



**RP - Sanjiv Goenka
Group**

Report & Accounts 2014-15



Phillips Carbon Black Limited



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



Phillips Carbon Black Limited

Corporate Identity Number: L23109WB1960PLC024602

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

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

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

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Board of Directors

Mr Sanjiv Goenka, Chairman
Mr Kaushik Roy, Managing Director
Mr Shashwat Goenka
Mr C R Paul
Mr O P Malhotra
Dr Ram S Tarneja
Mr K S B Sanyal
Mr Paras K Chowdhary
Mr Pradip Roy
Mrs Kusum Dadoo (w.e.f 1st April, 2015)

Company Secretary

Mr Kaushik Mukherjee

Chief Financial Officer

Mr Raj Kumar Gupta

Banks

Bank of Baroda
Allahabad Bank
State Bank of India
State Bank of Bikaner & Jaipur
IDBI Bank Limited
State Bank of Travancore
Export Import Bank of India
ICICI Bank Limited
Syndicate Bank
Citibank, N. A.

Auditors

Price Waterhouse
Chartered Accountants

Solicitors

Khaitan & Co.

Notice to the Members

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

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS:

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

5. (As an Ordinary Resolution)

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

6. (As an Ordinary Resolution)

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

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

7. (As a Special Resolution)

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

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

8. (As an Ordinary Resolution)

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

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

9. (As an Ordinary Resolution)

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

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

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

10. (As a Special Resolution)

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

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

Registered Office :

31, Netaji Subhas Road

Kolkata - 700 001

CIN: L23109WB1960PLC024602

6th May, 2015

By Order of the Board

Kaushik Mukherjee
Company Secretary

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts relating to Special Businesses to be transacted at the Annual General Meeting is attached hereto.

2. **A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy/Proxies to attend and vote on a poll instead of himself/herself. A proxy need not be a member of the Company.** A person can act as proxy on behalf of members not exceeding fifty(50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A Proxy Form is annexed to this Notice.

3. **The businesses set out in the Notice will be transacted through remote electronic voting system and the Company is providing facility for voting by remote electronic means.** Instructions and other information relating to remote e-voting are given in the Notice under Note No. 21.

Members attending the meeting, who have not cast their vote by remote e-voting, shall be able to exercise their right to vote at the meeting through ballot papers.

4. The Register of Members and Share Transfer Books of the Company shall remain closed from 24th day of July, 2015 to 31st day of July, 2015 (both days inclusive).

5. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agents, M/s. Link Intime India Private Limited, cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Registered Office :

31, Netaji Subhas Road
Kolkata - 700 001
CIN: L23109WB1960PLC024602

6th May, 2015

By Order of the Board

Kaushik Mukherjee
Company Secretary

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

Item No. 5

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

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

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

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

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

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

Item No. 6

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

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

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

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

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

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

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

Item No. 7

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

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

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

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

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

Basic Salary:

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

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

Management Allowance:

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

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

Customised Allowance Pool:

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

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

Perquisites:

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

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

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

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

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

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

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

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

I. GENERAL INFORMATION:

(1) Nature of Industry

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

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

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

5th December, 1962.

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

Not applicable.

(4) Financial performance based on given Indicators:

Key financials for last three are given as below:

(Rs. in lakhs)

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

(5) Foreign Investments or collaborations, if any

None

II. INFORMATION ABOUT THE APPOINTEE:

MR. ALTAF JIWANI:

(1) Background details:

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

(2) Past remuneration:

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

(3) Recognition or awards:

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