Pinge\*\*. No meeting of the Committee was held during the Financial Year 2019-20.

\* Mr. Raman Madhok ceased to be a Director of the Company with effect from 2<sup>nd</sup> February 2020 due to expiry of his second term as Independent Director.

\*\* Mr. Nagesh Pinge has been appointed as a member of the Committee with effect from 30<sup>th</sup> June 2020.

#### 4 General Meetings and Postal Ballot

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

Financial Year Ended	Date & Time	Venue
31 <sup>st</sup> March 2017	30 <sup>th</sup> June 2017 at 10.30 a.m.	Dempo House,
31 <sup>st</sup> March 2018	17 <sup>th</sup> July 2018 at 10.30 a.m.	Campal,
31 <sup>st</sup> March 2019	8 <sup>th</sup> July 2019 at 10.30 a.m.	Panaji-Goa 403001

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

AGM held on	Special Resolution passed	Summary
30 <sup>th</sup> June 2017	Yes	1. Revision in remuneration of Mr. Jagmohan Chhabra, Executive Director for the remaining period of his tenure i.e. up to 31 <sup>st</sup> March 2019. 2. Approval of payment of commission to Non-Executive Directors of the Company from FY 2017-18 and thereafter.
17 <sup>th</sup> July 2018	Yes	1. Increase in the Borrowing Limit u/s 180(1)(c) of the Companies Act, 2013. 2. Create charge on the Assets of the Company.
8 <sup>th</sup> July 2019	Yes	1. Re-appointment of Mr. Keki Elavia as an Independent Director for a second term up to 8 <sup>th</sup> April 2021. 2. Re-appointment of Mr. Raman Madhok as an Independent Director for a second term up to 1 <sup>st</sup> February 2020. 3. Re-appointment of Mr. Jagmohan Chhabra as a Whole-time Director designated "Executive Director" of the Company for a further period of 3 years with effect from 1 <sup>st</sup> April 2019 and payment of remuneration.

##### 4.2 Postal Ballot

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

#### 5 Means of Communication

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

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

##### 5.1 Green Initiative

In support of the "Green Initiative" undertaken by the Ministry of Corporate Affairs, the Company had during FY 2019-20 sent various communications including intimation of dividend and IEPF Communiqué by email to those shareholders whose email addresses were registered with the depositories or the Registrar and Transfer Agents.

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

#### 6 General Shareholder Information:

##### 6.1 Annual General Meeting

Date and Time : Wednesday, 23<sup>rd</sup> September 2020 at 3.30 p.m. (IST)

Venue: The Company is conducting the AGM through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) in compliance with the applicable provisions of the Companies Act, 2013 read with General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020 and 5<sup>th</sup> May 2020, respectively, issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May 2020 issued by the Securities and Exchange Board of India.

## 6.2 Financial Year Calendar for the year 2020-21

Publication of Unaudited results for the quarter ending June 2020	July / August 2020
Publication of Unaudited results for the quarter ending September 2020	October / November 2020
Publication of Unaudited results for the quarter ending December 2020	January / February 2021
Publication of Audited results for the year ending March 2021	April / May 2021
Annual General Meeting for the year ending March 2021	June to September 2021

## 6.3 Rate of dividend and dividend payment date

No dividend was recommended for the financial year ended 31<sup>st</sup> March 2020.

## 6.4 Book Closure Date

The Company's Share Transfer Books and Register of Members of equity shares shall remain closed from Thursday, 17<sup>th</sup> September 2020 to Wednesday, 23<sup>rd</sup> September 2020 (both days inclusive).

## 6.5 Listing of Equity Shares

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

The address of BSE and NSE are as follows:

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

The Annual Listing Fees for 2020-2021 have been paid to BSE and NSE.

## 6.6 Stock Codes

Name of Stock Exchange	Scrip Code / Symbol
BSE Ltd.	509567
National Stock Exchange of India Ltd.	GOACARBON

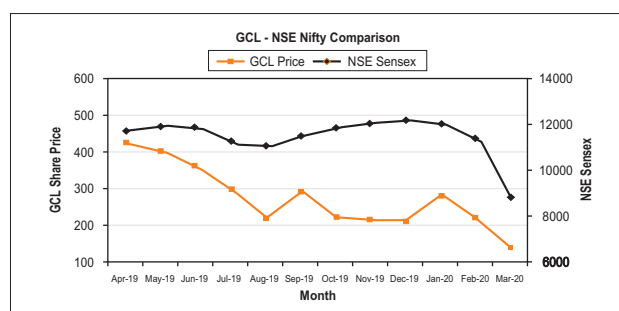
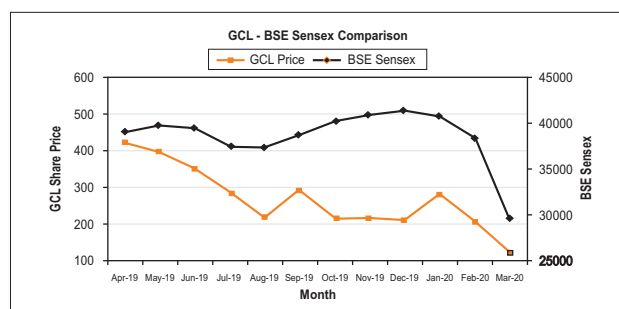
**International Securities Identification Number (ISIN)**  
INE426D01013

## 6.7 Market Price Data (In ₹)

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
April 2019	508.20	410.50	5,71,192	508.00	414.05	30,66,226
May 2019	434.90	322.20	5,88,889	435.00	322.00	24,58,584
June 2019	427.80	325.00	3,67,984	429.00	321.40	16,81,786
July 2019	360.60	271.00	4,95,682	360.35	266.10	26,48,473
August 2019	291.15	203.00	2,56,881	291.70	208.10	14,29,634
September 2019	367.20	210.00	12,04,724	368.00	210.00	70,07,072
October 2019	277.50	203.25	60,720	277.00	204.00	3,16,646
November 2019	232.85	200.00	42,616	231.70	200.00	2,20,900
December 2019	232.90	199.50	1,20,609	234.40	194.90	7,53,396
January 2020	375.05	211.80	3,52,299	375.15	211.00	24,55,885
February 2020	293.00	206.50	63,556	292.00	205.65	2,60,680
March 2020	229.00	109.25	64,969	228.00	108.60	3,36,622

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

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



## 6.9 Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.  
C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400083. Ph.: (022) 49186270 Fax: (022) 49186060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## 6.10 Transfer of shares

As per SEBI norms, with effect from April 1, 2019, only transmission or transposition requests for transfer of securities shall be processed in physical form, all other transfers shall be processed in dematerialised form only.

Pursuant to the provisions of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer

equity shares in respect of which dividends have not been claimed for a period of seven years continuously to IEPF. The Company has transferred 5,366 equity shares to IEPF during the year under review. Details of these shares are available on the Company's website [www.goacarbon.com](http://www.goacarbon.com).

Further, shares in respect of whom dividend will remain unclaimed progressively for seven consecutive years, will be reviewed for transfer to the Investor Education and Protection Fund as required by law. The Company will transfer the said shares, after sending an intimation of such proposed transfer in advance to the concerned shareholders, as well as, publish a public notice in this regard. Names of such transferees will be available on the Company's website [www.goacarbon.com](http://www.goacarbon.com).

As per the requirement of Regulation 40(9) of the Listing Regulations, the Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities.

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

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

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

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1 <sup>st</sup> April 2019.	920	31,104
Number of shareholders who approached the Company / RTA for transfer of shares from Unclaimed Suspense Account during the year ended 31 <sup>st</sup> March 2020.	-	-
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year ended 31 <sup>st</sup> March 2020.	-	-
Number of shareholders whose shares were transferred from Unclaimed Suspense Account to the Investor Education and Protection Fund Authority pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereto under Companies Act, 2013 during the year ended 31 <sup>st</sup> March 2020.	17	395
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. as on 31 <sup>st</sup> March 2020.	903	30,709

All corporate benefits on such shares viz. Bonus shares, split of shares, etc. shall be credited to the unclaimed suspense account, as applicable for a period of seven years and thereafter be transferred in accordance with the provisions of Section 124(5) and Section 124(6) of the Companies Act, 2013 read with IEPF Rules.

The voting rights on such shares shall remain frozen until the rightful owner claims the Equity shares.

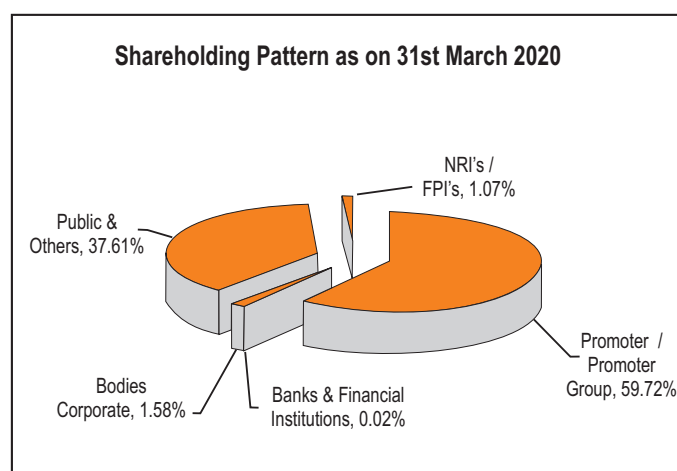
### 6.12 Distribution of Shareholding

#### Distribution Schedule as on 31<sup>st</sup> March 2020

No. of Shares	No. of Shareholders	% Shareholders	No. of Shares	% to Total
Upto 500	29,657	96.77	20,65,509	22.57
501 to 1000	597	1.75	4,51,454	4.93
1001 to 2000	239	0.78	3,48,804	3.81
2001 to 3000	53	0.17	1,31,971	1.44
3001 to 4000	41	0.13	1,45,336	1.59
4001 to 5000	17	0.06	77,104	0.84
5001 to 10000	28	0.09	1,78,196	1.95
10001 and above	14	0.05	57,52,678	62.87
<b>TOTAL</b>	<b>30,645</b>	<b>100.00</b>	<b>91,51,052</b>	<b>100.00</b>

#### Distribution of Shareholding (Category-wise) as on 31<sup>st</sup> March 2020

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Promoters / Promoter Group	5	54,64,989	59.72
NBFC's Registered with RBI	1	1,130	0.01
Banks & Indian Financial Institutions	10	1,116	0.01
Bodies Corporate	196	1,44,583	1.58
Non-Resident Indians (NRI's)	364	98,318	1.07
Public	29,988	33,21,495	36.30
Clearing Members	80	21,431	0.24
Investor Education and Protection Fund (IEPF)	1	97,990	1.07
<b>Total</b>	<b>31,645</b>	<b>91,51,052</b>	<b>100.00</b>



### 6.13 Dematerialisation of shares and Liquidity

The details of Equity Shares dematerialised and those held in physical form as on 31<sup>st</sup> March 2020 are given hereunder:

Particulars of Equity Shares	Equity Shares of ₹ 10/- each		Shareholders	
	Number	% of total	Number	% of total
Dematerialized form				
NSDL	75,53,878	82.55	14,761	48.17
CDSL	13,75,163	15.02	13,337	43.52
<b>Sub-total</b>	<b>89,29,041</b>	<b>97.57</b>	<b>28,098</b>	<b>91.69</b>
Physical form	2,22,011	2.43	2,547	8.31
<b>Total</b>	<b>91,51,052</b>	<b>100.00</b>	<b>30,645</b>	<b>100.00</b>

Effective 1<sup>st</sup> April 2019, transfer of shares of the Company can be done only in the dematerialised form. However, shareholders' are not barred from holding shares in the physical form. As per the decision of SEBI, "any investor who is desirous of transferring shares (which are held in physical form) after 1<sup>st</sup> April 2019 can do so only after the shares are dematerialised." This decision "is not applicable for demat of shares, transmission (i.e. transfer of title of shares by way of inheritance/ succession) and transposition (i.e. re-arrangement/ interchanging of the order of name of shareholders) cases,"

In view of the above, shareholders still holding shares in physical form are requested to dematerialise their shares at the earliest. For further information / clarification / assistance in this regard, please contact Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent.

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

The Company has not issued any such securities.

### 6.15 Credit Rating

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) – the credit rating agency, has assigned the credit rating of "ACUITE BBB" to the long-term Bank facilities availed by the Company and credit rating of "ACUITE A3+" to the short-term Bank facilities availed/proposed by the Company. The outlook mentioned is negative.

### 6.16 Plant Locations

<b>Goa Plant</b>	St. Jose de Areal, Salcete, Goa 403709
<b>Bilaspur Plant</b>	34-40, Sector B, Sirgitti Industrial Area, Bilaspur 495004, Chattisgarh
<b>Paradeep Plant</b>	Vill. Udayabata, P.O. Paradeepgarh, Dist. Jagatsinghpur, Odisha 754142

### 6.17 Address for correspondence

Investor correspondence for transposition / transmission / deletion of name / dematerialisation of shares, queries relating to payment / revalidation of dividend on shares and

any other query relating to the shares of the Company should be addressed to -

**Link Intime India Pvt. Ltd.**  
C 101, 247 Park,  
LBS Marg, Vikhroli (West), Mumbai-400083  
Ph.: (022) 49186270 Fax: (022) 49186060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Investor complaints, if any, may be addressed to -

Pravin Satardekar, Company Secretary  
**Goa Carbon Limited**  
Dempo House, Campal,  
Panaji, Goa-403001  
Tel.: (0832) 2441300 Fax: (0832) 2427192  
Email: [investorrelations@goacarbon.com](mailto:investorrelations@goacarbon.com)

### 6.18 Status of compliance with discretionary requirements

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

#### (a) The Board:

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

#### (b) Shareholders Rights:

The quarterly financial results are published in the newspapers of wide circulation and not sent to individual shareholders on a half-yearly basis. Financial Results are also available on the website of the Company and of Stock Exchanges where the Equity shares of the Company are listed. Further, significant events are informed to the Stock Exchanges from time to time and then the same is also posted on the website of the Company under the 'Investors' section.

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

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

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

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

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

The Company has outsourced the Internal Audit function to M/s. BDO India LLP who acts as the Internal



Auditor of the Company pursuant to Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The Internal Auditors directly present their report to the Audit Committee for their consideration.

## 7 Other Disclosures

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

Details of relevant Related Party Transactions entered into by the Company are included in the Board's Report and in the Notes to Accounts. The Company has in place a policy on dealing with related party transactions and the same has been uploaded and available on the Company's website ([http://www.goacarbon.com/downloads/Related\\_Party\\_Transaction\\_Policy.pdf](http://www.goacarbon.com/downloads/Related_Party_Transaction_Policy.pdf)).

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the year were at an arm's length price basis and in the ordinary course of business. The same are placed periodically before the Audit Committee for review and approval.

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

Transaction(s) with person or entity belonging to the Promoter/Promoter Group which hold(s) 10% or more shareholding in the Company is/are disclosed in the Notes to Accounts in the Annual Report.

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

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has, inter-alia, adopted a Code of Conduct for Prohibition of Insider Trading (Code) duly approved by the Board of Directors of the Company.

### 7.3 Statutory Compliance, Penalties and Strictures

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

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

The Company confirms that it has complied with all mandatory requirements prescribed in the Listing Regulations. The Company has partially adopted the non-mandatory requirements. Disclosures of the extent to which the discretionary requirements have been adopted are given in Item no. 6.18 of this report.

## 7.5 Policy for Determining Material Subsidiaries

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

## 7.6 Whistle Blower Policy

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

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

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

## 7.8 Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)

The Company has not raised any funds through preferential allotment or qualified institutions placement during the year under review.

## 7.9 Certificate from PCS under sub-para 10(i) of Part C of Schedule V of the Listing Regulations

A Certificate from a Practicing Company Secretary stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed to this report.

## 7.10 Confirmation by the Board of Directors' acceptance of recommendation of mandatory committees

In terms of the amended SEBI Listing Regulations, the Board of Directors of the Company, confirm that during the year under review, it has accepted all recommendations received from its mandatory committees.

### 7.11 Details of total fees paid to the Statutory Auditors of the Company

The details of the total fees paid to B S R & Co. LLP, Chartered Accountant, Statutory Auditors of the Company during the Financial Year ended 31<sup>st</sup> March 2020 is given below:

Sr. no.	Description of fees paid	Amount (₹ lakhs)
1.	Statutory Audit fees paid for Audit of the Company	16.00
2.	Fees paid for Limited review of the Company	9.00
3.	Reimbursement of expenses	3.32
	<b>Total</b>	<b>28.32</b>

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

a.	Number of complaints filed during the period 1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020	Nil
b.	Number of complaints disposed of during the period 1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020	Nil
c.	Number of complaints pending as on 31 <sup>st</sup> March 2020	Nil

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

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

### 9 Details of compliance with corporate governance requirements

The Company has complied with the applicable corporate governance requirements as stipulated in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

### 10 Certificate on corporate governance

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

### 11 Compliance Certificate from CEO & CFO

The Executive Director and CFO have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II of the Listing Regulations pertaining to CEO & CFO certification for the Financial Year ended 31<sup>st</sup> March 2020.

### 12 Code of Conduct

A Code of Conduct has been formulated for the Directors and Senior Management Personnel of the Company and the same is available on the Company's website [www.goacarbon.com](http://www.goacarbon.com). The Company has received confirmations from all Directors and Senior Management of the Company regarding compliance with the Code of Conduct for the Financial Year ended 31<sup>st</sup> March 2020, as applicable to them. A certificate from Mr. Jagmohan Chhabra, Executive Director, to this effect, is given below. The duties of the Independent Directors as laid down in the Companies Act, 2013 has been suitably incorporated in the Code of Conduct, as necessary.

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

In accordance with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended 31<sup>st</sup> March 2020.

**Jagmohan Chhabra**  
Executive Director  
DIN: 01007714

Place: Panaji, Goa  
Date: 9<sup>th</sup> May 2020

**PRACTICING COMPANY SECRETARY'S CERTIFICATE  
UNDER SUB-PARA 10(i) OF PART C OF SCHEDULE V OF SEBI (LODR),  
REGULATIONS, 2015**

To,  
The Members of  
Goa Carbon Limited  
Dempo House, Campal,  
Panaji Goa, 403001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Goa Carbon Limited having CIN: L23109GA1967PLC000076 and having registered office at Dempo House, Campal , Panaji Goa, 403001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Keki Manchershya Elavia	00003940	22/01/2001
2	Mr. Shrinivas Vasudeva Dempo	00043413	01/04/2006
3	Ms. Kiran Dhingra	00425602	16/03/2015
4	Mr. Jagmohan Jagdishlal Chhabra	01007714	09/04/2010
5	*Mr. Dara P. Mehta	00041164	25/09/1978
6	** Mr. Raman Madhok	01798377	28/01/2010
7	Mr. Rajesh Soiru Dempo	05143106	08/01/2016
8	Mr. Nagesh Dinkar Pinge	00062900	06/05/2019

\* Mr. Dara Metha ceased to be a Director w.e.f. 01.04.2019

\*\* Mr. Raman Madhok ceased to be a Director w.e.f. 02.02.2020 on account of expiry of his term.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Sadashiv V. Shet**  
Practicing Company Secretary  
CP No.: 2540  
UDIN: F002477B000219001

Date: 09.05.2020  
Place: Panaji, Goa



## PRACTICING COMPANY SECRETARY'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,  
The Members  
Goa Carbon Limited

I have examined the compliance of conditions of Corporate Governance by GOA CARBON LIMITED (the Company), for the financial year ended on 31<sup>st</sup> March 2020, as stipulated under the relevant clauses of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

**Sdashiv V. Shet**

Practicing Company Secretary  
CP No.: 2540; Mem. No.: 2477  
UDIN: F002477B000218968

Date: 09.05.2020  
Place: Panaji, Goa

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2020

### FORM NO. MR- 3

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

To,  
The Members,  
Goa Carbon Limited  
Dempo House, Campal,  
Panaji, Goa, 403001

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

Based on my verification of the **GOA CARBON LIMITED'S** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2020 and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; .....**Not applicable to the Company during the period under review.**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; .....**Not applicable to the Company during the period under review.**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), 2008; .....**Not applicable to the Company during the period under review.**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; .....**Not applicable to the Company during the period under review.**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; .....**Not applicable to the Company during the period under review.**
- (vi) Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

The following other Laws as may be applicable specifically to the Company are:

*The Petroleum Act, 1934 and the Petroleum Rules, 2002.*

**I further report that**, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads / Company Secretary / Executive Director/ Internal Auditor, taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor compliance with applicable general laws like Labour laws, Environment laws and other legislations.

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

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

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

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda

were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

Date: 09.05.2020  
Place: Panaji, Goa

**Sadashiv V Shet**  
Practicing Company Secretary  
FCS No.: 2477  
CP No.: 2540  
UDIN: F002477B000218871

# Independent Auditors' Report

## To the Members of Goa Carbon Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Goa Carbon Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 31 March 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
<b>Carrying value of inventories</b> As at 31 March 2020, inventory of finished goods of ₹ 3,503 lacs is held across multiple locations. Of this, inventory amounting to	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

₹1,352 lakhs has been valued at net realizable value, being lower than cost. The write down of inventories to net realisable value during the year amounts to ₹ 179 lacs (refer note 10). Inventory should be valued at the lower of cost and net realisable value, being selling price less estimated selling costs. A risk exists that inventories may need to be sold at a price which is below the cost of production. As gross margins on sale of Calcinated Petroleum Coke (CPC) can be low and inventory can sometimes be sold at a loss, provisions are recorded against inventory to write it down to management's best estimate of its recoverable amount. Recoverable amount estimated by management is subject to various key assumptions such as the length of time required to sell inventories, the price level at which inventory will be sold in future and whether inventories will need to be valued below their cost price. Accordingly, this was considered as a key audit matter.

#### Impact of COVID-19 pandemic on the Company (Refer Note 2 (a) related to "Basis of preparation and compliance with Ind AS" and Note 3(a)(viii) related to "Estimation of uncertainties relating to the global health pandemic from COVID-19" of the financial statements)

On 11 March 2020, the World Health Organization declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic.

The Indian Government accordingly imposed lock-down across the country from 22 March 2020. The lockdown and restrictions due to COVID-19 have resulted into

- understood business processes surrounding management's review of the valuation of inventory;

- tested the design, implementation and operating effectiveness of controls around inventory provisioning;

- selected a sample of inventory items and agreed key input in relation to expected sales price of the inventory to supporting documentation; and

- performed a retrospective review of prior year provision against actual sales made subsequently.

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- Obtained an understanding of the key controls relating to the Company's forecasting process.

- Obtained an understanding of key assumptions adopted by the Company in preparing the forecasted income statement and cash flow and assessed the consistency thereof with our expectations based on our understanding of the Company's business.

- Assessed the forecasted income statement and cash flow by considering plausible changes to the key assumptions adopted by the Company.

- Assessed the sensitivities and performed stress testing on the forecasted cash flows.

- Examined the Company's funding arrangements and evaluated the financing terms for them.

significant challenges to the overall economic activity in the country. The Company has assessed the impact of COVID-19 on its operations based on future cash flow projections.

Further, there are significant uncertainties involved in developing some of the estimates involved in preparation of the financial statements including but not limited to its assessment of liquidity and going concern, recoverable values of its property, plant and equipment and the net realisable values of other assets.

In view of the highly uncertain economic environment, a definitive assessment of the impact is highly dependent upon circumstances as they evolve in future and the actual results may differ from those estimated as at the date of approval of these financial statements.

Consequently, we identified this as a key audit matter.

#### **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's and Board of Directors' Responsibility for the Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a

- Assessed the adequacy of the disclosures related to application of the going concern assumption.

true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding 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 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.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial



statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

- 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;
- 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;

- The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
- In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
- On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act; and
- With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 31 to the financial statements;
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
- The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 and Schedule V of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 and Schedule V of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Firm's Registration Number : 101248W/W-100022

**Swapnil Dakshindas**  
Partner

Membership No. 113896

UDIN:20113896AAAACB5449

Place: Pune  
Date: 30 June 2020

## Annexure A to the Independent Auditors' Report – 31 March 2020

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property plant and equipment).
- (b) *The Company has a regular program of physical verification of its fixed assets (property plant and equipment) by which its fixed assets (property plant and equipment) are verified in a phased manner every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets (property plant and equipment). No material discrepancies were noticed on such verification.*
- (c) Immovable properties of land and buildings whose title deeds have been pledged as security for facilities taken from banks are held in the name of the Company based on the confirmation received by us from bank. In respect of immovable properties of land that have been taken on lease and disclosed as Right of use asset in the financial statements and the buildings constructed on such leasehold land, whose lease deeds have been pledged as security for facilities taken from banks, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement based on the confirmation directly received by us from bank.
- (ii) *The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and there were no material discrepancies noted during such verification.*
- (iii) *The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.*
- (iv) *In our opinion and according to the information and explanations given to us, the Company has not given any loans, made any investments, provided any guarantees or security in connection with loans taken by other parties during the year. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.*
- (v) The Company has not accepted any deposits in accordance with the provisions of section 73 to 76 of the Act and the rules framed thereunder.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the goods manufactured by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of

the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Goods and Service Tax, and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, except in connection with certain employee related dues as more fully described in note 31 to the financial statements and for Goa Green Cess. As explained to us, the Company do not have dues on account of Sales Tax, Service Tax, Value Added Tax and Duty of Excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Goods and Service Tax and other material statutory dues were in arrears as at 31 March 2019, for a period of more than six months from the date they became payable, except in connection with certain employee related dues as more fully described in note 31 to the financial statements and Goa Green Cess. The arrears of 'Goa Green Cess' outstanding for more than six months as at 31 March 2020 amounts to ₹ 394 lakhs.

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

Name of the statute	Nature of dues	Amount (₹ lakhs)	Amount paid under protest (₹ lakhs)	Period to which the amount relates (Assessment Year)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	901	901	1995-96 to 2003-04	Supreme Court of India
Income Tax Act, 1961	Income Tax	237	237	2009-10	Bombay High Court
Income Tax Act, 1961	Income Tax	247	247	1994-95	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	504	205	2013-14 and 16-17	Income Tax Appellate Tribunal, Panaji

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the banks. The Company did not have any loan or borrowings from financial institutions, government or any debentures outstanding during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer

(including debt instruments) or term loans during the year. Accordingly, reporting under this clause is not applicable to the Company.

- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the managerial remuneration is paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the Ind AS financial statements.

Place: Pune  
Date: 30 June 2020

- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year. Accordingly, reporting under this clause is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Swapnil Dakshindas**  
*Partner*  
Membership No: 113896  
UDIN: 20113896AAAACB5449



## Annexure B to the Independent Auditors'

### Report on the financial statements of Goa Carbon Limited for the period ended 31 March 2020

### Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### Opinion

We have audited the internal financial controls with reference to financial statements of Goa Carbon Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit

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

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

#### Meaning of Internal Financial controls with Reference to Financial Statements

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

#### Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

**Swapnil Dakshindas**  
Partner

Place: Pune  
Date: 30 June 2020

Membership No: 113896  
UDIN: 20113896AAAACB5449

## Balance Sheet As At 31<sup>st</sup> March 2020

₹ in lacs

Particulars	Note	As at 31st March 2020	As at 31st March 2019
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	4	2,616.43	2,731.55
(b) Capital work in progress		18.00	-
(c) Intangible assets	5	8.00	10.55
<b>(d) Financial assets</b>			
(i) Investments	6	240.38	296.33
(ii) Loans	7	72.42	72.34
(e) Income tax assets (net)	8	1,253.20	1,247.03
(f) Other non-current assets	9	462.33	404.32
		<b>4,670.76</b>	<b>4,762.12</b>
<b>(2) Current assets</b>			
(a) Inventories	10	9,725.31	16,641.41
<b>(b) Financial assets</b>			
(i) Trade receivables	11	2,165.06	6,198.29
(ii) Cash and cash equivalents	12	683.07	44.52
(iii) Bank balances other than (ii) above	13	1,929.91	3,405.76
(iv) Others	14	476.03	31.68
(c) Other current assets	15	1,556.53	3,148.04
		<b>16,535.91</b>	<b>29,469.70</b>
<b>TOTAL ASSETS</b>		<b>21,206.67</b>	<b>34,231.82</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	16	915.11	915.11
(b) Other equity	17	6,992.74	9,843.73
		<b>7,907.85</b>	<b>10,758.84</b>
<b>(2) Non-current liabilities</b>			
(a) Deferred tax liabilities (net)	18	-	85.26
		-	85.26
<b>(3) Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	19	368.82	43.22
(ii) Trade payables	20		
(A) total outstanding dues of micro enterprises and small enterprises; and		<b>61.78</b>	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		<b>11,813.74</b>	21,428.00
(iii) Others	21	315.55	1,027.84
(b) Other current liabilities	22	702.74	855.62
(c) Provisions	23	36.19	33.04
		<b>13,298.82</b>	<b>23,387.72</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21,206.67</b>	<b>34,231.82</b>
Summary of significant accounting policies	2-3		
The accompanying notes to the financial statements.	4-46		

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

As per our report of even date attached

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

Chartered Accountants

Firm Registration No. 101248W/W-100022

**Swapnil Dakshindas**

Partner

Membership No. 113896

Place: Pune, Maharashtra

Dated: 30th June 2020

For and on behalf of the Board of Directors of

**Goa Carbon Limited**

(CIN: L23109GA1967PLC000076)

**Shrinivas V. Dempo**

Chairman

DIN:00043413

**K. Balaraman**

Chief Financial Officer

M.No.: ACA - 029283

Place: Panaji, Goa

Dated: 30th June 2020

**Jagmohan J. Chhabra**

Executive Director

DIN:01007714

**Pravin R. Satardekar**

Company Secretary

M.No.: ACS - 24380



## Statement of Profit And Loss for the Year Ended 31<sup>st</sup> March 2020

₹ in lacs

Particulars	Note	Year ended 31st March 2020	Year ended 31st March 2019
<b>I. Revenue from operations (net)</b>	<b>24</b>	<b>41,661.43</b>	46,178.80
<b>II. Other income</b>	<b>25</b>	<b>245.31</b>	224.81
<b>III. Total income (I+II)</b>		<b>41,906.74</b>	46,403.61
<b>IV. Expenses:</b>			
(a) Cost of materials consumed	26	30,703.71	43,547.43
(b) Changes in inventories of finished goods	27	4,831.42	(4,023.39)
(c) Employee benefit expense	28	1,823.54	1,814.59
(d) Finance cost	29	1,376.67	1,161.86
(e) Depreciation and amortisation expenses	4-5	218.69	203.92
(f) Other expenses	30	5,790.44	4,782.29
<b>Total expenses (IV)</b>		<b>44,744.47</b>	47,486.70
<b>V. Profit/(Loss) before tax (III-IV)</b>		<b>(2,837.73)</b>	(1,083.09)
<b>VI. Tax expense:</b>			
(a) Current tax	18	11.59	13.22
(b) Deferred tax	18	(74.43)	(344.87)
<b>VII. Profit/(Loss) for the period (V-VI)</b>		<b>(2,774.89)</b>	(751.44)
<b>VIII. Other comprehensive income:</b>			
(i) Items that will not be reclassified to profit and loss:			
(a) Remeasurements of the defined benefit plans		(30.98)	(24.14)
(b) Equity instruments through other comprehensive income		(55.95)	89.66
(ii) Tax relating to items that will not be reclassified to profit and loss		10.83	8.43
<b>IX. Total comprehensive income/(loss) for the period (VII+VIII)</b>		<b>(2,850.99)</b>	(677.49)
<b>X. Earnings per equity share of ₹10 each (in ₹)</b>			
(1) Basic	42	(30.32)	(8.21)
(2) Diluted	42	(30.32)	(8.21)
Summary of significant accounting policies	2-3		
The accompanying notes to the financial statements.	4-46		

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

As per our report of even date attached

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

Chartered Accountants

Firm Registration No. 101248W/W-100022

**Swapnil Dakshindas**

Partner

Membership No. 113896

Place: Pune, Maharashtra

Dated: 30th June 2020

For and on behalf of the Board of Directors of

**Goa Carbon Limited**

(CIN: L23109GA1967PLC000076)

**Shrinivas V. Dempo**

Chairman

DIN:00043413

**K. Balaraman**

Chief Financial Officer

M.No.: ACA - 029283

Place: Panaji, Goa

Dated: 30th June 2020

**Jagmohan J. Chhabra**

Executive Director

DIN:01007714

**Pravin R. Satardekar**

Company Secretary

M.No.: ACS - 24380

## Cash Flow Statement For The Year Ended 31<sup>st</sup> March 2020

₹ in lacs

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(2,837.73)	(1,083.09)
<b>Adjustments for :</b>		
Depreciation and amortisation expenses	218.69	203.92
Finance cost	1,376.67	1,161.86
Assets written off	4.51	9.41
Bad debts written off	15.48	6.04
Interest income from others	(183.52)	(153.46)
Provision for doubtful debts made/(written back)	(36.72)	27.54
Sundry credit balances written back	(20.35)	(16.99)
Net gain on disposal of property, plant and equipment	(3.98)	(33.26)
Exchange Loss/(gain) - (net)	481.96	(608.50)
Dividend income	(0.74)	(1.11)
	<b>1,852.00</b>	<b>595.45</b>
Operating loss before working capital changes	(985.73)	(487.64)
<b>Changes in working capital</b>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Loans	(0.08)	(0.27)
Other non-current assets	(3.43)	(0.13)
Inventories	6,916.10	(7,298.60)
Trade receivables	4,054.47	(610.91)
Other current financial assets	(444.35)	98.88
Other current assets	1,559.33	(1,507.38)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(10,014.08)	20,640.88
Other current financial liabilities	(569.55)	631.94
Other current liabilities	(152.88)	(482.63)
Provisions	3.15	(4.37)
	<b>1,348.68</b>	<b>11,467.41</b>
Cash generated from operating activities	362.95	10,979.77
Income tax paid (net of refunds, if any)	(17.76)	(26.01)
<b>Net cash from operating activities (A)</b>	<b>345.19</b>	<b>10,953.76</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment, intangibles and capital work-in-progress	(186.80)	(195.72)
Proceeds from sale of property, plant and equipments	13.86	44.28
Margin money and bank deposits realised	1,467.92	5,902.76
Interest received	183.52	343.96
Dividend received	0.74	1.11
<b>Net cash from investing activities (B)</b>	<b>1,479.24</b>	<b>6,096.39</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of current borrowings (net)	-	(19,483.42)
Interest paid	(1,511.48)	(1,168.24)
Dividends paid	-	(915.11)
Dividend distribution tax paid	-	(188.10)
<b>Net cash from / (used in) financing activities (C)</b>	<b>(1,511.48)</b>	<b>(21,754.87)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>312.95</b>	<b>(4,704.72)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>1.30</b>	<b>4,706.04</b>
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	-	(0.02)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>314.25</b>	<b>1.30</b>



## Cash Flow Statement For The Year Ended 31<sup>st</sup> March 2020 (contd.)

₹ in lacs

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (refer Note 12 and Note 13)	2,612.98	3,450.28
Less: Bank balances not considered as Cash and cash equivalents :		
Earmarked unpaid dividend account	(49.77)	(57.70)
Margin money deposits and security against borrowings (including interest accrued thereon)	(1,880.14)	(3,348.06)
Add: Bank overdraft balances, being part of cash management policy		
Cash credit, repayable on demand	(368.82)	(43.22)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR *</b>	<b>314.25</b>	<b>1.30</b>

*Comprises of	As at 31st March 2020	As at 31st March 2019
Cash on hand	0.69	1.31
Balances with banks in current accounts	35.78	43.21
Deposits with original maturity less than 3 months (including interest accrued thereon)	646.60	-
Cash credit, repayable on demand used for cash management purpose	(368.82)	(43.22)
Total	314.25	1.30

### Reconciliation of liabilities arising from financing activities as required under amendment to IND AS 7:

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Short-term borrowings as at beginning of the period	43.22	19,487.65
Less: Cash credit as at beginning of the period	(43.22)	(4.23)
Add: Cash inflows/ (outflows) [proceeds / (repayment) of current borrowings from Banks (net)]	-	(19,483.42)
Add: Non cash changes (Effects of unrealised foreign exchange)	-	-
Add: Cash credit as at end of the period	368.82	43.22
<b>Short-term borrowings as at end of the period</b>	<b>368.82</b>	<b>43.22</b>

Summary of significant accounting policies 2 - 3

The accompanying notes to the financial statements. 4 - 46

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

As per our report of even date attached

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

**Swapnil Dakshindas**  
Partner  
Membership No. 113896

Place: Pune, Maharashtra  
Dated: 30th June 2020

For and on behalf of the Board of Directors of  
**Goa Carbon Limited**  
(CIN: L23109GA1967PLC000076)

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

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

Place: Panaji, Goa  
Dated: 30th June 2020

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

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



## Statement of Changes in Equity For The Year Ended 31<sup>st</sup> March 2020

### A. Equity share capital

	Note	Number of shares	₹ in lacs
Balance as at 1st April 2018		9,151,052	915.11
Changes in equity share capital during 2018-19	16 B	-	-
Balance as at 31st March 2019		9,151,052	915.11
Changes in equity share capital during 2019-20	16 B	-	-
Balance as at 31st March 2020		9,151,052	915.11

### B. Other equity

#### As at 31st March 2019

₹ in lacs

Particulars	Attributable to the owners of the company						Total
	Reserves and surplus				Items of OCI		
	Securities Premium	Amalgamation reserve	General reserve	Retained earnings	Remeasurement of employee benefit obligation	Equity instruments through other comprehensive income	
Balance as at 1st April 2018	3,131.01	475.38	1,803.05	6,062.48	(50.12)	202.63	11,624.43
Total comprehensive income for the year ended 31 March 2019							
Loss for the year	-	-	-	(751.44)	-	-	(751.44)
Other comprehensive income for the year, net of deferred tax	-	-	-	-	(15.71)	89.66	73.95
	-	-	-	(751.44)	(15.71)	89.66	(677.49)
Transactions with owners, recorded directly in equity							
Dividends including dividend distribution tax	-	-	-	1,103.21	-	-	1,103.21
Balance as at 31st March 2019	3,131.01	475.38	1,803.05	4,207.83	(65.83)	292.29	9,843.73
<b>As at 31st March 2020</b>							
Balance as at 1st April 2019	3,131.01	475.38	1,803.05	4,207.83	(65.83)	292.29	9,843.73
Total comprehensive income for the year ended 31st March 2020							
Loss for the year	-	-	-	(2,774.89)	-	-	(2,774.89)
Other comprehensive income for the year, net of deferred tax	-	-	-	-	(20.15)	(55.95)	(76.10)
	-	-	-	(2,774.89)	(20.15)	(55.95)	(2,850.99)
Transactions with owners, recorded directly in equity							
Dividends including dividend distribution tax	-	-	-	-	-	-	-
Dividends including tax	-	-	-	-	-	-	-
Balance as at 31st March 2020	3,131.01	475.38	1,803.05	1,432.94	(85.98)	236.34	6,992.74

Summary of significant accounting policies 2 - 3

The accompanying notes to the financial statements. 4 - 46

The notes referred to above form an integral part of financial statements.  
As per our report of even date attached

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

Chartered Accountants  
Firm Registration No. 101248W/W-100022

#### Swapnil Dakshindas

Partner  
Membership No. 113896

Place: Pune, Maharashtra  
Dated: 30th June 2020

For and on behalf of the Board of Directors of  
**Goa Carbon Limited**  
(CIN: L23109GA1967PLC000076)

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

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

Place: Panaji, Goa  
Dated: 30th June 2020

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

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

## Notes to the Financial Statements For The Year Ended 31<sup>st</sup> March 2020

### 1 Company overview

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

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

### 2 Basis of preparation of financial statements

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

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

These financial statements have been prepared on a going concern basis. The management has, given the significant uncertainties arising out of the outbreak of COVID 19, (as explained in note viii of critical estimates and judgments in applying accounting policies), assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of these financial statements. Based on this evaluation, Management believes that the Company will be able to continue as a 'going concern' in the foreseeable future and for a period of at least twelve months from the date of these financial statements based on the following: i) Expected future operating cash flows based on business projections, and ii) Available credit facilities with its bankers. Based on the above factors, Management has concluded that the "going concern" assumption is appropriate. Accordingly, the financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a going concern.

The financial statements were authorized for issue by the Company's Board of Directors on 30th June 2020.

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

#### b. Basis of measurement

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

#### c. Functional and presentation currency

The financial statements are prepared in Indian Rupees,

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

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

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

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

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

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

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

### 3A Significant accounting policies

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

#### a. Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. Consideration is allocated to each performance obligation specified in the contract. The Company recognise revenue pertaining to each performance obligation when it transfers control over a product to a customer, which is adjusted for expected refunds, which are estimated based on the historical data, adjusted as necessary.

## b. Property, plant and equipment

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

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

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

Capital work-in-progress:

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

Depreciation:

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

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

- Mobile phones - One year.
- Assets costing less than ₹ 5,000 each are fully depreciated in the year of acquisition.
- Depreciation on additions and deletions during the year are charged on pro-rata basis.
- Right to use of leasehold land taken under operating leases, being amortised equally over the period of the lease.

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

## c. Intangible assets

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as of 1st April 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## d. Financial instruments

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

### i) Financial assets

Initial recognition

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

Subsequent measurement

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

#### a. Financial assets at amortised cost

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

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

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

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

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

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

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

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

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

Derecognition

The Company derecognises a financial asset when the

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

**d. Financial instruments**

**Impairment of financial assets**

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

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. In the Balance Sheet, for financial assets measured as at amortised cost, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**ii) Financial liabilities  
Initial recognition**

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

### Subsequent measurement

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

- a. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and designated upon initial recognition as at fair value through profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.
- b. Financial liabilities at amortised cost (Loans & Borrowings).

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

### Derecognition

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

### iii) Offsetting of financial instruments

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

### iv) Derivative financial instruments

#### Initial recognition and subsequent measurement

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

### v) Income/ Loss recognition

#### Interest income:

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

#### Dividends:

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

#### Borrowing costs:

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

### e. Impairment of non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units. The carrying values of assets / cash generating units are reviewed at each Balance Sheet date for any indication of impairment based on internal / external factors.

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

### f. Inventories

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

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

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

#### g. Taxation

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

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

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

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

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

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

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

#### h. Employee benefits

##### Short term employee benefits

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

##### Long term employee benefits:

##### i) Defined contribution plans

##### a. Superannuation

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

##### b. Provident fund

The Company contributes to a Government administered provident/ pension fund.

The fixed contributions to these funds are charged to the Statement of Profit and Loss.

##### ii) Defined benefit plans

##### a. Gratuity

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

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

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

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

b. **Compensated absences:**

The employees of the Company are entitled to encashment of unavailed leave. The employees can carry forward a portion of the unutilized leave and receive cash compensation at retirement or termination of employment. The Company contributes to the fund maintained with Life Insurance Corporation of India for this, which is irrevocable. The Company records an obligation for encashment of unavailed leave in the period in which the employee renders the services, based on an actuarial valuation at the Balance Sheet date carried out by an independent actuary less the fair value of the plan assets. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

i. **Provisions and contingencies**

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

Contingent liability is disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

j. **Foreign currency transactions**

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

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

k. **Earnings per share**

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

l. **Cash and cash equivalents**

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

m. **Cash flow statement**

Cash flows are reported using indirect method as set out in Ind AS-7 "Statement of cash flows" whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

n. **Leases**

Transition :

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted modified retrospective approach where lease liability measured at present value of remaining lease payment discounted at the incremental borrowing rate at the date of initial application and right to use asset is equal to lease liability adjusted by the amount of any prepaid or accrued lease payments. The Company has adopted Ind AS 116 with effect from initially applying this standard from 1 April 2019. Accordingly, the information presented for previous year ended 31 March 2019 has not been restated and continues to be reported under Ind AS 17.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:- the contract involves the use of an identified asset – this

may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and- the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:- the Company as a lessee has the right to operate the asset; or- the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.- This policy is applied to contracts entered into, or modified, on or after 1 April, 2019.

The Company as a lessee :

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets :The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Operating Leases :

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. Single discount rate to a portfolio of leases with similar characteristics. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

Finance Leases :

The Company has leases that were classified as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17.

#### **o. Use of estimates and judgments**

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

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



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

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

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

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

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

#### **ii) Provisions and contingencies**

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

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

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

#### **iii) Accounting policy on taxation**

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

#### **iv) Defined benefit plans**

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 34 for details of the key assumptions used in determining the accounting for these plans.

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

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

#### **vi) Measurement of fair values**

A number of the accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values which is overseen by the Chief Financial Officer (CFO). Significant valuation issues are reported to the Company's audit committee. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows. - Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. - Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). - Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) When

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

vii) **Operating segments**

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

viii) **Estimation of uncertainties relating to the global health pandemic from COVID-19**

The Pandemic "COVID-19" spread has severely impacted business around the world including India.

There has been severe disruption in regular business operations due to lock down and emergency measures taken by the Government. The Company has done a detailed assessment of the impact on the going concern, liquidity position and carrying value of assets like trade receivables, property, plant and equipment's and other financial assets. Based on this assessment, there are no adjustments required. Moreover, the Company has proactively commenced its production activities at all its major plants during April 2020 and started selling the finished products during April 2020 itself. Further apart from collections from sales, the Company also has fund-based facilities with Banks. Due to this, management believes that the Company has the ability to meet all its liability obligations as and when they fall due. The management has taken into consideration all the known impacts of COVID19 while preparation of these financial statements and the Company will continue to monitor any material changes in future economic conditions.

**3B Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

#### 4 Property, plant and equipment

##### A. Reconciliation of carrying amount

###### Year ended 31st March 2019

₹ in lacs

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2018	Additions	Disposals	As at 31.03.2019	As at 01.04.2018	Change for the year	On disposals	As at 31.03.2019	As at 31.03.2019	
<b>Own assets:</b>										
Land	13.58	-	-	13.58	-	-	-	-	13.58	
Buildings	632.74	-	11.36	621.38	60.85	30.14	0.61	90.38	531.00	
Plant and equipment	1,911.48	536.80	13.68	2,434.60	253.07	133.88	4.39	382.56	2,052.04	
Furniture and fixtures	5.54	0.20	0.48	5.26	2.55	0.66	0.44	2.77	2.49	
Vehicles	162.41	17.02	3.00	176.43	34.73	25.54	2.77	57.50	118.93	
Office equipments	23.22	11.07	0.84	33.45	12.95	7.71	0.72	19.94	13.51	
<b>TOTAL</b>	<b>2,748.97</b>	<b>565.09</b>	<b>29.36</b>	<b>3,284.70</b>	<b>364.15</b>	<b>197.93</b>	<b>8.93</b>	<b>553.15</b>	<b>2,731.55</b>	

###### Year ended 31st March 2020

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2019	Additions reclassified as ROU	Disposals	As at 31.03.2020	As at 01.04.2019	Change for the year	On disposals	As at 31.03.2020	As at 31.03.2020	
<b>Own assets:</b>										
Land	13.58	-	-	13.58	-	-	-	-	13.58	
Buildings	621.38	-	-	621.38	90.38	30.14	-	120.52	500.86	
Plant and equipment	2,434.60	22.99	6.79	2,450.80	382.56	149.37	3.60	528.33	1,922.47	
Furniture and fixtures	5.26	-	0.28	4.98	2.77	0.51	0.23	3.05	1.93	
Vehicles	176.43	8.82	23.09	162.16	57.50	21.79	11.96	67.33	94.83	
Office equipments	33.45	4.00	1.12	36.33	19.94	7.96	1.09	26.81	9.52	
<b>Right of use assets:</b>										
Leasehold Land (refer note 45)	-	74.43	-	74.43	-	1.19	-	1.19	73.24	
<b>TOTAL</b>	<b>3,284.70</b>	<b>110.24</b>	<b>31.27</b>	<b>3,363.66</b>	<b>553.15</b>	<b>210.96</b>	<b>16.88</b>	<b>747.23</b>	<b>2,616.43</b>	

##### B. Security

Refer note 19 for details of assets mortgaged.

#### 5 Intangible assets

₹ in lacs

Software	
<b>a. Year ended 31st March 2019</b>	
Opening gross carrying amount	17.98
Additions	-
Disposals	-
<b>Closing Gross Carrying Value</b>	<b>17.98</b>
Opening accumulated amortisation	1.44
Amortisation charge for the year	5.99
On disposal	-
<b>Closing accumulated amortisation</b>	<b>7.43</b>
<b>Net carrying amount</b>	<b>10.55</b>
<b>b. Year ended 31st March 2020</b>	
Opening gross carrying amount	17.98
Additions	<b>5.18</b>
Disposals	-
<b>Closing Gross Carrying Value</b>	<b>23.16</b>
Opening accumulated amortisation	7.43
Amortisation charge for the year	7.73
On disposal	-
<b>Closing accumulated amortisation</b>	<b>15.16</b>
<b>Net carrying amount</b>	<b>8.00</b>

₹ in lacs

6 Non-current financial assets - Investments	As at 31st March 2020	As at 31st March 2019
Investments in equity instruments at FVOCI		
Quoted (Non Trade):		
74,250 (31st March 2019: 74,250) fully paid up equity shares of ₹ 2 each in ICICI Bank Limited	240.38	296.33
	<b>240.38</b>	296.33
Aggregate book value of quoted investment	240.38	296.33
Aggregate market value of quoted investment	240.38	296.33

The Company designated the investments shown below as equity shares at FVOCI because these equity shares represents investments that the Company intends to hold for long term.

	Fair value at As at 31st March 2020	Dividend income 2019-20	Fair value at 31st March 2019	Dividend income 2018-19
Investments in ICICI Bank Limited	240.38	0.74	296.33	1.11

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

7 Non-current financial assets - Loans	As at 31st March 2020	As at 31st March 2019
(Unsecured considered good, unless otherwise specified)		
Security deposits	72.42	72.34
	<b>72.42</b>	72.34
<b>Break-up of security details</b>		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	72.42	72.34
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
<b>Total</b>	<b>72.42</b>	72.34
Less: Loss allowance	-	-
<b>Total trade receivables</b>	<b>72.42</b>	72.34

8 Income tax assets (net)	As at 31st March 2020	As at 31 st March 2019
Advance tax (net of provision)	106.00	205.36
Taxes paid in dispute	1,147.20	1,041.67
[Net of provision ₹ 444.51 lacs (31st March 2019 ₹ 444.51 lacs)]	<b>1,253.20</b>	1,247.03

9 Other non-current assets	As at 31st March 2020	As at 31st March 2019
(Unsecured considered good, unless otherwise specified)		
Capital advances	456.62	328.81
Others		
- Prepaid expenses	5.71	2.28
- Leasehold land prepayments (refer note- 45)	-	73.23
	<b>462.33</b>	404.32

₹ in lacs

10 Inventories	As at 31st March 2020	As at 31st March 2019
Raw materials	6,878.72	9,000.88
Finished goods	2,550.09	7,381.51
Stores and spares	296.50	259.02
	9,725.31	16,641.41
Carrying amount of inventories (included above) hypothecated (refer note 19 on borrowings)	9,725.31	16,641.41

The write down of inventories to net realisable value during the year amounted to ₹ 176.78 lacs (31st March 2019: ₹ 735.54 lacs). These were recognised as an expense during the year and included in cost of material consumed or changes in inventories of finished goods in statement of profit and loss.

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

11 Current financial assets - Trade receivables	As at 31st March 2020	As at 31st March 2019
Unsecured		
- Considered good	2,165.06	6,198.29
- Considered doubtful	10.46	47.18
	2,175.52	6,245.47
Less : Allowances for doubtful trade receivables	(10.46)	(47.18)
	2,165.06	6,198.29
<b>Break-up of security details</b>		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	2,165.06	6,198.29
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	10.46	47.18
<b>Total</b>	<b>2,175.52</b>	<b>6,245.47</b>
Less: Loss allowance	(10.46)	(47.18)
<b>Total trade receivables</b>	<b>2,165.06</b>	<b>6,198.29</b>

Trade receivables with a carrying value of ₹ 2,165.06 lacs and ₹ 6,198.29 lacs have been given as collateral towards borrowings as at 31st March 2020 and 31st March 2019 respectively (refer note 19 on borrowings).

The credit period given to customers ranges from 7 days to 45 days. For the existing customers based on their past records, the Company fixes the credit limit as well as credit period. For new customers, Company generally supplies the goods against advances.

Of the trade receivables balance as at 31st March 2020, ₹ 1,734.71 lacs (31st March 2019: ₹ 5,450.56 lacs) is due from Aluminum Smelters in India. Hence, the credit risk concentration is limited to the large Aluminum Smelters in India.

In accordance with Ind-AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Age of receivables	As at 31st March 2020	As at 31st March 2019
Within the credit period	1,590.83	5,801.11
1-30 days past due	167.75	317.31
31-60 days past due	283.01	-
61-90 days past due	50.02	-
more than 90 days past due	73.45	79.87
	2,165.06	6,198.29
Movement in expected credit loss allowance	-	-
Balance at the beginning of the year	47.18	19.64
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit loss	(36.72)	27.54
Balance at end of the year	10.46	47.18

₹ in lacs

12	Current financial assets - Cash and cash equivalents	As at 31st March 2020	As at 31st March 2019
	Balances with banks in current accounts	35.78	43.21
	Deposits with original maturity of less than 3 months (including interest accrued thereon)	646.60	-
	Cash on hand	0.69	1.31
		<b>683.07</b>	<b>44.52</b>

13	Current financial assets - Other bank balances	As at 31st March 2020	As at 31 st March 2019
	Margin money deposits and security against borrowings (including interest accrued thereon)	1,880.14	3,348.06
	Earmarked unpaid dividend accounts	49.77	57.70
		<b>1,929.91</b>	<b>3,405.76</b>

14	Current financial assets - Others	As at 31st March 2020	As at 31st March 2019
	(Unsecured considered good, unless otherwise specified)		
	Advances to PF Trust	-	19.75
	Derivative financial asset (refer note 35)	400.30	-
	Security deposits	71.28	3.00
	Other receivables	4.45	8.93
		<b>476.03</b>	<b>31.68</b>

15	Other current assets	As at 31st March 2020	As at 31st March 2019
	(Unsecured considered good, unless otherwise specified)		
	Advances to suppliers	210.81	170.16
	Prepaid expenses	129.57	166.90
	Balances with government authorities including GST balance	1,214.65	2,804.59
	Other receivables	1.50	5.19
	Leasehold land prepayment (refer note 45)	-	1.20
		<b>1,556.53</b>	<b>3,148.04</b>

16	Equity share capital	As at 31st March 2020		As at 31st March 2019	
		Number of shares	₹ in lacs	Number of shares	₹ in lacs
<b>A</b>	<b>Authorised share capital</b>				
	Equity shares of ₹ 10 each with voting rights				
	Balance as at beginning and as at the end of the year	22,000,000	2,200.00	22,000,000	2,200.00
	Preference shares of ₹ 100/- each				
	Balance as at beginning and as at the end of the year	300,000	300.00	300,000	300.00
<b>B</b>	<b>Issued, subscribed and fully paid up</b>				
	Equity shares of ₹ 10 each with voting rights				
	Balance as at beginning and as at the end of the year	9,151,052	915.11	9,151,052	915.11
<b>C</b>	<b>Shares held by holding Company</b>				
	V. S. Dempo Holdings Private Limited				
	Balance as at beginning and as at the end of the year	5,069,040	506.90	5,069,040	506.90
<b>D</b>	<b>Details of shareholders holding more than 5% shares in the Company</b>		<b>% of Holding</b>		<b>% of Holding</b>
	V. S. Dempo Holdings Private Limited				
	Balance as at beginning and as at the end of the year	5,069,040	55.40	5,069,040	55.40

**E Terms / rights attached to equity shares:** The Company has only one class of issued equity shares having a face value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## 17 Other equity\*

**Nature and purpose of other reserves****General reserve**

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer on net income at a specified percentage in accordance with the applicable regulations. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn. The balances in the general reserve as determined in accordance with applicable regulations is ₹1,803.05 lacs as at 31st March 2019 and 31st March 2020.

**Equity instruments through other comprehensive income**

The Company has elected to recognise changes in the fair value of certain investment in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments within equity. The Company transfers amounts from such component of equity to retained earnings when the relevant debt instruments are derecognised.

**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Act.

\* Refer Statement of Changes in Equity

₹ in lacs

18	Deferred tax liabilities (net)	As at 31st March 2020	As at 31st March 2019
	Deferred tax liabilities (refer footnote (d) for breakdown)	-	606.85
	Deferred tax assets (refer footnote (d) for breakdown)	-	(521.59)
		-	85.26
<b>a) Amount recognised in Statement of Profit and Loss</b>			
	Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	Current tax on profit for the year	-	-
	Charge in respect of current tax for earlier years	11.59	13.22
	Total current tax expense (I)	11.59	13.22
	Origination and reversal of temporary differences	(74.43)	(349.19)
	Effect of change in tax rate	-	4.32
	Total deferred tax expense (II)	(74.43)	(344.87)
	Tax expense for the year (I+II)	(62.84)	(331.05)
<b>b) Amount recognised in other comprehensive income</b>			
	Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	<b>Deferred tax credit on:</b>		
	Re-measurement of defined benefit obligation	(10.83)	(8.43)
		(10.83)	(8.43)
<b>c) Reconciliation of tax expense and accounting profit multiplied by prevailing tax rate</b>			
	Particulars	For the year ended 31st March 2020	For the yearended 31st March 2019
	<b>Accounting (loss)/profit before tax</b>	(2,837.73)	(1,083.09)
	Indian tax rate as applicable to the company	34.944%	34.944%
	<b>Tax on profit at statutory tax rate</b>	(991.62)	(378.47)
	Non deductible expenses	35.35	25.08
	Non-taxable income	(0.26)	(0.39)
	Other items	16.56	4.59
	Effect of unrecognised DTA due to losses	865.54	-
	Effect of change in tax rate	-	4.32
	Adjustments in respect of earlier years	11.59	13.22
	<b>Tax charge for the year</b>	(62.84)	(331.65)

**d) Reconciliation of deferred tax (assets) / liabilities**
**₹ in lacs**

Particulars	Balance as at 1st April 2018	Charged/ (credited) to Statement of income	Charged/ (credited) to OCI	Others	Balance as at 31st March 2019
Property, plant and equipment	562.42	44.43	-	-	606.85
Provision for doubtful debts / advances	-	(350.06)	-	-	(350.06)
Provision for employee benefits	(6.80)	(9.69)	-	-	(16.49)
Fair valuation of forward contracts	(24.02)	1.61	(8.43)	-	(30.84)
MAT credit entitlement	(96.44)	-	-	96.44	-
Others	(93.04)	(31.16)	-	-	(124.20)
	342.12	(344.87)	(8.43)	96.44	85.26

Particulars	Balance as at 1st April 2019	Charged/ (credited) to Statement of income	Charged/ (credited) to OCI	Others	Balance as at 31st March 2020
Property, plant and equipment	606.85	(606.85)	-	-	-
Provision for doubtful debts	(350.06)	350.06	-	-	-
Provision for employee benefits	(16.49)	16.49	-	-	-
Fair valuation of forward contracts	(30.84)	41.67	(10.83)	-	-
Others	(124.20)	124.20	-	-	-
	85.26	(74.43)	(10.83)	-	-

**Significant estimate**

The ultimate utilisation of the carry forward business loss is dependent upon the generation of future taxable income as per the provisions of Income Tax Act, 1961, before the expiry of period over which the said carry forward business loss can be utilised. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategy in making this assessment. Based on the historical details of the taxable income, book profit and projections of future taxable income over the periods in which the carry forward business loss is available for utilisation, Management believes that the Company will be able to realise / utilise the carry forward business loss. However, the utilisation could be reduced in the near term if the future taxable income undergoes any change as compared to the estimates made by the management as at reporting date. Accordingly, the Company has recognised the cumulative deferred tax assets on the basis of prudence, only to the extent of deferred tax liability.

**₹ in lacs**

19	Current financial liabilities - Borrowings	As at 31st March 2020	As at 31st March 2019
	Secured:		
	From banks		
	Loans repayable on demand		
	Cash credit	368.82	43.22
		368.82	43.22

**Notes:**

- 1) The cash credit and buyer's credit facilities are secured by first and equitable mortgage on pari-passu basis of all immovable properties and by hypothecation of all movable properties, plant and equipments, inventories, trade receivables and other receivables of the Company.
- 2) Cash credit facilities availed from banks is payable on demand and carries interest rate ranging between 11.35% to 12.80% computed on a daily basis on the actual amount utilised.

20	Current financial liabilities - Trade payables	As at 31st March 2020	As at 31st March 2019
	Total outstanding dues of micro enterprises and small enterprises (refer note 32)	61.78	-
	Related parties (refer note 40)	31.63	5.39
	Others*	11,782.11	21,422.61
		11,875.52	21,428.00

\* Includes payable due to credit extended by suppliers amounting to ₹ 10,310.59 lacs (31st March 2019: ₹ 19,918.73 lacs).

Trade Payables are normally settled within 7 to 180 days. The Company's imports of raw materials are based on the letter of credit issued by Bank of India/State Bank of India from whom the Company had availed non-fund based limits. Based on the Letter of Credit issued, overseas vendors supply Raw material on suppliers credit basis. The Non-fund based facilities are first secured by equitable mortgage on pari-passu basis of all immovable properties and then by hypothecation of movable property, plant and equipments, inventories, trade receivables and other receivables of the Company.

The company's exposure to currency and liquidity risk related to trade payables is disclosed in note 35.



₹ in lacs

21	Current financial liabilities - Others	As at 31st March 2020	As at 31st March 2019
	Interest accrued but not due on borrowings		
	On banks	-	-
	On credit from suppliers	56.15	130.96
	Interest accrued and due on unsecured loan from a related party (refer note 40)	121.01	181.01
	Unclaimed dividends (refer footnote below)	49.77	57.70
	Employee recoveries	2.83	3.01
	Others	85.79	31.40
	Derivative financial liability (refer note 35)	-	623.76
		<b>315.55</b>	<b>1,027.84</b>

There are no dues outstanding which are to be transferred to Investor Education and Protection Fund.

22	Other current liabilities	As at 31st March 2020	As at 31st March 2019
	Statutory remittances (refer footnote below)	498.30	420.28
	Contract liabilities (advance from customer)	7.47	8.57
	Export obligation payable	196.97	426.77
		<b>702.74</b>	<b>855.62</b>

Statutory remittances include payable for PF, ESIC, GST, TDS, etc.

23	Current liabilities - Provisions	As at 31st March 2020	As at 31st March 2019
	Provisions for employee benefits - compensated absences	36.19	33.04
		<b>36.19</b>	<b>33.04</b>

24	Revenue from operations (net) (refer note 44)	Year ended 31st March 2020	Year ended 31st March 2019
	Sale of products	41,641.85	46,136.52
	Other operating revenues		
	- Sale of scrap	19.58	27.06
	- Others	-	15.22
		<b>41,661.43</b>	<b>46,178.80</b>

25	Other income	Year ended 31st March 2020	Year ended 31st March 2019
	Interest income from financial assets at amortised cost		
	- Banks deposits	179.37	148.18
	- Others	4.15	4.28
		<b>183.52</b>	<b>153.46</b>
	Dividend income from non-current investments measured at FVOCI	0.74	1.11
	Net gain on foreign currency transactions and translation	-	19.99
	Net gain on disposal of property, plant and equipment	3.98	33.26
	Liabilities no longer required written back	20.35	16.99
	Provision for doubtful debts written back	36.72	-
		<b>245.31</b>	<b>224.81</b>

<b>26</b>	<b>Cost of material consumed</b>	<b>30,703.71</b>	<b>43,547.43</b>
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27	Changes in inventories of finished goods	Year ended 31st March 2020	Year ended 31st March 2019
	Inventories of finished goods at the end of the year	2,550.09	7,381.51
	Inventories of finished goods at the beginning of the year	7,381.51	3,358.12
		<b>4,831.42</b>	<b>(4,023.39)</b>

28	Employee benefit expense	Year ended 31st March 2020	Year ended 31st March 2019
	Salaries, wages, bonus and allowances	1,518.48	1,482.42
	Contribution to provident and other funds	128.02	128.42
	Staff welfare expenses	177.04	203.75
		<b>1,823.54</b>	<b>1,814.59</b>
29	Finance cost	Year ended 31st March 2020	Year ended 31st March 2019
	Interest expense on financial liabilities at amortised cost		
	- Borrowings / credit from suppliers	496.54	589.09
	- Others	0.78	45.28
		<b>497.32</b>	<b>634.37</b>
	Other borrowing costs (letter of credit/ bank charges etc.)	879.35	527.49
		<b>1,376.67</b>	<b>1,161.86</b>
30	Other expenses	Year ended 31st March 2020	Year ended 31st March 2019
	Fuel and power	424.86	431.98
	Repairs and maintenance		
	- Buildings	209.18	177.50
	- Plant and machinery	282.24	314.43
	- Others	40.47	50.03
		<b>531.89</b>	<b>541.96</b>
	Material handling charges	847.39	338.50
	Rent	51.81	50.35
	Rates and taxes	59.01	65.89
	Insurance	52.51	50.27
	Processing/labour charges	1,430.04	1,101.08
	Travelling expenses	118.88	122.81
	Packing expenses	396.48	403.07
	Freight expenses (net)	1,237.09	933.95
	Bad debts written off	15.48	6.04
	Provision for doubtful debts	-	27.54
	Payments to auditors (excluding service tax or goods and services tax)		
	- Audit fees	16.00	16.00
	- Other services	9.00	9.00
	- Reimbursement of expenses	3.32	0.68
		<b>28.32</b>	<b>25.68</b>
	Directors' sitting fees and commission	13.00	12.35
	Assets written off	4.51	9.41
	Corporate social responsibility (refer note 38)	63.97	67.27
	Amortisation of leasehold land prepayments (refer note 45)	-	1.19
	Net loss on foreign currency transactions and translation (net)	1.47	-
	Export obligation expense	-	136.97
	General expenses (refer note 41)	513.73	455.98
		<b>5,790.44</b>	<b>4,782.29</b>

₹ in lacs

31	Contingent Liabilities and capital commitment: (Claims against the Company not acknowledged as debts)	As at 31st March 2020	As at 31st March 2019
	i) Income tax demands under appeal	247.44	247.44
	ii) The Company's appeal to the High Court of Bombay at Goa against the order of the Income Tax Appellate Tribunal which had confirmed the disallowance of the deduction under section 80HHC of the Income Tax Act, 1961 for Assessment Years 1993-94 to 2004-05 was allowed by the High Court vide its order dated October 21, 2010. The income tax department has filed a Special Leave petition before the Honorable Supreme Court. The petition has been admitted and is pending for hearing.	-	-
	The amounts mentioned against (i) above are based on the notice of demand or the assessment orders issued by the relevant authorities, as the case may be. The Company is contesting these demands with the relevant appellate authorities. Outflows, if any, arising out of these demands would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the Judiciary. However, the Company is hopeful of successful outcome in the appellate proceedings.		
	iii) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019, relating to components/allowances paid that need to be taken into account while computing an employer's contribution of provident fund under the Employees' Provident Funds and Miscellaneous Provident Act, 1952. The Company has also obtained a legal opinion on the matter and basis the same there is no material impact on the financial statements. The Company would record any further effect on its financial statements, on receiving additional clarity on the subject.		
	iv) Capital commitment	-	-

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

₹ in lacs

Particulars	As at 31st March 2020	As at 31st March 2019
Principal amount & interest due thereon (separately) payable to any supplier (under MSMED) at the end of each accounting year.		
- Principal amount	61.78	-
- Interest due thereon	0.02	-
Amount of interest paid and payments made to the supplier beyond the appointed day during each accounting year.		
- Principal amount	-	1.86
- Interest due thereon	-	-
Amount of interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under this Act.	1.63	0.01
Amount of interest accrued and remaining unpaid at the end of each accounting year.	1.65	0.22
Amount of further interest remaining due and payable even in the succeeding years, till actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Income Tax Act, 1961.	-	-

Note: The information has been given in respect of such suppliers to the extent they could be identified as Micro and Small enterprises on basis of information available with the Company.

**33 Leases**

The Company has taken the Corporate office on lease. Reconciliation of operating lease commitments as on 31st March 2019 with the lease liabilities recognised in the Balance Sheet as at 1st April 2019 is as under:

Particulars	₹ in lacs
Operating lease commitment at 31st March 2019	-
Discounted using the incremental borrowing rate at 1st April 2019	-
Recognition exemption for:	
Short term leases, leases of low value assets and extension and termination options reasonably certain to be exercised	23.60
Lease liabilities recognised at 1st April 2019	-
Impact of adoption of Ind AS 116 on retained earnings:	
Reversal of deferred rent liability as at 31st March 2019	-
Less: Reclassification of operating lease under Ind AS 17 'Leases' to right-of-use assets	-
Impact on retained earnings as at 1st April 2019	-

### 34 Employee benefit plans

#### a) Defined benefit plans:

- i) The following table sets out the status of the gratuity plan (included as part of "Contribution to provident and other funds" in Note 28 Employee benefit expense) as required under Ind AS 19:

₹ in lacs

Particulars	As at 31st March 2020	As at 31st March 2019
<b>i) Change in present value of obligation.</b>		
Defined benefit obligation at the beginning of the year	508.71	483.21
Current service cost	28.44	28.36
Past service cost	-	-
Interest cost	38.40	34.88
Actuarial (gain)/ loss due to financial assumption	32.60	9.63
Benefits paid	(36.45)	(47.37)
Defined benefit obligation at the end of the year	571.70	508.71
<b>ii) Change in fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	560.28	519.81
Adjustment to opening fair value of plan assets	11.83	7.07
Interest income	44.39	40.28
Re-measurement gain / (loss) arising from return on plan assets	1.62	(14.51)
Contributions received	40.00	55.00
Benefit paid	(36.45)	(47.37)
Fair value of plan assets at the end of the year	621.67	560.28
<b>iii) Net assets/(liability) recognised in the Balance Sheet</b>		
Defined benefit obligation at the end of the year	571.70	508.71
Fair value of the plan assets at the end of the year	621.67	560.28
Excess of plan asset over obligation	49.97	51.57
<b>iv) Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	28.44	28.36
Past service cost	-	-
Net Interest	(5.99)	(5.40)
Net cost recognised in the Statement of Profit and Loss	22.45	22.96
<b>v) Expenses recognised in Other Comprehensive Income</b>		
Actuarial losses on obligation	32.60	9.63
Re-measurement (gain) / loss arising from return on plan assets	(1.62)	14.51
Total actuarial losses recognised in OCI	30.98	24.14
<b>vi) Return on plan assets</b>		
Expected return on plan assets	44.39	40.28
Re-measurement gain / (loss) arising from return on plan assets	1.62	(14.51)
Actual return on plan assets	46.01	25.77
vii) The projected service cost for the financial year ended 31st March 2021 is ₹ 31.12 lacs (Previous year: ₹ 28.44 lacs.) Funding levels are assessed by LIC and ICICI on annual basis and the company makes contribution as per the instructions received from them. The Company compares the expected contribution to the plan as provided by actuary with the instruction from LIC and ICICI and assesses whether any additional contribution may be required. The Company considers the future expected contribution will not be significantly increased as compared to actual contribution.		

## viii) Asset Information

₹ in lacs

Allocation of plan assets	LIC*		ICICI Prudential Life Insurance Co. Ltd.	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Gratuity fund	223.52	170.51	-	-
Growth Fund - Equity			31.49	29.29
Debt Fund			180.97	192.55
Debt security - Government Bond	-	-	-	-
Equity securities- Corporate debt securities	-	-	-	-
Balance fund			185.59	167.85
Other insurance contracts	-	-	-	-
Property / Other	-	-	0.09	0.08
Total itemized assets	223.52	170.51	398.14	389.77

\* The category wise details of the plan assets maintained by LIC is not available.

## ix) Assumption

Rate of Mortality	IALM (2006-08) Ult	
Discount rate	6.69%	7.72%
Expected salary increase rate	5.35%	5.35%
Attrition rate	1.00%	1.00%
The estimates of future salary increases considered in the actuarial valuation, take into account inflation, seniority, promotions, increments and other related factors such as supply and demand in the employment market.		

## x) Sensitivity Analysis

	31st March 2020		31st March 2020	
	DR - Discount Rate		ER - Salary Escalation Rate	
Present value of obligation ('PVO')	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
	539.36	607.81	607.63	538.94

	31st March 2019		31st March 2019	
	DR - Discount Rate		ER - Salary Escalation Rate	
Present value of obligation ('PVO')	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
	479.48	541.32	541.30	479.02

## xi) Asset liability comparisons

Year	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020
PVO at end of period	340.64	434.72	483.21	508.71	571.70
Plan assets	425.56	491.09	519.81	560.28	621.67
Surplus/(deficit)	84.92	56.37	36.60	51.57	49.97
Experience adjustments on plan assets	(18.46)	9.28	(16.67)	(14.51)	1.62

## ii) Risk analysis

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

## a. Investment risk

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

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

## b. Interest risk

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

## c. Longevity risk/ Life expectancy

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

## d. Salary growth risk

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

## b) Defined contribution plans:

A sum of ₹ 114.99 lacs (Previous year ₹ 105.46 lacs) has been charged to the Statement of Profit and Loss in respect of Company's contribution to superannuation fund, provident and pension fund.

### 35 Financial instruments - Fair value and risk management

#### i Financial risk management objective and policies

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

#### ii Accounting classification and fair value

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

							₹ in lacs
Financial Assets	Note	Fair value through profit or loss	Fair Value other comprehensive	Amortised cost	Total carrying value	Total fair value	
<b>As at 31st March 2019</b>							
<i>Financial assets measured at fair value</i>							
Non-current investments - Equity							
Shares in ICICI Bank Limited	6	-	296.33	-	296.33	296.33	
Derivative financial asset	14	-	-	-	-	-	
<i>Financial assets not measured at fair value *</i>							
Other non-current financial assets	7	-	-	72.34	72.34	-	
Trade receivables	11	-	-	6,198.29	6,198.29	-	
Cash and cash equivalents	12	-	-	44.52	44.52	-	
Other bank balances	13	-	-	3,405.76	3,405.76	-	
Other current financial assets	14	-	-	31.68	31.68	-	
<b>Total</b>		<b>-</b>	<b>296.33</b>	<b>9,752.59</b>	<b>10,048.92</b>	<b>296.33</b>	
<b>As at 31st March 2020</b>							
<i>Financial assets measured at fair value</i>							
Non-current investments - Equity							
Shares in ICICI Bank Limited	6	-	240.38	-	240.38	240.38	
Derivative financial asset	14	400.30	-	-	400.30	400.30	
<i>Financial assets not measured at fair value *</i>							
Other non-current financial assets	7	-	-	72.42	72.42	-	
Trade receivables	11	-	-	2,165.06	2,165.06	-	
Cash and cash equivalents	12	-	-	683.07	683.07	-	
Other bank balances	13	-	-	1,929.91	1,929.91	-	
Other current financial assets	14	-	-	75.73	75.73	-	
<b>Total</b>		<b>400.30</b>	<b>240.38</b>	<b>4,926.19</b>	<b>5,566.87</b>	<b>640.68</b>	
<b>Financial Liabilities</b>							
<b>As at 31st March 2019</b>							
<i>Financial liabilities measured at fair value</i>							
Derivative financial liability	21	623.76	-	-	623.76	623.76	
<i>Financial liabilities not measured at fair value *</i>							
Borrowings	19	-	-	43.22	43.22	-	
Trade payables	20	-	-	21,428.00	21,428.00	-	
Other current financial liabilities	21	-	-	404.08	404.08	-	
<b>Total</b>		<b>623.76</b>	<b>-</b>	<b>21,875.30</b>	<b>22,499.06</b>	<b>623.76</b>	
<b>As at 31st March 2020</b>							
<i>Financial liabilities measured at fair value</i>							
Derivative financial liability	21	-	-	-	-	-	
<i>Financial liabilities not measured at fair value *</i>							
Borrowings	19	-	-	368.82	368.82	-	
Trade payables	20	-	-	11,813.74	11,813.74	-	
Other current financial liabilities	21	-	-	315.55	315.55	-	
<b>Total</b>		<b>-</b>	<b>-</b>	<b>12,498.11</b>	<b>12,498.11</b>	<b>-</b>	

- \* Financial assets and liabilities such as trade receivables, cash and cash equivalents, bank balance other than cash and cash equivalents, loans, advances, borrowings, trade payables, interest accrued but not due on borrowings, unclaimed dividends, security deposits and others are largely short term in nature. The fair value of these financial assets and liabilities approximate there carrying amount due to the short term nature of such assets and liabilities.

iii **Valuation techniques used to determine fair value**

- a) The fair value of forward exchange contract is determined using forward exchange rate at the balance sheet date. The fair value of equity shares in ICICI Bank Limited is determined basis the quoted market price.
- b) The finance department of the Company performs the valuation of financial assets and liabilities required for financial reporting purposes. The finance department reports directly to the Chief Financial Officer (CFO). Discussions of valuation processes and results are held between the CFO and the finance department at least once every three months, in line with the Company's quarterly reporting periods.

iv **Fair value hierarchy**

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

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

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

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

	₹ in lacs		
<b>As at 31st March 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>			
Non-current investments - Equity Shares in ICICI Bank Limited	296.33	-	-
Other current financial assets - Derivative financial asset	-	-	-
<b>Financial liabilities</b>			
Other current financial liabilities - Derivative financial liability		(623.76)	-
<b>Total</b>	<b>296.33</b>	<b>(623.76)</b>	<b>-</b>
<b>As at 31st March 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>			
Non-current investments - Equity Shares in ICICI Bank Limited	240.38	-	-
Other current financial assets - Derivative financial asset		400.30	-
<b>Financial liabilities</b>			
Other current financial liabilities - Derivative financial liability	-	-	-
<b>Total</b>	<b>240.38</b>	<b>400.30</b>	<b>-</b>

v **Risk management framework**

a **Risk management**

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

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

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

**b. Treasury management**

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

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

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

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

**d. Financial risk**

The Company avails credit from overseas suppliers for a period of 180 days. The Company collects dues from the customers within a period of 30 days. The Company places fixed deposits with the Company Bankers and the Company's liquid assets like trade receivables, finished goods and raw material which has been procured based on the confirmed orders/indicated orders will be sufficient enough to repay the outstanding payables. The management regularly monitors the liquid assets value vis-a-vis outstanding balance of payables.

**e. Liquidity risk**

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

₹ in lacs					
Financial liabilities	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
<b>As at 31st March 2019</b>					
Borrowings	43.22	-	-	-	43.22
Trade payables	21,428.00	-	-	-	21,428.00
Other financial liabilities	1,027.84	-	-	-	1,027.84
<b>Total</b>	<b>22,499.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,499.06</b>

Financial liabilities	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
<b>As at 31st March 2020</b>					
Borrowings	368.82	-	-	-	368.82
Trade payables	11,813.74	-	-	-	11,813.74
Other financial liabilities	315.55	-	-	-	315.55
<b>Total</b>	<b>12,498.11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,498.11</b>

As at 31st March 2020, the Company had access to funding facilities (both fund based and non-fund based) of ₹ 21,000.00 lacs, of which ₹10,031.29 lacs was yet not drawn, as set out below:

Funding facility	Total Facility	Drawn	Undrawn
	As at 31st March 2020		
Less than 1 year			
Fund Based Limit	2,350.00	368.82	1,981.18
Non-fund Based Limit	18,650.00	10,599.89	8,050.11
1-5 years and above	-	-	-
<b>Total</b>	<b>21,000.00</b>	<b>10,968.71</b>	<b>10,031.29</b>

As at 31st March 2019, the Company had access to funding facilities (both fund based and non-fund based) of ₹ 28,000 lacs, of which ₹7,000 lacs was yet not drawn, as set out below:

Funding facility	Total Facility	Drawn	Undrawn
	As at 31st March 2019		
Less than 1 year			
Fund Based Limit	7,000.00	-	7,000.00
Non-fund Based Limit	21,000.00	21,000.00	-
1-5 years and above	-	-	-
<b>Total</b>	<b>28,000.00</b>	<b>21,000.00</b>	<b>7,000.00</b>



### Collateral

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

#### f. Foreign exchange risk

The Company's business activities include import of raw materials like Raw Petroleum Coke, which are linked to international price in dollar terms. As a result the company is exposed to exchange rate fluctuation on its imports.

#### g. Interest rate risk

Erstwhile the Company used to avail foreign currency loan in the form of Buyers credit facilities with overseas banks with tenure of 180 days at an interest rate of 6 months LIBOR with certain agreed additional basis points. Since the rate was fixed and agreed well in advance, the Company was not exposed to interest-rate risk due to adverse movement in interest rates. With effect from the previous year, the Company has availed credit upto 180 days from its overseas suppliers. The cost for extending credit is fixed with suppliers upfront and hence the Company is not exposed to interest rate risk.

#### h. Derivative financial instruments

The Company enters into forward contracts which are not intended for trading or speculative purposes, but for hedging.

##### a) Forward Exchange Contracts outstanding at the year end:

Buy-Sell	As at 31st March 2020				As at 31st March 2019			
	No. of Contracts	US Dollars	₹ in lacs	Buy-Sell	No. of Contracts	US Dollars	₹ in lacs	
Buy	8	13,625,727	10,004.25	Buy	16	28,800,937	20,137.26	
Interest on suppliers credit	1	33,000	23.92	-	-	-	-	

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

	As at 31st March 2020		As at 31st March 2019	
	US Dollars	₹ in lacs	US Dollars	₹ in lacs
Amount payable in foreign currency				
Interest accrued but not due on borrowings / suppliers credit	41,105	31.10	189,352	130.96

## 36 Capital management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements. Net debt are non-current and current debts as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components excluding other components of equity (which comprise non-current financial investments measured through OCI).

## 37 Segment reporting:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Executive Director (ED) to make decisions about resources to be allocated to the segments and assess their performance.

The principal business of the Company is manufacture and sale of Calcined Petroleum Coke. The chief decision maker of the Company monitors the operating results of the Company's business as a single segment. Accordingly in context of Ind AS 108 "Operating Segments", the principle business of the Company constitutes a single reportable segment and all the revenue is generated from external customer. As per Management's perspective, the risk and returns from its sales do not materially vary geographically. Accordingly there are no other business / geographical segments to be reported under Ind AS 108.

**38 Corporate social responsibility expense**

Particulars	31st March 2020 ₹ in lacs	31st March 2019 ₹ in lacs
a) Amount required to be spent	63.01	67.17
b) Amount spent during the year ( in cash)		
i) Construction / acquisition of any assets	-	-
ii) On purpose other than (i) above *	33.93	67.27
Total (b)	33.93	67.27

\* Amount remaining to be spent for the year 2019-20 is ₹ 29.80 lacs  
Amount spent during the year 2019-20 for the previous year 2018-19 ₹ 0.24 lacs

39 There are no amounts due and payable to Investor Education and Protection Fund as on Balance Sheet date.

**40 Disclosures in respect of Related Parties pursuant to Ind AS 18**
**i) List of related parties:**
**Names of the related parties and nature of relationship**

- a Holding Company:  
V. S. Dempo Holdings Private Limited
- b Fellow Subsidiaries (with whom transactions have taken place during the year):  
Dempo Industries Pvt. Ltd.  
Dempo Travels Pvt. Ltd.  
Dempo Sports Club Pvt. Ltd
- c Individual who is able to exercise significant influence:  
Mr. Shrinivas V. Dempo (Chairman)
- d Enterprises over which Mr. Shrinivas V. Dempo is able to exercise significant influence (with whom transactions have taken place during the year):  
Vasantrao Dempo Education and Research Foundation  
Vassudeva Dempo Family Private Trust  
Matruchhaya Trust
- e Key Management Personnel:  
Mr. Shrinivas V. Dempo (Chairman)  
Mr. Dara P. Mehta (Independent Director) (till 31st March 2019)  
Mr. Keki M. Elavia (Independent Director)  
Mr. Raman Madhok (Independent Director) (till 2nd February 2020)  
Mr. Nagesh Pinge (Independent Director) ( w.e.f. 6th May 2019)  
Ms. Kiran Dhingra (Independent Director)  
Mr. Rajesh S. Dempo (Non-Executive Director)  
Mr. Jagmohan J. Chhabra (Executive Director)  
Mr. Pravin Satardekar (Company Secretary)  
Mr. K. Balaraman (Chief Financial Officer)

**ii) Disclosure of transactions with Related Parties.**

	Year ended 31st March 2020	Year ended 31st March 2019
<b>a Expenses incurred</b>		
Dempo Industries Pvt. Ltd.	2.93	5.60
Dempo Travels Pvt. Ltd.	40.20	60.58
<b>b Rent paid</b>		
V. S. Dempo Holdings Private Limited	27.84	27.84
<b>c Sponsorship</b>		
Dempo Sports Club Pvt. Ltd	151.20	37.00
<b>d Corporate social responsibility expense</b>		
Vasantrao Dempo Education & Research Foundation #	46.00	22.00
Matruchhaya Trust #	0.20	0.20
<b>e Guarantee commission</b>		
Vassudeva Dempo Family Private Trust/Srinivas V. Dempo	102.30	-
<b>f Remuneration</b>		
Short term employee benefit and post employment benefits		
i) Salary and other employee benefits* :		
Mr. Jagmohan J. Chhabra (Executive Director)	114.19	103.65
Mr. Pravin Satardekar (Company Secretary)	27.07	25.39
Mr. K. Balaraman (Chief Financial Officer)	62.04	49.61

ii) Commission and other benefits paid / payable to Non-Executive and Independent Directors\*

a. Commission	-	-
b. Sitting fees	13.00	12.35

\* As compensated absences are computed for all the employees in aggregate, the amounts relating to the Key Managerial Personnel cannot be individually identified.

# The amount will be utilised by the related party for the purpose of corporate social responsibility.

₹ in lacs

	As at 31st March 2020	As at 31st March 2019
<b>iii) Outstanding (receivable)/payable as at year end.</b>		
V. S. Dempo Holdings Private Limited	123.14	181.01
Dempo Industries Pvt Ltd	-	0.49
Dempo Sports Club Pvt. Ltd	26.40	4.90
Dempo Travels Pvt. Ltd.	3.10	-
<b>iv) Guarantee given on behalf of the Company</b>		
Vassudeva Dempo Family Private Trust	8,500.00	7,000.00

All transactions with the related party are priced on an arm's length basis and resulting outstanding balances are to be settled in cash within one to six months of the reporting period.

41 General expenses include donations given to Political Parties as under :

Name of the Political Party	Year ended 31st March 2020	Year ended 31st March 2019
1 Goa Pradesh Congress Party	11.00	2.00
2 Bhartiya Janata Party	10.00	-
3 Maharastrawadi Gomantak Party	5.00	-
	26.00	2.00

42 Earnings per share:

	Year ended 31st March 2020	Year ended 31st March 2019
i) (Loss)/profit after tax as per the Statement of Profit and Loss (₹ in lacs)	(2,774.89)	(751.44)
ii) Number of equity shares	9,151,052	9,151,052
iii) Basic and diluted earnings per share of ₹ 10 each (₹)	(30.32)	(8.21)

43 Distributions made and proposed

	Year ended 31st March 2020	Year ended 31st March 2019
Cash dividends on equity shares declared and paid		
i) Interim dividend for the current year ₹ Nil (previous year ₹ Nil)	-	-
ii) Final dividend paid in the current year ₹ Nil (previous year ₹ 10 per share)	-	915.11
iii) Dividend distribution tax paid on above	-	188.10
Cash dividends proposed on equity shares		
i) Final dividend for the year ₹ Nil (previous year ₹ Nil per share)	-	-
ii) Dividend distribution tax on above	-	-

#### 44 Contracts with customer

Particulars	₹ in lacs	
	Year ended 31st March 2020	Year ended 31st March 2019
Revenue recognised from contracts with customers	41,661.43	46,178.80
<b>Disaggregation of revenue</b>		
Based on type of goods		
- Sale of calcined petroleum coke	41,641.85	46,136.52
- Sale of scrap	19.58	27.06
- Others	-	15.22
Based on market		
- Aluminum smelters	35,809.56	38,498.86
- Others	5,851.87	7,679.94
Impairment losses recognised on receivables or contract assets arising from an entity's contracts with customers	-	27.54

#### Details of contact balances:

Particulars	₹ in lacs	
	Year ended 31st March 2020	Year ended 31st March 2019
Opening balance of receivables	6,198.29	5,620.96
Closing balance of receivables	2,165.06	6,198.29
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	8.57	45.10
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-
There is no significant change in the contract asset and contract liabilities.		

#### Performance obligations

The Company satisfies its performance obligations pertaining to the sale of calcined products at point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract subject to refund due to shortages during the mode of transportation and do not contain any financing component. The payment is generally due within 7-45 days. The Company is obliged for refunds due to shortages during the mode of transportation. There are no other significant obligations attached in the contract with customer.

#### Transaction price

There is no remaining performance obligation for any contract for which revenue has been recognised till period end. Further, the Company has not applied the practical expedient as specified in para 121 of Ind AS 115 as the Company do not have any performance obligations that has an original expected duration of one year or less or any revenue stream in which consideration from a customer corresponds directly with the value to the customer of the entity's performance completed to date.

#### Determining the timing of satisfaction of performance obligations

There is no significant judgements involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

#### Determining the transaction price and the amounts allocated to performance obligations

The transaction price ascertained for the only performance obligation of the Company (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price except for refund due to shortages which is adjusted with revenue.

Reconciliation of contract price with revenue recognised in statement of profit and loss

Particulars	₹ in lacs	
	Year ended 31st March 2020	Year ended 31st March 2019
Contract price	41,865.34	46,671.27
Less:		
Amount recognised as shortages / other claims	203.91	492.47
Revenue recognised in statement of profit and loss	41,661.43	46,178.80

Cost to obtain contract or fulfil a contract

There is no cost incurred for obtaining or fulfilling a contract and there is no closing assets recognised from the costs incurred to obtain or fulfil a contract with a customer

#### 45 Changes in accounting policies

##### Impact on the financial statements

Effective from April 1, 2019, the Company has adopted Ind AS 116 – Leases, using the modified retrospective method. The adoption of the standard did not have any material impact to the financial statements of the Company.

#### 46 The Company has evaluated the impact of COVID 19 on the financial statements as on 31st March 2020 as below

##### a. Revenue from operations

The Company is one of the leading supplier of Calcinated Petroleum Coke to aluminium smelters. While the Company strongly believes that the revenue forecasts are stable, the possible impact on revenue may arise due to:

- prolonged lock-down situation resulting in its inability to deploy resources at different locations;
- any downturn in the industry;
- adversities faced by customers to continue their businesses and its impact on demand; and
- deferment or cancellation of contracts by customers

The company has assessed that the COVID 19 situation does not have any adverse immediate impact due to drop in demand. There have been no executed or proposed changes in key contracts with customers as at the year-end. The Company expects that it shall keep complying with all the agreed terms of contracts and shall duly meet its performance obligations. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

##### b. Right of use assets (Lease Arrangements)

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. Further the Company does not have any right of use asset other than leasehold land which was taken under long term operating lease. Accordingly, the Company does not expect any change in the arrangement with respect to Right of use assets due to global pandemic in the terms of lease arrangements including renewal options.

##### c. Trade Receivables :

Trade receivables have been valued after making allowance for expected credit losses based on factors like ageing, likelihood of credit risk and expected realizability, nature of customer considering impact of COVID – 19 on customers and related industry to which the customer belongs. In addition, the Company has also considered available credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic. The Company believes that the carrying amount of allowance for expected credit loss with respect to trade receivables is adequate.

##### d. Fair Valuation

Assets measured using level 1 inputs primarily include investment in listed securities and the fair value of the same is marked to an active market which factors the impact of COVID-19. Hence, we do not expect material volatility on account of the same on the financial statements.

##### e. Deferred Tax asset

The Company has considered the impact of COVID-19 in preparing revenue and profit projections. On the basis of prudence, the Company has recognized cumulative deferred tax assets only to the extent of the liability.

##### f. Employee benefits expense

The Company has re-evaluated the actuarial assumptions used for the purpose of valuing employee benefit obligations in light of the COVID-19 outbreak. The Company believes that the assumptions on salary growth rates, attrition rates and discount rate are reasonable.



#### g. Going Concern

The Company carries cash and cash equivalents of ₹ 683.07 lakhs other bank balances of ₹1,929.91 lakhs and has unutilized working capital limits of ₹ 1,981.18 lakhs as at March 31, 2020. Further, the Company has prepared cashflow projections for the foreseeable future after considering the impacts of COVID-19. Accordingly, the management has assessed that the going concern assumption is appropriate for the Company.

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

As per our report of even date attached

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

*Chartered Accountants*

Firm Registration No. 101248W/W-100022

**Swapnil Dakshindas**

Partner

Membership No. 113896

Place: Pune, Maharashtra

Dated: 30th June 2020

For and on behalf of the Board of Directors of

**Goa Carbon Limited**

(CIN: L23109GA1967PLC000076)

**Shrinivas V. Dempo**

Chairman

DIN:00043413

**K. Balaraman**

Chief Financial Officer

M.No.: ACA - 029283

Place: Panaji, Goa

Dated: 30th June 2020

**Jagmohan J. Chhabra**

Executive Director

DIN:01007714

**Pravin R. Satardekar**

Company Secretary

M.No.: ACS - 24380

## FINANCIAL HIGHLIGHTS FOR LAST FIVE YEARS

Amount ₹ in lacs

	2019-20	2018-19	2017-18	2016-17	2015-16
Sales (net)	41,661.43	46,178.80	58,724.64	33,179.24	31,545.52
Other Income	245.31	224.81	874.14	902.62	617.33
(A)	41,906.74	46,403.61	59,598.78	34,081.86	32,162.85
Raw materials & manufacturing expenses	43,149.11	46,120.92	49,490.13	31,464.49	30,904.11
Finance charges	1,376.67	1,161.86	970.73	854.30	1,521.44
(B)	44,525.78	47,282.78	50,460.86	32,318.79	32,425.55
Gross (Loss)/Profit (A - B) (C)	(2,619.04)	(879.17)	9,137.92	1,763.07	(262.70)
Depreciation	218.69	203.92	185.83	187.84	186.57
Other comprehensive income	76.10	(73.95)	(7.71)	10.89	-
Exceptional item	-	-	-	-	-
Provision for Tax	(62.84)	(331.65)	3,567.24	625.69	(141.62)
(D)	231.95	(201.68)	3,745.36	824.42	44.95
Net (Loss)/Profit (C - D)	(2,850.99)	(677.49)	5,392.56	938.65	(307.65)
Dividend declared	-	-	150%	45%	-
<b>WHAT THE COMPANY OWNED</b>					
Net Fixed Assets	2,642.43	2,742.10	2,765.76	2,474.64	2,646.36
Non-Current Investments	240.38	296.33	206.67	1,122.68	1,095.55
Non-Current Assets	1,787.95	1,723.69	1,608.11	2,035.81	2,032.04
Current Assets	16,535.91	29,469.70	30,968.13	20,659.04	24,209.64
	21,206.67	34,231.82	35,548.67	26,292.17	29,983.59
<b>WHAT THE COMPANY OWED</b>					
Secured Loans	368.82	43.22	19,487.65	15,869.64	20,541.29
Unsecured Loans	-	-	-	-	-
Deferred tax liability	-	85.26	342.12	368.10	174.68
Current Liabilities & Provisions	12,930.00	23,344.50	3,179.36	2,026.33	2,012.96
	13,298.82	23,472.98	23,009.13	18,264.07	22,728.93
<b>NET WORTH OF THE COMPANY</b>					
Equity Share Capital	915.11	915.11	915.11	915.11	915.11
Other Equity	6,992.74	9,843.73	11,624.43	7,112.99	6,339.55
	7,907.85	10,758.84	12,539.54	8,028.10	7,254.66

## Glimpses...

### CSR Initiatives



Support to 'Hamara School', an educational institution for under-privileged children in Goa.

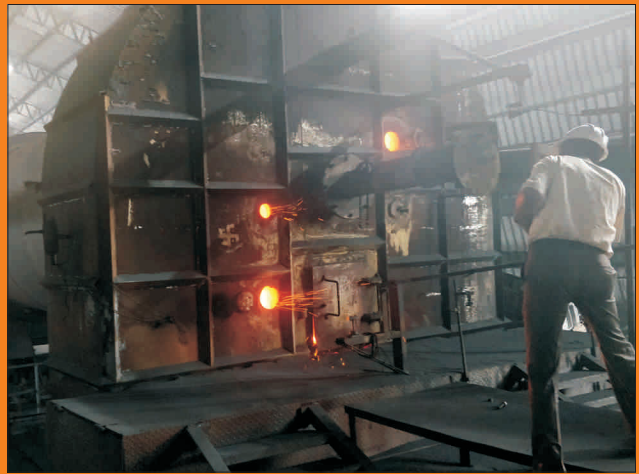


Brand Ambassador - India's Chess Sensation, Ms. Bhakti Kulkarni - Woman Grand Master and International Master. National Women Senior Chess Champion for the 2<sup>nd</sup> consecutive year. Qualified to participate in the Asian Continental, World Women's Championship 2020.



GCL Significantly contributes to the Group CSR Foundation i.e. "Vasantrao Dempo Education & Research Foundation" which is actively involved in the CSR initiatives in the field of Education Research & Culture in the State of Goa and outside. One of the programs supported through the Vasantrao Dempo Education & Research Foundation was the arrangement of CSR funding under the 'Dempo Vishwa Gramshala' Initiative in collaboration with Uzoorba which undertook the upgradation of Computer Labs of various Government High Schools in Goa with Raspberry Pi devices and other hardware.

### Operations, Safety & Health



Firing Crown of Kiln - Paradeep Plant



Finished Product ready for dispatch



State-of-the-art Dust Extraction System.





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E-mail: bsp@goacarbon.com

### **Paradeep Plant:**

Vill. Udayabata, P.O. Paradeepgarh, Dist. Jagatsinghpur, Odisha - 754 142  
Tel. No.: 07894462761, 09238110372  
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E-mail: pclvpster@gmail.com