

# CARBON FINANCE LIMITED

## DIRECTORS' REPORT

The Directors present their 24<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2016.

### FINANCIAL RESULTS

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

Particulars	(Rupees)	
	Year ended 31st March 2016	Year ended 31st March 2015
Total Revenue	4,24,41,971	6,84,60,902
Profit before taxation	3,76,01,206	6,37,76,738
Less: Tax Expense - Current Year	88,75,000	2,05,00,000
- Earlier Year	(5,45,190)	(2,56,325)
<b>Profit/(Loss) after tax</b>	<b>2,92,71,396</b>	<b>4,35,33,063</b>
Add: Balance brought forward from the previous year	17,09,64,836	13,61,39,773
Less : Transfer to Reserve Fund	(58,55,000)	(87,08,000)
<b>Balance Profit carried forward to next year</b>	<b>19,43,81,232</b>	<b>17,09,64,836</b>

Total revenue from operations during the year was Rs. 4,24,41,971/- as against Rs. 6,84,60,902/- and Profit after tax during the year was Rs. 2,92,71,396/- as against Rs. 4,35,33,063/-. Net worth of the Company as at the end of current financial year is Rs. 53,80,67,207/- as against Rs. 50,87,95,811/- for previous financial year.

As per the requirement of Section 45-IC of Reserve Bank of India Act, 1934 the Company has transferred a sum of Rs. 58,55,000/- to the Reserve Fund during the year.

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

### Information pursuant to Section 134 of the Companies Act, 2013 to the extent applicable to the company

- Extract of the annual return as provided under Section 92 (3) of Companies Act, 2013 is enclosed - **Annexure 1.**
- Five meetings of the Board of Directors of the Company were held during the year on 13<sup>th</sup> May 2015, 1<sup>st</sup> September 2015, 9<sup>th</sup> November 2015, 27<sup>th</sup> January 2016 and 16<sup>th</sup> February 2016. Board Meeting held and attended by the Directors during the FY 2015-16 is as under.

Name of Directors	Number of Board Meeting	
	Held	Attended
Mr. K. K. Bangur#	5	4
Mr. N. Venkataramani	5	3
Mr. K. C. Parakh#	5	3
Mr. S. W. Parnerkar*	5	4
Mr. P. Keyal*	5	2

#Mr. K. C. Parakh and Mr. K. K. Bangur resigned as Director on 12.1.16 and 1.2.16 respectively.  
\*Mr. S. W. Parnerkar and Mr. P. Keyal were appointed as additional director on 1.9.15 and 27.1.16 respectively.

- c. There is no qualification, reservation or adverse remark or disclaimer made by the auditor in his report and hence no explanations or comments by the Board are required.
- d. The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2015-16 in the prescribed format, AOC 2 has been enclosed with the report. **Annexure 2**
- e. The Company's business does not entail conservation of energy, technology absorption and foreign exchange earnings and outgo. As such, no particulars are required to be disclosed.
- f. Risk management policy has been developed and implemented identifying the risks associated with the Company and the steps to mitigate them. There are no current risks which threaten the existence of the Company.
- g. The Company does not accept deposits from public.
- h. There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- i. The Company has proper and adequate system of internal control commensurate with the size and nature of its business enabling reliable financial statements, financial reports, operating effectiveness and overall efficiency.

**j. Corporate Social Responsibility (CSR)**

Corporate Social Responsibility (CSR) committee was constituted during the year with Mr. N. Venkataramani as Chairman and Mr. S. W. Parnerkar and Mr. P. Keyal as Members of the Committee. One CSR committee meeting was held on 24.02.2016 which was attended by Mr. S. W. Parnerkar and Mr. P. Keyal.

As part of its CSR activities, the Company intends to initiate projects aimed at promoting education including special education and employment enhancing vocational skills and livelihood enhancement projects through B D Bangur Endowment.

The Board on the CSR Committee's recommendation on 25.02.2016 allocated an amount of Rs. 5,60,027/- towards the aforesaid activities. However, due to very limited period thereafter, no expenditure was incurred. It is intended to carry forward the unspent amount of Rs. 5,60,027/- to be spent during the financial year 2016-17.

The CSR annual report is attached separately and forms part of this report - **Annexure 3**

**Statement of employee remuneration pursuant to Rule 5 (2) of Companies (Appointment and Remuneration of Managerial personnel) Rules 2014 - NIL**

**DIRECTORS**

Mr. K. C. Parakh and Mr. K. K. Bangur have resigned as directors of the Company on 12.1.16 and 1.2.16 respectively. The Board has placed on record its sincere appreciation of the valuable services rendered by Mr. K. C. Parakh and Mr. K. K. Bangur during their long tenure as director of the Company.

Mr. S. W. Parnerkar and Mr. P. Keyal were appointed as additional director(s) by the Board of Directors of the Company on 1.9.15 and 27.1.16 respectively to hold office upto the date of the ensuing AGM.

Mr. N. Venkataramani retires by rotation at the ensuing AGM and being eligible offers himself for re-appointment.

Company has received notice(s) under section 160 of the Companies Act 2013 along with fees proposing their candidature as Directors' of the company

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

**HOLDING COMPANY**

The Company is wholly owned subsidiary of Graphite India Limited.

**SUBSIDIARY COMPANY, ASSOCIATE COMPANY AND JOINT VENTURE COMPANY**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

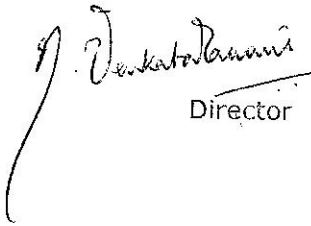
- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable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


**AUDITORS**

M/s ABPP & Associates, Chartered Accountants, (Firm Registration No.328632E) existing Auditors of the Company were appointed as Auditors for a period of five years by the members of the Company in the 22<sup>nd</sup> AGM held on 11<sup>th</sup> August, 2014. Their appointment for the third year to audit the accounts for the financial year beginning on 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 requires ratification by the members. They are eligible and available for re-appointment.

Kolkata  
May 11, 2016

On behalf of the Board

  
Director

  
Director



Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
As on the financial year ended on 31.03.2016

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

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	U51909WB1992PLC055850
ii)	Registration Date	02.07.1992
iii)	Name of the Company	Carbon Finance Limited
iv)	Category / Sub-Category of the Company	Public Company/Limited by shares
v)	Address of the Registered office and contact details	31, Chowringhee Road, Kolkata 700016 Phone: 033-22659742 E-mail: corp_secy@graphiteindia.com
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	NBFC business activities	64990	74.41%
2.	Rental Income	68100	25.59%

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

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Graphite India Limited 31, Chowringhee Road Kolkata 700016	L10101WB1974PLC094602	Holding	100	2(46)
2	Emerald Company Ltd. 31, Chowringhee Road Kolkata 700016	U99999WB1940PLC128211	Holding Company of Graphite India Limited	61.20	2(46)



Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
<b>2.Non-institutions</b>									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	0	0	0	-	0	0	0	
C. Shares held by Custodial for GDRs & ADRs	-	0	0	0	-	0	0	0	
Grand Total (A+B+C)	-	5300000	5300000	100	-	5300000	5300000	100	No Change

ii) Shareholding of Promoters								
Sl. No	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Shareholding at the end of the year 31/03/2016			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	% change in share holding during the year
1	Graphite India Ltd.	5300000	100.00	0	5300000	100.00	0	No change

iii) Change in Promoters' Shareholding: There was no change in Promoter Shareholding during the year.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NOT APPLICABLE

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors:				
	1. Mr. K. K. Bangur As at 01.04.2015 As at 31.03.2016	100	0.002	100	0.002
	2. Mr. S. Chaudhary As at 01.04.2015 As at 31.03.2016	100	0.002	-	-
	3. Mr. K. C. Parakh As at 01.04.2015 As at 31.03.2016	100	0.002	-	-
	4. Mr. N. Venkataramani As at 01.04.2015 As at 31.03.2016	100	0.002	100	0.002
	5. Mr. S. W. Parnerkar As at 01.04.2015 As at 31.03.2016	-	-	100	0.002
	6. Mr. P. Keyal As at 01.04.2015 As at 31.03.2016	-	-	-	-
<p>Mr. S. Chaudhary, Mr. K. C. Parakh and Mr. K. K Bangur resigned as Director on 3.4.15, 12.1.16 and 1.2.16 respectively. Mr. S. W. Parnerkar and Mr. P. Keyal was appointed as additional director on 1.9.15 and 27.1.16 respectively.</p>					

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

<b>B. Remuneration to other directors:</b>							
Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (Rupees)
1	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify						
	<b>Total (1)</b>						
2	Other Non- Executive Directors	Sri K K Bangur	Sri N Venkataramani	Sri K C Parakh	Sri S W Parnerkar	Sri P Keyal	
	• Fee for attending board / committee meetings	1000	750	750	1000	500	
	• Commission						
	• Others, please specify						
	<b>Total (2)</b>	1000	750	750	1000	500	4000
	<b>Total (B) = (1+2)</b>						
	<b>Total Managerial Remuneration</b>						
	<b>Overall Ceiling as per Act</b>						

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:** Provisions of KMP are not applicable to the Company. However, Company Secretary of Holding company has been appointed as Company Secretary pursuant to Rule 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. No remuneration is paid.

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

No penalties/ punishment/ compounding of offences were imposed by RD/ NCLT/ Court on the Company/ Directors/ other officer in default during the year.

## FORM AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sl No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in General Meeting u/s 188(1)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Not Applicable								

2. Details of material contracts or arrangements or transactions at arm's length basis:

Sl No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Date(s) of approval by the Board / Audit Committee	Amount paid as advances, if any
	(a)	(b)	(c)	(d)	(e)	(f)
1	Graphite India Limited	Receipt of Rent	Ongoing	Rs. 108.56 lakhs	29/08/2014	Nil
2	Salasar Towers Pvt Ltd	Payment of Rent	Ongoing	Rs. 6.00 lakhs	29/08/2014	Nil

On behalf of the Board

Place : Kolkata  
Dated : 11th May, 2016

*[Signature]*  
*[Signature]*

**DRAFT**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

as prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs :** As per the CSR Policy of the Company, projects / activities would be carried out in the following areas-
  - a. Eradicating hunger, poverty and malnutrition, promoting health care, sanitation and making available safe drinking water.
  - b. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
2. **The Composition of the CSR Committee:** Mr. N. Venkataramani (Chairman), Mr. S. W. Parnerkar and Mr. P. Keyal.
3. **Average net profit of the Company for last three financial years (2012-2013 to 2014-2015):** Rs. 2.8 crore.
4. **Prescribed CSR expenditure (two per cent of the amount as in item 3 above):** Rs. 5,60,027/-
5. **Details of CSR spend during the financial year:**
  - (a) **Total amount to be spent for the financial year :**Rs. 5,60,027/-
  - (b) **Amount unspent, if any:** Refer Note 6

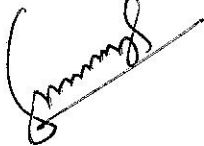
(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No	CSR Projects or Activities identified	Sector in which the Project is covered	Projects or programs (1) Local Area or other (2) Specify the state or district where projects or programs were undertaken	Amount outlay (Budget) projects or program wise  (Rs.) lacs	Amount spent on the projects of programs  Direct expenditure on programs or projects  Overheads  (Rs.)		Cumulative expenditure upto the reporting period  (Rs.)	Amount spent: Directly or through implementing Agency*  (Rs.)

6. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: Due to limited period available after allocation was made, no expenditure was incurred. The unspent amount of Rs. 5,60,027/- will be carried forward for implementation during FY 2016-17

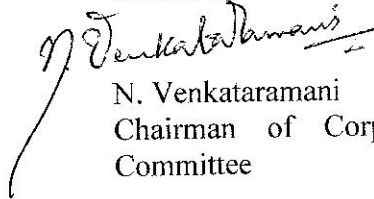
7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, would be in compliance with CSR objectives and Policy of the Company

For Carbon Finance Limited



S. W. Parnerkar  
Director

For and on behalf of the  
Corporate Social Responsibility Committee of  
Carbon Finance Limited



N. Venkataramani  
Chairman of Corporate Social Responsibility  
Committee

May 11, 2016





# **ABPP & Associates**

## **Chartered Accountants**

### **Independent Auditor's Report To the Members of Carbon Finance Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Carbon Finance Limited ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



## Opinion

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 31<sup>st</sup> March 2016, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" 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 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 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 controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
  - (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 has disclosed the impact, if any, of pending litigations as at 31<sup>st</sup> March, 2016 on its financial position in its financial statements- Refer Note 21 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For ABPP & Associates

Firm Registration No. 328632E

*Ajay Baid*

*Ajay Chand Baid*

Partner

Membership No. 302061

Kolkata

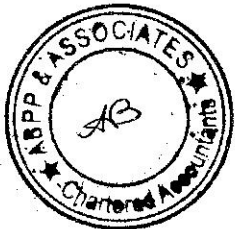
Dated: 11<sup>th</sup> May, 2016



## **“Annexure A” 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 2016.

- 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, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, with the appropriate authorities.
- (b) As at 31<sup>st</sup> March, 2016, according to the records of the Company and the information and explanations given to us, there were no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and cess 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 and as such the question of compliance with the requirement of Section 42 of the Act does not arise.
- 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 him and as such the question of compliance with provisions of Section 192 of the Act does not arise.
- 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**  
Firm Registration No. 328632E

*Ajay Baid*

**Ajay Chand Baid**  
Partner  
Membership No. 302061

Kolkata  
Dated: 11<sup>th</sup> May, 2016



## **"ANNEXURE B" 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, 2016 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, 2016, 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".

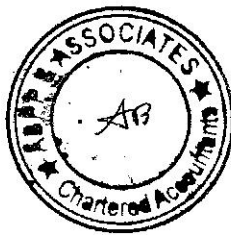
For **ABPP & Associates**  
Firm Registration No. 328632E

*Ajay Baid*

**Ajay Chand Baid**  
Partner  
Membership No. 302061

Kolkata

Dated: 11<sup>th</sup> May, 2016



**CARBON FINANCE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2016**

	Notes	As at 31st March 2016 (Rs.)	As at 31st March 2015 (Rs.)
<b><u>EQUITY AND LIABILITIES</u></b>			
Shareholders' Fund			
Share Capital	2	53,000,000	53,000,000
Reserves and Surplus	3	485,067,207	455,795,811
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	27,000	30,000
Other Current Liabilities	5	3,000	-
		<u>538,097,207</u>	<u>508,825,811</u>
<b><u>ASSETS</u></b>			
Non Current Assets			
Fixed Assets			
Tangible Assets	6	153,077,118	155,835,234
Non Current Investments	7	128,022,949	351,674,906
Long Term Loans and Advances	8	2,500	2,500
Current Assets			
Cash and Bank Balances	9	928,422	528,721
Short Term Loans and Advances	10	253,262,940	784,450
Other Current Assets	11	2,803,278	-
		<u>538,097,207</u>	<u>508,825,811</u>

Summary of significant accounting policies 1

The notes are an integral part of these financial statements

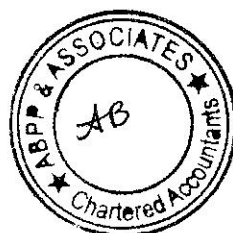
As per our report of even date

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

*Ajay Baid*

Ajay Chand Baid  
Partner  
Membership No. 302061

Place : Kolkata  
Dated : 11th May, 2016



*M. Venkata Ramani*  
*[Signature]*

*[Signature]*

**CARBON FINANCE LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016**

	Notes	Year ended 31st March, 2016 (Rs.)	Year ended 31st March, 2015 (Rs.)
Revenue From Operations	12	42,414,709	68,460,902
Other Income	13	27,262	-
<b>Total Revenue</b>		<b>42,441,971</b>	<b>68,460,902</b>
<b>Expenses</b>			
Finance costs	14	36,271	25,572
Depreciation and amortization expense	15	2,758,116	2,758,116
Other expenses	16	2,046,378	1,900,476
<b>Total Expenses</b>		<b>4,840,765</b>	<b>4,684,164</b>
Profit before Tax		37,601,206	63,776,738
Tax Expense			
Current Tax		8,875,000	20,500,000
Earlier Years		(545,190)	(256,325)
<b>Profit for the year</b>		<b>29,271,396</b>	<b>43,533,063</b>
Earnings per Equity Share	17		
[Nominal Value per Share Rs. 10/- (Previous Year - Rs.10/-)]			
Basic (Rs.)		5.52	8.21
Diluted (Rs.)		5.52	8.21

Summary of significant accounting policies 1

The notes are an integral part of these financial statements

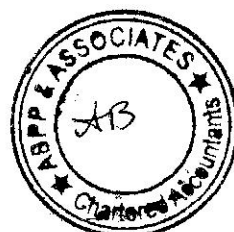
As per our report of even date

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

*Ajay Baid*

Ajay Chand Baid  
Partner  
Membership No. 302061

Place : Kolkata  
Dated : 11th May, 2016



*g. Venkataramani*  
*(Signature)*

*Adicca*



**CARBON FINANCE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	2015-16 (Rs.)	2014-15 (Rs.)
<b>A. Cash Flows from Operating Activities</b>		
Profit before Taxation	37,601,206	63,776,738
Adjustments for :		
Depreciation	2,758,116	2,758,116
Net Gain On Sale of Long-term Investments	(21,859,758)	(13,982,972)
Operating Profit/(Loss) before Working Capital Changes	<u>18,499,564</u>	<u>52,551,882</u>
Adjustment for :		
(Increase)/Decrease in Long Term Loans & Advances	-	95,350
(Increase)/Decrease in Short Term Loans & Advances	(250,005,055)	(970)
(Increase)/Decrease in Other Current Assets	(2,803,278)	-
Increase/ (Decrease) in Trade Payables	(3,000)	-
Increase/ (Decrease) in Other Current Liabilities	3,000	(300)
Cash generated from Operations	<u>(234,308,769)</u>	<u>52,645,962</u>
Taxes Paid (Net of Refunds)	<u>(10,803,244)</u>	<u>(19,773,386)</u>
Net Cash from/(used in) Operating Activities	<u>(245,112,013)</u>	<u>32,872,576</u>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Long Term Investments	(113,770,542)	(349,109,213)
Sale of Long Term Investments	359,282,257	315,823,061
Net Cash from/(used in) Investing Activities	<u>245,511,715</u>	<u>(33,286,152)</u>
<b>C. Cash Flow From Financing Activities</b>	-	-
<b>Net Cash Inflow/(Outflow) [A+B+C]</b>	<u>399,701</u>	<u>(413,576)</u>
Cash and Cash Equivalent Opening (Note -9)	<u>528,721</u>	<u>942,297</u>
Cash and Cash Equivalent Closing (Note -9)	<u>928,422</u>	<u>528,721</u>
Net Cash Inflow/(Outflow)	<u>399,701</u>	<u>(413,576)</u>
Cash and Cash Equivalents comprise :		
Balances with Banks	<u>928,422</u>	<u>528,721</u>
<b>Total</b>	<u>928,422</u>	<u>528,721</u>

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.

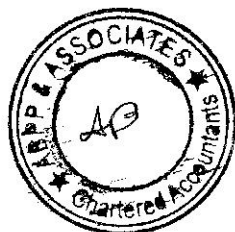
This is the Cash Flow Statement referred to in our report of even date.

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

*Ajay Baid*

Ajay Chand Baid  
 Partner  
 Membership No. 302061

Place : Kolkata  
 Dated : 11th May, 2016



*N. Venkatalamani*  
*[Signature]*

*[Signature]*

**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**

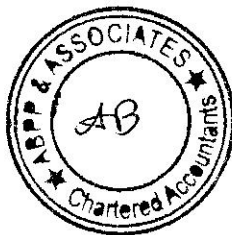
Dividend income is recognised when the right to receive dividend is established.

**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.



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

	As at 31st March, 2016 (Rs.)	As at 31st March, 2015 (Rs.)
<b>2 SHARE CAPITAL</b>		
<b>Authorised :</b>		
53,00,000 (Previous Year - 53,00,000) Equity Shares of Rs 10/-each	53,000,000	53,000,000
	53,000,000	53,000,000
<b>Issued :</b>		
53,00,000 (Previous Year - 53,00,000) Equity Shares of Rs 10/- each fully paid-up)	53,000,000	53,000,000
	53,000,000	53,000,000
<b>Subscribed and Fully Paid-up</b>		
53,00,000 (Previous Year - 53,00,000) Equity Shares of Rs 10/- each fully paid-up)	53,000,000	53,000,000
	53,000,000	53,000,000
<b>Total</b>	53,000,000	53,000,000

**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 similiar 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	5,300,000	53,000,000	5,300,000	53,000,000
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**2.3 Details of shareholder holding more than 5% shares**

Name of Shareholder				
Graphite India Limited , Holding Company	5,300,000	53,000,000	5,300,000	53,000,000

**2.4** No shares have been allotted during the period of five years immediately preceeding March 31, 2016 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.



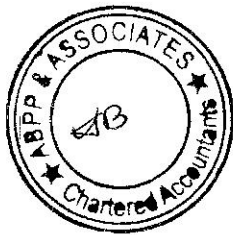
**CARBON FINANCE LIMITED**  
Notes to the Financial Statements

	<u>As at 31st March, 2016 (Rs.)</u>	<u>As at 31st March, 2015 (Rs.)</u>
<b>3. RESERVES AND SURPLUS</b>		
Securities Premium Account : As per Last Accounts	138,000,000	138,000,000
	<u>138,000,000</u>	<u>138,000,000</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	42,975,000	34,267,000
Add : Transferred from Surplus in Statement of Profit and Loss during the year	5,855,000	8,708,000
Balance as at the end of the year	<u>48,830,000</u>	<u>42,975,000</u>
General Reserve : As per Last Accounts	103,855,975	103,855,975
	<u>103,855,975</u>	<u>103,855,975</u>
<u>Surplus in Statement of Profit and Loss</u>		
Balance as at the beginning of the year	170,964,836	136,139,773
Profit for the year	29,271,396	43,533,063
Less : Appropriations		
Transfer to Reserve Fund	(5,855,000)	(8,708,000)
Balance as at the end of the year	<u>194,381,232</u>	<u>170,964,836</u>
	<u>485,067,207</u>	<u>455,795,811</u>



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

	<u>As at 31st March, 2016 (Rs.)</u>	<u>As at 31st March, 2015 (Rs.)</u>
<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	27,000	30,000
	<u>27,000</u>	<u>30,000</u>
<b>5. OTHER CURRENT LIABILITIES</b>		
Other Payables		
Statutory dues payable to Government Authorities	3,000	-
	<u>3,000</u>	<u>-</u>



6. TANGIBLE ASSETS

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,
	2015	the year	2016	2015		2016	2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<u>TANGIBLE ASSETS</u>							
Assets given on Operating Lease (Refer Note 20)							
Freehold Land	7,755,868	-	7,755,868	-	-	-	7,755,868
Buildings	166,937,182	-	166,937,182	18,857,816	2,758,116	21,615,932	145,321,250
<b>GRAND TOTAL</b>	<b>174,693,050</b>	<b>-</b>	<b>174,693,050</b>	<b>18,857,816</b>	<b>2,758,116</b>	<b>21,615,932</b>	<b>153,077,118</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,
	2014	the year	2015	2014		2015	2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<u>TANGIBLE ASSETS</u>							
Assets given on Operating Lease (Refer Note 20)							
Freehold Land	7,755,868	-	7,755,868	-	-	-	7,755,868
Buildings	166,937,182	-	166,937,182	16,099,700	2,758,116	18,857,816	148,079,366
<b>GRAND TOTAL</b>	<b>174,693,050</b>	<b>-</b>	<b>174,693,050</b>	<b>16,099,700</b>	<b>2,758,116</b>	<b>18,857,816</b>	<b>155,835,234</b>



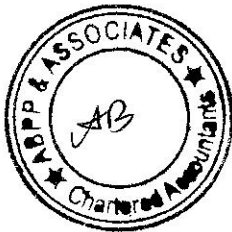
7 NON CURRENT INVESTMENTS  
(Long-term)

	Face Value	Number	As at 31st March, 2016 (Rs.)	Number	As at 31st March, 2015 (Rs.)
Other Investments (Valued at Cost)					
UNQUOTED					
INVESTMENTS IN MUTUAL FUNDS					
UNITS OF;					
Reliance Short Term Fund Retail Plan Growth Option	10	701,998.677	19,533,183	3,992,825.090	104,000,000
Birla Sun Life Dynamic Bond Fund					
-Retail - Growth - Regular Plan	10	-	-	700,483.055	13,859,618
Reliance Money Manager Fund					
-Growth Plan Growth Option	1,000	471.785	900,000	471.785	900,000
HDFC Floating Rate Income Fund - Short Term					
Plan - Wholesale Option - Growth	10	-	-	3,144,588.164	75,000,000
Sundaram Ultra Short-Term Fund Direct Plan					
- Growth	10	-	-	272,699.507	5,000,000
Pramerica Ultra Short Term Bond Fund					
- Direct Plan - Growth Option	1,000	-	-	6,695.270	10,000,000
Kotak Treasury Advantage Fund - Growth					
- Regular Plan	10	-	-	2,254,852.442	50,000,000
Kotak Bond (Short Term) - Monthly Dividend					
- Regular Plan	10	-	-	2,176,213.981	22,000,000
Kotak Equity Arbitrage Fund- Monthly Dividend					
(Regular Plan)	10	4,640,309.602	49,999,800	4,640,309.602	49,999,800
SBI Savings Fund - Direct Plan - Growth	10	-	-	414,444.468	8,724,809
SBI Magnum Gilt Fund- Long Term-Direct Plan-Growth	10	329,135.755	10,000,000	329,135.755	10,000,000
Pramerica-Dynamic Bond Fund-Direct Plan-					
-Growth Option	1,000	9,217.459	12,390,166	1,645.600	2,190,679
Reliance Arbitrage Advantage Fund					
- Dividend Plan Dividend Payout	10	271,493.516	3,199,800	-	-
Kotak Bond (Short Term) - Growth (Regular Plan)	10	846,987.803	22,000,000	-	-
SBI Treasury Advantage Fund-Direct Plan - Growth	1,000	6,035.006	10,000,000	-	-
TOTAL			<u>128,022,949</u>		<u>351,674,906</u>
Aggregate Amount of Unquoted Investments			128,022,949		351,674,906
Net Asset Value of Units of Mutual Funds			<u>131,942,919</u>		<u>356,978,738</u>



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

	<u>As at 31st March, 2016 (Rs.)</u>	<u>As at 31st March, 2015 (Rs.)</u>
<b>8. LONG TERM LOANS AND ADVANCES</b>		
Unsecured considered good; Security Deposits	2,500	2,500
	<u>2,500</u>	<u>2,500</u>
<b>9. CASH AND BANK BALANCES</b>		
Cash and cash equivalents		
Bank Balances		
In Current Accounts	928,422	528,721
	<u>928,422</u>	<u>528,721</u>
<b>10. SHORT TERM LOANS AND ADVANCES</b>		
Unsecured, Considered Good:		
Loans & Advances to related party	250,000,000	-
Others		
Advance Income Tax (Net of Provision)	3,237,501	764,066
Prepaid Expenses	25,439	20,384
	<u>253,262,940</u>	<u>784,450</u>
<b>11. OTHER CURRENT ASSETS</b>		
Unsecured, Considered Good:		
Interest Accrued on Loans to Related Party	2,803,278	-
	<u>2,803,278</u>	<u>-</u>





CARBON FINANCE LIMITED  
Notes to the Financial Statements

	Year ended 31st March, 2016 (Rs.)	Year ended 31st March, 2015 (Rs.)
<b>12. Revenue from operations</b>		
Interest Income		
On Loans	6,144,343	43,720,824
Other Financial Services		
Lease Rent	10,855,999	10,489,360
Net Gain On Sale of Long-term Investments	21,859,758	13,982,972
Dividend on Long-term Investments	3,554,609	267,746
	<u>42,414,709</u>	<u>68,460,902</u>
<b>13. Other Income</b>		
Interest Income		
From Income Tax Authority	27,262	-
	<u>27,262</u>	<u>-</u>



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

	Year ended 31st March, 2016 (Rs.)	Year ended 31st March, 2015 (Rs.)
<b>14. Finance Costs</b>		
Interest Expense		
On Taxes	36,271	25,572
	<u>36,271</u>	<u>25,572</u>
<b>15. Depreciation and Amortisation expense</b>		
Depreciation on Tangible Assets	2,758,116	2,758,116
	<u>2,758,116</u>	<u>2,758,116</u>
<b>16. Other expenses</b>		
Electricity Charges	20,468	194,499
Rent	600,000	600,000
Other Repairs	107,248	-
Maintenance Expenses	318,641	235,282
Insurance	20,384	19,414
Rates and Taxes	907,196	779,036
Payment to Auditors		
As Auditor		
Audit Fee	30,000	30,000
Tax Audit Fees	10,000	-
Other Services	11,000	-
Directors' Fees	4,560	5,058
Professional Fees	8,200	28,300
Miscellaneous Expenses	8,681	8,887
	<u>2,046,378</u>	<u>1,900,476</u>



17 BASIC AND DILUTED EARNINGS PER SHARE

	2015-16	2014-15
(i) Number of Equity Shares at the beginning of the year	5,300,000	5,300,000
(ii) Number of Equity Shares at the end of the year	5,300,000	5,300,000
(iii) Weighted Average number of Equity Shares outstanding during the year	5,300,000	5,300,000
(iv) Face Value of each Equity Share (Rs.)	10.00	10.00
(v) Profit after Tax available for Equity Shareholders	29,271,396	43,533,063
(vi) Basic and Diluted Earnings per Share (Rs.) [ (v)/(iii) ]	5.52	8.21

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) Name

- a) Emerald Company Limited (ECL)
- b) Graphite India Limited
- c) Bavaria Carbon Holdings GmbH
- d) Bavaria Carbon Specialities GmbH
- e) Bavaria Electrodes GmbH
- f) Graphite Cova GmbH
- g) Graphite International B.V.
- h) Mr. K.K.Bangur

Relationship

- Ultimate Holding Company
- Holding Company
- Fellow Subsidiary
- Fellow Subsidiary
- Fellow Subsidiary
- Fellow Subsidiary
- Fellow Subsidiary
- Individual owning an interest in the voting power of ECL that gives him control over the Company Enterprise over which Mr. K.K.Bangur is able to exercise significant influence
- Enterprise over which Mr. K.K.Bangur is able to exercise significant influence

i) Salasar Towers Private Limited

j) Matrix Commercial Private Limited

ii) Particulars of transaction during the year ended 31.03.2016

	2015-16 Rs.	2014-15 Rs.
<u>Holding Company</u>		
Graphite India Limited		
Lease Rent Received	10,855,999	10,489,360
<u>Enterprise over which Mr. K.K.Bangur is able to exercise significant influence</u>		
Salasar Towers Private Limited		
Rent Expenses	600,000	600,000
Matrix Commercial Private Limited		
Loan Given	250,000,000	-
Interest Income	3,114,754	-

iii) Balance outstanding at the year end

	As at 31st March, 2016 (Rs.)	As at 31st March, 2015 (Rs.)
Short Term Loans & Advances		
Matrix Commercial Private Limited	250,000,000	-
Interest Accrued on Loans		
Matrix Commercial Private Limited	2,803,278	-



29 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. 9,87,239/- (Previous Year Rs. Nil)

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

	2015-16	2014-15
	Rs.	Rs.
a) Gross amount required to be spent by the Company during the year	560,027	-
b) Amount spent during the year	-	-

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 : 11th May, 2016

*N. Venkataraman*

*Samy*

*Alice*

