



A B P P & 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 31st March, 2018, 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 31st March 2018, 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.
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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 31st March, 2018 on its financial position in its financial statements- Refer Note 19 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**
Chartered Accountants
Firm Registration No. 328632E

Ajay Baid

Ajay Chand Baid
Partner
Membership No. 302061
Kolkata
Dated: 10th May, 2018



“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 2018.

- 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 31st March, 2018, 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 and value added tax 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: 10th May, 2018



"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, 2018 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, 2018, 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: 10th May, 2018



CARBON FINANCE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2018

	Notes	As at 31st March 2018 (Rs.)	As at 31st March 2017 (Rs.)
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Fund			
Share Capital	2	53,000,000	53,000,000
Reserves and Surplus	3	516,615,386	489,585,868
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	27,000
Other Current Liabilities	5	457,227	28,790
		570,117,613	542,641,658
<u>ASSETS</u>			
Non Current Assets			
Fixed Assets			
Tangible Assets	6	147,560,886	150,319,002
Non Current Investments	7	420,288,667	391,451,982
Long Term Loans and Advances	8	2,500	2,500
Current Assets			
Cash and Bank Balances	9	809,844	282,651
Short Term Loans and Advances	10	1,455,716	585,523
		570,117,613	542,641,658

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 : 10th May, 2018



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, 2018

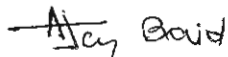
	Notes	Year ended 31st March, 2018 (Rs.)	Year ended 31st March, 2017 (Rs.)
Revenue From Operations	11	42,616,225	19,284,873
Total Revenue		42,616,225	19,284,873
Expenses			
Finance costs	12	43,492	20,455
Depreciation and amortization expense	13	2,758,116	2,758,116
Other expenses	14	2,785,099	4,162,085
Total Expenses		5,586,707	6,940,656
Profit before Tax		37,029,518	12,344,217
Tax Expense			
Current Tax		10,000,000	5,300,000
Earlier Years		-	2,525,555
Profit for the year		27,029,518	4,518,662
Earnings per Equity Share	15		
[Nominal Value per Share Rs. 10/- (Previous Year - Rs.10/-)]			
Basic (Rs.)		5.10	0.85
Diluted (Rs.)		5.10	0.85

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 Chand Baid
Partner
Membership No. 302061

Place : Kolkata
Dated : 10th May, 2018




K. K. Bangur
Chairman
(DIN : 00029427)


N. Venkataramani
Director
(DIN : 00367193)


B. Shiva
Company Secretary

CARBON FINANCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	2017-18 (Rs.)	2016-17 (Rs.)
A. Cash Flows from Operating Activities		
Profit before Taxation	37,029,518	12,344,217
Adjustments for :		
Depreciation	2,758,116	2,758,116
Net Gain On Sale of Long-term Investments	(27,039,596)	(3,351,922)
Operating Profit/(Loss) before Working Capital Changes	12,748,038	11,750,411
Adjustment for :		
(Increase)/Decrease in Long Term Loans & Advances	-	-
(Increase)/Decrease in Short Term Loans & Advances	(604)	250,000,181
(Increase)/Decrease in Other Current Assets	-	2,803,278
Increase/ (Decrease) in Trade Payables	18,000	-
Increase/ (Decrease) in Other Current Liabilities	428,437	25,790
Cash generated from Operations	13,193,871	264,579,660
Taxes Paid (Net of Refunds)	(10,869,588)	(5,148,320)
Net Cash from/(used in) Operating Activities	2,324,283	259,431,340
B. Cash Flows from Investing Activities		
Purchase of Long Term Investments	(454,003,131)	(361,350,000)
Sale of Long Term Investments	452,206,041	101,272,889
Net Cash from/(used in) Investing Activities	(1,797,090)	(260,077,111)
C. Cash Flow From Financing Activities	-	-
Net Cash Inflow/(Outflow) [A+B+C]	527,193	(645,771)
Cash and Cash Equivalent Opening	282,651	928,422
Cash and Cash Equivalent Closing	809,844	282,651
Net Cash Inflow/(Outflow)	527,193	(645,771)
Cash and Cash Equivalents comprise :		
Balances with Banks	809,844	282,651
Total	809,844	282,651

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 : 10th May, 2018



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.



CARBON FINANCE LIMITED
Notes to the Financial Statements

	As at 31st March, 2018 (Rs.)	As at 31st March, 2017 (Rs.)
2 SHARE CAPITAL		
Authorised :		
53,00,000 (Previous Year - 53,00,000) Equity Shares of Rs 10/-each	530,00,000	530,00,000
	<u>530,00,000</u>	<u>530,00,000</u>
Issued :		
53,00,000 (Previous Year - 53,00,000) Equity Shares of Rs 10/- each fully paid-up)	530,00,000	530,00,000
	<u>530,00,000</u>	<u>530,00,000</u>
Subscribed and Fully Paid-up		
53,00,000 (Previous Year - 53,00,000) Equity Shares of Rs 10/- each fully paid-up)	530,00,000	530,00,000
	<u>530,00,000</u>	<u>530,00,000</u>
Total	<u>530,00,000</u>	<u>530,00,000</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	530,00,000	53,00,000	530,00,000
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2.3 Details of shareholder holding more than 5% shares

Name of Shareholder

Graphite India Limited , Holding Company	53,00,000	530,00,000	53,00,000	530,00,000
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2.4 No shares have been allotted during the period of five years immediately preceeding March 31, 2018 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

	As at 31st March, 2018 (Rs.)	As at 31st March, 2017 (Rs.)
3. RESERVES AND SURPLUS		
Securities Premium Account : As per Last Accounts	1380,00,000	1380,00,000
	<u>1380,00,000</u>	<u>1380,00,000</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	497,35,000	488,30,000
Add : Transferred from Surplus in Statement of Profit and Loss during the year	54,07,000	9,05,000
Balance as at the end of the year	<u>551,42,000</u>	<u>497,35,000</u>
General Reserve : As per Last Accounts	1038,55,974	1038,55,974
	<u>1038,55,974</u>	<u>1038,55,974</u>
<u>Surplus in Statement of Profit and Loss</u>		
Balance as at the beginning of the year	1979,94,894	1943,81,232
Profit for the year	270,29,518	45,18,662
Less : Appropriations		
Transfer to Reserve Fund	(54,07,000)	(9,05,000)
Balance as at the end of the year	<u>2196,17,412</u>	<u>1979,94,894</u>
	<u>5166,15,386</u>	<u>4895,85,868</u>



CARBON FINANCE LIMITED
Notes to the Financial Statements

	As at 31st March, 2018 (Rs.)	As at 31st March, 2017 (Rs.)
4. TRADE PAYABLES		
Total Outstanding dues of micro-enterprises and small enterprises	-	-
Total Outstanding dues of creditors other than micro-enterprises and small enterprises	45,000	27,000
	<u>45,000</u>	<u>27,000</u>
5. OTHER CURRENT LIABILITIES		
Other Payables		
Statutory dues payable to Government Authorities	4,57,227	28,790
	<u>4,57,227</u>	<u>28,790</u>



CARBON FINANCE LIMITED
Notes to the Financial Statements

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,
	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	1669,37,182	-	1669,37,182	243,74,048	27,58,116	271,32,164	1398,05,018
GRAND TOTAL	1746,93,050	-	1746,93,050	243,74,048	27,58,116	271,32,164	1475,60,886

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,
	2016	the year	2017	2016		2017	2017
	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	1669,37,182	-	1669,37,182	216,15,932	27,58,116	243,74,048	1425,63,134
GRAND TOTAL	1746,93,050	-	1746,93,050	216,15,932	27,58,116	243,74,048	1503,19,002



CARBON FINANCE LIMITED
Notes to the Financial Statements

7 NON CURRENT INVESTMENTS
(Long-term)

	Face Value	Number	As at 31st March, 2018 (Rs.)	Number	As at 31st March, 2017 (Rs.)
OTHER INVESTMENTS (Valued at Cost)					
QUOTED					
INVESTMENTS IN EQUITY INSTRUMENTS (Fully Paid up)					
Aditya Birla Capital Limited	10	3,360	1,45,395	-	-
Excel Corp Care Limited	5	70,000	2415,53,306	-	-
TOTAL			<u>2416,98,701</u>		<u>-</u>
UNQUOTED					
INVESTMENTS IN MUTUAL FUNDS					
DHFL Pramerica-Dynamic Bond Fund-Direct Plan-Growth Option	1,000	9,217.459	123,90,166	9,217.459	123,90,166
HDFC Short Term Plan - Regular Plan - Growth	10	-	-	26,80,264.542	800,00,000
ICICI Prudential Short Term - Growth Option	10	9,60,424.123	300,00,000	9,60,424.123	300,00,000
Kotak Bond (Short Term) - Growth (Regular Plan)	10	33,09,894.666	920,00,000	33,09,894.666	920,00,000
Reliance Arbitrage Advantage Fund - Dividend Plan	10	2,71,493.516	31,99,800	2,71,493.516	31,99,800
Reliance Money Manager Fund-Growth Plan Growth Option	1,000	-	-	471.785	9,00,000
Reliance Short Term Fund - Direct Plan Growth Option	10	30,225.406	10,00,000	-	-
Reliance Short Term Fund - Growth Plan Growth Option	10	-	-	45,33,624.454	1329,62,016
SBI Magnum Gilt Fund- Long Term-Direct Plan-Growth	10	3,29,135.755	100,00,000	3,29,135.755	100,00,000
SBI Savings Fund - Direct Plan - Growth	10	4,06,836.480	100,00,000	4,06,836.480	100,00,000
SBI Short Term Debt Fund - Direct Plan - Growth	10	5,52,251.252	100,00,000	5,52,251.252	100,00,000
SBI Treasury Advantage Fund-Direct Plan - Growth	1,000	6,035.006	100,00,000	6,035.006	100,00,000
TOTAL			<u>1785,89,966</u>		<u>3914,51,982</u>
GRAND TOTAL			<u>4202,88,667</u>		<u>3914,51,982</u>
Aggregate Amount of Quoted Investments			2416,98,701		-
Market Value of Quoted Investments			2116,06,892		-
Aggregate Amount of Unquoted Investments			1785,89,966		3914,51,982
Net Asset Value of Units of Mutual Funds			<u>2097,27,884</u>		<u>4250,70,178</u>



CARBON FINANCE LIMITED
Notes to the Financial Statements

	As at 31st March, 2018 (Rs.)	As at 31st March, 2017 (Rs.)
8. LONG TERM LOANS AND ADVANCES		
Unsecured considered good;		
Security Deposits	2,500	2,500
	<u>2,500</u>	<u>2,500</u>
9. CASH AND BANK BALANCES		
Cash and cash equivalents		
Bank Balances		
In Current Accounts	8,09,844	2,82,651
	<u>8,09,844</u>	<u>2,82,651</u>
10. SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good:		
Others		
Advance Income Tax (Net of Provision)	14,29,854	5,60,265
Prepaid Expenses	25,862	25,258
	<u>14,55,716</u>	<u>5,85,523</u>



CARBON FINANCE LIMITED
Notes to the Financial Statements

	Year ended 31st March, 2018 (Rs.)	Year ended 31st March, 2017 (Rs.)
11. Revenue from operations		
Interest Income		
On Loans	43,04,897	46,22,008
Other Financial Services		
Lease Rent	110,54,538	109,00,144
Net Gain On Sale of Long-term Investments	270,39,595	33,51,922
Dividend on Long-term Investments	2,17,195	4,10,799
	<u>426,16,225</u>	<u>192,84,873</u>



CARBON FINANCE LIMITED
Notes to the Financial Statements

	Year ended 31st March, 2018 (Rs.)	Year ended 31st March, 2017 (Rs.)
12. Finance Costs		
Interest Expense		
On Taxes	43,492	20,455
	<u>43,492</u>	<u>20,455</u>
13. Depreciation and Amortisation expense		
Depreciation on Tangible Assets	27,58,116	27,58,116
	<u>27,58,116</u>	<u>27,58,116</u>
14. Other expenses		
Electricity Charges	9,280	29,340
Rent	6,60,000	6,20,000
Repairs & Maintenance Buildings	4,05,828	16,04,250
Insurance	25,258	25,439
Rates and Taxes	6,31,625	9,59,036
Payment to Auditors		
As Auditor		
Audit Fee	70,000	30,000
Tax Audit Fees	10,000	10,000
Other Services	13,000	11,000
Directors' Fees	4,500	5,145
Professional Fees	12,800	1,57,477
Expenditure towards Corporate		
Social Responsibility Activities	9,00,000	7,00,000
Miscellaneous Expenses	42,808	10,398
	<u>27,85,099</u>	<u>41,62,085</u>



15 BASIC AND DILUTED EARNINGS PER SHARE

	2017-18	2016-17
(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	27,029,518	4,518,662
(vi) Basic and Diluted Earnings per Share (Rs.) [(v)/(iii)]	5.10	0.85

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

17 Related Party Disclosure :

(In accordance with Accounting Standard - 18.)

i) Related Parties

a) Where control exists

Name

Relationship

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) Matrix Commercial Private Limited	Enterprise over which Mr. K.K.Bangur is able to exercise significant influence
c) 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 31.03.2018

	2017-18 Rs.	2016-17 Rs.
<u>Holding Company</u>		
Graphite India Limited		
Lease Rent Received	11,054,538	10,900,144
<u>Enterprise over which Mr. K.K.Bangur is able to exercise significant influence</u>		
Salasar Towers Private Limited		
Rent Expenses	660,000	620,000
Matrix Commercial Private Limited		
Loan Refunded	-	250,000,000
Interest Income	-	1,967,213
B.D.Bangur Endowment		
Contribution towards CSR activities	900,000	700,000



18 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.

19 Contingent Liability

- i) Contingent liability in respect of Income Tax demand disputed in Appeal Rs. 2,87,239/- (Previous Year Rs. 2,87,239/-)
- ii) In respect of Contingent Liability mentioned in Note 19(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.

20 Corporate Social Responsibility Expenditure

	<u>2017-18</u>	<u>2016-17</u>
	Rs.	Rs.
a) Gross amount required to be spent by the Company during the year	496,850	565,479
b) Amount spent during the year	900,000	700,000

21 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 : 10th May, 2018



K. K. Bangun
K. K. Bangun
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, 2018

(As required in terms of Paragraph 18 of Master Direction Non-Banking Financial Company- Non- Sytemically 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) Intercorporate 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)

(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		2416.99
	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		1,785.90
	(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
	b) Companies in the same group	Nil	Nil
	c) Other related parties	Nil	Nil
2	Other than related parties		
		Nil	Nil
Total :		Nil	Nil

Cont'd..



CARBON FINANCE LIMITED


(Rs. in lakh)

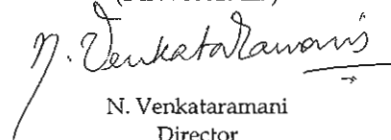
(6) Investor group-wise classification of all Investments (current and long-term) in shares and securities (both quoted and unquoted) : Please see note 3 below		
Category		Market / Break-up or fair value or NAV
1	Related parties**	
	a) Subsidiaries	Nil
	b) Companies in the same group	Nil
	c) Other related parties	Nil
2	Other than related parties	4,213.35
Total :		4,213.35
		4,202.89
**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

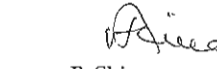
Notes :

- 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.




K. K. Bangu
Chairman
(DIN : 00029427)


N. Venkataramani
Director
(DIN : 00367193)


B. Shiva
Company Secretary

Kolkata,
Dated : 10th May, 2018