

CARBON
SPECIALITIES
LIMITED

ANNUAL REPORT
2020-2021

CORPORATE INFORMATION

REGISTERED OFFICE:

*53/10, Nayaganj,
Kanpur 208001, Uttar Pradesh*

❖ BOARD OF DIRECTORS

Mr. Pankaj Kaya - Chairman
Mrs. Prabha Kaya – Managing Director
Mr. Ravindra Pratap Singh- Director
Mr. Vaibhav Kaya - Director (Appointed w.e.f. 25.08.2020)
Mr. Rashmin Kumar Pati- Independent Director (Appointed w.e.f. 05.10.2020)
Mr. Biswajit Singh- Independent Director (Appointed w.e.f. 05.10.2020)
Mr. Anshul Kaya – CFO
Mr. Ketan Gupta – Company Secretary & Compliance officer

❖ AUDIT COMMITTEE

Mr. Rashmin Kumar Pati- Chairperson
Mrs. Prabha Kaya - Member
Mr. Ravindra Pratap Singh- Member

❖ NOMINATION & REMUNERATION COMMITTEE

Mr. Rashmin Kumar Pati - Chairperson
Mrs. Biswajit Singh - Member
Mr. Ravindra Pratap Singh- Member

❖ AUDITORS

M/S ALOK BASUDEO & COMPANY
CHARTERED ACCOUNTANTS
AARUSH RESIDENCY, FLAT NO. A-2,
FIRST FLOOR, 10/501-A, KHALASI LINE,
KANPUR-208002

❖ 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

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NOTICE

Notice is hereby given that the 36th Annual General Meeting of the members of Carbon Specialities Limited will be held on Thursday, 30th September, 2021 at 12.30 p.m. at the Registered Office of the Company at 53/10, Naya Ganj, Kanpur-208001 (U.P.) to transact the following businesses:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended 31st Day of March, 2021, together with the Reports of the Board of Directors and the Auditors thereon; and
2. To appoint a Director in place of Mr. Vaibhav Kaya (DIN: 08842707), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:-

3. Appointment of Rashmin Kumar Pati as Independent Director of the Company

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 149, 150, 152 read with schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Rashmin Kumar Pati (DIN: 08464027), who was appointed as an Additional Independent Director of the Company w.e.f. 5th October, 2020, pursuant to Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from Member under section 160(1) of the Act proposing his candidature for the office of an Independent Director not liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 consecutive years i.e. w.e.f. 5th October, 2020 to 4th October, 2025.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as many be necessary and/or incidental to give effect to this resolution including filing of the necessary forms with the Registrar of Companies.”

4. Appointment of Biswajit Singh as Independent Director of the Company

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 149, 150, 152 read with schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Biswajit Singh (DIN: 08859987), who was appointed as an Additional Independent Director of the Company w.e.f. 5th October, 2020, pursuant to Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from Member under section 160(1) of the Act proposing his candidature for the office of an Independent Director not liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 consecutive years i.e. w.e.f. 5th October, 2020 to 4th October, 2025.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as many be necessary and/or incidental to give effect to this resolution including filing of the necessary forms with the Registrar of Companies.”

By the order of the Board of Directors
CARBON SPECIALITIES LIMITED

Sd/-

PANKAJ KAYA

Director

[DIN: 00295978]

Add: 53/10, Nayaganj,
Kanpur-208001

Date: 03.09.2021

Place: Kanpur

NOTES:-

1. A member entitled to attend and vote at the Annual General Meeting ('AGM') is entitled to appoint one or more proxies to attend and vote and a proxy need not be a member of the company.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10 percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10 percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before

the commencement of the AGM. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

2. The relative Explanatory statement pursuant to section 102 of the Companies Act, 2013 (the 'Act') setting out the material facts concerning the business under item no. 3 of the Notice, is annexed hereto.
3. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorizing them to attend and vote on their behalf at the AGM.
4. Members, Proxies and Authorized Representatives are requested to bring the duly completed Attendance Slip enclosed herewith to attend the AGM.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from September 24, 2021 to September 30, 2021 (both days inclusive).
6. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participants ("DPs") in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
7. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to RTA in case the shares are held in physical form.
8. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.

10. At the thirty-second AGM held on 30th Day of September, 2017 the members approved appointment of M/s Alok Basudeo & Company, Chartered Accountants (Firm Registration No. 007299C) as Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of that AGM till the conclusion of the thirty seventh AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the thirty-fifth AGM.

Explanatory Statement

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to business mentioned under

Item No. 3:

The constitution of the Board is not proper as required under the Act, rules made thereunder. Therefore, based on the recommendation of Nomination and Remuneration committee, the Board of Directors appointed Mr. Rashmin Kumar Pati (DIN: 08464027) as Additional Director (Independent), not liable to retire by rotation subject to approval of members.

Pursuant to the provisions of Section 161(1) of the Act, Mr. Rashmin Kumar Pati (DIN: 08464027) shall hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as Independent Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing their candidature for the office of Director. The Board of Directors considers him for the interest of the company due to his industrial experience, to appoint Mr. Rashmin Kumar Pati as an Independent Director of the Company to hold office for a period of 5 consecutive years i.e. w.e.f. 5th October, 2020 to 4th October, 2025.

The Company has received the consent of the Director to be appointed as such and intimation that he is not disqualified to be Director under the Act.

None of the Directors / Key Managerial Personnel of the Company and their relative are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of the Notice. The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the shareholders

Item No. 4:

The constitution of the Board is not proper as required under the Act, rules made thereunder. Therefore, Based on the recommendation of Nomination and Remuneration committee, the Board of Directors appointed Mr. Biswajit Singh (DIN: 08859987) as Additional Director (Independent Director), not liable to retire by rotation subject to approval of members.

Pursuant to the provisions of Section 161(1) of the Act, Mr. Biswajit Singh (DIN: 08859987) shall hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as Independent Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing their candidature for the office of Director. The Board of Directors considers him for the interest of the company due to his industrial experience, to appoint Mr. Biswajit Singh as an Independent Director of the Company to hold office for a period of 5 consecutive years i.e. w.e.f. 5th October, 2020 to 4th October, 2025.

The Company has received the consent of the Director to be appointed as such and intimation that he is not disqualified to be Director under the Act.

None of the Directors / Key Managerial Personnel of the Company and their relative are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of the Notice. The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the shareholders

Directors' Report

To,
The Members,
Carbon Specialities Limited.

Your Directors have pleasure in presenting the 36th Annual Report together with Annual Audited Financial Statements of the Company for the financial year ended 31st March, 2021.

➤ FINANCIAL HIGHLIGHTS:**Amount in INR**

| Particulars | Financial Year 2020-21 | Financial Year 2019-20 |
|---|-----------------------------------|-----------------------------------|
| Net Sales/Income from Business Operations | 16,41,83,981 | 6,95,32,000 |
| Other Income | 32,94,833 | 2,46,740 |
| Total Income | 16,74,78,814 | 6,97,78,740 |
| Less: Expenses | 10,49,04,849 | 5,10,07,577 |
| Profit / (Loss) before tax and Extraordinary / exceptional items | 6,25,73,964 | 1,87,71,163 |
| Less: Extraordinary / exceptional items | - | - |
| Profit/(Loss) before tax | 6,25,73,964 | 1,87,71,163 |
| Less: Current Income Tax | 1,40,22,099 | 34,14,943 |
| Less: Previous year adjustment of Income Tax/Current tax expenses relating to prior years | 2,81,664 | (8,73,277) |
| Less: Deferred Tax | 1,01,327 | 20,44,920 |
| Net Profit/(Loss) after Tax | 4,98,08,133 | 1,85,57,820 |
| Earnings per share (Basic) | 8.96 | 3.34 |
| Earnings per Share(Diluted) | 8.96 | 3.34 |

➤ **STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK**

During the FY 2020-21, Company's Revenue from operations was ₹ 16,41,83,981/- against ₹ 6,95,32,000 in FY 2019-20 and the company has a profit after tax of ₹ 4,98,08,133/- against ₹1,85,57,820 in FY 2019-20. Your directors are putting their best efforts to perform better during the coming financial year. The boards of directors are in big hope to work harder in future in order to receive good recognition in the market and good profits are to be realized during the running year.

➤ **CHANGE IN NATURE OF BUSINESS**

There were no changes in the nature of business of the company in the current FY 2020-21.

➤ **DIVIDEND**

In order to conserve the resources of the Company, the Board has decided not to declare any dividend.

➤ **AMOUNT TRANSFER TO RESERVE**

The closing balance of the retained earnings of the company for FY 2020-21, after all adjustments and appropriations was ₹ 38,51,45,882.

➤ **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return for the FY 2020-21, pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is provided in the website of the company <http://carbon.net.in/>.

➤ **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

During the FY 2020-21, Seven Meetings of Board of Directors were held in respect of which notices were given and the proceedings were recorded and signed in the minutes Book maintained for the said purpose. In terms of General Circular No. 11/2020 dated 24.03.2020 issued by Ministry of Corporate Affairs, the minimum gap between two meeting of the Board of Directors has been extended to 180 days till 30.09.2020, therefore, during the quarter beginning from 01.04.2020 to 30.06.2020, no meeting of Board of Directors has been held and it shall not be treated as violation.

| <u>Serial No.</u> | <u>Date of Board Meeting</u> |
|-------------------|------------------------------|
| 1. | 31.07.2020 |

CARBON SPECIALITIES LIMITED

| | |
|----|------------|
| 2. | 25.08.2020 |
| 3. | 03.09.2020 |
| 4. | 30.09.2020 |
| 5. | 05.10.2020 |
| 6 | 12.11.2020 |
| 7. | 14.02.2021 |

| NAME OF THE DIRECTOR | NO. OF MEETING ATTENDED BY EACH DIRECTOR |
|-----------------------|--|
| PRABHA KAYA | 7 |
| PANKAJ KAYA | 7 |
| RAVINDRA PRATAP SINGH | 7 |
| VAIBHAV KAYA | 5 |
| RASHMIN KUMAR PATI | 2 |
| BISWAJIT SINGH | 2 |

➤ **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Vaibhav Kaya retires by rotation and being eligible, offers himself for reappointment. A resolution seeking shareholders' approval for his re-appointment forms part of the notice.

Pursuant to the provisions of Section 149 of the Act, Mr. Rashmin Kumar Pati and Mr. Biswajit singh, Independent Director has submitted declaration that they meet the criteria of Independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

Further, Mr. Vaibhav Kaya has been appointed as the Director (Promoter), Non-executive category with effect from September 30, 2020.

Further, Mr. Rashmin Kumar Pati and Mr. Biswajit singh have been appointed as the Additional Director (Independent) Non-executive category with effect from October 5, 2020. The resolution for his appointment forms the part of the notice.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are: Mrs. Prabha Kaya, Managing Director; Mr. Anshul Kaya, Chief Executive Officer and Mr. Ketan Gupta, Company Secretary and Compliance officer.

➤ **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the Section 134 (5) of the Companies Act, 2013, the Board of Directors, hereby submit its responsibility statement and confirm that:

- a. in the preparation of the annual accounts for the financial year ended 31.03.2021, 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 31.03.2021 and of the Profit & Loss of the company for the year ended 31.03.2021;
- 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;
- d. the Directors had prepared the annual accounts for the year ended 31.03.2021 on a going concern basis;
- e. the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- f. 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.

➤ **BOARD EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and

SEBI LODR. The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning,

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings.

➤ **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.

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

The disclosure regarding Inter Corporate Loans and advances and investments has been made by the Company under Section 186 of the Companies Act, 2013 has been made in the relevant place in the financial statement.

➤ **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.

➤ **MAINTENANCE OF COST AUDIT**

The provision of maintenance of cost audit records is not applicable to the Company.

➤ **CHANGES IN SHARE CAPITAL**

During the financial year 2020-21, there were no changes in the share capital of the company.

a) **Equity shares with differential rights:** The Company has not issued any equity share with differential rights during the year under review.

b) **Buy Back of Securities:** The Company has not bought back any of its securities during the year under review.

c) **Sweat Equity:** The Company has not issued any Sweat Equity Shares during the year under review.

d) **Bonus Shares:** No Bonus Shares were issued during the year under review.

e) **Employees Stock Option Plan:** The Company has not provided any Stock Option Scheme to the employees.

➤ **CHANGE IN REGISTERED OFFICE OF THE COMPANY**

There is no change in the registered office of the company during the year under review.

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

The provisions of Section 125(2) of the Companies Act, 2013 do not apply on the company.

➤ **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**

There was lockdown announced by the Government due to outbreak of COVID-19 and full closure of the company's operations from March 22, 2020. The Company has provided its employees 'work from home' facilities and followed the guidelines issued by the Ministry of Corporate Affairs and others. As your company operates under service sector, the impact of the unprecedented conditions were comparatively less and the management is of the view that there will be not much impact on the business of the company.

➤ **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.

| | |
|-----------------------------------|--|
| (A) CONSERVATION OF ENERGY | |
|-----------------------------------|--|

| | |
|---|----|
| The steps taken or impact on conservation of energy | NA |
| The steps taken by the company for utilizing alternate sources of Energy | NA |
| The capital investment on energy conservation equipments | NA |
| (B) TECHNOLOGY ABSORPTION | |
| The efforts made towards technology absorption | NA |
| The benefits derived like product improvement, cost reduction, product development or import substitution | NA |
| In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) | NA |
| The expenditure incurred on research and development | NA |

Details of Foreign currency transactions are as follows:

- The company has not earned any income in Foreign Currency during the year.
- The company has not incurred any expenditure in Foreign Currency.

➤ **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 provisions of Section 135 are not applicable to the company.

➤ **AUDITORS AND AUDITOR'S REPORT**

i) Statutory Auditors & Auditor's Report

Pursuant to the provisions of section 139 of the Act, rules framed thereunder M/s Alok Basudeo & Company, Chartered Accountants (Firm Registration No. 007299C) was appointed as Statutory Auditors of the Company in the Annual General Meeting ('AGM') held on September 30, 2017 to hold office for a period of five consecutive years from the conclusion of that AGM till the conclusion of the thirty seventh AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act,

2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the thirty-sixth AGM.

Explanation to Auditor's Remarks

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory explained by notes wherever required however comments do not require any further clarification.

ii) Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Ms. Gautami Gupta, M/s Gautami Gupta & Associates has been appointed as the Secretarial Auditor of the company for conducting the secretarial audit for FY 2020-21. The secretarial Audit report for the FY ended 31.03.2021 has been attached herewith as **Annexure I** to this report.

iii) Internal Auditor

Pursuant to the provision of section 138 of the Companies Act 2013, the Company has appointed M/s Tandon and Mahendra, Chartered Accountants as Internal Auditor of the company to conduct an internal audit of the functions and activities of the company

Explanation to Auditor's Remarks

The Company is listed on the Calcutta Stock Exchange, which is derecognized stock exchange. Further, the company is in the process of revocation of suspension of the Company. Therefore, the company will be delisted in the near future.

➤ **DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is applicable to the Company. Hence the company has its Audit Committee and Vigil mechanism pursuant to provisions of Section 177(9) of the Act.

➤ **DEPOSITS**

The Company has not accepted or invited any 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:**

1. The ratio of the remuneration of each director to the median employee(s) remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are open for inspection at the Administrative Office of the Company in terms of the first proviso of Section 136 (1) of the Companies Act 2013 during the business hours. Members who are interested in obtaining such particulars may write to the Company and same will be furnished on request.
2. The provisions of Section 197 (12) and section 197(14) of the Companies Act, 2013, read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration) Rules, 2014 as amended, are not applicable to the Company.

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

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and rules made there under, your Company has adopted a Sexual Harassment Policy for women to ensure healthy working environment without fear of prejudice, gender bias and sexual harassment.

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

➤ **CONSOLIDATED FINANCIAL STATEMENT**

The provisions of Section 129(3) of Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are not applicable to the Company.

➤ **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiaries, Joint Ventures and Associate Companies.

➤ **INTERNAL FINANCIAL CONTROLS**

The said disclosure has been taken care of by the management of the Company in relation to the financial statement of the Company.

➤ **INDUSTRIAL RELATIONS**

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

➤ **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

No significant or material orders were passed by the any Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

➤ **CORPORATE GOVERNANCE**

The Provisions relating to Corporate Governance as enumerated in the Regulation 27 of SEBI (Listing obligation & disclosure requirements) Regulation, 2015 are not applicable on the Company. Thus, the report on Corporate Governance needs not to be file with the Stock Exchange.

➤ **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.

For CARBON SPECIALITIES LIMITED

Sd/-

PRABHA KAYA
Managing Director

[DIN: 00326278]

Add: 16/81 CIVIL LINES,
KANPUR-208001 UP

Sd/-

PANKAJ KAYA
Director

[DIN: 00295978]

Add: 53/10 NAYA GANJ
KANPUR 208001 UP

Date: 03.09.2021

Place: Kanpur

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Carbon Specialities Limited
53/10, Naya Ganj
Kanpur-208001 UP

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Carbon Specialities Limited** (hereinafter called as “**the Company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2020 (“Audit Period”), 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (“the Act”) and the rules made there under as amended from time to time;
- (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the Audit Period**);
- (v) The Company is listed in Calcutta Stock Exchange Limited and is under the process of revocation of suspension of trading during the period under review. Further, the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”), as amended from time to time are applicable to the company to the extent specifically provided :

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('SEBI SAST');
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('SEBI PIT');
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;
- (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

We further report that, having regard to the compliance system prevailing in the Company and as certified by management and on examination of the relevant documents and records in pursuance thereof, on test check basis, there are no specific laws applicable to the company.

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

- I. Secretarial Standards issued by the Institute of Company Secretaries of India (as amended from time to time);
- II. The Listing Agreement as entered into by the Company with the Stock Exchange(s).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

- i) The ratio of Public shareholding to the Shareholding of promoters of the Company is not accordance with the SCRA;
- ii) The shareholding of the promoters is not in dematerialized form;

iii) The Company is not strict in complying the Listing Compliance as applicable to the Company.

We further report that, the Board of the Company and the committees to the Board are not 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 are in accordance 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.

All decisions at the Board Meetings and Committee Meetings have been carried out without dissent, as recorded in the minutes of the meetings of the Board or Committees of the Board, as the case may be.

We further report that, there exist 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.

We further report that, during the Audit Period there were no instances of:

- (i) Public/Right/Preferential issue of shares/ debentures/sweat equity etc;
- (ii) Redemption / buy-back of securities;
- (iii) No major decisions were taken by the members in pursuance to section 180 of the Act;
- (iv) Merger / amalgamation / reconstruction;
- (v) Foreign technical collaborations

For GAUTAMI GUPTA & ASSOCIATES
Company Secretaries

Sd/-

Gautami Gupta

(Proprietor)

ACS No.: 57547 C. P. No. 21796

UDIN: A057547C000892722

Date: 03.09.2021

Place: Kanpur

Note: *This Report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.*

‘Annexure - A’

To
The Members
Carbon Specialities Limited
53/10, Naya Ganj
Kanpur-208001 UP

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For GAUTAMI GUPTA & ASSOCIATES
Company Secretaries

Sd/-

Gautami Gupta
(Proprietor)

Date: 03.09.2021
Place: Kanpur

ACS No.: 57547 C. P. No. 21796
UDIN: A057547C000892722

Management Discussion & Analysis Report

OVERVIEW

Carbon Specialities Limited is a listed company with a record of consistent growth and profitability. This Management Discussion and Analysis Report have to be read in conjunction with the Company's financial statements, which follows this section. The Financial Statements have been prepared in compliance with the requirements of the Companies Act, 2013, and Generally Accepted Accounting Principles (GAAP) in India. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the Company's state of affairs and profits for the year. The following discussion may include forward looking statements which may involve risks and uncertainties, including but not limited to the risks inherent to Company's growth strategy, change in regulatory norms, economic conditions and other incidental factors. Actual results could differ materially.

STRENGTH, WEAKNESS, OPPORTUNITY, THREATS

STRENGTHS

Able to generate higher yield on assets
Experienced management team
Strong relationships with public as well as private banks, institutions and investors

WEAKNESSES

The Company's business and its growth are directly linked to the growth of the country
Higher regulatory restrictions

OPPORTUNITES

New opportunities in wholesale and trading related works.

THREATS

High cost of funds

RISK MANGEMENT

Enterprise Risk Management (ERM) at Carbon Specialities Limited encompasses practice relating to identification, evaluation, monitoring and mitigation of various key risks towards the achievement of the key business objectives. It helps to minimize adverse impact of risks and also enable to leverage market opportunities. Risk management practices seek to sustain

and enhance short & long term competitive advantage to the Company. It is integral to our business model, described as the “Practicable, Sustainable, Profitable and Derisked” (PSPD) model. Our core values and ethics provide the platform for our risk management practices.

RISK MANAGEMENT & GOVERNANCE

- Responsible for managing overall ERM, Internal Control, Compliance and Assurance activities.
- Co-ordinating with Internal Auditors & Functional Head for timely execution of Audit & Compliance of Audit observation.
- Work with Business Management Group (BMG) of respective locations for process efficiency & productivity improvements.
- Ensure effective implementation of Standard Operating Procedure & Policies.
- Conducting management Audit & Special Audit as assigned by the Management/Audit Committee.
- Conducting Self Assessment Survey for all Business Verticals.

INTERNAL CONTROL SYSTEM

Carbon Specialities Limited has an adequate internal control system in place to safeguard assets and protect against losses for many unauthorized use or disposition. The system authorizes records and reports transactions and ensures that recorded data are reliable to prepare financial information and to maintain accountability of assets. The Company's internal controls are supplemented by an extensive programme of internal audits, review by the management, and documented policies, guidelines and procedures.

Independent Auditor's Report

To,
The Members,
Carbon Specialties Limited.,

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Carbon Specialties Limited. ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

In our opinion and based on the information and explanations given to us, there are no other key audit matters to be communicated in our report, other than those morefully described in

the Emphasis of Matters paragraph of our report which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management.

Emphasis of Matter

As more specifically explained in Note 4 to the financial statements, the Company has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of the financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure -A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid 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 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The company does not have any pending 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 to the investor education and protection fund by the company.

For Alok Basudeo & Co.
Chartered Accountants
FRN: 007299C

Sd/-
Alok Gupta
(Partner)
M. No. 076216
UDIN:21076216AAAAFL3417

Place: Kanpur
Date: 30.06.2021

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Carbon Specialties Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Carbon Specialties Ltd. (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Alok Basudeo & Co.
Chartered Accountants**

FRN: 007299C

Sd/-

**Alok Gupta
(Partner)**

M. No. 076216

UDIN:21076216AAAAFL3417

Place: Kanpur

Date: 30.06.2021

ANNEXURE 'A' 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 property, plant & equipment:

- a) The company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.
- b) As explained to us all property, plant & equipment have been physically verified by the management at reasonable intervals, having regard to the size of the company and the nature of its assets and no discrepancy was noticed on such physical verification.
- c) As per the records produced before us and explanations provided to us the title deeds of the immovable property is held in the name of the company.

(ii) In respect of its inventories:

- a) As explained to us the company is dealing in mutual fund units and its inventory has been verified by the management from time to time from the mutual fund statements provided by the respective Asset Management Companies and other records of the company. No discrepancies were noticed on the verification between the stocks and the book records.

(iii) As per the information provided to us and as per the records, the company has not granted loan to parties covered in the register maintained under section 189 of the Companies Act 2013 during the year. However, with respect to such loans covered u/s 189 of the Act and given prior to notification of the said section, in terms of Companies Act, 1956 we report that;

- (a) The terms and conditions of the grant of loans are not prejudicial to the company's interest;
- (b) The schedule of repayment of principal is not stipulated and as such the loans are repayable on demand. Since, the loan has been given on interest free basis therefore there is no question of repayment of interest.
- (c) 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) As explained to us, and as per the records, the company has not given any loans to companies or other parties in contravention of provisions of section 185 and 186 of the Act, during the year.

(v) As explained to us and as per the records, the company has not accepted any deposits in contravention of provisions of section 73 to 76 or any other relevant provisions of the Act and rules made there under.

(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, 2013.

(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, Goods & Service Tax, custom duty, excise duty, cess and other material statutory dues applicable to it. No such material dues were in arrears, as at 31.03.2021 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, the following dues of Income Tax have not been deposited on account of dispute.

| Name of Statute | Nature of Dues | Amount not deposited | Period to which it relates | Forum where dispute is pending / Remark |
|------------------------|------------------------|-----------------------------|---|---|
| Income Tax Act, 1961 | Income Tax | 5,98,430.00 | A.Y. 2009-10 | Income Tax Appellate Tribunal |
| Income Tax Act, 1961 | Income Tax | 7,06,680.00 | A.Y. 2014-15 | Income Tax Appellate Tribunal |
| Income Tax Act, 1961 | Tax Deducted at Source | 2500 | F.Y.2019-20 | Due to Short deduction |
| Income Tax Act, 1961 | Tax Deducted at Source | 549.5 | F.Y.2020-21 F.Y.2019-20 Prior Years | Due to Short deduction and includes Interest u/s 201 and Late Filing Fees u/s 234E. |

(viii) As explained to us and as per the records, the company has not defaulted in repayment of dues to any bank, financial institution, Government or debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) As explained to us and as per the records, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

- (x) To the best of our knowledge and belief and according to the information and explanation given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) As explained to us and as per the records, the company has not paid any remuneration to its directors or managerial personnel during the year under review hence there is no contravention of the provisions of Section 197 or any other relevant provisions of the Companies Act, 2013.
- (xii) Since the company is not a Nidhi company, therefore provisions of clause (xii) of para 3 of Companies (Auditor's Report) Order, 2016.
- (xiii) As explained to us and as per the records of the company, the transactions with the related parties have been made in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) As explained to us and as per the records, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with them; hence there is no contravention of the provisions of Section 192 or any other relevant provisions of the Companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Alok Basudeo & Co.
Chartered Accountants
FRN: 007299C**

Sd/-
**Alok Gupta
(Partner)
M. No. 076216
UDIN:21076216AAAAFL3417**

**Place: Kanpur
Date: 30.06.2021**

CARBON SPECIALITIES LIMITED
Balance Sheet as at March 31, 2021

(Amount in Rs.)

| Particulars | Note No. | As at | |
|-------------------------------------|----------|--------------------|--------------------|
| | | March 31, 2021 | March 31, 2020 |
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, Plant and Equipment | 5 | 37,89,811 | 55,10,850 |
| (b) Investment Property | 6 | 1025,07,500 | 1025,07,500 |
| (c) Financial Assets | | | |
| (i) Investments | 7 | 1279,25,021 | 513,83,427 |
| (ii) Loans | 7 | 889,20,000 | 387,20,000 |
| (d) Deferred tax Assets (net) | 8 | 69,15,998 | 68,14,671 |
| (e) Other non-current Assets | 9 | 447,12,627 | 386,28,100 |
| | | 3747,70,958 | 2435,64,548 |
| Current Assets | | | |
| (a) Inventories | 10 | 796,59,681 | 1438,45,348 |
| (b) Financial Assets | | | |
| (i) Cash & Cash Equivalents | 11 | 312,99,195 | 116,17,363 |
| (c) Other Current Assets | 9 | 80,69,576 | 58,85,146 |
| | | 1190,28,452 | 1613,47,856 |
| Total Assets | | 4937,99,410 | 4049,12,405 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 12 | 555,73,000 | 555,73,000 |
| (b) Other Equity | 13 | 3851,45,882 | 3066,35,421 |
| Total Equity | | 4407,18,882 | 3622,08,421 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Other Financial Liabilities | 14a | 361,39,130 | 361,39,130 |
| | | 361,39,130 | 361,39,130 |
| Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 14b | - | 1,77,224 |
| (ii) Trade payables | 14c | 1,51,542 | 4,52,676 |
| (iii) Other Financial Liabilities | 14d | 27,67,757 | 25,20,011 |
| (b) Provisions | 15 | 140,22,099 | 34,14,943 |
| | | 169,41,398 | 65,64,854 |
| Total Equity and Liabilities | | 4937,99,410 | 4049,12,405 |

Summary of significant accounting policies

4

The accompanying notes form an integral part of the financial statements.

This is the balance sheet referred to in our report of even date.

For Alok Basudeo & Co.

Chartered Accountants

(FRN-007299C)

For and on behalf of the Board of Directors

Sd/-
Alok Gupta
Partner
M.No. : 076216
Place : Kanpur
Date : 30.06.2021

Sd/-
Pankaj Kaya
Director
DIN- 00295978

Sd/-
Ketan Gupta
Company Secretary

Sd/-
Prabha Kaya
Managing Director
DIN-00326278

Sd/-
Anshul Kaya
C.F.O.

CARBON SPECIALITIES LIMITED
Statement of Profit and Loss for the year ended March 31, 2021

(Amount in Rs.)

| Particulars | Note No. | For the year ended | |
|---|----------|--------------------|-------------------|
| | | March 31, 2021 | March 31, 2020 |
| Income | | | |
| a) Revenue From Operations | 16 | 1641,83,981 | 695,32,000 |
| b) Other Income | 17 | 32,94,833 | 2,46,740 |
| Total Income | | 1674,78,814 | 697,78,740 |
| Expenses | | | |
| a) Purchase of Stock in trade | 18 | - | 200,00,000 |
| b) Changes in inventories of finished goods, stock in trade and work in progress | 19 | 641,85,667 | -105,97,662 |
| c) Employees' Benefit Expenses | 20 | 358,26,009 | 358,20,355 |
| d) Finance Cost | 21 | 2,958 | 84,627 |
| | 22 | | |
| e) Depreciation & Amortization Expenses | | 17,21,038 | 23,39,391 |
| f) Other expenses | 23 | 31,69,177 | 33,60,866 |
| Total Expenses | | 1049,04,849 | 510,07,577 |
| Profit/ (Loss) before tax | | 625,73,964 | 187,71,163 |
| Tax Expense | | | |
| (i) Current tax | | 140,22,099 | 34,14,943 |
| (ii) Minimum Alternate Tax Credit Utilization | | - | -20,29,957 |
| (ii) Deferred tax | | 1,01,327 | 20,44,920 |
| (iv) Excess/(Short) provision for Income Tax | | 2,81,664 | -8,73,277 |
| (v) MAT Credit Return Back | | 8,73,277 | - |
| Profit/(loss) after Tax from continuing operations | | 498,08,133 | 185,57,820 |
| Other Comprehensive Income | | | |
| A (i) Items that will not be reclassified to profit or loss | | 287,02,328 | -145,30,477 |
| (ii) Income Tax relating to items that will not be reclassified to profit or loss | | - | - |
| B (i) Items that will be reclassified to profit or loss | | - | - |
| (ii) Income Tax relating to items that will be reclassified to profit or loss | | - | - |
| Total Comprehensive Income for the period | | 785,10,462 | 40,27,344 |
| Earnings per equity share : | 24 | | |
| a) Basic (Rs.) | | 8.96 | 3.34 |
| b) Diluted (Rs.) | | 8.96 | 3.34 |

Summary of significant accounting policies

4

The accompanying notes form an integral part of the financial statements.
This is the statement of profit and loss referred to in our report of even date.

For Alok Basudeo & Co.

Chartered Accountants
(FRN-007299C)

Sd/-
Alok Gupta
Partner
M. No. : 076216
Place : Kanpur
Date : 30.06.2021

For and on behalf of the Board of Directors

Sd/-
Pankaj Kaya
Director
DIN- 00295978

Sd/-
Prabha Kaya
Managing Director
DIN-00326278

Sd/-
Ketan Gupta
Company Secretary

Sd/-
Anshul Kaya
C.F.O.

Carbon Specialties Limited
Statement of Cash Flows for the year ended March 31, 2021

(Amount in Rs.)

| Particulars | | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|-------------|---|---------------------------------------|---------------------------------------|
| A | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Net Profit / (Loss) before taxation and extraordinary items | 625,73,964 | 187,71,163 |
| | Adjustments for : | | |
| | Depreciation expense | 17,21,038 | 23,39,391 |
| | Finance Cost | 2,958 | 84,627 |
| | Income from Investments | - | - |
| | Operating Profit before Working Capital changes | 642,97,961 | 211,95,181 |
| | Changes in Working Capital | | |
| | (Increase)/Decrease in Other Current Assets | (21,84,430) | (10,26,761) |
| | (Increase)/Decrease in Investments | (603,40,000) | |
| | (Decrease)/Increase in Trade payable | (3,01,134) | 4,52,676 |
| | (Decrease)/Increase in Other Financial Liabilities | 70,522 | (4,40,720) |
| | (Decrease)/Increase in Current Provisions | 106,07,156 | 3,60,390 |
| | (Increase)/Decrease in Other Non Current Assets | (60,84,527) | 2,99,356 |
| | (Increase)/Decrease in Other Non Current Liabilities | - | - |
| | (Increase)/Decrease in Inventories | 641,85,667 | (105,97,662) |
| | Changes in Working Capital | 59,53,254 | (109,52,721) |
| | Cash generated / (used) in Operating Activities | 702,51,215 | 102,42,460 |
| | Current Tax Expenses | 128,67,158 | 22,58,263 |
| B | Net Cash generated / (used) in Operating Activities (A) | 573,84,057 | 79,84,197 |
| | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | Purchase of Property, Plant and Equipment | - | (24,40,368) |
| | Proceeds From Investments | 125,00,656 | - |
| | STT Charges | 79 | - |
| | Purchase of Investment | - | - |
| C | Net Cash generated / (used) from Investing Activities (B) | 125,00,734 | (24,40,368) |
| | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | Loan/Advances Given | (502,00,000) | (108,00,000) |
| | Loan to Related Parties | - | - |
| | Finance Cost | (2,958) | (84,627) |
| | Net Cash generated / (used) from Financing Activities (C) | (502,02,958) | (108,84,627) |
| | NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | 196,81,833 | (53,40,798) |
| | Cash and cash equivalents at the beginning of the year | 116,17,362 | 169,58,160 |
| | Cash and cash equivalents at the end of the year | 312,99,195 | 116,17,362 |
| | Components of Cash and cash equivalents | | |
| | Cash in hand | 32,89,549 | 22,27,054 |
| | Balance with banks : | | |
| | In current accounts | 280,09,646 | 93,90,308 |
| | Total cash and cash equivalents (Note 11) | 312,99,195 | 116,17,363 |

The accompanying notes form an integral part of the financial statements.

This is the statement of cash flow referred to in our report of even date.

For Alok Basudeo & Co.

Chartered Accountants

(FRN-007299C)

Sd/-
Alok Gupta

Partner

M.No. : 076216

Place : Kanpur

Date : 30.06.2021

For and on behalf of the Board of Directors

Sd/-
Pankaj Kaya
Director
DIN- 00295978

Sd/-
Ketan Gupta
Company Secretary

Sd/-
Prabha Kaya
Managing Director
DIN-00326278

Sd/-
Anshul Kaya
C.F.O.

CARBON SPECIALITIES LIMITED
Statement of Changes in Equity for the year ended March 31, 2021

(Amount in Rs.)

| Description | Equity share capital (A) | Other equity | | | | Total other equity (B) | Total Equity(A+B) |
|---|-----------------------------|----------------------|--------------------------------|----------------------------------|--------------------|------------------------|-------------------|
| | | Reserves and Surplus | | Other comprehensive income (OCI) | | | |
| | | Capital reserve | Retained earnings (Surplus) | FVTOCI reserve | Other items of OCI | | |
| As at 31st March, 2020 | 555,73,000 | 530,98,000 | 2525,54,934 | 9,82,486 | - | 3066,35,421 | 3622,08,421 |
| Profit for the year | - | - | 498,08,133 | - | - | - | 498,08,133 |
| Change in fair value of investments, net of tax effect | - | - | | - | - | 498,08,133 | 498,08,133 |
| Dividend & Tax paid | - | - | | - | - | - | - |
| Remeasurement of the net defined benefit liability/ asset, net of tax effect | - | - | | - | - | - | - |
| OCI reclassified to retained earnings | - | - | | | - | - | - |
| OCI not reclassified to retained earnings | - | - | | 287,02,328 | - | 287,02,328 | 287,02,328 |
| As at March 31, 2021 | 555,73,000 | 530,98,000 | 3023,63,068 | 296,84,814 | - | 3851,45,882 | 4407,18,882 |

The accompanying notes form an integral part of the financial statements.

This is the statement of changes in equity referred to in our report of even date.

For Alok Basudeo & Co.

Chartered Accountants
(FRN-007299C)

Sd/-

Alok Gupta

Partner

M. No. : 076216

Place : Kanpur

Date : 30.06.2021

For and on behalf of the Board of Directors

Sd/-

Pankaj Kaya

Director

DIN- 00295978

Sd/-

Prabha Kaya

Managing Director

DIN-00326278

Sd/-

Ketan Gupta

Company Secretary

Sd/-

Anshul Kaya

C.F.O.

Carbon Specialties Limited

Notes to Financial Statements for the year ended March 31, 2021

1 General information

Carbon Specialties Limited (The Company) is a public limited company domiciled and incorporated in India. The registered office of the Company is located at Kanpur, Uttar Pradesh.

The Company's object is to carry on the business of Leasing Property and Retail Trading in Securities

The Financial Statements were authorised for issue by the Company's Board of Directors on 30th June, 2021

2 Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standard (Ind AS) notified under the Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act

3 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements of the Company have been prepared on going concern basis in accordance with recognition and measurement principles prescribed under Section 133 of the Companies Act, 2013 read with the rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 issued thereunder and other accounting principles generally accepted in India.

The management believes that it is appropriate to prepare these financial statements on a going concern basis considering available resources, current level of operations of the Company, and those projected foreseeable future.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

Management of the Company's has prepared the Ind AS Financial Statements which comprise the Balance Sheet as at 31 March 2020 and 31 March 2021, the Statement of Profit and Loss, Statement of Cash Flows and Statement of Changes in Equity for the year ended 31 March 2021 and a summary of the significant accounting policies and other explanatory information.

Management has prepared Financial Statements to depict the historical financial information of the Company except for Investments forming part of financial assets which have been measured at fair value.

(b) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognized prospectively in current and future periods.

Estimation of uncertainty relating to the global health pandemic from COVID-19.

The company has considered the possible effect that may result from the pandemic relating to COVID-19 on the carrying amount of receivable, unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the global economic condition because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external source of information including credit report and related information, economic forecast. The company has performed sensitivity analysis on the assumption used and based on current estimate expect the carrying amount of these assets will be recovered. The impact of COVID-19 on the company's financial statements may differ from the estimated as at date of approval of these financial statements.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Assessment of useful life of Property, plant and equipment
- Assessment of useful life of Intangible assets
- Provisions and contingent liabilities
- Income taxes
- Lease classification indicating whether an arrangement contains a lease
- Inventory valuation

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant impact on the financial statements are as mentioned below:

- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Impairment of financial assets
- Fair value measurement
- Recognition of deferred tax assets: Availability of future taxable profits against which such Deferred tax assets can be adjusted.

| (c) | Current versus non-current classification All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company and other criteria set out in the Act. Deferred tax asset and liabilities are classified as non-current assets and non-current liabilities as the case may be. | | | | | | | | | | | | | | |
|-----------------------|--|-------|--|-----------------------|----|--------------------|---|-----------------------|----|-------------|---|------------|---|---------------------|---|
| | | | | | | | | | | | | | | | |
| (d) | Property, plant and equipment | | | | | | | | | | | | | | |
| | Under the previous GAAP (Indian GAAP), Property, plant and equipment (PPE) were carried in the balance sheet at their respective carrying value. Using the deemed cost exemption available as per Ind AS 101, the company has elected to carry forward the carrying value of PPE under Indian GAAP as on 31 March 2016 as book value of such assets under Ind AS at the transition date ("1 April 2016") and further calculations of depreciation is made on such value. | | | | | | | | | | | | | | |
| | Capital work-in-progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | Subsequent Costs | | | | | | | | | | | | | | |
| | The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in Statement of Profit and Loss as and when incurred. | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | Accordingly, the company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period) pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated August 09, 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the company do not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference. | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized. | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | Derecognition | | | | | | | | | | | | | | |
| | An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| (e) | Depreciation/amortization of fixed assets | | | | | | | | | | | | | | |
| | Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as follows: | | | | | | | | | | | | | | |
| | <table> <tr> <th colspan="2">Years</th></tr> <tr> <td>• Plant and equipment</td><td>12</td></tr> <tr> <td>• Office equipment</td><td>5</td></tr> <tr> <td>• Furniture & fixture</td><td>10</td></tr> <tr> <td>• Computers</td><td>3</td></tr> <tr> <td>• Vehicles</td><td>8</td></tr> <tr> <td>• Computer Software</td><td>6</td></tr> </table> | Years | | • Plant and equipment | 12 | • Office equipment | 5 | • Furniture & fixture | 10 | • Computers | 3 | • Vehicles | 8 | • Computer Software | 6 |
| Years | | | | | | | | | | | | | | | |
| • Plant and equipment | 12 | | | | | | | | | | | | | | |
| • Office equipment | 5 | | | | | | | | | | | | | | |
| • Furniture & fixture | 10 | | | | | | | | | | | | | | |
| • Computers | 3 | | | | | | | | | | | | | | |
| • Vehicles | 8 | | | | | | | | | | | | | | |
| • Computer Software | 6 | | | | | | | | | | | | | | |
| | Fixed assets having value less than INR 5,000 are fully depreciated in the year in which it is put to use. | | | | | | | | | | | | | | |
| | The residual values, useful lives and method of depreciation are reviewed at the end of each financial year. | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

| | |
|-----|---|
| (f) | <p>Impairment of non-financial assets</p> <p>At each reporting date, the Company assesses whether there is any indication based on internal/ external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which asset belongs is less than its carrying amount, the carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit or loss.</p> |
| (g) | <p>Impairment of financial assets</p> <p>In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider</p> <p>i) All contractual terms of the financial assets (including prepayment and extension) over the expected life of the asset</p> <p>ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms</p> <p>Trade Receivables</p> <p>The Company applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires lifetime expected credit losses to be recognised from the date of initial recognition of receivables.</p> <p>Other financial assets</p> <p>For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.</p> |
| (h) | <p>Borrowing costs</p> <p>Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds (this cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs).</p> <p>The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised basis the Effective Interest Rate (EIR) method over the term of the loan. The EIR amortisation is recognised under finance costs in the Statement of Profit or Loss. The amount amortized for the period from disbursement of borrowed funds upto the date of capitalization of the qualifying assets is added to cost of the qualifying assets.</p> |
| (i) | <p>Earnings per equity share</p> <p>Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issue data later date. Dilutive potential equity shares are determined independently for each period presented.</p> <p>The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.</p> |
| (j) | <p>Income taxes</p> <p>Current income tax</p> <p>Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India.</p> <p>Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.</p> <p>Current income tax assets and liabilities are offset if a legally enforceable right exists to set off these.</p> |

| | |
|-----|---|
| | <p>Deferred Tax</p> <p>Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.</p> <p>Deferred tax liabilities are recognised for all taxable temporary differences</p> <p>Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised</p> <p>The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.</p> <p>In situations where company is entitled to a tax holiday under the Income-tax Act, 1961, enacted in India, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period.</p> <p>Deferred taxes in respect of temporary differences which reverse after the tax holiday period are recognized in the year in which the temporary differences originate.</p> <p>However, the company restricts the recognition of deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized</p> <p>Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.</p> <p>Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity</p> <p>Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority</p> |
| | <p>Minimum Alternate Tax</p> <p>Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.</p> |
| (k) | <p>Contingent liabilities and assets</p> <p>Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.</p> <p>Contingent assets are disclosed where an inflow of economic benefits is probable.</p> |
| (l) | <p>Provisions</p> <p>Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.</p> <p>If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimate.</p> |
| (m) | <p>Financial instruments</p> <p>A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity</p> <p>Financial assets</p> <p>Initial recognition and measurement</p> <p>All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.</p> |
| | |

| | |
|--|--|
| | <p>Investments in mutual funds Investment in mutual funds are measured at fair value through FVTOCI.</p> <p>Subsequent measurement For purposes of subsequent measurement, financial assets are classified in four categories</p> <p>Equity investments All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 (Business Combinations) applies are classified as at FVTPL. The classification is made on initial recognition and is irrevocable.</p> <p>If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.</p> <p>Equity instruments included within the FVOCI category are measured at fair value with all changes recognized in the P&L</p> |
| | <p>Derecognition A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when The rights to receive cash flows from the asset have expired, or The respective company has transferred their rights to receive cash flows from the asset or have assumed the obligation to pay the received cash flows in full without material delay to a third party under a 'pass- through' arrangement; And Either the Company: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asse</p> <p>When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the continuing involvement of Company. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.</p> <p>Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.</p> <p>Financial liabilities Initial recognition and measurement Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.</p> <p>All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.</p> <p>The financial liabilities of the company include trade and other payables, loans and borrowings including bank overdraf</p> <p>Subsequent measurement The measurement of financial liabilities depends on their classification as discussed below</p> <p>Loans and borrowings After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.</p> <p>Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings.</p> |

| | |
|-----|---|
| | <p>The company perform quantitative analysis to determine whether an exchange or a modification is to be accounted for as an extinguishment. If the change in discounted cash flows (calculated on the basis of EIR) of the revised loans as compared with the original loan is less than 10%, the exchange or modification is not accounted for as an extinguishment and the unamortised loan origination costs in respect of the original financial liability are carried forward and amortised over the life of the modified loan facility. However, if the impact cash flows due to modification is equal to or more than 10%, the unamortised loan origination costs of the initial loan facility are directly taken to the Statement of Profit and Loss as finance costs in the same year.</p> |
| | <p>Derecognition</p> <p>A financial liability is derecognised when the obligation under the liability is discharged/ cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.</p> <p>Reclassification of financial assets and liabilities</p> <p>The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent.</p> <p>Offsetting of financial instruments</p> <p>Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.</p> |
| (n) | <p>Fair value measurement</p> <p>The Company measures financial instruments, at fair value at each balance sheet date</p> <p>Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:</p> <ul style="list-style-type: none"> • In the principal market for the asset or liability, or • In the absence of a principal market, in the most advantageous market for the asset or liability <p>The principal or the most advantageous market must be accessible by the Company</p> <p>The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.</p> <p>The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>All assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:</p> <ul style="list-style-type: none"> · Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities · Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable · Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |
| | |

| | |
|-----|--|
| | <p>For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy. At each reporting date, the management of the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies of the Company. For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.</p> <p>This note summarises the accounting policy for determination of fair value. Other fair value related disclosures are given in the relevant notes as following:</p> <ul style="list-style-type: none"> Disclosures for significant estimates and assumptions Quantitative disclosures of fair value measurement hierarchy Financial instruments (including those carried at amortised cost) |
| (o) | <p>Revenue recognition</p> <p>Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.</p> <ul style="list-style-type: none"> i) Operating incomes are exclusive of any rates, taxes and duties payable to government ii) Dividend income is recognised on receipt basis iii) Interest income is accounted for on accrual basis iv) Rental Income is accounted for on accrual basis. |
| (p) | <p>Exceptional Items</p> <p>Exceptional items refer to items of income or expense within the income statement from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the company.</p> |
| (q) | <p>Inventories</p> <p>Inventories of the company consisting of Mutual Funds are valued by the management at lower of cost or market value of their acquisition. The valuation is based upon the Net Asset Value of schemes declared by the Mutual Fund Houses. The valuation is done by comparing the total cost and market value of each category of the mutual funds.</p> |
| (r) | <p>Cash and Cash-Equivalents</p> <p>Cash and short-term deposits in the balance sheet comprise cash at banks and cash in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents includes bank overdrafts are form an integral part of Company's cash management.</p> |
| (s) | <p>Events occurring after the Balance Sheet date</p> <p>Impact of events occurring after the balance sheet date that provide additional information materially effecting the determination of the amounts relating to conditions existing at the balance sheet date are adjusted to respective assets and liabilities.</p> |
| (t) | <p>Functional Currency</p> <p>Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The functional currency of the Company is Indian Rupee.</p> |
| 4 | <p>The operations of the company were not impacted in the month of March' 2020 due to the nationwide lockdown announced by the Government of India because of COVID -19 outbreak. The company management has prepared cash flow projections and also assessed the impact on operations. As the company predominantly engaged in the business of Leasing and Trading Activity, the company expects there will be no effect on the revenue of the company from such businesses. Board is also of the opinion that this Pandemic will not effect the Going concern of the Company.</p> |
| | |

Carbon Specialties Limited**Notes to Financial Statements for the year ended March 31, 2021****Note No. 5 - Property, plant and equipment****(Amount in Rs.)**

| Particulars | Vehicles | Total |
|---------------------------------|-------------------|-------------------|
| Gross carrying amount | | |
| At March 31, 2020 | 114,13,260 | 114,13,260 |
| Additions | - | - |
| Disposals | - | - |
| Other Adjustments | - | - |
| At March 31, 2021 | 114,13,260 | 114,13,260 |
| Accumulated Depreciation | | |
| At March 31, 2020 | 59,02,410 | 59,02,410 |
| Charge for the year | 17,21,038 | 17,21,038 |
| Disposals | - | - |
| Other Adjustments | - | - |
| At March 31, 2021 | 76,23,449 | 76,23,449 |
| Net book value | | |
| At March 31, 2020 | 55,10,850 | 55,10,850 |
| At March 31, 2021 | 37,89,811 | 37,89,811 |

Mortgage and hypothecation on Property, plant & equipment :

The Company had taken a secured loan from HDFC Bank. This term loan was secured against hypothecation of vehicle and was issued at an interest rate of 10.25% p.a.(approx). During the year under consideration this loan has been repaid fully and no installments are left to be paid further.

Carbon Specialties Limited**Notes to Financial Statements for the year ended March 31, 2021****Note No. 6 - Investment Property****(Amount in Rs.)**

| Particulars | Total |
|---------------------------------|--------------------|
| Gross carrying amount | |
| At March 31, 2020 | 1025,07,500 |
| Additions | - |
| Disposals | - |
| Other Adjustments | - |
| At March 31, 2021 | 1025,07,500 |
| Accumulated Depreciation | |
| At March 31, 2020 | - |
| Charge for the year | - |
| Disposals | - |
| Other Adjustments | - |
| At March 31, 2021 | - |
| Net book value | |
| At March 31, 2020 | 1025,07,500 |
| At March 31, 2021 | 1025,07,500 |

Amounts recognized in profit or loss for investment properties**(Amount in Rs.)**

| Particulars | March 31 ,2021 | March 31 ,2020 |
|---|-----------------------|-----------------------|
| Rental income | 520,32,000 | 520,32,000 |
| Direct operating expenses from property that generated rental income | 15,34,940 | 18,41,928 |
| Direct operating expenses from property that did not generate rental income | - | - |
| Profit from investment properties before depreciation | 520,32,000 | 520,32,000 |
| Depreciation | - | - |
| Profit from investment properties | 520,32,000 | 520,32,000 |

Carbon Specialties Limited
Notes to Financial Statements for the year ended March 31, 2021

Note No. 7 - Financial Assets

| Particulars | At March 31, 2021 | | At March 31, 2020 | |
|---|--------------------|-----------------------|--------------------|-----------------------|
| Non-current (unsecured, considered good unless otherwise stated) | | | | |
| Investments (Non - Current) | | | | |
| Unquoted Investments in Mutual Funds | Units | Amount(In Rs.) | Units | Amount(In Rs.) |
| BSL Balance Advantage Fund-Growth | 48,877 | 32,01,471 | 48,877 | 22,30,277 |
| Franklin India Prima Fund Growth | 3,658 | 45,85,543 | 3,658 | 25,29,003 |
| HDFC Hybrid Equity Fund-Growth | 47,924 | 32,27,902 | 47,924 | 20,34,402 |
| HDFC Top 100 | 5,657 | 32,48,478 | 5,657 | 19,50,313 |
| HSBC Regular Saving Fund Growth | 2,18,395 | 93,49,967 | 2,18,395 | 79,83,798 |
| IDFC Sterling Value Fund Growth | 78,828 | 50,97,794 | 78,828 | 23,60,893 |
| Kotak Infrastructure & Economic Reform | 1,15,536 | 29,01,699 | 1,15,536 | 15,86,316 |
| Kotak Small Cap Fund Growth | 57,271 | 68,54,382 | 57,271 | 30,09,312 |
| Kotak Equity Opportunities Fund -Growth | 21,207 | 34,64,235 | 21,207 | 20,20,613 |
| Kotak India Equity Contra Fund | 62,525 | 43,62,629 | 62,525 | 24,63,991 |
| Principal Hybrid Equity Fund-Reg-Growth | 33,496 | 31,45,636 | 33,496 | 20,90,168 |
| Principal Emerging Bluechip Fund-Growth | 23,991 | 34,34,124 | 23,991 | 19,56,496 |
| ICICI Prudential Large & Mid Cap Fund | 9,401 | 38,48,952 | 9,401 | 21,79,672 |
| RIL Tax Saver Growth | - | - | 59,717 | 21,73,588 |
| RIL Vision Retail Growth | - | - | 10,535 | 40,38,759 |
| SBI Magnum Equity Growth | 51,647 | 69,92,722 | 51,647 | 41,99,436 |
| UTI Ultra Short Term Fund -Reg - Growth | - | - | 1,454 | 45,12,442 |
| UTI Core Equity Fund Regular -Growth | 48,996 | 38,69,487 | 48,996 | 20,63,949 |
| Total | 8,27,410.81 | 675,85,021.08 | 8,99,116.52 | 513,83,427 |
| Investment in Equity Shares | Quantity | Amount | Quantity | Amount |
| Shares of Premier Ispat Ltd. | 43,10,000.00 | 603,40,000 | - | - |
| Total | | 603,40,000 | | - |
| Loans (Non - Current) | | | | |
| Unsecured considered good, unless otherwise stated | | | | |
| Loans & Advances to related parties | | 95,20,000 | | 95,20,000 |
| Considered Good (Refer Note 25 (b)) | | | | |
| Others Loans & Advances | | | | |
| Advances recoverable in cash or kind | | 794,00,000 | | 292,00,000 |
| Considered good | | | | |
| Total | | 889,20,000 | | 387,20,000 |

Carbon Specialties Limited
Notes to Financial Statements for the year ended March 31, 2021

Note 8 Deferred Tax Assets

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| <u>Deferred Tax Asset</u> | | |
| Opening Net Deferred Tax Asset | 68,14,671 | 47,69,751 |
| Reversal of Opening Deferred Tax Assets | -68,14,671 | -47,69,751 |
| Tax effect of items constituting deferred tax assets | | |
| Depreciation and Amortisation | 9,76,126 | 8,74,799 |
| Budgeted loss | 59,39,872 | 59,39,872 |
| Total | 69,15,998 | 68,14,671 |

Carbon Specialties Limited

Notes to Financial Statements for the year ended March 31, 2021

Note No. 9 - Other assets

| Particulars | At March 31, 2021 | At March 31, 2020 |
|---|-------------------|-------------------|
| Non-current (unsecured, considered good unless otherwise stated) | | |
| Capital Advances | | |
| Advance for property | 200,00,000.00 | 200,00,000.00 |
| Advances other than Capital Advances | | |
| Other Advances | | |
| Balances with Statutory Authorities | 65,64,157 | 82,82,907 |
| MAT credit entitlement | 181,48,470 | 103,45,193 |
| Total | 447,12,627 | 386,28,100 |
| Current (Unsecured, considered good unless otherwise stated) | | |
| Balances with revenue authorities | | |
| IGST Input | 61,200 | 3,600 |
| TCS Receivable | - | 20,959 |
| TDS Receivable | 42,94,061 | 53,59,587 |
| | 43,55,261 | 53,84,146 |
| Other Loans & Advances | | |
| Advances recoverable in cash or kind | 8,12,603 | 5,01,000 |
| | 8,12,603 | 5,01,000 |
| Other Current Assets | | |
| Accrued Interest - Premier Ispat Ltd | 29,01,712 | - |
| Total | 80,69,576 | 58,85,146 |

Carbon Specialties Limited**Notes to Financial Statements for the year ended March 31, 2021****Note No. 10 - Inventories****Amount (In Rs.)**

| Particulars | At March 31, 2021 | At March 31, 2020 |
|---|--------------------------|--------------------------|
| Mutual Funds (At lower of cost and net realizable value) | 796,59,681 | 1438,45,348 |
| Total | 796,59,681 | 1438,45,348 |

Note No. 11 - Cash and cash equivalents**(Amount in Rs.)**

| Particulars | At March 31, 2021 | At March 31, 2020 |
|---|--------------------------|--------------------------|
| Balance with bank :- In current accounts | 280,09,646 | 93,90,308 |
| Cash in hand | 32,89,549 | 22,27,054 |
| Total | 312,99,195 | 116,17,363 |

Note No. 12 - Equity Share Capital**(Amount in Rs.)**

| Particulars | At March 31, 2021 | At March 31, 2020 |
|---|--------------------------|--------------------------|
| Authorized 5570000 Equity shares of Rs. 10 each | 557,00,000 | 557,00,000 |
| Total | 557,00,000 | 557,00,000 |
| Issued, subscribed and fully paid 5557300 Equity shares of Rs. 10 each | 555,73,000 | 555,73,000 |
| Total | 555,73,000 | 555,73,000 |

(a) Terms/Rights attached to Equity Shares

The company has only one class of equity shares having par value of Rs.10 per share. Each equity shareholder is eligible for one vote per share held.

In the event of liquidation of the company the holders of equity share will be entitled to receive the assets in proportion to the number of equity shares held by each of them.

(b) Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period

| Particulars | No. of Shares | Amount |
|---|----------------------|------------------|
| At the March 31, 2020 | 55,57,300 | 55,57,300 |
| Add: Issued during the year | - | - |
| Less:- Shares bought back during the year | - | - |
| At the March 31, 2021 | 55,57,300 | 55,57,300 |

| (c) Details of shareholders holding more than 5% of the equity shares in the Company | | |
|--|--------------------------|--------------------------|
| Particulars | At March 31, 2021 | At March 31, 2020 |
| Mr. Pankaj Kaya 21,55,040 ((March 31, 2017: 21,55,040, April 01, 2016: 21,55,040), No. of Equity Shares. | 38.78% | 38.78% |
| Ms. Kishore Kumar Kaya 25,51,740 ((March 31, 2017: 25,51,740, April 01, 2016: 25,51,740), No. of Equity Shares. | 45.92% | 45.92% |
| Note No 13 - Other Equity | | |
| Retained Earnings | | |
| At 31 March 2020 | | 3066,35,421 |
| Statement of Profit & Loss | | 785,10,462 |
| At 31 March 2021 | | 3851,45,882 |
| Note No. 14a - Other Financial liabilities - Non Current (Amount in Rs.) | | |
| Particulars | At March 31, 2021 | At March 31, 2020 |
| Non-current Others | | |
| Security Deposit against Lease Rent | 361,39,130 | 361,39,130 |
| Total | 361,39,130 | 361,39,130 |
| Note No. 14b - Current Financial liabilities - Borrowings (Amount in Rs.) | | |
| Particulars | At March 31, 2021 | At March 31, 2020 |
| Current Maturities of long Term Borrowings | - | 1,77,224 |
| Total | - | 1,77,224 |
| Note No. 14c - Current Financial Liabilities- Trade Payables (Amount in Rs.) | | |
| Particulars | At March 31, 2021 | At March 31, 2020 |
| Dues to micro enterprises and small enterprises | - | - |
| Others | 1,51,542 | 4,52,676.00 |
| Total | 1,51,542 | 4,52,676.00 |

Disclosures under Micro, Small and Medium Enterprises Act, 2006

The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as micro, small or medium enterprises. Consequently, the information required to be furnished in terms of para 6, after sub-para F of Part I of Schedule III to the Companies Act, 2013 with respect to the amount unpaid as at the year end to such enterprises together with the interest paid/payable to such parties has not been disclosed.

Further, in the absence of such information being available in respect of MSME as above, the "total outstanding dues of micro enterprises and small enterprises" as required to be disclosed vide para 4 (b) of Part I of Schedule III to the Companies Act, 2013 has been disclosed as nil on the face of the Balance Sheet. As a consequence, the total amount payable to suppliers as at the year end has been classified as "total outstanding dues of creditors other than Micro enterprises and small enterprises" under Trade Payables in the Balance Sheet."

(Amount in Rs.)

| Particulars | At March 31, 2021 | At March 31, 2020 |
|--|-------------------|-------------------|
| The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year | Nil | Nil |
| The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | Nil | Nil |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006. | Nil | Nil |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and | Nil | Nil |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006 | Nil | Nil |

Note No. 14d - Other Financial liabilities - Current

(Amount in Rs.)

| Particulars | At March 31, 2021 | At March 31, 2020 |
|------------------------------------|-------------------|-------------------|
| Outstanding Liability for Expenses | 4,78,950 | 2,08,725 |
| Statutory Dues Payable | 10,16,307 | 12,95,136 |
| Employee Benefits Payable | 12,72,500 | 10,16,150 |
| Total | 27,67,757 | 25,20,011 |

Note No. 15 - Provisions

(Amount in Rs.)

| Particulars | At March 31, 2021 | At March 31, 2020 |
|-------------------|-------------------|-------------------|
| Provision for Tax | 140,22,099 | 34,14,943 |
| Total | 140,22,099 | 34,14,943 |

Carbon Specialties Limited**Notes to Financial Statements for the year ended March 31, 2021****Note 16- Revenue From Operations****(Amount in Rs.)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|------------------|--------------------------------------|--------------------------------------|
| Sale of Products | | |
| Mutual Funds | 1121,51,981 | 175,00,000 |
| Sale of Services | | |
| Lease Rent | 520,32,000 | 520,32,000 |
| Total | 1641,83,981 | 695,32,000 |

Note 17 - Other income**(Amount in Rs.)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| Discount Received | 2,450 | - |
| Interest received from Premier Ispat Ltd. | 31,36,986 | - |
| Interest received on I.T. refund | 1,52,380 | 2,46,740 |
| Other Income | 3,017 | - |
| Total | 32,94,833 | 2,46,740 |

Note 18 - Purchase of Stock-in-Trade**(Amount in Rs.)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--------------|--------------------------------------|--------------------------------------|
| Mutual Funds | - | 200,00,000 |
| Total | - | 200,00,000.00 |

Note 19 - Changes in Inventory**(Amount in Rs.)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Opening Balance | | |
| Mutual Funds | 1438,45,348 | 1332,47,686 |
| Closing Balance | | |
| Mutual Funds | 796,59,681 | 1438,45,348 |
| Total changes in inventory | 641,85,667 | -105,97,662 |

Note 20 - Employees' Benefit Expenses**(Amount in Rs.)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| Salary | 184,68,000 | 184,62,000 |
| Contribution to E.S.I., DLI & Admin. Charges | 173,54,909 | 173,54,910 |
| Staff Welfare | 3,100 | 3,445 |
| Total | 358,26,009 | 358,20,355 |

Note 21 - Finance Cost**(Amount in Rs.)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|------------------------------|--------------------------------------|--------------------------------------|
| Interest Expenses | | |
| Interest on Vehicle Loan | 2,274 | 84,574 |
| Other Borrowing Costs | | |
| Bank Charges | 684 | 53 |
| Total | 2,958 | 84,627 |

| Note 22 - Depreciation And Amortization Expenses | | | (Amount in Rs.) |
|---|--------------------------------------|--------------------------------------|-----------------|
| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 | |
| Depreciation / Amortisation for the year | | | |
| Depreciation on PPE | 17,21,038 | 23,39,391 | |
| Total | 17,21,038 | 23,39,391 | |
| Note 23 - Other Expenses | | | (Amount in Rs.) |
| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 | |
| Administrative Expenses | | | |
| Accounting Charges | 12,000.00 | 12,000.00 | |
| Advertisement Expenses | 1,50,215.00 | 1,66,440.00 | |
| Appeal Fees | 20,000.00 | - | |
| Asset Management Fees | 15,34,940 | 18,41,928 | |
| Custodial Fees | 47,200 | 39,440 | |
| Demat Charges | 2,816.00 | - | |
| General Expense | 9,105.00 | 28,566.43 | |
| Insurance | 2,35,705 | 2,44,627 | |
| Interest on GST | 9,133.00 | - | |
| Interest on TDS | 8,963 | 150 | |
| Late Filing fees | 4,200 | - | |
| Legal & Professional | 15,400 | 20,400 | |
| Listing fees | 44,250 | 29,500 | |
| Payment to Auditors | 50,000 | 50,000 | |
| Professional Charges | 8,25,000.00 | 6,30,000.00 | |
| STT Charges | 78.81 | - | |
| Vehicle Running & Maintenance | 2,00,171 | 2,97,815 | |
| Total | 31,69,177 | 33,60,866 | |
| Payment to Auditors | | | |
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | |
| For : | | | |
| - Statutory Audit | 25,000 | 25,000 | |
| - Tax Audit | 25,000 | 25,000 | |
| - Other Matters | | - | |
| Total | 50,000 | 50,000 | |
| Note 24 - Earnings Per Share | | | (Amount in Rs.) |
| The following reflects the profit and share data used for the basic and diluted EPS computations: | | | |
| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 | |
| Net Profit for calculation of basic EPS | 498,08,133 | 185,57,820 | |
| Weighted average number of equity shares for calculating basic EPS | 55,57,300 | 55,57,300 | |
| Basic Earning per Share | 8.96 | 3.34 | |
| Net Profit for calculation of diluted EPS | 498,08,133 | 185,57,820 | |
| Weighted average number of equity shares for calculating diluted EPS | 55,57,300 | 55,57,300 | |
| Diluted Earning per Share | 8.96 | 3.34 | |

Carbon Specialties Limited**Notes to Financial Statements for the year ended 31 March 2021****Note 25 Related Party Disclosures****a) Names of related parties and related party relationship**

The names of related parties where control exists and/or with whom transactions have taken place during the period and description of relationship as identified by the management are:

I. Holding Company :

None

II. Key management personnel :

Mrs. Prabha Kaya, Managing Director

Mr. Pankaj Kaya, Executive Director

Mr. Ravindra Pratap Singh, Director

Mr. Rashmin Kumar Pati, Additional Director (Appointed w.e.f. 05/10/2020)

Mr. Vaibhav Kaya, Director (Appointed w.e.f. 25/08/2020)

Mr. Biswajit Singh, Additional Director (Appointed w.e.f. 05/10/2020)

Mr. Ketan Gupta, Company Secretary and Compliance Officer

Mr. Anshul Kaya, Chief Financial Officer

III. Enterprise owned or significantly influenced by key management personnel or their relatives:

M/s Hotels Control Pvt. Ltd.

M/s Shree Goverdhan Unnat Krishi Beej Anusandhan Kendra

M/s AVL Met-Plast Limited

M/s ANJS Exports Private Limited

M/s B.P.G. Securities Limited

M/s Bakliwal Fintex Private Limited

M/s Hi-Choice Collections Private Limited

IV. Remuneration to Key Managerial Personnel

Short term employee benefits

Post-employment gratuity and medical benefits

Termination benefits

Share - based payment transactions

Total compensation paid to Key Managerial Personnel

| | 31-Mar-21 | 31-Mar-20 |
|-------------------------------------|-------------|-------------|
| Mr. Ketan Gupta (Company Secretary) | 1,20,000.00 | 1,20,000.00 |

b) Transactions and balances with enterprises owned or significantly influenced by key management personnel or their relatives

For the year ended 31 March 2021:

(Amount in Rs.)

| Sl. No. | Name of Company/ Person | Nature of relationship | Nature of Transaction | Amount of Transaction | Closing Balance (Dr) |
|---------|---|--|--|-----------------------|--------------------------|
| 1 | M/s Hotels Control Pvt. Ltd. | Enterprise owned or significantly influenced by key management personnel or their relatives: | Financial Assets - Loans (Non-Current) | Nil | 75,20,000 (75,20,000) |
| 2 | M/s Shree Goverdhan Unnat Krishi Beej Anusandhan Kendra | Enterprise owned or significantly influenced by key management personnel or their relatives: | Financial Assets - Loans (Non-Current) | Nil | 20,00,000 (20,00,000) |

Note:

1) Figures in Brackets relate to the previous year.

CARBON SPECIALITIES LIMITED**Notes to Financial Statements for the year ended 31 March 2021****Note No. 26****Financial Risk Management objectives and policies**

The Company is exposed to various risk in relation to financial instruments. The main types of risks are credit risk, liquidity risk and market risk. The Company's risk management is coordinated in close co-operation with the board of directors, and focuses on securing Company's short to medium cash flows. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in these financial statements.

| Risk | Exposure arising from | Measurement | Management |
|----------------|--|--------------------|--|
| Credit risk | Cash and cash equivalents, Investments, loans and other financial assets | Aging analysis | Bank deposits, diversification of asset base |
| Liquidity risk | Trade payables, Borrowings and other financial liabilities | Cash flow forecast | Availability of borrowing facilities |

The Company's risk management is carried out by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk and credit risk.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its obligation to the Company causing financial loss. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors default of other counter parties and incorporates this information into its credit risk controls.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

| Asset Group | Basis of categorization | Provision for expected credit loss |
|----------------------|---|--|
| Low Credit risk | Cash and cash equivalents, Loans, Investments and other financial asset | 12 months expected credit loss |
| Moderate credit risk | Trade Receivables | Life time expected credit loss |
| High credit risk | Not applicable | Life time expected credit loss or fully provided for |

| Credit rating | Particulars | 31 March 2021 | 31 March 2020 |
|--------------------|---|---------------|---------------|
| A. Low Credit risk | Cash and cash equivalents, Loans, Investments and other financial asset | 2481,44,216 | 1017,20,790 |

Provisions for expected credit losses

As at 31 March 2021

| Particulars | Estimated gross carrying | Expected credit loss | Expected credit losses | Carrying amount net of impairment provision |
|---------------------------|--------------------------|----------------------|------------------------|---|
| Investments | 1279,25,021 | 0% | - | 1279,25,021 |
| Cash and cash equivalents | 312,99,195 | 0% | - | 312,99,195 |
| Loans | 527,82,203 | 0% | - | 527,82,203 |

As at 31 March 2020

| Particulars | Estimated gross carrying | Expected credit loss | Expected credit losses | Carrying amount net of impairment provision |
|---------------------------|--------------------------|----------------------|------------------------|---|
| Investments | 513,83,427 | 0% | - | 513,83,427 |
| Cash and cash equivalents | 116,17,363 | 0% | - | 116,17,363 |
| Loans | 445,13,246 | 0% | - | 445,13,246 |

Carbon Specialties Limited
Notes to Financial Statements for the year ended March 31, 2021

Note No 27 - Financial instruments -Fair values and accounting classifications

Set out below, are the fair values of the financial instruments of the Company, including their accounting classifications:

| Particulars | Note No. | March 31, 2021 | | March 31, 2020 | |
|--|----------|----------------------|-------------------|-------------------|-------------------|
| | | Amortised Cost | FVTOCI | Amortised Cost | FVTOCI |
| Financial assets | | | | | |
| Investments | 7 | | | | |
| BSL Balance Advantage Fund-Growth | | - | 32,01,471 | - | 25,89,526 |
| FT India Prima Fund Growth | | - | 45,85,543 | - | 35,63,608 |
| HDFC Hybrid Equity Fund-Growth | | - | 32,27,902 | - | 26,09,198 |
| HDFC Top 100 | | - | 32,48,478 | - | 28,43,679 |
| HSBC MIP Regular Plan Growth | | - | 93,49,967 | - | 79,95,023 |
| IDFC Sterling Equity Fund R Growth | | - | 50,97,794 | - | 41,06,140 |
| Kotak Infrastructure & Economic Reform | | - | 29,01,699 | - | 23,04,375 |
| Kotak Small Cap Fund Growth | | - | 68,54,382 | - | 41,27,302 |
| Kotak Opportunities-Growth | | - | 34,64,235 | - | 25,61,785 |
| Kotak India Equity Contra Fund | | - | 43,62,629 | - | 32,94,075 |
| Principal Hybrid Equity Fund Regular Growth | | - | 31,45,636 | - | 26,12,710 |
| Principal Emerging Bluechip Fund-Growth | | - | 34,34,124 | - | 24,98,701 |
| ICICI Prudential Large and Mid Cap Fund | | - | 38,48,952 | - | 30,55,489 |
| RIL Tax Saver Growth | | - | - | - | 33,39,080 |
| RIL Vision Retail Growth | | - | - | - | 55,26,687 |
| SBI Magnum Equity Growth | | - | 69,92,722 | - | 54,04,057 |
| UTI Ultra Short Term Fund Regular Fund | | - | - | - | 44,02,751 |
| UTI Core Equity Fund Regular - Growth | | - | 38,69,487 | - | 30,79,718 |
| TOTAL | | - | 675,85,021 | - | 659,13,904 |
| Investment in Equity Shares | | | | | |
| Shares of Premier Ispat Ltd. | | 603,40,000.00 | | - | |
| Total | | 603,40,000.00 | | - | |
| Loans - Non Current | | | | | |
| Loans & Advances to related parties | | 95,20,000 | - | 95,20,000 | - |
| TOTAL | | 95,20,000 | - | 95,20,000 | - |
| Others Loans & Advances - Non Current | | | | | |
| Advance recoverable in cash or kind | | 794,00,000 | - | 292,00,000 | - |
| TOTAL | | 794,00,000 | | 292,00,000 | - |
| Cash & Cash Equivalents | | 312,99,195 | - | 116,17,363 | - |
| TOTAL | | 312,99,195 | - | 116,17,363 | - |

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

i) The fair value of investments in mutual funds is determined using the quoted NAV at the reporting date.

Note No 28 - Financial instruments- Fair value hierarchy

The Company categorizes financial assets and financial liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- i) Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ii) Level 2 - Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the financial asset or financial liability.
- iii) Level 3 - Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

Note No. 29 - Auditors Remuneration Excluding Goods & Service Tax (Included on Legal and Professional Fees)

| Rs | | |
|--------------------------|-------------------------------------|-------------------------------------|
| Particulars | For the Year Ended 31 March 2021 | For the Year Ended 31 March 2020 |
| Payment to Auditors for: | | |
| - Statutory Audit | 25,000 | 25,000 |
| - Tax Audit | 25,000 | 25,000 |
| - Other Matters | - | - |
| | 50,000 | 50,000 |

Note No 30 - Commitments and Contingencies

The Company has contingent liability to the extent of INR Nil (31 March 2021: Nil) as guarantee given against credit facilities/financial assistance availed by related parties

Capital Commitments:

There are no capital commitment as at 31 March 2021 and 31 March 2020

The accompanying notes form an integral part of the financial statements.

For and on behalf of the Board of Directors

For Alok Basudeo & Co.

Chartered Accountants
(FRN-007299C)

Sd/-
Pankaj Kaya
Director
DIN- 00295978

Sd/-
Prabha Kaya
Managing Director
DIN-00326278

Sd/-
Alok Gupta
Partner
M. No. : 076216
Place : Kanpur
Date : 30.06.2021

Sd/-
Ketan Gupta
Company Secretary

Sd/-
Anshul Kaya
C.F.O.

CARBON SPECIALITIES LIMITED**Note No. 31****Segment wise Revenue, Results, Assets and Liabilities for the year ended 31st March 2021**

The company has identified two reportable segments viz. Investment Business as the primary segment and Trading in units of mutual funds and other securities as the secondary segment. 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.

| Particulars | | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|-------------|--|---------------------------------------|---------------------------------------|
| 1 | Segment Revenue | | |
| | Revenue from Operations | | |
| | a) Trading | 1121,51,981 | 175,00,000 |
| | b) Investments | 551,68,986 | 520,32,000 |
| | Net Sales/Income from operations | 1673,20,967 | 695,32,000 |
| 2 | Segment Results | | |
| | Profit/(Loss) Before Finance Cost & Tax | | |
| | a) Trading | 458,09,400 | 52,15,829 |
| | b) Investments | 536,19,151 | 501,78,072 |
| | Total | 994,28,551 | 553,93,901 |
| | Less : | | |
| | i) Finance Cost | 2,958 | 84,627 |
| | ii) Unallocable Expenses Net of Unallocable Income | 368,51,628 | -365,38,111 |
| | Profit/(Loss) Before Tax | 1362,77,221 | 187,71,163 |
| 3 | Segment Assets | | |
| | a) Trading | 2325,48,490 | 2190,03,606 |
| | b) Investments | 2543,34,921 | 1790,94,127 |
| | c) Unallocable Assets | 69,15,998 | 68,14,671 |
| | Total Segment Assets | 4937,99,409 | 4049,12,404 |
| 4 | Segment Liabilities | | |
| | a) Trading | 27,71,799 | 30,52,411 |
| | b) Investments | 361,39,130 | 361,39,130 |
| | c) Unallocable Liabilities | 141,69,599 | 35,12,443 |
| | Total Segment Liabilities | 530,80,528 | 427,03,984 |

CARBON SPECIALITIES LIMITED

Groupings

| Sl. No. | Particulars | As on March 31, 2021 | As on March 31, 2020 |
|---------|--|----------------------|----------------------|
| 1 | Property Plant and Equipment | | |
| | Audi Car Q7 | 13,00,714 | 18,91,397 |
| | Maruti car | 1,52,685 | 2,22,024 |
| | Honda Civic | 12,31,398 | 17,90,603 |
| | Toyota Innova Car | 11,05,014 | 16,06,826 |
| | Total | 37,89,811 | 55,10,850 |
| 2 | Investment Property | | |
| | Embassy Prime | 1025,07,500 | 1025,07,500 |
| | Total | 1025,07,500 | 1025,07,500 |
| 3 | Other Non Current Assets- Non Financial | | |
| | Capital Advances | | |
| | Advance for Property | 200,00,000 | 200,00,000 |
| | | 200,00,000 | 200,00,000 |
| | Advances other than Capital Advances | | |
| | Other Advances | | |
| | MAT credit entitlement | | |
| | Advance Income tax | 69,30,000 | - |
| | MAT Credit AY 2014-15 | 21,47,445 | 21,47,445 |
| | MAT Credit AY 2015-16 | 18,05,056 | 18,05,056 |
| | MAT Credit AY 2018-19 | 15,59,116 | 15,59,116 |
| | MAT Credit A.Y. 2019-20 | 8,73,277 | - |
| | MAT Credit A.Y. 2012-13 | 14,15,723 | 14,15,723 |
| | MAT Credit A.Y. 2020-21 | 20,29,957 | 20,29,957 |
| | MAT Credit AY 2013-14 | 13,87,896 | 13,87,896 |
| | TOTAL (A) | 181,48,470 | 103,45,193 |
| | Balances with statutory authorities | | |
| | IT Refund Due AY 2006-07 | 2,27,367 | 2,27,367 |
| | IT Refund Due AY 2009-10 | 2,30,350 | 2,30,350 |
| | IT Refund Due AY 2012-13 | 16,81,020 | 16,81,020 |
| | IT Refund Due AY 2013-14 | 2,79,540 | 2,79,540 |
| | IT Refund Due AY 2015-16 | 16,68,090 | 16,68,090 |
| | IT Refund Due AY 2016-17 | 3,86,910 | 3,86,910 |
| | IT Refund Due AY 2019-20 | - | 38,09,630 |
| | IT Refund Due AY 2019-20 | 20,90,880 | - |
| | TOTAL (B) | 65,64,157 | 82,82,907 |
| | Total (A) + (B) | 247,12,627 | 186,28,100 |
| 4 | Loans | | |
| | Loans and advances to related parties | | |
| | Hotels Control Pvt. Ltd. | 75,20,000 | 75,20,000 |
| | Shri Govardhan Unnat Krishi Beej Anusandhan Kendra | 20,00,000 | 20,00,000 |
| | | 95,20,000 | 95,20,000 |
| | Other Loans and Advances | | |
| | Advances recoverable in cash or kind | | |
| | Prem Chand | 30,00,000 | 30,00,000 |
| | Niraj Kumar Gupta | 2,00,000 | 2,00,000 |
| | Vivekshil Traders Pvt Ltd | 2,00,000 | 2,00,000 |
| | AVL Fragrances Pvt Ltd | 50,00,000 | 50,00,000 |
| | Success Vyapar Ltd | 78,50,000 | 78,50,000 |
| | Shri Bhagwati Enterprises | 21,50,000 | 21,50,000 |
| | Prabha Fragrances | 106,00,000 | 106,00,000 |
| | Utkal Facilites Services Pvt. Ltd. | 2,00,000 | 2,00,000 |
| | Premier Ispat Ltd. | 500,00,000 | - |
| | Tatwesh Agarwal | 2,00,000 | - |
| | | 794,00,000 | 292,00,000 |
| | Total | 889,20,000 | 387,20,000 |

| Sl. No. | Particulars | As on March 31, 2021 | As on March 31, 2020 |
|---------|---|----------------------|----------------------|
| 5 | Other Current Assets- Financial | | |
| | Balances with revenue authorities | | |
| | TDS Deducted on Alstom | 39,02,400 | 52,03,200 |
| | TDS Deducted on Interest | 2,35,274 | - |
| | TCS receivable - Sunny Toyota | - | 20,959 |
| | Total | 41,37,674 | 52,24,159 |
| 6 | Other Loans & Advances | | |
| | Advances recoverable in cash or kind | | |
| | Rakesh Kapoor | 27,400 | 31,000 |
| | Ravi Satapathy & Associates | 4,70,000 | 4,70,000 |
| | Ankit Dixit | 3,00,000 | - |
| | Adesh Tandon & Associates | 15,000 | - |
| | P & R Advertisers | 203 | - |
| | Total | 8,12,603 | 5,01,000 |
| 7 | Trade Payables - Current | | |
| | Embassy Property Developments Pvt. Ltd. | 1,51,542 | 4,52,676 |
| | Total | 1,51,542 | 4,52,676 |
| 8 | | | |
| | Current Maturities of Long Term Borrowings | | |
| | HDFC Bank Loan | - | 1,77,223.97 |
| | Total | - | 1,77,223.97 |
| | Outstanding Liability for Expenses | | |
| | Audit fees Payable | 1,47,500 | 97,500 |
| | Professional Charges Payable | 1,31,450 | 1,11,225 |
| | Adios Concept Pvt Ltd | 2,00,000 | - |
| | Total | 4,78,950.00 | 2,08,725.00 |
| | Statutory Dues payable | | |
| | TDS Payable | 2,62,827 | 5,23,656 |
| | IGST Payable | 7,53,480 | 7,71,480 |
| | Total | 10,16,307.00 | 12,95,136.00 |
| | Employee Benefits Payable | | |
| | Nandini Tandon | - | 9,86,150.00 |
| | Salary Payable | 30,000.00 | 30,000.00 |
| | Uma tandon | 12,42,500.00 | - |
| | Total | 12,72,500.00 | 10,16,150.00 |

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP IN ALL RESPECTS AND HAND IT OVER AT
THE ENTERANCE OF THE MEETING HALL

REGD. FOLIO NO. /CLIENT ID : -----
DP ID NO. : -----
CLIENT ID : -----
NO. OF SHARES : -----
NAME : -----
ADDRESS : -----

I hereby certify that I am a registered shareholder/proxy for the registered shareholder of the company. I hereby record my presence at the Annual General Meeting of the Company to be held on Thursday, 30th September, 2021 at 12.30 PM. at the Registered Office of the Company at 53/10, Nayaganj, Kanpur-208001 (UP)

| | |
|--------------------------------------|---------------------------------------|
| NAME OF THE SHAREHOLDER/PROXY | SIGNATURE OF SHAREHOLDER/PROXY |
|--------------------------------------|---------------------------------------|

**Form No. MGT-11
Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L65929UP1985PLC111401
Name of the company : CARBON SPECIALITIES LIMITED
Registered office : 53/10, NAYA GANJ, KANPUR-208001(U.P.)

Name of the member (s):
Registered address:
E-mail Id:
Folio No/ Client Id:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:
Address:
E-mail Id:
Signature:....., or failing him

2. Name:
Address:
E-mail Id:
Signature:....., or failing him

3. Name:
Address:
E-mail Id:
Signature:.....

as my/our proxy to attend and vote (on a poll) for me and on my behalf at the Annual general meeting of the company, to be held on Thursday, 30th September 2021 at 12:30 P.M at 53/10, Nayaganj, Kanpur IN and at any adjournment thereof in respect of such resolutions as mention in notice of meeting:

Affix
Revenue Stamp

Signed this _____ day of _____ 2021
Signature of shareholder
Signature of Proxy holder(s)

Note:

THIS FORM OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.