INDEPENDENT AUDITOR'S REPORT

To the Members of **Carbon Finance Limited**

Report on the Financial Statements Opinion

We have audited the accompanying Ind AS financial statements of **Carbon Finance Limited ("*the Company*")** which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, change in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Financial Statement

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure 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 Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 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 does not have any pending litigations which would impact its financial position.
   ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Ajay Chand Baid
Partner
Membership No. 302061
UDIN-20302061AAAACK4557
Kolkata
Dated: 4th June, 2020

“Annexure A” to Independent Auditors’ Report

Statement referred to in our Independent Auditors report to the members of the Company on the Ind AS financial statements for the year ended 31st March 2020.

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties are held in the name of the Company.

ii. The Company does not have any inventory and as such clause 3(ii) of the Order is not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act and as such clauses 3(iii)(a),3(iii)(b) and 3(iii)(c) of the Order are not applicable.

iv. According to the information and explanations given to us, the company has not given any loan or guarantee or provided any security covered by the provisions of Section 185 and in respect of loans, investments, guarantees and security, the company has complied with provisions of Section 186 of the Act to the extent applicable.

v. The Company has not accepted deposits from the public.

vi. The Central Government has not prescribed for the maintenance of cost records under Section 148(1) of the Act.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees state insurance, goods and service tax, income-tax, duty of customs and any other material statutory dues, as applicable, with the appropriate authorities.

(b) As at 31st March, 2020, according to the records of the Company and the information and explanations given to us, there were no dues of income tax, goods and service tax and duty of customs that have not been deposited on account of any dispute.

viii. There are no loans or borrowing from any financial institution, bank, Government or dues to debenture holders and as such clause 3(viii) of the Order is not applicable to the Company.

ix. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and any term loans during the year and as such clause 3(ix) of the Order is not applicable to the Company.

x. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the Company or on the Company by the officers or employees, either noticed or reported during the year, nor have we been informed of such case by the management.

xi. The company has not paid or provided any managerial remuneration during the year and as such clause 3(xi) of the Order is not applicable to the Company.

xii. The company is not a Nidhi company and as such clause 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

xv. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them.

xvi. The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and registration has been obtained.

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

Ajay Chand Baid
Partner
Membership No. 302061
UDIN:- 20302061AAAACK4557
Kolkata
Dated: 4th June, 2020

"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 Limite**d ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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, 2020, 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 Chand Baid
Partner
Membership No. 302061
UDIN:- 20302061AAAACK4557
Kolkata
Dated: 4th June, 2020

CARBON FINANCE LIMITED

BALANCE SHEET as at 31st March, 2020

(All amounts in Rs. thousands, unless otherwise stated)

	Notes	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
ASSETS				
Financial Assets				
Cash and Cash Equivalents	4	849.71	976.69	809.84
Loans	5	2.50	2.50	2.50
Investments	6	5,18,347.89	4,79,966.17	4,21,334.78
		5,19,200.10	**4,80,945.36**	**4,22,147.12**
Non- Financial Assets				
Current Tax Assets (Net)		19.04	1,031.79	1,429.86
Deferred Tax Assets (Net)	10	-	-	1,552.23
Property, Plant and Equipment	7	1,42,044.65	1,44,802.77	1,47,560.89
Other non- financial assets	8	100.12	26.22	25.86
		1,42,163.81	**1,45,860.78**	**1,50,568.84**
TOTAL ASSETS		**6,61,363.91**	**6,26,806.14**	**5,72,715.96**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Trade Payables	9			
Total Outstanding dues of micro-enterprises and small enterprises		-	-	-
Total Outstanding dues of creditors other than micro-enterprises and small enterprises		53.85	45.00	45.00
		53.85	**45.00**	**45.00**
Non-Financial Liabilities				
Current Tax Liabilities (Net)		638.75	-	-
Deferred Tax Liabilities (Net)	10	7,660.93	3,653.11	-
Other non- financial Liabilities	11	499.08	486.19	457.22
		8,798.76	**4,139.30**	**457.22**
EQUITY				
Equity Share Capital	12(a)	53,000.00	53,000.00	53,000.00
Other Equity	12(b)	5,99,511.30	5,69,621.84	5,19,213.74
Total Equity		**6,52,511.30**	**6,22,621.84**	**5,72,213.74**
TOTAL LIABILITIES AND EQUITY		**6,61,363.91**	**6,26,806.14**	**5,72,715.96**

The accompanying Notes form an integral part of the financial statements

This is the Balance Sheet referred
to in our report of even date.

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

For and on behalf of the Board of Directors of Carbon Finance Limited

Ajay Chand Baid
Partner
Membership No. 302061

Place : Kolkata
Dated : 4th June, 2020

B. Shiva	**S. W. Parnerkar**	**K. K. Bangur**
Company Secretary	Director	Chairman
	(DIN : 07226364)	(DIN : 00029427)

CARBON FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2020

(All amounts in Rs. thousands, unless otherwise stated)

	Note	Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue from Operations			
(a) Interest Income	13.1	-	2,056.16
(b) Dividend Income	13.2	1,007.05	738.20
(c) Net Gain on Fair value changes	13.3	28,181.73	54,295.44
(d) Sale of Services	13.4	11,005.50	11,005.50
Other Income	14	99.54	125.45
Total Income		**40,293.82**	**68,220.75**
Expenses			
(a) Finance Costs	15	37.67	0.44
(b) Depreciation and Amortisation Expense	16	2,758.12	2,758.12
(c) Other Expenses	17	1,313.05	1,574.75
Total Expenses		**4,108.84**	**4,333.31**
Profit before Tax		**36,184.98**	**63,887.44**
Tax Expense	18		
Current Tax		2,287.70	8,274.00
Deferred Tax		4,007.82	5,205.34
Profit for the Year		**29,889.46**	**50,408.10**
Other Comprehensive Income			
Items that will not be Reclassified to Profit or Loss		-	-
Items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income, Net of Tax		**-**	**-**
Total Comprehensive Income for the Year		**29,889.46**	**50,408.10**
Earnings per Equity Share (Nominal Value Rs. 10/- per Share)	19		
Basic (Rs.)		5.64	9.51
Diluted (Rs.)		5.64	9.51

The accompanying Notes form an integral part of the financial statements

This is the Statement of Profit and Loss
referred to in our report of even date.

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

For and on behalf of the Board of Directors of
Carbon Finance Limited

Ajay Chand Baid
Partner
Membership No. 302061

Place : Kolkata
Dated : 4th June, 2020

B. Shiva	**S. W. Parnerkar**	**K. K. Bangur**
Company Secretary	Director	Chairman
	(DIN : 07226364)	(DIN : 00029427)

CARBON FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2020
(All amounts in Rs. thousands, unless otherwise stated)

A. Equity Share Capital

	As at 31 March 2020	As at 31 March 2019	As at 1st April, 2018
Balance at the beginning of the reporting period	53,000.00	53,000.00	53,000.00
Changes in equity share capital during the year		-	-
Balance at the end of the reporting period	**53,000.00**	**53,000.00**	**53,000.00**

B. Other Equity

	Reserves and Surplus				
	Reserve Fund	**Securities Premium**	**General Reserve**	**Retained Earnings**	**Total**
As at 1st April, 2018	55,659.00	1,38,000.00	1,03,855.98	2,21,698.76	5,19,213.74
Profit for the Year	-	-	-	50,408.10	50,408.10
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	50,408.10	50,408.10
Transfer to Reserve fund from Retained earnings	10,081.62	-	-	(10,081.62)	-
As at 31st March, 2019	**65,740.62**	**1,38,000.00**	**1,03,855.98**	**2,62,025.24**	**5,69,621.84**
Profit for the Year	-	-	-	29,889.46	29,889.46
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	29,889.46	29,889.46
Transfer to Reserve fund from Retained earnings	5,977.89	-	-	(5,977.89)	-
As at 31st March, 2020	**71,717.51**	**1,38,000.00**	**1,03,855.98**	**2,85,936.81**	**5,99,511.30**

The accompanying Notes form an integral part of the financial statements

This is the Statement of Changes in Equity
referred to in our report of even date.

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

For and on behalf of the Board of Directors of Carbon Finance Limited

Ajay Chand Baid
Partner
Membership No. 302061

Place : Kolkata
Date : 4th June, 2020

B. Shiva	**S. W. Parnerkar**	**K. K. Bangur**
Company Secretary	Director	Chairman
	(DIN : 07226364)	(DIN : 00029427)

CARBON FINANCE LIMITED

CASH FLOW STATEMENT for the year ended 31st March, 2020

(All amounts in Rs. thousands, unless otherwise stated)

		Year ended 31st March, 2020	Year ended 31st March, 2019
A.	**Cash Flows from Operating Activities**		
	Profit before Tax	**36,184.98**	**63,887.44**
	Adjustments for:		
	Depreciation and Amortisation Expense	**2,758.12**	2,758.12
	Changes in Fair Value of Financial Assets at Fair Value through Profit or Loss	**(28,181.73)**	(54,295.44)
	Operating Profit before Changes in Operating Assets and Liabilities	**10,761.37**	12,350.12
	Changes in Operating Assets and Liabilities:		
	Increase/(Decrease) in Trade Payables	**8.85**	-
	Increase/(Decrease) in Other Current Liabilities	**12.88**	28.97
	(Increase)/Decrease in Loans	**-**	-
	(Increase)/Decrease in Other Financial Assets	**-**	-
	(Increase)/Decrease in Other Current Assets	**(73.90)**	(0.35)
	Cash Generated from Operations	**10,709.20**	12,378.74
	Income Taxes paid (Net of Refunds)	**(636.18)**	(7,875.94)
	NET CASH FROM OPERATING ACTIVITIES	**10,073.02**	4,502.80
B.	**Cash Flows from Investing Activities:**		
	Payments for Purchase of Investments	**(11,700.00)**	(2,12,995.13)
	Proceeds from Sale/ Redemption of Investments	**1,500.00**	2,08,659.18
	NET CASH USED IN INVESTING ACTIVITIES	**(10,200.00)**	(4,335.95)
C.	**Cash Flows from Financing Activities**		
	NET CASH USED IN FINANCING ACTIVITIES	**-**	-
	Net Cash Outflow	**(126.98)**	166.85
	Cash and Cash Equivalents- Opening	**976.69**	809.84
	Cash and Cash Equivalents- Closing	**849.71**	976.69
		(126.98)	166.85

The accompanying Notes form an integral part of the financial statements

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

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

For and on behalf of the Board of Directors of Carbon Finance Limited

Ajay Chand Baid
Partner
Membership No. 302061

B. Shiva	**S. W. Parnerkar**	**K. K. Bangur**
Company Secretary	Director	Chairman
	(DIN : 07226364)	(DIN : 00029427)

Place : Kolkata
Dated : 4th June, 2020

CARBON FINANCE LIMITED
Notes to the financial statements for the year ended 31st March, 2020
(All amounts in Rs. thousands, unless otherwise stated)

1 Company's Background

Carbon Finance Limited (the 'Company') is limited by shares, incorporated and domiciled in India. The equity shares of the Company are not listed on any of the Stock Exchanges in the India and 100% shares are held by Parent company i.e. Graphite India Limited. The registered office of the Company is located at 31, Chowringhee Road, Kolkata - 700 016, West Bengal, India.

The Company is mainly engaged in the business of Investment in Securities and Letting out its Properties. The Company is a Non Banking Finance Company registered under the Reserve Bank of India.

The financial statements were approved and authorised for issue by the Board of Directors on 4th June, 2020.

2 Significant Accounting Policies

This Note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation
(i) Compliance with Ind AS

The financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013(the 'Act') [Companies (Accounting Standard) Rules, 2015] and other provisions of the Act.

The financial statements up to the year ended 31st March, 2019 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006(as amended) and other relevant provisions of the Act.financial performance and cash flows.

These financial statements are the first financial statements under Indian Accounting Statandards (Ind AS). Refer Note 25 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(ii) Historical Cost Convention
The Company's financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that is measured at fair value.

(iii) Current versus Non-current Classification.
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.

(iv) Rounding of Amounts
All amounts disclosed in these financial statements and notes have been rounded off to thousands upto two decimals (Rs.'000) as per requirement of Schedule III, unless otherwise stated.

(b) Revenue Recognition
Revenue is measured at the fair value of the consideration received or receivable.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for the Company's activities.

Sale of Services
Income from services rendered is recognised as the services are rendered and is booked based on agreements/arrangements with the concerned parties. 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.

(c) Property, Plant and Equipment

Freehold land is carried at historical cost. Buildngs are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their estimated residual values, over their estimated useful lives in accordance with Schedule II to the Act.

Estimated useful lives of the assets (years) are as follows:

Buildings - 60 Years

The useful lives, residual values and method of depreciation of buildings are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income.

(d) Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

(e) Leases

As a lessor

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.

(f) Investments and Other Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

• **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.

• **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income.

• **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other income in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value.(Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss). Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss.

(iii) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost . The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24 details how the Company determines whether there has been a significant increase in credit risk.

(iv) Derecognition of Financial Assets

A financial asset is derecognised only when

-The Company has transferred the rights to receive cash flows from the financial asset or

-retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income Recognition

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Lease Rent

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.

(vi) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

(g) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(h) Cash and Cash Equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 1-180 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months . They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(j) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(k) Provisions and Contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A discloure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholy within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be requried to settle or a reliable estimate of the amount cannot be made.

(l) Earnings per Share

(i) Basic Earnings per Share

Basic earnings per share is calculated by dividing:

· the profit attributable to owners of the Company

· by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

· the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

· the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(m) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

3 Critical Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

· Estimation of expected useful lives and residual values of property, plant and equipment — Notes 2(c) and 7

Property, plant and equipment are depreciated at historical cost using a straight-line method based on the estimated useful life, taken into account any residual value. The asset's residual value and useful life are based on the Company's best estimates and reviewed, and adjusted if required, at each Balance Sheet date.

· Contingencies

Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Company often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, the Company consults with legal counsel and certain other experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

· Fair Value Measurements — Note 23

CARBON FINANCE LIMITED

Notes to the financial statements for the year ended 31st March, 2020

(All amounts in Rs. thousands, unless otherwise stated)

	Face Value	Number	As at 31st March, 2020	Number	As at 31st March, 2019	Number	As at 1st April, 2018
6 Non-current Investments							
Investments in Equity Instruments							
At fair value through profit and loss							
Others, Quoted							
(Fully Paid up)							
Aditya Birla Capital Limited	Rs.10	3,360	141.62	3,360	326.59	3,360	490.39
Astra Microwave Products Limited	Rs.2	1,97,989	10,275.63	1,97,989	19,581.11		
Excel Crop Care Limited (merged with Sumitomo Chemical India Limited during the year.)	Rs.5	-	-	84,366	3,05,059.02	70,000	2,11,116.50
Sumitomo Chemcicals India Limited (received in lieu of 84366 shares of Excel Crop Care Limited merged with the company during the year.)	Rs.10	21,51,333	3,97,351.21	-	-	-	-
Future Retail Limited	Rs.2	1,65,000	12,919.50	1,65,000	74,885.25	-	-
			4,20,687.96		**3,99,851.97**		**2,11,606.89**
Investments in Mutual Funds							
At fair value through profit and loss							
Unquoted:							
Units of ;							
DHFL Pramerica Ultra Short Term Bond Fund - Direct Plan - Growth Option	Rs.1,000	-	-	-	-	9,217.459	15,904.32
ICICI Prudential Short Term Fund - Growth Option	Rs.10	52,576.236	2,217.10	-	-	9,60,424.123	34,779.17
Kotak Bond (Short Term) - Growth (Regular Plan)	Rs.10	7,18,833.694	27,315.82	7,32,742.558	25,526.19	33,09,894.666	1,07,364.38
Kotak Equity Arbitrage Fund - Monthly Dividend Growth (Regular Plan)	Rs.10	1,86,955.738	1,998.95	-	-	-	-
Nippon India Arbitrage Advantage Fund - Growth Plan	Rs.10	3,86,603.163	7,775.83	-	-	2,71,493.516	3,272.56
Nippon India Short Term Fund - Growth Plan Growth Option	Rs.10	4,71,273.951	17,802.42	4,99,640.894	17,354.38	30,225.406	1,018.14
SBI Overnight Fund Direct Growth	Rs.10	1,661.875	5,407.27	1,661.875	5,139.06	-	-
SBI Magnum Gilt Fund- Long Term-Direct Plan-Growth	Rs.10	-	-	-	-	3,29,135.755	12,821.09
SBI Savings Fund - Direct Plan - Growth	Rs.10	-	-	-	-	4,06,836.480	11,307.82
SBI ShortTerm Debt Fund - Direct Plan - Growth	Rs.10	14,56,130.466	35,142.54	14,56,130.466	32,094.57	5,52,251.252	11,321.65
SBI Treasury Advantage Fund-Direct Plan - Growth	Rs.10	-	-	-	-	6,035.006	11,938.78
			97,659.93		**80,114.20**		**2,09,727.88**
Total - Gross- (A)			**5,18,347.89**		**4,79,966.17**		**4,21,334.78**
Investments outside India			**-**		**-**		**-**
Investments in India			**5,18,347.89**		**4,79,966.17**		**4,21,334.78**
Total (B)			**5,18,347.89**		**4,79,966.17**		**4,21,334.78**
Less:- Allowance for Impairment (C)			**-**		**-**		**-**
Total - Net (D)= (A)-(C)			**5,18,347.89**		**4,79,966.17**		**4,21,334.78**

CARBON FINANCE LIMITED

Notes to the financial statements for the year ended 31st March, 2020

(All amounts in Rs. thousands, unless otherwise stated)

		As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
4	**Cash and Cash Equivalents**			
	Balances with Banks in Current Accounts	849.71	976.69	809.84
		849.71	**976.69**	**809.84**
5	**Loans**			
	Other Financial Assets			
	At Amortised Cost			
	Unsecured, Considered Good :			
	Security Deposits	2.50	2.50	2.50
		2.50	**2.50**	**2.50**
8	**Other Non- Financial Assets Current**			
	Unsecured, Considered Good :			
	Prepaid/Advance for Expenses	100.12	26.22	25.86
		100.12	**26.22**	**25.86**

CARBON FINANCE LIMITED

Notes to the financial statements for the year ended 31st March, 2020

(All amounts in Rs. thousands, unless otherwise stated)

7 Property, Plant and Equipment

Reconciliation of Gross and Net Carrying Amount of Each Class of Assets

	Freehold Land	Buildings	Total
Year ended 31st March 2019			
Assets given on Operating lease			
Gross Carrying Amount			
Deemed Cost as on 1st April, 2018	**7,755.87**	**1,39,805.02**	**1,47,560.89**
Additions	-	-	-
On Disposals	-	-	-
Closing Balance	**7,755.87**	**1,39,805.02**	**1,47,560.89**
Accumulated Depreciation			
Opening Balance		-	-
For the Year	-	2,758.12	2,758.12
On Disposals	-	-	-
Closing Balance	**-**	**2,758.12**	**2,758.12**
Net Carrying Amount	**7,755.87**	**1,37,046.90**	**1,44,802.77**
Year ended 31st March 2020			
Gross Carrying Amount			
Opening Balance	7,755.87	1,39,805.02	1,47,560.89
Additions	-	-	-
On Disposals	-	-	-
Closing Balance	**7,755.87**	**1,39,805.02**	**1,47,560.89**
Accumulated Depreciation			
Opening Balance	-	2,758.12	2,758.12
For the Year	-	2,758.12	2,758.12
On Disposals	-	-	-
Closing Balance	**-**	**5,516.24**	**5,516.24**
Net Carrying Amount	**7,755.87**	**1,34,288.78**	**1,42,044.65**

CARBON FINANCE LIMITED

Notes to the financial statements for the year ended 31st March, 2020

(All amounts in Rs. thousands, unless otherwise stated)

		As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
9	**Financial Liabilities**			
	Trade Payables			
	Current			
	Total Outstanding Dues of Micro Enterprises and Small Enterprises			
	Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	53.85	45.00	45.00
		53.85	**45.00**	**45.00**

10 Deferred Tax Liabilities / Asset (Net)

10.1 Significant components and Movement in Deferred Tax Assets and Liabilities during the year.

	As at 31st March, 2019	Recognised in Profit or Loss	As at 31st March, 2020
Deferred Tax Liabilities			
Financial Assets at Fair Value through Profit or Loss	4,229.15	4,019.05	8,248.20
Total Deferred Tax Liabilities	4,229.15	4,019.05	8,248.20
Deferred Tax Asset			
Financial Assets at Fair Value through Profit or Loss	(576.04)	(11.23)	(587.27)
Total Deferred Tax Asset	(576.04)	(11.23)	(587.27)
Net Deferred Tax (Asset) / Liabilities	3,653.11	4,007.82	7,660.93

-

	As at 31st March, 2018	Recognised in Profit or Loss	As at 31st March, 2019
Deferred Tax Liabilities			
Financial Assets at Fair Value through Profit or Loss	3,142.09	1,087.06	4,229.15
Total Deferred Tax Liabilities	3,142.09	1,087.06	4,229.15
Deferred Tax Asset			
Financial Assets at Fair Value through Profit or Loss	(4,694.32)	4,118.28	(576.04)
Total Deferred Tax Asset	(4,694.32)	4,118.28	(576.04)
Net Deferred Tax (Asset) / Liabilities	(1,552.23)	5,205.34	3,653.11

		As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
11	**Other non- financial Liabilities**			
	Current			
	Dues Payable to Government Authorities@	499.08	486.19	457.22
		499.08	**486.19**	**457.22**

@Dues Payable to Government Authorities include withholding taxes.

CARBON FINANCE LIMITED

Notes to the financial statements for the year ended 31st March, 2020

(All amounts in Rs. thousands, unless otherwise stated)

		As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
12(a)	**Equity Share Capital**			
	Authorised			
	53,00,000 Equity Shares of Rs10/- each Fully Paid-up	53,000.00	53,000.00	53,000.00
	Issued, Subscribed and Fully Paid-up			
	53,00,000 Equity Shares of Rs10/- each Fully Paid-up	53,000.00	53,000.00	53,000.00
		53,000.00	**53,000.00**	**53,000.00**

There were no changes in the number of shares during the years ended 31st March, 2020 and 31st March, 2019.

(i) 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.

(ii)	Details of Shares held by the Holding Company	No. of shares	No. of shares	No. of shares
	Graphite India Limited , Holding Company	53,00,000	53,00,000	53,00,000

(iii) Details of shareholder holding more than 5% shares

Name of Shareholder	No. of shares	No. of shares	No. of shares
Graphite India Limited , Holding Company	53,00,000	53,00,000	53,00,000

(iv) No shares have been allotted during the period of five years immediately preceeding March 31, 2020 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.

		As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
12(b)	**Other Equity**			
	-Reserves and Surplus			
	Reserve Fund (Refer Note A) & (Refer (iii) below)	71,718.51	65,740.62	55,659.00
	Securities Premium (Refer (i) below)	1,38,000.00	1,38,000.00	1,38,000.00
	General Reserve (Refer (ii) below)	1,03,855.98	1,03,855.98	1,03,855.98
	Retained Earnings (Refer Note B)	2,85,936.81	2,62,025.24	2,21,698.76
		5,99,511.30	**5,69,621.84**	**5,19,213.74**
	(A) Reserve Fund - Movement during the year			
	Opening Balance	65,740.62	55,659.00	55,659.00
	Transfer from reatined earnings	5,977.89	10,081.62	
	Closing Balance	**71,718.51**	**65,740.62**	**55,659.00**

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
(B) Retained Earnings - Movement during the year			
Opening Balance	2,62,025.24	2,21,698.76	2,21,698.76
Profit for the Year	29,889.46	50,408.10	
Transfer to Reserve fund	(5,977.89)	(10,081.62)	
Closing Balance	**2,85,936.81**	**2,62,025.24**	**2,21,698.76**

Nature and purpose of each Reserve

(i) Securities Premium

Securities Premium is used to record premium on issue of shares. This reserve may be utilised in accordance with the provisions of the Act.

(ii) General Reserve

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn., though the company may transfer some percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

(iii) Reserve Fund

Created pursuant to requirement of Section 45- IC of the Reserve Bank of India Act, 1934 and will be utilised in accordance with the provisions of the Reserve Bank of India Act, 1934.

CARBON FINANCE LIMITED

Notes to the financial statements for the year ended 31st March, 2020

(All amounts in Rs. thousands, unless otherwise stated)

		Year ended 31st March, 2020	Year ended 31st March, 2019
13	**Revenue from Operations**		
13.1	**Interest Income**		
	On Financial Assets measured at Amortised Cost		
	Interest on loans	-	2,056.16
		-	2,056.16
13.2	**Dividend Income**		
	Dividend income on investments	1,007.05	738.20
		1,007.05	738.20
13.3	**Net gain on fair value changes**		
	Net gain/(loss) on financial instruments at FVTPL	-	
	On financial instruments designated at FVTPL		
	- equity instruments	20,835.98	47,249.96
	- mutual funds	7,345.75	7,045.48
		28,181.73	54,295.44
	Fair value changes:		
	- Realised	30.18	2,108.27
	- Unrealised	28,151.55	52,187.17
		28,181.73	54,295.44
13.4	**Sale of Services**		
	Other Financial Services	11,005.50	11,005.50
		11,005.50	11,005.50
14	**Other Income**		
	Interest Income		
	From Income-tax Authority	99.54	125.45
		99.54	**125.45**
15	**Finance Costs**		
	Other Interest Expenses		
	On Financial liabilities measured at amortised cost		
	Interest Expense on Taxes	37.20	-
	Interest Expense on Others	0.47	0.44
		37.67	**0.44**
16	**Depreciation and Amortisation Expense**		
	Depreciation on Tangible Assets	2,758.12	2,758.12
		2,758.12	**2,758.12**

17	**Other Expenses**		
	Electricity Charges	48.24	48.58
	Rent	682.00	660.00
	Repairs & Maintenance Buildings	326.95	318.10
	Insurance	32.76	28.46
	Rates and Taxes	94.55	235.06
	Payment to Auditors		
	Audit Fee	50.00	50.00
	Tax Audit Fee	12.00	12.00
	Other Services	13.50	13.50
	Director's Fees	3.75	5.00
	Professional Fees	17.40	169.28
	Expenditure towards Corporate Social Responsibility activities (Ref Note 20)	-	22.72
	Miscellaneous Expenses	31.90	12.05
		1,313.05	**1,574.75**

18	**Income Tax Expense**		
	A. Tax recognised in Profit and Loss		
	Current Tax		
	Current Tax on Profits for the year	2,225.00	8,800.00
	Adjustment for Current Tax of prior periods	62.70	(526.00)
	Total Current Tax Expense	2,287.70	8,274.00
	Deferred Income Tax		
	Origination and reversal of temporary differences	4,007.82	5,205.34
	Income Tax Expense	6,295.52	13,479.34

18.1 Numerical reconciliation of income tax expense to prima facie tax payable

Profit before income tax expense	36,184.98	63,887.44
Income tax rate	22.88	27.82
Computed expected income tax	8,279.12	17,773.49
<u>Adjustments</u>		
Other Expenses not deductible for tax purposes	1,119.36	1,756.41
Corporate Social Responsibility Expenditure	-	0.13
Income exempt from income taxes	(230.41)	(205.37)
Adjustments for current tax of prior periods	62.70	(526.00)
Other Items	(2,935.26)	(5,319.32)
Income Tax Expense	6,295.52	13,479.34

19 BASIC AND DILUTED EARNINGS PER SHARE

	Year ended 31st March, 2020	Year ended 31st March, 2019
(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	29,889.46	50,408.10
(vi) Basic and Diluted Earnings per Share (Rs.) [(v)/(iii)]	5.64	9.51

20 Corporate Social Responsibility Expenditure

a) Gross amount required to be spent by the Company during the year	-	-
b) Expenditure for Corporate Social Responsibility comprises of amount paid to B. D. Bangur Endowment towards purposes other than construction/acquisition of any assets.	-	22.72

21 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.

22 Related Party Disclosures:

(i) Related Parties -

Name	Relationship
(a) Where control exists:	
a) Emerald Company Private Limited (ECPL)	Ultimate Parent Company
b) Graphite India Limited	Immediate Parent 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, Chairman	Individual owning an interest in the voting power of ECL that gives him control over the Company, Ultimate Controlling Party (UCP)
(b) Others with whom transactions ahve taken place during the year	
i) Salasar Towers Private Limited	Entities over which UCP and his relatives are able to exercise significant influence.
j) B.D.Bangur Endowment	Entities under significant influence of UCP
k) Mr. N.Venkatramani, Mr. S.W.Parnerkar and Mr. P.Keyal (upto 11th February,2020)	Key Management Personnel - Non-executive Directors(NED)

CARBON FINANCE LIMITED

Notes to the financial statements for the year ended 31st March, 2020

(All amounts in Rs. thousands, unless otherwise stated)

22.1 ***contd.***

(ii)	**Transactions during -**	**Immediate Parent Company**	**Entities under significant influence of UCP/relative of UCP**		**KMP**				**Total**
	Year ended 31st March, 2020	Graphite India Limited	Salasar Towers Private Limited	B.D.Bangur Endowment	Mr. K.K.Bangur	Mr. N. Venkatramani	Mr. S.W.Parnerkar	Mr. P. Keyal	
(a)	Lease Rent Received	11,005.50	-	-					11,005.50
(b)	Rent paid	-	682.00	-					682.00
(c)	Sitting Fees	-	-	-	1.00	1.00	1.00	0.75	3.75
(d)	Contribution towards CSR activities	-	-	-					-
	Year ended 31st March, 2019								
(a)	Lease Rent Received	11,005.50	-	-					11,005.50
(b)	Rent paid	-	660.00	-	-				660.00
(c)	Sitting Fees				1.25	1.25	1.25	1.25	5.00
(d)	Contribution towards CSR activities	-	-	22.72					22.72

(iii) Terms and conditions of transactions with related parties

The transactions from related parties are made in ordinary course of business. Outstanding balances at the year-end are unsecured and interest and settlement occurs in cash. No provisions are held against receivables from related parties.

CARBON FINANCE LIMITED

Notes to the financial statements for the year ended 31st March, 2020

(All amounts in Rs. thousands, unless otherwise stated)

23 Fair Value Measurements

(i) Financial Instruments by category

Notes	31st March 2020				31st March 2019				1st April. 2018			
	FVPL	FVOCI	Amortised Cost	Total	FVPL	FVOCI	Amortised Cost	Total	FVPL	FVOCI	Amortised Cost	Total
Financial Assets												
Cash and Cash Equivalents	-	-	849.71	849.71	-	-	976.69	976.69	-	-	809.84	809.84
Loans			2.50	2.50			2.50	2.50			2.50	2.50
Investments												
-Equity Shares	4,20,687.96	-		4,20,687.96	3,99,851.97	-	-	3,99,851.97	2,11,606.89	-	-	2,11,606.89
-Mutual Funds	97,659.93	-	-	97,659.93	80,114.20	-	-	80,114.20	2,09,727.88	-	-	2,09,727.88
Total Financial Assets	**5,18,347.89**	**-**	**-**	**5,19,200.10**	**4,79,966.17**	**-**	**979.19**	**4,80,945.36**	**4,21,334.78**	**-**	**812.34**	**4,22,147.12**
Financial Liabilities												
Trade Payables	-	-	53.85	53.85	-	-	45.00	45.00	-	-	45.00	45.00
Total Financial Liabilities	**-**	**-**	**53.85**	**53.85**	**-**	**-**	**45.00**	**45.00**	**-**	**-**	**45.00**	**45.00**

(ii) Fair Value

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

(a) The management assessed that fair values of trade receivables, cash and cash equivalents, other bank balances, other financial assets (current), trade payables and other financial liabilities (current) approximate their carrying amounts largely due to the short-term maturities of these instruments.

(b) In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

(iii) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing Net Asset Value.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between levels 1 and 2 during the current year and previous year.

	31st March, 2020				31st March, 2019				1st April, 2018			
Recognised and measured at fair value - Recurring measurements	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments												
-Equity Shares	4,20,687.96			4,20,687.96	3,99,851.97			3,99,851.97	2,11,606.89			2,11,606.89
-Mutual funds	97,659.93			97,659.93	80,114.20			80,114.20	2,09,727.88			2,09,727.88
Total	5,18,347.89	-	-	5,18,347.89	4,79,966.17	-	-	4,79,966.17	4,21,334.78	-	-	4,21,334.78

(All amounts in Rs. thousands, unless otherwise stated)

24 Financial risk management

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss.The Company is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily deposits with banks and investments in Mututal Funds).

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurruing unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and maintains adequate sources of financing.

(i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	On demand	Less than 3 months	3 months to 1 year	Between 1 and 5 years	Total
31st March 2020					
Trade payables	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
31st March 2019					
Trade payables	-	45.00	-	-	45.00
Other financial liabilities	-	-	-	-	-
Total	**-**	**45.00**	**-**	**-**	**45.00**
1st April, 2018					
Trade payables	-	45.00	-	-	45.00
Other financial liabilities	-	-	-	-	-
Total	**-**	**45.00**	**-**	**-**	**45.00**

Market risk

Securities Price risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the Balance Sheet as fair value through profit or loss (Note 24).

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

The Company invests its surplus funds in various debt instruments and debt mutual funds. These comprise of mainly liquid schemes of mutual funds(liquid investments), short term debt funds & income funds (duration investments) and fixed deposits.

Mutual fund investments are susceptible to market price risk , mainly arsisng from changes in the interest rates or market yields which may impact the return and value of such investments.

(a) Securities Price Risk Exposure

The Company's exposure to securities price risk arises from investments in mutual funds held by the Company and classified in the Balance Sheet as fair value through profit or loss.

(b) Sensitivity

The sensitivity of profit or loss to changes in Net Assets Values (NAVs) and quoted price of shares as at year end for investments in mutual funds and equity instruments.

	Impact on profit before tax	
	31st March, 2020	31st March, 2019
NAV - Increase by 1%*	5,183.48	4,799.66
NAV - Decrease by 1%*	(5,183.48)	(4,799.66)

* Holding all other variables constant

25 First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31st March 2020, the comparative information presented in these financial statements for the year ended 31st March 2019 and in the preparation of an opening Ind AS balance sheet at 1st April 2018 . In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities,

Accordingly, the Company has elected to measure all of its property, plant and equipment assets at their previous GAAP carrying value.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

Investment in equity and debt instruments carried at FVPL

A.2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at the date of transition (1st April 2018)

	Note	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and Cash Equivalents		809.84	-	809.84
Loans		2.50	-	2.50
Investments		4,20,288.67	1,046.11	4,21,334.78
		4,21,101.01	1,046.11	4,22,147.12
Non- Financial Assets				
Current Tax Assets (Net)		1,429.86	-	1,429.86
Deferred Tax Assets (Net)		-	1,552.24	1,552.24
Property, Plant and Equipment		1,47,560.89	-	1,47,560.89
Other non- financial assets		25.86	-	25.86
		1,49,016.60	1,552.24	1,50,568.84
TOTAL ASSETS		5,70,117.61	2,598.35	5,72,715.96
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Trade Payables				
Total Outstanding dues of micro-enterprises and small enterprises				
Total Outstanding dues of creditors other than micro-enterprises and small enterprises		45.00	-	45.00
		45.00	-	45.00
Non-Financial Liabilities				
Deferred Tax Liabilities (Net)		-	-	-
Other non- financial Liabilities		457.22	-	457.22
		457.22	-	457.22
EQUITY				
Equity Share Capital				
Other Equity		53,000.00		53,000.00
		5,16,615.39	2,598.35	5,19,213.74
Total Equity		5,69,615.39	2,598.35	5,72,213.74
TOTAL LIABILITIES AND EQUITY		5,70,117.61	2,598.35	5,72,715.96

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this Note.

Reconciliation of equity as at 31st March 2019

	Note	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and Cash Equivalents		976.69	-	976.69
Loans		2.50	-	2.50
Investments		4,54,469.45	25,496.72	4,79,966.17
		4,55,448.64	25,496.72	4,80,945.36
Non- Financial Assets				
Current Tax Assets (Net)		1,031.79		1,031.79
Deferred Tax Assets (Net)		576.04	(576.04)	-
Property, Plant and Equipment		1,44,802.77		1,44,802.77
Other non- financial assets		26.22		26.22
		1,46,436.82	(576.04)	1,45,860.78
TOTAL ASSETS		6,01,885.46	24,920.68	6,26,806.14

LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade Payables			
Total Outstanding dues of micro-enterprises and small enterprises			
Total Outstanding dues of creditors other than micro-enterprises and small enterprises	45.00	-	45.00
	45.00	-	45.00
Non-Financial Liabilities			
Deferred Tax Liabilities (Net)	-	3,653.11	3,653.11
Other non- financial Liabilities	486.19	-	486.19
	486.19	3,653.11	4,139.30
EQUITY			
Equity Share Capital			
Other Equity	53,000.00	-	53,000.00
	5,48,354.27	21,267.57	5,69,621.84
Total Equity	6,01,354.27	21,267.57	6,22,621.84
TOTAL LIABILITIES AND EQUITY	6,01,885.46	24,920.68	6,26,806.14

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this Note.

Reconciliation of total comprehensive income for the year ended 31st March 2019

	Note	Previous GAAP*	Adjustments	Ind AS
Revenue from Operations	1	43,644.70	24,450.61	68,095.31
Other Income		125.45	-	125.45
Total Revenue		**43,770.14**	**24,450.61**	**68,220.75**
Expenses				
Finance Costs		0.44	-	0.44
Depreciation and Amortisation Expense		2,758.12	-	2,758.12
Other Expenses		1,574.75	-	1,574.75
Total Expenses		**4,333.31**	**-**	**4,333.31**
Profit before Tax		**39,436.83**	**24,450.61**	**63,887.45**
Tax Expense				
Current Tax		8,274.00	-	8,274.00
Deferred Tax		(576.04)	5,781.38	5,205.34
Profit for the Year		**31,738.87**	**18,669.24**	**50,408.10**
Other Comprehensive Income		-	-	-
Total Comprehensive Income		**31,738.87**	**18,669.24**	**50,408.10**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this Note.

Reconciliation of total equity as at 31st March 2019 and 1st April 2018

	Note	As at 31st March 2019	As at 1st April 2018
Total equity (shareholders' funds) as per previous GAAP		**6,01,354.27**	**5,69,615.39**
Adjustments:			
Fair valuation of investments	1	25,496.72	1,046.11
Tax effects of adjustments	2	(4,229.15)	1,552.24
		21,267.57	2,598.35
Total equity as per Ind AS		**6,22,621.84**	**5,72,213.74**

Reconciliation of total comprehensive income for the year ended 31st March 2019

	Notes	
Profit after tax as per previous GAAP		**31,738.87**
Adjustments:		
Fair valuation of investments	1	24,450.61
Tax effects of adjustments		(5,781.38)
Total adjustments		**18,669.24**
Profit after tax as per Ind AS		**50,408.10**
Other comprehensive income		-
Total comprehensive income as per Ind AS		**50,408.10**

Impact of Ind AS adoption on the statement of cash flows for the year ended 31st March 2019

There are no significant reconciliation item between cash flows prepared under Indian GAAP & those prepared under IND AS.

C Notes to First-time Adoption

1 Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments (other than investments in subsidiaries) are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March, 2019. This increased the retained earnings by Rs. 21267.57 thousand's as at 31st March, 2019 (1st April, 2018 - Rs. 2,598.34 thousands).

2 Deferred tax

Deferred income tax liabilities/(asset) have been adjusted to give effect to adjustments as follows:

	31st March, 2019	1st April, 2018
Fair valuation of investments	4,229.15	(1,552.24)
	4,229.15	(1,552.24)

3 Retained earnings

Retained earnings as at 1st April 2018 has been adjusted consequent to the above Ind AS transition adjustments.

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

Ajay Chand Baid
Partner
Membership No. 302061

Place : Kolkata
Dated : 4th June,2020

For and on behalf of the Board of Directors of Carbon Finance Limited

B. Shiva	**S. W. Parnerkar**	**K. K. Bangur**
Company Secretary	Director	Chairman
	(DIN : 07226364)	(DIN : 00029427)

CARBON FINANCE LIMITED

SCHEDULE TO THE BALANCE SHEET OF NON-BANKING FINANCIAL COMPANY- NON- SYTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AS AT 31ST MARCH, 2020

(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)

			Book Value (Net of Provisions)
(4)	Break up of Investments		
	Current Investments:		
	1	Quoted:	
		(i) Shares: (a) Equity	Nil
		Shares: (b) Preference	Nil
		(ii) Debentures and Bonds	Nil
		(iii) Units of mutual funds	Nil
		(iv) Government securities	Nil
		(v) Others (please specify)	Nil
	2	Unquoted:	
		(i) Shares: (a) Equity	Nil
		Shares: (b) Preference	Nil
		(ii) Debentures and Bonds	Nil
		(iii) Units of mutual funds	Nil
		(iv) Government securities	Nil
		(v) Others (please specify)	Nil
	Long Term Investments:		
	1	Quoted:	
		(i) Shares: (a) Equity	3826.94
		Shares: (b) Preference	Nil
		(ii) Debentures and Bonds	Nil
		(iii) Units of mutual funds	Nil
		(iv) Government securities	Nil
		(v) Others (please specify)	Nil
	2	Unquoted:	
		(i) Shares: (a) Equity	Nil
		Shares: (b) Preference	Nil
		(ii) Debentures and Bonds	Nil
		(iii) Units of mutual funds	821.57
		(iv) Government securities	Nil
		(v) Others (please specify)	Nil

(5) Borrower group-wise classification of assets, financed as in (2) and (3) above :
Please see note 2 below

Category		Amount net of provisions		
		Secured	Unsecured	Total
1	Related parties**			
	a) Subsidiaries	Nil	Nil	Nil
	b) Companies in the same group	Nil	Nil	Nil
	c) Other related parties	Nil	Nil	Nil
2	Other than related parties	Nil	Nil	Nil
	Total :	Nil	Nil	Nil

Cont'd ..

CARBON FINANCE LIMITED

(Rs. in lakh)

(6)	Investor group-wise classification of all Investments (current and long-term) in shares and securities (both quoted and unquoted) : Please see note 3 below			
	Category		Market / Break-up or fair value or NAV	Book-Value (Net of Provisions)
	1	Related parties**		
		a) Subsidiaries	Nil	Nil
		b) Companies in the same group	Nil	Nil
		c) Other related parties	Nil	Nil
	2	Other than related parties	5,183.48	4,648.51
		Total :	5,183.48	4,648.51
	**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 :

1. As defined in point xix of paragraph 3 of Chapter 2 of Non-Banking Financial Company- Non- Sytemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016
2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Company- Non- Sytemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
3. 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.

Annexure 2

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)
				(Rs. In thousand)		
1	Graphite India Limited	Receipt of Rent	Ongoing	11,005.50	29-Aug-14	Nil
2	Salasar Towers Pvt Ltd	Payment of Rent	Ongoing	682.00	29-Aug-14	Nil

On behalf of the Board

Place : Kolkata
Date : 4th June,2020

K. K. Bangur
Chairman