



49th Annual Report  
2011-2012



## VALUES

### *We Cabot Employees*

#### *We Value Integrity:*

*We expect adherence to the highest ethical standards through personal integrity and compliance with all laws and regulations.*

#### *We Value Respect:*

*We are open, honest, straightforward and trustworthy. We will respect others as we want to be respected ourselves. We listen and learn from each other, our customers and the outside world. We believe teamwork is the ultimate reflection of collaboration, trust and respect.*

#### *We Value Excellence:*

*We strive for excellence in everything we do. We do this through highly motivated and diverse employees who exceed the expectations of our customers and shareholders. Our passion distinguishes us from our competitors, inspires us to achieve results and contributes to our collective success.*

#### *We Value Responsibility:*

*We take responsibility for people and the environment. We are committed to the well being of our employees and to the care of our environment. We conduct business activities in a way that is safe for our employees, our contractors, visitors to our sites, the communities we operate in, and our environment.*

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**BOARD OF DIRECTORS**  
as on August 7, 2012

C. R. Dua	<i>Director</i>
David Miller	<i>Director</i>
Mr. Aled Rees	<i>Director</i>
Mr. Nirmaiya Maity	<i>Director</i>
Mr. Vinod Joseph (Aiternate to Mr. C. R. Dua)	<i>Director</i>

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**COMPANY SECRETARY**  
Ms. Ashvini Godboie

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**SOLICITORS**  
Little & Company

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**AUDITORS**  
Deloitte Haskins & Seis, *Chartered Accountants*

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**BANKERS**  
Citibank N.A.  
Bank of America

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**REGISTRARS & SHARE TRANSFER AGENTS**

Link Intime India Pvt. Ltd.,  
C-13, Pannalal Silk Mills Compound,  
L. B. S. Marg,  
Bhandup (W),  
Mumbai 400 078  
Tel. : 022 2596 3838

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**REGISTERED OFFICE**

C/o. Little & Company,  
Advocates & Solicitors, Central Bank Building,  
3rd floor, M. G. Road,  
Mumbai 400 001.

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## NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY-NINTH ANNUAL GENERAL MEETING of the Members of Cabot India Limited will be held on Tuesday, September 11, 2012, at Orchid Tulip, 1st Floor, Centre One, MVRDC, World Trade Centre, Cuff Parade, Mumbai 400 005, at 11.30 a.m. to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Statement of Profit & Loss Account for the financial year ended on March 31, 2012 and Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To elect a Director in place of Mr. C. R. Dua, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and for such purpose to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, the retiring Auditors be and are hereby re-appointed as Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company to conduct the audit of the Accounts for the year ending on 31st March, 2013 on such remuneration plus service tax and reimbursement of out of pocket expenses as may be mutually agreed upon between the Board of Directors and the Auditors in connection with the work of Audit to be carried out by them.

**RESOLVED FURTHER THAT** the board be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary to implement this resolution".

### SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following Resolution, with or without modification, as an **Ordinary Resolution**:

**"RESOLVED THAT** Mr. Aled Rees, who was appointed as an Additional Director of the Company on 6th September, 2011 under Article 110(A), of Articles of Association of the Company and who by virtue of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and is eligible for appointment, offers himself for re-appointment and in respect of whom the Company has received a Notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation".

5. To consider and, if thought fit, to pass the following Resolution, with or without modification, as an **Ordinary Resolution**:

**"RESOLVED THAT** Mr. Nirmalya Maity, who was appointed as an Additional Director of the Company on 18th July, 2012 under Article 110(A), of Articles of Association of the Company and who by virtue of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and is eligible for appointment, offers himself for re-appointment and in respect of whom the Company has received a Notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation".

6. To consider and, if thought fit, to pass the following Resolution, with or without modification, as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 146 of the Companies Act, 1956, and any other provisions applicable, if any, the Registered office of the company be and is hereby shifted from

C/o. Little & Company, Advocates & Solicitors, 3rd Floor, Central Bank Building, M.G. Road, Fort, Mumbai 400001 to Kesar Solitaire, 12th Floor, Plot No. 5, Sector No. 19, Palm Beach Road, Sanpada, Navi Mumbai 400 705, w.e.f. October 1, 2012, which falls within the state of Maharashtra but outside the local limits of city of Mumbai under the jurisdiction of the same ROC as at present.

**RESOLVED FURTHER THAT** Mr. Aled Rees, Director and/or Mr. Pramod Kumar Pandey, Manager and/or Ms. Ashvini Godbole, Company Secretary of the Company be and are hereby authorised to file e-form 18, with the Registrar of Companies and to take suitable action for the implementation of the above decision of the Board."

By Order of the Board of Directors of  
**CABOT INDIA LIMITED**

Place : Mumbai  
Date : August 7, 2012

Ashvini Godbole  
Company Secretary

**NOTES:**

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.
- (2) **Proxies in order to be effective, must be lodged with the company not less than 48 hours before the meeting.**
- (3) The members are requested to :
  - (a) Intimate changes, if any, in their Registered address, to the Company or its Registrars and Share Transfer Agents, Link Intime (India) Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078, Tel: 022-2596 3838.
  - (b) Kindly quote ledger folio numbers in all their correspondence.
  - (c) Bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting as the copies of the Report will not be distributed at the meeting.
  - (d) Write atleast 10 days prior to the date of Meeting, any information which they desire on the accounts, to enable the management to keep the information ready.
  - (e) Support the "Green Initiative in Corporate Governance" introduced by The Ministry of Corporate Affairs vide its Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 allowing the notice/documents including Annual Report by Companies to be sent by email to its members.

In order to show their support to this green initiative of the Government, members are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants and in respect of Members who hold shares in physical form with the Company's Registrars and Share Transfer Agents, Link Intime (India) Pvt. Ltd.

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**EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act, 1956)

The following Explanatory Statement sets out all material facts to the Special Business mentioned in the accompanying Notice dated August 7, 2012.

**ITEM NO. 4**

Mr. Aled Rees, was appointed as an Additional Director under Article 110(A) of the Articles of Association of the Company w.e.f. September 6, 2011 pursuant to Section 260 of the Companies Act, 1956. As per the terms of appointment, he holds office upto the date of this Annual General Meeting. The Company has received notice from a member alongwith a deposit of Rs. 500/- in cash pursuant to Section 257 of the Companies Act, 1956 signifying his intention to propose his appointment as a Director of the Company liable to retire by rotation. The Directors recommend his appointment in the best interests of the Company.

None of the Directors of the Company except Mr. Aled Rees is interested in the passing of this resolution.

**ITEM NO. 5**

Mr. Nirmalya Maity, was appointed as an Additional Director under Article 110(A) of the Articles of Association of the Company w.e.f. July 18, 2012 pursuant to Section 260 of the Companies Act, 1956. As per the terms of appointment, he holds office upto the date of this Annual General Meeting. The Company has received notice from a member alongwith a deposit of Rs. 500/- in cash pursuant to Section 257 of the Companies Act, 1956 signifying his intention to propose his appointment as a Director of the Company liable to retire by rotation. The Directors recommend his appointment in the best interests of the Company.

None of the Directors of the Company except Mr. Nirmalya Maity is interested in the passing of this resolution.

**ITEM NO. 6**

As per the provisions of the Section 146(2) of the Companies Act, 1956 read with proviso (b) thereto, shifting of registered office of the Company outside the local limits of any city or town requires approval of the shareholders by way of Special Resolution.

For better administrative convenience, it is proposed to shift the Regd. Office from C/o. Little & Company, Advocates & Solicitors, 3rd Floor, Central Bank Building, M.G. Road, Fort, Mumbai 400 001 to Kesar Solitaire, 12th Floor, Plot No. 5, Sector No. 19, Palm Beach Road, Sanpada, Navi Mumbai 400 705.

The Directors recommend the approval of the Special Resolution.

None of the Directors of the Company is interested in the passing of this resolution.

Place : Mumbai,  
Date : August 7, 2012

By Order of the Board of Directors of  
**CABOT INDIA LIMITED**

*Registered Office:*  
C/o. Little & Company,  
Advocates & Solicitors,  
3rd Floor, Central Bank Building,  
M. G. Road, Fort, Mumbai 400 001

Ashvini Godbole  
Company Secretary

## FINANCIAL HIGHLIGHTS AT A GLANCE

	Rs in Lakhs									
	April 2011 to March 2012	Oct 2009 to March 2011	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
<b>A. CAPITAL ACCOUNTS :</b>										
<b>1. What The Company Owned :</b>										
Fixed Assets :										
Gross Block	112.48	149.62	15,806.07	14,856.50	12,745.29	11,417.43	10,137.75	9,025.95	8,579.22	8,536.61
Depreciation	84.47	137.74	8,108.88	7,262.01	6,594.36	5,582.49	5,785.86	5,184.29	4,678.85	4,125.40
Net Block	28.01	11.88	7,697.20	7,594.50	6,150.93	5,834.94	4,351.89	3,841.66	3,900.37	4,411.21
Investments	—	—	—	—	—	—	—	—	—	18.22
Net Current Assets	(2,559.53)	(1,881.54)	7,195.75	13,355.78	7,165.09	9,829.57	7,690.88	8,095.33	8,628.88	7,553.58
Total	(2,531.52)	(1,869.66)	14,892.95	20,950.28	13,316.02	15,664.51	12,042.77	11,936.99	12,529.25	11,983.01
<b>2. What The Company Owed :</b>										
Borrowings :										
Secured Loans	—	1,722.54	7,135.18	9,137.10	582.91	3,404.56	13.31	84.61	151.47	—
Unsecured Loans	6,638.68	5,859.65	5,859.65	5,907.03	4,759.65	4,759.65	2,959.65	1,459.65	1,459.65	1,459.65
Total	6,638.68	7,582.19	12,994.83	15,044.13	5,342.56	8,164.21	2,972.96	1,544.26	1,611.12	1,459.65
<b>3. Shareholders Funds</b>										
Equity Share Capital	873.84	873.84	873.84	873.84	873.84	873.84	873.84	873.84	873.84	873.84
Reserves & Surplus	8,822.59	4,759.16	4,759.16	5,032.31	7,099.62	6,626.46	8,195.97	9,518.89	10,044.29	9,649.52
Profit & Loss Account	(18,866.63)	(15,084.85)	(3,734.88)	—	—	—	—	—	—	—
Total	(9,170.20)	(9,451.85)	1,898.12	5,906.15	7,973.46	7,500.30	9,069.81	10,392.73	10,918.13	10,523.36
<b>B. REVENUE ACCOUNTS :</b>										
Sales	392.34	22,572.75	23,755.08	30,330.25	26,971.82	22,160.88	16,984.33	18,389.69	17,825.98	16,647.50
Other Income	2,308.23	162.23	23.39	92.86	332.90	446.57	31.75	158.98	95.15	115.22
Total Income	2,700.57	22,734.98	23,778.47	30,423.11	27,304.72	22,607.45	17,016.08	18,548.67	17,921.13	16,762.72
Manufacturing Expenses	765.35	21,593.82	24,203.80	22,456.38	16,041.12	16,084.31	12,205.00	11,670.34	11,075.48	10,472.90
Other Expenses	1,188.33	5,248.00	1,706.87	8,567.56	9,249.84	7,109.34	5,013.80	7,006.11	5,557.06	4,342.55
Gross Operating Profit/(Loss)	746.89	(4,106.84)	(2,132.20)	(600.83)	2,013.76	(586.20)	(202.72)	(127.78)	1,288.59	1,947.27
Financial Charges	214.23	825.36	953.13	745.94	484.34	355.49	149.53	114.51	115.85	176.96
Depreciation	6.20	6,417.76	916.66	667.64	1,048.54	995.03	1,042.01	548.56	590.81	584.00
Profit/(Loss) Before Tax	526.46	(11,349.97)	(4,001.99)	(2,014.41)	480.88	(1,936.72)	(1,394.26)	(790.85)	581.93	1,186.31
Tax	—	—	6.03	14.14	7.74	(367.21)	(71.34)	(265.45)	187.16	434.59
Profit/(Loss) After Tax	526.46	(11,349.97)	(4,008.02)	(2,028.55)	473.14	(1,569.51)	(1,322.92)	(525.40)	394.77	751.72
<b>C. EQUITY SHAREHOLDERS' EARNINGS PER SHARE :</b>										
1. Earnings Per Equity Share	3.22	(129.89)	(45.87)	(23.21)	5.41	(17.96)	(15.14)	(6.01)	4.52	8.60
2. Dividend Per Equity Share	—	—	—	—	—	—	—	—	—	—
3. Book Value Per Equity Share	(104.94)	(108.16)	21.72	67.59	91.34	85.83	103.79	118.93	124.94	120.43

## DIRECTORS' REPORT

To the Members

Your Directors' hereby present the Forty-Ninth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2012.

### FINANCIAL RESULTS :

Particulars	(Rupees in lakhs)	
	Year ended on March 31, 2012	For the period of Eighteen months from October 2009 to March 2011
Sales	392.34	278.89
Other Income (including non-recurring income)	251.55	—
Gross Profit before Interest & Depreciation	(213.05)	(68.69)
<i>Less : Depreciation</i>	(6.20)	(0.11)
Financial Charges	(145.39)	—
Profit/(Loss) from Continuing operations	(364.64)	(68.80)
Profit/(Loss) from Discontinuing operations	646.29	(11,281.16)
<b>Profits/(Loss) before Tax</b>	281.65	(11,349.96)
<i>Less: Provision for Tax (including earlier years and Deferred Tax)</i>	—	—
Profit /(Loss) after Tax	281.65	(11,349.96)
Surplus/(Loss) brought forward	(19,148.28)	(7,798.32)
Surplus/(Loss) carried to Balance Sheet	(18,866.63)	(19,148.28)

### REVIEW OF OPERATIONS :

During the year, the Company's activity focused on the sales and marketing of Cabot Corporation's Carbon Black product line for the India market. The Company continued to import Carbon Black from overseas affiliates to service some key segments of the market. The country has seen strong growth in the IP, inks and plastic segments, which value high quality carbon black. Over a period, it is expected that reasonable profits can be made via selling into these segments.

Dismantling and remediation activities at the Thane facility, which commenced in 2010, were concluded during the year. These dismantling activities were performed in full compliance with the requirements of applicable laws and were completed safely with zero accidents.



## DIRECTORS' REPORT (Contd.)

### FUTURE OUTLOOK :

At the moment, sales via imports are small and constrained due to limited availability of product in overseas manufacturing plants. However, it is expected that greater volume will be available to be imported into India once new capacity announced by Cabot in China and Indonesia becomes available. These capacities will come into place at different stages over the next 18-24 months. In the meantime, Company is continuing to work with potential customers on market assessment and technical qualification. This work with customers is planned to be converted to future sales when adequate supplies become available.

The strong automotive growth in India is likely to continue. It is expected that a profitable business will be built overtime with high quality Cabot products.

### DIVIDEND :

Considering the accumulated losses of the earlier years of the Company, no dividend is recommended for the financial year ended on March 31, 2012.

### SHAREHOLDING :

As on date, Cabot Corporation, USA through its subsidiary companies owns 97.80% of the paid up capital of the Company.

### DIRECTORS :

During the period under review, Mr. Arun Khanna has resigned from the Directorship of the Company w.e.f. June 26, 2012. The Board appreciates the services rendered by the Director during the tenure of office as a Director of the Company.

During the year Mr. Aled Rees was appointed as an additional director w.e.f. September 6, 2011. He holds office up to the date of forth coming Annual General Meeting. The Company has received a notice from a member under Section 257 of the Companies Act, 1956 along with requisite amount of Rs. 500/- proposing the candidature Mr. Aled Rees as director of the Company liable to retire by rotation. Mr. Aled Rees is eligible for appointment.

During the year Mr. Nirmalya Maity was appointed as an additional director w.e.f. July 18, 2012. He holds office up to the date of forth coming Annual General Meeting. The Company has received a notice from a member under Section 257 of the Companies Act, 1956 along with requisite amount of Rs. 500/- proposing the candidature Mr. Nirmalya Maity as director of the Company liable to retire by rotation. Mr. Nirmalya Maity is eligible for appointment.

In accordance with the Articles of Association of the Company and in view of the provisions of Section 255 of the Companies Act, 1956, Mr. C. R. Dua, Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible seeks re-appointment.

### AUDIT COMMITTEE :

The Audit Committee assists the Board in its responsibility for overseeing the quality of the accounting, auditing and reporting practices of the Company and its compliances with the legal and regulatory requirements. In particular it performs the following functions:

- Overseeing of the Company's financial reporting process and disclosure of financial information and financial risk management policies.
- Review of financial statements ensuring compliance with regulatory guidelines before submission to the Board of Directors.

## DIRECTORS' REPORT (Contd.)

- Review of adequacy of internal control systems and discussions of significant internal audit findings including internal control and weakness, if any.
- Recommend appointment, removal of statutory auditors and payment of fees to them and appointment of CFO/ whole-time Finance Director.
- Review areas of operation of internal audit team and their performance.
- Review the statement of significant related party transactions.

Present composition of the committee:

Sr. No.	Name of the member	Position
1.	Mr. C. R. Dua	Member
2.	Mr. Aled Rees	Member
3.	Mr. Nirmalya Maity	Member

- \* Mr. Arun Khanna, who was the member of the Audit Committee, has resigned from the Directorship of the Company w.e.f. June 26, 2012.

## DIRECTORS' RESPONSIBILITY :

In compliance of Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, the Directors of the Company confirm that:

- the applicable accounting standards have been followed in the preparation of final accounts and that there are no material departures;
- such accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and the Profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the accounts have been prepared on a going concern basis.

## FIXED DEPOSIT :

The Company has not accepted/renewed Fixed Deposits during the year under review.

## SAFETY HEALTH & ENVIRONMENT :

Cabot accords top priority to Safety, Health and Environmental issues. The Cabot Safety Health and Environmental Standards are applicable across Cabot facilities worldwide and its S H & E program covers all employees and contractors working at every site. In keeping with the excellent record established with the local Regulatory authorities, Cabot S H & E standards were diligently followed during the present de-commissioning activities at the Thane Plant.