

## CARBON FINANCE LIMITED

### DIRECTORS' REPORT

The Directors present their 22<sup>nd</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

#### FINANCIAL RESULTS

		Rs.
Profit before Depreciation and Taxation		2,81,10,703
Less: Depreciation		<u>27,21,076</u>
Profit before Taxation		2,53,89,627
Less : Current Tax	80,00,000	
Tax For Earlier Years	<u>(5,44,623)</u>	<u>74,55,377</u>
Profit after Taxation		1,79,34,250
Add : Balance brought forward from last year		<u>12,17,93,523</u>
Profit Available for Appropriation		13,61,39,773
Less : Transferred to Reserve Fund		<u>35,88,000</u>
Balance carried forward		<u>13,61,39,773</u>

As per the requirement of Section 45-IC of Reserve Bank of India Act, 1934 the Company has transferred a sum of Rs. 78,41,000/- to the Reserve Fund during the year.

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

#### DISCLOSURE U/S 217(1)(e) OF THE COMPANIES ACT, 1956

The Company's business does not entail consumption of energy, use of technology and foreign exchange earnings and outgo. As such, no particulars are required to be disclosed.

#### PARTICULARS OF EMPLOYEES

None of the employees is in receipt of remuneration for the year, which in aggregate was more than the limit prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

#### DIRECTORS

Shri N. Venkataramani retires by rotation and being eligible, offers himself for re-appointment.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors state –

1. That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That 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 as at March 31, 2014 and of profit of the Company for the year ended 31<sup>st</sup> March, 2014.
3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, in safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors had prepared the annual accounts on a going concern basis.

## **AUDIT COMMITTEE**

The Audit Committee comprised of Shri N. Venkataramani, Shri S. Chaudhary and Shri K.C. Parakh as its members. Shri N. Venkataramani was the Chairman of the Audit Committee. The Committee met twice during the year on 8.05.2013 and 22.11.2013 and reviewed the annual and half yearly results before recommending the same to the Board of Directors for adoption. The Audit Committee has been dissolved with effect from 29<sup>th</sup> April, 2014 as the same is not mandatorily required under section 177 of the Companies Act, 2013.

## **AUDITORS**

Messrs. Lakhotia & Co., Chartered Accountants, Auditors of the Company have expressed their unwillingness to be re-appointed as Auditors of the Company. The Board of Directors at its meeting held on 7.5.14 have recommended appointment of M/s ABPP & Associates, Chartered Accountants, (Firm Registration No.358632E) as Auditors of the Company. As required under the provisions of section 139 of the Companies Act, 2013 the Company has obtained confirmation from Messrs. ABPP & Associates, that their appointment, if made, would be in conformity with the limits specified in that section.

On behalf of the Board

  
CHAIRMAN

Kolkata  
Dated: 7<sup>th</sup> May, 2014





**LAKHOTIA & CO.**  
*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 2014, 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**

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

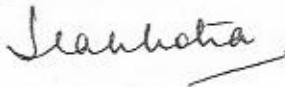
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2014;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.



### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
  - e. on the basis of written representations received from the directors as on 31<sup>st</sup> March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Lakhotia & Co.**  
*Chartered Accountants*  
Firm's Registration Number: 313149E



**Sidharth Lakhotia**  
*Partner*  
Membership number: 68091

Kolkata  
Dated: 7<sup>th</sup> May, 2014





## Annexure to the Auditors' Report

The Annexure referred to in our report to the members of Carbon Finance Limited ("the Company") for the year ended 31<sup>st</sup> March 2014. We report that:

- 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) In our opinion and according to the information and explanations given to us, the Company has not disposed of a substantial part of its fixed assets.
- ii. The Company does not have any inventory and as such clauses 4(ii)(a), 4(ii)(b) and 4(ii)(c) of the Order are not applicable to the Company.
- iii. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Order are not applicable.  
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and the company does not have any inventory and there was no sale of services during the year. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- v. According to information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act. Accordingly, clause 4(v)(b) of the Order is not applicable.
- vi. The Company has not accepted deposits from the public.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. The Central Government has not prescribed for the maintenance of cost records under Section 209(1)(d) of the Act.



- ix. (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 been generally regular in depositing during the year undisputed statutory dues including income-tax and other material statutory dues, as applicable, with the appropriate authorities. During the year there were no provident fund, investor education and protection fund, employees state insurance, sales tax, wealth tax, service tax, custom duty, excise duty and cess payable by the Company. There were no arrears of outstanding undisputed statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) As at 31<sup>st</sup> March, 2014, according to the records of the Company and the information and explanations given to us, there were no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess that have not been deposited on account of any dispute.
- x. The Company has neither accumulated losses as at 31<sup>st</sup> March, 2014 nor it has incurred any cash losses during the financial year ended on that date and in the immediately preceding financial year.
- xi. According to the records of the Company, it has not taken any loan from any financial institution or bank or against debentures during the year and as such clause 4(xi) of the Order is not applicable to the Company.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to it.
- xiv. In respect of Company's dealing or trading in shares, securities, debentures and other investment, proper records have been maintained of the transactions and contracts and timely entries have been made therein. All the shares, securities, debentures and other investments are held by the Company in its own name.
- xv. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. According to the records of the Company, it has not taken any term loan and as such clause 4(xvi) of the Order is not applicable to the Company.
- xvii. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.



- xix. The Company has not issued any debenture and as such clause 4(xix) of the Order is not applicable to the Company.
- xx. The Company has not raised any money by public issue during the year.
- xxi. 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 on or by the Company, either noticed or reported during the year, nor have we been informed of such case by the management.

**For Lakhota & Co.**  
*Chartered Accountants*  
Firm's Registration Number: 313149E

*Lakhota*

**Sidharth Lakhota**  
*Partner*  
Membership number: 68091

Kolkata  
Dated : 7<sup>th</sup> May, 2014





**CARBON FINANCE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2014**

	Notes	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
<b><u>EQUITY AND LIABILITIES</u></b>			
Shareholders' Fund			
Share Capital	2	5,30,00,000	5,30,00,000
Reserves and Surplus	3	41,22,62,748	39,43,28,498
Current Liabilities			
Trade Payables	4	18,000	18,000
Other Current Liabilities	5	12,300	2,203
Short Term Provisions	6	-	8,533
		<u>46,52,93,048</u>	<u>44,73,57,234</u>
<b><u>ASSETS</u></b>			
Non Current Assets			
Fixed Assets			
Tangible Assets	7	15,85,93,350	16,13,14,426
Non Current Investments	8	30,44,05,782	22,79,99,966
Long Term Loan and Advances	9	97,850	4,50,95,350
Current Assets			
Trade Receivables	10	-	78,06,652
Cash and Bank Balances	11	9,42,297	6,96,087
Short Term Loans and Advances	12	12,53,769	44,44,753
		<u>46,52,93,048</u>	<u>44,73,57,234</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 Lakhota & Co.  
 Firm Registration No. 313149E  
 Chartered Accountants

*Sidharth Lakhota*

Sidharth Lakhota  
 Partner  
 Membership No. 68091

Place : Kolkata  
 Dated : 7<sup>th</sup> May, 2014

*(K-af)*

*M. Venkataramani*

*Chandray*

*Subramanian*





CARBON FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

	Notes	Year ended 31st March, 2014 (Rs.)	Year ended 31st March, 2013 (Rs.)
Revenue From Operations	13	2,97,82,384	4,71,71,122
Other Income	14	55,238	3,02,492
<b>Total Revenue</b>		<b>2,98,37,622</b>	<b>4,74,73,614</b>
<b>Expenses</b>			
Finance costs	15	98,596	92,745
Depreciation and amortization expense	16	27,21,076	27,21,076
Other expenses	17	16,28,323	13,69,384
<b>Total Expenses</b>		<b>44,47,995</b>	<b>41,83,205</b>
Profit before Tax		2,53,89,627	4,32,90,409
Tax Expense			
Current Tax		80,00,000	87,00,000
Less: Mat Credit		-	(34,50,000)
Earlier Years		(5,44,623)	(11,59,718)
<b>Profit for the year</b>		<b>1,79,34,250</b>	<b>3,92,00,127</b>
Earnings per Equity Share	18		
Basic (Rs.)		3.38	7.40
Diluted (Rs.)		3.38	7.40

Summary of significant accounting policies 1

The notes are an integral part of these financial statements

As per our report of even date

For Lakhota & Co.  
Firm Registration No. 313149E  
Chartered Accountants

*Sidharth Lakhota*

Sidharth Lakhota  
Partner  
Membership No. 68091

Place : Kolkata  
Dated : 7<sup>th</sup> May, 2014

*K. Jay*  
*J. Venkataramani*

*S. Chandray*

*V. S. Sanyal*



CARBON FINANCE LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 (Rs.)	2012-13 (Rs.)
<b>A. Cash Flows from Operating Activities</b>		
Profit before Taxation	2,53,89,627	4,32,90,409
Adjustments for :		
Depreciation	27,21,076	27,21,076
Net Gain On Sale of Long-term Investments	(61,03,061)	(2,83,66,679)
Liability No Longer Required Written Back	(8,533)	-
Operating Profit/(Loss) before Working Capital Changes	<u>2,19,99,109</u>	<u>1,76,44,806</u>
Adjustment for :		
(Increase)/Decrease in Trade Receivables	78,06,652	(78,06,652)
(Increase)/Decrease in Long Term Loans & Advances	4,49,97,500	-
(Increase)/Decrease in Short Term Loans & Advances	8,628	(12,098)
Increase/ (Decrease) in Other Current Liabilities	10,097	(31,722)
Cash generated from Operations	<u>7,48,21,986</u>	<u>97,94,334</u>
Taxes Paid (Net of Refunds)	(42,73,021)	(91,83,472)
Net Cash from/(used in) Operating Activities	<u>7,05,48,965</u>	<u>6,10,862</u>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Long Term Investments	(22,43,00,000)	(29,84,41,961)
Sale of Long Term Investments	15,39,97,245	29,72,91,971
Net Cash from/(used in) Investing Activities	<u>(7,03,02,755)</u>	<u>(11,49,990)</u>
<b>C. Cash Flow From Financing Activities</b>	-	-
Net Cash Inflow/(Outflow) [A+B+C]	<u>2,46,210</u>	<u>(5,39,128)</u>
Cash and Cash Equivalent Opening (Note -11)	<u>6,96,087</u>	<u>12,35,214</u>
Cash and Cash Equivalent Closing (Note -11)	<u>9,42,297</u>	<u>6,96,087</u>
Net Cash Inflow/(Outflow)	<u>2,46,210</u>	<u>(5,39,127)</u>
Cash and Cash Equivalents comprise :		
Balances with Banks	<u>9,42,297</u>	<u>6,96,087</u>
<b>Total</b>	<u>9,42,297</u>	<u>6,96,087</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 LAKHOTIA & CO.  
Chartered Accountants  
Firm Registration No.313149E

*Sidharth Lakhota*

Sidharth Lakhota  
Partner  
Membership No. 68091

Place : Kolkata  
Dated : 7th May, 2014



*Kap*  
*N. Venkataramanis*  
*Chartered Accountant*  
*Subramanyam*

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 notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956 ('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 at the rates prescribed under the Schedule XIV to the Companies Act, 1956.

1.3 *Investments*

Investments made by the Company are intended to be held for more than one year from the date, on which such investments are made are classified as long term investments which are stated at cost. Provision for diminution in the value, other than temporary, shall be made.

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 monthly basis.





	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
<b>2 SHARE CAPITAL</b>		
<b>Authorised :</b>		
53,00,000 (Previous Year - 53,00,000) Equity Shares of Rs 10/-each	5,30,00,000	5,30,00,000
	<u>5,30,00,000</u>	<u>5,30,00,000</u>
<b>Issued :</b>		
53,00,000 (Previous Year - 53,00,000) Equity Shares of Rs 10/- each fully paid-up)	5,30,00,000	5,30,00,000
	<u>5,30,00,000</u>	<u>5,30,00,000</u>
<b>Subscribed and Fully Paid-up</b>		
53,00,000 (Previous Year - 53,00,000) Equity Shares of Rs 10/- each fully paid-up)	5,30,00,000	5,30,00,000
	<u>5,30,00,000</u>	<u>5,30,00,000</u>
<b>Total</b>	<u>5,30,00,000</u>	<u>5,30,00,000</u>

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

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

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

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

Name of Shareholder				
Graphite India Limited , Holding Company	53,00,000	5,30,00,000	53,00,000	5,30,00,000

**2.4** No shares have been allotted during the period of five years immediately preceeding March 31, 2014 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, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
<b>3. RESERVES AND SURPLUS</b>		
Securities Premium Account : As per Last Accounts	13,80,00,000	13,80,00,000
	<u>13,80,00,000</u>	<u>13,80,00,000</u>
<u>Reserve Fund</u> (Pursuant to requirement of Section 45-IC of Reserve Bank of India Act, 1934.)		
Balance as at the beginning of the year	3,06,79,000	2,28,38,000
Add : Transferred from Surplus in Statement of Profit and Loss during the year	35,88,000	78,41,000
Balance as at the end of the year	<u>3,42,67,000</u>	<u>3,06,79,000</u>
General Reserve : As per Last Accounts	10,38,55,975	10,38,55,975
	<u>10,38,55,975</u>	<u>10,38,55,975</u>
<u>Surplus in Statement of Profit and Loss</u>		
Balance as at the beginning of the year	12,17,93,523	9,04,34,396
Profit for the year	1,79,34,250	3,92,00,127
Less : Appropriations		
Transfer to Reserve Fund	(35,88,000)	(78,41,000)
Balance as at the end of the year	<u>13,61,39,773</u>	<u>12,17,93,523</u>
	<u>41,22,62,748</u>	<u>39,43,28,498</u>



CARBON FINANCE LIMITED  
Notes to the Financial Statements

	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
<b>4. TRADE PAYABLES</b>		
Sundry Creditors	18,000	18,000
	<u>18,000</u>	<u>18,000</u>
<b>5. OTHER CURRENT LIABILITIES</b>		
Other Payables		
Statutory dues payable to Government Authorities	12,300	2,203
	<u>12,300</u>	<u>2,203</u>
<b>6. SHORT TERM PROVISIONS</b>		
Others		
Wealth Tax (Net of Payment)	-	8,533
	<u>-</u>	<u>8,533</u>





7. TANGIBLE ASSETS

DESCRIPTION	GROSS BLOCK - AT COST			DEPRECIATION			NET BLOCK	
	As at 31st March 2013	Additions during the year	As at 31st March, 2014	Up to 31st March, 2013	For the year	Up to 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>TANGIBLE ASSETS</b>								
Assets given on Operating Lease (Refer Note 21)								
Freehold Land	77,55,868	-	77,55,868	-	-	-	77,55,868	77,55,868
Buildings	16,69,37,182	-	16,69,37,182	1,33,78,624	27,21,076	1,60,99,700	15,08,37,482	15,35,58,558
<b>GRAND TOTAL</b>	<b>17,46,93,050</b>	<b>-</b>	<b>17,46,93,050</b>	<b>1,33,78,624</b>	<b>27,21,076</b>	<b>1,60,99,700</b>	<b>15,85,93,350</b>	<b>16,13,14,426</b>
Previous Year	17,46,93,050	-	17,46,93,050	1,06,57,548	27,21,076	1,33,78,624	16,13,14,426	



8 NON CURRENT INVESTMENTS

	Face Value	Number	As at 31st March, 2014 (Rs.)	Number	As at 31st March, 2013 (Rs.)
Other Investments (Valued at Cost)					
UNQUOTED					
INVESTMENTS IN MUTUAL FUNDS					
UNITS OF:					
Reliance Short Term Fund Retail Plan Growth	10	4,79,520.914	1,03,80,312	52,50,846.687	11,35,99,700
HDFC Cash Management Fund					
-Treasury Advantage Plan -Retail - Growth	10	2,97,039.287	80,00,000	5,31,904.328	1,29,00,266
Reliance Floating Rate Fund					
-Short Term Plan-Growth Plan	10	12,28,890.088	2,27,15,825	27,86,070.838	5,15,00,000
Birla Sun Life Dynamic Bond Fund					
-Retail - Growth - Regular Plan	10	25,27,064.865	5,00,00,000	25,27,064.865	5,00,00,000
ICICI Prudential Short Term - Regular Plan					
Growth Option	10	3,79,129.716	92,00,000	-	-
Reliance Money Manager Fund					
-Growth Plan Growth Option	1,000	30,142.011	5,27,09,645	-	-
Sundaram Select Debt ST Asset Plan Bonus					
(Principal Units)	10	95,808.383	10,00,000	-	-
Sundaram Select Debt Short Term Asset Plan					
Direct Plan-GR	10	2,05,744.402	44,00,000	-	-
HDFC Liquid Fund - Growth	10	18,36,464.846	4,50,00,000	-	-
Pramerica Fixed Duration Fund - Series 17					
- Direct Plan - Growth Option	1,000	800.000	8,00,000	-	-
HDFC Floating Rate Income Fund - Short Term					
Plan - Wholesale Option - Growth	10	18,32,346.547	4,00,00,000	-	-
ICICI Prudential Flexible Income - Regular					
Plan - Growth	10	2,08,315.040	5,00,00,000	-	-
Sundaram Ultra Short-Term Fund Direct Plan					
- Growth	10	5,12,034.747	90,00,000	-	-
Pramerica Ultra Short Term Bond Fund					
- Direct Plan - Growth Option	1,000	880.970	12,00,000	-	-
TOTAL			<u>30,44,05,782</u>		<u>22,79,99,966</u>
AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS :			<u>30,44,05,782</u>		<u>22,79,99,966</u>



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

	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
<b>9. LONG TERM LOANS AND ADVANCES</b>		
Unsecured considered good;		
Security Deposits	97,850	4,50,95,350
	<u>97,850</u>	<u>4,50,95,350</u>
<b>10. TRADE RECEIVABLES</b>		
Unsecured		
Other Debts	-	78,06,652
Considered Good	-	-
	<u>-</u>	<u>78,06,652</u>
<b>11. CASH AND BANK BALANCES</b>		
Cash and cash equivalents		
Bank Balances	9,42,297	6,96,087
In Current Accounts	-	-
	<u>9,42,297</u>	<u>6,96,087</u>
<b>12. SHORT TERM LOANS AND ADVANCES</b>		
Others		
Mat Credit Entitlement	6,50,000	34,50,000
Advance Income Tax (Net of Provision)	5,84,355	9,66,711
Prepaid Expenses	19,414	28,042
	<u>12,53,769</u>	<u>44,44,753</u>





CARBON FINANCE LIMITED  
Notes to the Financial Statements

	Year ended 31st March, 2014 (Rs.)	Year ended 31st March, 2013 (Rs.)
<b>13. Revenue from operations</b>		
Interest Income		
On Loans	1,43,37,974	96,20,549
Other Financial Services		
Lease Rent	93,41,349	91,83,894
Net Gain On Sale of Long-term Investments	61,03,061	2,83,66,679
	<u>2,97,82,384</u>	<u>4,71,71,122</u>
<b>14. Other Income</b>		
Interest Income		
From Income Tax Authority	46,705	3,02,492
Liability No Longer Required Written Back	8,533	-
	<u>55,238</u>	<u>3,02,492</u>



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

	Year ended 31st March, 2014 (Rs.)	Year ended 31st March, 2013 (Rs.)
<b>15. Finance Costs</b>		
Interest Expense		
-On Taxes	98,596	92,745
	<u>98,596</u>	<u>92,745</u>
<b>16. Depreciation and Amortisation expense</b>		
Depreciation on Tangible Assets	27,21,076	27,21,076
	<u>27,21,076</u>	<u>27,21,076</u>
<b>17. Other expenses</b>		
Electricity Charges	1,07,840	5,840
Rent	2,91,440	1,43,748
Maintenance Expenses	3,31,756	3,48,605
Insurance	28,042	15,944
Rates and Taxes	6,95,675	6,55,215
Payment to Auditors		
As Auditor		
Audit Fee	20,000	20,000
Tax Audit Fees	10,000	6,000
Other Services	14,500	8,000
Directors' Fees	6,463	7,868
Professional Fees	97,843	1,46,032
Miscellaneous Expenses	24,764	12,132
	<u>16,28,323</u>	<u>13,69,384</u>



CARBON FINANCE LIMITED  
Notes to the Financial Statements

18 BASIC AND DILUTED EARNINGS PER SHARE

	2013-14	2012-13
(i) Number of Equity Shares at the beginning of the year	53,00,000	53,00,000
(ii) Number of Equity Shares at the end of the year	53,00,000	53,00,000
(iii) Weighted Average number of Equity Shares outstanding during the year	53,00,000	53,00,000
(iv) Face Value of each Equity Share (Rs.)	10.00	10.00
(v) Profit after Tax available for Equity Shareholders	1,79,34,250	3,92,00,127
(vi) Basic and Diluted Earnings per Share (Rs.) [ (v)/(iii) ]	3.38	7.40

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

20 Related Party Disclosure :  
(In accordance with Accounting Standard - 18.)

i) Name	Relationship
a) Graphite India Limited	Holding Company
b) Bavaria Carbon Holdings GmbH	Fellow Subsidiary
c) Bavaria Carbon Specialities GmbH	Fellow Subsidiary
d) Bavaria Electrodes GmbH	Fellow Subsidiary
e) Graphite Cova GmbH	Fellow Subsidiary
f) Graphite International B.V.	Fellow Subsidiary

ii) Particulars of transaction during the year ended 31.03.2014

<u>Relating to Holding Company</u>	2013-14	2012-13
	Rs.	Rs.
Lease Rent Received	93,41,349	91,83,894

Relating to Fellow Subsidiaries

Nil

21 Leases

The Company has cancellable operating lease arrangement in respect of Freehold Land and Buildings for a tenure of three years. The terms of such lease includes option for renewal on mutual agreed terms.

22 Previous year's figures :

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

As per our report of even date

For Lakhota & Co.  
Firm Registration No. 313149E  
Chartered Accountants

*Sidharth Lakhota*

Sidharth Lakhota  
Partner  
Membership No. 68091

Place : Kolkata  
Dated : 7th May, 2014

*K. D. Singh*

*N. Venkataramoni*  
*Shardha*

*Subramanian*





CARBON FINANCE LIMITED

SCHEDULE TO THE BALANCE SHEET OF A NON DEPOSIT TAKING NON BANKING FINANCIAL COMPANY AS  
AT 31ST MARCH, 2014

(As required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting  
or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

(Rs. in lakh)

PARTICULARS

Liabilities side:

	Amount outstanding	Amount overdue
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid		
a) Debentures: Secured	Nil	Nil
Unsecured (other than falling within the meaning of public deposits*)	Nil	Nil
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 lakh)

(4) Break up of Investments		Market/ Break-up or fair value	Book Value (Net of Provisions)	
<b>Current Investments:</b>				
1	<b>Quoted:</b>			
	(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	<b>Unquoted:</b>			
	(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	
<b>Long Term Investments:</b>				
1	<b>Quoted:</b>			
	(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	<b>Unquoted:</b>			
	(i) Shares: (a) Equity		Nil	
	Shares: (b) Preference		Nil	
	(ii) Debentures and Bonds		Nil	
	(iii) Units of mutual funds		3,044.06	
	(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	<b>Related parties**</b>			
	a) Subsidiaries	Nil	Nil	Nil
	b) Companies in the same group	Nil	Nil	Nil
	c) Other related parties	Nil	Nil	Nil
2	<b>Other than related parties</b>	Nil	Nil	Nil
<b>Total :</b>		Nil	Nil	Nil

Cont'd ..



(6) Investor group-wise classification of all Investments (current and long-term) in shares and securities (both quoted and unquoted) : Please see note 3 below		
Category	Market / Break-up or fair value or NAV	Book-Value (Net of Provisions)
1 Related parties**		
a) Subsidiaries	Nil	Nil
b) Companies in the same group	Nil	Nil
c) Other related parties	Nil	Nil
2 Other than related parties	3,137.12	3,044.06
Total :	3,137.12	3,044.06
**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 Paragraph 2(1)(xii) of the Non-Banking-Financial-Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking-Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of Investment and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break-up / fair-value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long-term or current in column (4) above.

Kolkata,  
Dated 7th May, 2014



(K) af-

N. Venkataramani  
Sundar

Subaru