

A B P P & Associates

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of **Carbon Finance Limited**

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Carbon Finance Limited** ("*the Company*") which comprises the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the Ind AS financial statements and our auditor's report thereon. Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the 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.

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

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

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operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Financial Statement

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

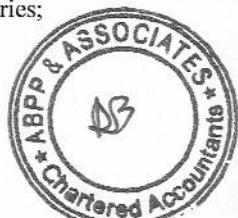
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act:

In our opinion, the company has not paid any managerial remuneration for the year ended March 31, 2026 to its directors and accordingly the provisions of section 197 read with Schedule V to the Act is not applicable
 - h) 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 has disclosed the impact of pending litigations as on 31st March, 2026, on its financial position in its Ind AS financial statements as detailed in Note 20 to the Ind AS financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



(c)Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(c), as provided under (a) and (b) above, contain any material misstatement.

- v) The company has not declared or paid any dividend during the year.
- vi) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes made using privileged/ administrative access rights as described in note 20.2 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered and the audit trail has been preserved by the company as per the statutory requirements for record retention.

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

Ajay Baid

Ajay Chand Baid
Partner
Membership No. 302061
UDIN- 26302061WDDAzy6082
Kolkata
Dated: 8th May, 2026



“Annexure A” to Independent Auditors’ Report

Statement referred to in our Independent Auditors report to the members of the Company on the Ind AS financial statements for the year ended 31st March 2026.

- i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have any intangible assets disclosed in the financial statements.
- (b) These Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Investment Property are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Company does not have any inventory and as such clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations provided to us, the Company has not been sanctioned working capital limits. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.
- iii. The Company has made investments in companies and there are no investments in firms, Limited Liability Partnerships, and the company has granted secured loans to companies during the year. The Company has not granted unsecured loans to companies, firms, Limited Liability Partnerships or any other parties, during the year.
- (a) The company is a non-banking finance company (NBFC), hence reporting under clause 3(iii)(a) of the Order are not applicable.
- (b) The investments made and the terms and conditions of the grant of all loans and advances in the nature of loans are not prejudicial to the company’s interest. The company has not provided any guarantee and security given during the year.
- (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) The company is a non-banking finance company (NBFC), hence reporting under clause 3(iii)(c) of the Order are not applicable.
- (f) According to the information explanation provided to us, the Company has granted loans/advances in the nature of loans repayable on demand. The details of the same are as follows:

Particulars	Amount (Rs. in lakhs)
Aggregate amount of loans/ advances in nature of loans	
- Repayable on demand (A)	Rs. 750.00
-Agreement does not specify any terms or period of repayment (B)	NIL
Total (A+B)	Rs. 750.00
Percentage of loans/advances in nature of loans to the total loans granted to related parties	100%
Amount outstanding as 31.03.2026	NIL



- iv. According to the information and explanations given to us, the company has not given any loan or guarantee or provided any security covered by the provisions of Section 185 and in respect of loans, investments, guarantees and security, the company has complied with provisions of Section 186 of the Act to the extent applicable.
- v. The Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of Clause 3(v) of the Order are not applicable.
- vi. The Central Government has not prescribed for the maintenance of cost records under Section 148(1) of the Act.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing undisputed statutory dues including goods and service tax, provident fund, employees state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, with the appropriate authorities.
- (b) Details of statutory dues referred to in sub-clause(a) above which have not been deposited as on 31st March, 2026 on account of dispute are given below:-

Name of the Statute	Nature of Dues	Amount (Rs.in lakhs)	Period to which the amount relates (F.Y.)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax and Interest	44.07	2021-22	Commissioner of Income Tax (Appeals)

- viii. The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).
- ix. (a)The Company has not taken any loans or other borrowings from any lender. Accordingly, the provisions of Clause 3(ix)(a) of the Order are not applicable.
- (b)The Company has not been declared willful defaulter by any bank or financial institution or government or government authority.
- (c)The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, no funds have been raised on short term basis which have been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (a)The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.



- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the company, there are no whistle blower complaints received by the company during the year.
- xii. The company is not a Nidhi company and as such clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and registration has been obtained.
- (b) The company has not carried out any Housing finance activities during the year accordingly reporting under clause 3(xvi)(b) of the Order is not applicable.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India accordingly reporting under clause 3(xvi)(c) of the Order is not applicable.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year and accordingly this clause is not applicable.



xix. According to information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. The provisions of Section 135 of the Companies Act are not applicable to the Company, accordingly reporting under clause 3(xx)(a) and (b) of the order is not applicable.

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

Aj Ch Baid

Ajay Chand Baid
Partner
Membership No. 302061
UDIN- 26302061WDDAZY6082
Kolkata
Dated: 8th May, 2026



ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF CARBON FINANCE LIMITED

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

We have audited the internal financial controls over financial reporting of **Carbon Finance Limited** ("the Company") as of March 31, 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Ajay Baid

Ajay Chand Baid
Partner
Membership No. 302061
UDIN- 26302061 WDDAZY6082
Kolkata
Dated: 8th May, 2026



A B P P & Associates

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF CARBON FINANCE LIMITED.

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying standalone quarterly financial results of **Carbon Finance Limited** for the quarter ended March 31, 2026 and for the year ended March 31, 2026 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- i. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter ended March 31, 2026 and for the year ended March 31, 2026.

Basis for Opinion

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

Management's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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In preparing the standalone financial results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 standalone financial results.

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 standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.



ABPP & Associates

Chartered Accountants

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.

The statement includes the results for the quarter ended 31st March, 2026 being the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2026 and the published unaudited year-to-date figures upto the third quarter of the current financial year, which were subjected to limited review by us, as required under the Listing Regulations

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

Ajay Baid

Ajay Chand Baid
Partner
Membership No. 302061
UDIN- 26302061WDDAzy6082
Kolkata
Dated: 8th May, 2026



CARBON FINANCE LIMITED
BALANCE SHEET as at 31st March, 2026
(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	As at 31st March, 2026	As at 31st March, 2025
ASSETS			
Financial Assets			
Cash and Cash Equivalents	4	21.03	26.94
Loans	5	-	754.22
Investments	6	12,794.40	16,505.56
		12,815.43	17,286.72
Non- Financial Assets			
Current Tax Assets (Net)	10.2	6.57	0.81
Investment Property	7	1,254.96	1,282.54
Other non- financial assets	8	0.11	0.06
		1,261.64	1,283.41
TOTAL ASSETS		14,077.07	18,570.13
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade Payables	9		
Total Outstanding dues of creditors other than micro-enterprises and small enterprises		0.78	0.78
		0.78	0.78
Non-Financial Liabilities			
Current Tax Liabilities (Net)	10.3	4.58	4.91
Deferred Tax Liabilities (Net)	10	1,014.18	1,680.35
Other non- financial Liabilities	11	11.36	11.34
		1,030.12	1,696.60
EQUITY			
Equity Share Capital	12(a)	530.00	530.00
Other Equity	12(b)	12,516.17	16,342.75
Total Equity		13,046.17	16,872.75
TOTAL LIABILITIES AND EQUITY		14,077.07	18,570.13

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

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

Ajay Chand Baid

Ajay Chand Baid
Partner
Membership No. 302061

Place : Kolkata
Dated: 8th May, 2026



P. Keyal
P. Keyal
Director & CEO
(DIN : 00500988)

M.K. Chhajera *K.K. Bangur*
M.K. Chhajera K.K. Bangur
Director Director
(DIN : 00667940) (DIN : 00029427)



CARBON FINANCE LIMITED
STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2026

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

	Note	Year ended 31st March, 2026	Year ended 31st March, 2025
Revenue from Operations	13		
(a) Interest Income	13.1	45.62	15.66
(b) Dividend Income	13.2	31.75	24.43
(c) Net Gain on Fair value changes	13.3	-	5,842.16
(d) Sale of Services	13.4	255.60	255.60
Other Income	14	0.67	0.11
Total Income		333.64	6,137.96
Expenses			
(a) Finance Costs	15	-	0.34
(b) Depreciation and Amortisation Expense	16	27.58	27.58
(c) Other Expenses	17	4,739.44	35.81
Total Expenses		4,767.02	63.73
Profit/(Loss) before Tax		(4,433.38)	6,074.23
Tax Expense	18		
Current Tax		59.37	59.00
Deferred Tax		(666.17)	998.17
Profit/(Loss) for the Year		(3,826.58)	5,017.06
Other Comprehensive Income			
Items that will not be Reclassified to Profit or Loss		-	-
Items that will be Reclassified to Profit or Loss		-	-
Total Other Comprehensive Income, Net of Tax		-	-
Total Comprehensive Income for the Year		(3,826.58)	5,017.06
Earnings per Equity Share (Nominal Value Rs. 10/- per Share)	18		
Basic (Rs.)		(72.20)	94.66
Diluted (Rs.)		(72.20)	94.66

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

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

Ajay Baid

Ajay Chand Baid
Partner
Membership No. 302061

Place : Kolkata
Dated: 8th May, 2026



P. Keyal
P. Keyal
Director & CEO
(DIN : 00500988)

M.K. Chhajer *K.K. Bangur*
M.K. Chhajer K.K. Bangur
Director Director
(DIN : 00667940) (DIN : 00029427)



CARBON FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2026
 (All amounts in Rs. lakhs, unless otherwise stated)

A. Equity Share Capital

	As at 31st March, 2026	As at 31st March, 2025
Balance at the beginning of the reporting period	530.00	530.00
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	530.00	530.00

B. Other Equity

	Reserves and Surplus					Total
	Statutory Reserve	Impairment Reserve (As per RBI guidelines)	Securities Premium	General Reserve	Retained Earnings	
As at 31st March, 2024	1,860.36	-	1,380.00	1,038.56	7,046.77	11,325.69
Profit for the Year	-	-	-	-	5,017.06	5,017.06
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	-	5,017.06	5,017.06
Transfer to Statutory Reserve from Retained earnings	1,003.41	-	-	-	(1,003.41)	-
Transfer to Impairment Reserve	-	3.00	-	-	(3.00)	-
As at 31st March, 2025	2,863.77	3.00	1,380.00	1,038.56	11,057.42	16,342.75
Profit for the Year	-	-	-	-	(3,826.58)	(3,826.58)
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	-	(3,826.58)	(3,826.58)
Transfer to Statutory Reserve from Retained earnings	-	-	-	-	-	-
Transfer to Impairment Reserve	-	-	-	-	-	-
As at 31st March, 2026	2,863.77	3.00	1,380.00	1,038.56	7,230.84	12,516.17

The accompanying Notes form an integral part of the financial statements

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

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



Ajay Chand Baid
 Partner
 Membership No. 302061

Place : Kolkata
 Dated: 8th May, 2026



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


 P. Keyal
 Director & CEO
 (DIN : 00500988)


 M.K. Chhajer
 Director
 (DIN : 00667940)


 K.K. Bangur
 Director
 (DIN : 00029427)



CARBON FINANCE LIMITED
CASH FLOW STATEMENT for the year ended 31st March, 2026
 (All amounts in Rs. lakhs, unless otherwise stated)

	Year ended 31st March, 2026	Year ended 31st March, 2025
A. Cash Flows from Operating Activities		
Profit /(Loss) before Tax	(4,433.38)	6,074.23
<u>Adjustments for:</u>		
Depreciation and Amortisation Expense	27.58	27.58
Liabilities no longer required Written Back	-	(0.11)
Changes in Fair Value of Financial Assets carried at Fair Value through Profit or Loss	4,706.16	(5,842.16)
Operating Profit before Changes in Operating Assets and Liabilities	<u>300.36</u>	<u>259.54</u>
Changes in Operating Assets and Liabilities:		
Increase in Trade Payables	-	0.08
Increase in Other Current Liabilities	0.02	3.51
Decrease / (Increase) in Loans	754.22	(754.21)
Decrease in Other Current Assets	(0.04)	0.24
Cash Generated from Operations	<u>1,054.56</u>	<u>(490.84)</u>
Income Taxes paid (Net of Refunds)	(65.47)	(56.19)
NET CASH FROM OPERATING ACTIVITIES	<u>989.09</u>	<u>(547.03)</u>
B. Cash Flows from Investing Activities:		
Payments for Purchase of Investments	(1,000.00)	(157.00)
Proceeds from Sale/ Redemption of Investments	5.00	692.26
NET CASH USED IN INVESTING ACTIVITIES	<u>(995.00)</u>	<u>535.26</u>
C. Cash Flows from Financing Activities		
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net Cash Outflow	<u>(5.91)</u>	<u>(11.77)</u>
Cash and Cash Equivalents- Opening	26.94	38.71
Cash and Cash Equivalents- Closing	<u>21.03</u>	<u>26.94</u>
	<u>(5.91)</u>	<u>(11.77)</u>

The accompanying Notes form an integral part of the financial statements

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

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

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

Ajay Baid

Ajay Chand Baid
Partner
Membership No. 302061



Place : Kolkata
Dated: 8th May, 2026

P. Keyal
P. Keyal
Director & CEO
(DIN : 00500988)

M.K. Chhajer
M.K. Chhajer
Director
(DIN : 00667940)

K.K. Bangur
K.K. Bangur
Director
(DIN : 00029427)



CARBON FINANCE LIMITED

Notes to the financial statements for the year ended 31st March, 2026

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

1 Company's Background

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

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

The financial statements were approved and authorised for issue by the Board of Directors on 8th May, 2026.

2 Significant Accounting Policies

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

(a) Basis of Preparation

(i) Compliance with Ind AS

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

(ii) Historical Cost Convention

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

(iii) Rounding of Amounts

All amounts disclosed in these financial statements and notes have been rounded off to lakhs upto two decimals as per the requirement of Schedule III, unless otherwise stated.

(b) Revenue Recognition

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

Sale of Services

Income from services rendered is recognised as the services are rendered and is booked based on agreements/arrangements with the concerned parties. Rental income on such operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the period of lease.

(c) Investment Property

Investment property is property (land or building or part of a building or both) held either to earn rental income or capital appreciation or for both, but neither for sale in the ordinary course of business nor used in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the Investment Property is recognised in Statement of Profit and Loss.

Depreciation on investment properties is provided on straight line method over the estimated useful lives of the investment property taking into consideration their estimated residual values. These assets have been provided depreciation based on life of assets in line with life prescribed in Schedule II to the Act, which is 60 years. The Management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

(d) Impairment of Non-financial Assets

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



(e) Leases

As a lessor

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Rental income on such operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the period of lease.

(f) Investments and Other Financial Assets

(i) Classification

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

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

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

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

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

(ii) Measurement

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

Debt instruments

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

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

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

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

Equity instruments

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

(iii) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 22 details how the Company determines whether there has been a significant increase in credit risk.



(iv) Derecognition of Financial Assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

(v) Income Recognition

Dividends

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

Lease Rent

Rental income on such operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the period of lease.

(vi) Fair Value of Financial Instruments

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

(g) Trade Receivables

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

(h) Cash and Cash Equivalents

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

(i) Trade Payables

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

(j) Income Tax

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

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



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

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

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

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

(k) Provisions and Contingencies

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

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

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not 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 embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

(l) Earnings per Share

(i) Basic Earnings per Share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted Earnings per Share

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

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(m) Segment Reporting

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

3 Critical Estimates and Judgements

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

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



The areas involving critical estimates or judgements are:

· **Estimation of expected useful lives and residual values of property, plant and equipment – Notes 2(c) and 6**

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

· **Contingencies**

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

Fair Value Measurements – Note 22



CARBON FINANCE LIMITED

Notes to the financial statements for the year ended 31st March, 2026

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

	Face Value	Number	As at 31st March, 2026	Number	As at 31st March, 2025
6 Investments					
Non- Current Investments					
Investments in Equity Instruments					
At fair value through profit and loss					
Others, Quoted					
(Fully Paid up)					
Astra Microwave Products Limited	Rs.2	2,08,653	1,785.44	2,08,653	1,402.88
Bhagiradha Chemicals & Industries Ltd	Rs.1	8,98,100	1,539.98	8,98,100	2,497.17
Sumitomo Chemical India Limited	Rs.10	21,51,133	7,839.80	21,51,133	12,032.36
			<u>11,165.22</u>		<u>15,932.41</u>
Current Investments					
Investments in Mutual Funds					
At fair value through profit and loss					
Unquoted:					
Units of ;					
Aditya Birla Sun Life Arbitrage Fund - Growth-Regular Plan	Rs.10	3,05,789.071	84.79	3,05,789.071	79.91
Aditya Birla Sun Life Low Duration Fund-Regular-Growth	Rs.100	57,265.735	391.02	-	-
Axis Money Market Fund-Regular-Growth	Rs.1000	2,751.980	41.19	-	-
Axis Treasury Advantage Fund-Regular Growth	Rs.1000	1,568.278	50.66	-	-
HDFC Arbitrage Fund-Wholesale Plan-Regular-Growth	Rs.10	40,262.390	12.88	40,262.390	12.14
HDFC Corporate Bond Fund-Regular-Growth	Rs.10	2,828.070	0.94	2,828.070	0.90
HDFC Short Term Debt Fund-Regular Plan-Growth	Rs.10	2,64,754.765	87.93	-	-
ICICI Prudential Savings Fund- Growth	Rs.10	7,041.875	40.07	-	-
Kotak Equity Arbitrage Fund - Growth-Regular	Rs.10	6,16,032.402	241.19	6,16,032.402	227.22
Nippon India Short Duration Fund-Growth Plan-Growth Option	Rs.10	7,50,126.123	410.07	-	-
Nippon India Arbitrage Advantage Fund - Growth	Rs.10	3,86,603.163	107.02	3,86,603.163	101.06
SBI Arbitrage Opportunities Fund - Regular Plan - Growth	Rs.10	4,56,803.552	161.42	4,56,803.552	151.92
			<u>1,629.18</u>		<u>573.15</u>
Total - Gross- (A)			<u>12,794.40</u>		<u>16,505.56</u>
Investments outside India			-		-
Investments in India			12,794.40		16,505.56
Total (B)			<u>12,794.40</u>		<u>16,505.56</u>
Less:- Allowance for Impairment (C)			-		-
Total - Net (D)= (A)-(C)			<u>12,794.40</u>		<u>16,505.56</u>



CARBON FINANCE LIMITED

Notes to the financial statements for the year ended 31st March, 2026

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

	As at 31st March, 2026	As at 31st March, 2025
4 Cash and Cash Equivalents		
Balances with Banks in Current Accounts	21.03	26.94
	<u>21.03</u>	<u>26.94</u>
5 Loans (at Amortized Cost)		
A. i) Loans repayable on demand:		
-To related parties (Refer Note 21.1)	-	750.00
ii) Interest accrued on above	-	4.22
Total A - Gross :	<u>-</u>	<u>754.22</u>
Add/(Less) : Impairment loss allowance	-	-
Total A - Net :	<u>-</u>	<u>754.22</u>
B. Security		
i) Secured by Tangible & Intangible Assets	-	750.00
ii) Unsecured	-	4.22
Total B - Gross :	<u>-</u>	<u>754.22</u>
Add/(Less) : Impairment loss allowance	-	-
Total B - Net :	<u>-</u>	<u>754.22</u>
C. Other details		
i) Loans in India		
- Public Sector	-	-
- Others - Bodies Corporate	-	754.22
Total C(i) - Gross :	<u>-</u>	<u>754.22</u>
Add/(Less) : Impairment loss allowance	-	-
Total C(i) - Net :	<u>-</u>	<u>754.22</u>
ii) Loans outside India	-	-
Total C(ii) - Net :	<u>-</u>	<u>-</u>
Total C(i)+(ii) - Net :	<u>-</u>	<u>754.22</u>

(D) Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties

Type of Borrower	As at 31st March, 2026		As at 31st March, 2025	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
(a) Loans repayable on demand:				
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related parties	-	-	750.00	100.00
(b) Loans without specifying any terms or period of repayment:				
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related parties	-	-	-	-

**E) Details of Impairment Allowance on Loans /
Financial Instruments :**

Opening Balance	-	-
Impairment loss allowance Charge/(release) for the year	-	-
Closing Balance	<u>-</u>	<u>-</u>

8 Other Non- Financial Assets
Current
Unsecured, Considered Good :
Prepaid/Advance for Expenses

0.11	0.06
<u>0.11</u>	<u>0.06</u>



7 Investment Property
Reconciliation of Gross and Net Carrying Amount of Each Class of Assets

	Freehold Land	Buildings	Total
Year Ended 31st March, 2025			
Gross Carrying Amount			
Opening Balance	77.56	1,398.05	1,475.61
Additions	-	-	-
On Disposals	-	-	-
Closing Balance	77.56	1,398.05	1,475.61
Accumulated Depreciation			
Opening Balance	-	165.49	165.49
For the Year	-	27.58	27.58
On Disposals	-	-	-
Closing Balance	-	193.07	193.07
Net Carrying Amount	77.56	1,204.98	1,282.54
Year Ended 31st March, 2026			
Gross Carrying Amount			
Opening Balance	77.56	1,398.05	1,475.61
Additions	-	-	-
On Disposals	-	-	-
Closing Balance	77.56	1,398.05	1,475.61
Accumulated Depreciation			
Opening Balance	-	193.07	193.07
For the Year	-	27.58	27.58
On Disposals	-	-	-
Closing Balance	-	220.65	220.65
Net Carrying Amount	77.56	1,177.40	1,254.96

Useful life of the asset (in years)

60

Method of depreciation

Straight Line Method

(i) Income earned and expense incurred in connection with investment property

Particulars	Year ended	Year ended
	31st	31st
	March, 2026	March, 2025
Rental Income	255.60	255.60
Direct Operating expense for property that generated rental income	8.06	18.17
Depreciation on Investment Property	27.58	27.58

(ii) As per contractual arrangements, the company is responsible for the maintenance of the common area/bears maintenance costs. The expenses arising out of such arrangements are not material.



9 Financial Liabilities	As at 31st March, 2026	As at 31st March, 2025
Trade Payables		
Current		
Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	0.78	0.78
	<u>0.78</u>	<u>0.78</u>

Trade payables Ageing Schedule #

As at 31st March, 2026 -

Particulars	Unbilled dues/provisions	Outstanding for following periods from the due date of payments					Total
		Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed -							
- dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
- dues of creditors other than micro enterprises and small enterprises	0.78	-	-	-	-	-	0.78
Disputed -							
- dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
- dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-

As at 31st March, 2025 -

Particulars	Unbilled dues/provisions	Outstanding for following periods from the due date of payments					Total
		Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed -							
- dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
- dues of creditors other than micro enterprises and small enterprises	0.78	-	-	-	-	-	0.78
Disputed -							
- dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
- dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-

10 Deferred Tax Liabilities / Asset (Net)**10.1 Significant components and Movement in Deferred Tax Assets and Liabilities during the year.**

	As at 31st March, 2025	Recognised in Profit or Loss	As at 31st March, 2026
Deferred Tax Liabilities			
Financial Assets at Fair Value through Profit or Loss	1,774.98	(666.35)	1,108.63
Total Deferred Tax Liabilities	<u>1,774.98</u>	<u>(666.35)</u>	<u>1,108.63</u>

	As at 31st March, 2025	Recognised in Profit or Loss	As at 31st March, 2026
Deferred Tax Asset			
Carry Forward Losses	(94.63)	0.18	(94.45)
Total Deferred Tax Asset	<u>(94.63)</u>	<u>0.18</u>	<u>(94.45)</u>
Net Deferred Tax (Asset)/Liabilities	<u>1,680.35</u>	<u>(666.17)</u>	<u>1,014.18</u>

	As at 31st March, 2024	Recognised in Profit or Loss	As at 31st March, 2025
Deferred Tax Liabilities			
Financial Assets at Fair Value through Profit or Loss	764.21	1,010.77	1,774.98
Total Deferred Tax Liabilities	<u>764.21</u>	<u>1,010.77</u>	<u>1,774.98</u>

	As at 31st March, 2025	Recognised in Profit or Loss	As at 31st March, 2026
Deferred Tax Asset			
Carry Forward Losses	(82.04)	(12.59)	(94.63)
Total Deferred Tax Asset	<u>(82.04)</u>	<u>(12.59)</u>	<u>(94.63)</u>
Net Deferred Tax (Asset)/Liabilities	<u>682.17</u>	<u>998.18</u>	<u>1,680.35</u>

10.2 Current Tax Assets (Net)

	As at 31st March, 2026	As at 31st March, 2025
Advance Tax and Tax Deducted at Source [Net of Provision for Tax Rs. 90.00 Lakhs (Previous Year - Rs 28.00 Lakhs)]	6.58	0.81

10.3 Current Tax Liabilities (Net)

	As at 31st March, 2026	As at 31st March, 2025
Current Tax Liabilities [Net of Advance Tax Rs. 156.42 Lakhs (Previous Year - Rs. 181.09 lakhs)]	4.58	4.91

11 Other non-financial Liabilities

	As at 31st March, 2026	As at 31st March, 2025
Current		
Dues Payable to Government Authorities @	11.36	11.34
	<u>11.36</u>	<u>11.34</u>

@ Dues Payable to Government Authorities include withholding taxes and goods and service tax



CARBON FINANCE LIMITED

Notes to the financial statements for the year ended 31st March, 2026
(All amounts in Rs. lakhs, unless otherwise stated)

12(a) Equity Share Capital

	As at 31st March, 2026	As at 31st March, 2025
Authorised 53,00,000 Equity Shares of Rs10/- each Fully Paid-up	530.00	530.00
Issued, Subscribed and Fully Paid-up 53,00,000 Equity Shares of Rs10/- each Fully Paid-up	530.00	530.00
	530.00	530.00

There were no changes in the number of shares during the years ended 31st March, 2026 and 31st March, 2025.

(i) Rights, preferences and restrictions attached to shares

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

(ii) Details of Shares held by the Holding Company

Graphite India Limited, Holding Company

	No. of shares	No. of shares
	53,00,000	53,00,000

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

Name of Shareholder
Graphite India Limited, Holding Company

	No. of shares	No. of shares
	53,00,000	53,00,000

(iv) No shares have been allotted during the period of five years immediately preceding March 31, 2026 pursuant to contracts without payment being received in cash or by way of bonus shares and there has been no buy back during the said period.

(v) Details of shares held by Promoters

As at 31st March, 2026

Promoter Name	Number of Equity Shares at the beginning of the year	Changes during the year	Number of Equity Shares at the end of the year
Graphite India Limited	53,00,000	-	53,00,000

As at 31st March, 2025

Promoter Name	Number of Equity Shares at the beginning of the year	Changes during the year	Number of Equity Shares at the end of the year
Graphite India Limited	53,00,000	-	53,00,000

12(b) Other Equity

-Reserves and Surplus

	As at 31st March, 2026	As at 31st March, 2025
Statutory Reserve (Refer Note A) & (Refer (iii) below)	2,863.77	2,863.77
Impairment Reserve (Refer Note B) & (Refer (iv) below)	3.00	3.00
Securities Premium (Refer (i) below)	1,380.00	1,380.00
General Reserve (Refer (ii) below)	1,038.56	1,038.56
Retained Earnings (Refer Note C)	7,230.84	11,057.42
	12,516.17	16,342.75

(A) Statutory Reserve - Movement during the year

Opening Balance	2,863.77	1,860.36
Transfer from retained earnings	-	1,003.41
Closing Balance	2,863.77	2,863.77

(B) Impairment Reserve (As per RBI guidelines)

Opening Balance	3.00	-
Transfer from retained earnings	-	3.00
Closing Balance	3.00	3.00

(C) Retained Earnings - Movement during the year

Opening Balance	11,057.42	7,046.77
Profit/(Loss) for the Year	(3,826.58)	5,017.06
Transfer to Statutory Reserve	-	(1,003.41)
Transfer to Impairment Reserve	-	(3.00)
Closing Balance	7,230.84	11,057.42

Nature and purpose of each Reserve

(i) Securities Premium

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

(ii) General Reserve

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

(iii) Statutory Reserve

Created pursuant to requirement of Section 45- IC of the Reserve Bank of India Act, 1934 and will be utilised in accordance with the provisions of the Reserve Bank of India Act, 1934. Accordingly 20% of the profits after tax for the year is transferred to this reserve at the end of every reporting period

(iv) Impairment Reserve

When impairment allowance under Ind AS 109 is lower than the provisioning required under prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) (including standard asset provisioning), difference is appropriated from net profit/loss after tax to a separate 'Impairment Reserve'. This has been created in accordance with RBI guidelines.



CARBON FINANCE LIMITED
Notes to the financial statements for the year ended 31st March, 2026
(All amounts in Rs. lakhs, unless otherwise stated)

	Year ended 31st March, 2026	Year ended 31st March, 2025
13 Revenue from Operations		
13.1 Interest Income		
On Financial Assets measured at Amortised Cost		
Interest on Loans	45.62	15.66
	<u>45.62</u>	<u>15.66</u>
13.2 Dividend Income		
Dividend income on investments	31.75	24.43
	<u>31.75</u>	<u>24.43</u>
13.3 Net gain on fair value changes		
Net Loss/(Gain) on fair value changes of financial instruments at FVTPL		
On financial instruments designated at FVTPL		
- equity instruments		
- Realised	-	2.07
- Unrealised	-	5,762.83
	<u>-</u>	<u>5,764.90</u>
- Mutual funds		
- Realised	-	40.98
- Unrealised	-	36.28
	<u>-</u>	<u>77.26</u>
	<u>-</u>	<u>5,842.16</u>
13.4 Sale of Services		
Other Financial Services	255.60	255.60
	<u>255.60</u>	<u>255.60</u>
14 Other Income		
Interest Income		
From Income-tax Authority	0.67	-
Others		
Liabilities no longer required Written Back	-	0.11
	<u>0.67</u>	<u>0.11</u>
15 Finance Costs		
Other Interest Expenses		
On Financial liabilities measured at amortised cost		
Interest Expense on Others	-	0.34
	<u>-</u>	<u>0.34</u>
16 Depreciation and Amortisation Expense		
Depreciation on Investment Property	27.58	27.58
	<u>27.58</u>	<u>27.58</u>



CARBON FINANCE LIMITED
Notes to the financial statements for the year ended 31st March, 2025
(All amounts in Rs. lakhs, unless otherwise stated)

	<i>Year ended</i> 31st March, 2026	<i>Year ended</i> 31st March, 2025
17 Other Expenses		
Electricity Charges	0.47	0.47
Rent	8.25	7.98
Repairs & Maintenance - Buildings	5.54	16.37
Insurance	0.98	0.36
Rates and Taxes	1.07	0.98
Security Expenses	2.88	-
Payment to Auditors; As Auditor		
Audit Fee	0.75	0.75
Limited Review	0.23	0.25
In Other Capacity		
Other Services	0.20	0.23
Director's Fees	0.09	0.08
Legal and Professional Fees	12.51	7.81
Miscellaneous Expenses	0.31	0.53
Net Loss /(Gain) on fair value changes of financial instruments at FVTPL On financial instruments designated at FVTPL		
- Equity instruments		
- Realised	-	-
- Unrealised	4,767.19	-
- Mutual funds		
- Realised	*	-
- Unrealised	(61.03)	-
	<u>4,739.44</u>	<u>35.81</u>
	<u>4,739.44</u>	<u>35.81</u>
* Amount is below the rounding off norm adopted by the Company		
18 Income Tax Expense		
A. Tax recognised in Profit and Loss		
<u>Current Tax</u>		
Current Tax on Profits for the year	62.00	59.00
Adjustment for Current Tax of prior periods	(2.63)	-
Total Current Tax Expense	<u>59.37</u>	<u>59.00</u>
<u>Deferred Income Tax</u>		
Origination and reversal of temporary differences	(666.17)	998.17
Income Tax Expense	<u>(606.80)</u>	<u>1,057.17</u>
	<u>(606.80)</u>	<u>1,057.17</u>
18.1 Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(Loss) before income tax expense	(4,433.38)	6,074.23
Income tax rate	25.168%	25.168%
Computed expected income tax	(1,115.79)	1,528.76
<u>Adjustments</u>		
Other Expenses not deductible for tax purposes	11.50	13.36
Corporate Social Responsibility Expenditure		
Income exempt from income taxes	-	-
Impact of Capital Gains on Investments (including rate differences)	518.28	(466.66)
Other Items	(20.78)	(18.29)
Income Tax Expense	<u>(606.79)</u>	<u>1,057.17</u>
	<u>(606.79)</u>	<u>1,057.17</u>
18.2 BASIC AND DILUTED EARNINGS PER SHARE		
(i) Number of Equity Shares at the beginning of the year	53,00,000	53,00,000
(ii) Number of Equity Shares at the end of the year	53,00,000	53,00,000
(iii) Weighted Average number of Equity Shares outstanding during the year	53,00,000	53,00,000
(iv) Face Value of each Equity Share (Rs.)	10	10
(v) Profit/(Loss) after Tax available for Equity Shareholders	(3,826.58)	5,017.06
(vi) Basic and Diluted Earnings per Share (Rs.) [(v)/(iii)]	(72.20)	94.66



CARBON FINANCE LIMITED

Notes to the financial statements for the year ended 31st March, 2026
(All amounts in Rs. lakhs, unless otherwise stated)

21.1 contd.

(ii)	Transactions during -	Immediate Parent Company	Entities under significant influence of UCP	UCP	Associate of Immediate Parent Company	KMP			Total
						Mr. N. Venkataramani	Mr. P. Keyal	Mr. M.K. Chhajjer	
	Year ended 31st March, 2026	Graphite India Limited	Salasar Towers Private Limited	Mr. K.K. Bangur	GODI India Private Limited	Mr. N. Venkataramani	Mr. P. Keyal	Mr. M.K. Chhajjer	
(a)	Lease Rent Received	255.60	-	-	-	-	-	-	255.60
(b)	Rent paid	-	8.25	-	-	-	-	-	8.25
(c)	Sitting Fees	-	-	0.02	-	0.01	0.03	0.03	0.09
(d)	Loan Repayment	-	-	-	(750.00)	-	-	-	(750.00)
(e)	Interest Income	-	-	-	45.62	-	-	-	45.62

Year ended 31st March, 2025									
(a)	Lease Rent Received	255.60	-	-	-	-	-	-	255.60
(b)	Rent paid	-	7.99	-	-	-	-	-	7.99
(c)	Sitting Fees	-	-	0.02	-	*	0.03	0.03	0.08
(d)	Loan Given	-	-	-	750.00	-	-	-	750.00
(e)	Interest Income	-	-	-	15.66	-	-	-	15.66

* Amount is below the rounding off norms adopted by the Company

(iii)	Balance outstanding	Immediate Parent Company	Entities under significant influence of UCP	UCP	Associate of Immediate Parent Company	KMP			Total
						Mr. N. Venkataramani	Mr. P. Keyal	Mr. M.K. Chhajjer	
	As at 31st March, 2026	Graphite India Limited	Salasar Towers Private Limited	Mr. K.K. Bangur	GODI India Private Limited	Mr. N. Venkataramani	Mr. P. Keyal	Mr. M.K. Chhajjer	
(a)	Loan	-	-	-	-	-	-	-	-
(b)	Interest accrued on Loans	-	-	-	-	-	-	-	-
	As at 31st March, 2025								
(a)	Loan	-	-	-	750.00	-	-	-	750.00
(b)	Interest accrued on Loans	-	-	-	4.22	-	-	-	4.22

(iv) Terms and conditions of transactions with related parties

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



22 Fair Value Measurements

(i) Financial Instruments by category

Notes	31st March 2026				31st March 2025			
	FVPL	FVOCI	Amortised Cost	Total	FVPL	FVOCI	Amortised Cost	Total
Financial Assets								
Cash and Cash Equivalents	-	-	21.03	21.03	-	-	26.94	26.94
Loans	-	-	-	-	-	-	754.22	754.22
Investments								
-Equity Shares	11,165.22	-	-	11,165.22	15,932.41	-	-	15,932.41
-Mutual Funds	1,629.18	-	-	1,629.18	573.15	-	-	573.15
Total Financial Assets	12,794.40	-	21.03	12,815.43	16,505.56	-	781.16	17,286.72
Financial Liabilities								
Trade Payables	-	-	0.78	0.78	-	-	0.78	0.78
Total Financial Liabilities	-	-	0.78	0.78	-	-	0.78	0.78

(ii) Fair Value

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

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

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

(iii) Fair Value Hierarchy

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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

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

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

Recognised and measured at fair value - Recurring measurements	31st March, 2026				31st March, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments								
-Equity Shares	11,165.22	-	-	11,165.22	15,932.41	-	-	15,932.41
-Mutual funds	-	1,629.18	-	1,629.18	-	573.15	-	573.15
Total	11,165.22	1,629.18	-	12,794.40	15,932.41	573.15	-	16,505.56



CARBON FINANCE LIMITED

Notes to the financial statements for the year ended 31st March, 2026

*(All amounts in Rs. lakhs, unless otherwise stated)***23 Financial risk management****Credit Risk**

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

Liquidity Risk

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

(i) Maturities of financial liabilities

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

The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities	Within 1 year	Between 1 to 3 years	Total
31st March 2026			
Trade payables	0.78	-	0.78
Other financial liabilities	-	-	-
Total	0.78	-	0.78
31st March 2025			
Trade payables	0.78	-	0.78
Other financial liabilities	-	-	-
Total	0.78	-	0.78

Market risk**Securities Price risk**

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

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

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

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

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

(a) Securities Price Risk Exposure

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

(b) Sensitivity

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

	Impact on profit before tax	
	31st March, 2026	31st March, 2025
Increase by 10%*	1,279.44	1,650.56
NAV - Decrease by 10%*	(1,279.44)	(1,650.56)

* Holding all other variables constant



24 Maturity analysis of Assets and Liabilities :

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at 31st March, 2026			As at 31st March, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial Assets						
Cash and Cash Equivalents	21.03	-	21.03	26.94	-	26.94
Loans	-	-	-	754.22	-	754.22
Investments	1,629.18	11,165.22	12,794.40	573.15	15,932.41	16,505.56
	1,650.21	11,165.22	12,815.43	1,354.31	15,932.41	17,286.72
Non-Financial Assets						
Current Tax Assets (Net)	-	6.57	6.57	-	0.81	0.81
Investment Property	-	1,254.96	1,254.96	-	1,282.54	1,282.54
Other Non-financial Assets	0.11	-	0.11	0.06	-	0.06
	0.11	1,261.53	1,261.64	0.06	1,283.35	1,283.41
TOTAL ASSETS	1,650.32	12,426.75	14,077.07	1,354.37	17,215.76	18,570.13
LIABILITIES						
Financial Liabilities						
Trade Payables	0.78	-	0.78	0.78	-	0.78
Non-financial Liabilities						
Current Tax Liabilities (Net)	4.58	-	4.58	4.91	-	4.91
Deferred Tax Liabilities (Net)	-	1,014.18	1,014.18	-	1,680.35	1,680.35
Other Non-financial Liabilities	11.36	-	11.36	11.34	-	11.34
	16.72	1,014.18	1,030.90	17.03	1,680.35	1,697.38

25 Ratio Analysis and its Elements # -

Ratios	Numerator	Denominator	31st March, 2026	31st March, 2025	% Variance	Reason for Variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	Net Owned Funds	Risk Weighted Assets	101.55	101.68	(0.128)	-
Tier I CRAR	Net Owned Funds	Risk Weighted Assets	101.55	101.68	(0.128)	-
Tier II CRAR	-	-	-	-	-	-
Liquidity Coverage Ratio	High quality Liquid	Total Net Cash Outflows over the next 30 calendar Days	2088.69	734.81	184.249	Reduction in highly liquid instruments

based on the requirements of Schedule III.

26 Other Statutory Information

- The title deeds of immovable properties are held in the name of the Company.
- The fair value of investment property has not been carried out by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
- The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and intangible assets during the year.
- The Company has given loans or advances in the nature of loans repayable on demand to related parties during the year (Refer Note 21). The Company has not given any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment granted to promoters, directors and KMPs during the year..
- The Company does not have any Benami property. Further, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.
- The Company does not have transactions with any struck off companies during the year.
- The Company did not raise any term loans or working capital borrowings during the current year. Accordingly, the Company does not have any charges to be filed or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- The company has not filed any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013 with any Competent Authority.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- The company is not covered under section 135 of the Companies Act and as such Corporate Social Responsibility (CSR) provisions are not applicable to the Company
- The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year.



CARBON FINANCE LIMITED

Notes to the financial statements for the year ended 31st March, 2026

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

27 The following additional information, to the extent applicable, (other than what is already disclosed elsewhere) is disclosed in terms of Master Direction- Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025, issued by Reserve Bank of India dated November 28, 2025 as amended

	Current Year	Previous Year
A.1 Capital		
i) CRAR(%)	101.55	101.68
ii) CRAR - Tier I Capital (%)	101.55	101.68
iii) CRAR - Tier II Capital (%)	-	-
iv) Amount of subordinated debt raised as Tier-II capital	NIL	NIL
v) Amount raised by issue of Perpetual Debt Instruments	NIL	NIL
* DNBS-03 yet to be filed.		
A.2 Investments		
1 Value of Investments		
i) Gross value of Investments		
a In India	12,794.40	16,505.56
b Outside India	NIL	NIL
ii) Provision for depreciation		
a In India	NIL	NIL
b Outside India	NIL	NIL
III) Net Value of Investments		
a In India	12,794.40	16505.56
b Outside India	NIL	NIL
2 Movement of provisions held towards depreciation on investments.		
Opening Balance	NIL	NIL
Add:Provisions made during the year	NIL	NIL
Less:Write-off / write-back of excess provisions during the year	NIL	NIL
Closing Balance	NIL	NIL
A.3 Derivatives		
A.3.1 Forward Rate Agreement / Interest Rate Swap		
i) The notional principal of swap agreements	NIL	NIL
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	NIL	NIL
iii) Collateral required by the NBFC upon entering into swaps	N.A	N.A
iv) Concentration of credit risk arising from the swaps	N.A	N.A
v) The fair value of the swap book	N.A	N.A
A.3.2 Exchange Traded Interest Rate (IR) Derivatives		
i) Notional principal amount of exchange traded IR derivatives undertaken during the year	NIL	NIL
ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March, 2026	NIL	NIL
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	NIL	NIL
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	NIL	NIL



	Current Year	Previous Year
A.3.3 Disclosures on Risk Exposure in Derivatives		
<u>Qualitative Disclosure</u>		
Description of risk management policies pertaining to derivatives with particular reference to the extent to which derivatives are used, the associated risks and business purposes served, including:	N.A	N.A
a) the structure and organization for management of risk in derivatives trading,	N.A	N.A
b) the scope and nature of risk measurement, risk reporting and risk monitoring systems,	N.A	N.A
c) policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants, and	N.A	N.A
d) accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation.	N.A	N.A

	Currency Derivatives	Interest Rate Derivatives
<u>Quantitative Disclosures</u>		
i) Derivatives (Notional Principal Amount) For hedging	NIL	NIL
ii) Marked to Market Positions	NIL	NIL
a Asset(+)	NIL	NIL
b Liability(-)	NIL	NIL
iii) Credit Exposure	NIL	NIL
iv) Unhedged Exposures	NIL	NIL

A.5 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

Disclosures relating to maturity pattern of certain items of assets and liabilities are given in Note 28

	Current Year	Previous Year
A.6 Exposures		
A.6.1 Exposure to Real Estate Sector		
Category		
a <u>Direct Exposure</u>		
i) Residential Mortgages- Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	NIL	NIL
ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc, including non-fund based limits)	NIL	NIL
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a Residential	NIL	NIL
b Commercial Real Estate	NIL	NIL
b <u>Indirect Exposure</u> Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies		
Total Exposure to Real Estate Sector	NIL	NIL



	Current Year	Previous Year
A.6.2 Exposure to Capital Market		
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	11,165.22	15,932.41
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	NIL	NIL
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	NIL
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds' does not fully cover the advances;	NIL	NIL
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
vii) bridge loans to companies against expected equity flows / issues	NIL	NIL
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	NIL	NIL
ix) Financing to stockbrokers for margin trading	NIL	NIL
x) All exposures to Alternative Investment Funds:	NIL	NIL
i) Category I		
ii) Category II		
iii) Category III		
Total Exposure to Capital Market	11,165.22	15,932.41

A.6.3 Sectoral Exposures

Sectors	Current Year			Previous Year		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
Agriculture & Allied Products	-	-	-	-	-	-
Industry- Corporate borrowers	-	-	-	750.00	-	-
Services	-	-	-	-	-	-
Unsecured personal loans	-	-	-	-	-	-
Auto Loans	-	-	-	-	-	-
Other personal loans	-	-	-	-	-	-



	Current Year	Previous Year
A.6.4 Intra-group exposures		
i) Total amount of intra-group exposures	NIL	NIL
ii) Total amount of top 20 intra-group exposures	NIL	NIL
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	NIL	NIL
A.6.5 Unhedged foreign currency exposure	NIL	NIL
A.6.6 Details of financing of parent company products	N.A.	N.A.
A.6.7 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:	N.A.	N.A.
A.6.8 Unsecured Advances		
a) Total amount of advances against which rights, licenses, authorisations, etc., are charged as collateral in respect of projects (including infrastructure projects), financed by the Company	NIL	NIL
b) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken	NIL	NIL
A.6.9 A) Registration obtained from other financial sector regulators The Company does not have any registrations obtained from other financial sector regulators.		
A.6.10 B) Disclosure of Penalties imposed by RBI and other regulators There have been no penalties imposed on the Company by RBI or other financial sector regulators during the current and previous year.		
A.6.11 Related Party Transactions	<i>Refer Note-21</i>	
A.6.12 Ratings assigned by credit rating agencies and migration of ratings during the year	No rating obtained	
A.6.13 Remuneration of Directors (transactions of the non-executive directors vis-à-vis the Company) Non-executive directors have been paid sitting fees for Board meetings held during the year.	0.09	0.08
A.6.14 Management Details relating to management discussion and analysis forms part of the annual report.		
A.6.15 Net Profit or Loss for the period, prior period items and changes in accounting policies		
a) <u>Impact of prior period items on the Profit / Loss during the year</u>		
Profit/ (Loss) for the Year, before considering prior period items	(3,826.58)	5,017.06
Add/(less) : Prior period items	NIL	NIL
Profit/ (Loss) for the Year, after considering prior period items	(3,826.58)	5,017.06
b) Impact of change in the accounting policy on the Profit / Loss during the year	There has been no change in the accounting policies during the year	



	Current Year	Previous Year
B Additional Disclosures		
B.1 Provisions and contingencies		
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss Account:		
Provisions for depreciation on Investment	-	-
Provision towards NPA	-	-
Provision made towards Income tax	59.37	59.00
Other provision and contingencies (employee benefits)	-	-
B.2 Draw Down from Reserves	-	-
B.3 Concentration of Deposits, Advances, Exposures and NPAs		
B.3.1 Concentration of Deposits (for deposit taking NBFCs)		
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	-	-
B.3.2 Concentration of Advances		
Total Advances to twenty largest borrowers	-	750.00
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0%	100%
B.3.3 Concentration of Exposures		
Total Exposure to twenty largest borrowers / customers	-	750.00
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	0%	100%
B.3.4 Concentration of NPAs		
Total Exposure to top four NPA accounts	NIL	NIL
B.3.5 Sector-wise NPAs		
Sector	Percentage of NPAs to Total Advances in that sector	
1 Agriculture & Allied Products	-	-
2 MSME	-	-
3 Corporate Borrowers	-	-
4 Services	-	-
5 Unsecured personal loans	-	-
6 Auto Loans	-	-
7 Other personal loans	-	-



B.4 Movement of NPAs

i) Net NPAs to Net Advances (%)	-	-
ii) Movement of NPAs (Gross)		
a Opening Balance	-	-
b Additions during the year	-	-
c Reductions during the year	-	-
d Closing Balance	-	-
	Current	Previous
	Year	Year
iii) Movement of Net NPAs		
a Opening Balance	-	-
b Additions during the year	-	-
c Reductions during the year	-	-
d Closing Balance (net of provisions)	-	-
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a Opening Balance	-	-
b Provisions made during the year	-	-
c Write-off/ write back of excess provision	-	-
d Closing Balance	-	-

B.5 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets
NIL			

B.6 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

NIL

Name of the SPV sponsored
Domestic
Overseas

C Disclosure of Complaints**1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman****C.1 Complaints received by the NBFC from its customers**

1 No. of complaints pending at the beginning of the year	NIL	NIL
2 No. of complaints received during the year	NIL	NIL
3 No. of complaints disposed during the year	NIL	NIL
3.1 Of which, no. of complaint rejected	NIL	NIL
4 No. of complaints pending at the end of the year	NIL	NIL
2) Top five grounds of complaints received by the NBFCs from customers	NIL	NIL



CARBON FINANCE LIMITED

(Rs. in lakhs)

(5) Break up of Investments		Book Value (Net of Provisions)		
Current Investments:				
1	<u>Quoted:</u>			
	(i) Shares: (a) Equity			Nil
	Shares: (b) Preference			Nil
	(ii) Debentures and Bonds			Nil
	(iii) Units of mutual funds			Nil
	(iv) Government securities			Nil
	(v) Others (please specify)			Nil
2	<u>Unquoted:</u>			Nil
	(i) Shares: (a) Equity			Nil
	Shares: (b) Preference			Nil
	(ii) Debentures and Bonds			Nil
	(iii) Units of mutual funds		1629.18	
	(iv) Government securities			Nil
	(v) Others (please specify)			Nil
Long Term Investments:				
1	<u>Quoted:</u>			
	(i) Shares: (a) Equity			11,165.22
	Shares: (b) Preference			Nil
	(ii) Debentures and Bonds			Nil
	(iii) Units of mutual funds			Nil
	(iv) Government securities			Nil
	(v) Others (please specify)			Nil
2	<u>Unquoted:</u>			Nil
	(i) Shares: (a) Equity			Nil
	Shares: (b) Preference			Nil
	(ii) Debentures and Bonds			Nil
	(iii) Units of mutual funds			Nil
	(iv) Government securities			Nil
	(v) Others (please specify)			Nil
(6) Borrower group-wise classification of assets, financed as in (3) and (4) above :				
Please see note 2 below				
Category	Amount net of provisions			
	Secured	Unsecured	Total	
1				
a) Subsidiaries	Nil	Nil	Nil	
b) Companies in the same group	Nil	Nil	Nil	
c) Other related parties	0	Nil	0	
2				
Other than related parties	Nil	Nil	Nil	
Total :	0	-	0	

Cont'd ..



CARBON FINANCE LIMITED

(Rs. in lakh)

(7) Investor group-wise classification of all Investments (current and long-term) in shares and securities (both quoted and unquoted) : Please see note 3 below		
Category	Market / Break-up or fair value or NAV	Book-Value (Net of Provisions)
1 Related parties**		
a) Subsidiaries	Nil	Nil
b) Companies in the same group	Nil	Nil
c) Other related parties	Nil	Nil
2 Other than related parties	12,794.40	12,794.40
Total :	12,794.40	12,794.40
**As per Accounting Standard of ICAI (Please see Note 3)		
(8) Other information		Amount
Particulars		
(i) Gross Non-performing Assets		Nil
a) Related parties		Nil
b) Other than related parties		
(ii) Net Non-performing Assets		Nil
a) Related parties		Nil
b) Other than related parties		Nil
(iii) Assets acquired in satisfaction of debts		Nil

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

Ajay Baid

Ajay Chand Baid
Partner
Membership No. 302061

Place : Kolkata
Dated: 8th May, 2026

P. Keyal
P. Keyal
Director & CEO
(DIN : 00500988)

M.K. Chhajjer
M.K. Chhajjer
Director
(DIN : 07226364)

K. Bangur
K.K. Bangur
Director
(DIN : 00029427)



FORM AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto


1. Details of contracts or arrangements or transactions not at arm's length basis:


Sl No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in General Meeting u/s 188(1)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Not Applicable								


2. Details of material contracts or arrangements or transactions at arm's length basis:

Sl No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Date(s) of approval by the Board / Audit Committee	Amount paid as advances, if any
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Graphite India Limited	Receipt of Rent	Ongoing	Rs. 255.60 lakhs	29-Aug-14	Nil
2	Salasar Towers Pvt Ltd	Payment of Rent	Ongoing	Rs. 7.99 lakhs	29-Aug-14	Nil

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


P. Keyal
Director & CEO
(DIN : 00500988)


M.K. Chhajjar
Director
(DIN : 07226364)


K. Bangar
Director
(DIN : 00029427)

Dated: 8th May, 2026



CARBON FINANCE LIMITED

Notes to the financial statements for the year ended 31st March, 2026
(All amounts in Rs. lakhs, unless otherwise stated)

28 Maturity pattern of assets and liabilities as at 31st March, 2026

	1 - 7 days	8-14 days	15 days-1 month	Over 1 month upto 2 month	Over 2 months upto 3 month	Over 3 months & upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 year	Over 3 years and upto 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances *	-	-	-	-	-	-	-	-	-	-	-
Investments @	12,794.40	-	-	-	-	-	-	-	-	-	12,794.40
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

* The advances comprise of loans given and does not include interest accrued.

@ Investments in Equity shares are included in over 5 years, however, there is no set maturity pattern for the same.

Maturity pattern of assets and liabilities as at 31st March, 2025

	1 - 7 days	8-14 days	15 days-1 month	Over 1 month upto 2 month	Over 2 months upto 3 month	Over 3 months & upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 year	Over 3 years and upto 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances *	-	-	-	-	300.00	450.00	-	-	-	-	750.00
Investments @	16,505.56	-	-	-	-	-	-	-	-	-	16,505.56
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency assets..	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities.	-	-	-	-	-	-	-	-	-	-	-

* The advances comprise of loans given and does not include interest accrued.

@ Investments in Equity shares are included in over 5 years, however, there is no set maturity pattern for the same.

29 The following disclosure is required pursuant to Master Direction - Reserve Bank of India (Non-Banking Financial Companies - Financial Statements : Presentation and Disclosures) Directions, 2025, issued by Reserve Bank of India dated November 28, 2025 as amended.

Asset Classification as per RBI norms for the year ended 31 March 2026

Asset classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Gross Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP Norms	Difference Between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Asset Standard	Stage 1	-	-	-	-	-

Asset Classification as per RBI norms for the year ended 31 March 2025

Asset classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Gross Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP Norms	Difference Between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Asset Standard	Stage 1	750.00	-	750.00	3.00	(3.00)

30 Previous figures have been regrouped and/or rearranged wherever necessary.

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

Ajay Chand Baid

Ajay Chand Baid
Partner
Membership No. 302061

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

P. Keyal
P. Keyal
Director & CEO
(DIN : 00500988)

M.K. Chhajjer
M.K. Chhajjer
Director
(DIN : 00667940)

K.K. Bangur
K.K. Bangur
Director
(DIN : 00029427)

Place : Kolkata
Dated: 8th May, 2026

