

CARBON SPECIALITIES **LIMITED**

ANNUAL REPORT **(2013-2014)**

Registered Office:

Dosi Bhawan, Paltan Bazar
Guwahati, Assam-781001

Email Id: carbonspecialitieslimited@gmail.com

CIN: L65929AS1985PLC002427,

Telephone No.: 9839360000

CORPORATE INFORMATION

❖ BOARD OF DIRECTORS

Mr. Pankaj Kaya - Chairperson
Mr. Ravindra Pratap Singh- Director
Mrs. Prabha Kaya - Director
Mr. Ravi Kumar- Independent Director

❖ AUDIT COMMITTEE

Mr. Pankaj Kaya - Chairperson
Mr. Ravindra Pratap Singh- Member
Mrs. Prabha Kaya - Member
Mr. Ravi Kumar- Member

❖ NOMINATION & REMUNERATION COMMITTEE

Mr. Pankaj Kaya - Chairperson
Mr. Ravindra Pratap Singh- Member
Mrs. Prabha Kaya - Member
Mr. Ravi Kumar- Member

❖ AUDITORS

M/s Tandon & Mahendra
Chartered Accountants
14/75, Civil Lines, Kanpur-208001

❖ REGISTRAR & SHARE TRANSFER AGENTS

ABS CONSULTANT PVT.LTD.
CIN: U74140WB1991PTC053081
REG. OFFICE: 4 B B D BAG (EAST), STEPHEN HOUSE, R.NO.99, 6TH FLOOR,
KOLKATA, West Bengal
INDIA- 700001

❖ STOCK EXCHANGE

The Calcutta Stock Exchange Limited
The Guwahati Stock Exchange

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CARBON SPECIALITIES LIMITED

DOSI BHAWAN, PALTAN BAZAR, GUWAHATI

CIN: L65929AS1985PLC002427

NOTICE TO THE MEMBERS

Notice is hereby given that the Annual General Meeting of the members of CARBON SPECIALITIES LIMITED will be held at the Registered Office of the Company at Dosi Bhawan Paltan Bazar Guwahati 781001 on 30th day of September, 2014, at 1:00 P.M. to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Director's Report alongwith the Audited Profit & Loss Account for the year ended 31st March, 2014 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956, and subject to the approval of the Members at the Annual General Meeting of the Company, M/s Tandon & Mahendra, Chartered Accountants be and are hereby appointed as the Auditors of the Company to hold office, from the conclusion of the ensuing Annual General Meeting to the conclusion of the next Annual General Meeting of the Company at a remuneration as may be decided by the Board with the mutual consent of the auditors."

3. To re- appoint director in place of Mr. Pankaj Kaya, who retires by rotation and being eligible has offered himself for reappointment and, being eligible, has offered himself for re-appointment.

By the order of Board
For CARBON SPECIALITIES LIMITED

Sd/-
(PRABHA KAYA)
Director
DIN: 00326278

Sd/-
(PANKAJ KAYA)
Director
DIN: 01279883

Dated this 04th September 2014 at GUWAHATI

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that a proxy so appointed need not be a member of the company.
2. The proxy form duly complete, must be deposited at the registered office of the company at least forty-eight hours before the time fixed for the commencement of the meeting.
3. The Register of Members and Transfer Books of the company shall remain close from 19.09.2014 to 27.09.2014 (both days inclusive).
4. Members are requested to inform the change if any, in their registered address to the company.

By the order of Board
For CARBON SPECIALITIES LIMITED

Sd/-
(PRABHA KAYA)
Director
DIN: 00326278

Sd/-
(PANKAJ KAYA)
Director
DIN: 01279883

Dated this 04th September 2014 at GUWAHATI

DIRECTOR'S REPORT

To

The Members of **CARBON SPECIALITIES LIMITED**

Your Directors feel pleasure in presenting their Annual Report of the business and operations together with Annual Accounts of the company for the period ended **31st March, 2014**.

STATE OF THE COMPANY'S AFFAIRS

A copy of the balance sheet and the profit and loss account of the company is being enclosed herewith for the appreciation by the members of the financial position and the state of the affairs of the company.

DIVIDEND

With a view to provide a cushion for any financial contingencies in the future and to strengthen the financial position of the Company, your Directors have decided not to recommend any dividend for the period under review

OPERATIONS

The company continues to focus its main attention on cost reduction, Asset/Liability - Management and collections. Your Company managed to carry out all its business and commercial obligations in time and with dignity.

Your directors shall continue to put-in all out efforts to increase the business of the company and are confident of even better and brighter prospects of the company.

The company is considering various possibilities for optimizing the present business activities keeping in view the profitability and stability of business of the company. The company is also pursuing the possibility into other related activities.

There have not been any material changes and commitments affecting the financial position of the company between the end of the financial year of the company and the date of the Boards' report.

LISTING AGREEMENT

The company is presently listed at Guwahati and Kolkatta Stock Exchanges. The cash flow statement pursuant to clause 32 of the Listing Agreement is being annexed herewith.

CHANGE IN THE NATURE OF THE COMPANY'S BUSINESS ETC

There has not been any change in the nature of the Company's business or in the class of the business in which the company has an interest. Company has no subsidiary.

DIRECTORS

During the year there has been change in the constitution of the Board. Mr. Pankaj Kaya the director of the company resign by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

AUDITORS

M/s. TANDON & MAHENDRA, Chartered Accountants, Kanpur bearing ICAI Having FRN 003747C auditor of the company being as an auditor of the company, be and are hereby re-appointed as the Auditors of the Company, under ratification of the appointment by the member of company at this Annual General Meeting as per the provision of Companies Act 2013, on a remuneration as may be fixed by the Board of Directors of the Company.

AUDITORS REMARK

The Auditor's Report is self-explanatory and contains no adverse remarks or qualifications and hence no explanation thereof is being given.

PARTICULARS OF EMPLOYEES

No employee of the company is in receipt of remuneration in excess of the limits as stated in sub-section (2A) of section 217 of the Companies Act, 1956, and hence no particulars of any employees are being given.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 do not apply to the company, however the following information is being set out under this head:

a) CONSERVATION OF ENERGY:

Although the operations of the company are not energy intensive yet, all measures are being taken to conserve the energy in all possible areas.

b) TECHNOLOGY ABSORPTION & RESEARCH AND DEVELOPMENT:

The company has not imported any technology, and has not established any separate research and development unit however the company has always kept itself updated with latest technological innovations by way of constant communications and personal discussions with the technical experts.

c) FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review there were no foreign exchange earnings or outgo.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of section 217 of the Act the Directors declare as under:

(i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departure has been made therefrom.

(ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period under review.

(iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) That the directors have prepared the annual accounts on a going concern basis.

Directors have exercised their responsibility for the accuracy of the financial statements based on accounting systems, policies and procedures designed to provide reasonable assurance of the reliability of financial records. Such controls based on established policies and procedures are implemented by the trained and skilled personnel of the company.

AUDIT COMMITTEE

Pursuant to the provisions contained in section 292-A of the Companies Act, 1956 and clause 49 of Listing Agreement, an Audit Committee of the Company has been constituted. The committee is fully aware of its rights and obligations and has been since its constitution closely monitoring the affairs of the company so far as they affect the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct and credible.

CORPORATE GOVERNANCE

As per the requirements of clause 49 of the Listing Agreement the company has to necessarily comply with the Corporate Governance norms as per the said clause. Accordingly the company has duly complied with the corporate Governance norms to the extent and in the manner as set out in the Report on Corporate Governance annexed herewith which forms part of this report.

DEMATERIALISATION OF EQUITY SHARES

The equity shares of the company may be dealt in dematerialized form. The company has been allotted ISIN No. 144E01010. Shareholders are requested to send their share certificates through their depository participants for having their shares in electronic form.

ACKNOWLEDGEMENTS

Your directors wish to place on record their appreciation and thanks for the cooperation, support and assistance extended by shareholders, employees, associates, customers and Government authorities.

By the order of Board
For CARBON SPECIALITIES LIMITED

Sd/-
(PRABHA KAYA)
Director
DIN: 00326278

Sd/-
(PANKAJ KAYA)
Director
DIN: 01279883

Dated this 04th September 2014 at GUWAHATI

ANNEXURE TO THE DIRECTORS REPORT

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholders' value and discharge of social responsibility. The Corporate Governance structure in the company assigns responsibilities and entrust authority among different participants in the organization viz. the Board of Directors, the Senior management, Employees, etc. The Company has adopted Corporate Governance and disclosure practices even before these were mandated legislations.

Keeping in view the Company's corporate traditions, we are fully committed to follow the procedures and practices in conformity with the clause 49 of the listing agreement of the Stock Exchanges, as applicable. Your Directors present the Company's report on Corporate Governance as under: -

Mandatory Requirements

COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company's essential character revolves around values based on transparency, integrity, professionalism and accountability. At the highest level, the company continuously endeavors to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements. Our philosophy on Corporate Governance envisages attainment of absolute transparency, accountability and equity in all facets of its operations and in all its interactions with shareholders, employees and Government departments.

BOARD OF DIRECTORS

The company has optimum combination of Executive, Non-executive Directors and Independent directors to ensure the independent functioning of the Board.

The functions of the Board include formulation of strategic business plans, budgets, setting up of goals and evaluation of performance, approving corporate philosophy and mission, monitoring corporate performance against strategic business plans, overseeing operations, recruitment of senior management personnel, review of material investment and fixed assets transactions, ensuring compliance with laws and regulations, keeping shareholders informed regarding plans, strategies and performance of the Company and other important matters.

The Board has constituted one Audit committee as per clause 49 of the Listing Agreement which is chaired by Executive Director.

During the financial year 2013-14, 6 (Four) Board Meetings were held on

- 1) 29th May, 2013
- 2) 2^{1st} August, 2013
- 3) 01st December, 2013
- 4) 18th February, 2014

The last AGM was held on 30th September 2013. The composition of Board of Directors, their attendance at the Board Meetings held during the year and at last Annual General Meeting as also number of directorships and chairmanships/ memberships of committee of each director held in various Companies as at March 31st, 2014 is:-

AUDIT COMMITTEE

The Audit Committee has been constituted as per Section 292-A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement with Stock Exchanges. The Audit Committee inter-alia provides assurance to the Board on the existence and adequacy of an effective internal control system. The terms of reference of the Audit Committee include the following: -

To hold discussion with Auditors periodically about:

- ☐ Internal control system and compliance thereof.
- ☐ Scope of audit including observations of the auditors.
- ☐ Review of the quarterly, half yearly and annual financial statements before submission to the Board.
- ☐ Any other matter as may be referred by the Board.

The Audit Committee is further responsible for: -

- ☐ Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- ☐ Reviewing with the management the annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards and guidelines of stock exchange(s), major accounting entries, qualifications in draft audit reports, related party transactions & the going concern assumption.
- ☐ Holding discussions with external auditors to ascertain any area(s) of concern.
- ☐ Reviewing the Company's financial and risk management strategies.

The statutory auditors of the Company are invited to attend the meetings where at the Audit committee holds discussion with the statutory auditors on the quarterly account subjected to their Limited Review, yearly audit plan, matters relating to compliance with Accounting standards, their observations on matter arising out of annual audit and other related matters.

During the financial year 2013-14, the Audit Committee met four times as per the Paragraph II of Clause 49 of the Listing Agreement on the following dates:

- 1) 28th May, 2013
- 2) 30th July, 2013
- 3) 29th November, 2013
- 4) 10th February, 2014

All the members of Audit Committee attended the committee meeting.

NOMINATION & REMUNERATION COMMITTEE

(a) Terms of reference:

The Committee has been constituted to exercise all powers specified in the Companies act, 1956 and the listing agreement with the Stock Exchange in relation to the appointment and remuneration of executive Directors.

(b) Composition:

The Committee Comprises of following Members:-

Mr. Pankaj Kaya - Chairperson
 Mr. Ravindra Pratap Singh- Member
 Mrs. Prabha Kaya - Member
 Mr. Ravi Kumar- Member

The Committee met one time during the year and the attendance of members at the meeting was as follows: -

Name of the Members	Status	No. of Meetings held & attended
Sh. Pankaj Kaya	Chairman	1
Sh. Ravindra Pratap Singh	Member	1
Mrs. . Prabha Kaya	Member	1
Sh. Ravi Kumar	Member	1

REMUNERATION POLICY

Remuneration of employees consists of basic salary and perquisites. Remuneration to employees is based on their qualification, experience, responsibilities held and their performance.

The objective of the remuneration policy is to motivate employees to excel in their Performance, recognize their contribution, retain talent in the organization and reward Merits.

GENERAL BODY MEETINGS

Details of location, time and date of the General Body Meetings held during the last three years is as follows: -

Nature of the Meeting	Meeting Date	Location	Time
AGM	30 th September, 2013	DosiBhawan, Paltan Bazar, Guwahati, Assam-781001	11:00 A.M
AGM	29 th September, 2012	DosiBhawan, Paltan Bazar, Guwahati, Assam-781001	11:00 A.M
AGM	29 th September, 2011	DosiBhawan, Paltan Bazar, Guwahati, Assam-781001	11:00 A.M.

No resolution has been passed through postal ballot.

DISCLOSURES

- a) There were no transactions of material nature with the promoters, directors or the management of their subsidiaries or relatives etc. potentially conflicting with company's interest at large, during the year. The register of contracts containing the transactions in which directors are interested is placed before the Board regularly for its approval.
- b) There were no instances of non-compliance by the Company on any matter related to capital markets during the last four years.

The Company did not get any qualification from its Auditors for its accounts for the year 2013-14.

CEO / CFO CERTIFICATION

The Board has laid down the code of conduct for all Board members and senior management of the company. All Board members and senior management personnel shall affirm compliance with the code of conduct. As required under the Listing Agreement, a Certificate duly signed by Mr. Saurabh Shukla was placed before the Board of Directors.

MEANS OF COMMUNICATION

The Company ensures that its quarterly and annual financial results are sent to the concerned Stock Exchange immediately after the same have been considered and taken on record by the Board of Directors. The company also ensures that its quarterly financial results are normally published in **The Financial Express, Guwahati**.

GENERAL SHAREHOLDER INFORMATION**Annual General Meeting:**

Date : 30th September, 2014
Day : Tuesday
Time : 1:00 P.M.
Venue : Dosi Bhawan, Paltan Bazar, Guwahati, Assam-781001

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

As required under the Listing Agreement, a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance by the Company has been obtained which is annexed to this Report.

Book Closure Period: - 19.09.2014 to 27.09.2014 (both days inclusive).

Listing of Shares:

The equity share of the Company is listed at The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata -700001 & The Guwahati Stock Exchange, A.T. Road, Guwahati. The Company is getting a delisted from The Guwahati Stock Exchange Limited due to shut down of Stock exchange.

Share Price Data:-

There has been no trading of shares at the The Calcutta Stock Exchange Limited during the last financial year. Hence no data is available.

Share Transfer System:-

M/s. ABS CONSULTANT PVT.LTD. is acting as the Registrar and Transfer Agent of the Company. Share transfer requests are processed within 30 days of receipt by Registrar and Transfer Agent.

In compliance with the listing guidelines, every six months, the share transfer system is audited by a practicing Company Secretary and certificates to that effect are issued by him.

Distribution of Shareholding:-

S.No.	Category of shareholder	Number of shareholders	Total number of shares	Percentage of total number shareholding As a percentage of
1.	Promoter and Promoter Group	2	4,706,780	84.70%
2.	Bodies Corporate	8	603,000	10.85%
3.	HUF/Individuals	210	247,520	4.45%

ANNEXURE TO THE DIRECTORS REPORT**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To the members of **CARBON SPECIALITIES LIMITED**,

We have examined the compliance of conditions of Corporate Governance by Carbon Specialities Limited for the year ended March 31, 2014 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange in India.

The Compliance with the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedure and implementation thereof, adopted by the company for ensuring compliance with the conditions of the corporate governance as stipulated in the said clause.

It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us and the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Guwahati
Date : 04.09.2014

For Tandon & Mahendra
Chartered Accountants
FRN: 003747C

Sd/-
(Saurabh Shukla)
(Partner)
M. No. 405240

ANNEXURE TO THE DIRECTORS REPORT**DECLARATION TO CODE OF CONDUCT**

To,
The Members,
CARBON SPECIALITIES LIMITED

Declaration by the Managing Director on the code of conduct as prescribed under clause 49 of the Listing Agreement.

I hereby confirm that all Board Members and Senior Management personnel have conveyed their acceptance to the "Code of Business Conduct and Ethics for Board Members and Senior Management".

By the order of Board
For CARBON SPECIALITIES LIMITED

Sd/-
(PRABHA KAYA)
Director
DIN: 00326278

Sd/-
(PANKAJ KAYA)
Director
DIN: 01279883

Dated this 04th September 2014 at GUWAHATI

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Carbon Specialties Limited.,

Report on the Financial Statements

We have audited the accompanying financial statements of Carbon Specialties Limited ("the Company"), which comprise the Balance Sheet as at March 31st, 2014, and the Statement of Profit and Loss and 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. 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2014;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) 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") 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;
 - e) on the basis of written representations received from the directors as on March 31st, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place: Guwahati
Date : 04.09.2014

For Tandon & Mahendra
Chartered Accountants
FRN: 003747C

Sd/-
(Saurabh Shukla)
(Partner)
M. No. 405240

ANNEXURE TO THE AUDITORS REPORT

- 1 (a) The company does not have any fixed assets therefore clause (i) (a) to (c) of the Companies (Auditors Report) Order, 2003 as amended by Companies (Auditors Report) Order, 2004 are not applicable to the Company.
- 2 (a) The Company is dealing in units of mutual fund which has been verified by the management from time to time.

(b) In our opinion the procedures of verification of mutual fund units from the statement generated and provided by the asset management companies are adequate and reasonable in relation to the size of the company and nature its business.

(c) The company is maintaining proper records of inventory. No discrepancies were noticed on physical verification between the inventory and the book records.
- 3 (a) There is one party listed in the register maintained under section 301 of the Companies Act, 1956, to whom the Company has granted Loan. The maximum amount involved during the year was Rs. 20.00 Lacs (P.Y 20.00 Lacs) and the year end balance of such loan was Rs. 20.00 lacs (P.Y Rs. 20.00 Lacs).

(b) In our opinion, the rate of interest and other terms and conditions on which loan has been granted to party listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

(c) The party has been repaying the principal amounts as stipulated and as the loan has been granted on interest free basis therefore there is no question of repayment of interest.

(d) There is no overdue amount of loan granted to party listed in the register maintained under section 301 of the Companies Act, 1956

(e) The Company has not taken any Loans Secured or Unsecured from the other companies listed in the register maintained under section 301 of the Companies Act, 1956, hence clause iii (e) to (g) of paragraph 4 of the Companies (Auditors' Report) Order 2003 as amended by Companies (Auditors' Report) Order 2004 are not applicable.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5 (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts of arrangements entered in the register maintained under section 301 of the Companies Act, 1956 in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6 As per the information and explanation given to us and as per our examination of books of accounts, the company has not taken any deposit; hence there is no contravention of the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
- 7 In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 8 The Central Government has not prescribed the maintenance of cost records in respect of the Company under section 209 (1) (d) of the Companies Act, 1956.
- 9 (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, custom duty, excise duty and Cess were in arrears, as at 31.03.2014 for a period of more than six months from the date they became payable.
- 10 In our opinion, the company does not have any accumulated losses as at the year end. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- 11 In our opinion and according to the information and explanations given to us, the company has not taken any loan from the financial institution, bank or debenture holders.
- 12 According to the information and explanations given to us, the company has not granted loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause xiii (a) to (d) of the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) Order, 2004 are not applicable to the company.

- 14 In our opinion, the company is dealing/trading in securities viz. units of mutual fund and proper records have been maintained of the transactions and timely entries have been made therein. All the mutual funds have been held by the company, in its own name.
- 15 As per the explanation and as per the records of the company, no guarantee has been given by the company for loans taken by others from banks or financial institutions.
- 16 In our opinion and as per the records of the company, the company has not taken any term loans.
- 17 According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long term investments.
- 18 According to the information and explanations given to us and as per the records of the company, no allotment of preferential shares have been made during the year to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 During the period covered by our audit report, the company has not issued any debentures requiring report under this clause.

No public issue has been made by the company during the financial year.

According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Guwahati

Date : 04.09.2014

**For Tandon & Mahendra
Chartered Accountants
FRN: 003747C**

**Sd/-
(Saurabh Shukla)
(Partner)
M. No. 405240**

CARBON SPECIALITIES LTD.
BALANCE SHEET AS ON 31ST MARCH 2014

PARTICULARS		NOTE	AMOUNT (in Rs.)	
			As at 31-March 2014	As at 31-March 2013
I. EQUITY AND LIABILITIES				
(1) Shareholder's Funds				
(a) Share Capital	2		55,573,000.00	55,573,000.00
(b) Reserves and Surplus	3		250,553,435.22	232,613,518.65
(2) Non Current Liabilities				
(a) Other Long Term Liabilities	4		20,901,362.00	20,901,362.00
(3) Current Liabilities				
(a) Other Current Liabilities	5		9,448,682.00	363,104.00
(b) Short Term Provisions	6		3,626,700.00	2,830,350.00
TOTAL			340,103,179.22	312,281,334.65
II. ASSETS				
(1) Non-current Assets				
(a) Non-current Investments	7		131,256,837.00	161,256,837.00
(b) Long Term Loans and Advances	8		19,671,064.00	16,135,723.00
(2) Current Assets				
(a) Inventories	9		153,749,349.29	110,333,729.72
(b) Cash and Cash Equivalents	10		29,250,613.61	16,345,870.93
(c) Short Term Loans and Advances	11		5,885,311.32	5,248,627.00
(d) Other Current Assets	12		290,004.00	2,960,547.00
TOTAL			340,103,179.22	312,281,334.65
Significant Accounting Policies		1	-	-
Notes are an integral part of the financial statements.		2-34		

AS PER OUR REPORT OF EVEN DATE ATTACHED

For TANDON & MAHENDRA
 Firm Regn NO. 003747C
 CHARTERED ACCOUNTANTS

For and on behalf of the Board
FOR CARBON SPECIALITIES LIMITED

(SAURABH SHUKLA)
 PARTNER
 MEMBERSHIP NO. 405240
 PLACE : GUWAHATI
 DATE : 30.05.2014

PANKAJ KAYA
 Director
 DIN-01279883

PRABHA AGARWAL
 Director
 DIN-00326278

CARBON SPECIALITIES LTD.

CIN-L65929AS1985PLC002427

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

PARTICULARS		NOTE	AMOUNT (in Rs.)	
			Year Ended 31-March 2014	Year Ended 31-March 2013
I REVENUE :				
Revenue From Operations	13		42,814,501.32	57,385,331.78
Other Income	14		5,593,461.86	665,148.76
Total Revenue			48,407,963.18	58,050,480.54
II EXPENSES :				
Purchases of Stock-in-trade	15		54,347,604.85	36,314,991.78
(Increase)/Decrease in Inventory of Stock-in-trade	16		(43,415,619.57)	(11,773,868.84)
Employee Benefit Expenses	17		17,574,625.00	17,574,490.00
Other Expenses	18		1,870,077.33	1,788,590.70
Total Expenses			30,376,687.61	43,904,203.64
III PROFIT BEFORE TAX FROM CONTINUING OPERATIONS			18,031,275.57	14,146,276.90
(There is no discontinuing operation)				
Less : Tax Expenses :				
1) Current Tax			3,626,700.00	2,830,350.00
Less: MAT Credit Entitlement			3,535,341.00	1,415,723.00
Net Current Tax			91,359.00	1,414,627.00
IV PROFIT FOR THE YEAR			17,939,916.57	12,731,649.90
V BASIC & DILUTED EARNING PER SHARE (in Rs.)	22			
(a) Basic			3.23	2.29
(b) Diluted			3.23	2.29
Significant Accounting Policies	1			
Notes are an integral part of the financial statements.	2-34			
AS PER OUR REPORT OF EVEN DATE ATTACHED				
For TANDON & MAHENDRA Firm Regn NO. 003747C CHARTERED ACCOUNTANTS			For and on behalf of the Board FOR CARBON SPECIALITIES LIMITED	
(SAURABH SHUKLA) PARTNER MEMBERSHIP NO. 405240 PLACE : GUWAHATI DATE : 30.05.2014			PANEKJ KAYA Director DIN-01279883	
			PRABHA AGARWAL Director DIN-00326278	

CARBON SPECIALITIES LTD.**Notes to Financial Statements****Note:1 SIGNIFICANT ACCOUNTING POLICIES****1.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- A. The Accounts are prepared under the historic cost convention on Going concern concept as per the mandatory accounting standards. The Company generally follows mercantile system of Accounting and recognises income & expenditure on accrual basis except those with significant uncertainties.
- B. Accounting Policies have been consistently applied by the Company and are consistent with those used in the previous year.
- C. The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the result of operations during the reported period end. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

1.2. FIXED ASSETS

Fixed Assets are stated at their original cost of acquisition/installation (net of cenvat credit availed) net of accumulated depreciation, amortization and impairment losses.

1.3. DEPRECIATION

Depreciation is provided on written down value/straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Assets costing below Rs.5000/- are depreciated at 100%.

1.4. IMPAIRMENT OF ASSETS:

Impairment is ascertained at each balance Sheet date in respect of cash generating units. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated cash flows are discounted to their of the net selling price and value in use. In assessing value in use, the estimated cash flows are discounted to their of the net selling price and value in use. In assessing value in use, the estimated cash flows are discounted to their present values based on an appropriate discount factor.

1.5. OPERATING INCOMES:

Operating incomes are exclusive of any rates, taxes and duties payable to government.

1.6. OTHER INCOMES:

Interest income is accounted on an accrual basis. Dividend income is accounted for when the right to receive income is established.

1.7. INVESTMENTS :

Non Current and unquoted current investments are stated at cost & Quoted current Investments at lower of cost or market value. Provision for diminution in the value of long Term Investments is made only if such a decline is other than temporary in the opinion of the management.

1.8. PROVISION FOR TAXATION :

Current Tax: Provision is made for income-tax, under the tax payable method, based on the liability as computed after taking credit for allowances and exemptions. Adjustments in books are made only after the completion of the assessment In case of matters under appeal, due to disallowances or otherwise, full provision is made when the said liabilities are accepted by the Company.

Deferred Tax: The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted regulations. Deferred tax asset is only recognised only if there is reasonable certainty that they will be raised and are reviewed for appropriations of their respective carrying values at each balance sheet date.

CARBON SPECIALITIES LTD.

(Amount in Rs.)

Particulars		As at 31 March 2014	As at 31 March 2013
Note:2	SHARE CAPITAL		
	AUTHORISED :		
	5570000 Equity Shares of Rs.10/- each	55,700,000.00	55,700,000.00
	ISSUED, SUBSCRIBED AND PAID UP :		
	5557300 Equity Shares of Rs.10/- each fully paid up.	55,573,000.00	55,573,000.00
	TOTAL	55,573,000.00	55,573,000.00
2.1.	The company has only one class of shares referred to as equity shares having a par value of Rs. 10/-.		
2.2.	Each holder of equity shares is entitled to one vote per share.		

2.3.	Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period	As at 31-March 2014		As at 31-March 2013
		Number of shares	Amount (in Rs.)	Number of shares
	Equity Share of Rs.10/- each fully paid up:-			
	Opening Balance	5,557,300	55,573,000.00	5,557,300.0
	Closing Balance	5,557,300	55,573,000.00	5,557,300.0

2.4.	Details of shares held by shareholders holding more than 5% of shares	As at 31-March 2014		As at 31-March 2013
		Number of shares held	holding %	Number of shares held
	Equity Share of Rs.10/- each fully paid up:-			
	a)Fankaj Kaya	2,155,040	38.78%	2,155,040
	b)Kishore Kumar Kaya	2,551,740	45.92%	2,551,740

Particulars		As at 31 March 2014	As at 31 March 2013
Note:3	Reserves and Surplus:		
	(a) Capital Reserve		
	As per last Balance Sheet	53,098,000.00	53,098,000.00
	Closing Balance (A)	53,098,000.00	53,098,000.00
	(b) Profit & Loss Account - As per account annexed		
	As per last Balance Sheet	179,515,518.65	166,783,868.75
	Add-Profit for the year	17,939,916.57	12,731,649.90
		197,455,435.22	179,515,518.65
	Less: Appropriations	-	-
	Closing balance (B)	197,455,435.22	179,515,518.65
	TOTAL (A+B)	250,553,435.22	232,613,518.65

Particulars		As at 31 March 2014	As at 31 March 2013
Note:4	Other Long Term Liabilities		
	Security deposits against lease rent	20,901,362.00	20,901,362.00
	TOTAL	20,901,362.00	20,901,362.00

CARBON SPECIALITIES LTD.

Particulars		As at 31 March 2014	As at 31 March 2013
Note:5	Other Current Liabilities		
	Other Payables		
	Creditors for Expenses	9,168,062.00	81,843.00
	Government Dues Payables	280,620.00	281,261.00
	TOTAL	9,448,682.00	363,104.00

Particulars		As at 31 March 2014	As at 31 March 2013
Note:6	Short Term Provisions		
	Provision for Current Tax	3,626,700.00	2,830,350.00
	TOTAL	3,626,700.00	2,830,350.00

CARBON SPECIALITIES LIMITED				
PARTICULARS		QUANTITY (NOS.)		AMOUNT (in Rs.)
		AS AT 31.03.2014	AS AT 31.03.2013	AS AT 31.03.2014
NOTE:7	Non Current Investment (at cost)			
	A. Unquoted - Non Trade			
	Investment in Mutual Funds, Each , Fully paid up			
	Axis Equity Fund	-	250,000.00	-
	Axis Treasury Advantage Fund Growth	2,431.90	2,431.90	2,500,000.00
	Birla Long Term Advantage Fund - Growth	-	250,000.00	-
	DSP Blackrock MIP Regular-Growth	-	259,439.71	-
	HDFC Monthly Income Plan - Growth	-	323,681.86	-
	HSBC Monthly Income Plan Regular Plan Growth	262,310.22	262,310.22	5,000,000.00
	Reliance Gold Savings Fund - Growth Plan	439,230.36	439,230.36	5,000,000.00
	Reliance Monthly Income Plan - Growth	-	572,538.31	-
	SBI Magnum Equity Fund - Regular Plan - Growth	51,646.60	51,646.60	2,500,000.00
	UTI Floating Rate Short Term Plan Growth - 96	4,052.87	4,052.87	6,249,337.00
	UTI Floating Rate Fund Short Term Plan Growth	4,882.69	4,882.69	7,500,000.00
	TOTAL (A)			28,749,337.00
	B. Investment in Property			
	Property at Embassy Prime			102,507,500.00
	TOTAL (B)			102,507,500.00
	Aggregate Cost	TOTAL (A+B)		131,256,837.00

(Amount in Rs.)

Particulars		As at 31 March 2014	As at 31 March 2013
Note:8	Long Term Loans and Advances (Unsecured, Considered Good)		
	Other Loans and Advances		
	Advances Recoverable in Cash or Kind or value to be received or pending adjust	19,671,064.00	16,135,723.00
	TOTAL	19,671,064.00	16,135,723.00

Particulars		As at 31 March 2014	As at 31 March 2013
Note:9	Inventories - (At cost, as certified by the management)		
	Trading Items - Mutual Funds	153,749,349.29	110,333,729.72
	TOTAL	153,749,349.29	110,333,729.72

CARBON SPECIALITIES LTD.

Particulars		As at 31 March 2014	As at 31 March 2013
Note:10	Cash & Cash Equivalent		
	Cash & Bank Balances:		
	(a) Cash in hand	236,907.32	229,907.32
	(b) Balances with Scheduled Banks in Current Accounts	29,013,706.29	16,115,963.61
	TOTAL	29,250,613.61	16,345,870.93

Particulars		As at 31 March 2014	As at 31 March 2013
Note:11	Short Term Loans and Advances (Unsecured, Considered Good)		
	Advance Tax & Tax Deducted at Sources	3,467,034.32	3,109,890.00
	Other Loans and Advances		
	Income Tax Refunds Due	2,418,277.00	2,138,737.00
	TOTAL	5,885,311.32	5,248,627.00

Particulars		As at 31 March 2014	As at 31 March 2013
Note:12	Other Current Assets		
	Rent Receivable	275,004.00	2,944,908.00
	Advance for Services	15,000.00	15,639.00
	TOTAL	290,004.00	2,960,547.00

Particulars		Year Ended 31-March 2014	Year Ended 31-March 2013
Note:13	Revenue from Operations		
	Sale of Traded Goods - Mutual Funds	11,744,161.32	26,314,991.78
	Lease Rent	31,070,340.00	31,070,340.00
	TOTAL	42,814,501.32	57,385,331.78

Particulars		Year Ended 31-March 2014	Year Ended 31-March 2013
Note:14	Other Income		
	Interest on FDR- IDBI Bank	-	28,493.00
	Profit on Sale of Investments	5,593,461.86	636,650.00
	Misc. Income	-	5.76
	TOTAL	5,593,461.86	665,148.76

Particulars		Year Ended 31-March 2014	Year Ended 31-March 2013
Note:15	Purchases of Stock-in-trade		
	Purchases of Trading Items- Mutual Funds	54,347,604.85	36,314,991.78
	TOTAL	54,347,604.85	36,314,991.78

CARBON SPECIALITIES LTD.

(Amount in Rs.)

Particulars		Year Ended 31-March 2014	Year Ended 31-March 2013
Note:16	Changes in Inventories of Stock-in-trade		
	Opening Stock		
	Trading Items- Mutual Funds	110,333,729.72	98,559,860.88
	Closing Stock		
	Trading Items- Mutual Funds	153,749,349.29	110,333,729.72
	Changes in Inventories of Stock-in-trade	43,415,619.57	11,773,868.84

Particulars		Year Ended 31-March 2014	Year Ended 31-March 2013
Note:17	Employee Benefit Expenses		
	Salaries	72,000.00	72,000.00
	Employer Employee Insurance- BSL	17,500,000.00	17,500,000.00
	Staff welfare Expenses	2,625.00	2,490.00
	TOTAL	17,574,625.00	17,574,490.00

Particulars		Year Ended 31-March 2014	Year Ended 31-March 2013
Note:18	Other Expenses		
	Accounting Charges	12,000.00	12,000.00
	Advertisement Expenses	156,661.00	77,554.00
	Auditor's Remuneration	56,180.00	56,180.00
	Custodial Fees	8,989.00	8,989.00
	General Expenses	4,325.00	3,391.70
	Legal Charges	1,500.00	2,000.00
	Listing Fees	17,500.00	20,000.00
	Municipal Taxes	1,600,000.00	1,595,249.00
	Rent	12,000.00	12,000.00
	STT	68.33	-
	Penalty on Service Tax	-	1,000.00
	Interest on TDS	304.00	43.00
	Postage Expenses	550.00	184.00
	TOTAL	1,870,077.33	1,788,590.70

CARBON SPECIALITIES LIMITED

Note:19

CONTINGENT LIABILITIES :-

As per the management estimate and belief there is no contingent liability as at 31.03.2014 (Previous Year Nil).

(Amount in Rs.)

	For the year ended 31.03.2014	For the year ended 31.03.2013
Note:20 Payments to Auditors :		
(a) As Auditors	33,708.00	33,708.00
(b) For Tax Consultancy	11,236.00	11,236.00
(c) Other Matters	11,236.00	11,236.00
	56,180.00	56,180.00

Note:21

Related Party Disclosures in accordance with the Accounting Standards (AS-18) 'Related Party Disclosure', issued by the Institute of Chartered Accountants of India are as under :

(i) Names of related parties and description of relationship :

(A) Key Management Personnel & their Relatives :

(a) Ravindra Pratap Singh Director

(b) Pankaj Kaya Director

(c) Prabha Agarwal Director

The company does not have any subsidiaries or joint ventures as related parties.

The company has undertaken the following transaction with the related parties during the year and in the previous year.

a) Pankaj Kaya

Advance against director's remuneration

(Amount in Rs.)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Advance given during the year	600000.00	0.00
Advance received back during the year	600000.00	0.00
Closing Balance	0.00	0.00

The aforesaid advance was given to Mr. Pankaj Kaya against directors remuneration which was payable to him pursuant to board resolution dated 10.02.2014, but subject to approval of the Central Government. However, the relevant form for obtaining the approval of the Central Government were unavailable on the MCA portal owing to transition phase from Companies Act, 1956 to Companies Act, 2013. As the approval could not be obtained till 31.03.2014, therefore the advance given to Mr. Pankaj Kaya was recovered back from him and fresh proposal for fixation of his salary has been put forward to the board.

Note:22

Earning Per Share :

	For the year ended 31.03.2014	For the year ended 31.03.2013
(a) Profit after tax (Profit attributable to Equity Shareholders)	17,939,916.57	12,731,649.90
(b) Weighted average nos. of Equity Shares for Basic / Diluted EPS	5,557,300.00	5,557,300.00
(c) Nominal Value of Equity Share (in Rs.)	10.00	10.00
(d) Basic Earning per Equity Share (in Rs.)	3.23	2.29

Note:23

In the absence of any timing difference between taxable income and accounting income deferred tax has not ben calculated.

Note:24

In the opinion of the board Current Assests, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business and provisions for all known liabilities are made

Note:25

Loans and Advances includes Rs.20,00,000/- (P.Y 20,00,000/-) advance to a society in which the Director of the company is a member.

Note:26

As per the information available with the company no amount is due to Micro, Small and Medium Enterprise as defined under the Micro, Small and Medium Enterprise Development Act, 2006.

Note:27

Gratuity Liability is not provided as none of the employee has completed qualifying period of service.

CARBON SPECIALITIES LIMITED

Note:28 The Company has identified two reportable segments viz. Investment Business as Primary and Trading Business in Securities as Secondary segment. Segments have been identified and reported taking in view the different risk and return.
The Primary segment i.e. Investment Business includes Non Current Investments in units of Mutual Funds and Investment in Property.
The Secondary segment i.e. Trading Business includes Trading in units of mutual funds and other securities.
There is no geographical segment with in the meaning of Accounting Standard-17 issued by the Institute of Chartered Accountants of India.

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segments.
Segment assets and segment liabilities represent asset and liabilities in respective segments.

<u>Information about Business Segments</u>	<u>Current Year</u>	<u>Previous Year</u>
Primary Segment - Investment Business		
Segment Revenue	36,663,801.86	31,735,488.76
Segment Result	35,063,801.86	30,140,239.76
Segment Asset	131,256,837.00	161,256,837.00
Segment Liabilities	22,776,366.00	21,182,623.00
	-	-
Secondary Segment - Trading Business		
Segment Revenue	11,744,161.32	26,314,991.78
Segment Result	(17,032,525.96)	(15,993,962.86)
Segment Asset	208,846,342.22	151,024,497.65
Segment Liabilities	11,200,378.00	2,912,193.00

Note:29 Earning in Foreign Currency : NIL

Note:30 Expenditures in Foreign Currency : NIL

Note:31 Sales are exclusive of all expenses.

Note:32 Items of Inventories are valued at cost.

Note:33 Balances are subject to confirmation or reconciliation, if any.

Note:34 Previous year figures have been regrouped, re-arranged or re-casted wherever considered necessary

AS PER OUR REPORT OF EVEN DATE ATTACHED

For TANDON & MAHENDRA
Firm Regn NO. 003747C
CHARTERED ACCOUNTANTS

For and on behalf of the Board
FOR CARBON SPECIALITIES LIMITED

(SAURABH SHUKLA)
PARTNER
MEMBERSHIP NO. 405240
PLACE : GUWAHATI
DATE : 30.05.2014

PANKAJ KAYA
Director
DIN-01279883

PRABHA AGARWAL
Director
DIN-00326278

CARBON SPECIALITIES LTD.
ASSESSMENT YEAR 2014-15
LISTINGS NOT FORMING PART OF BALANCE SHEET

Particulars		As at 31 March 2014	As at 31 March 2013
List 1	Lease Rent Deposits		
	Dynasty Properties Pvt. Ltd.	20,901,362.00	20,901,362.00
	TOTAL	20,901,362.00	20,901,362.00

Particulars		As at 31 March 2014	As at 31 March 2013
List 2.1	Creditor for Expenses		
	Rent Payable	-	6,000.00
	Tandon & Mahendra	50,562.00	75,843.00
	Listing Fees Payable	17,500.00	-
	Insurance Premium Payable	7,500,000.00	-
	Municipal Taxes Payable	1,600,000.00	-
	Publicities Advertising Services	-	-
	TOTAL	9,168,062.00	81,843.00

Particulars		As at 31 March 2014	As at 31 March 2013
List 2.2	Other Government Dues		
	Service Tax Payable	275,004.00	275,004.00
	TDS Payable	5,616.00	6,257.00
	TOTAL	280,620.00	281,261.00

Particulars		As at 31 March 2014	As at 31 March 2013
List 3	<u>Long Term Loans and Advances (Unsecured, Considered Good)</u>		
	Advances Recoverable in Cash or Kind		
	Rajendra Prasad Singla	-	-
	Shree Govardhan Unnat Krishi Beej Anusandhan Kendra	2,000,000.00	2,000,000.00
	Vivekshil Traders Pvt. Ltd.	200,000.00	200,000.00
	Share Application Money - Hotel Control Pvt. Ltd. (Pending Allotment)	12,520,000.00	12,520,000.00
	MAT Receivable (A.Y.2012-13)	1,415,723.00	1,415,723.00
	MAT Receivable (A.Y.2013-14)	1,387,896.00	-
	MAT Receivable (A.Y.2014-15)	2,147,445.00	-
	TOTAL	19,671,064.00	16,135,723.00

Particulars		As at 31 March 2014	As at 31 March 2013
List 4	Balance with Scheduled Bank in Current Accounts		
	(i) HDFC Bank	13,721,117.29	2,973,729.61
	(ii) IDBI Bank	15,292,589.00	13,142,234.00
	TOTAL	29,013,706.29	16,115,963.61

Particulars		As at 31 March 2014	As at 31 March 2013
List 5	Advance Tax & Tax Deducted at Sources		
	Advance Income-Tax	360,000.00	-
	TDS on Rent	3,107,034.32	3,107,040.00
	TDS on FDR	-	2,850.00
	(A)	3,467,034.32	3,109,890.00
	Income Tax Refund Dues		
	Refund Due A.Y. 2006-07	227,367.00	227,367.00
	Refund Due A.Y. 2009-10	230,350.00	230,350.00
	Refund Due A.Y. 2012-13	1,681,020.00	1,681,020.00
	Refund Due A.Y. 2013-14	279,540.00	-
	(B)	2,418,277.00	2,138,737.00
	TOTAL (A+B)	5,885,311.32	5,248,627.00

Particulars		As at 31 March 2014	As at 31 March 2013
List 6	Other Current Assets		
	(i) Rent Receivable		
	Juniper Networks India Pvt. Ltd. (Rent)	275,004.00	2,944,908.00
		275,004.00	2,944,908.00
	(ii) Others		
	Chir Amrit Law Chambers	15,000.00	15,000.00
	P & R Advertisers		639.00
		15,000.00	15,639.00
	TOTAL	290,004.00	2,960,547.00

Particulars		As at 31 March 2014	As at 31 March 2013
List 7	Profit on Sale of Investments		
	Long Term Capital Gain	5,593,461.86	636,650.00
	Short Term Capital Gain	-	-
	TOTAL	5,593,461.86	636,650.00

CARBON SPECIALITIES LIMITED
ANNEXURE - 3 Quantitative Details of Traded Mutual Funds
Assessment year 2014-15

Sl No.	ITEM NAME	UNIT	OPENING QUANTITY	PURCHASES	TOTAL	SALES	CLOSING STOCK
1	Axis Dynamic Bond Fund - G	Nos.	243304.267	0	243304.267	0	243304.267
2	Axis Treasury Advantage Fund - Growth-G	Nos.	0	2369.758	2369.758	0	2369.758
3	BSL Dynamic Bond Fund -G	Nos.	140317.792	0	140317.792	0	140317.792
4	Birla Medium Term Plan -Growth	Nos.	936357.904	0	936357.904	0	936357.904
5	BSL Ultra Short Term Fund - Growth- Reg	Nos.	0	25474.805	25474.805	0	25474.805
6	DSP BlackRock Income Opp. Fund Reg.-G	Nos.		134379.703	134379.703	0	134379.703
7	DSP BlackRock Money Manager Fund-Reg.-G	Nos.		3653.695	3653.695	3653.695	0
8	DSP BlackRock Dynamic Asset Allo. Fund-R-G	Nos.		625421.132	625421.132	0	625421.132
9	HDFC CMF-Treasury Adv.- Retail-Growth	Nos.		326774.668	326774.668	0	326774.668
10	IDFC MMF Treasury Plan -G	Nos.	920753.084	0	920753.084	0	920753.084
11	IDFC Imperial Equity Fund -G	Nos.	164607.644	0	164607.644	0	164607.644
12	IDFC Premier Equity Fund -G	Nos.	274637.317	0	274637.317	0	274637.317
13	IDFC Sterling Equity Fund -G	Nos.	163509.233	0	163509.233	0	163509.233
14	IDFC SSIF - Short Term - G	Nos.	813208.476	0	813208.476	0	813208.476
15	Kotak Income Opportunity Fund - G	Nos.	419167.701	0	419167.701	0	419167.701
16	Reliance Dynamic Bond Fund -G	Nos.	189779.249	0	189779.249	0	189779.249
17	Reliance Money Manager Fund Growth-G	Nos.	0	8806.375	8806.375	0	8806.375
18	SBI -SHF Ultra Short Term Plan -G	Nos.	2033.725	0	2033.725	0	2033.725
19	SBI Dynamic Bond Fund -Reg.-Growth	Nos.	0	337778.498	337778.498	0	337778.498
20	Templeton India Income Opp. -G	Nos.	221090.24	0	221090.24	0	221090.24
21	FT India Corporate Bond Opportunities Fund Growth	Nos.	576490.725	0	576490.725	0	576490.725
22	Templeton India Short term Plan -G	Nos.	6570.353	0	6570.353	0	6570.353
23	Templeton India Income Builder Account Plan A - Growth	Nos.	0	125764.016	125764.016	0	125764.016
24	UTI Opportunities Fund -Growth	Nos.	294267.766	0	294267.766	0	294267.766
25	UTI Fixed Term Income Fund -Series XII-I (368 Days) - Growth plan	Nos.	500000	0	500000	500000	0
			5866095.476	1590422.650	7456518.126	503653.695	6952864.431

CARBON SPECIALITIES LTD. PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT Cash Flow Statement For the Year Ended on 31st March, 2014		
Particulars	Amount (Rs.) Current Year	Amount (Rs.) Previous Year
A Cash Flow from Operating Activities		
Net Profit Before Tax	18,031,275.57	14,146,276.90
Adjustments For:		
Depreciation	-	-
Interest or Dividend Income	-	(28,493.00)
(Profit)/Loss on sale of investment	(5,593,461.86)	(636,650.00)
Operating Profit before Working Capital Changes	12,437,813.71	13,481,133.90
Adjustments For:		
(Increase)/Decrease in Inventories	(43,415,619.57)	(11,773,868.84)
(Increase)/Decrease in Loans & Advances	(2,024,580.32)	11,589,472.70
(Increase)/Decrease in Other Current Assets	2,670,543.00	(639.00)
Increase/ (Decrease) in Other Current Liabilities	9,085,578.00	(584,557.00)
Cash Generated from Operations	(21,246,265.18)	12,711,561.76
Adjustments For:		
Tax Paid (net of MAT Credit)	(1,442,454.00)	(4,699,371.00)
Net Cash From Operating Activities (A)	(22,688,719.18)	8,012,130.76
B Cash Flow From Investing Activities		
Sale/(Purchase) of Investments	30,000,000.00	5,000,000.00
Sale/(Purchase) of Investments	-	(7,500,000.00)
Profit/(Loss) on Sale of Investments	5,593,461.86	636,650.00
Interest Received	-	28,493.00
Dividend Received	-	-
Net Cash From Investing Activities (B)	35,593,461.86	(1,834,857.00)
C Cash Flow From Financing Activities		
Proceeds from issuance of share capital	-	-
Proceeds from long term borrowings	-	-
Issue Expenses	-	-
Net Cash used in Financing Activities (C)		
Net Increase in Cash & Cash Equivalents (A+B+C)	12,904,742.68	6,177,273.76
Cash & Cash Equivalents at the beginning of the year	16,345,870.93	10,168,597.17
Cash & Cash Equivalents at the end of the year	29,250,613.61	16,345,870.93
Notes:(1) Figures in Brackets represents outflows.		

FOR CARBON SPECIALITIES LIMITED

PLACE: GUWAHATI

DATE : 29.05.2014

PANKAJ KAYA
(Director)
DIN-01279883

PRABHA AGARWAL
(Director)
DIN-00326278

Auditor's Certificate

To,
The Board of Directors,
Carbon Specialities Limited

We have examined the above Cash Flow Statement of M/s. **Carbon Specialities Limited** for the financial year ended on 31st March, 2014. The statement has been prepared by the company in accordance with the requirement of clause 32 of listing agreement entered into with stock exchanges and is based on and in agreement with the corresponding Profit & Loss A/c. and Balance Sheet of the company covered by our Audit Report to the members of the company.

Place: Kanpur
Date: 30.05.2014

For Tandon & Mahendra
Chartered Accountants

Saurabh Shukla
(Partner)
Memb.No.405240

CARBON SPECIALITIES LTD.**A.Y. 2014-15****ANNEXURE 1**

Calculation of Expenses disallowed u/s 14A of the Income Tax Act 1961 as per Rule 8D

Sl. No.	Particulars	Amount (Rs.)
1	Direct expense relating to Exempt I	-
2	Interest on borrowed funds	-
3	1/2% of Average value of Investme	25,000.00
Total		25,000.00

Working Note:

Calculation of Average Value of Investment on which exempt income has been ear

Opening Value of Investment	7,500,000.00
Closing Value of Investment	2,500,000.00
Total	10,000,000.00

Average Value of Investment	5,000,000.00
Amount to be disallowed (i.e. 1/2 % of Average Value)	25,000.00