

CARBON
SPECIALITIES
LIMITED

ANNUAL REPORT
2014-2015

CORPORATE INFORMATION

REGISTERED OFFICE:
Dosi Bhawan, Paltan Bazar,
Guwahati, Assam – 781001

❖ BOARD OF DIRECTORS

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

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, 2015, Wednesday at 11:00 A.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, 2015 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 139 of the Companies Act 2013 and the Rules made thereunder, 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.

Resolved Further That the Board of Directors be and is hereby authorized in consultation with the Company's Auditors to appoint Auditor of the Company, to audit the accounts of the Company's on such terms and conditions including remuneration as the Board of Directors may deem fit."

3. To re-appoint a Director in place of Mr. Ravindra Pratap Sing, who retires by rotation and, being eligible, has offered himself for re-appointment.

SPECIAL BUSINESS:-

Regularization of Director

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Alok Kumar Diwan, who was appointed as an Additional Director (Independent) of the Company by the Board of Directors, is liable to retire at this meeting who holds office under the provisions of the Companies Act, 2013 upto the date of ensuing General meeting and pursuant to the provisions of the Companies Act, 2013 read with Articles of Association of Company the Company has received consent in writing proposing his candidature for the office of a Director, be and is hereby appointed as a Independent Director of the Company."

"RESOLVED THAT Mr. Ravi Kumar, who was appointed as an Additional Director (Independent) of the Company by the Board of Directors, is liable to retire at this meeting who holds office under the provisions of the Companies Act, 2013 upto the date of ensuing General meeting and pursuant to the provisions of the Companies Act, 2013 read with Articles of Association of Company the Company has received consent in writing proposing his candidature for the office of a Director, be and is hereby appointed as a Independent Director of the Company."

"RESOLVED FURTHER THAT Mr. Pankaj Kaya, Director of the company be and hereby authorized by the Company to ensure his eligibility and to do all such needful in this regard."

By the order of Board
For CARBON SPECIALITIES LIMITED

(PANKAJ KAYA)
Director
DIN: 01279883

Dated this 30th May 2015 at Kanpur

NOTES:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE INSTRUMENT APPOINTING A PROXY DULY COMPLETED AND SIGNED SHALL HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING.
3. EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IS ANNEXED.
4. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM WEDNESDAY, 23 SEPTEMBER, 2015 TO WEDNESDAY, 30 SEPTEMBER, 2015 (BOTH DAYS INCLUSIVE).

Explanatory Statement
(Pursuant to Section 102 of the Companies Act, 2013)

Regularization of Additional director:

Pursuant to item no. 4

Mr. Alok Kumar Diwan was co-opted as Additional Directors (Independent) of the Company with effect from 31st July 2015 pursuant to the provision of the Companies Act, 2013 and hold office upto the date of ensuing General Meeting. The Company has received notices in writing from the member along with required deposit, proposing the candidatures of Mr. Alok Kumar Diwan for the office of Directors (Independent) under the provisions of the Companies Act, 2013 read with Articles of Association of Company."

Mr. Ravi Kumar was co-opted as Additional Directors (Independent) of the Company with effect from 22nd May 2014 pursuant to the provision of the Companies Act, 2013 and hold office upto the date of ensuing General Meeting. The Company has received notices in writing from the member along with required deposit, proposing the candidatures of Mr. Ravi Kumar for the office of Directors (Independent) under the provisions of the Companies Act, 2013 read with Articles of Association of Company."

Your Directors recommend the resolution as set out in Items No 4 and of the notice for your approval.

By the order of Board
For CARBON SPECIALITIES LIMITED

(PANKAJ KAYA)
Director
DIN: 01279883

Dated this 30th May 2015 at Kanpur

Directors' Report - 2014-2015

To,
The Members,
CARBON SPECIALITIES LIMITED
Guwahati

Your Directors have pleasure in presenting the Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2015.

➤ FINANCIAL PERFORMANCE

(Rs. in Thousand)

	2014-15	2013-14
Profit before Interest, Tax and Depreciation	12337.056	18031.275
Less: Interest	0	0
Less: Depreciation	0	0
Profit before Tax	12337.056	18031.275
Less: Provision for tax	669.134	91.359
Profit/ (Loss) after Tax	11667.922	17939.916

➤ ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure I** and is attached to this Report.

➤ NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Board of Director had met 9 times during the financial year under review.

➤ DIRECTORS

During the financial year 2014-15, Mr. Ravi Kumar Appointed as Additional Director (Independent) on 22/05/2014 and Mr. Ravi Prakash Rawat Appointed as Additional Director on 30/09/2014

None of the Directors is disqualified as on 31st March, 2015 from being appointed as director in pursuance of Section 165 of the Companies Act, 2013.

➤ DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the Section 134 (5) of the Companies Act, 2013, the boards hereby submit its responsibility statement:

- a. In the preparation of the Annual Accounts for the financial year ended 31/03/2015, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b. The Directors had selected the accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the Profit & Loss of the company for the year ended 31st March, 2015;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- d. The Directors had prepared the annual accounts for the year ended 31st March, 2015 on a going concern basis.
- e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

➤ **DECLARATION OF INDEPENDENT DIRECTORS**

The provisions of Section 149 pertaining to the appointment of Independent Directors apply to our Company.

➤ **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee is applicable to the Company and hence the Company has devised policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

➤ **EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS.**

There was no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

➤ **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013.**

There was no Inter Corporate Loan and advances made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

➤ **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

➤ **AFFAIRS OF THE COMPANY**

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.

➤ **CHANGE IN THE NATURE OF BUSINESS**

There was no change in nature of business during the year.

➤ **AMOUNT TRANSFER TO ANY RESERVE**

Amount of Rs 262,221,357.90 proposed to be carried on reserve during this financial year.

➤ **DIVIDEND**

No Dividend was declared for the current financial year due to loss incurred by the Company.

➤ **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

➤ **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report.

➤ **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as required under section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 with regard to conservation of energy, technology absorption, foreign exchange earnings and outgoing are **Nil** during the year under review. There were no foreign exchange earnings or outgo during the year under review.

➤ **STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company does not have any Risk Management Policy as the element of risk threatening the Company's existence is very minimal.

➤ **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

➤ **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.

➤ **FIXED DEPOSITS**

The Company has not accepted or invited any Fixed Deposits from the Public as envisaged under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules 2014.

➤ **PARTICULARS OF EMPLOYEES:**

The Company does not have any employees who were in receipt of remuneration aggregating to the sum prescribed under Section 134 of the Companies Act, 2013.

➤ **STATEMENT UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

➤ **INDUSTRIAL RELATIONS**

The Industrial Relations have remained cordial and harmonious during the year.

➤ **ACKNOWLEDGEMENTS**

Your directors place on record their sincere appreciation of the Company to the Bankers for their continued support, to the officers, staff and workers of the Company for their relentless and dedicated efforts and devotion put in by them in tough such time of the Company and look forward for a bright future.

By the order of Board
For CARBON SPECIALITIES LIMITED

(PRABHA KAYA)
Director
DIN: 00326278

(PANKAJ KAYA)
Director
DIN: 01279883

Dated this 30th May 2015 at Kanpur

ANEXXURE I:

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31/03/2015**

Of

CARBON SPECIALITIES LIMITED

[Pursuant to Section 92(3) *of the Companies Act, 2013*
And

Rule 12(1) of the Companies (Mgt. and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN:	L65929AS1985PLC002427
Registration Date [DDMMYY]	26/08/1985
Company Name	CARBON SPECIALITIES LIMITED
Category of the Company	Public Company
Address	DOSI BHAWAN, PALTAN BAZAR GUWAHATI Assam
Whether Listed Company	YES
Name , Address and contact details of Registrar and Transfer agent if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Activities auxiliary to financial service activities n.e.c.	6619	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]]

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% OF SHARE HELD	APPLICABLE SECTION
		N/A			

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	De ma t	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	4706780	4706780	84.70	0	4706780	4706780	84.70	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total shareholding of Promoter (A) (1)	0	4706780	4706780	84.70	0	4706780	4706780	84.70	0
(2) Foreign									
a) NRIs Individual	0	0	0	0	0	0	0	0	0
b) Others-Individual	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any others...	0	0	0	0	0	0	0	0	0
Sub Total shareholding of Promoter (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	4706780	4706780	84.70	0	4706780	4706780	84.70	0

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify) HUF	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	603000	603000	10.85	0	603000	603000	10.85	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	247520	247520	4.45	0	247520	247520	4.45	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0

Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	850520	850520	15.3	0	850520	850520	15.3	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	850520	850520	15.3	0	850520	850520	15.3	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	5557300	5557300	100	0	5557300	5557300	100	0

ii) Shareholding of Promoter-

Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Pankaj Kaya	2155040	38.78	NA	2155040	38.78	NIL	NIL
2	Kishore Kumar Kaya	2551740	45.92	NA	2551740	45.92	NIL	NIL

iii) Change in Promoters' Shareholding (please specify, if there is no change): No Change in Shareholding Pattern

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4706780	84.70	4706780	84.70
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the end of the year	4706780	84.70	4706780	84.70

**iv) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	850520	15.3	850520	15.3
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change		No Change	
	At the end of the year	850520	15.3	850520	15.3

v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ALOK KUMAR DIWAN	0	0	0	0
2	RAVI KUMAR	0	0	0	0
3	RAVINDRA PRATAP SINGH	0	0	0	0
4	PANKAJ KAYA	2155040	38.78	2155040	38.78
5	PRABHA KAYA	0	0	0	0

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	25556375.32	0	25556375.32
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	25556375.32	0	25556375.32
Change in Indebtedness during the financial year				
* Addition	0	2474474.82	0	2474474.82
* Reduction	0	0	0	0
Net Change	0	2474474.82	0	2474474.82
Indebtedness at the end of the financial year				
i) Principal Amount	0	28030850.14	0	28030850.14
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	28030850.14	0	28030850.14

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		----	----	----	---	
1	Gross salary	N/A				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify...					
5	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		----	----	----	---	
1	Independent Directors	N/A				
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					

	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	N/A	N/A	N/A	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	Others, specify...				
5	Others, please specify				
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment		NIL			
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

By the order of Board
For CARBON SPECIALITIES LIMITED

(PRABHA KAYA)
Director
DIN: 00326278

(PANKAJ KAYA)
Director
DIN: 01279883

Dated this 30th May 2015 at Kanpur

ANEXXURE II:

FORM NO. MR-3

Secretarial Audit Report **(For the year 2014-2015)**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Carbon Specialities Limited
Dosi Bhawan, Paltan Bazar,
Guwahati,
Assam- 781001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Carbon Specialties Limited. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by Carbon Specialties Limited (“**The Company**”) for the period ended on 31st March 2015 according to the provisions of:
 - I. the Companies Act, 2013 (**the Act**) and the Rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 (**‘SCRA’**) and the Rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**‘SEBI Act’**) to the extent applicable to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- g. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited; and
- h. The Memorandum and Articles of Association.

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, and Listing Agreements etc mentioned above.

2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
 - a) maintenance of various statutory registers and documents and making necessary entries therein;
 - b) closure of the Register of Members.
 - c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - e) notice of Board meetings and Committee meetings of Directors;
 - f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
 - g) the 66th Annual General Meeting held on 27th June 2014;

- h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
 - j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
 - k) payment of remuneration to Directors including the Managing Director and Whole-time Directors,
 - l) appointment and remuneration of Auditors and Cost Auditors;
 - m) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
 - n) declaration and payment of dividends;
 - o) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
 - p) borrowings and registration, modification and satisfaction of charges wherever applicable;
 - q) investment of the Company's funds including investments and loans to others;
 - r) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
 - s) Directors' report;
 - t) contracts, common seal, registered office and publication of name of the Company; and
 - u) Generally, all other applicable provisions of the Act and the Rules made under the Act.
3. I further report that:

_ The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

_ Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

_ Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

_ The Company has obtained all necessary approvals under the various provisions of the Act; and

_ There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

_ The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.

5. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

6. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

7. I further report that:

- a. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited;
- b. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- c. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

8. I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Lucknow
Date: 30th September 2015

CS RITIKA SRIVASTAVA
CP.NO: 14572
MEMBERSHIP NO- 31329

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 organisation 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.

The philosophy of Corporate Governance is a principle based approach as codified in Clause 49(I) of the Listing Agreement, encompassing the fundamentals of rights and roles of various stakeholders of the Company, disclosure, transparency and board responsibility.

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 endeavours 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.

COMPOSITION OF BOARD OF DIRECTORS

The Company has optimum combination of Executive, Non-executive Directors and Independent Directors in conformity with Clause 49 of the Listing Agreement.

The Board comprises of 4 (Four) Directors, as on March 31, 2015.

As per the declarations received by the Company from each of the Directors, none of them are disqualified under Section 164(2) of the Companies Act, 2013.

The Independent Directors of the Company are in compliance with the provisions of Clause 49(II)(B)(2). Further, disclosures have been made by the Directors regarding their Chairmanships/ Memberships of the mandatory Committees of the Board and that the same are within the maximum permissible limit as stipulated under Clause 49(II)(D)(2) of the Listing Agreement.

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.

Title (Mr./ Ms.)	Name of Director	PAN / DIN	Category	Date of Appointm ent	T en ur e(i n yr s)	No. of Directors hip in Listed entity	No. of membership in Audit/Stakeho lder Relationship Committee	No. of Chairmansh ip in audit/ Stakeholder Relationshi p Committee
Mrs	Prabha Kaya	00326278	Director	01/04/2010	6	6	Yes	Three
Mr.	Ravindra Pratap Singh	00326358	Director	29/08/2001	15	1	Yes	Nil
Mr.	Pankaj Kaya	01279883	Director	01/04/2010	6	1	Yes	Nil
Mr.	Alok Kumar Diwan	03504296	Independent Director	31/07/2015	0. 5	1	Yes	Nil
Mr.	Ravi Kumar	06878278	Independent Director	22/05/2014	2	1	Yes	Nil

BOARD MEETING

9 (Nine) Meetings of the Board of Directors were held during the year:

- (i) 5th May 2014
- (ii) 22^{ns} May 2014
- (iii) 30th May 2014
- (iv) 30th July 2014
- (v) 04th September 2014
- (vi) 30th September 2014
- (vii) 30th December 2014
- (viii) 3rd February 2015
- (ix) 11th February 2015

Agenda papers were circulated to the Directors in advance for each meeting. All relevant information as required under Clause 49 of the Stock Exchange Listing Agreement was placed before the Board from time to time.

COMMITTEES

As mandated by Clause 49 of the Listing Agreement, the Company has constituted an Audit Committee, a Nomination and Remuneration Committee. The functioning of each of these Committees is regulated by the specific terms of reference, roles and responsibilities and powers detailed in their respective Charters.

The Minutes of the meetings of all these Committees were placed before the Board for discussions/noting. None of the Directors is a member of more than ten committees or Chairman of more than five committees across all companies in which they are Directors.

AUDIT COMMITTEE

The Audit Committee comprises of 2 (Two) Non-Executive Directors, 2(Two) Non-Executive Independent Director having expertise in the field of Financial Management. Mrs. Prabha Kaya was elected as Chairperson of committee by the members.

4 (Four) meetings of the Audit Committee were held during the year:

- i. 30/06/2014
- ii. 29/09/2014
- iii. 31/12/2014
- iv. 31/03/2015

COMPOSITION

The Audit Committee consists of following members as under:

S.No.	Name	Category	Position
1.	Prabha Kaya	Director	Chairperson
2.	Ravindra Pratap Singh	Director	Member
3.	Pankaj Kaya	Director	Member
4.	Ravi Kumar	Director	Member

Terms of reference: The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors, the performance of internal auditors and the Company's risk management policies. The terms of reference of Audit Committee cover the areas mentioned under Clause 49 of the Listing Agreement as well as Section 177 of the Companies Act, 2013.

The Audit Committee will also be responsible for holding discussions 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 whereas 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.

NOMINATION AND REMUNERATION COMMITTEE

Terms of reference:

The Board has framed Nomination and Remuneration policy, which is generally in line with the existing industry practice and applicable laws. The object of formulating Nomination and Remuneration Committee is as follows:

- To formulate the criteria for determining the qualifications, positive attributes and independence of Directors and recommend to the Board their a policy related to appointment;
- To review and approve the Executive Directors' remuneration on behalf of the Board, subject to the approval of the Shareholders, as follows:

- Elements of the remuneration package that is salary, perquisites, retirement benefits, separation compensation and the structure of the remuneration package viz. the proportion of fixed and variable component;
 - Changes in the remuneration package, terms of appointment, notice period, severance fees, recruitment, retention and termination policies and procedures;
 - Key performance indicators, the actual performance vis-à-vis the key performance indicators and amount of the annual performance linked incentive;
- To recommend to the Board a policy, relating to the remuneration of the Executive Directors, Key Managerial personnel and other employees;
- To formulate the criteria for evaluation of Independent Directors and the Board.

Composition:

The Nomination and Remuneration Committee consists of following members as under:

S.No.	Name	Category	Position
1.	Prabha Kaya	Director	Chairperson
2.	Ravindra Pratap Singh	Director	Member
3.	Pankaj Kaya	Director	Member
4.	Ravi Kumar	Director	Member

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.

Remuneration Policy for Board Members, Key Managerial Personnel and other Employees:

A. Objective

Nomination and Remuneration Committee of the Board shall recommend this Policy to the Board, relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The objective of this policy is to ensure that:

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors,
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. Remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

B. Remuneration to Executive Directors

The Remuneration to be paid to Executive Directors shall be governed as per provisions of the Companies Act, 2013 and Rules made there under. The same shall be determined by the Committee and recommended to Board for approval.

1. Remuneration structure of the Executive Directors shall include following components:
 - a. Fixed Pay
 - b. Perquisites and allowances
 - c. Commission
2. The Committee may recommend an increase in existing remuneration structure to the Board, within the limits as approved by shareholders.
3. Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are Inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Act.

C. Remuneration to Non-Executive/Independent Directors

The Remuneration to be paid to Non-Executive/Independent Directors shall be governed as per provisions of the Companies Act, 2013 and Rules made there under. The same shall be determined by the Committee and recommended to Board for approval.

1. Commission-based payment

Non-Executive/Independent Directors of the Company may be paid an amount not exceeding one percent of the net profits of the Company in terms of provisions of the Companies Act, 2013 and Rules made thereunder as amended from time to time, and as approved by the shareholders.

2. Sitting fee

Non-Executive/Independent Directors of the Company shall be paid a sitting fee for attending the Board as well as the Committee meetings as per the Companies Act, 2013 and Rules made thereunder as amended from time to time.

3. Employee Stock Options (ESOP)

An Independent Director shall not be entitled to any stock option of the Company.

4. Pension

The Board of Directors of the Company are not covered by any pension scheme or any defined benefit pension scheme.

5. Reimbursement of expenses

The Company shall reimburse the Directors all traveling, hotel, and other incidental expenses properly and reasonably incurred by them in the performance of duties as per provisions of the Companies Act, 2013 in conjunction with the Company rules and policies.

D. Remuneration of Key Managerial Personnel (KMP) and Senior Management Personnel

Remuneration of KMP's (excluding the Managing Director and Executive Director, which is already covered above) and senior management personnel shall be reviewed /decided on an annual basis, or earlier if deemed necessary, by the Nomination and Remuneration Committee.

The Remuneration shall consist of the following components:

- Fixed remuneration
- Variable pay
- Incentives if any
- Employee Stock Options (ESOP)
- Reimbursement of expenses

Policy Review

This Policy is purely at the discretion of the Nomination and Remuneration Committee and it reserves its right to recommend modifications in this Policy to the Board, as per applicable laws and regulations, at any time without assigning any reason whatsoever.

GENERAL BODY MEETINGS

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

<i>Date of AGM</i>	<i>Time</i>	<i>Venue</i>	<i>Special Resolution passed, if any</i>
30th September, 2014	10.30 AM	Dosi Bhawan, Paltan Bazar, Guwahati, Assam-781001	None
30th September, 2013	11 AM	Dosi Bhawan, Paltan Bazar, Guwahati, Assam-781001	None
29th September, 2012	11 AM	Dosi Bhawan, Paltan Bazar, Guwahati, Assam-781001	None

No resolution has been passed through postal ballot.

DISCLOSURES

Disclosures on materially significant related party transactions i.e., transactions of the company of material nature, with its promoter, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large:

All transactions with related parties were in the ordinary course of business. The company has not entered into any transaction of a material nature with any of the related parties which are in conflict with the interest of the company.

Compliance with Accounting Standards

In the preparation of financial statements there is no deviation from the prescribed Accounting Standards.

Compliance Certificate from the auditors

Certificate from the auditors of the company confirming compliance with the mandatory requirements under clause 49 of the listing agreement is annexed to this report. This certificate has also been forwarded to the Stock Exchanges where the shares of company are listed.

Adoption of non - mandatory requirements under clause 49 and as applicable under Companies Act, 2013

The company complies with the following non-mandatory requirements under clause 49 with reference to Companies Act, 2013 relating to Audit Committee.

(a) Nomination and Remuneration Committee

The Board has constituted a remuneration committee. The nomination and remuneration committee recommends/reviews remuneration of the Directors.

(b) Vigil Mechanism/Whistle blower policy

The company has put in place a mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons.

The reports received from any employee will be reviewed by the committee. It is affirmed that no person has been denied access to the audit committee in this respect.

The Directors and senior management are to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice.

(c) Risk Management

Your Company has a comprehensive risk management policy. Your Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls the risks through properly defined framework.

The Audit Committee, has been designated by the Board for reviewing the adequacy of the risk management framework of the Company, the key risks associated with the businesses of the Company and the measures are taken in place to minimize the same and thereafter the details are presented to and discussed at the Board meeting.

Code of Conduct for Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading as well as a Code of Corporate Disclosure Practices (Code), as prescribed by the SEBI Regulations in this regard. The Compliance Officer is responsible for monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, pre-clearance of trades, monitoring of trades and implementation of the Code for trading in Company's securities, under the overall supervision of the Board. All Directors and employees, who could be privy to the Unpublished Price Sensitive Information of the Company, are governed by this Code.

Code of Conduct for Board of Directors

The Board is responsible for ensuring that rules are in place to avoid conflicts of interest by members of the Board. The Company has adopted a code of conduct for members of the Board and senior management personnel as required under clause 49 of the listing agreement. All the members of the Board and senior management personnel have affirmed their compliance with the code.

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**.

GENERAL SHAREHOLDERS' INFORMATION

(i) Annual General Meeting to be held:

Day: Wednesday

Date: 30th September, 2015

Time: 11:00 A.M.

Venue: Dosi Bhawan, Paltan Bazar, Guwahati, Assam- 781001

ii) Financial Year: 1st April, 2014 to 31st March, 2015

(iii) Dates of Book Closure: 23rd September, 2015 to 30th September, 2015 (both days inclusive)

STOCK EXCHANGES ON WHICH THE COMPANY'S SHARES ARE LISTED

The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata -700001

SHARE PRICE DATA

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

SHARE TRANSFER SYSTEM

M/s. ABS Consultant Private Limited 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	Total number of shares	Percentage of total number shareholding
1	Promoter and Promoter Group	4706780	84.70
2	Bodies Corporate	603000	10.85
3	Individuals	247520	4.45
	TOTAL	5557300	100

ADDRESS FOR CORRESPONDENCE

Company Office: Dosi Bhawan, Paltan Bazar,
Guwahati, Assam- 781001
Email: carbonspecialitieslimited@gmail.com

Registrar & Transfer Agent: 4 B B D BAG (East),
Stephen House, R.NO.99, 6th Floor,
Kolkata, West Bengal

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,

We have examined the compliance of conditions of Corporate Governance of Carbon Specialities Limited for the year ended March 31, 2015 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.

For **TANDON & MAHENDRA**
Chartered Accountants

Saurabh Shukla
(Partner)
M. No. 405240
14/75, Civil Lines,
Kanpur
Place: Kanpur
Date: 30/05/2015

DECLARATION TO CODE OF CONDUCT

To,

The Members,
Carbon Specialities Limited,

Declaration by Managing Director of the Company on 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”.

Place: Guwahati
Date : 30/05/2015

Pankaj Kaya
(Director)

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, 2015, 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

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

Auditor’s Responsibility

Our responsibility is to express an opinion on these stand alone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) we have 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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.

- f) We report as under 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 litigation which would impact its financial position.
 - ii) The company did not have any long term contracts including derivatives contract for which there were any material foreseeable losses.
 - iii) There were no amounts which required to be transferred by the company to the investor education and protection fund

For Tandon & Mahendra
Chartered Accountants
FRN: 003747C

SAURABH SHUKLA
(Partner)
M. No. 405240
Place: Kanpur
Date : 30.05.2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Referred to in Paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of our Report of even date]

(i) In respect of its fixed assets:

The company does not have any fixed assets therefore clause (i) (a) and (i) (b) of the Companies (Auditors Report) Order, 2015 are not applicable to the Company.

(ii) In respect of its inventories:

- (a) As explained to us the company is dealing in Mutual Funds which has been verified by the management from time to time
 - (b) In our opinion the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and on the basis of our examination of the records, the company is maintaining proper records of inventory and no material discrepancies were noticed on the verification between the physical stocks and the book records.
- (iii) The company granted loan to parties covered in the register maintained under section 189 of the Companies Act 2013.
- (a) The party is repaying the loan as stipulated but as the loan has been given on interest free basis therefore there is no question of repayment of interest.
 - (b) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) 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.
- (v) 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 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under during the year under report.
- (vi) The Central Government has not prescribed the maintenance of cost records in respect of the Company under section 148 (1) of the Companies Act

(vii) **In respect of Statutory dues:**

- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it. No such dues were in arrears, as at 31.03.2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues outstanding against the company owing to any dispute with respect to income tax, wealth tax, sales tax, custom duty, excise duty and Cess. However, details of dues of service tax which has not been paid till 31.03.2015, owing to a dispute is given below:

Statue	Nature of dues	Forum where matter pending	Period to which the matter pertains	Amount involved (Rs.)
Finance Act, 1994	Service Tax	Commissioner of Central Excise (Appeals), Guwahati	June, 2009 to March, 2010	2,75,004.00

- (c) No amount is required to be transferred to investor education fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under
- (viii) 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.
- (ix) 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.
- (x) 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.
- (xi) In our opinion and as per the records of the company, the company has not taken any term loans.

- (xii) 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.

**For TANDON & MAHENDRA
CHARTERED ACCOUNTANTS
FRN: 003747C**

**(SAURABH SHUKLA)
Partners
M No. 405240**

**Date : 30.05.2015
Place : Kanpur**

CARBON SPECIALITIES LTD.

CTN-L65929AS1985PLC002427

BALANCE SHEET AS AT 31st MARCH, 2015

PARTICULARS	NOTE	AMOUNT (in Rs.)	
		As at 31-March	As at 31-March 2014
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	262,221,357.90	250,553,435.22
(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	408,936.00	9,448,682.00
(b) Short Term Provisions	6	2,468,368.00	3,626,700.00
TOTAL		341,573,023.90	340,103,179.22
II. ASSETS			
(1) Non-current Assets			
(a) Non-current Investments	7	148,756,837.00	131,256,837.00
(b) Long Term Loans and Advances	8	21,476,120.00	19,671,064.00
(2) Current Assets			
(a) Inventories	9	153,749,349.29	153,749,349.29
(b) Cash and Cash Equivalents	10	10,745,983.47	29,250,613.61
(c) Short Term Loans and Advances	11	6,554,730.14	5,885,311.32
(d) Other Current Assets	12	290,004.00	290,004.00
TOTAL		341,573,023.90	340,103,179.22
Significant Accounting Policies	1	-	-
Notes are an integral part of the financial statements.	2-32		
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 : KANPUR DATE : 30.05.2015		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, 2015

PARTICULARS	NOTE	AMOUNT (in Rs.)	
		Year Ended 31-March 2015	Year Ended March 2014
I REVENUE :			
Revenue From Operations	13	31,764,531.00	42,814,501.32
Other Income	14	-	5,593,461.86
Total Revenue		31,764,531.00	48,407,963.18
II EXPENSES :			
Purchases of Stock-in-trade	15	-	54,347,604.85
(Increase)/Decrease in Inventory of Stock-in-trade	16	-	(43,415,619.57)
Employee Benefit Expenses	17	17,576,160.00	17,574,625.00
Other Expenses	18	1,851,314.32	1,870,077.33
Total Expenses		19,427,474.32	30,376,687.61
III PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		12,337,056.68	18,031,275.57
(There is no discontinuing operation)			
Less : Tax Expenses :			
1) Current Tax		2,468,368.00	3,626,700.00
Less: MAT Credit Entitlement		1,805,056.00	3,535,341.00
Net Current Tax		663,312.00	91,359.00
2) Income Tax (Earlier Years)		5,822.00	-
IV PROFIT FOR THE YEAR		11,667,922.68	17,939,916.57
V BASIC & DILUTED EARNING PER SHARE (in Rs.)	22		
(a) Basic		2.10	3.23
(b) Diluted		2.10	3.23
Significant Accounting Policies	1		
Notes are an integral part of the financial statements.	2-32		
AS PER OUR REPORT OF EVEN DATE ATTACHED			
For TANDON & MAHENDRA Firm Regn NO. 003747C CHARTERED ACCOUNTANTS (Saurabh Shukla) PARTNER MEMBERSHIP NO. 405240 PLACE : KANPUR DATE : 30.05.2015		For and on behalf of the Board FOR CARBON SPECIALITIES LIMITED PANKAJ KAYA PRABHA AGARWAL Director Director DIN-01279883 DIN-00326278	

CARBON SPECIALITIES LTD.

1.7	<p><u>PROVISIONS AND CONTINGENCIES :</u></p> <p>The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resource estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a pre that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which outflow of resources is remote, no provision or disclosure is made.</p>
1.8	<p><u>EARNINGS PER SHARE :</u></p> <p>The Basic and Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year by weighted average number of equity sl during the year from time to time.</p>
1.9	<p><u>BORROWING COST :</u></p> <p>Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that need substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the ass substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings p expenditure on qualifying asset is deducted from their borrowing cost eligible for capitalisation.</p>
1.10	<p><u>CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT):</u></p> <p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturi or less from the date of acquisition), highly liquid investments that are readily convertible into known amount of cash and which a insignificant risk of changes in value.</p>
1.11	<p><u>CASH FLOW STATEMENT:</u></p> <p>Cash flow are reported using indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of non-cash nature and any deferral or accruals of past or future cash receipts or payments. The cash flows from operating, invest activities of the company are segregated based on the available information.</p>
1.12	<p>The policies specifically mentioned above are in agreement with the accounting standards issued by the Institute of Chartered Accountants of India</p>

CARBON SPECIALITIES LTD.

(Amount in Rs.)

Particulars		As at 31 March 2015	As at 31 March 2014
Note:2	<u>SHARE CAPITAL</u>		
	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	As at 31-March 2015		As at 31-March 2014
	at the beginning and at the end of reporting period	Number of shares	Amount	Number of shares
			(in Rs.)	
	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% shares	As at 31-March 2015		As at 31-March 2014
	Class of shares/Name of shareholders	Number of shares held	holding %	Number of shares held
	Equity Share of Rs.10/- each fully paid up:-			
	a)Pankaj Kaya	2,155,040	38.78%	2,155,040
	b)Kishore Kumar Kaya	2,551,740	45.92%	2,551,740

CARBON SPECIALITIES LTD.

(Amount in Rs.)

Particulars		As at 31 March 2015	As at 31 March 2014
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	197,455,435.22	179,515,518.65
	Add-Profit for the year	11,667,922.68	17,939,916.57
		209,123,357.90	197,455,435.22
	Less: Appropriations	-	-
	Closing balance (B)	209,123,357.90	197,455,435.22
	TOTAL (A+B)	262,221,357.90	250,553,435.22

Particulars		As at 31 March 2015	As at 31 March 2014
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

Particulars		As at 31 March 2015	As at 31 March 2014
Note:5	Other Current Liabilities		
	Other Payables		
	Creditors for Expenses	127,862.00	9,168,062.00
	Government Dues Payables	281,074.00	280,620.00
	TOTAL	408,936.00	9,448,682.00

Particulars		As at 31 March 2015	As at 31 March 2014
Note:6	Short Term Provisions		
	Provision for Current Tax	2,468,368.00	3,626,700.00
	TOTAL	2,468,368.00	3,626,700.00

Particulars		As at 31 March 2015	As at 31 March 2014
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 adjt	21,476,120.00	19,671,064.00
	TOTAL	21,476,120.00	19,671,064.00

Particulars		As at 31 March 2015	As at 31 March 2014
Note:9	Inventories - (At cost, as certified by the management)		
	Trading Items - Mutual Funds	153,749,349.29	153,749,349.29
	TOTAL	153,749,349.29	153,749,349.29

Particulars		As at 31 March 2015	As at 31 March 2014
Note:10	Cash & Cash Equivalent		
	Cash & Bank Balances:		
	(a) Cash in hand	604,272.32	236,907.32
	(b) Balances with Scheduled Banks in Current Accounts	10,141,711.15	29,013,706.29
	TOTAL	10,745,983.47	29,250,613.61

CARBON SPECIALITIES LTD.

(Amount in Rs.)

Particulars		As at 31 March 2015	As at 31 March 2014
Note:11	Short Term Loans and Advances (Unsecured, Considered Good)		
	Other Loans and Advances		
	Advance Tax & Tax Deducted at Sources	4,136,453.14	3,467,034.32
	Income Tax Refunds Due	2,418,277.00	2,418,277.00
	TOTAL	6,554,730.14	5,885,311.32

Particulars		As at 31 March 2015	As at 31 March 2014
Note:12	Other Current Assets		
	Rent Receivable	275,004.00	275,004.00
	Advance for Services	15,000.00	15,000.00
	TOTAL	290,004.00	290,004.00

Particulars		Year Ended 31-March 2015	Year Ended 31-March 2014
Note:13	Revenue from Operations		
	Sale of Traded Goods - Mutual Funds	-	11,744,161.32
	Lease Rent	31,764,531.00	31,070,340.00
	TOTAL	31,764,531.00	42,814,501.32

Particulars		Year Ended 31-March 2015	Year Ended 31-March 2014
Note:14	Other Income		
	Profit on Sale of Investments	-	5,593,461.86
	TOTAL	-	5,593,461.86

Particulars		Year Ended 31-March 2015	Year Ended 31-March 2014
Note:15	Purchases of Stock-in-trade		
	Purchases of Trading Items- Mutual Funds	-	54,347,604.85
	TOTAL	-	54,347,604.85

Particulars		Year Ended 31-March 2015	Year Ended 31-March 2014
Note:16	Changes in Inventories of Stock-in-trade		
	Opening Stock		
	Trading Items- Mutual Funds	153,749,349.29	110,333,729.72
	Closing Stock		
	Trading Items- Mutual Funds	153,749,349.29	153,749,349.29
	Changes in Inventories of Stock-in-trade	-	43,415,619.57

CARBON SPECIALITIES LTD.

(Amount in Rs.)

Particulars		Year Ended 31-March 2015	Year Ended 31-March 2014
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	4,160.00	2,625.00
	TOTAL	17,576,160.00	17,574,625.00

Particulars		Year Ended 31-March 2015	Year Ended 31-March 2014
Note:18	Other Expenses		
	Accounting Charges	12,000.00	12,000.00
	Advertisement Expenses	185,284.00	156,661.00
	Auditor's Remuneration	65,550.00	56,180.00
	Custodial Fees	8,989.00	8,989.00
	General Expenses	4,877.32	4,325.00
	Legal Charges	22,800.00	1,500.00
	Listing Fees	-	17,500.00
	Municipal Taxes	1,529,794.00	1,600,000.00
	Rent	12,000.00	12,000.00
	STT	-	68.33
	Interest on TDS	20.00	304.00
	Postage Expenses	-	550.00
	Appeal Fees	10,000.00	-
	TOTAL	1,851,314.32	1,870,077.33

CARBON SPECIALITIES LIMITED

PARTICULARS		QUANTITY (NOS.)		AMOUNT (in Rs.)	
		AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2015	AS AT 31.03.2014
NOTE:7	Non Current Investment (at cost)				
	A. Unquoted - Non Trade				
	Investment in Mutual Funds, Each , Fully paid up				
	Franklin India Prima Fund-Grpwt	3,658.407	-	2,500,000.00	-
	Axis Treasury Advantage Fund Growth	2,431.90	2,431.90	2,500,000.00	2,500,000.00
	IDFC Sterling Equity Fund -Growth	78,827.799	-	2,500,000.00	-
	Kotak Mid-Cap-Growth	57,271.145	-	2,500,000.00	-
	UTI Top 100 Fund - Growth	48,996.167	-	2,500,000.00	-
	Reliance Tax Saver Fund-Growth	59,716.752	-	2,500,000.00	-
	HSBC Monthly Income Plan Regular Plan Growth	262,310.22	262,310.22	5,000,000.00	5,000,000.00
	Reliance Gold Savings Fund - Growth Plan	439,230.36	439,230.36	5,000,000.00	5,000,000.00
	Reliance Vision Fund-Growth	10,535.403	-	5,000,000.00	-
	SBI Magnum Equity Fund - Regular Plan - Growth	51,646.60	51,646.60	2,500,000.00	2,500,000.00
	UTI Floating Rate Short Term Plan Growth - 96	4,052.87	4,052.87	6,249,337.00	6,249,337.00
	UTI Floating Rate Fund Short Term Plan Growth	4,882.69	4,882.69	7,500,000.00	7,500,000.00
	TOTAL (A)			46,249,337.00	28,749,337.00
	B. Investment in Property				
	Property at Embassy Prime			102,507,500.00	102,507,500.00
	TOTAL (B)			102,507,500.00	102,507,500.00
	Aggregate Cost	TOTAL (A+B)		148,756,837.00	131,256,837.00

CARBON SPECIALITIES LIMITED

Note:19 CONTINGENT LIABILITIES :-

As per the management estimate and belief there is no contingent liability as at 31.03.2015 (Previous Year Nil).

Note:20 PAYMENTS TO AUDITORS :-

Payments to Auditors :	For the year ended 31.03.2015	For the year ended 31.03.2014
(a) As Auditors	39,330.00	33,708.00
(b) For Tax Consultancy	13,110.00	11,236.00
(c) Other Matters	13,110.00	11,236.00
	65,550.00	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 :

Name of related Parties	Description
(A) Ravindra Pratap Singh	Director
(B) Pankaj Kaya	Director
(C) Prabha Agarwal	Director
(D) Ravi Prakash Rawat	Additional Director
(E) Ravi Kumar	Additional Director

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

Note:22 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.

Information about Business Segments

Primary Segment - Investment Business	Current Year	Previous Year
Segment Revenue	31764531.00	36,663,801.86
Segment Result	30234737.00	35,063,801.86
Segment Asset	149031841.00	131,256,837.00
Segment Liabilities	21176326.00	22,776,366.00

Secondary Segment - Trading Business	Current Year	Previous Year
Segment Revenue	-	11,744,161.32
Segment Result	(17,897,680.32)	(17,032,525.96)
Segment Asset	192,541,182.90	208,846,342.22
Segment Liabilities	2,602,340.00	11,200,378.00

Note:23 EARNING PER SHARE :-

Earning Per Share :	For the year ended 31.03.2015	For the year ended 31.03.2014
(a) Profit after tax (Profit attributable to Equity Shareholders)	11,667,922.68	17,939,916.57
(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.)	2.10	3.23

Note:24 In the absence of any timing difference between taxable income and accounting income deferred tax has not ben calculated.

CARBON SPECIALITIES LIMITED

Note:25	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:26	Loans and Advances includes Rs.20,00,000/- (P.Y. Rs. 20,00,000/-) advanced to a society in which the Director of the company is a member
Note:27	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:28	Earning in Foreign Currency : NIL
Note:29	Expenditures in Foreign Currency : NIL
Note:30	Balances are subject to confirmation or reconciliation, if any.
Note:31	Gratuity Liability is not provided as none of the employee has completed qualifying period of service.
Note:32	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 : KANPUR
DATE : 30.05.2015

PANKAJ KAYA	PRABHA AGARWAL
Director	Director
DIN-01279883	DIN-00326278

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

Particulars		As at 31 March 2015	As at 31 March 2014
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 2015	As at 31 March 2014
List 2.1	Creditor for Expenses		
	Tandon & Mahendra	110,362.00	50,562.00
	Listing Fees Payable	17,500.00	17,500.00
	Insurance Premium Payable	-	7,500,000.00
	Municiple Taxes Payable	-	1,600,000.00
	TOTAL	127,862.00	9,168,062.00

Particulars		As at 31 March 2015	As at 31 March 2014
List 2.2	Other Government Dues		
	Service Tax Payable	274,964.00	275,004.00
	TDS Payable	6,110.00	5,616.00
	TOTAL	281,074.00	280,620.00

Particulars		As at 31 March 2015	As at 31 March 2014
List 3	<u>Long Term Loans and Advances (Unsecured, Considered Good)</u>		
	<u>Advances Recoverable in Cash or Kind or for value to be received</u>		
	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	1,387,896.00
	MAT Receivable (A.Y.2014-15)	2,147,445.00	2,147,445.00
	MAT Receivable (A.Y.2015-16)	1,805,056.00	-
	TOTAL	21,476,120.00	19,671,064.00

Particulars		As at 31 March 2015	As at 31 March 2014
List 4	Balance with Scheduled Bank in Current Accounts		
	(i) HDFC Bank	115,464.15	13,721,117.29
	(ii) IDBI Bank	10,026,247.00	15,292,589.00
	TOTAL	10,141,711.15	29,013,706.29

Particulars		As at 31 March 2015	As at 31 March 2014
List 5	Advance Tax & Tax Deducted at Sources		
	Advance Income-Tax	960,000.00	360,000.00
	TDS on Rent	3,176,453.14	3,107,034.32
	TDS on FDR	-	-
	(A)	4,136,453.14	3,467,034.32
	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	279,540.00
	(B)	2,418,277.00	2,418,277.00
	TOTAL (A+B)	6,554,730.14	5,885,311.32

Particulars		As at 31 March 2015	As at 31 March 2014
List 6	Other Current Assets		
	(i) Rent Receivable		
	Juniper Networks India Pvt. Ltd. (Rent)	275,004.00	275,004.00
		275,004.00	275,004.00
	(ii) Others		
	Chir Amrit Law Chambers	15,000.00	15,000.00
	P & R Advertisers	-	-
		15,000.00	15,000.00
	TOTAL	290,004.00	290,004.00

Particulars		As at 31 March 2015	As at 31 March 2014
List 7	Profit on Sale of Investments		
	Long Term Capital Gain	-	5,593,461.86
	Short Term Capital Gain	-	-
	TOTAL	-	5,593,461.86

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

SI 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.	2369.758	0	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.	25474.805	0	25474.805	0	25474.805
6	DSP BlackRock income Opp. Fund Reg.-G	Nos.	134379.703	0	134379.703	0	134379.703
7	DSP BlackRock Money Manager Fund-Reg.-G	Nos.	0	0	0	0	0
8	DSP BlackRock Dynamic Asset Allo. Fund-R-G	Nos.	625421.132	0	625421.132	0	625421.132
9	HDFC CMF-Treasury Adv. - Retail-Growth	Nos.	326774.668	0	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.	8806.375	0	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.	337778.498	0	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.	125764.016	0	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.	0	0	0	0	0
			6952864.431	0.000	6952864.431	0.000	6952864.431

CARBON SPECIALITIES LTD.

PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

Cash Flow Statement For the Year Ended on 31st March, 2015

Particulars	Amount (Rs.) Current Year	Amount (Rs.) Previous Year
<u>A Cash Flow from Operating Activities</u>		
Net Profit Before Tax	12,337,056.68	18,031,275.57
Adjustments For:		
Depreciation	-	-
Interest or Dividend Income	-	-
(Profit)/Loss on sale of investment	-	(5,593,461.86)
Operating Profit before Working Capital Changes	12,337,056.68	12,437,813.71
Adjustments For:		
(Increase)/Decrease in Inventories	-	(43,415,619.57)
(Increase)/Decrease in Loans & Advances	(2,474,474.82)	(2,024,580.32)
(Increase)/Decrease in Other Current Assets	-	2,670,543.00
Increase/ (Decrease) in Other Current Liabilities	(9,039,746.00)	9,085,578.00
Cash Generated from Operations	822,835.86	(21,246,265.18)
Adjustments For:		
Tax Paid (net of MAT Credit)	(1,827,466.00)	(1,442,454.00)
Net Cash From Operating Activities (A)	(1,004,630.14)	(22,688,719.18)
<u>B Cash Flow From Investing Activities</u>		
Sale/(Purchase) of Investments	(17,500,000.00)	30,000,000.00
Profit/(Loss) on Sale of Investments	-	5,593,461.86
Interest Received	-	-
Dividend Received	-	-
Net Cash From Investing Activities (B)	(17,500,000.00)	35,593,461.86
<u>C Cash Flow From Financing Activities</u>		
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)	(18,504,630.14)	12,904,742.68
Cash & Cash Equivalents at the beginning of the year	29,250,613.61	16,345,870.93
Cash & Cash Equivalents at the end of the year	10,745,983.47	29,250,613.61
Notes:(1) Figures in Brackets represents outflows.		

FOR CARBON SPECIALITIES LIMITED

PLACE: KANPUR

DATE : 30.05.2015

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, 2015. 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 of 30th May 2015, to the members of the company.

For Tandon & Mahendra
Chartered Accountants

Date : 28.05. 2015.
Place : Kanpur

Saurabh shukla
(Partner)
Memb.No.405240

-----REGISTERED OFFICE-----
Dosi Bhawan, Pal tan Bazar,
Guwahati, Assam - 781001