



# A B P P & Associates

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Members of **Carbon Finance Limited**

#### Report on the Financial Statements Opinion

We have audited the accompanying financial statements of **Carbon Finance Limited** ("*the Company*") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profits, and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and those charged with governance for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("*the Act*") with respect to the preparation of these 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. 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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.



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## Auditor's Responsibilities for the Audit of Financial Statement

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

A further description of the auditor's responsibilities for the audit of the financial statements is included in **Annexure A**. This description forms part of our auditor's report.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure B** 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 obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure C**".
  - g) 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 does not have any pending litigations which would impact its financial position.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **ABPP & Associates**  
Chartered Accountants  
Firm Registration No. 328632E

*Ajay Baid*

**Ajay Chand Baid**  
Partner  
Membership No. 302061  
Kolkata  
Dated: 17<sup>th</sup> May, 2019





## Annexure A

### Responsibilities for Audit of Financial Statement

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

For **ABPP & Associates**  
Chartered Accountants  
Firm Registration No. 328632E

*Ajay Baid*

**Ajay Chand Baid**  
Partner  
Membership No. 302061  
Kolkata  
Dated: 17<sup>th</sup> May, 2019





## **“Annexure B” to 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 2019.

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.  
(c) The title deeds of immovable properties are held in the name of the Company.
- ii. The Company does not have any inventory and as such clause 3(ii) of the Order is not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act and as such clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- iv. According to the information and explanations given to us, the company has not given any loan or guarantee or provided any security covered by the provisions of Section 185 and in respect of loans, investments, guarantees and security, the company has complied with provisions of Section 186 of the Act to the extent applicable.
- v. The Company has not accepted deposits from the public.
- vi. The Central Government has not prescribed 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, goods and service tax, income-tax, duty of customs and any other material statutory dues, as applicable, with the appropriate authorities.  
(b) As at 31<sup>st</sup> March, 2019, according to the records of the Company and the information and explanations given to us, there were no dues of income tax, goods and service tax and duty of customs that have not been deposited on account of any dispute.
- viii. There are no loans or borrowing from any financial institution, bank, Government or dues to debenture holders and as such clause 3(viii) of the Order is not applicable to the Company.
- ix. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and any term loans during the year and as such clause 3(ix) of the Order is not applicable to the Company.
- x. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the Company or on the Company by the officers or employees, either noticed or reported during the year, nor have we been informed of such case by the management.
- xi. The company has not paid or provided any managerial remuneration during the year and as such clause 3(xi) of the Order is not applicable to the Company.
- xii. The company is not a Nidhi company and as such clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.





- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
- xvi. The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and registration has been obtained.

For **ABPP & Associates**  
Chartered Accountants  
Firm Registration No. 328632E

*Ajay Baid*

**Ajay Chand Baid**  
Partner  
Membership No. 302061  
Kolkata  
Dated: 17<sup>th</sup> May, 2019





## **"ANNEXURE C" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF CARBON FINANCE LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Carbon Finance Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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





**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **ABPP & Associates**  
Chartered Accountants  
Firm Registration No. 328632E

*Ajay Baid*

**Ajay Chand Baid**  
Partner  
Membership No. 302061  
Kolkata  
Dated: 17<sup>th</sup> May, 2019





**CARBON FINANCE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2019**

	Notes	As at 31st March 2019 (Rs.)	As at 31st March 2018 (Rs.)
<b><u>EQUITY AND LIABILITIES</u></b>			
Shareholders' Fund			
Share Capital	2	5,30,00,000	5,30,00,000
Reserves and Surplus	3	54,83,54,253	51,66,15,386
Current Liabilities			
Trade Payables			
Total Outstanding dues of micro-enterprises and small enterprises		-	-
Total Outstanding dues of creditors other than micro-enterprises and small enterprises	4	45,000	45,000
Other Current Liabilities	5	4,86,194	4,57,227
		<u>60,18,85,447</u>	<u>57,01,17,613</u>
<b><u>ASSETS</u></b>			
Non Current Assets			
Property, Plant and Equipment			
Tangible Assets	6	14,48,02,770	14,75,60,886
Non Current Investments	7	45,44,69,446	42,02,88,667
Deferred Tax Assets	8	5,76,036	
Long Term Loans and Advances	9	2,500	2,500
Current Assets			
Cash and Bank Balances	10	9,76,687	8,09,844
Short Term Loans and Advances	11	10,58,008	14,55,716
		<u>60,18,85,447</u>	<u>57,01,17,613</u>

Summary of significant accounting policies 1

The notes are an integral part of these financial statements

As per our report of even date

For ABPP & Associates  
Firm Registration No. 328632E  
Chartered Accountants

*Ajay Baid*

Ajay Chand Baid  
Partner  
Membership No. 302061

Place : Kolkata  
Dated : 17th May, 2019



*K. K. Bangur*

K. K. Bangur  
Chairman  
(DIN : 00029427)

*N. Venkataramani*

N. Venkataramani  
Director  
(DIN : 00367193)

*B. Shiva*

B. Shiva  
Company Secretary

**CARBON FINANCE LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019**

	Notes	Year ended 31st March, 2019 (Rs.)	Year ended 31st March, 2018 (Rs.)
Revenue From Operations	12	4,36,44,697	4,26,16,225
Other Income	13	1,25,445	-
<b>Total Revenue</b>		<b>4,37,70,142</b>	<b>4,26,16,225</b>
Expenses			
Finance costs	14	440	43,492
Depreciation and amortization expense	15	27,58,116	27,58,116
Other expenses	16	15,74,752	27,85,099
<b>Total Expenses</b>		<b>43,33,308</b>	<b>55,86,707</b>
Profit before Tax		3,94,36,833	3,70,29,518
Tax Expense			
Current Tax		88,00,000	1,00,00,000
Earlier Years		(5,25,997)	-
Deferred Tax		(5,76,036)	-
<b>Profit for the year</b>		<b>3,17,38,866</b>	<b>2,70,29,518</b>
Earnings per Equity Share	17		
[Nominal Value per Share Rs. 10/- (Previous Year - Rs.10/-)]			
Basic (Rs.)		5.99	5.10
Diluted (Rs.)		5.99	5.10

Summary of significant accounting policies 1

The notes are an integral part of these financial statements

As per our report of even date

For ABPP & Associates  
Firm Registration No. 328632E  
Chartered Accountants

*Ajay Baid*

Ajay Chand Baid  
Partner  
Membership No. 302061

Place : Kolkata  
Dated : 17th May, 2019



*K. K. Bangur*  
K. K. Bangur  
Chairman  
(DIN : 00029427)

*N. Venkataramani*  
N. Venkataramani  
Director  
(DIN : 00367193)

*B. Shiva*  
B. Shiva  
Company Secretary



**CARBON FINANCE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

	2018-19 (Rs.)	2017-18 (Rs.)
<b>A. Cash Flows from Operating Activities</b>		
Profit before Taxation	3,94,36,833	3,70,29,518
Adjustments for :		
Depreciation	27,58,116	27,58,116
Net Gain On Sale of Long-term Investments	(2,98,44,830)	(2,70,39,595)
Operating Profit/(Loss) before Working Capital Changes	1,23,50,119	1,27,48,039
Adjustment for :		
(Increase)/Decrease in Long Term Loans & Advances	-	-
(Increase)/Decrease in Short Term Loans & Advances	(354)	(604)
(Increase)/Decrease in Other Current Assets	-	-
Increase/ (Decrease) in Trade Payables	-	18,000
Increase/ (Decrease) in Other Current Liabilities	28,967	4,28,437
Cash generated from Operations	1,23,78,732	1,31,93,871
Taxes Paid (Net of Refunds)	(78,75,941)	(1,08,69,588)
Net Cash from/(used in) Operating Activities	45,02,791	23,24,283
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Long Term Investments	(21,29,95,124)	(45,40,03,131)
Sale of Long Term Investments	20,86,59,176	45,22,06,041
Net Cash from/(used in) Investing Activities	(43,35,948)	(17,97,090)
<b>C. Cash Flow From Financing Activities</b>		
	-	-
<b>Net Cash Inflow/(Outflow) [A+B+C]</b>	1,66,843	5,27,193
Cash and Cash Equivalent Opening	8,09,844	2,82,651
Cash and Cash Equivalent Closing	9,76,687	8,09,844
Net Cash Inflow/(Outflow)	1,66,843	5,27,193
Cash and Cash Equivalents comprise :		
Balances with Banks	9,76,687	8,09,844
<b>Total</b>	9,76,687	8,09,844

**Note :** The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statement prescribed under the Act.

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

For ABPP & Associates  
Firm Registration No. 328632E  
Chartered Accountants

*Ajay Baid*

Ajay Chand Baid  
Partner  
Membership No. 302061

Place : Kolkata  
Dated : 17th May, 2019



*K. K. Bangur*  
K. K. Bangur  
Chairman  
(DIN : 00029427)

*N. Venkataramani*  
N. Venkataramani  
Director  
(DIN : 00367193)

*B. Shiva*  
B. Shiva  
Company Secretary

**CARBON FINANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of Preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. 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 and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non-Banking Finance Company ('NBFC').

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) DEPRECIATION on Tangible Assets is provided on straight-line basis over the estimated useful lives of the assets in accordance with Schedule II to the Act.

**1.3 Investments**

Investments made by the Company, intended to be held for more than one year from the date on which such investments are made, are classified as long term investments and are stated at cost less write down for diminution, other than temporary, in carrying value. All other investments are classified as Current Investments and are carried at lower of cost and fair value.

**1.4 Dividend**

Dividend income is recognised when the right to receive dividend is established.

**1.5 Current and Deferred tax**

Provision for taxation is made in accordance with the Provisions of Accounting Standard 22 for both current and deferred taxes. Deferred tax asset is recognised only when there is reasonable certainty of its being realised in the foreseeable future.

**1.6 Leases**

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Rental income on such operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the period of lease.





	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
<b>2 SHARE CAPITAL</b>		
<b>Authorised :</b>		
53,00,000 (Previous Year - 53,00,000) Equity Shares of Rs 10/-each	5,30,00,000	5,30,00,000
	<u>5,30,00,000</u>	<u>5,30,00,000</u>
<b>Issued :</b>		
53,00,000 (Previous Year - 53,00,000) Equity Shares of Rs 10/- each fully paid-up)	5,30,00,000	5,30,00,000
	<u>5,30,00,000</u>	<u>5,30,00,000</u>
<b>Subscribed and Fully Paid-up</b>		
53,00,000 (Previous Year - 53,00,000) Equity Shares of Rs 10/- each fully paid-up)	5,30,00,000	5,30,00,000
	<u>5,30,00,000</u>	<u>5,30,00,000</u>
<b>Total</b>	<u>5,30,00,000</u>	<u>5,30,00,000</u>

**2.1 Rights, preferences and restrictions attached to shares**

The Company has only one class of shares having a par value of Rs. 10/- per share and confer similar right as to dividend and voting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**2.2 Details of Shares held by the Holding Company**

Graphite India Limited , Holding Company	53,00,000	5,30,00,000	53,00,000	5,30,00,000
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**2.3 Details of shareholder holding more than 5% shares**

<u>Name of Shareholder</u>				
Graphite India Limited , Holding Company	53,00,000	5,30,00,000	53,00,000	5,30,00,000

**2.4** No shares have been allotted during the period of five years immediately preceeding March 31, 2019 pursuant to contracts without payment being received In cash or by way of bonus shares and there has been no buy back during the said period.



**CARBON FINANCE LIMITED**  
**Notes to the Financial Statements**

**3. RESERVES AND SURPLUS**

	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
Securities Premium : As per Last Accounts	13,80,00,000	13,80,00,000
	<u>13,80,00,000</u>	<u>13,80,00,000</u>
<u>Reserve Fund</u>		
(Pursuant to requirement of Section 45-IC of Reserve Bank of India Act, 1934.)		
Balance as at the beginning of the year	5,51,42,000	4,97,35,000
Add : Transferred from Surplus in Statement of Profit and Loss during the year	63,49,000	54,07,000
Balance as at the end of the year	<u>6,14,91,000</u>	<u>5,51,42,000</u>
General Reserve : As per Last Accounts	10,38,55,974	10,38,55,974
	<u>10,38,55,974</u>	<u>10,38,55,974</u>
<u>Surplus in Statement of Profit and Loss</u>		
Balance as at the beginning of the year	21,96,17,412	19,79,94,894
Profit for the year	3,17,38,866	2,70,29,518
Less : Appropriations		
Transfer to Reserve Fund	(63,49,000)	(54,07,000)
Balance as at the end of the year	<u>24,50,07,278</u>	<u>21,96,17,412</u>
	<u>54,83,54,253</u>	<u>51,66,15,386</u>





**CARBON FINANCE LIMITED**  
**Notes to the Financial Statements**

	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
<b>4. TRADE PAYABLES</b>		
Total Outstanding dues of micro-enterprises and small enterprises	-	-
Total Outstanding dues of creditors other than micro-enterprises and small enterprises	45,000	45,000
	<u>45,000</u>	<u>45,000</u>
<b>5. OTHER CURRENT LIABILITIES</b>		
Other Payables		
Statutory dues payable to Government Authorities	4,86,194	4,57,227
	<u>4,86,194</u>	<u>4,57,227</u>



CARBON FINANCE LIMITED  
Notes to the Financial Statements

6. Property, Plant and Equipment

DESCRIPTION	GROSS BLOCK - AT COST			DEPRECIATION			NET BLOCK
	As at 31st	Additions	As at 31st	Up to 31st	For	Up to 31st	As at 31st
	March	during	March,	March,	the year	March,	March,
	2018	the year	2019	2018		2019	2019
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<u>TANGIBLE ASSETS</u>							
Assets given on Operating Lease (Refer Note 18)							
Freehold Land	77,55,868	-	77,55,868	-	-	-	77,55,868
Buildings	16,69,37,182	-	16,69,37,182	2,71,32,164	27,58,116	2,98,90,280	13,70,46,902
<b>GRAND TOTAL</b>	<b>17,46,93,050</b>	<b>-</b>	<b>17,46,93,050</b>	<b>2,71,32,164</b>	<b>27,58,116</b>	<b>2,98,90,280</b>	<b>14,48,02,770</b>

DESCRIPTION	GROSS BLOCK - AT COST			DEPRECIATION			NET BLOCK
	As at 31st	Additions	As at 31st	Up to 31st	For	Up to 31st	As at 31st
	March	during	March,	March,	the year	March,	March,
	2017	the year	2018	2017		2018	2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<u>TANGIBLE ASSETS</u>							
Assets given on Operating Lease (Refer Note 18)							
Freehold Land	77,55,868	-	77,55,868	-	-	-	77,55,868
Buildings	16,69,37,182	-	16,69,37,182	2,43,74,048	27,58,116	2,71,32,164	13,98,05,018
<b>GRAND TOTAL</b>	<b>17,46,93,050</b>	<b>-</b>	<b>17,46,93,050</b>	<b>2,43,74,048</b>	<b>27,58,116</b>	<b>2,71,32,164</b>	<b>14,75,60,886</b>





**CARBON FINANCE LIMITED**  
**Notes to the Financial Statements**

**7 NON CURRENT INVESTMENTS**  
**(Long-term)**

OTHER INVESTMENTS (Valued at Cost)

QUOTED

INVESTMENTS IN EQUITY INSTRUMENTS  
(Fully Paid up)

	Face Value	Number	As at 31st March, 2019 (Rs.)	Number	As at 31st March, 2018 (Rs.)
Aditya Birla Capital Limited	10	3,360	1,45,395	3,360	1,45,395
Excel Crop Care Limited	5	84,366	28,69,07,683	70,000	24,15,53,306
Astra Microwave Products Limited	2	1,97,989	1,73,53,780		-
Future Retail Ltd	2	1,65,000	7,82,86,967		-
<b>TOTAL</b>			<b>38,26,93,825</b>		<b>24,16,98,701</b>

UNQUOTED

INVESTMENTS IN MUTUAL FUNDS

DHFL Pramerica-Dynamic Bond Fund-Direct Plan-Growth Option	1,000			9,217.459	1,23,90,166
ICICI Prudential Short Term - Growth Option	10			9,60,424.123	3,00,00,000
Kotak Bond (Short Term) - Growth (Regular Plan)	10	7,32,742.558	2,03,66,907	33,09,894.666	9,20,00,000
Reliance Arbitrage Advantage Fund - Dividend Plan	10			2,71,493.516	31,99,800
Reliance Short Term Fund - Direct Plan Growth Option	10			30,225.406	10,00,000
Reliance Short Term Fund - Growth Plan Growth Option	10	4,99,640.894	1,64,08,715	-	-
SBI Magnum Gilt Fund- Long Term-Direct Plan-Growth	10			3,29,135.755	1,00,00,000
SBI Savings Fund - Direct Plan - Growth	10			4,06,836.480	1,00,00,000
SBI Short Term Debt Fund - Direct Plan - Growth	10	14,56,130.466	3,00,00,000	5,52,251.252	1,00,00,000
SBI Treasury Advantage Fund-Direct Plan - Growth	1,000			6,035.006	1,00,00,000
SBI Overnight Fund Direct Growth	10	1,661.875	50,00,000	-	-
<b>TOTAL</b>			<b>7,17,75,621</b>		<b>17,85,89,966</b>

GRAND TOTAL

**45,44,69,446** **42,02,88,667**

Aggregate Amount of Quoted Investments

38,26,93,825 24,16,98,701

Market Value of Quoted Investments

39,98,51,974 21,16,06,892

Aggregate Amount of Unquoted Investments

7,17,75,621 17,85,89,966

Net Asset Value of Units of Mutual Funds

8,01,14,194 20,97,27,884



**CARBON FINANCE LIMITED**  
**Notes to the Financial Statements**

	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
<b>8. DEFERRED TAX ASSETS</b>		
Carry Forward Long-term Capital Loss	5,76,036	
	<u>5,76,036</u>	<u>-</u>
<b>9. LONG TERM LOANS AND ADVANCES</b>		
Unsecured considered good;		
Security Deposits	2,500	2,500
	<u>2,500</u>	<u>2,500</u>
<b>10. CASH AND BANK BALANCES</b>		
Cash and cash equivalents		
Bank Balances		
In Current Accounts	9,76,687	8,09,844
	<u>9,76,687</u>	<u>8,09,844</u>
<b>11. SHORT TERM LOANS AND ADVANCES</b>		
Unsecured, Considered Good:		
Others		
Advance Income Tax (Net of Provision)	10,31,792	14,29,854
Prepaid Expenses	26,216	25,862
	<u>10,58,008</u>	<u>14,55,716</u>





**CARBON FINANCE LIMITED**  
**Notes to the Financial Statements**

	Year ended 31st March, 2019 (Rs.)	Year ended 31st March, 2018 (Rs.)
<b>12. Revenue from operations</b>		
Interest Income		
On Loans	20,56,164	43,04,897
Other Financial Services		
Lease Rent	1,10,05,500	1,10,54,538
Net Gain On Sale of Long-term Investments	2,98,44,830	2,70,39,595
Dividend on Long-term Investments	7,38,203	2,17,195
	<u>4,36,44,697</u>	<u>4,26,16,225</u>
<b>13. Other Income</b>		
Interest Income		
From Income Tax Authority	1,25,445	-
	<u>1,25,445</u>	<u>-</u>



**CARBON FINANCE LIMITED**  
**Notes to the Financial Statements**

	Year ended 31st March, 2019 (Rs.)	Year ended 31st March, 2018 (Rs.)
<b>14. Finance Costs</b>		
Interest Expense		
On Taxes	440	43,492
	<u>440</u>	<u>43,492</u>
<b>15. Depreciation and Amortisation expense</b>		
Depreciation on Tangible Assets	27,58,116	27,58,116
	<u>27,58,116</u>	<u>27,58,116</u>
<b>16. Other expenses</b>		
Electricity Charges	48,577	9,280
Rent	6,60,000	6,60,000
Repairs & Maintenance Buildings	3,18,096	4,05,828
Insurance	28,457	25,258
Rates and Taxes	2,35,064	6,31,625
Payment to Auditors		
As Auditor		
Audit Fee	50,000	70,000
Tax Audit Fees	12,000	10,000
Other Services	13,500	13,000
Directors' Fees	5,000	4,500
Professional Fees	1,69,275	12,800
Expenditure towards Corporate		
Social Responsibility Activities	22,716	9,00,000
Miscellaneous Expenses	12,067	42,808
	<u>15,74,752</u>	<u>27,85,099</u>





17 BASIC AND DILUTED EARNINGS PER SHARE

	2018-19	2017-18
(i) Number of Equity Shares at the beginning of the year	53,00,000	53,00,000
(ii) Number of Equity Shares at the end of the year	53,00,000	53,00,000
(iii) Weighted Average number of Equity Shares outstanding during the year	53,00,000	53,00,000
(iv) Face Value of each Equity Share (Rs.)	10.00	10.00
(v) Profit after Tax available for Equity Shareholders	3,17,38,866	2,70,29,518
(vi) Basic and Diluted Earnings per Share (Rs.) [ (v)/(iii) ]	5.99	5.10

18 There are no separate reportable segments as per Accounting Standard - 17 prescribed under the Act.

19 Related Party Disclosure :

(In accordance with Accounting Standard - 18.)

i) Related Parties

a) Where control exists

<u>Name</u>	<u>Relationship</u>
a) Emerald Company Private Limited (ECPL)	Ultimate Holding Company
b) Graphite India Limited	Holding Company
c) Bavaria Carbon Holdings GmbH	Fellow Subsidiary
d) Bavaria Carbon Specialities GmbH	Fellow Subsidiary
e) Bavaria Electrodes GmbH	Fellow Subsidiary
f) Graphite Cova GmbH	Fellow Subsidiary
g) Graphite International B.V.	Fellow Subsidiary
h) Mr. K.K.Bangur	Individual owning an interest in the voting power of ECPL that gives him control over the Company

b) Others with whom transactions have taken place during the year

a) Salasar Towers Private Limited	Enterprise over which Mr. K.K.Bangur and his relatives are able to exercise significant influence
b) B.D.Bangur Endowment	Enterprise over which Mr. K.K.Bangur and his relatives are able to exercise significant influence

ii) Particulars of transaction during the year ended 31.03.2019

	2018-19 Rs.	2017-18 Rs.
<u>Holding Company</u>		
Graphite India Limited		
Lease Rent Received	1,10,05,500	1,10,54,538
<u>Enterprise over which Mr. K.K.Bangur is able to exercise significant influence</u>		
Salasar Towers Private Limited		
Rent Expenses	6,60,000	6,60,000
B.D.Bangur Endowment		
Contribution towards CSR activities	22,716	9,00,000



20 Leases

The Company has cancellable operating lease arrangements in respect of Freehold Land and Buildings. The terms of such lease include option for renewal on mutual agreed terms.

21 Contingent Liability

- i) Contingent liability in respect of Income Tax demand disputed in Appeal Rs. NIL (Previous Year Rs. 2,87,239/-)
- ii) In respect of Contingent Liability mentioned in Note 21(i) above, it is not practicable for the Company to estimate the timing of cash outflow, if any, pending resolution of the respective proceeding. The Company does not expect any reimbursement in respect of the above Contingent Liability.

22 Corporate Social Responsibility Expenditure

	2018-19 Rs.	2017-18 Rs.
a) Gross amount required to be spent by the Company during the year	-	4,96,850
b) Amount spent during the year	22,716	9,00,000

23 Previous year's figures :

Previous year's figures have been regrouped or rearranged, wherever necessary.

As per our report of even date

For ABPP & Associates  
Firm Registration No. 328632E  
Chartered Accountants

*Ajay Baid*

Ajay Chand Baid  
Partner  
Membership No. 302061

Place : Kolkata  
Dated : 17th May, 2019



*17-09*

K. K. Bangur  
Chairman  
(DIN : 00029427)

*N. Venkataramani*

N. Venkataramani  
Director  
(DIN : 00367193)

*B. Shiva*

B. Shiva  
Company Secretary



**CARBON FINANCE LIMITED**

**SCHEDULE TO THE BALANCE SHEET OF NON-BANKING FINANCIAL COMPANY- NON- SYTEMICALLY  
IMPORTANT NON-DEPOSIT TAKING COMPANY AS AT 31ST MARCH, 2019**

(As required in terms of Paragraph 18 of Master Direction Non-Banking Financial Company- Non- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

(Rs. in lakhs)

## PARTICULARS

Liabilities side:

		Amount outstanding	Amount overdue
(1)	Loans and advances availed by the Non Banking Financial Company inclusive of interest accrued thereon but not paid		
	a) Debentures: Secured	Nil	Nil
	Unsecured	Nil	Nil
	(other than falling within the meaning of public deposits*)		
	b) Deferred credits	Nil	Nil
	c) Term Loans	Nil	Nil
	d) Intercompany loans and borrowing	Nil	Nil
	e) Commercial paper	Nil	Nil
	g) Other loans (specify nature)	Nil	Nil
	* Please see Note 1 below		

## Assets side:

		Amount outstanding
(2)	Breakup of Loans and Advances including bills receivables [other than those included in (4) below]:	
	a) Secured	Nil
	b) Unsecured	Nil
(3)	Breakup of Leased Assets and stock on hire and other assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors:	
	a) Financial lease	Nil
	b) Operating lease	Nil
	(ii) Stock on hire including hire charges under sundry debtors:	
	a) Asset on hire	Nil
	b) Repossessed Assets	Nil
	(iii) Other loans counting towards AFC activities	
	a) Loans where assets have been repossessed	Nil
	b) Loans other than (a) above	Nil

Cont'd ..



## CARBON FINANCE LIMITED

(Rs. in lakhs)

(RS. IN LAKHS)

(4)	Break up of Investments	Market/ Break-up or fair value	Book Value (Net of Provisions)	
Current Investments:				
1	Quoted:			
	(i) Shares: (a) Equity		Nil	
	Shares: (b) Preference		Nil	
	(ii) Debentures and Bonds		Nil	
	(iii) Units of mutual funds		Nil	
	(iv) Government securities		Nil	
	(v) Others (please specify)		Nil	
2	Unquoted:			
	(i) Shares: (a) Equity		Nil	
	Shares: (b) Preference		Nil	
	(ii) Debentures and Bonds		Nil	
	(iii) Units of mutual funds		Nil	
	(iv) Government securities		Nil	
	(v) Others (please specify)		Nil	
Long Term Investments:				
1	Quoted:			
	(i) Shares: (a) Equity		3826.94	
	Shares: (b) Preference		Nil	
	(ii) Debentures and Bonds		Nil	
	(iii) Units of mutual funds		Nil	
	(iv) Government securities		Nil	
	(v) Others (please specify)		Nil	
2	Unquoted:			
	(i) Shares: (a) Equity		Nil	
	Shares: (b) Preference		Nil	
	(ii) Debentures and Bonds		Nil	
	(iii) Units of mutual funds		717.76	
	(iv) Government securities		Nil	
	(v) Others (please specify)		Nil	
(5)	Borrower group-wise classification of assets, financed as in (2) and (3) above : Please see note 2 below			
Category		Amount net of provisions		
		Secured	Unsecured	Total
1	Related parties**			
	a) Subsidiaries	Nil	Nil	Nil
	b) Companies in the same group	Nil	Nil	Nil
	c) Other related parties	Nil	Nil	Nil
2	Other than related parties	Nil	Nil	Nil
Total :		Nil	Nil	Nil

Cont'd ..





## CARBON FINANCE LIMITED

(Rs. in lakh)

(6) Investor group-wise classification of all Investments (current and long-term) in shares and securities (both quoted and unquoted) : Please see note 3 below			
Category		Market / Break-up or fair value or NAV	Book-Value (Net of Provisions)
1	Related parties**		
a)	Subsidiaries	Nil	Nil
b)	Companies in the same group	Nil	Nil
c)	Other related parties	Nil	Nil
2	Other than related parties	4,799.66	4,544.69
Total :		4,799.66	4,544.69
** As per Accounting Standard of ICAI (Please see Note 3)			
(7) Other information:			
Particulars			Amount
(i)	Gross Non-performing Assets		
a)	Related parties		Nil
b)	Other than related parties		Nil
(ii)	Net Non-performing Assets		
a)	Related parties		Nil
b)	Other than related parties		Nil
(iii)	Assets acquired in satisfaction of debts		Nil

## Notes :

- As defined in point xix of paragraph 3 of Chapter 2 of Non-Banking Financial Company- Non- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Company- Non- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of Investment and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break-up / fair-value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long-term or current in column (4) above.



Kolkata,  
Dated : 17th May, 2019

K. K. Bangar  
Chairman  
(DIN : 00029427)

N. Venkataramani  
Director  
(DIN : 00367193)

B. Shiva  
Company Secretary