



ANNUAL REPORT 2014 - 2015

CARBO-CERAMICS LIMITED

Registered Office : 31, CHOWRINGHEE ROAD KOLKATA - 700 016





DIRECTORS :

MR. M. C. DARAK MR. S. MARDA MR. P. K. JOSHI MS. S. SAHA

AUDITORS :

LAKHOTIA & CO. CHARTERED ACCOUNTANTS

REGISTERED OFFICE :

31, CHOWRINGHEE ROAD KOLKATA - 700 016 PHONE : 91-33-2265 9742 CIN : L26999WB1902PLC001537 E-MAIL : secretarial@carbo-ceramics.com WEBSITE : www.carbo-ceramics.com

NOTICE

Notice is hereby given that the Annual General Meeting of the members of Carbo-Ceramics Limited will be held at Calcutta Chamber of Commerce 18-H, Park Street, Stephen Court, Kolkata 700071 on Tuesday, the 22nd September, 2015 at 11.30 A.M. to transact the following business:-

ORDINARY BUSINESS

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2015 together with the Reports of the Board of Directors and Auditors thereon.
- 2. To appoint Auditors of the Company and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

RESOLVED that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the appointment of Lakhotia & Co., Chartered Accountants (Firm Registration No. 313149E) as Auditors of the Company at the Annual General Meeting (AGM) for a period of three (3) years, until the conclusion of the AGM of the Company for financial year ended 31st March, 2017, which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the AGM for financial year ended 31.3.16, on such remuneration as shall be fixed by the Board of Directors in consultation with the Auditors.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder Ms. Sebanka Saha (DIN : 07167322), who was appointed as an Additional Director of the Company with effect from 24th April, 2015 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board For Carbo-Ceramics Limited

> M. C. Darak Director

Kolkata June 30, 2015

NOTES :

- a. The relevant Statement pursuant to Section 102 of the Companies Act, 2013 and the additional information pursuant to clause 49 of the Listing Agreement in respect of Directors proposed for appointments at the Meeting are annexed hereto.
- b. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
- c. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
- d. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 16th September, 2015 to Tuesday, 22nd September, 2015 (both days inclusive).
- e. Members/Proxies should fill in the Attendance Slip for attending the meeting and bring their Attendance Slips along with their copy of the Annual Report to the Meeting. Members are requested to affix their signature at the space provided in the attendance slip with complete details including the Folio No. annexed to the proxy form and hand over the slip at the entrance of the place of meeting.
- f. Members are requested to notify change in their address, if any, immediately to the Company's Registrar, Link Intime India Pvt. Ltd., 59C, Chowringhee Road, 3rd Floor, Kolkata 700 020.
- g. All the documents referred in the accompanying notice will be available for inspection at the Registered Office of the Company between 10:00 a.m. and 2:00 p.m. on all working days till the date of ensuing Annual General Meeting.
- h. Voting through electronic means
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the forthcoming Annual General Meeting (AGM) on 22nd September 2015 by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services Limited (CDSL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

- IV. The instructions for shareholders voting electronically are as under:
 - (i) The remote e-voting period begins on 19th September, 2015 from 9.00 a.m. (IST) and ends on 21st September, 2015 at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com
 - (iii) Click on Shareholders tab to cast your votes.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia. com and voted on an earlier voting of any company, then your existing password is to be used.

| | For Members holding shares in Demat Form and Physical Form | | | | |
|---------------------------|--|--|--|--|--|
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) | | | | |
| | Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field. | | | | |
| DOB# | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. | | | | |
| Dividend Bank Details# | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. | | | | |
| | • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). | | | | |

(vii) If you are a first time user follow the steps given below :

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this

password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for "Carbo-Ceramics Limited" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the

Frequently Asked Questions ("FAQs") and e-voting manual available at www. evotingindia.com, under help section or write an email to helpdesk.evoting@ cdslindia.com.

- (V) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date (15th September, 2015) only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- (VI) Mrs. Swati Bajaj, Partner, M/s. PS & Associates, Practicing Company Secretaries, Kolkata has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (VII) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (VIII) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (IX) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company (www.carbo-ceramics.com) and on Service Provider's website (http://www.evotingindia.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to The Calcutta Stock Exchange Limited.

By Order of the Board For Carbo-Ceramics Limited

> M. C. Darak Director

Kolkata June 30, 2015

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

ITEM NO. 3

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, appointed Ms. Sebanka Saha as an Additional Director on 24th April, 2015 in terms of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Ms. Sebanka Saha will hold office only upto the date of ensuing Annual General Meeting.

The Company has received a Notice in writing under the provisions of section 160 of the Companies Act, 2013, along with a deposit of ₹ 1,00,000/- proposing the candidature of Ms. Sebanka Saha for the office of Director. Ms. Sebanka Saha is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as Director.

Ms. Sebanka Saha aged 23 years is a B. Com Graduate and pursuing her CS Final and has more than a year's experience in handling secretarial and legal matters. She does not hold any shares in the Company. She is not a director in any other Company and does not hold committee position in any other company.

The Board of Directors of your Company recommends the resolution in relation to appointment of Ms. Sebanka Saha as Non-Executive Director of the Company liable to retire by rotation, for the approval of the members of the Company.

Except Ms. Sebanka Saha, no other Director and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3 of the Notice.

By Order of the Board For Carbo-Ceramics Limited

Kolkata June 30, 2015 M. C. Darak Director

DIRECTORS' REPORT

Dear Members,

Your Directors present their Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2015.

FINANCIAL RESULTS

During the year under review, performance of your company was as under:

(Amount in ₹)

| | | . , |
|---|----------------------------------|----------------------------------|
| | Year ended 31st March 2015 | Year ended 31st March 2014 |
| | 2015 | 2014 |
| Total Revenue | 26,45,310 | 24,64,659 |
| Profit before taxation | 21,00,252 | 22,45,246 |
| Less: Tax Expense – Current Year | 2,25,000 | 2,60,300 |
| – Earlier Year | 4,380 | - |
| – Deferred Tax | (63) | (70) |
| Profit/(Loss) after tax | 18,70,935 | 19,85,016 |
| Add: Balance brought forward from the previous year | 1,98,93,586 | 1,79,08,570 |
| Less : Transfer to Reserve | - | _ |
| Balance Profit carried forward to next year | 2,17,64,521 | 1,98,93,586 |

Total Revenue during the year was Rs. 26,45,310/- as against Rs. 24,64,659/- for FY 2013-14. Profit after Tax for the year was Rs. 18,70,935/- as against Rs. 19,85,016/- for FY 2013-14.

DIVIDEND

The Board intends to conserve its resources for business activities and hence, no dividend is recommended.

FIXED DEPOSITS

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 as provided under Section 92 (3) of Companies Act, 2013 is annexed as **"Annexure 1"**.

NUMBER OF MEETINGS OF THE BOARD

Six meetings of the Board of Directors of the Company were held during the year on 29th May, 2014, 1st August, 2014, 14th August, 2014, 30th September, 2014, 14th November,

2014 and 13th February, 2015. Board Meetings attended by Directors during the FY 2014-15 is as under :-

| Name of Directors | Number of Board Meeting | | | | |
|-------------------|-------------------------|----------|--|--|--|
| | Held | Attended | | | |
| Mr. M C Darak | 6 | 6 | | | |
| Mr. S R Mundra | 6 | 6 | | | |
| Mr. S Marda | 6 | 6 | | | |
| Mr. P K Joshi | 6 | 6 | | | |
| Ms H Nagori * | 6 | 3 | | | |

* Ms. Himadri Nagori was appointed as an additional director of the Company on 30.09.2014

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

Relevant extracts of the Company's policy on directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided in Section 178(3) of Companies Act, 2013 is annexed as **"Annexure 2"**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees or made investments under Section 186 of the Companies Act, 2013 during the year under review.

CONTRACTS/ TRANSACTIONS / ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any contract or arrangement with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

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

The Company's business does not entail conservation of energy, technology absorption and foreign exchange earnings and outgo. As such, no particulars are required to be disclosed.

RISK MANAGEMENT

Risk management policy has been developed and implemented identifying the risks associated with the Company and steps to mitigate them. There are no current risks which threaten the existence of the Company.

FORMAL ANNUAL EVALUATION

Formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual directors on the basis of a set of criteria framed and approved by the Nomination & Remuneration Committee / Board.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Absolute transparency and reliable operating systems and control measures are necessities of a successful business and its growth. The Company has an effective internal control system resulting into reliable financial reporting, operating effectiveness and overall efficiency. The Company has adequate internal control systems proportionate with the size and nature of its business.

VIGIL MECHANISM

The Company has adopted a Vigil Mechanism to deal with instance of fraud and mismanagement, if any and also incorporates a whistle blower policy which has been posted on the Company's website and can be viewed on http://www.carbo-ceramics.com/ investor-relations.

AUDIT COMMITTEE

The Audit Committee was constituted during the year on 29.5.14 with Mr. M. C. Darak as its Chairman and Mr. S. R. Mundra and Mr. S. Marda as its members and all were Independent Directors .The terms of reference of Audit Committee is as specified under Section 177 of the Companies Act, 2013. Three meetings of Audit Committee were held during the year on 14.8.14, 14.11.14 and 13.2.15. Mr. S. R. Mundra ceased to be member of the Audit Committee pursuant to his resignation as Director of the Company on 20.4.15. Mr. P. K. Joshi was appointed as member of the Committee with effect from 24.4.15. All recommendations of the Audit Committee were accepted by the Board. Audit Committee Meetings attended by Directors during FY 2014-15 is as under :

| Name of Directors | Number of Audit Committee Meeting | | | |
|-------------------|-----------------------------------|---|--|--|
| | Held Attende | | | |
| Mr. M C Darak | 3 | 3 | | |
| Mr. S R Mundra | 3 | 3 | | |
| Mr. S Marda | 3 | 3 | | |

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted during the year on 29.5.14, with Mr. S. R. Mundra as its Chairman and Mr. M. C. Darak and Mr. S. Marda as its members and all were Independent Directors. The terms of reference include matters included in Section 178 (2) to (4) of Companies Act, 2013. Two meetings of Nomination and Remuneration Committee were held during the year on 1.8.14 and 30.9.14. Mr. S. R. Mundra ceased to be member of the Committee pursuant to his resignation as Director of the Company on 20.4.15. Mr. P. K. Joshi was appointed as member of the Committee with effect from 24.4.15 and Mr. M. C. Darak was appointed as Chairman of the Committee. Nomination and Remuneration Committee Meetings attended by Directors during FY 2014-15 is as under :-

| Name of Directors | Number of Nomination and Remuneration Committee Meeting | | | |
|-------------------|--|----------|--|--|
| | Held | Attended | | |
| Mr. M C Darak | 2 | 2 | | |
| Mr. S R Mundra | 2 | 2 | | |
| Mr. S Marda | 2 | 2 | | |

MANAGERIAL REMUNERATION

The statement containing the disclosure as required in accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **"Annexure 3"**.

There was no employee of the Company who was in receipt of remuneration for the year, which in aggregate was more than the limit prescribed under Section 197 of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 1975.

HOLDING COMPANY

Pursuant to the amalgamation of promoter group investment companies with Emerald Company Ltd. (ECL) (also a promoter group Company), the equity shareholding of ECL in the Company exceeded 50% during the year. As such, the Company became subsidiary of ECL. However, by the end of the year the shareholding of ECL was once again reduced below 50% and as such the Company ceased to be subsidiary of ECL.

SUBSIDIARY COMPANY, ASSOCIATE COMPANY AND JOINT VENTURE COMPANY

The Company does not have any subsidiary, joint venture or associate company.

DIRECTORS

Mr. M. C. Darak, Mr. S. R. Mundra, Mr. S. Marda and Mr. P. K. Joshi were appointed as Independent Directors of the Company for a period of five years from 29.9.14 by the members of the Company at its Annual General Meeting held on 29.9.14, pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013. Miss Himadri Nagori was appointed as an additional director of the Company on 30.9.14.

Mr. S. R. Mundra and Miss Himadri Nagori resigned as Director(s) of the Company on 20.4.15. The Board has placed on record its sincere appreciation of the valuable services rendered by Mr. Mundra and Miss Nagori during their tenure as director of the Company.

All the independent Directors of the Company have furnished declarations that they satisfy the requirements of Section 149(6) of the Companies Act, 2013.

Miss Sebanka Saha was appointed as an additional director of the Company on 24.4.15 and holds office up to the date of the ensuing AGM. Miss Sebanka Saha is eligible for appointment as Director of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying intention to propose the candidature of Miss. Sebanka Saha as Director of the Company. Miss Sebanka Saha will be appointed as a

Non-Executive Director liable to retire by rotation. A brief profile of Miss Sebanka Saha has been given in the Notice convening the Annual General Meeting.

No director is related inter-se to any other director of the Company.

KEY MANAGERIAL PERSONNEL

Mr. R. D. Kaushik was appointed as Chief Financial Officer of the Company on 1.8.14. Mr. Balraj Bhabhra was appointed as Chief Executive Officer of the Company on 30.9.14. Mr. Balraj Bhabhra resigned as Chief Executive Officer of the Company w.e.f. 25.3.15.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Directors state that –

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE REPORT

As per SEBI Circular No. CIR/CFD/POLICY CELL/7/2014 dated 15.9.14, compliance of provisions of Clause 49 of the Listing Agreement is not mandatory for the Company and hence, no Corporate Governance Report has been prepared. However, the Company ensures compliance of good corporate governance practices.

AUDITORS AND AUDITORS OBSERVATION

Lakhotia & Co., Chartered Accountants (Firm Registration No. 313149E), existing Auditors of the Company were appointed for a period of three years by the members of the Company in the AGM held on 29th September, 2014. Their appointment for the second year to audit the accounts for the financial year beginning on 1st April, 2015 to 31st March, 2016 requires ratification by the members. They are eligible and available for re-appointment.

As regards Auditors' qualification/observations in the Auditors Report the Board's comments are as under :

The Assets and Liabilities of the Company in Bangladesh as at 13th April, 1965 have been taken in the Accounts for the year ended 31st March, 2015 as the necessary information regarding the same is not available.

No provision has been made in the Accounts in respect of doubtful debts pertaining to rents outstanding as the amount likely to be recovered are yet to be ascertained.

The land & building relate to very old period and as such, title deed wise cost of land and building could not be ascertained.

Other observations in the Auditors' Report are dealt with in the Notes at the appropriate places in the Accounts and are self-explanatory.

SECRETARIAL AUDIT REPORT

The Board had appointed M/s PS & Associates, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith as **"Annexure 4"** to this Report.

As regards Secretarial Auditors' observations in the Secretarial Audit Report the Board's comments are as under :

- 1. The Company is yet to appoint a Company Secretary. Interviews were conducted for some candidates for appointment of Company Secretary. Most of the candidates had shown disinterest as there was not much activity in the Company. However, efforts are being made for appointment of suitable candidate as Company Secretary at the earliest possible.
- 2. Mr. Balraj Bhabhra was appointed as Chief Executive Officer (CEO) of the Company on 30.9.14 and has resigned as CEO w.e.f. 25.3.15. As per Section 203(4) of the Companies Act, 2013 a Company has to fill any vacancy in the office of whole-time key managerial personnel within a period of six months from the date of such vacancy.

ACKNOWLEDGEMENT

Your directors place on record their appreciation of the assistance and support extended by all government authorities, banks, consultants, solicitors, employees and shareholders of the Company.

For and on behalf of the Board

M. C. Darak Director S. Marda Director

Kolkata May 29, 2015

ANNEXURE 1

FORM NO. MGT – 9 EXTRACT OF ANNUAL RETURN as on the financial year ended 31.03.2015

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

I. REGISTRATION AND OTHER DETAILS

| i) | CIN | L26999WB1902PLC001537 |
|------|---|---|
| ii) | Registration Date | 02.10.1902 |
| iii) | Name of the Company | Carbo-Ceramics Limited |
| iv) | Category / Sub–Category of the Company | Public Company / Company Limited by shares |
| v) | Address of the Registered office and contact details | 31, Chowringhee Road, Kolkata 700016 Phone: 033-22659742 E-mail: secretarial@carbo-ceramics.com |
| vi) | Whether listed company | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Pvt. Ltd. 59C, Chowringhee Road 3rd Floor, Kolkata – 700020 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| SI. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|------------|---|------------------------------------|---------------------------------------|
| 1. | The Company has income only from other sources i.e. Dividend, Interest from Bank, | | 100% |
| | Profit on sale of mutual funds etc. | | |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| SI. No. | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of share held | Applicable Section | | | | |
|------------|--|---------|--------------------------------------|--------------------|-----------------------|--|--|--|--|
| - | - | - | - | - | - | | | | |
| The C | The Company does not have any holding, subsidiary and/or associate Company as on 31.03.2015. | | | | | | | | |

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

i) Category–wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year 1/4/2014 | | | | No. of Shares held at the end of the year 31/3/2015 | | | | % Change during the |
|---|--|----------|--------|----------------------|--|----------|--------|----------------------|------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | year |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| (a) Individual /HUF | 300 | 0 | 300 | 0.032 | 68720 | 0 | 68720 | 7.311 | 7.279 |
| (b) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| (c) State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| (d) Bodies Corporates | 529420 | 0 | 529420 | 56.321 | 461000 | 0 | 461000 | 49.043 | -7.279 |
| (e) Bank/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| (f) Any other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| SUB TOTAL : (A)(1) | 529720 | 0 | 529720 | 56.353 | 529720 | 0 | 529720 | 56.353 | |
| (2) Foreign | | | | | | | | | |
| a) NRI - Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| b) Other - Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| c) Bodies Corporates | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| d) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| e) Any Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| SUB TOTAL (A)(2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 529720 | 0 | 529720 | 56.353 | 529720 | 0 | 529720 | 56.353 | |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds / UTI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| b) Banks / Fl | 0 | 6970 | 6970 | 0.741 | 0 | 6970 | 6970 | 0.741 | |
| c) Central Govt. | 0 | 100 | 100 | 0.011 | 0 | 100 | 100 | 0.011 | |
| d) State Govt. | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | 12500 | 0 | 12500 | 1.330 | 12500 | 0 | 12500 | 1.330 | |
| g) FIIs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| Sub-total (B)(1) | 12500 | 7070 | 19570 | 2.082 | 12500 | 7070 | 19570 | 2.082 | |

| Category of Shareholders | No. of Shares held at the beginning of the year 1/4/2014 | | | | No. of Shares held at the end of the year 31/3/2015 | | | | % Change during the |
|---|---|----------|--------|----------------------|--|----------|--------|----------------------|------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | year |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corporates | | | | | | | | | |
| i) Indian | 0 | 15170 | 15170 | 1.614 | 0 | 15170 | 15170 | 1.614 | |
| ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹1 lakh | 18590 | 337490 | 356080 | 37.881 | 19140 | 336940 | 356080 | 37.881 | |
| ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| c) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| Clearing Member | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| Foreign Nationals | 0 | 3810 | 3810 | 0.405 | 0 | 3810 | 3810 | 0.405 | |
| Foreign Company | 0 | 10900 | 10900 | 1.160 | 0 | 10900 | 10900 | 1.160 | |
| Enemy Property (Bangladesh & Pakistan) | 0 | 4750 | 4750 | 0.505 | 0 | 4750 | 4750 | 0.505 | |
| SUB-TOTAL (B)(2) | 18590 | 372120 | 390710 | 41.565 | 19140 | 371570 | 390710 | 41.565 | |
| Total Public Shareholding (B) = (B)(1) + (B)(2) | 31090 | 379190 | 410280 | 43.647 | 31640 | 378640 | 410280 | 43.647 | |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| GRAND TOTAL (A+B+C) | 560810 | 379190 | 940000 | 100 | 561360 | 378640 | 940000 | 100 | |

(ii) Shareholding of Promoters

| SI. No. | Shareholder's Name | | Shareholding at the beginning of the year 01/04/2014 | | | Share holding at the end of the year 31/03/2015 | | | |
|------------|----------------------------|------------------|---|---|------------------|--|---|-------------------------------|--|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encum- bered to total shares | No. of shares | % of total Shares of the Company | % of Shares Pledged/ encum- bered to total shares | holding during the year | |
| 1 | Likhami Leasing Ltd | 196070 | 20.859 | 0 | 0 | 0 | 0 | -20.859 | |
| 2 | The Bond Company Ltd | 160450 | 17.069 | 0 | 0 | 0.00 | 0 | -17.069 | |
| 3 | Emerald Company Ltd | 78600 | 8.362 | 0 | 461000 | 49.043 | 0 | 40.681 | |
| 4 | H. L. Investment Co. Ltd | 74300 | 7.904 | 0 | 0 | 0.00 | 0 | -7.904 | |
| 5 | Tandem Fiscal Services Ltd | 20000 | 2.128 | 0 | 0 | 0.00 | 0 | -2.128 | |
| 6 | Krishna Kumar Bangur | 300 | 0.032 | 0 | 68720 | 7.311 | 0 | 7.279 | |
| | Total | 529720 | 56.354 | 0 | 529720 | 56.354 | 0 | 0 | |

(iii) Change in Promoters' Shareholding

| SI. No. | Shareholder's Name | - | at the beginning e year | Cumulative Shareholding during the year | | |
|------------|--|---------------|-------------------------------------|--|-------------------------------------|--|
| | | No. of Shares | % of total Shares of the Company | No. of shares | % of total Shares of the Company | |
| 1. | Likhami Leasing Limited | | | | | |
| | As at 01/04/2014 | 196070 | 20.859 | | | |
| | 30/10/2014 - Pursuant to merger with Emerald Co.Ltd. | -196070 | -20.859 | 0 | 0.00 | |
| | As at 31/03/2015 | | | 0 | 0.00 | |
| 2. | The Bond Company Limited | | | | | |
| | As at 01/04/2014 | 160450 | 17.069 | | | |
| | 30/10/2014 - Pursuant to merger with Emerald Co.Ltd. | -160450 | -17.069 | 0 | 0.00 | |
| | As at 31/03/2015 | | | 0 | 0.00 | |
| 3. | H L Investment Company Ltd. | | | | | |
| | As at 01/04/2014 | 74300 | 7.904 | | | |
| | 30/10/2014 - Pursuant to merger with Emerald Co.Ltd. | -74300 | -7.904 | 0 | 0.00 | |
| | As at 31/03/2015 | | | 0 | 0.00 | |
| 4. | Tandem Fiscal Services Ltd. | | | | | |
| | As at 01/04/2014 | 20000 | 2.128 | | | |
| | 30/10/2014 - Pursuant to merger with Emerald Co.Ltd. | -20000 | -2.128 | 0 | 0.00 | |
| | As at 31/03/2015 | | | 0 | 0.00 | |

| SI. No. | Shareholder's Name | 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 |
| 5. | Emerald Company Ltd. | | | | |
| | As at 01/04/2014 | 78600 | 8.362 | | |
| | 30/10/2014 - Pursuant to merger of Promoter group companies | 450820 | 47.960 | 529420 | 56.321 |
| | 11/03/2015 - Transfer | -68420 | -7.279 | 461000 | 49.043 |
| | As at 31/03/2015 | | | 461000 | 49.043 |
| 6. | Krishna Kumar Bangur | | | | |
| | As at 01/04/2014 | 300 | 0.032 | | |
| | 11/03/2015 - Transfer | 68420 | 7.279 | 68720 | 7.311 |
| | As at 31/03/2015 | | | 68720 | 7.311 |

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

| SI. No. | Shareholder's Name | - | 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 | |
| 1. | Life Insurance Corporation of India | | | | | |
| | As at 01.04.2014 | 12500 | 1.330 | | | |
| | As at 31.03.2015 | | | 12500 | 1.330 | |
| 2. | Habib Bank Limited | | | | | |
| | As at 01.04.2014 | 10750 | 1.144 | | | |
| | As at 31.03.2015 | | | 10750 | 1.144 | |
| 3. | Jogendra Kristo Dutt | | | | | |
| | As at 01.04.2014 | 10450 | 1.112 | | | |
| | As at 31.03.2015 | | | 10450 | 1.112 | |
| 4. | Hemant Bangur | | | | | |
| | As at 01.04.2014 | 10000 | 1.064 | | | |
| | As at 31.03.2015 | | | 10000 | 1.064 | |
| 5. | Amarendro Kristo Dutt | | | | | |
| | As at 01.04.2014 | 9950 | 1.059 | | | |
| | As at 31.03.2015 | | | 9950 | 1.059 | |
| 6. | Sulakhana Dasee | | | | | |
| | As at 01.04.2014 | 9750 | 1.037 | | | |
| | As at 31.03.2015 | | | 9750 | 1.037 | |

| SI. No. | Shareholder's Name | • | 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 | |
| 7. | Nirmal Kumar Fatehpuria Sole Executor | | | | | |
| | As at 01.04.2014 | 6250 | 0.665 | | | |
| | As at 31.03.2015 | | | 6250 | 0.665 | |
| 8. | Soumendra Kristo Dutt | | | | | |
| | As at 01.04.2014 | 5950 | 0.633 | | | |
| | As at 31.03.2015 | | | 5950 | 0.633 | |
| 9. | Nand Gopal Bangur | | | | | |
| | As at 01.04.2014 | 5500 | 0.585 | | | |
| | As at 31.03.2015 | | | 5500 | 0.585 | |
| 10. | Balaram Mukherjee | | | | | |
| | As at 01.04.2014 | 5100 | 0.543 | | | |
| | As at 31.03.2015 | | | 5100 | 0.543 | |

(v) Shareholding of Directors and Key Managerial Personnel : None of the Director and/or KMP held any share(s) in the company either at the beginning of the year, during the year or at the end of the year.

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager : There is no Managing Director, Whole-time Directors and/or Manager.

B. Remuneration to other Directors :

| SI. No. | Particulars of Remuneration | | Name of Directors | | | | |
|------------|--|----------------|-------------------|-------------|---------------|---------------|-------|
| 1 | Independent Directors | Sri S R Mundra | Sri M C Darak | Sri S Marda | Sri P K Joshi | Smt. H Nagori | |
| | Fee for attending board / committee meetings | 2750 | 2750 | 2750 | 1500 | 750 | 10500 |
| | Commission | - | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - | - |
| | Total (1) | 2750 | 2750 | 2750 | 1500 | 750 | 10500 |
| 2 | Other Non- Executive Directors | | | | | | |
| | Fee for attending board / committee meetings | - | - | - | - | - | - |
| | Commission | - | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - | - |
| | Total (2) | - | - | - | - | - | - |
| | Total (B) = (1+2) | 2750 | 2750 | 2750 | 1500 | 750 | 10500 |
| | Total Managerial Remuneration | | | | | | NIL |
| | Overall Ceiling as per Act | | | | | | |

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

| SI. No. | Particulars of Remuneration | Name of Directors | | | Total Amount (Rs.) |
|------------|--|-------------------|-------------------|----------------------------|-----------------------|
| | | CEO | Company Secretary | CFO | |
| | | B. Bhabhra* | | R. D. Kaushik [^] | |
| 1 | Gross Salary | 99,317 | - | 80,000 | 1,79,317 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income -tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | | | | |
| | as % of Profit | - | - | - | - |
| | Others, please specify | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total | 99.317 | - | 80,000 | 1,79,317 |

* Mr. Balraj Bhabhra was appointed as CEO of the company with effect from 30.09.2014. However, he has resigned as CEO with effect from 25.03.2015.

^ Mr. R. D. Kaushik was appointed as CFO of the Company with effect from 01.08.2014.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : No penalties/ punishment/ compounding of offences were imposed by RD/ NCLT/ Court on the Company/ Directors/ other officer in default during the year.

ANNEXURE 2

NOMINATION AND REMUNERATION POLICY

The objectives of this Policy include the following :

- to lay down criteria for identifying persons who are qualified to become Directors;
- to formulate criteria for determining qualification, positive attributes and independence of a Director;
- recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- to frame guidelines on the diversity of the Board;

DEFINITIONS

Unless the context requires otherwise, the following terms shall have the following meanings:

"Director" means a Director of the Company.

"Key Managerial Personnel" or "KMP" means-

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Whole-time director;
- (iii) the Chief Financial Officer;
- (iv) the Company Secretary; and
- (v) such other officer as may be prescribed under the applicable law.

Criteria for identifying persons who are qualified to be appointed as Director, Key Managerial Personnel and senior management personnel of the Company:

Section 164 of the Act provides for the disqualifications for appointment of any person to become Director of any company. Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

For appointing any person as an Independent Director he/she should possess qualifications as mentioned in (A) the Act and the Rules made thereunder (including but not limited to Section 149 of the Act and Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014); and (B) the Listing Agreement.

The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly 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 the discretion to decide whether

the qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.

Evaluation

The Committee shall carry out evaluation of every director's performance. Independent Director's shall at its separate meeting review the performance of the Board as a whole and shall also review the performance of non-independent directors and Chairperson of the Company. The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the independent director being evaluated).

Remuneration Policy for Directors, Key Managerial Personnel and senior management personnel

The remuneration payable to Directors, key managerial personnel and senior management personnel should be reasonable and sufficient to attract, retain, motivate and reward them. The remuneration/ compensation/ commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.

The remuneration/compensation/commission payable to Managing/Whole-time/Executive Director and remuneration of KMP and Senior Management personnel shall be based on the experience, qualification and expertise of the related personnel, Company's overall performance and profitability and may be paid fixed salary and/or variable salary depending upon long term performance objectives and goals of the Company.

The remuneration payable shall be governed by the limits, if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

The Non-Executive Directors including Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Independent Directors may also be paid commission in accordance with the statutory provisions of the Act, and the rules made thereunder for the time being in force.

Board Diversity

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Company while appointing may consider the following criteria; i.e. appoint those persons who possess relevant experience, integrity, understanding, knowledge or other skill sets that may be considered by the Board as relevant in its absolute discretion, for the business of the Company.

The Board shall have the optimum combination of Directors of different genders, age areas, fields, cultural and educational backgrounds, knowledge and skill sets as maybe deemed absolutely necessary.

The Board shall have members who have accounting or related financial management expertise and are financially literate.

ANNEXURE 3

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

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

| SI. No. | Name of the Director / KMP and Designation | Remuneration of Director/ KMP for Financial Year 2014-15 | % increase in Remuneration in the Financial Year 2014-15 | Ratio of remuneration of each Director to median remuneration of employees |
|------------|--|--|--|--|
| 1 | Mr. Sita Ram Mundra [Non - Excecutive Director] | 2,750 | 175% | 0.03 |
| 2 | Mr. Manak Chand Darak [Non - Executive Director] | 2,750 | 175% | 0.03 |
| 3 | Mr. Sanjeev Marda [Non - Executive Director] | 2,750 | 175% | 0.03 |
| 4 | Mr. Pawan Kumar Joshi [Non - Executive Director] | 1,500 | 175% | 0.02 |
| 5 | Ms. Himadari Nagori @ [Non - Executive Director] | 750 | | 0.01 |
| 7 | Mr. R. D. Kaushik \$ [Chief Financial Officer] | 80,000 | | Not Applicable |
| 8 | Mr. Balraj Bhabhra \$\$ [Chief Executive Officer] | 99,317 | | Not Applicable |
| | | 189,817 | | |

@ : Details not given as Ms. Himadari Nagori was not a Director in the Financial Year 2013-14.

\$: Mr. R. D. Kaushik was appointed Chief Financial Officer with effect from 1st August. 2014.

\$\$: Mr. Balraj Bhabhra was appointed Chief Executive Officer with effect from 30th Sept.2014, however he resigned on 25th March, 2015.

- (ii) The percentage increase in median remuneration of employees in the financial year : There was no employee in the F Y ended 31.03.2014 hence the said increase can not be calculated.
- (iii) There was only one (1) permanent employee on the rolls of Company as on March 31, 2015.

- (iv) Relationship between average increase in remuneration and company performance:-The Profit before Tax for the financial year ended March 31, 2015 decreased by 6.46%. There is no decrease or increase in median remuneration of employees as there was no employee during F Y ended 31.03.2014
- (v) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company :

| Remuneration paid to KMP during F Y ended 31.03.2015 | 179,317 |
|---|-----------|
| Profit before tax (PBT) for the year ended 31.03.2015 | 2,100,252 |
| Remuneration of KMP (as % of PBT) | 8.54% |

(vi) a) Variations in the market capitalisation of the Company :

| | Share Price (Rs.) | Market Capitalisation | Increase/ Decrease in Market Capitalisation |
|-----------------------|----------------------|--------------------------|--|
| As on 31st March 2014 | * | * | * |
| As on 31st March 2015 | * | * | * |

b) Variations in Price Earnings Ratio :

As on 31st March 2014 - *

As on 31st March 2015 - *

* There was no trading in Company's Shares during the Financial Year ended 31.03.2014 and 31.03.2015 at Calcutta Stock Exchange where the shares of the Company are listed , hence no Market Capitalisation and Price Earning Ratio has been calculated.

c) Percentage increase in the market quotation of the shares in comparison to the rate at which the Company came out with the last public offer :

Last Public offer : No public offer in last 40 years

Market price (Face value Rs. 8.50p) as on 31.3.2015 (CSE) : Not traded

% increase : N.A.

- (vii) There was no employee in F Y 2013-14, hence no Average percentage increase made in the salaries of employees in the financial year 2014-15 could be calculated.
- (viii) No Variable pay in the form of commission was paid to the Directors.
- (ix) Ratio of Remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year : 0.03
- (x) It is affirmed that the remuneration is as per the remuneration policy of the Company.

ANNEXURE 4

SECRETARIAL AUDIT REPORT for the financial year ended 31st March 2015

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

To,

The Members,

Carbo-Ceramics Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Carbo-Ceramics Limited** (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company'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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015, 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 :

- 1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015, 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 to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (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, 1992;
- c. 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;
- 2. Provisions of the following Acts, Rules, Regulations and Guidelines were not applicable to the Company under the financial year under report :
 - a. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- 3. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report :
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- 4. We have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India: Presently not applicable to the Company.
 - (ii) The Listing Agreements entered into by the Company with the Calcutta Stock Exchange Limited.
- 5. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above.
- 6. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.
- 7. Observations :
 - a. Key Managerial Personnel (KMP) as required u/s 203(1)(ii) has not been appointed by the Company. KMP u/s 203(1)(i) has resigned w.e.f 25th March, 2015.

- 8. We further report that :
 - (a) The Board of Directors of the Company is constituted with Independent Directors only.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- (b) Adequate 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.
- 9. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- 10. We further report that :

During the year, pursuant to the amalgamation of promoter group investment companies with Emerald Co. Ltd. (ECL) (also a promoter group Company), the equity shareholding of ECL in the Company exceeded 50%. As such, the Company became subsidiary of ECL. However, by the end of the year the shareholding of ECL was once again reduced below 50% and thereafter, the Company ceased to be subsidiary of ECL.

For PS & Associates

Swati Bajaj Partner C.P.No.: 3502, ACS: 13216 Place : Kolkata Date : 28/04/2015

INDEPENDENT AUDITOR'S REPORT

To the Members of CARBO CERAMICS LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on

whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

The compensation for Zemindary Rights etc. acquired by Bangladesh Government and Bihar and West Bengal State Governments has been estimated at Rs. 37,24,400/-. In the absence of adequate information, we are unable to form an opinion as to the realisability of the same. We are also unable to form an opinion as to the realisability of cash and bank balances of Rs. 2,57,691/- in Bangladesh and discharge of liabilities of Rs. 2,467/- in Bangladesh and also the amounts that may prove to be irrecoverable out of doubtful outstanding rents of Rs. 9,08,842/- not provided for included under trade receivables to be collected by State Government of West Bengal and Bangladesh Government and doubtful advances amounting to Rs. 135/- in Bangladesh.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2. As required by Section 143 (3) of the Act, we report that :
 - (a) We have sought and except for the matters described in the Basis for Qualified Opinion paragraph above obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements

comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the company.
- (f) On the basis of the written representations received from the directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164 (2) of the Act; and
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as on 31st March, 2015, on its financial position in its financial statements as detailed in Note 27 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Lakhotia & Co.** *Chartered Accountants* Firm's Registration Number : 313149E

Kolkata 29th May, 2015 Naresh Lakhotia Partner Membership number : 51249

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Statement referred to in our Independent Auditors report to the Members of the Company on the financial statements for the year ended 31st March, 2015.

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets excepting title deedwise cost of land and building.
 - (b) According to information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- ii. (a) Physical verification of inventory has been conducted at reasonable intervals by the management.
 - (b) In our opinion, the procedures of Physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company's activities during the year do not include purchase of inventory and fixed assets and sale of goods and services and as such clause 3(iv) of the Order is not applicable to the Company.
- v. The Company has not accepted deposits from the public.
- vi. The Central Government has not specified for the maintenance of cost records under Section 148(1) of the Act.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales sax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, with the appropriate authorities.
 - (b) As at 31st March, 2015, according to the records of the Company and the information and explanations given to us, there were no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited on account of any dispute.
 - (c) According to the information and explanations given to us and the records of the Company examined by us, no amounts were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956(1 of 1956) and rules made thereunder.

- viii. The Company has neither accumulated losses as at 31st March, 2015 nor has it incurred any cash losses during the financial year ended on that date and in the immediately preceding financial year.
- ix. According to the records of the Company, it has not taken any loan from any financial institution or bank or against debentures and as such clause 3(ix) of the Order is not applicable to the Company.
- x. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the order are not applicable to the company.
- xi. According to the information and explanations given to us, the Company has not taken any term loan and as such clause 3(xi) of the Order is not applicable to the Company.
- xii. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, either noticed or reported during the year, nor have we been informed of such case by the management.

For Lakhotia & Co. Chartered Accountants Firm's Registration Number : 313149E

Kolkata 29th May, 2015 Naresh Lakhotia Partner Membership number : 51249

| | C | ARBO-CERAMICS | S LIMITED = |
|---|----------------------|------------------------|------------------------|
| BALANCE SHEET AS AT 31ST N | /IARCH, 2015 | | |
| | Notes | As at 31-03-15 ₹ | As at 31-03-14 ₹ |
| EQUITY AND LIABILITIES | - | | |
| Shareholders' Fund | | | |
| Share Capital | 2 | 7,990,000 | 7,990,000 |
| Reserves and Surplus | 3 | 23,615,921 | 21,744,986 |
| Non-Current Liabilities | | | |
| Deferred Tax Liabilities | 4 | 1,982 | 2,045 |
| Long Term Provisions | 5 | 18,709 | 18,709 |
| Current Liabilities | | | |
| Trade Payables | 6 | 20,525 | 15,917 |
| Other Current Liabilities | 7 | 1,687,235 | 1,686,286 |
| | - | 33,334,372 | 31,457,943 |
| <u>ASSETS</u> | - | | |
| Non Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 8 | 13,824 | 14,237 |
| Zemindary Rights | 9 | 3,724,400 | 3,724,400 |
| Non Current Investments | 10 | 14,165,014 | 12,868,935 |
| Long Term Loan and Advances | 11 | 40,180 | 40,180 |
| Current Assets | | | |
| Inventories | 12 | 58,547 | 58,547 |
| Trade Receivables | 13 | 908,842 | 908,842 |
| Cash and Bank Balances | 14 | 13,846,021 | 12,849,241 |
| Short Term Loans and Advances | 15 | 526,767 | 881,314 |
| Other Current Assets | 16 | 50,777 | 112,247 |
| | - | 33,334,372 | 31,457,943 |
| Summary of significant accounting | policies 1 | | |
| The notes are an integral part of the | ese financial statem | ents | |
| As per our report of even date | | | |
| For Lakhotia & Co. | | | |
| Firm Registration No. 313149E | | | |
| Chartered Accountants | | | |
| Naresh Lakhotia | R. D. Kaushik | M.C. Darak | S. Marda |
| | Chief Financial Offi | cer Director | Director |
| Membership No. 51249 Place : Kolkata | | | |
| | | | |

| | | CARBO-CERAMIC | S LIMITED ==== |
|--|-----------------------------------|---------------------------------------|-----------------------------|
| STATEMENT OF PROFIT AND LOSS F | OR THE Y Notes | EAR ENDED 31ST I Year ended | MARCH, 2015 Year ended |
| | Notes | 31-03-15 ₹ | 31-03-14 ₹ |
| Income | | | |
| Revenue From Operations | | - | - |
| Other Income | 17 | 2,645,310 | 2,464,659 |
| Total Revenue | | 2,645,310 | 2,464,659 |
| Expenses | | | |
| Changes in Inventory of Stock-in-trade | 18 | - | - |
| Employees Benefits Expense | 19 | 179,317 | - |
| Finance Costs | 20 | 18,358 | 1,093 |
| Depreciation and Amortization Expense | e 21 | 413 | 458 |
| Other Expenses | 22 | 346,970 | 217,862 |
| Total Expenses | | 545,058 | 219,413 |
| Profit before Tax | | 2,100,252 | 2,245,246 |
| Tax Expense | | | |
| Current Tax | | 225,000 | 260,300 |
| Earlier Years | | 4,380 | - |
| Deferred Tax | | (63) | (70) |
| Profit for the year | | 1,870,935 | 1,985,016 |
| Earnings per Equity Share (Nominal Value per Share ₹8.50) (Previous Year: ₹8.50) | e 23 | | |
| Basic and Diluted (₹) | | 1.99 | 2.11 |
| Summary of significant accounting policies | 1 | | |
| The notes are an integral part of these fina As per our report of even date For Lakhotia & Co. Firm Registration No. 313149E <i>Chartered Accountants</i> | | | |
| | D. Kaushik Financial Oj | | S. Marda Director |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

| | | 2014-15 ₹ | 2013-14 ₹ |
|------|---|--------------|---------------------|
| Α. | Cash Flows from Operating Activities | | |
| | Profit before Taxation | 2,100,252 | 2,245,246 |
| | Adjustments for: | | |
| | Depreciation and amortization expense | 413 | 458 |
| | Interest Income | (1,228,816) | (1,039,181) |
| | Net gain on Sale of Long Term Investments | - | (72,220) |
| | Dividend Income | (1,416,494) | (1,353,258) |
| | Provision for diminution in value of Long Term Investments | 3,821 | 2,448 |
| | Operating Profit/(Loss) before Working Capital Changes | (540,824) | (216,507) |
| | Adjustment for : | | |
| | (Increase)/Decrease in Short Term Loans & Advances | (998,000) | (2,124,813) |
| | Increase/(Decrease) in Trade Payables | 4,608 | 487 |
| | Increase/(Decrease) in Other Current Liabilities | 949 | 470 |
| | Cash generated from Operations | (1,533,267) | (2,340,363) |
| | Taxes Paid (Net) | 123,167 | (267,880) |
| | Net Cash from/(used in) Operating Activities | (1,410,100) | (2,608,243) |
| В. | Cash Flows from Investing Activites | | |
| | Purchase of Long Term Investments | (1,299,900) | (400,000) |
| | Sale of Long Term Investments | - | 703,500 |
| | Interest received | 1,290,286 | 974,833 |
| | Dividend received | 1,416,494 | 1,353,258 |
| | Net Cash from / (used in) Investing Activities | 1,406,880 | 2,631,591 |
| С. | Cash Flow From Financing Activities | - | |
| | Net Cash Flow from/(used in) Financing Activities | <u> </u> | |
| | Net Cash Inflow/(Outflow) [A+B+C] | (3,220) | 23,348 |
| | Cash and Cash Equivalents Opening | 649,241 | 625,893 |
| | Cash and Cash Equivalents Closing | 646,021 | 649,241 |
| | Net Cash Inflow/(Outflow) | (3,220) | 23,348 |
| Note | • • | | |
| | The above Cash Flow Statement has been prepared under t Accounting Standard - 3 on Cash Flow Statement prescribe | | ' as set out in the |

2. The Note referred to above forms an integral part of the Cash Flow Statement.

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

For Lakhotia & Co.

Firm Registration No. 313149E

Chartered Accountants

| Naresh Lakhotia | R. D. Kaushik | M.C. Darak | S. Marda |
|-------------------------------|-------------------------|------------|----------|
| Partner | Chief Financial Officer | Director | Director |
| Membership No. 51249 | | | |
| Place : Kolkata | | | |
| Dated : 29th Day of May, 2015 | | | |

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

- i) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Act.
- ii) The Company has classified all its assets / liabilities into current / non-current based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/liabilities are classified as non current.

1.2 Tangible Assets

- i) Tangible Assets are stated at cost of acquisition and subsequent improvements thereto including taxes, duties and other incidental expenses related to acquisition net of accumulated depreciation.
- ii) Pursuant to the enactment of Companies Act, 2013('the Act'), the Company has effective 1st April, 2014 provided Depreciation on Tangible Assets on written down value basis over the estimated useful lives of the assets in accordance with Schedule II to the Act instead of at the rates specified in Schedule XIV to the Companies Act, 1956 upto 31st March, 2014.

1.3 Investments

Investments made by the Company are intended to be held for more than one year from the date, on which such investments are made are classified as long term investments which are stated at cost. Provision for diminution in the value, other than temporary, shall be made.

1.4 Inventories

Stock-in-trade is valued at cost or market value whichever is lower.

1.5 Recognition of Income and Expenditure

- i) Revenues/ Income and Costs/ Expendiure are generally accounted on accrual basis as they are earned or incurred.
- ii) Purchases/ Sales are recorded when supply of goods/transfer takes place in accordance with the terms thereof.
- iii) Dividend income is recognised when the right to receive dividend is established.
- iv) Interest Income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

1.6 Current and Deferred tax

Provision for taxation comprises current tax and deferred tax. Current tax is provided considering the provisions of the Income Tax Act, 1961. Deferred tax is recognised subject to consideration of prudence on all timing differences, between taxable income and accounting income that originate in one period and are capable of being reversed in one or more subsequent periods and is measured using tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are reviewed at each Balance-Sheet date to re-assess realisation.

| | | | | As at 31-03- ₹ | | As at 31-03-14 ₹ |
|-----|---------------|--|-------------------------|----------------------|-------|------------------------|
| 2. | SHARE CAPI | | | | | |
| | Authorised | : | | | | |
| | 1,000,000 | (Previous Year: 1,000 Shares of ₹ 8.50 each | ,000) Equit | γ 8,500 | ,000 | 8,500,000 |
| | 16,238 | (Previous Year: 1 Cumulative Preference ₹ 100/- each | 6,238) 59 e Shares c | % 1,623 of | ,800 | 1,623,800 |
| | | | | 10,123 | ,800 | 10,123,800 |
| | Issued : | | | | | |
| | 940,000 | (Previous Year : 940 Shares of ₹ 8.50 each fu | | γ 7,990 | ,000 | 7,990,000 |
| | Subscribed a | and Fully Paid-up : | | | | |
| | 940,000 | (Previous Year : 940 Shares of ₹ 8.50 each fu | | y 7,990 | ,000 | 7,990,000 |
| | | | Total | : 7,990 | ,000 | 7,990,000 |
| 2.1 | Reconciliatio | on of the number of Equi | tv shares | | | |
| | | | As at 31 | -03-15 | As | at 31-03-14 |
| | | | No. of | Amount | No. d | of Amount |
| | | | Shares | (₹) | Share | es (₹) |
| | Balance as at | the beginning of the year | 940,000 | 7,990,000 | 940, | 000 7,990,000 |
| | Balance as at | the end of the year | 940,000 | 7,990,000 | 940, | 000 7,990,000 |
| 2.2 | Rights, prefe | erences and restrictions a | attached to s | shares | | |

2.3 Details of Shareholder holding more than 5% Shares

| | 31-0 | 3-15 | 31-03-14 | | |
|---------------------------------|---------|--------|----------|--------|--|
| Name of Shareholders | No. of | % held | No. of | % held | |
| | Shares | | Shares | | |
| Likhami Leasing Limited | - | - | 196,070 | 20.86% | |
| The Bond Company Limited | - | - | 160,450 | 17.07% | |
| H.L. Investment Company Limited | - | - | 74,300 | 7.90% | |
| Emerald Company Limited | 461,000 | 49.04% | 78,600 | 8.36% | |
| Krishna Kumar Bangur | 68,720 | 7.31% | 300 | 0.03% | |

distribution of all preferential amounts, in proportion to their shareholding.

NOTES TO THE FINANCIAL STATEMENTS

- **2.4** The Company had become a subsidiary of Emerald Company Limited (ECL) pursuant to a scheme of amalgamation of The Bond Company Limited, Guardian Leasing Limited, Likhami Leasing Limited, HL Investment Company Limited, Tandem Fiscal Services Limited, Uttam Fiscal Services Limited, D.C.Mercantile Private Limited and SCL Investments Private Limited with ECL as sanctioned by the Hon'ble High Court at Calcutta vide its order dated 16th May, 2014 which became effective from 3rd July, 2014 with appointed date being 1st April, 2013. The said Holding-Subsidary relationship existed upto 11th March, 2015 and thereafter the company has become an Associate Company of ECL.
- **2.5** No shares have been allotted during the period of five years immediately preceding March 31, 2015 pursuant to contracts without payment received In cash or by way of bonus shares and there has been no buy back during the said period.

| Ca | ESERVES AND SURPLUS apital Reserve Balance as at the beginning of the year Balance as at the end of the year neestment Allowance Reserve Balance as at the beginning of the year Balance as at the end of the year urplus in Statement of Profit and Loss | 1,263,300 1,263,300 588,100 588,100 | 1,263,300 1,263,300 588,100 588,100 |
|-------|---|--|--|
| In | Balance as at the beginning of the year Balance as at the end of the year Exercise Convestment Allowance Reserve Balance as at the beginning of the year Balance as at the end of the year Exercise Conversion Balance as at the end of the year | 1,263,300 | 1,263,300 |
| | Balance as at the end of the year Exercise 1 Second Sec | 1,263,300 | 1,263,300 |
| | Balance as at the beginning of the year Balance as at the end of the year Balance as at the end of the year Balance in Statement of Profit and Loss | 588,100 | 588,100 |
| | Balance as at the beginning of the year Balance as at the end of the year urplus in Statement of Profit and Loss | | |
| Sı | Balance as at the end of the year urplus in Statement of Profit and Loss | | |
| Su | urplus in Statement of Profit and Loss | 588,100 | 588 100 |
| Sı | - | | 500,100 |
| | | | |
| | Balance as at the beginning of the year | 19,893,586 | 17,908,570 |
| | Profit for the year | 1,870,935 | 1,985,016 |
| | Balance as at the end of the year | 21,764,521 | 19,893,586 |
| | | 23,615,921 | 21,744,986 |
| 4. D | EFERRED TAX LIABILITIES | | |
| | Depreciation difference | 1,982 | 2,045 |
| | | 1,982 | 2,045 |
| 5. LC | ONG TERM PROVISIONS | | |
| | Others | | |
| | Contingent Rent liabilities | 18,709 | 18,709 |
| | | 18,709 | 18,709 |
| | | | |
| 6. TI | RADE PAYABLES | | |
| Tr | rader Payables (including in Bangladesh ₹ 2,267/-) | 20,525 | 15,917 |
| | | 20,525 | 15,917 |

NOTES TO THE FINANCIAL STATEMENTS

| | As at 31-03-15 ₹ | As at 31-03-14 ₹ |
|---|------------------------|------------------------|
| 7. OTHER CURRENT LIABILITIES | | |
| Other Payables : | | |
| Bills Payable | 1,388,087 | 1,388,087 |
| Other Advances | 111,994 | 111,994 |
| Statutory Dues | 1,149 | 200 |
| Employees Security Deposit (including in Bangladesh ₹ 200/-) | 112,550 | 112,550 |
| Repayment of Capital | 73,455 | 73,455 |
| | 1,687,235 | 1,686,286 |

8. TANGIBLE ASSETS

Current Year

| | GROSS BLOCK - AT COST | | | DEPRECIATON | | | | NET BLOCK | |
|--------------------|-----------------------|------------------------------------|--|-------------------|-------------------|--------------------|---|-------------------|-------------------|
| DESCRIPTION | As at 31-0 3-14 | Additions during the year | Sales/ Adjust- ments during the year | As at 31-03-15 | Up to 31-03-14 | For the year | On Sales/ Adjust- ments during the year | Up to 31-03-15 | As at 31-03-15 |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| Land and buildings | 50,966 | - | - | 50,966 | 45,422 | - | - | 45,422 | 5,544 |
| Buildings | 36,555 | - | - | 36,555 | 27,862 | 413 | - | 28,275 | 8,280 |
| GRAND TOTAL | 87,521 | - | - | 87,521 | 73,284 | 413 | - | 73,697 | 13,824 |

Previous Year

| | (| GROSS BLO | CK - AT COS | т | | DEPI | RECIATON | | NET BLOCK |
|---|--------------------|------------------------------------|--|-------------------------------|-------------------|--------------------|---|-------------------|-------------------|
| DESCRIPTION | As at 31-03-13 | Additions during the year | Sales/ Adjust- ments during the year | As at 31-03-14 | Up to 31-03-13 | For the year | On Sales/ Adjust- ments during the year | Up to 31-03-14 | As at 31-03-14 |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| Land and buildings | 50,966 | - | - | 50,966 | 45,422 | - | - | 45,422 | 5,544 |
| Buildings | 36,555 | - | - | 36,555 | 27,404 | 458 | - | 27,862 | 8,693 |
| GRAND TOTAL | 87,521 | - | - | 87,521 | 72,826 | 458 | - | 73,284 | 14,237 |
| Zemindary Rights Government, Biha Governments (a Government - ₹ 718 | ir and acquired | West | Benga | nglades al Stat nglades | e | 3,724,4 | 400 | 3,72 | 24,400 |

3,724,400

3,724,400

_____ CARBO-CERAMICS LIMITED ____

NOTES TO THE FINANCIAL STATEMENTS

| NOT | ES TO THE FINANCIAL STATEN | IENTS | As 31-0: ₹ | 3-15 | As a 31-03 ₹ | -14 |
|-----|---|-----------------|------------------|--------------------------------|--------------------|-------------------------|
| | | Face Value ₹ | Number | ₹ | Number | ₹ |
| 10. | NON CURRENT INVESTMENTS | | | | | |
| | (Long Term Investments) | | | | | |
| | Other Investments (Value at Cost) | | | | | |
| Α. | | | | | | |
| | Investments in Preference shares - fully paid up : | 100 | | | | 10.150 |
| | 8.75% The Gourepore Company Ltd. Less: Provision for diminution in value | 100 | 145 | 13,458 | 145 | 13,458 |
| | Less. Provision for diminution in value | | - | 13,458 | - | 13,458 |
| | Investments in Equity Instruments - fully paid up : | | | | - | |
| | Graphite India Ltd. | 2 | 386645 | 3,317,263 | 386645 | 3,317,263 |
| | | | | 3,317,263 | | 3,317,263 |
| | Total - (A) | : | | 3,317,263 | | 3,317,263 |
| B. | UNQUOTED | | | | | |
| | Investments in Equity Instruments - fully paid up : | | | | | |
| | Bangur Land Development Corporation Ltd. | 100 | 100 | 32,080 | 100 | 32,080 |
| | Less : Provision for diminution in value | | - | 7,234 | - | 3,413 |
| | Investments in Preference shares - fully paid up : | | | 24,846 | - | 28,667 |
| | 7% Birds Jute & Exports Ltd. | 100 | 100 | 8,966 | 100 | 8,966 |
| | Less : Provision for diminution in value | 100 | 100 | 8,966 | 100 | 8,966 |
| | | | - | - | - | - |
| | Investments in Mutual Funds: | | | | - | |
| | HDFC Cash Mangmt Fund Savings Plan-Retail-Growth | 10 | 15591.918 | 349,800 | 15591.918 | 349,800 |
| | HDFC Cash Mangmt Fund T.A.Plan-Retail-Growth | 10 | 13547.192 | 301,245 | 13547.192 | 301,245 |
| | HDFC Liquid Fund-Growth | 10 | 32019.431 | 749,900 | 32019.431 | 749,900 |
| | HDFC MF Monthly Income Plan-Long Term-Growth | 10 | 51990.455 | 1,000,000 | 51990.455 | 1,000,000 |
| | HDFC Short Term Plan-Growth | 10 | 131962.203 | 2,622,060 | 131962.203 | 2,622,060 |
| | Kotak Equity Arbitrage Fund - Monthly Dividend | 10 1000 | 120725.523 | 1,299,900 | - | 4 500 000 |
| | Reliance Money Manager Fund-Retail Plan-Growth | 1000 | 3521.138 | 4,500,000 10,822,905 | 3521.138 | 4,500,000 9,523,005 |
| | Total - (B) | : | - | 10,847,751 | - | 9,551,672 |
| C. | INVESTMENTS IN FOREIGN COMPANIES | | | | - | -, <u>-</u> |
| | Investments in Preference shares - fully paid up : | | | | | |
| | 5% Barnagore Jute Factory plc. | £ 1 | 1000 | 8,265 | 1000 | 8,265 |
| | Less: Provision for diminution in value | | - | 8,265 | - | 8,265 |
| | Total - (C) | | - | 14.105.014 | - | 12.000.025 |
| | Total AGGREGATE AMOUNT OF QUOTED INVESTMENTS: | : | - | <u>14,165,014</u> 3,317,263 | - | 12,868,935 3,317,263 |
| | MARKET VALUE OF QUOTED INVESTMENTS: | | | 32,110,867 | | 34,430,737 |
| | AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS: | | | 10,847,751 | | 9,551,672 |
| | AGGREGATE PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS | : | | 37,923 | | 34,102 |
| | | | | As at | Δ | s at |
| | | | | L-03-15 | | 03-14 |
| | | | 21 | | 21-0 | |
| | | | | ₹ | | ₹ |
| | LONG TERM LOANS AND ADVANC | | | | | |
| | Unsecured, considered good (unless oth | erwise state | ed); | | | |
| | Security Deposits | | | 40,045 | | 40,045 |
| | Advances | | | - | | |
| | Considered doubtful (in Banglad | och) | | 135 | | 135 |
| | considered doubtrui (in ballgiadi | conj | | | | 40,180 |
| | | | | 40,180 | | 40,180 |

| | | ARBO-CERAMIC | S LIMITED = |
|-----|--|------------------------|------------------------|
| NO | TES TO THE FINANCIAL STATEMENTS | | |
| | | As at 31-03-14 ₹ | As at 31-03-13 ₹ |
| 12. | INVENTORIES | | |
| | At cost or market value whichever is lower : | | |
| | Stock-in-trade - Land | 58,547 | 58,547 |
| | | 58,547 | 58,547 |
| 13. | TRADE RECEIVABLES | | |
| | Unsecured, considered doubtful | | |
| | Outstanding for a period exceeding six month from the date they are due from payment Outstanding Rents (including in Bangladesh ₹ 238864/-) | 908,842 | 908,842 |
| | | 908,842 | 908,842 |
| 14. | CASH AND BANK BALANCES | | |
| | Cash and cash equivalents | | |
| | Cash on hand (including in Bangladesh ₹ 233/-) Bank Balances | 6,609 | 936 |
| | In Current Accounts (including in Bangladesh ₹ 257458/-) | 639,412 | 648,305 |
| | | 646,021 | 649,241 |
| | Other Bank Balances | | |
| | Fixed deposits with Banks with maturity perio more than 3 months but less than 12 months | d 13,200,000 | 12,200,000 |
| | | 13,846,021 | 12,849,241 |
| 16 | SHORT TERM LOANS AND ADVANCES | | |
| 15. | Unsecured, considered good | | |
| | Other Loans and Advances | | |
| | Advance Income Tax (Net of Provision) | 92,383 | 373,423 |
| | MAT Credit Entitlement | 434,384 | 505,891 |
| | Advance for Expenses | _ | 2,000 |
| | · | 526,767 | 881,314 |
| 16 | OTHER CURRENT ASSETS | <u> </u> | · · · |
| 10. | Unsecured, considered good | | |
| | Interest accrued on deposits with bank | 50,777 | 112,247 |
| | | 50,777 | 112,247 |
| | | | |

| (| ARBO-CERAMI | CS LIMITED : |
|--|-----------------------------|-----------------------------|
| NOTES TO THE FINANCIAL STATEMENTS | | |
| | Year ended 31-03-15 ₹ | Year ended 31-03-14 ₹ |
| 17. OTHER INCOME | | |
| Interest Income | | |
| On Fixed Deposit with Banks | 1,206,976 | 1,039,181 |
| On Income Tax Refunds | 21,840 | - |
| Net Gain on Sale of Long Term Investments | - | 72,220 |
| Dividend Income on Long Term Investments | 1,416,494 | 1,353,258 |
| | 2,645,310 | 2,464,659 |
| 18. CHANGES IN INVENTORY OF STOCK-IN-TRADE | E | |
| Inventory at the end of the year | | |
| Stock-in-trade - Land | 58,547 | 58,547 |
| Inventory at the beginning of the year | | |
| Stock-in-trade - Land | 58,547 | 58,547 |
| | | - |
| 19. EMPLOYEE BENEFITS EXPENSE | | |
| Salary and Wages | 179,317 | - |
| | 179,317 | |
| 20. FINANCE COSTS | | |
| Interest Expense | | |
| on Taxes | 18,358 | 1,093 |
| | 18,358 | 1,093 |
| 21. DEPRECIATION AND AMORTIZATION EXPENSI | E | |
| Depreciation on Tangible Assets | 413 | 458 |
| | 413 | 458 |

NOTES TO THE FINANCIAL STATEMENTS

| Listing fees11,79811Securities custodial fees13,48213Professional and law charges101,04867Advertisement charges70,34061Filing fees20,30012Printing and stationery charges25,53912Postal charges44,37933Bank charges72512Payment to Auditors11,23610Other Services6,5007Directors' Fees10,5004 | 1,507 1,798 3,482 |
|--|-------------------------|
| Listing fees11,79811Securities custodial fees13,48213Professional and law charges101,04867Advertisement charges70,34061Filing fees20,30012Printing and stationery charges25,53912Postal charges44,37933Bank charges72512Payment to Auditors11,23610Other Services6,5007Directors' Fees10,5004 | ,798 3,482 |
| Securities custodial fees13,48213Professional and law charges101,04867Advertisement charges70,34061Advertisement charges20,30011Filing fees20,30012Printing and stationery charges25,53912Postal charges44,37933Bank charges72510Payment to Auditors11,23610Other Services6,5007Directors' Fees10,5004 | 8,482 |
| Professional and law charges101,04867Advertisement charges70,34061Filing fees20,3001Printing and stationery charges25,53912Postal charges44,3793Bank charges725Payment to Auditors11,23610Other Services6,5007Directors' Fees10,5004 | - |
| Advertisement charges70,34061Filing fees20,30012Printing and stationery charges25,53912Postal charges44,37933Bank charges72512Payment to Auditors11,23610Other Services6,50072Directors' Fees10,5004 | 220 |
| Filing fees20,3001Printing and stationery charges25,53912Postal charges44,3793Bank charges725Payment to Auditors11,23610Other Services6,5007Directors' Fees10,5004 | ,238 |
| Printing and stationery charges25,53912Postal charges44,3793Bank charges725Payment to Auditors11,23610Other Services6,5007Directors' Fees10,5004 | ,658 |
| Postal charges44,3793Bank charges725Payment to Auditors11,236Audit Fee11,236Other Services6,500Directors' Fees10,500 | ,500 |
| Bank charges725Payment to Auditors11,236Audit Fee11,236Other Services6,500Directors' Fees10,500 | 2,800 |
| Payment to Auditors Audit Fee 11,236 10 Other Services 6,500 7 Directors' Fees 10,500 4 | 8,844 |
| Audit Fee 11,236 10 Other Services 6,500 7 Directors' Fees 10,500 4 | 545 |
| Other Services 6,500 7 Directors' Fees 10,500 2 | |
| Directors' Fees 10,500 4 |),000 |
| | ,000 |
| Miscellaneous Expenses 22,113 17 | <i>,</i> 000 |
| | ,042 |
| Provision for diminution in value of Investments 3,821 | 2,448 |
| 346,970 217 | 7,862 |
| 23. BASIC AND DILUTED EARNINGS PER SHARE 2014-15 2013- | 14 |
| i) Number of Equity Shares at the beginning of 9,40,000 9,40 the year |),000 |
| ii) Number of Equity Shares at the end of the year 9,40,000 9,40 |),000 |
| iii) Weighted Average number of Equity Shares | |
| outstanding during the year 9,40,000 9,40 |),000 |
| iv) Face Value of each Equity Share (₹) 8.50 | 8.50 |
| v) Profit after Tax available for Equity Shareholders 1,870,935 1,985 | 8.50 |
| vi) Basic and Diluted Earnings per Share (₹) [(v)/(iii)] 1.99 | |

- 24. The maximum compensation for Zemindary Rights etc. receivable from the State governments and Bangladesh government is estimated at ₹ 3,724,400/- (Previous year ₹ 3,724,400/-)
- **25.** The collection of outstanding rents shown under sundry debtors is in the hands of West Bengal state government and Bangladesh government and as the amounts likely to be collected by them and made over to the Company can not yet be ascertained, the same are continued to be shown as doubtful.

NOTES TO THE FINANCIAL STATEMENTS

26. The assets and liabilities of the Company in Bangladesh have been taken into account at par.

- **27.** Company's writ petition against the order of the Block Land and Land Reforms Officer, Midnapore (BL&LRO) for vesting of company's land under the West Bengal Estate Acquisition Act, 1954 (WBEA Act) on the grounds of excess retention of land by the company is pending for adjudication before the Land Reforms and Tenancy Tribunal, Kolkata. The said litigation, however, does not have material impact on the financial position of the Company, considering the order of the Hon'ble High Court at Calcutta in favour of the Company earlier on the dispute raised by BL&LRO in the matter of excess retention of land under the WBEA Act.
- **28.** There are no separate reportable segments as per Accounting Standard 17 prescribed under the Act.
- 29. Related Party Disclosure :

(In accordance with Accounting Standard - 18 as specified under the Act)

As explained in Note 2.4, the Company had become a subsidiary of Emerald Company Limited and the related party relationships and transactions have been accordingly shown with corresponding figures of the previous year.

29.1 a) Parties exercising control over the Company

| , | Name Emerald Company Limited (ECL) Mr. K. K. Bangur | <u>Relationship</u> Refer Note 2.4 A shareholder owning |
|----|---|--|
| | | controlling interest in the company in conjunction with his voting power in ECL. |
| b) | Other related parties with whom the Company had transactions during the year/ balances outstanding at the year end : Name | Relationship |
| | i) Graphite India Limited | A Fellow Subsidiary upto 11th March, 2015 and an enterprise over which Mr. K K Bangur is able to exercise significant influence. |
| | ii) Bangur Land Development Corporation Limited | A Fellow Subsidiary upto 3rd March, 2015 and an enterprise over which Mr. K K Bangur is able to exercise significant |

influence.

| | | | • | | |
|--|--|---|--|-----------------------------------|-----------------------------|
| NOT | ES TO T | THE FINANCIAL S | TATEMENTS | | |
| | iii) | Mr. Rameshwar D Chief Financial Of | | Key Management | Personnel |
| | iv) | Mr. Balraj Bhabhr Chief Executive O | a, fficer ing the period from | Key Management | Personnel |
| 29.2 | Particu | lars of transactions | during the year | 2014-15 ₹ | 2013-14 ₹ |
| | | lating to Enterprise uity Dividends rece | mentioned in 29.1(b) ived | | |
| | ii) Re | Graphite India Limit lating to Key Manag lary | | 1,353,258 | 1,353,258 |
| | a) | Mr. Rameshwar Das | s Kaushik | 80,000 | - |
| | b) | Mr. Balraj Bhabhra | | 99,317 | - |
| 29.3 | | e outstanding at the | | | |
| | Non-Cu (at Cost | | Equity instruments | | |
| | Graphit | e India Limited | | 3,317,263 | 3,317,263 |
| | Bangur | Land Development | Corporation Limited | 32,080 | 32,080 |
| 30. | in keep revisior | ing with the provision in useful lives do | e estimated useful live ions of Schedule II to les not have any mat d 31st March, 2015. | the Companies Act, | 2013. The said |
| 31. | Previou | ıs year's figures hav | e been regrouped / re | -arranged wherever | necessary. |
| Firm F Charte Nares Partne Meml Place | ered Acc sh Lakho er bership I : Kolkata | ion No. 313149E countants tia No. 51249 | R. D. Kaushik Chief Financial Offi | M.C. Darak cer Director | S. Marda Director |

If undelivered, please return to : **CARBO-CERAMICS LIMITED** 31, CHOWRINGHEE ROAD KOLKATA - 700 016