Graphite India Limited

ANNUAL REPORT 2016-17

Contents

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr K K Bangur, Chairman
Mr P K Khaitan
Mr N S Damani
Mr A V Lodha
Dr R Srinivasan
Mr Gaurav Swarup
Mr N Venkataramani
Mr J D Curravala
Mrs Shalini Kamath
Mr M B Gadgil, Executive Director

COMPANY SECRETARY

Mr B Shiva

AUDITORS

Price Waterhouse

SOLICITORS

Khaitan & Co.

BANKERS

Bank of India
Canara Bank
Citibank N.A.
Corporation Bank
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
Kotak Mahindra Bank Limited
State Bank of India
UCO Bank

REGISTERED OFFICE

31, Chowringhee Road, Kolkata 700 016
Phone No. : +9133 22265755/2334/4942, 40029600
Fax No. (033)22496420
CIN : L10101WB1974PLC094602
Email : corp_secy@graphiteindia.com
Website : www.graphiteindia.com

GRAPHITE INDIA LIMITED

Regd. Off: 31, Chowringhee Road, Kolkata 700 016
CIN: L10101WB1974PLC094602 Website: www.graphiteindia.com

NOTICE is hereby given that the Forty Second ANNUAL GENERAL MEETING of the members of Graphite India Limited will be held on Friday, the 4th day of August, 2017 at 12:30 p.m. at Satyajit Ray Aditorium, Indian Council for Cultural Relations (ICCR), 9A, Ho Chi Minh Sarani, Kolkata - 700071 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt:

   a. the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon; and

   b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2017 and the Report of the Auditors thereon.

2. To declare dividend to be paid on Equity Shares for the year ended 31st March, 2017.

3. To appoint a Director in place of Mr. J D Curravala, (DIN 00277426) who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint Auditors of the Company and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

   RESOLVED that pursuant to the provisions of Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re- enactment thereof for the time being in force) S R Batliboi and Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005) be and are hereby appointed as Auditors of the Company for a term of five consecutive years to hold office from the conclusion of this Annual General Meeting until the conclusion of the 47th Annual General Meeting of the Company (in place of Price Waterhouse, Chartered Accountants) on such remuneration as shall be fixed by the Board of Directors in consultation with the Auditors.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following resolution with or without modification, as an Ordinary Resolution.

   RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions if any, of the Companies Act, 2013 ("the Act") or any modification or re-enactment thereof, the Company hereby authorizes, payment of remuneration by way of commission at the discretion of the Board of Directors of the Company ("the Board") to one or more or all the Directors who are neither Managing Directors nor Whole-Time Directors of the Company, for a period of five financial years commencing from 1st April, 2017.

   FURTHER RESOLVED THAT the managerial remuneration to be distributed as commission to such directors along-with the managerial remuneration payable to the Managing Director, Whole-Time Director and Manager in respect of any financial year shall not exceed eleven percent of the net profits of the company for that financial year computed in the manner laid down in Section 198 of the Act.

   FURTHER RESOLVED THAT the Board may, at its discretion, decide on the amount to be paid to any particular Director in any financial year.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

   RESOLVED THAT pursuant to the provisions of Section 148 (3) and other applicable provisions, if any of the Companies Act, 2013 and Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) / or re-enactment(s) thereof for the time being in force) the remuneration payable to the Cost Auditors of the various divisions / plants of the Company to conduct the audit of the cost accounting records maintained for the financial year ending March 31, 2018 as approved by the Board of Directors of the Company, on the recommendation of the Audit Committee and as detailed hereunder be and is hereby ratified.

Name of the Cost Auditors/Firm Registration No.	Location	@Remuneration in Rs.
Shome & Banerjee Kolkata Reg. No. 000001	(i) Durgapur, Bangalore Plant and Captive Power Plants (ii) 1.5 MW Link Canal Power plant at Mandya	3,00,000 30,000
DBK Associates Pune Reg. No. 00325	Satpur, Ambad, Gonde & Captive Power Plants	2,00,000
B G Chowdhury & Co. Kolkata Reg. No. 000064	Barauni	50,000
N Radhakrishnan & Co. Kolkata Reg. No. 00056	Mini Steel Plant of Powmex Steels division	40,000

@ plus service tax and reimbursement of out of pocket expenses

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :-

RESOLVED THAT pursuant to Section 42 and 71 of Companies Act, 2013 and Companies (Prospectus & Allotment of Securities Rules), 2014 and other applicable provisions / rules of the Companies Act, 2013 and subject to, wherever required, the guidelines and / or approval of the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and subject to such other approvals and consents of the concerned authorities as required by law, and subject to such conditions, modifications and stipulations as may be imposed under the said approvals, permissions and consents and in terms of the Articles of Association of the Company, the Board of Directors of the Company (Board) be and is hereby authorised to issue and allot secured/ unsecured, redeemable, cumulative/ non-cumulative, non-convertible debentures/Bonds upto Rs. 2,000 Crore or equivalent in one or more tranches/ series, through private placement, in domestic and/or in international markets i.e. in Indian rupees and/or in foreign currency for subscription for cash at par on terms and conditions based on evaluation by the Board of market conditions as may be prevalent from time to time as may be determined and considered proper and most beneficial to the Company including without limitation as to when the aforesaid securities are to be issued, consideration, mode of payment, coupon rate, redemption period, utilisation of the issue proceeds and all matters connected therewith or incidental thereto; provided that the said borrowing shall be within the overall borrowing limits of the Company.

FURTHER RESOLVED THAT for the purpose of giving effect to this Special Resolution, the Board be and is hereby authorised to issue such directions as it may think fit and proper, including directions for settling all questions and difficulties that may arise in regard to the creation, offer, issue, terms and conditions of issue, allotment of the aforesaid securities, nature of security, if any, appointment of Trustees and do all such acts, deeds, matters and things of whatsoever nature as the Board, in its absolute discretion, consider necessary, expedient, usual or proper.

FURTHER RESOLVED THAT the Board shall have the right at any time to modify, amend any of the terms and conditions contained in the Offer Documents, Application Forms etc. not-withstanding the fact that approval of the concerned authorities in respect thereof may have been obtained subject, however, to the condition that on any such change, modification or amendment being decided upon by the Board, obtaining requisite approval, permission, authorities etc. from the concerned authorities is required.

FURTHER RESOLVED THAT all or any of the powers as conferred on the Board by the above resolutions be exercised by the Board or any Committee or by any Director as the Board may authorise in this behalf.

8. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By Order of the Board
For Graphite India Limited

Kolkata
May 18, 2017

B. Shiva
Company Secretary

NOTES:

a. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and the additional information pursuant to Regulation 36(3) of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 in respect of Director proposed for re-appointment at the meeting are annexed hereto.

b. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.

c. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.

d. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 29th July, 2017 to Friday, the 4th August, 2017 (both days inclusive).

e. Dividend on Equity Shares when sanctioned will be made payable to those shareholders whose name stand on the Company's Register of Members on 29th July, 2017 and to whom dividend warrants will be posted. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership furnished by the depositories for this purpose. Dividend on equity shares, if declared at the meeting will be paid/ despatched by 14th August, 2017.

f. Members are hereby informed that dividends which remain unclaimed/ unencashed over a period of 7 years have to be transferred by the Company to the Investor Education & Protection Fund (IEPF) established by the Central Government.

Unclaimed / un-encashed dividend declared by the Company for the year ended 31st March, 2010 would be transferred to the said fund in the last week of August, 2017.

Shareholders are advised to send all the unencashed dividend warrants to the Registered Office/ Mumbai office of the Company for revalidation and encash them immediately. Unclaimed/ Unencashed dividend upto the years ended 31st March, 2009 have already been transferred to the IEPF.

g. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 10, 2016 (date of last Annual General Meeting) on the website of the Company (www.graphiteindia.com) as also on the Ministry of Corporate Affairs website (www.mca.gov.in)

h. Members/Proxies should fill in the Attendance Slip for attending the meeting and bring their Attendance Slips along with their copy of the Annual Report to the Meeting. Members are requested to affix their signature at the space provided in the attendance slip with complete details including the Folio No. annexed to the proxy form and hand over the slip at the entrance of the place of meeting.

i. Members are requested to notify change in their address, if any, immediately to the Company's Registrar, Link Intime India Pvt. Ltd., C 101, 247 Park, L B S Marg, Vikroli (W), Mumbai 400 083 or to their Kolkata office at 59C, Chowringhee Road, 3rd Floor, Kolkata 700 020.

j. All the documents referred in the accompanying notice will be available for inspection at the Registered Office of the Company between 10:00 a.m. and 2:00 p.m. on all working days till the date of ensuing Annual General Meeting.

k. Voting through electronic means

I The Company is pleased to provide members, facility to exercise their right to vote on resolutions proposed to be considered at the 42nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("e-voting") will be provided by Central Depository Services Limited (CDSL).

II The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through ballot paper.

III The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 1st August, 2017 – from 9.00 a.m. (IST) and ends on 3rd August, 2017 – at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (28th July, 2017) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders / Members.

(v) Now Enter your User ID
- o For CDSL: 16 digits beneficiary ID,
- o For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- o Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on “SUBMIT” tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN of Graphite India Limited on which you choose to vote.

(xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xviii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(IV) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date 28th July, 2017 only shall be entitled to avail the facility of e-voting as well as voting at the AGM through ballot paper.

(V) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "e-voting" or "Ballot Paper" or "Poll Paper" for all those members who are present at the AGM but have not cast their votes by availing the e-voting facility.

(VI) Mrs. Swati Bajaj, Partner, M/s. P.S. & Associates, Practicing Company Secretaries, Kolkata has been appointed as the Scrutinizer to scrutinize the e-voting process and voting through Ballot Paper or Poll Paper, in a fair and transparent manner.

(VII) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

(VIII) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company (www.graphiteindia.com) and on Service Provider's website (www.evotingindia.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

By Order of the Board
For Graphite India Limited

Kolkata
May 18, 2017

B. Shiva
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

ITEM NO. 5

Section 197 (1) of the Companies Act, 2013 ("the Act") provides that the total managerial remuneration payable by a public company to its directors, including managing director and whole-time director and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company for that financial year computed in the manner laid out in Section 198, except that the remuneration of the directors shall not be deducted from the gross profits.

The said Section enables the Company to authorise payment of remuneration by way of commission on net profits to Directors of the Company who are neither managing director(s) nor whole-time directors of the Company. Since, such directors devote their time and attention to the business of the Company and the Company benefits from their expertise and mature advice, it is desirable that they be paid remuneration by way of commission.

In terms of 2nd proviso to Section 197 (1) of the Act, except with the approval of the Company in general meeting, remuneration payable to such directors shall not exceed –

i) One percent of the net profits of the Company, if there is a managing or whole-time director or manager.

ii) Three percent of the net profits of the Company in any other case.

It is proposed that the Board be authorised to pay commission exceeding one percent of the net profits of the Company as prescribed in Section 197 (1) of the Act but within the overall ceiling of 11% to all directors (including whole-time directors) in such proportion and to such one or more directors who are neither the managing director nor the whole-time director, as the Board in its discretion may decide, subject to approvals wherever necessary.

Approval from members is accordingly sought for payment of remuneration by way of commission to directors of the Company who are not managing director or whole time director of the Company, for a period of five financial years, commencing from 1st April 2017.

A copy of the Articles of Association of the Company is available for inspection at its Registered Office between 11.00 a.m. and 1.00 p.m. on any working day of the Company.

All the directors (except Executive Director, the other Key Managerial Personnel and their relatives) may be deemed to be concerned or interested in the resolution.

ITEM No. 6

Upon the recommendation of Audit Committee, the Board of Directors of the Company approved appointment of the cost auditors for the various divisions/ plants of the Company on remuneration as detailed in the resolution. Ratification is sought from the members of the Company for payment of remuneration as approved by the Board and detailed in the resolution, pursuant to Rule 14 (a) (ii) of Companies (Audit and Auditors) Rules, 2014.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

ITEM No. 7

In order to arrange funds for capital expenditure, long term/ short term working capital, organic and inorganic growth opportunities and general corporate purposes, the Board could consider issue of secured/ unsecured, redeemable, cumulative/ non-cumulative, non-convertible debentures/Bonds upto Rs. 2,000 Crore or equivalent in one or more tranches/ series, through private placement, in domestic and/or in international markets i.e. in Indian rupees and/or in foreign currency.

Pursuant to the provision of Section 42 of Companies Act, 2013 read with Rules 14(2)(a) of Companies (Prospectus & Allotment of Securities) Rules, 2014, members approval by way of a special resolution would be sufficient for all offers or invitation for such aforesaid securities for a year. The resolution placed before the members is thus an enabling resolution giving authority to the Board of Directors / Committee thereof to decide upon the issue on such terms and conditions as may be prevalent from time to time for a year from the date of passing of this resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the members.

ITEM No. 8

The Articles of Association ("AoA") of the Company as presently in force is the one when the Company was incorporated in 1974 with amendments from time to time.

Pursuant to Companies Act, 2013 (Act), several articles of the existing AoA of the Company require alteration or deletion. It is therefore proposed to replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model Articles of Association for a company limited by shares. Some of the new salient provisions in the new draft AoA of the Company viz:

(a) company's lien now extends also to bonuses declared in respect of shares over which lien exists;

(b) recognizing nominee(s) of a deceased sole member as having title to the deceased's interest in the shares;

(c) application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;

(d) appointment of Chief Executive Officer and Chief Financial Officer, in addition to Manager and Company Secretary;

(e) existing articles have been streamlined and aligned with the Act;

(f) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" are included; and

(g) provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the new draft AoA to avoid duplication.

The proposed new draft AoA is available for inspection at the Registered Office of the Company between 11.00 a.m and 1.00 p.m. on any working day of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 8 of the Notice.

The Board commends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

By Order of the Board
For Graphite India Limited

Kolkata
May 18, 2017

B. Shiva
Company Secretary

Profile of Director being re-appointed

Mr. J D Curravala, aged 77 years is Commerce and Law graduate and a qualified Chartered Accountant having wide experience in Finance, Administration, Corporate Management and Business Operations. He is presently Managing Director of GKW Ltd. He is a member of the "Audit Committee" and "Investment Committee" of the Company. Mr. J. D. Curravala is not related to any director of the company. He holds 4750 equity shares of the Company.

Other Directorships

Name of the Company	**Position**
GKW Limited	Managing Director

Committee Membership of other companies –

Name of the Company	**Committee**	**Position**
GKW Limited	Risk Management Committee	Chairman
	Corporate Social Responsibility Committee	Chairman
	Committee of Directors	Chairman
	Transfer Committee	Member

By Order of the Board
For Graphite India Limited

Kolkata
May 18, 2017

B. Shiva
Company Secretary

DIRECTORS' REPORT

The Directors have pleasure in presenting their Forty Second Annual Report together with the audited statement of accounts of the Company for the year ended 31st March, 2017.

Financial Results

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The financial statements for the Financial Year ended 31st March, 2017 are the Company's first Ind AS compliant annual financial statements with comparative figures for the year ended 31st March, 2016 also under Ind AS. The date of transition is 1st April, 2015. The disclosure and effects of first time adoption of Ind AS are detailed in Note 47 of the standalone financial statements and Note 47 of the consolidated financial statements.

The standalone and consolidated financial highlights of your Company for the Financial Year ended 31st March, 2017 are summarized as follows:

Rs in Crore

Particulars	2016-17	2015-16	2016-17	2015-16
	Graphite India Limited		**Graphite India Limited Consolidated**	
Revenue from Operations (Gross)	1391.75	1424.64	1640.22	1659.67
Profit for the year after charging all Expenses but before providing Finance Costs, Depreciation, Tax and other Comprehensive Income	**159.49**	**196.76**	**126.03**	**184.03**
Finance Costs	6.50	7.84	7.89	9.46
Profit before Depreciation, Exceptional Item and Tax	**152.99**	**188.92**	**118.14**	**174.57**
Depreciation and Amortisation Expense	41.56	44.42	46.39	49.20
Profit before Tax	**111.43**	**144.50**	**71.75**	**125.37**
Tax Expense for the Current Year				
Current Tax	3.28	49.79	5.58	51.89
Deferred Tax	(4.13)	(9.93)	(4.29)	(9.34)
Profit for the Year	**112.28**	**104.64**	**70.46**	**82.82**
Other Comprehensive Income (net of tax)	1.75	0.54	0.88	(1.71)
Total Comprehensive Income	110.53	104.10	69.58	84.53

REVIEW OF THE ECONOMY

As per the latest estimates of International Monetary Fund (IMF) issued in August 2016, global economic growth remained moderate in 2016 at 3.1%, which is less than the earlier estimate of 3.4%. There was high degree of uncertainty as a result of political changes which depressed the global economy. The primary factors that shape the global outlook - both in the short and the long term - point to a subdued growth for 2017 and a gradual recovery thereafter but also with downside risks. These forces include major departures such as Brexit; ongoing realignments in China of commodity exporters; continuing slow-growth trends in some of the western economies along with poor productivity growth, as well as geo-political uncertainties and protectionist regulatory measures inhibiting free trade opportunities between the developed and the developing economies.

After a lackluster turn out in 2016, economic growth is projected to pick up momentum in 2017 and 2018, especially in the emerging markets and the developing economies. However, there is a wide disparity in the projections of possible outcomes, given the uncertainty surrounding the global economy.

With these strictures, the aggregate growth projections for 2017-18 remain unchanged as compared with the October 2016 IMF World Economic Outlook. The outlook for advanced economies has improved for 2017–18, reflecting a spurt in the activity in the second half of 2016, as also triggered by the fiscal and administrative stimulus given in the United States. As a corollary, the growth prospects have marginally diminished for emerging / developing economies, where financial conditions have correspondingly tightened. Near-term growth prospects were revised upwards for China, due to expected policy stimulus, but were revised downwards for a number of other large economies - notably India, Brazil, and Mexico.

The Central Statistics Office (CSO), Ministry of Statistics & Programme Implementation, Government of India, has estimated that Indian economy is likely to grow at 7.1% in 2016-17, compared to the growth of 7.6% achieved in 2015-16. The growth in agriculture, industry and services is estimated at 4.1%, 5.2% and 8.8% respectively in 2016-17 as compared to 1.2%, 7.4% and 8.9% respectively in 2015-16. Growth rate of industry sector declined in 2016-17 mainly on account of contraction in mining & quarrying and moderation of growth in manufacturing sector. The improvement in India's economic fundamentals accelerated in the year 2015 with the combined impact of strong government reforms, Reserve Bank of India's (RBI) inflation focus supported by benign global commodity prices. Moody's has affirmed the Government of India's Baa3 rating with a positive outlook stating that the reforms by the government will enable the country to perform better compared to its peers over the medium term. According to IMF World Economic Outlook Update (January 2017), Indian economy is expected to grow at 7.2% during FY 2016-17 and further accelerate to 7.7% during FY 2017-18. Demonetisation is expected to have a positive impact on the Indian economy, which will help foster a clean and digitised economy in the long run. India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern.

GRAPHITE INDIA

The Company recorded a subdued performance during the year. Revenue from Operations decreased by 2% to Rs. 1,391.75 crore for FY 2016-17 as against Rs. 1,424.64 crore in the previous year. The decline was primarily driven by lower sales price realization while the sale volume increased. The slide in the prices witnessed during last year continued unabated during the current year with surplus capacity and fierce competition. The global demand for graphite electrodes had remained subdued owing to marginal incremental demand for steel. Furthermore, falling iron ore prices have made the Electric Arc Furnace route less economical as compared to the Blast Furnace route. Reduction in input costs has compensated to some extent the fall in electrode prices. However, the reduction was not sufficient to compensate for the falling price of finished electrodes which resulted in falling margins. The PBT of Rs. 111.43 crore for current year was lower in comparison to Rs. 144.50 crore of previous year which also includes investment income of Rs. 47.05 crore as against Rs. 28.52 crore in the last year. However, this trend seems to have reversed somewhat in the recent months with some visible recovery in the steel industry which has led to a recovery in electrode demand too.

The Company's Graphite and Carbon Segment continues to be the main source of revenue and profit for the Company, accounting for about 90% of the total revenue.

The business environment in all segments has become intensely competitive. In order to sustain and survive through this difficult phase, the Company has taken extraordinary measures in ensuring efficient management of all its resources, innovative and creative approach towards cost reduction and high level of operating efficiencies.

OVERSEAS SUBSIDIARIES

The performance of the German subsidiaries continues to suffer due to unremunerative selling prices and weak demand scenario in Europe. However, the industry is hopeful of a recovery considering the recent growth in electrode demand across several geographies.

DIVIDEND

The Directors recommend dividend @ Rs. 2/- per equity share on 19,53,75,594 equity shares for the financial year ended 31st March 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

(i) *Industry's structure and developments*

A. Graphite and Carbon Segment

Graphite Electrodes

Graphite Electrode is used in electric arc furnace based steel mills for conducting current that melts scrap iron and steel and is a consumable item for the steel industry. The principal manufacturers are based in USA, Europe, India, China, Malaysia and Japan.

Graphite Electrode demand is primarily linked with the global production of steel in electric arc furnaces. Between the two basic methods for steel production - (1) Blast Furnace (BF); and (2) Electric Arc Furnace (EAF) – the share of EAF route to steel production is estimated at about 26% at the global level. This is expected to grow further in years to come due to its inherent favourable characteristics of (a) an environment friendly and less polluting production process; (b) low capital cost; and (c) faster project (commissioning) time. Fresh investments in EAF steel mills are characterised by large furnace capacities requiring large diameter UHP Electrodes. It is expected that the demand for UHP Electrodes too will grow synchronously. These typical industry features coupled with an increasing proportion of EAF steel share in total crude steel production in future should hopefully augment the demand for Graphite Electrodes in the long term.

Stagnant demand, intense competition and sliding sales price continued to pose challenges since last 3-4 years. But a turnaround is possible with the recovery in steel demand coupled with consolidation / restructuring in the electrode industry.

Calcined Petroleum Coke and Paste

The Coke Division in Barauni, Bihar, is engaged in the manufacturing of Calcined Petroleum Coke, Carbon Paste and Electrically Calcined Anthracite Paste and is one of the several backward integration initiatives of the Company. In Calcined Petroleum Coke (CPC), two grades - aluminium and graphite – are produced. It is primarily used for manufacture of anodes for use in aluminium smelters, manufacture of graphite electrodes and also used as carburiser in steel. The division also manufactures four grades of Paste i.e. Electrode Paste based on either CPC or Electrically Calcined Anthracite Coal (ECAC) & Tamping Paste based on either CPC or ECAC. Electrode Paste is used in Ferro Alloy Smelters and Tamping Paste is used as a lining material in submerged arc furnaces.

This division could not perform to expectations because of low realization, competition and constraint in getting its basic raw material i.e. Green / Raw Petroleum Coke.

Impervious Graphite Equipment

The Impervious Graphite Equipment (IGE) Division is engaged in design, manufacture and supply of Impervious Graphite Heat and Mass transfer equipment and Turnkey systems. The product range includes Graphite Heat Exchangers in Shell & tube type and Polyblock type construction, Turnkey systems like HCl Synthesis units and Dry Gas generation units, Absorbers and Absorption systems, Graphite Columns,

H_2SO_4 Dilution and Cooling units, Vacuum Ejector systems, Graphite Bursting Discs and accessories.

Impervious graphite is an ideal material of construction for corrosive process fluids and finds wide application in industries like Chloro Alkali, Chlorinated Organic Chemicals, Phosphoric Acid, Fertilizers, Steel Pickling, Metal Processing, Polymers like VCM, Polycarbonate and Caprolactam, Drug Intermediates, etc.

Over the years the Company has built this product line into a reliable brand with a reputation for prompt service, good quality and consistent performance by investing in strengthening the core competencies. Division's total sale was higher by about 35% in this financial year. Domestic business is consistently doing good as there are expansions in chloro-alkali, drugs / pharma, agrochemicals and fine chemicals sectors. Domestic order booking in this year increased by about 40% compared to last year. In export market, there are no major expansions & many projects are getting deferred. Competitors have also dropped their prices substantially & most companies prefer to buy locally. However, we continue to be strong in phosphoric acid business. In this year, Company manufactured the biggest phosphoric acid evaporators so far used for this application for an overseas customer.

Captive Power

Power constitutes one of the major costs of Electrode Production. For captive consumption, the Company has an installed capacity of 31.5 MW of power generation through Hydel route (18 MW) and through multi-fuel route (13.5 MW). Power generation through Hydel Power Plant was 33.75 million units as against 41.00 million units in the previous year. The multi fuel power generating sets remained as a stand-by facility as adequate power was available from the Grid and 6 MW DG set was disposed off during the year.

B. Glass Reinforced Plastic Pipes and Tanks (GRP)

GRP Division is engaged in manufacturing of large diameter Glass Fibre Reinforced Plastic Pipes and Pipe liners for rehabilitation of old pipes. Product is manufactured by continuous filament winding process with computerized, advanced technology comparable to other plants worldwide. These pipes find application in diverse fields such as bulk water supply projects, power plants, sewerage disposal schemes, industrial effluent disposal etc. For sea water it is the most suitable recommended alternative.

The Company has a good track record of supplying large diameter pipes and their successful commissioning. Its pipes are in use for many years in several infrastructure projects in private as well as in public sector. Some of the competitors have either shut shop or are in difficult financial position due to unsustainable business strategy adopted by them. This will give an edge to the units which are focused on good quality GRP pipe production. However project cost overruns, delay in completion of projects, disputes on contractual defaults and non-receipt of receivables have still remained as inherent risks in the business. The Company's policy of picking up orders selectively has paid off and the unit has performed better than previous year on these parameters. Further rationalisation and consolidation in the industry is expected.

C. Other Segments

Steel Segment

Powmex Steels Division (PSD) is engaged in the business of manufacturing high speed steel and alloy steel having its plant at Titilagarh in the State of Orissa. PSD is the single largest manufacturer of High Speed Steel (HSS) in the country. HSS is used in the manufacture of cutting tools such as drills, taps, milling cutters, reamers, hobs, broaches and special form tools. HSS cutting tools are essentially utilised in – (a) automotive; (b) machine tools; (c) aviation; and (d) retail market. The industry is characterised by one good quality manufacturer of HSS viz. PSD and several other small manufacturers who cater to the low end of the quality spectrum in the retail segment. On the demand side, the industry is broadly divided into large and small cutting tool manufacturers who use both domestic and imported HSS. PSD faces competition from small domestic producers and imports from large overseas manufacturers. Demand for HSS products in PSD's range remained subdued during the year under review. The division is facing increasing competition from cheaper Chinese imports.

Development of new grades of HSS has been successfully undertaken which is likely to benefit the division in the medium term.

1.5 MW Hydel Power Facility

Power generated from this facility is sold to Karnataka Power Grid under a Power Purchase Agreement. Generation of power is entirely dependent on monsoon.

(ii) *Opportunities and threats*

India was the third largest steel producer in 2016. India's crude steel production grew by 7.4% year-on-year to 95.6 million tons in 2016. India's steel exports grew 150% year-on-year to 0.75 million tons in February 2017, while steel imports declined 46% year-on-year to 0.49 million tons. Total consumption of finished steel grew by 3.4% year-on-year to 76.22 million tons during April 2016 – February 2017. India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 million tons by 2025. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

The World Steel Association expects the demand for steel to grow by 0.4% YoY in 2017. Steel demand in China is expected to fall by 3% in 2017, which translates into a decline of almost 19 million tons. But, overall steel demand will get a boost from higher demand in USA, India, Middle East and Africa. We believe that the increased demand from these countries will lead to higher steel production through EAF route, as production through the EAF method is higher in these countries compared to the blast furnace route. Overall steel production through EAF route is expected to reach 435 million tons in 2017 as compared to 410 million tons in 2016.

The Company is currently witnessing the resultant positive impact of the ongoing consolidation in the Graphite Electrode sector coupled with increase in demand as well as realisation.

Volumes and business prospects, in general, would be impacted by factors like: (a) sustainability of the global economic recovery in 2017-18; (b) pace of recovery in the euro zone and China; (c) rising cost of key inputs; (d) highly deteriorated financial health of steel industry; (e) sustainability of recent surge of commodity and oil prices; and (f) pace of hike in interest rates in the United States.

While the Company is equipped and geared to face these business challenges, it is hopeful of realising its business goals, with the positive revival of the business environment.

(iii) *Segment-wise Performance*

Revenue of the Company

The revenue from operations amounted to Rs. 1,391.75 crore as against Rs. 1,424.64 crore in the previous year.

Aggregate Export Revenue of all divisions together was Rs. 527.31 crore as against Rs. 643.46 crore in the previous year.

Graphite and Carbon Segment

The performance of the segment was sub-optimal in the F.Y.2016-17 but can be termed as satifactory considering overall challenging enviroment.

Production of Graphite Electrodes and Other Miscellaneous Carbon and Graphite Products during the year under review was 73,756 Mt against 62,022 Mt in the previous year.

Production of Calcined Petroleum Coke during the year was 24,007 Mt as against 20,162 Mt in the previous year.

Production of Carbon Paste during the year was 3,886 Mt against 5,405 Mt in the previous year.

Production of Impervious Graphite Equipment (IGE) and spares at 1,505 Mt was higher as compared to that of 1,070 Mt in the previous year.

Power generated from captive Hydel Power Plant of 18 MW capacity amounted to 33.75 million units during the year as against 41.00 million units in the previous year. Multi-fuel generating facilities remained as stand-by and were not operated due to adequate availability from the grid.

The Segment Revenue declined to Rs. 1257.40 crore from Rs. 1,290.75 crore in the previous year. Domestic and Export sales in terms of volume and realization were impacted adversely due to severe competition during the year. The profitability of the segment decreased from Rs. 139.67 crore in FY 2015-16 to Rs. 53.28 crore in FY 2016-17.

GRP Segment

The GRP Division produced 6,760 Mt pipes as against 6,132 Mt in the previous year.

Other Segments

Production of HSS and Alloy Steels was 1,374 Mt during the year as against 1,275 Mt in the previous year.

Sale of power from 1.5 MW Link Canal facility was 0.88 million units as against 3.39 million units in the previous year.

(iv) *Outlook*

World crude steel production reached 1,628.50 million tons for the year 2016, up by 0.8% compared to 2015. Annual production in Asia during 2016 was 1,125.10 million tons of crude steel, an increase of 1.6% compared to 2015. India's crude steel production for 2016 was 95.6 million tons, up by 7.4% compared to 2015.

The year 2017 and 2018 is expected to see a cyclical upturn in steel demand with a continuing recovery in the developed economies and an accelerating growth momentum in the emerging and developing economies. We expect that Russia and Brazil will finally come out of their recessions. However, China, which accounts for 45% of global steel demand, is expected to return to a more subdued growth rate after its recent short uplift. For this reason, overall growth momentum will remain modest.

With the "risk of global recession" receding and economic performance improving across most regions, a number of geopolitical changes still create some concern. US policy uncertainties, Brexit, the rising populist wave in current European elections and the potential retreat from globalisation and free trade under the pressure of rising nationalism / protectionism add a new dimension of uncertainty in investment environment. However, risks from ongoing conflicts in the Middle East and in Eastern Ukraine appear to be reducing.

The pickup in oil prices in 2016 helped stabilise the fiscal position of oil producing countries. In 2017-18 oil prices are expected to show a moderate gain but any spike in oil prices to the levels seen in 2010-12 seems unlikely despite the recent OPEC agreement on oil production cuts. Other commodity prices also rebounded due to stronger activities in China, but no further hikes are envisaged. The mildly rising oil prices may boost the investment in several economies worldwide.

Benefitting from strong fundamentals, newly announced measures related to fiscal stimuli and rising infrastructure spending, the United States is expected to continue to lead the growth in the developed world in 2017-18. The EU recovery is strengthening with many positive developments. Eurozone monetary policy is expected to remain on its current path, at least in 2017, while fiscal tightening is not expected to strengthen further and risk of deflation has significantly receded.

The Government initiatives for infrastructure development, including railway projects, implementation of smart city project and 'Make in India' initiatives should boost demand for steel in India. This will also increase graphite electrode demand in the domestic market.

The imposition of Safeguard Duty and MIP on various grades of steel should augur well for the domestic steel industry and should provide a boost for higher level of capacity utilization.

With better economics of EAF steel as compared to BF route, coupled with its inherent advantages like low capital requirement and low emission levels, it is expected that EAF steel production will steadily grow. This has to some extent resulted in higher electrode demand during the later part of Q4/16-17. It is expected that this will sustain and grow.

With its competitive cost structure and a well diversified customer base, the Company is well geared to enhance its presence in the global Graphite Electrode market and benefit from the upturn in the industry.

(v) *Risks and Concerns*

The Company is exposed to the threat of the cyclical nature of the steel demand as also to the risks arising from the volatility in the cost of input materials. Over the last few years steel industry across the globe was undergoing tremendous stress due to reduced steel demand, increasing export of steel from China and slowing down of development in the Middle East due to lower crude oil prices. In addition, due to reduced price level of iron ore and coking coal, the BF route for producing steel had become more economical and hence was being preferred by steel producers. Combined result of these developments had reduced capacity utilization of EAF steel industry for the last 3-4 years. This had resulted in surplus supply in the market leading to reduction in electrode price level. Although some improvement is evident in the recent past with the rebounding of demand for steel, but the economic slowdown and/or cyclical recession in certain major steel consuming industries may adversely impact the demand-supply dynamics as also the profitability and your Company too is vulnerable to these changes.

Disproportionate increase in taxes and other levies imposed periodically by the Central and State Governments, especially on essential inputs, may increase the cost of manufacture and reduce the profit margins. However likely implementation of Goods & Service Tax (GST) is expected to bring in stability in this area.

Exports to specific regions may get severely affected by trade barriers in the form of crippling import duties or anti dumping duties or countervailing duties or sanctions as the case may be and our export volumes to specific markets could get majorly affected by such protectionist/ restrictive impositions. Devaluation or appreciation of currency may impact business prospects.

The main raw materials are either petroleum based or coal based. Increase or decrease in oil and commodity price will directly impact cost of product and margins. Further increase in price of crude and coal and its direct impact on its derivative materials like Needle Coke, Pitch, Furnace Oil, Met Coke etc. will all tend to inflate the input cost in a major way.

The Company has a mixed exposure of exports and imports and is a net foreign exchange earner. So, volatility in foreign currency market directly impacts the company's prospects. Inherent natural hedge of various balancing exposures may mitigate the risk up to an extent.

Due to rapid urbanization close to the industrial zones, the Pollution Control Authorities are imposing strict conditions resulting in additional capital expenditure.

(vi) *Internal control systems and their adequacy*

The Company has proper and adequate systems of internal controls. Internal audit is conducted by outside auditing firms. The Internal audit reports are reviewed by the top management and the Audit Committee and timely remedial measures are ensured.

(vii) *Discussion on financial performance with respect to operational performance*

Revenue from Operations recorded Rs. 1,391.75 crore as against Rs. 1,424.64 crore in the previous year.

Profit after tax was Rs. 112.28 crore as against Rs. 104.64 crore in the previous year. Profit before tax was lower at Rs. 111.43 crore as compared to Rs. 144.50 crore in the previous year. The benefit of lower input costs has been negated by lower realization but higher investment income.

Borrowing at Rs. 126.82 crore was lower than Rs. 179.92 crore in the previous year and as a result the Finance Cost decreased to Rs. 6.50 crore from Rs. 7.84 crore in previous year.

Capital expenditure during the year amounted to Rs. 80.44 crore as against Rs. 51.69 crore in the previous year. The Company is a net foreign exchange earner.

ICRA has reaffirmed the long term rating at [ICRA] 'AA+' (pronounced ICRA double A plus) which indicates that the outlook on the long term rating is stable. The short-term debt programme rating has been reaffirmed at [ICRA] 'A1+' (pronounced ICRA A one plus). This rating indicates highest-credit-quality. The retention of these ratings reflects comfortable financial risk profile characterized by low gearing, strong coverage indicators and the financial flexibility emanating from large liquid investment portfolio.

Details of contingent liabilities are given in Note 37 to the Financial Statements.

(viii) *Material developments in Human Resources / Industrial Relations front, including number of people employed*

The HRD policies and practices focus on contemporary and pragmatic people centric initiatives, aligning it with business vision and objectives, which primarily help in creating robust organisational structure and aims at optimum utilisation of resources.

The Training & Development Programmes encompassing the competency building initiatives amongst employees continues to be an ongoing process. Besides, the leadership building at senior and middle management level, and the succession planning for critical positions continue to be a focus area.

The involvement of employees in the operational initiatives at the manufacturing plants of the Company continues to be high.

The total number of permanent employees in the Company is 2026 as on 31st March, 2017.

The employee relations continue to be cordial and harmonious at all the locations of the Company.

Pollution Matter – Bangalore

Appeal filed by complainants before the Hon'ble National Green Tribunal South Zone at Chennai against the majority order dated 22.06.2013 passed in favour of the Company by the Hon'ble Karnataka State Appellate Authority at Bangalore is pending.

Research & Development

The Company's R&D is committed towards continual improvement, development of technology and development of import substitute material.

R&D initiatives are in the area of new product development, raw materials, productivity, process development, reduction in carbon emission etc.

Continuous efforts are made to develop import substitute materials for Aeronautical, Aerospace, Railway and other industrial applications. Continual process development activities are towards producing superior version of carbon brake pads for aircrafts and helicopters.

Subsidiary Companies

Carbon Finance Limited is a wholly owned Indian subsidiary. Graphite International B.V. in The Netherlands is a wholly owned overseas subsidiary Company which is the holding company of four subsidiaries in Germany (viz) Graphite Cova GmbH, Bavaria Electrodes GmbH, Bavaria Carbon Specialities GmbH, Bavaria Carbon Holdings GmbH.

The overseas subsidiaries recorded a turnover of Euro 32.51 Mn as compared to Euro 35.17 Mn in the previous year.

On the backdrop of prolonged economic slowdown, German subsidiaries did not do well due to low demand in Europe, high production costs and reduction in prices by competitors to capture volumes in the dwindling market. Due to these unfavourable factors the loss for the year was higher at € 5.18 Mn as against € 4.77 Mn in the previous year.

The Company earned by way of Royalty Rs. 2.32 crore during the year, as against Rs. 2.81 crore in the previous year, from overseas subsidiary.

Statement containing salient features of the financial statements of subsidiaries is enclosed - **Annexure 1**

No Company has ceased to be a subsidiary of the Company during the year. The Company does not have any joint venture or associate companies.

The Consolidated Financial Statements of the Company along with those of its subsidiaries prepared as per Ind AS 110 forms a part of this Annual Report.

Audit Committee

The Audit Committee comprises Mr. A. V. Lodha as its Chairman with Dr. R Srinivasan, Mr. N. Venkataramani and Mr. J. D. Curravala as its members.

All recommendations of the Audit Committee were accepted by the Board.

Information pursuant to Section 134 of the Companies Act, 2013

a. Extract of the annual return as provided under Section 92 (3) of Companies Act, 2013 is enclosed - **Annexure 2**

b. Four meetings of the Board of Directors of the Company were held during the year on 12th May 2016, 10th August 2016, 01st December 2016 and 14th February 2017.

c. All the Independent Directors of the company have furnished declarations that they satisfy the requirement of Section 149 (6) of the Companies Act, 2013.

d. Relevant extracts of the Company's policy on directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided in section 178(3) of Companies Act, 2013 is enclosed - **Annexure 3**

e. There is no qualification, reservation or adverse remark or disclaimer made by the statutory auditor in his audit report and by Company Secretary in practice in the secretarial audit report and hence no explanations or comments by the Board are required.

f. Particulars of loans, guarantees or investments under Section 186 of Companies Act, 2013 is enclosed - **Annexure 4**

g. Particulars of contracts or arrangements with related parties referred to in Section 188(1) of Companies Act, 2013 is enclosed - **Annexure 5**

h. Details of conservation of energy, technology absorption, foreign exchange earnings and outgo as prescribed vide Rule 8(3) of Companies (Accounts) Rules 2014 is enclosed - **Annexure 6**

i. Risk management policy has been developed and implemented. The Board is kept informed of the risk mitigation measures being taken through half yearly risk mitigation reports / Operations Report. There are no current risks which threaten the existence of the Company.

j. Corporate Social Responsibility (CSR)

   As part of its CSR activities, the Company has initiated projects aimed at promoting education and employment enhancing vocational skills and livelihood enhancement projects, and healthcare initiatives through B D Bangur Endowment. The CSR policy has been displayed on company website www.graphiteindia.com and can be viewed on **http://www.graphiteindia.com/View/**

investor_relation.aspx

The CSR annual report for the year ended 31st March, 2017 is attached separately and forms part of this report - **Annexure 7**

k. Formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual directors on the basis of a set of criterias framed and approved by the Nomination & Remuneration Committee / Board.

l. The Company has adopted a Vigil Mechanism which has been posted on the Company's website and can be viewed on **http://www.graphiteindia.com/View/investor_relation.aspx**

m. The Company does not accept deposits from public.

n. There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Disclosures pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5(1), Rule 5(2) and Rule 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 are contained in **Annexures 8 and 9.**

o. Dividend Distribution Policy is enclosed - **Annexure 10.** The same can also be viewed on **http://www.graphiteindia.com/View/investor_relation.aspx.**

DIRECTORS

Mr. J. D. Curravalla retires by rotation at the ensuing AGM and being eligible offers himself for re-appointment.

No director is related inter-se to any other director of the Company.

Recognition/Award

The Company continues to enjoy the status of a Star Trading House. This year too, the Company received the following awards for export performance -

- from CAPEXIL : Top Export Award for 2014-15

  Top Export Award for 2013-14.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Directors state that-

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed;

(b) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

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

(d) the directors have prepared the annual accounts on a going concern basis;

(e) the directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate Governance Report

A Report on Corporate Governance along with a Certificate of Compliance from the Auditors forms part of this Report - **Annexure 11**

Business Responsibility Report (BRR)

The Listing Regulations mandate the inclusion of the BRR as part of Annual Report for top 500 listed entities based on market capitalisation. In compliance with the Listing Regulations, we have incorporated BRR into our Annual Report.

Auditors

The Board of Directors recommend the appointment of M/s S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005) as the next Statutory Auditors of the Company for a five year term beginning from the conclusion of the 42nd AGM till the conclusion of the 47th AGM of the Company, in place of Price Waterhouse, Chartered Accountants, pursuant to the provision of the Section 139(2) of the Companies Act 2013.

Cost Auditors

The Company had appointed following Cost Auditors for FY 2016-17 who conducted cost audit as detailed below-

Shome & Banerjee	Electrode plants at Durgapur, Bangalore including captive power generation facilities and 1.5 MW Link Canal Power plant at Mandya.
DBK & Associates	Electrode, IGE and GRP plants at Nashik including captive power generation facility.
B G Chowdhury & Co.	Coke division at Barauni
N Radhakrishnan & Co.	Powmex Steels division at Titilagarh

Consolidated Cost Audit Report for FY 2015-16 was filed with the Ministry of Corporate Affairs, Government of India, on 7th September, 2016.

The said Cost auditors have been appointed to conduct cost audit for the same divisions as mentioned above for FY 2017-18:

Secretarial Audit Report

The Board appointed M/s. P. S. & Associates, Practicing

Company Secretaries, to conduct Secretarial Audit for FY 2016-17. The Secretarial Audit Report is annexed herewith - **Annexure 12**

Acknowledgement
Your directors place on record their appreciation of the assistance and support extended by all government authorities, financial institutions, banks, consultants, solicitors and shareholders of the Company. The directors express their appreciation of the dedicated and sincere services rendered by employees of the Company.

On behalf of the Board

Kolkata
May 18, 2017

K. K. Bangur
Chairman

ANNEXURE 1

FORM AOC - 1

{Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014}

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" : Subsidiaries

Figures in Eur'000
Figures in Rs. Lakhs

Sl. No.	Name of the Subsidiary	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation/ (Write back)	Profit after Taxation	Proposed Dividend	% of shareholding
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	Carbon Finance Limited, India	INR	530	4,896	1,512	1	3,915	193	123	78	45	-	100%
2	Graphite International B.V., The Netherlands	EURO	17,300	296	17,713	117	-	303	219	52	167	-	100%
		INR	11,994	205	12,280	81	-	210	152	36	116	-	
3	Graphite COVA GmbH, Germany	EURO	16,320	(18,383)	29,076	31,139	-	33,006	(5,502)	-	(5,502)	-	100%
		INR	11,315	(12,745)	20,159	21,589	-	22,883	(3,815)	-	(3,815)	-	
4	Bavaria Electrodes GmbH, Germany	EURO	100	2,797	5,849	2,952	-	13,095	285	36	249	-	100%
		INR	69	1,939	4,055	2,047	-	9,079	197	25	172	-	
5	Bavaria Carbon Specialities GmbH,, Germany	EURO	100	2,191	2,851	560	-	6,437	270	73	197	-	100%
		INR	69	1,519	1,976	388	-	4,463	188	51	137	-	
6	Bavaria Carbon Holdings GmbH, Germany	EURO	275	561	1,281	445	-	613	118	(34)	152	-	100%
		INR	191	389	889	309	-	425	82	(24)	106	-	

Note:
1. The reporting period of all the subsidiaries is the same as that of the Holding Company
2. Part B of the Statement AOC-1 has not been produced because the Company did not have any associates/ joint ventures during the Financial Year.
3. Exchange Rate as on the last date of the Financial Year, i.e. 31st March,2017 has been taken @ 1 Eur= Rs.69.33.

Kolkata	**S.W.Parnerkar**	**B. Shiva**	**M. B. Gadgil**	**K. K. Bangur**
18th May, 2017	Sr. Vice President - Finance	Company Secretary	Executive Director	Chairman

Annexure 2

Form No. MGT 9

EXTRACT OF ANNUAL RETURN as on financial year ended 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS

i)	CIN	L10101WB1974PLC094602
ii)	Registration Date	2nd May, 1974
iii)	Name of the Company	Graphite India Limited
iv)	Category / Sub-category of the Company	Public Company / Limited by shares
v)	Address of the Registered office and contact details	31, Chowringhee Road, Kolkata 700016 Phone - 033 -40029600 Fax - 033 -40029676 E-mail -gilro@graphiteindia.com
vi)	Whether listed company	Yes
vii)	Name , Address and Contact details of Registrar and Transfer Agents, if any	Link Intime India Pvt. Ltd. C 101, 247 Park, LBS Marg, Vikhroli (W) Mumbai 400083 Phone - 022-25946970 Fax - 022-25946969 E-mail - rnt.helpdesk@linktime.co.in

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10% or more of the total turnover of the company -

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Manufacturing of Graphite Electrodes and Miscellaneous Graphite Products on the basis of Gross Turnover	3297 - Manufacture of graphite products n.e.c	77.17%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Emerald Company Ltd.* 31, Chowringhee Road, Kolkata 700 016	U99999WB1940PLC128211	Holding	61.20	2(46)
2	Carbon Finance Ltd. 31, Chowringhee Road, Kolkata 700016	U51909WB1992PLC055850	Subsidiary	100	2(87)(ii)
3	Graphite International B V, Schiphol Boulevard 231, 1118BH Schiphol, The Netherlands	-	Subsidiary	100	2(87)(ii)
4	Graphite COVA Gmbh, Grünthal 1-6, D-90552 Röthenbach an der Pegnitz	-	Subsidiary	100	2(87)(ii)
5	Bavaria Electrodes Gmbh, Grünthal 1-6, D-90552 Röthenbach an der Pegnitz	-	Subsidiary	100	2(87)(ii)
6	Bavaria Carbon Specialities Gmbh, Grünthal 1-6, D-90552 Röthenbach an der Pegnitz	-	Subsidiary	100	2(87)(ii)
7	Bavaria Carbon Holdings Gmbh, Grünthal 1-6, D-90552 Röthenbach an der Pegnitz	-	Subsidiary	100	2(87)(ii)

Note:-

* Emerald Company Ltd converted into Private Limited Company w.e.f. 24.04.2017 (CIN U99999WB1940PTC12811)

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	Shareholding at the beginning of the year - 01.04.2016				Shareholding at the end of the year - 31.03.2017				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Shareholding of Promoter and Promoter Group									
(1) Indian									
a) Individuals / Hindu Undivided Family	982562	2005	984567	0.50	723017	2005	725022	0.37	-0.13
b) Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c) Financial Institute/Bank	0	0	0	0.00	0	0	0	0.00	0.00
d) Any other (Specialy)									
Bodies Corporates	124850064	250	124850314	63.90	124850064	250	124850314	63.90	0.00
SUB TOTAL : (A) (1)	**125832626**	**2255**	**125834881**	**64.41**	**125573081**	**2255**	**125575336**	**64.27**	**-0.13**
(2) Foreign									
a) Individuals (Non-Resident Individuals / Foreign Individuals)	1583102	0	1583102	0.81	1842647	0	1842647	0.94	0.13
b) Government	0	0	0	0.00	0	0	0	0.00	0.00
c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other (Specify)								0.00	
SUB TOTAL (A) (2)	**1583102**	**0**	**1583102**	**0.81**	**1842647**	**0**	**1842647**	**0.94**	**0.13**
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**127415728**	**2255**	**127417983**	**65.22**	**127415728**	**2255**	**127417983**	**65.22**	**0.00**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds / UTI	7553350	53569	7606919	3.89	9554284	53569	9607853	4.92	1.02
b) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
c) Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
d) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
e) Foreign Portfolio Investor	24251042	20013	24271055	12.42	24546121	20013	24566134	12.57	0.15
f) Financial Institutions / Banks	24952	26795	51747	0.03	37544	26615	64159	0.03	0.01
g) Insurance Companies	6751415	1750	6753165	3.46	6751415	1750	6753165	3.46	0.00
h) Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Any Other (Specify)									
SUB TOTAL (B)(1)	**38580759**	**102127**	**38682886**	**19.80**	**40889364**	**101947**	**40991311**	**20.98**	**1.18**
(2) Central Government/ State Government(s)/ President of India									
SUB TOTAL (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
(3) Non-Institutions									
a) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	11563051	2552832	14115883	7.22	11333335	2480190	13813525	7.07	-0.13
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1158778	0	1158778	0.59	641160	0	641160	0.33	-0.29
b) NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
c) Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
d) Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other (Specify)									
Trusts	872	32	904	0.00	19960	32	19992	0.01	0.01
Foreign Nationals	0	37530	37530	0.02	0	37530	37530	0.02	0.00
Hindu Undivided Family	532701	59	532760	0.27	512414	59	512473	0.26	-0.01
Non Resident Indians (Non Repat)	115001	5156	120157	0.06	160301	5156	165457	0.08	0.02
Other Directors	4750	6200	10950	0.01	4750	6200	10950	0.01	0.00
Relative of Directors	333	2800	3133	0.00	333	2800	3133	0.00	0.00
Non Resident Indians (Repat)	1882532	254841	2137373	1.09	1676604	254841	1931445	0.99	-0.10
Clearing Member	105623	0	105623	0.05	135463	0	135463	0.07	0.02
Bodies Corporate	10971131	80503	11051634	5.66	9614671	80501	9695172	4.96	-0.70
SUB TOTAL:(B) (3)	**26334772**	**2939953**	**29274725**	**14.98**	**24098991**	**2867309**	**26966300**	**13.80**	**-1.18**
Total Public Shareholding (B) = (B) (1) + (B) (2) + (B) (3)	**64915531**	**3042080**	**67957611**	**34.78**	**64988355**	**2969256**	**67957611**	**34.78**	**0.00**
Total (A)+(B)	**192331259**	**3044335**	**195375594**	**100.00**	**192404083**	**2971511**	**195375594**	**100.00**	**0.00**
C. Non Promoter - Non Public									
[1] Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
Total (A+B+C)	**192331259**	**3044335**	**195375594**	**100.00**	**192404083**	**2971511**	**195375594**	**100.00**	

IV (ii) SHAREHOLDING OF PROMOTERS

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			
		No of shares held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No of shares held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	Emerald Company Limited	119579419	61.20	0	119579419	61.20	0	0
2	G K W Limited	4000000	2.05	0	4000000	2.05	0	0
3	Krishna Kumar Bangur (FWT)	199505	0.10	0	199505	0.10	0	0
4	Krishna Kumar Bangur (HUF)	50500	0.03	0	50500	0.03	0	0
5	Shree Laxmi Agents Limited	884000	0.45	0	884000	0.45	0	0
6	Carbo-Ceramics Limited	386645	0.20	0	386645	0.20	0	0
7	Manjushree Bangur	248391	0.13	0	248391	0.13	0	0
8	Krishna Kumar Bangur	1656386	0.85	0	1656386	0.85	0	0
9	Aparna Daga	186261	0.10	0	186261	0.10	0	0
10	Divya Bangur	169333	0.09	0	169333	0.09	0	0
11	Rukmani Devi Bangur	55288	0.03	0	55288	0.03	0	0
12	Krishna Kumar Bangur	830	0.00	0	830	0.00	0	0
13	Manjushree Bangur	670	0.00	0	670	0.00	0	0
14	Krishna Kumar Bangur	335	0.00	0	335	0.00	0	0
15	The Bond Company Ltd	250	0.00	0	250	0.00	0	0
16	Krishna Kumar Bangur	170	0.00	0	170	0.00	0	0
	Total	**127417983**	**65.22**	**0**	**127417983**	**65.22**	**0**	**0**

IV (iii) Change in Promoters Shareholding

Sr. No.		Shareholding at the beginning of the year 01.04.2016		Transactions during the year		Cumalative Shareholding at the end of the year 31.03.2017	
	Name & Type of Transaction	No of shares held	% of total shares of the company	Date Of Transaction	No of Shares	No of shares held	% of total shares of the company
1	Emerald Company Limited	119579419	61.20	-	-	119579419	61.20
2	G K W Limited	4000000	2.04	-	-	4000000	2.04
3	Krishna Kumar Bangur (FWT)	199505	0.10	-	-	199505	0.10
4	Krishna Kumar Bangur (HUF)	50500	0.03	-	-	50500	0.03
5	Shree Laxmi Agents Limited	884000	0.45	-	-	884000	0.45
6	Carbo-Ceramics Limited	386645	0.20	-	-	386645	0.20
7	Manjushree Bangur	248391	0.13	-	-	248391	0.13
8	Krishna Kumar Bangur	1656386	0.85	-	-	1656386	0.85
9	Aparna Daga	186261	0.10	-	-	186261	0.10
10	Divya Bangur	169333	0.09	-	-	169333	0.09
11	Rukmani Devi Bangur	55288	0.03	-	-	55288	0.03
12	Krishna Kumar Bangur	830	0.00	-	-	830	0.00
13	Manjushree Bangur	670	0.00	-	-	670	0.00
14	Krishan Kumar Bangur	335	0.00	-	-	335	0.00
15	The Bond Company Limited	250	0.00	-	-	250	0.00
16	Krishna Kumar Bangur	170	0.00	-	-	170	0.00

IV (iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters)

Sr No.		Shareholding at the beginning of the year - 01.04.2016		Transactions during the year		Cumulative Shareholding at end of the year - 31.03.2017	
	Name & Type of Transaction	**No.of shares held**	**% of total shares of the company**	**Date Of Transaction**	**No of shares held**	**No of shares**	**% of total shares of the company**
1	**FIDELITY NORTHSTAR FUND**	8200000	4.20			8200000	4.20
	At the end of the year					8200000	4.20
2	**SBI SMALL AND MIDCAP FUND**	7463588	3.82			7463588	3.82
	Transfer			06 May 2016	36112	7499700	3.84
	Transfer			13 May 2016	300	7500000	3.84
	Transfer			20 Jan 2017	(400000)	7100000	3.63
	Transfer			10 Feb 2017	(200969)	6899031	3.53
	Transfer			10 Mar 2017	(499031)	6400000	3.28
	At the end of the year					6400000	3.28
3	**EDGBASTON ASIAN EQUITY TRUST**	5533811	2.83			5533811	2.83
	Transfer			08 Apr 2016	132522	5666333	2.90
	Transfer			15 Apr 2016	45334	5711667	2.92
	Transfer			22 Apr 2016	59659	5771326	2.95
	Transfer			29 Apr 2016	37592	5808918	2.97
	At the end of the year					5808918	2.9732
4	**LIFE INSURANCE CORPORATION OF INDIA**	3650377	1.87			3650377	1.87
	At the end of the year					3650377	1.87
5	**L AND T MUTUAL FUND TRUSTEE LTD-L AND T TAX ADVANTAGE FUND**	0	0.00				
	Transfer			13 Jan 2017	803200	803200	0.41
	Transfer			20 Jan 2017	989785	1792985	0.92
	Transfer			27 Jan 2017	100000	1892985	0.97
	Transfer			03 Feb 2017	25000	1917985	0.98
	Transfer			10 Feb 2017	98289	2016274	1.03
	Transfer			17 Feb 2017	25000	2041274	1.04
	Transfer			03 Mar 2017	94998	2136272	1.09
	Transfer			10 Mar 2017	574359	2710631	1.39
	Transfer			17 Mar 2017	60913	2771544	1.42
	Transfer			24 Mar 2017	175600	2947144	1.51
	Transfer			31 Mar 2017	118369	3065513	1.57
	At the end of the year					3065513	1.57
6	**THE NEW INDIA ASSURANCE COMPANY LTD**	3055890	1.56			3055890	1.56
	At the end of the year					3055890	1.56
7	**CD EQUIFINANCE PRIVATE LIMITED**	3155907	1.61			3155907	1.61
	Transfer			06 May 2016	(1000)	3154907	1.61
	Transfer			17 Jun 2016	(26840)	3128067	1.60
	Transfer			30 Jun 2016	(15221)	3112846	1.59
	Transfer			15 Jul 2016	(21067)	3091779	1.58
	Transfer			22 Jul 2016	(1000)	3090779	1.58
	Transfer			13 Jan 2017	(373081)	2717698	1.39
	Transfer			20 Jan 2017	(28675)	2689023	1.38
	At the end of the year					2689023	1.38

IV (iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters)

Sr No.		Shareholding at the beginning of the year - 01.04.2016		Transactions during the year		Cumulative Shareholding at end of the year - 31.03.2017	
	Name & Type of Transaction	**No.of shares held**	**% of total shares of the company**	**Date Of Transaction**	**No of shares held**	**No of shares**	**% of total shares of the company**
8	**RETAIL EMPLOYEES SUPERANNUATION PTY. LIMITED AS TRUSTEE FOR RETAIL EMPLOYEES SUPERANNUATION TRUST**	2488635	1.27			2488635	1.27
	At the end of the year					2488635	1.27
9	**BELLONA HOSPITALITY SERVICES LTD**	1748449	0.89			1748449	0.89
	At the end of the year					1748449	0.89
10	**SAMUEL JACOBS**	1633290	0.84			1633290	0.84
	Transfer			22 Apr 2016	(5000)	1628290	0.83
	Transfer			29 Apr 2016	(4320)	1623970	0.83
	Transfer			13 Jan 2017	(14335)	1609635	0.82
	Transfer			20 Jan 2017	(85684)	1523951	0.78
	Transfer			27 Jan 2017	(8045)	1515906	0.78
	Transfer			10 Feb 2017	(22888)	1493018	0.76
	Transfer			17 Mar 2017	(20000)	1473018	0.75
	At the end of the year					1473018	0.75

IV (v) Shareholding of Directors & Key Managerial Personnel

Sr No.		Shareholding at the beginning of the year - 01.04.2016		Cumulative Shareholding during the year - 31.03.2017	
		No. of Shares	**% of total shares of the company**	**No of Shares**	**% of total shares of the company**
	Directors				
1	Mr. Krishna Kumar Bangur (FWT)	199505	0.10	199505	0.10
2	Mr. Krishna Kumar Bangur (HUF)	50500	0.03	50500	0.03
3	Mr. Krishna Kumar Bangur	1656386	0.85	1656386	0.85
4	Mr. P K Khaitan	0	0.00	0	0.00
5	Mr. N S Damani	0	0.00	0	0.00
6	Mr. A V Lodha	0	0.00	0	0.00
7	Dr. R Srinivasan	0	0.00	0	0.00
8	Mr. Gaurav Swarup	0	0.00	0	0.00
9	Ms. Shalini Kamath	0	0.00	0	0.00
10	Mr. J D Curravala	4750	0.00	4750	0.00
11	Mr. N Venkataramani	4200	0.00	4200	0.00
12	Mr. M B Gadgil	2000	0.00	2000	0.00
13	Mr. Krishna Kumar Bangur	830	0.00	830	0.00
14	Mr. Krishna Kumar Bangur	335	0.00	335	0.00
15	Mr. Krishna Kumar Bangur	170	0.00	170	0.00
	Key Managerial Personnel				
1	Mr. S.W. Parnerkar	150	0.00	150	0.00
2	Mr. B. Shiva	416	0.00	416	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

				(Rs. in Lakhs)
	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year (01.04.2016)				
i) Principal Amount	7,445	10,547	-	17,992
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12	34	-	46
Total (i + ii + iii)	**7,457**	**10,581**	**-**	**18,038**
Change in Indebtedness during the financial year				
- Reduction	(4,615)	(724)	-	(5,339)
Indebtedness at the end of the financial year (31.03.2017)				
i) Principal Amount	2,840	9,841	-	12,681
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2	16	-	18
Total (i + ii + iii)	**2,842**	**9,857**	**-**	**12,699**

Note: Figures are rounded off to nearest lakhs.

VI. Remuneration of Directors and Key Managerial Personnel

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

			(Rs. in Lakhs)
Sr. No.	**Particulars of Remuneration**	**Name of MD/WTD/Manager**	**Total Amount**
		Mr.M.B.Gadgil - Whole-time Director	
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	99	99
	(b) Value of perquisites u/s 17(2) of the Income-tax Act,1961	18	18
	(c) Profits in lieu of salary under section 17(3) of the Income - tax Act,1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of Profit -Others, please specify	55	55
5	Others (includes retirals)	21	21
	Total (A)	**193**	**193**
	Ceiling as per the Act	423	423

Note: Figures are rounded off to nearest lakhs.

B. Remuneration to Other Directors

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Names of Directors									Total Amount
		Mr. K. K. Bangur	Mr. P. K. Khaitan	Mr. N. S. Damani	Mr. A. V. Lodha	Dr. R. Srinivasan	Mr. J. D. Curravala	Mr. Gaurav Swarup	Mr. N. Venkataramani	Ms. Shalini Kamath	
1	**Independent Directors**										
	Fees for attending board/ committee meeting	-	1	1	2	2	-	1	2	1	10
	Commission	-	2	2	3	3	-	2	10	2	24
	Others										
	Total (1)	**-**	**3**	**3**	**5**	**5**	**-**	**3**	**12**	**3**	**34**
2	**Other Non-Executive Directors**										
	Fees for attending board/ committee meeting	2	-	-	-	-	2	-	-	-	4
	Commission	60	-	-	-	-	3	-	-	-	63
	Others										
	Total (2)	**62**	**-**	**-**	**-**	**-**	**5**	**-**	**-**	**-**	**67**
	Total B = (1 + 2)	**62**	**3**	**3**	**5**	**5**	**5**	**3**	**12**	**3**	**101**
	Total Managerial Remuneration	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**87**
	Overall Ceiling as per the Act	-	-	-	-	-	-	-	-	-	88

Note: Figures are rounded off to nearest lakhs.

C. Remuneration to Key Management Personnel other than MD/Manager/WTD :

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	-	35	27	62
	(b) Value of perquisites u/s 17(2) of the Income-tax Act,1961	-	1	4	5
	(c) Profits in lieu of salary under section 17(3) of the Income -tax Act,1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of Profit	-	-	-	-
	- Others, please specify	-	-	-	-
5	Others (includes retirals)	-	4	4	8
	Total (A)	**-**	**40**	**35**	**75**

Note : Figures are rounded off to nearest lakhs.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

No penalties / punishment / compounding of offences were imposed by RD / NCLT / Court on the Company / Directors / Other Officers in default during the year.

Annexure 3

NOMINATION AND REMUNERATION POLICY

The objectives of this Policy include the following:

- to lay down criteria for identifying persons who are qualified to become Directors;
- to formulate criteria for determining qualification, positive attributes and independence of a Director;
- to determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors and KMP, to work towards the long term growth and success of the Company;
- to frame guidelines on the diversity of the Board;

DEFINITIONS

Unless the context requires otherwise, the following terms shall have the following meanings:
"Director" means a Director of the Company.
"Key Managerial Personnel" or "KMP" means-

(i) the Chief Executive Officer or the Managing Director or the Manager;
(ii) the Whole-time Director;
(iii) the Chief Financial Officer;
(iv) the Company Secretary; and
(v) such other officer as may be prescribed under the applicable law.

Criteria for identifying persons who are qualified to be appointed as a Director of the Company:

Section 164 of the Companies Act, 2013 ("Act") provides for the disqualifications for appointment of any person to become Director of any company. Any person who in the opinion of the Board of Directors ("Board") is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

Independent Directors

For appointing any person as an Independent Director he/she should possess qualifications as mentioned in (A) the Act and the Rules made thereunder (including but not limited to Section 149 of the Act and Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014); and (B) the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Appointment criteria and qualifications

The Nomination & Remuneration Committee (Committee) shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director (including Independent Directors), or KMP and recommend to the Board his / her appointment.

Such person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.

Evaluation:

The Committee shall carry out evaluation of performance of every Director or KMP at regular interval and at least on a yearly basis.

Evaluation of Directors:

In terms of Section 149 of the Act read with Schedule IV of the said Act the Independent Directors shall at its separate meeting review the performance of Non- Independent Directors based on the parameters that are considered relevant by the Independent Directors.

The Board as a whole shall evaluate the performance of Independent Directors. During such evaluation the Director being evaluated shall be excluded from the meeting.

Evaluation of KMP and Senior Management Personnel

Criteria for evaluating performance of KMP (other than Directors) and Senior Management Personnel shall be as per the internal guidelines of the Company on performance management and development.

Criteria for evaluating performance of Other Employees

The human resources department of the Company shall evaluate the performance of Other Employees. In this regard, the human resources department shall decide upon the criteria for evaluating performance of Other Employees.

REMUNERATION OF DIRECTORS AND KMP

The remuneration/ compensation/ commission etc. to Managing Director / Whole-time Director and remuneration of KMP will be determined by the Committee and recommended to the Board for approval. Commission to other Directors (including Independent directors) shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.

Remuneration/commission to Directors (including Independent Directors) as per the statutory provisions of the Act and the rules made thereunder for the time being in force within limits approved by shareholders, shall be decided by the Board.

Increments to the existing remuneration/ compensation structure payable to Managing Director / Whole-time Directors and KMP may be recommended by the Committee to the Board which should be within the slabs if any, approved by the shareholders in the case of Directors.

Sitting Fees:

Non-Executive Directors including Independent Directors may receive remuneration by way of fees for attending meetings of Board or its committee within limits prescribed by the Central Govt.

Remuneration to Senior Management Personnel:

The Committee has delegated its powers under this Policy with respect to Senior Management Personnel (other than their appointment) and other employees to the Whole-time Director of the Company and the Whole-time Director shall be entitled to take decisions with respect to remuneration of Senior Management Personnel and other employees / their extension after attainment of applicable retirement age/employee welfare measure including provision of loans (with or without interest as per statutory provisions) through wage settlements or company rules/regulations or otherwise.

Remuneration to Other Employees

The human resources department of the Company with Managing Director / Whole-time director's approval, will determine from time to time the remuneration payable to Other Employees. The powers of the Committee in this regard have been delegated to the human resources department of the Company.

BOARD DIVERSITY

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Company while appointing may consider the following criteria; i.e. appoint those persons who possess relevant experience, integrity, understanding, knowledge or other skill sets that may be considered by the Board as relevant in its absolute discretion, for the business of the Company etc.

The Board shall have the optimum combination of Directors of different genders, from different areas, fields, backgrounds and skill sets as may be deemed absolutely necessary.

The Board shall have members who have accounting or related financial management expertise and are financially literate.

Annexure 4

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Name of the Entity	Nature of Relationship	Amount (Rs. in Lakhs)	Particulars of Loans, Guarantees and Investments
Graphite International B.V. (GIBV)	Wholly-owned Subsidiary	11,588	Fully Paid-up Shares
Carbon Finance Limited	Wholly-owned Subsidiary	3,004	Fully Paid-up Equity Shares
Graphite Cova GmbH	Wholly-owned Subsidiary of GIBV	17,679	Guarantee given in favour of Loan & Material taken by Graphite Cova GmbH
Sai Wardha Power Limited (Formerly Wardha Power Company Limited)	No Relationship	248	Fully Paid-up Class A Equity Shares
Sai Wardha Power Limited (Formerly Wardha Power Company Limited)	No Relationship	312	Fully Paid-up 0.01% Class A Redeemable Preference Shares
Greenko Wind Projects Private Limited	No Relationship	12	Fully Paid-up Class A Equity Shares

Note: Figure are rounded off to nearest lakhs.

Annexure 5

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)
1	Graphite Cova GmbH, Wholly-owned Subsidiary	Sale of Goods	Ongoing	Rs. 5,746 Lakhs	10th November, 2014	Nil
2	Graphite Cova GmbH, Wholly-owned Subsidiary	Purchase of Goods	Ongoing	Rs. 2,015 Lakhs	10th November, 2014	Nil
3	Graphite Cova GmbH, Wholly-owned Subsidiary	Royalty Income	Ongoing	Certain Percentage of sales of graphite electrodes including coated graphite electrodes amounting to Rs. 232 Lakhs	10th November, 2014	Nil
4	Graphite Cova GmbH, Wholly-owned Subsidiary	Guarantee Fee Received / Receivable	Valid upto 30th September, 2017	Certain Percentage of Corporate Guarantee amount utilized amounting to Rs. 121 Lakhs	10th November, 2014	Nil
5	Graphite Cova GmbH, Wholly-owned Subsidiary	Reimbursement of Claims	Ongoing	Rs.3 Lakhs	10th November, 2014	Nil
6	Graphite Cova GmbH, Wholly-owned Subsidiary	Guarantee given	Valid upto 30th September, 2017	Rs. 17,679 Lakhs	15th December, 2014	NA

On behalf of the Board

K. K. Bangur
Chairman

Kolkata
May 18, 2017

Annexure 6

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

(A) Conservation of energy-

a) Energy conservation measures taken

- Saving on electrical energy by use of VFD in higher rated motors of water system pumps bag house fans, and grinding machine.
- Improvement in power factor at lower loads.
- Energy saving in Graphitization unit by optimizing heating cycles.
- Commissioning one New CBM fired energy efficient baking furnace RH24.
- Phase wise Installation / Replacement of existing lights with LED lights.
- Saving on electrical energy by optimizing compressor usage as per air requirement at different level of operation.

b) The steps taken by the company for utilizing alternate sources of energy

- Increasing the quantum of use of wind power, hydro power in two units.
- Installing roof top solar plant in one unit.

c) Additional investment proposal on energy conservation.

- Investment on installation of one more energy efficient mixing plant.
- Investment on installation of roof top solar power unit in one location.
- Investment on procurement of VFD for bigger size drive.
- Replacing office fluorescent tube lights & some street lights with LED lights.

(B) Technology absorption-

i) The efforts made towards technology absorption

- Development of graphitization process of products with differential cross section.
- Development of complete processes to manufacture of Rail wheel casting mould blanks. This is an import substitute.
- Development of processes to manufacture superior versions of carbon fiber composites.

ii) The benefits derived as result of above efforts

- Import substitution.
- Improved product quality.
- Conservation of resources.

iii) No technology was imported during last three years.

iv) Expenditure incurred on R&D : Rs. 13.27 Lakhs

(C) Foreign Exchange earnings : Rs. 44,907 Lakhs

Foreign Exchange outgo : Rs. 8,926 Lakhs

Annexure 7

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

As prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs :** As per the CSR Policy of the Company, projects/activities would be carried out in the following areas-

    a. Eradicating hunger, poverty and malnutrition, promoting health care, sanitation and making available safe drinking water.

    b. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects.

    The policy can be viewed on http://www.graphiteindia.com/View/investor_relation.aspx under the head "Corporate Governance".

2. **The Composition of the CSR Committee:** Mr. K K Bangur (Chairman), Mr. N Venkataramani and Mr. M B Gadgil

3. **Average net profit of the Company for last three financial years (2013-2014 to 2015-2016):** Rs. 171 crore.

4. **Prescribed CSR expenditure (two per cent of the amount as in item 3 above):** Rs. 3.43 crore

5. **Details of CSR spend during the financial year:**

    (a) Total amount to be spent for the financial year: Rs. 11.56 crore (including of previous year)

    (b) Amount unspent, if any: Refer Note 6

    (c) Manner in which the amount spent during the financial year is detailed below:

(Rs. in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No	CSR Projects or Activities identified	Sector in which the Project is covered	Projects or programs (1) Local Area or other (2) Specify the state or district where projects or programs were undertaken	Amount outlay (Budget) projects or program wise	Amount spent on the projects of programs		Cumulative expenditure upto the reporting period	Amount spent: Directly or through implementing Agency*
					Direct expenditure on programs or projects	Overheads		
1	Promoting education among children & employment enhancement vocational skills.	Education, vocation skills	Andul, Durgapur & neighbouring villages in West Bengal and Nashik in Maharashtra	300	63.26	-	155.85	Through B D Bangur Endowment
2	Providing water pump	Safe drinking water	Durgapur village in West Bengal	} 100	4.77	-	6.57	-do-
3	Promoting healthcare	Health care	Kolkata & Durgapur in West Bengal	}	16.68	-	20.37	-do-
	Sub-total			400	84.71	-	182.79	-
	Overheads			-	4.76	-	10.48	-
	Total CSR spend			-	89.47	-	193.27	-

*Contribution of the Company lying unspent with BD Bangur Endowment as on 31.3.17 – Rs. 2.65 Lakhs not included.

6. **In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:** The activities in the above areas are on.

   Negotiations are continuing for establishment of a World class education hub in Kolkata in collaboration with an overseas entity in the fields of Technical & Vocational Training for which large amount of funds would be required. Establishment of such hub is in the planning stage and is expected to take time to make it operational. It is intended that shortfall in the spending on a cumulative basis would be carried forward for use in establishment of such a hub.

7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, would be in compliance with CSR objectives and Policy of the Company.

For Graphite India Limited

M B Gadgil
Executive Director

For and on behalf of the
Corporate Social Responsibility Committee of Graphite India Limited

K K Bangur
Chairman of Corporate Social Responsibility Committee

May 18, 2017

Annexure 8

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 are as under:

Sl No	Name of the Director / KMP and Designation	Remuneration of Director / KMP for FY 2016-17	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director/to median remuneration of employees
		Rs. in Lakhs#		
1	Krishna Kumar Bangur (Non-Executive Chairman)	62	-40%	10.94
2	Pradip Kumar Khaitan (Non-Executive Director)	3	-25%	0.53
3	Nandan Surajratan Damani (Non-Executive Director)	3	0%	0.50
4	Aditya Vikram Lodha (Non-Executive Director)	5	-4%	0.89
5	Raghavachari Srinivasan (Non-Executive Director)	5	0%	0.92
6	Jemi Dorabji Curravala (Non-Executive Director)	5	4%	0.85
7	Nayankankuppam Venkataramani (Non-Executive Director)	12	0%	2.10
8	Gaurav Swarup (Non-Executive Director)	3	7%	0.53
9	Shalini Kamath (Non-Executive Director)	3	*	0.53
10	Makarand Balachandra Gadgil (Whole-time Director)	193	9%	34.30
11	Sanjay Wamanrao Parnerkar (Chief Financial Officer)	35	**	Not Applicable
12	Shiva Balan (Company Secretary)	40	5%	Not Applicable

Figures are rounded off to nearest lakhs.

* Details not given as Shalini Kamath was appointed as Director from November 18, 2015.

** Details not given as Sanjay Wamanrao Parnerkar has been appointed as a CFO from June 01, 2015.

(ii) During the financial year, the median remuneration of employees increased by 13%.

(iii) There were 2,026 permanent employees on the rolls of Company as on March 31, 2017.

(iv) Average percentage increase made in the salaries of employees other than managerial personnel in the last financial year i.e. 2016-17 was 10% whereas the increase in the managerial remuneration for the same financial year was 3%.

(v) It is affirmed that the remuneration is as per the remuneration policy of the Company.

Annexure 9

STATEMENT PURSUANT TO RULE 5(2) AND RULE 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

Sl. No	Name	Remuneration# (Rs in Lakhs)	Designation	Nature of Employment	Qualification & Experience (Years)	Date of Commencement of Employment	Age (Years)	Last Employment Held
1	Mr. M. B. Gadgil	193	Executive Director	Contractual	B.E.(Mech.), M.B.A. & (41 Years)	06.02.1978	64	Assistant Officer (Material Planning) - Motor Industries Company Ltd.
2	Mr. B. Shiva	40	Sr. Vice President (Legal & Secretarial) & Company Secretary	Permanent	B.Com., L.L.B., F.C.S. & (39 Years)	26.07.1993	59	Joint Secretary Shree Digvijay Cement Company Ltd
3	Mr. A. K. Dutta	37	Sr. Vice President - Marketing	Permanent	B.E. (Elec), PGM (IIM - C) & (34 Years)	18.01.2006	57	Head (Technical Marketing and Development) - Phoenix Yule
4	Mr. R. K. Mukherjee	35	Vice President - Coordination	Permanent	Dip. Met. Engg., A.M.I.I.M. & (28 Years)	14.08.2012	51	Associate GM Process - Hindustan Zinc Ltd.
5	Mr. S. W. Parnerkar	35	Sr. Vice President - Finance	Permanent	M.Com., L.L.B., F.C.S., F.C.M.A. & (35 Years)	01.02.1994	54	Assistant Manager (Accounts & Administration) - Stovec Inds. Ltd.
6	Mr. S. G. Khune	34	Executive Vice President - Works (Durgapur)	Permanent	M. Chem. Engg, I.C.W.A. (Intermediate), Total Quality Management (6 months course) & (27 Years)	19.03.1990	50	Not Applicable
7	Mr. N. S. Deshpande	32	Executive Vice President - Operations	Permanent	D.M.E., A.M.I.E. (Section B) & (31 Years)	10.10.1997	50	Assistant Manager (Mechanical Maintenance) - LML Ltd.
8	Mr. S. P. Kshatriya	31	Vice President - I.G.E. Divn.	Permanent	B. Chem. (Engg.) & (32 Years)	24.02.1985	56	Managenemt Trainee - Carbon Corporation Ltd.
9	Mr. R. E. Joshi	30	Vice President - HR	Permanent	B.A., M.P.M. & (37 Years)	19.11.2012	61	General Manager (HR) - CEAT Ltd.
10	Ms. M. Saha	28	Vice President - IT	Permanent	M.Sc (Stat) & (35 Years)	23.05.2008	60	General Manager - Tega Industries Ltd.

Figures are rounded off to nearest Lakhs.

Notes:

1. None of the above persons are related to any Director, nor hold by themselves or along with their spouse and dependent children, two percent or more of the equity shares of the Company.
2. There was no employee who was employed for a part of the financial year who was in receipt of remuneration at a rate which, in the aggregate, was not less than Rs. 8.5 Lakhs per month.
3. No employee drew remuneration at a rate in excess of that drawn by the WTD.

Annexure 10

DIVIDEND DISTRIBUTION POLICY

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), the Company is required to formulate a Dividend Distribution Policy which shall be disclosed in the annual report and on the company website.

The Board of Directors ("Board") of Graphite India Limited ("Company") has approved this Dividend Distribution Policy to comply with these requirements.

The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

The circumstances under which shareholders may expect dividend are based on the following factors:

- Current year profits and outlook in line with internal and external environment.
- Operating cash flows.
- Funding growth needs including working capital, capital expenditure, repayment of debt etc.
- Providing for unforeseen events and contingencies with financial implications.
- Any other relevant factor that the Board may deem fit to consider.

The Board may declare interim dividend(s) as and when they consider it fit and recommend final dividend to the shareholders for their approval in the general meeting of the Company.

In case the Board proposes not to distribute the profit; the grounds thereof and information on utilisation of the undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

Annexure 11

REPORT ON CORPORATE GOVERNANCE

I Corporate Governance Philosophy

The Company believes that the governance process must aim at managing the affairs without undue restraints for efficient conduct of its business, so as to meet the aspirations of shareholders, employees and society at large.

II Board of Directors

Composition, category, other directorships, other Committee Positions held as on 31st March, 2017

The strength of the Board of Directors as on 31st March, 2017 was ten comprising the non-executive Chairman (promoter director), one Executive Director, eight non-executive directors of whom seven are independent. None of the directors are related inter-se.

Name	Category	Directorships in other Public Limited Companies incorporated in India	Other# Committee ^ positions held	
			As Chairman	As Member (Including Chairmanship)
K K Bangur	Promoter-Chairman Non-Executive	4	-	-
P. K. Khaitan	INED	9	-	4
N S Damani	INED	5	1	4
A V Lodha	INED	2	-	-
Dr. R Srinivasan	INED	6	2	4
Gaurav Swarup	INED	6	2	5
N Venkataramani	INED	1	-	-
J D Curravala	Non-Executive	1	-	-
Shalini Kamath (Ms.)	INED	1	-	-
M B Gadgil	Executive Director	-	-	-

INED – Independent Non-Executive Director

excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

^ only two Committees, viz. the Audit Committee and the Stakeholders' Relationship Committee are considered

Attendance of the Directors at the Board Meetings and at the last AGM

Four meetings of the Board of Directors were held during the year on 12th May, 2016, 10th August, 2016, 1st December, 2016 and 14th February, 2017. The requisite information as per Part A to Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations, 2015") has been made available to the Board. The Board periodically has reviewed compliance reports of all laws applicable to the Company, prepared by the Company and appropriate steps taken by the Company, where applicable.

Attendance Record

Names of Directors	Number of Board Meetings during April 2016 to March 2017		Attended last Annual General Meeting (AGM) held on 10th August, 2016
	Held	Attended	
K K Bangur	4	4	Yes
P. K. Khaitan	4	1	No
N S Damani	4	3	Yes
A V Lodha	4	3	Yes
Dr. R Srinivasan	4	4	Yes
Gaurav Swarup	4	4	Yes
N Venkataramani	4	4	Yes
J D Curravala	4	4	Yes
Shalini Kamath (Ms.)	4	4	Yes
M B Gadgil	4	4	Yes

Code of Conduct

The Board has laid a "Code of Conduct for Directors and Senior Management Personnel" (Code) of the Company. The Code has been posted on the website of the Company. All Board Members and Senior Management personnel have affirmed compliance of the Code.

III Audit Committee

Composition and Terms of Reference

The Audit Committee of the Company comprises Mr. A. V. Lodha as its Chairman with Dr. R. Srinivasan, Mr. N Venkataramani and Mr. J D Curravala as its members.

The terms of reference of the Audit Committee include the role as stipulated and review of information as laid in Part C of Schedule II of Listing Regulations, 2015. The scope of activity of the Committee is also in consonance with the provisions of Section 177 of the Companies Act, 2013.

Committee Meetings held and attendance during the year

Four meetings of the Audit Committee were held during the year on 12th May, 2016, 10th August, 2016, 1st December, 2016 and 14th February, 2017.

Name	Position in the Audit Committee	Meetings	
		Held	Attended
A. V. Lodha	Chairman	4	3
Dr. R Srinivasan	Member	4	4
N Venkataramani	Member	4	4
J D Curravala	Member	4	4

All members of the Audit Committee are non-executive – all of them except Mr. J D Curravala are independent directors. All members are financially literate and persons of repute and erudition. Mr. A. V. Lodha, Dr R Srinivasan and Mr. J D Curravala are experts in finance and accounting.

The Executive Director and Sr. Vice President (Finance) remained present at all meetings of the Committee.

The Audit Committee invites, as and when it considers appropriate, the statutory auditors and the internal auditors to be present at the meetings of the Committee.

An Audit Committee meeting was held on 12th May, 2016 to review and approve the draft annual accounts of financial year 2015- 2016 for recommendation to the Board. The Audit Committee had also reviewed the unaudited quarterly results during the year before recommending the same to the Board of Directors for adoption and required publication.

The Company Secretary acts as the Secretary to the Audit Committee.

The Chairman of the Audit Committee, Mr. A V Lodha attended the last Annual General Meeting (AGM) held on 10th August, 2016.

IV Nomination and Remuneration Committee

The "Nomination & Remuneration Committee" (NRC) comprise Mr. P. K. Khaitan as its Chairman with Mr. A V Lodha and Dr. R Srinivasan as its members. The terms of reference include matters included in Section 178 (2) to (4) of Companies Act, 2013.

Name	**Position in NRC**	**Meetings ***	
		Held	Attended
P K Khaitan	Chairman	2	-
Dr. R Srinivasan	Member	2	2
A V Lodha	Member	2	2

*Meetings held on 12th May, 2016 and 1st December, 2016.

The performance of Independent Directors are evaluated on following parameters but not limited to – attendance, preparedness for meetings, updation on developments, participation, engaging with management, ensuring integrity of financial statements and internal control, ensuring risk management and mitigation etc.

Remuneration Policy

Remuneration to non-executive directors is decided by the Board as authorised by the Articles of Association of the Company. The members of the Company have in their meeting held on 3rd August, 2012 authorised the Board of Directors of the Company to pay commission to non-executive directors upto 1% of net profits of the Company for a period of five financial years w.e.f. 1st April, 2012.

Fees to non-executive directors for attending Board Meetings (being the fixed component) are within limits prescribed by the Central Government. Presently, Rs. 20,000/- per meeting is being paid as fees for attending Board / Committee meetings. Fees are not paid to members of the Corporate Social Responsibility Committee for attending meetings of the Committee. Performance linked remuneration in the form of commission is paid to directors, taking into account the performance of each director on the basis of time and effort devoted by a director in the business affairs of the Company. Performance evaluation of all directors is done by the Nomination & Remuneration Committee and of the Independent directors is done by all members of the Board, excluding the director being evaluated. Evaluation of non-executive directors and Chairperson is done in a separate meeting of Independent Directors. No Stock Options have been granted to any non-executive director.

Details of remuneration paid / payable during the year by the Company and directors shareholdings (in individual capacity)*

Name	**Salary**	**Contribution to Provident and Other Funds**	**Other Benefits**	**Ex-gratia**	**Commission**	**Sitting Fees ***	**No. of Shares held as on 31st March, 2017 ***
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	
K K Bangur	-	-	-	-	60,00,000	1,60,000	1907726@
N S Damani	-	-	-	-	2,00,000	80,000	-
A V Lodha	-	-	-	-	3,00,000	2,00,000	-
Dr R Srinivasan	-	-	-	-	3,00,000	2,20,000	-
P K Khaitan	-	-	-	-	2,00,000	1,00,000	-
N Venkataramani	-	-	-	-	10,00,000	1,80,000	4200
J D Curravala	-	-	-	-	3,00,000	1,80,000	4750
Gaurav Swarup	-	-	-	-	2,00,000	1,00,000	-
Shalini Kamath (Ms.)	-	-	-	-	2,00,000	1,00,000	-
M B Gadgil	64,97,667	21,40,998	37,61,097	14,12,500	55,00,000	-	2000

*Other than the above, there is no other pecuniary relationship or transactions with any of the non-executive directors. No convertible instrument has been issued by the Company.

@ includes 50500 shares held as Karta of HUF & 199505 shares on behalf of Family Welfare Trust.

Contract period of Mr. M B Gadgil, Executive Director – Five years from 1st July, 2014 with a notice period of three months from either side.

Severance Fees	Three months salary in lieu of notice
Stock Option	No stock option has been given.

V Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee looks into the redressal of grievances of security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends. The Committee comprise - Mr. K. K. Bangur as its Chairman with Mr. P K Khaitan and Mr. M B Gadgil as its members.

Mr B Shiva, the Company Secretary is the Compliance Officer.

During the year, 29 complaints were received from the shareholders, all of which were attended to. The details of shareholders grievances are placed before the Committee. Four meetings of the Committee were held during the year on 28th June, 2016, 29th September, 2016, 31st December, 2016 and 31st March, 2017.

To speed up issue of duplicate / replacement of share certificates, the Board has authorized severally, Mr. K K Bangur and Mr. M B Gadgil to approve requests for issue of duplicate shares. The Board has delegated the power of share transfers to the Company Secretary, Mr. B Shiva, vide Board Resolution dated 17th January, 2001. The share transfers are approved by the Company Secretary generally, once in a fortnight, the details of which are noted by the Board.

VI General Body Meetings

i. Details of last three Annual General Meetings (AGMs)

AGM	Year	Venue	Date	Time
41st	2015-2016	Kala Mandir Auditorium (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata 700 017	10.08.2016	3.45 p.m.
40th	2014-2015	Kala Mandir Auditorium (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata 700 017	11.08.2015	4.00 p.m.
39th	2013-2014	Kala Kunj Auditorium (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Kolkata 700 017	12.08.2014	2.00 p.m.

ii. Special Resolution passed in previous three AGMs

AGM	Whether Special Resolution passed	Details of Special Resolution
41st	Yes	Consent u/s 42 of Companies Act, 2013 to issue and allot Non-Convertible Debentures on private placement basis upto aggregate limit of Rs. 500 crore.
40th	Yes	(i) Consent u/s 188 of Companies Act, 2013 and other applicable provisions and the rules made thereunder to enter into various transactions on annual FY basis with Graphite Cova Gmbh (WOS). (ii) Consent u/s 188 of Companies Act, 2013 and other applicable provisions and the rules made thereunder to execute guarantee on behalf of Graphite Cova Gmbh (WOS) in favour of its bankers against credit facilities upto Euro 24 million. (iii) Consent u/s 42 of Companies Act, 2013 to issue and allot Non-Convertible Debentures on private placement basis upto aggregate limit of Rs. 500 crore.
39th	Yes	(i) Consent u/s 180(1) (a) of Companies Act, 2013 for creating mortgage and / or charge on Company's assets upto a limit of Rs. 2000 crore. (ii) Consent u/s 180(1) (c) of Companies Act, 2013 for borrowing moneys not exceeding Rs. 2000 crore. (iii) Consent u/s 94 of Companies Act, 2013 for keeping Register of Members, debentureholder etc. with Index, annual returns etc. at the office of the Registrars & Share Transfer agents in Mumbai.

Special Resolution pertaining to the 41st AGM mentioned above was passed through e-voting process. Facility to members attending the AGM to vote through physical ballot forms was also provided. Ms. Swati Bajaj, Partner, PS & Associates, Kolkata was appointed as the Scrutinizer for the purpose of scrutinizing the entire voting process and ascertaining the results. Details of voting pattern are as under –

	No. of votes cast in favour		No. of votes cast against		No. of votes abstained		Total votes cast
	No.	% of total voting cast	No.	% of total voting cast	No.	% of total voting cast	
Consent U/s 42 of Companies Act, 2013 to issue and allot Non- Convertible Debentures on private placement basis upto limit of Rs. 500 crore.	158117195	99.9998	148	Negligible	40	Negligible	158117383

There was no special resolution passed last year through Postal Ballot.

In the forthcoming AGM, there is no special resolution on the agenda that needs approval through postal ballot.

Resume and other information regarding the directors seeking reappointment as required under Regulation 36 (3) of Listing Regulations, 2015 has been given in the Notice of the Annual General Meeting annexed to this Annual Report.

VII Disclosure

A. The Company has significant related party transactions with Graphite Cova Gmbh (wholly owned step down German subsidiary), where pricing is arrived at in accordance with prevailing transfer pricing norms. However, there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

The related party relationships and transactions as required under Indian Accounting Standard (Ind AS) 24 on Related Party Disclosures specified under the Companies Act, 2013 disclosed in Note No. 42 to the Standalone Financial Statements for the year ended 31st March, 2017 may be referred.

The Company has framed a policy to deal with Related Party Transactions (RPTs). The policy has been posted on the Company's website and can be viewed on **http://www.graphiteindia.com/View/investor_relation.aspx** under the head "Corporate Governance".

B. During the last three years, there were no strictures or penalties imposed by SEBI, Stock Exchanges or any statutory authorities for non-compliance of any matter related to the capital markets.

C. In terms of Regulations 26 (5) of the Listing Regulations, 2015, the senior management have disclosed to the Board that they have no personal interest in material, financial and commercial transactions of the Company, that may have a potential conflict with the interest of the Company at large.

D. The Company has adopted a Whistle Blower Policy (Vigil Mechanism) which has been posted on the Company's website and can be viewed on **http://www.graphiteindia.com/View/investor_relation.aspx** under the head "Corporate Governance". No personnel has been denied access to the audit committee.

E. Familarisation programme for independent directors can be viewed on **http://www.graphiteindia.com/View/investor_relation.aspx.**

F. Policy for determining 'material' subsidiaries can be viewed on **http://www.graphiteindia.com/View/investor_relation.aspx**

G. (i) The Company has complied with all mandatory requirements of the Listing Regulations, 2015.

(ii) Non-Mandatory requirements

a. The Company maintains a Chairman office at its expense. Reimbursement of expenses incurred in performance of his duties are made.

b. The audit report on the financial statements of the Company for the previous year has no qualifications.

c. The Company has separate persons to the post of Chairman and Executive Director.

d. The Internal Auditor can report directly to the Audit Committee.

e. Half yearly declaration of financial performance including summary of significant events in last six months are not sent to each household of shareholders.

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.

VIII Means of Communication

In compliance with the requirements of Regulation 33 (2) & (3) of Listing Regulations, 2015, the Company regularly intimates unaudited quarterly results as well as audited financial results to the stock exchanges immediately after the same are approved by the Board. Further, coverage is given for the benefit of the shareholders and investors by publication of the financial results in the Business Standard and Aajkal. The Company's results and intimations to Stock Exchanges are displayed on the Website www. graphiteindia.com Details relating the quarterly performance are disseminated to the shareholders through earnings presentation on the Company's, BSE & NSE websites.

The Company has a separate e-mail ID investorgrievance@graphiteindia.com for investors to intimate their grievances, if any.

The Senior Management of the Company had met institutional investors in a series of 1x1/ group meetings as detailed hereunder:-

Date	Event	Location
03.03.2017	Phillip Capital India's conference "Metals=Corporate Day"	Mumbai
09.03.2017	Edelweiss Emerging Idea Conference 2017	Mumbai
20.03.2017 21.03.2017	Organised by Centrum Broking	Mumbai

Event Presentations made in the aforesaid meetings were already posted on the Company's website **http://www.graphiteindia.com/View/investor_relation.aspx.**

The Management Discussion and Analysis Section Setting out particulars in accordance with Schedule V(B) of Listing Regulations, 2015 has been included in the Directors' Annual Report to the shareholders.

IX General Shareholder Information

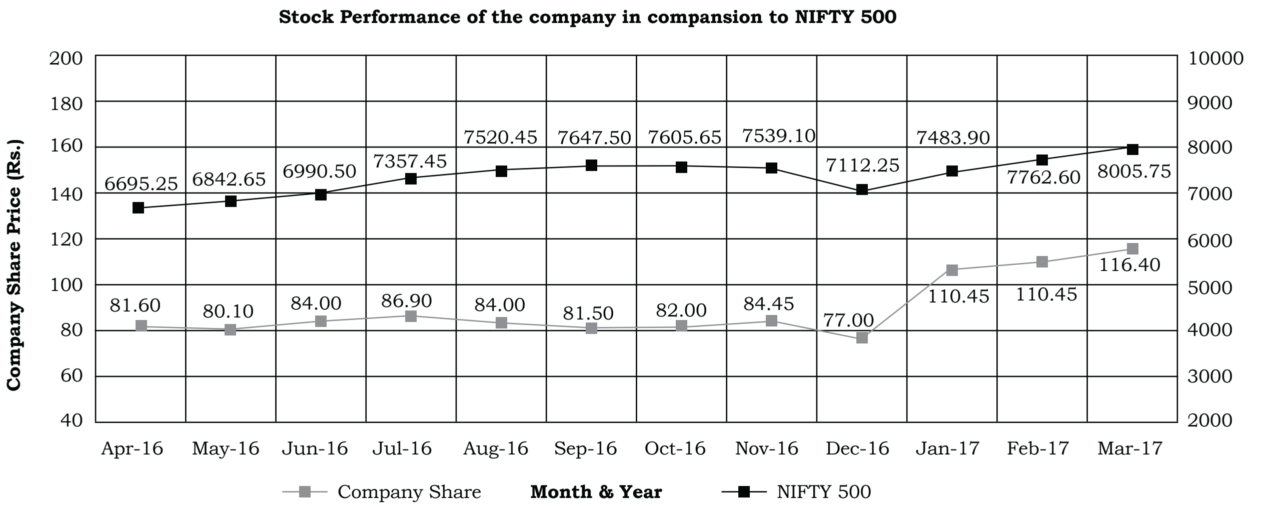
AGM Date, Time and Venue	4th day of August, 2017 at 12:30 p.m. at Satyajit Ray Aditorium, Indian Council for Cultural Relations (ICCR), 9A, Ho Chi Minh Sarani, Kolkata - 700071
Financial Year	1st April to 31st March
Date of Book Closure	Saturday, 29th July, 2017 to Friday, 4th August, 2017 (both days inclusive)
Dividend Payment Date	By 14th August, 2017
Listing on Stock Exchanges	**BSE Limited (BSE)** Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001 **National Stock Exchange of India Ltd. (NSE)** Exchange Plaza, 5th Floor, Bandra-Kurla Complex Bandra (E), Mumbai 400 051 The Company has paid the listing fees for the period April, 2017 to March, 2018 to BSE & NSE.
Stock Code	509488 on BSE GRAPHITE on NSE
Demat ISIN Number for NSDL and CDSL	INE 371A01025

High, Low of market price of the Company's shares traded on National Stock Exchange of India Limited is furnished below:

Period	High (Rs.)	Low (Rs.)	Period	High (Rs.)	Low (Rs.)
April, 2016	81.60	70.80	October, 2016	82.00	73.65
May, 2016	80.10	71.40	November, 2016	84.45	70.00
June, 2016	84.00	72.00	December, 2016	77.00	71.50
July, 2016	86.90	75.50	January, 2017	107.00	72.75
August, 2016	84.00	72.00	February, 2017	110.45	95.15
September, 2016	81.50	70.00	March, 2017	116.40	100.60

NIFTY 500

Period	High (Rs.)	Period	High (Rs.)
April, 2016	6,695.25	October, 2016	7,605.65
May, 2016	6,842.65	November, 2016	7,539.10
June, 2016	6,990.50	December, 2016	7,112.25
July, 2016	7,357.45	January, 2017	7,483.90
August, 2016	7,520.45	February,2017	7,762.60
September, 2016	7,647.50	March, 2017	8,005.75



The shares of the Company were not suspended from trading at any time during the year.

Registrar and Share Transfer Agents (For both Demat and Physical modes)

Link Intime India Pvt. Ltd.,
C101, 247 Park,
LBS Marg, Vikroli (W), Mumbai 400 083
Phone: 022-49186270, Fax : 022- 49186060
E-mail: rnt.helpdesk@linktime.co.in

Link Intime India Pvt. Ltd.,
59C Chowringhee Road, 3rd Floor, Kolkata -700 020
Phone : 033 22890540, Fax. : 033 22890539
kolkata@linktime.co.in

Share Transfer System

All the transfers received are processed by the Registrar and Transfer Agents and are approved by the Company Secretary, who has been authorised by the Board of Directors in this regard. Share Transfers are registered and returned within fifteen days from the date of lodgment, if documents are complete in all respects.

Distribution of Shareholding as on 31st March, 2017

Slab	No. of Shareholders		No. of Equity Shares	
	Total	%	Total	%
1 – 500	93679	94.4259	4281743	2.1915
501 – 1000	2592	2.6127	2066920	1.0579
1001-2000	1490	1.5019	2293577	1.1739
2001 – 3000	521	0.5252	1316489	0.6738
3001 – 4000	245	0.2470	873581	0.4471
4001 – 5000	191	0.1925	909301	0.4654
5001 – 10000	239	0.2409	1756365	0.8990
10001 – 30000	151	0.1522	2504115	1.2817
30001 – 50000	36	0.0363	1419307	0.7265
50001 – 100000	17	0.0171	1269941	0.6500
100001 and above	48	0.0484	176684255	90.4331
Total	**99209**	**100.0000**	**195375594**	**100.0000**
No. of shareholders in Physical mode	65187	65.7067	2971511	1.5209
Electronic Mode	34022	34.2933	192404083	98.4791
Total	**99209**	**100.0000**	**195375594**	**100.0000**

Shareholding Pattern as on 31st March, 2017

Category	No. of Shares	%
Promoters Holding		
Promoters		
Indian Promoters	125575336	64.27
Foreign Promoters	1842647	0.95
Persons acting in concert	-	-
Sub-Total	**127417983**	**65.22**
Non-Promoters Holding		
Institutional Investors		
Mutual Fund and UTI	9607853	4.92
Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non-Government Institutions)	6817324	3.49
Foreign Portfolio Investor	24566134	12.57
Sub-Total	**40991311**	**20.98**
Others		
Private Corporate Bodies	9695172	4.96
Indian Public	15136696	7.75
NRI / OCBs	2134432	1.09
Any Other	-	-
Sub-Total	**26966300**	**13.80**
Grand Total	**195375594**	**100.00**
Total Foreign Shareholding		
Foreign Promoters	1842647	0.95
Foreign Portfolio Investor	24566134	12.57
NRIs / OCBs	2134432	1.09
Total	**28543213**	**14.61**

Dematerialisation of shares and liquidity

As on 31st March 2017, 192404083 shares of the Company representing 98.48% of the total shares are in dematerialised form.

As per agreements of the Company with NSDL and CDSL, the investors have an option to dematerialize their shares with either of the depositories.

Outstanding GDRs / ADRs/ Warrants/ Convertible Instruments

The Company has not issued any GDRs / ADRs / Warrants or any other convertible instruments.

Commodity price risk or foreign exchange risk and hedging activities

The Company is exposed to risk on account of volatility in the prices of commodity used as inputs as well as the company's finished products. The company does not hedge any commodity. Company enters into annual contracts for supply of needle coke which is as per Industry norm. Company has foreign exchange risk in the form of receivables for export and payables for Import, foreign currency loans and certain expenditures. The general policy of the company is to balance the same. However, select hedging is often undertaken in appropriate circumstances. The position of unhedged Foriegn Exchange Risk Exposure as on 31st March, 2017 is incorporated in Note no. 44(C) to the Standalone Financial Statements.

Plant Locations

Graphite	P.O. Sagarbhanga Colony, Dist –Burdwan, Durgapur -713211, West Bengal Phone : (0343) 2556642-45/ 2557743
	88 MIDC Industrial Area Satpur, Nashik - 422 007 Phone : (0253) 2203300
	Visveswaraya Industrial Area, Whitefield Road, Bangalore - 560 048 Phone : (080) 43473300
Coke	Village- Phulwaria, National Highway 28, P O & Dist. Barauni - 851 112, Bihar Phone : (06279) 232252 / 232844
Impervious Graphite Equipment	C-7 MIDC Industrial Area, Ambad, Nashik - 422 010 Phone : (0253) 2302100

Glass Reinforced Pipes/ Tanks	Gut No. 523/524, Village Gonde, Taluka – Igatpuri, Nashik - 422 403 Phone : (02553) 229400
Powmex Steels	AT - Turla, PO – Jagua PS – Titilagarh, District Bolangir Odisha - 767066 Phone : (06655) 220504 / 220505
Power	Chunchanakatte K R Nagar Taluk, Dist –Mysore, Karnataka - 571 617 Phone : (08223) 281116
	Link Canal Mini Hydel Plant Peehalli, Arekere Hobli, Srirangapatna Taluk Mandya Dist Karnataka – 571415
	Visveswaraya Industrial Area, Whitefield Road, Bangalore - 560 048 Phone : (080) 43473300
	88 MIDC Industrial Area Satpur, Nashik - 422 007 Phone : (0253) 2203300
R & D Centre	Visveswaraya Industrial Area, Whitefield Road, Bangalore - 560 048 Phone : (080) 43473300
Sales Office	407 Ashoka Estate 24, Barakhamba Road, New Delhi - 110 001 Phone : (011) 23314364 / 65

Address for Correspondence

Graphite India Limited Bakhtawar, 2nd Floor Nariman Point Mumbai 400 021 Phone : (022) 22886418-21 Fax : (022) 22028833 E-Mail ID gilbakt@graphiteindia.com investorgrievance@graphiteindia.com	Graphite India Limited 31, Chowringhee Road Kolkata - 700 016 Phone : (033) 40029600 Fax : (033) 40029676/ 22496420 E-Mail ID: corp_secy@graphiteindia.com
Link Intime India Pvt. Ltd., C-101, 247 Park, LBS Marg, Vikroli (W) Mumbai 400 083 Phone: 022-49186270 Fax : 022- 49186060 E-mail: rnt.helpdesk@linktime.co.in	Link Intime India Pvt. Ltd. 59 C, Chowringhee Road, 3rd Floor, Kolkata - 700 020 Phone: 033-22890540 Fax: 033- 22890539 E-mail: kolkata@linkintime.co.in

On behalf of the Board

Kolkata
May 18, 2017

K. K. Bangur
Chairman

Declaration

All the Board Members and the Senior Management Personnel have as on 31.03.17 affirmed their compliance of the "Code of Conduct for Directors and Senior Management Personnel dated 09.05.2014".

Kolkata
May 18, 2017

M B Gadgil
Executive Director, Graphite India Limited

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To,

The Members of Graphite India Limited

We have examined the compliance of conditions of Corporate Governance by Graphite India Limited, for the year ended March 31, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

For Price Waterhouse
Firm Registration Number:301112E
Chartered Accountants

(Pinaki Chowdhury)
Partner
Membership No: 57572

Place: Kolkata
Date: May 18, 2017

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company :** L10101WB1974PLC094602
2. **Name of the Company :** GRAPHITE INDIA LIMITED
3. **Registered Address :** 31, Chowringhee Road, Kolkata - 700 016
4. **Website :** www.graphiteindia.com
5. **E-mail id :** gilro@graphiteindia.com
6. **Financial Year Reported :** 2016-17.
7. **Sector(s) the Company is engaged in (industrial activity code-wise)**

Description	NIC Code
Graphite Electrodes	3297
Impervious Graphite Equipment	3596
GRP Pipes	3132

8. **List three key products/services that the Company manufactures/provides (as in balance sheet)**

   1) Graphite Electrodes & Misc Graphite products

   2) Impervious graphite equipment & spares

   3) GRP Pipes

9. **Total number of locations where business activity is undertaken by the Company**

   i. **Number of International Locations:**

   The Company's Wholly Owned step-down subsidiaries manufacture graphite & carbon products in Germany.

   ii. **Number of National Locations –**

   Durgapur (West Bengal) : 1
   Bengaluru (Karnataka) : 1
   Nashik (Maharashtra) : 3
   Barauni (Bihar) : 1
   Chunchunkatte (Karnataka) : 1
   Mandya (Karnataka) : 1
   Titilagarh (Orissa) : 1

10. **Markets served by the Company - Local/State/National/International –**

    The Company has Pan India presence and serves markets in 50 countries globally.

Section B: Financial Details of the Company

1. **Paid up Capital (INR) :** Rs. 39.08 Crore
2. **Total Turnover (INR) :** Rs. 1391.75 Crore
3. **Total profit after taxes (INR) :** Rs. 112.28 Crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :** 0.78%
5. **List of activities in which expenditure in 4 above has been incurred:-**

   Promoting education amongst children and employment enhancement vocational skills, Promoting healthcare, including preventive health care, providing safe drinking water.

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**

   The Company has one Indian WOS (non-manufacturing), one WOS in The Netherlands (non-manufacturing) which has four WOS in Germany (Manufacturing).

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies)**

   The Indian subsidiary also carries out its CSR initiatives through B D Bangur Endowment

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR Initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]** – No.

Section D: BR Information

1. **Details of Director/Directors responsible for BR**

   a) **Details of the Director/Directors responsible for implementation of the BR policy/policies.**

   - DIN Number : 01020055
   - Name : Mr. M. B. Gadgil
   - Designation : Executive Director

   b) **Details of the BR head**

S. No.	Particulars	Details
1.	DIN Number (if applicable)	-
2.	Name	Mr B. Shiva
3.	Designation	Company Secretary
4.	Telephone number	022-22886418
5.	e-mail id	bshiva@graphiteindia.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have policy/policies for....	Y	*	*	*	*	Y	*	Y	*
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	-	-	-	Y	-	Y	-
3	Does the policy conform to any national / international standards? If yes, specify?	The policies conform to the legal requirements of the country.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?*	Approved by Board / Management Not signed								
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	-	-	-	-	Y	-	Y	-
6	Indicate the link for the policy to be viewed online?	Code of Conduct can be viewed on http://www.graphiteindia.com/View/investor_relation.aspx under the head "Corporate Governance" CSR Policy can be viewed on http://www.graphiteindia.com/View/investor_relation.aspx under the head "CSR"								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	-	-	-	Y	-	Y	-
8	Does the company have in-house structure to implement the policy/policies?	Y	-	-	-	-	Y	-	Y	-
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	-	-	-	-	Y	-	Y	-
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

* The company has relevant practices developed for last many years which are implemented.

b. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year		√	√	√	√		√		√
6	Any other reason (please specify)									

3. **Governance related to BR**

   - Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

     The same is monitored and assessed by the Executive Director every quarter and reported through Operations Report to the Board.

   - Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

     The Company is publishing the Business Responsibility Report for the first time for Financial Year ended 31st March, 2017.

<u>Section E: Principle-wise performance</u>

Principle 1 - *Business should conduct and govern themselves with Ethics, Transparency and Accountability.*

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?**

   The Company has a Code of Conduct for Directors and Senior Management Personnel.

   Does not extend to Group / Joint Venture / Suppliers/ Contractors/ NGOs/ Other.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   There were 20 cases of customer complaints related to the products, all of which after investigation were satisfactorily resolved/closed.

Principle 2 - *Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle*

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   Listed below are our products and services which incorporate environment and safety risks/concerns

   a) Graphite electrodes

   b) Impervious graphite equipment

   c) Glass Reinforced Plastic pipes

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   i. **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

      No reduction in resource usage observed in FY 2016-2017.

   ii. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?** Not known.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

   We have procedures in place for assessment of supplier and majority of our raw material supplies, supplementary material, packing material, transportation services and spares required are sourced form approved suppliers.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Local and small producers are continuously encouraged for both goods and services. Timely payment and other assistance wherever required, is provided.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   Whenever possible, products & waste are recycled back into the production line.

Principle 3 - *Businesses should promote the wellbeing of all employees*

1. **Please indicate the Total number of employees :** 2026.

2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis:** 1868.

3. **Please indicate the Number of permanent women employees.** 25

4. **Please indicate the Number of permanent employees with disabilities :** 6

5. **Do you have an employee association that is recognized by management?**

   Trade union/s formed by workmen/staff at respective locations are recognised by management.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   95% of permanent employees (excluding management staff) are members of recognised employee associations.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour / forced labour / involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   - **Permanent Employees** 60-70%
   - **Permanent Women Employees** 40-50%
   - **Casual/Temporary/Contractual Employees** 25-30%
   - **Employees with Disabilities** 50%

Principle 4 - *Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.*

1. **Has the company mapped its internal and external stakeholders?**

   The internal and external stakeholders, are known. The Company engages with investors, employers, customers, suppliers.

2. **Out of the above, has the company identified disadvantaged, vulnerable & marginalized stakeholders?**

   There are none to the best of our knowledge.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof.** N.A.

Principle 5 - *Businesses should respect and promote human rights*

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   As a matter of principle, Company takes into account human rights. There is no written policy in this respect.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?** Nil.

Principle 6 - *Business should respect, protect, and make efforts to restore the environment*

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

   Covers only the Company at 3 of its locations.

2. **Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.** No.

3. **Does the company identify and assess potential environmental risks?** Yes.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?** Not Applicable.

5. **Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Company has taken initiatives for energy efficiency & renewable energy. Company uses renewable energy sourced from outside, owns and operates two hydel plants and is currently installing a solar plant.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?** Generally Yes.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   An appeal by some neighbouring residents near our Bangalore plant against order by the Appellate Tribunal, Bangalore in favour of the Company in respect of pollution related issue is pending in National Green Tribunal, Chennai.

Principle 7 - ***Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner***

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:** CII, FICCI, ICC
2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)** No.

Principle 8 - ***Businesses should support inclusive growth and equitable development***

1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   CSR projects are regularly undertaken. Refer CSR annual report forming part of Directors Report.
2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

   Projects are undertaken through B D Bangur Endowment.
3. **Have you done any impact assessment of your initiative?** Yes – in respect of vocational courses.
4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?** Refer CSR Annual Report.
5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Our programmes in respect of provision of drinking water & health/hygiene are participatory in nature.

Principle 9 - ***Businesses should engage with and provide value to their customers and consumers in a responsible manner***

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.** Nil.
2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)** No.
3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so** No.
4. **Did your company carry out any consumer survey/ consumer satisfaction trends?** Yes, as per ISO format.

SECRETARIAL AUDIT REPORT **Annexure 12**

for the financial year ended 31st March 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Graphite India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Graphite India Limited** (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017, according to the provisions of:

   (i) The Companies Act, 2013 (the Act) and the rules made thereunder.

   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

      a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

      c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 (SEBI Act) were not applicable to the Company under the financial year under report:

   a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

3. The Company is engaged in the business of manufacturing Graphite electrodes, graphite equipments, steel, GRP pipes and tanks and generation of hydel power. No Act specifically for the aforesaid businesses is/are applicable to the Company:

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

   (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

   (ii) The Listing Agreement entered into by the Company with Stock Exchange(s) as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of:

   (i) External Commercial Borrowings were not attracted to the Company under the financial year under report;

   (ii) Foreign Direct Investment (FDI) were not attracted to the company under the financial year under report;

   (iii) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad were not attracted to the company under the financial year under report.

6. During the financial year under report, the Company has complied with the provisions of the Companies Act, 2013 and the Rules, Regulations, Guidelines, Standards etc., mentioned above.

   The Company has partially spent the amount out of the prescribed Corporate Social Responsibility expenditure to be spent during the year. Shortfall in spending is being carried forward for spending in future years.

7. As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

8. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.

9. We further report that:

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

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

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

For PS & Associates

Sd/-Swati Bajaj

(Swati Bajaj)
Partner
C.P.No.: 3502, ACS:13216

Place: Kolkata
Date: 08/05/2017

FINANCIAL PERFORMANCE FOR 10 YEARS - STANDALONE

(Rs. in Lakhs)

	IND AS		IGAAP								
Statement of Profit & Loss	**2016-17**	**2015-16#**	**2015-16***	**2014-15***	**2013-14***	**2012-13***	**2011-12***	**2010-11***	**2009-10^**	**2008-09^**	**2007-08^**
Revenue from Operations (Net of Excise duty)	1,30,577	1,34,668	1,34,668	1,49,722	1,76,808	1,76,486	1,67,084	1,22,594	1,13,119	1,12,588	1,09,905
Other Income	8,389	4,650	2,600	3,074	4,021	2,635	3,462	3,043	3,058	2,891	3,621
Profit before Interest, Depreciation and Tax (PBIDT)	15,949	19,676	18,008	18,602	32,448	30,526	34,587	31,343	40,928	26,104	27,619
Depreciation	4,156	4,442	4,442	3,875	5,360	5,004	4,044	3,933	3,954	3,435	3,350
Profit before Interest and Tax (PBIT)	11,793	15,234	13,566	14,727	27,088	25,522	30,543	27,410	36,974	22,669	24,269
Finance Cost	650	784	741	1,223	1,696	2,214	1,439	555	1,049	2,594	3,570
Profit before Exceptional Item and Tax	11,143	14,450	12,825	13,504	25,392	23,308	29,104	26,855	35,925	20,075	20,699
Exceptional Item (Gain) / Loss	-	-	-	560	-	-	(2,962)	1,273	-	-	-
Profit before Tax (PBT)	11,143	14,450	12,825	12,944	25,392	23,308	32,066	25,582	35,925	20,075	20,699
Provision for Taxation	(85)	3,986	4,587	4,725	8,300	7,000	8,277	8,350	12,709	718	7,335
Profit after Tax (PAT)	11,228	10,464	8,238	8,219	17,092	16,308	23,789	17,232	23,216	19,357	13,364
EPS - Basic (Rs.)	5.75	5.36	4.22	4.21	8.75	8.35	12.18	9.19	13.58	12.55	9.03
Balance Sheet											
Fixed Assets	64,867	60,637	60,637	60,040	64,147	66,257	66,997	53,603	48,548	50,362	49,827
Investments	66,392	53,735	54,908	48,007	50,022	34,574	33,348	27,278	25,276	16,641	14,707
Other Assets (Current and Non-Current)	1,07,037	1,16,785	1,17,659	1,36,703	1,47,795	1,69,705	1,45,017	1,24,939	1,01,682	1,02,746	87,899
Total Assets	2,38,296	2,31,157	2,33,204	2,44,750	2,61,964	2,70,536	2,45,362	2,05,820	1,75,506	1,69,749	1,52,433
Share Capital	3,908	3,908	3,908	3,908	3,908	3,908	3,908	3,908	3,430	3,420	3,022
Reserves and Surplus	1,81,278	1,70,225	1,73,808	1,71,453	1,69,683	1,60,592	1,52,284	1,36,442	1,14,922	98,419	66,769
Borrowings	12,682	17,992	17,992	18,571	30,102	56,761	46,172	26,516	24,926	35,224	47,304
Deferred Tax Liabilities (Net)	8,403	8,816	7,280	8,211	8,967	9,504	7,082	6,302	7,377	6,276	7,001
Other Liabilities (Current and Non-Current)	32,025	30,216	30,216	42,607	49,304	39,771	35,916	32,652	24,851	26,410	28,337
Total Liabilities	2,38,296	2,31,157	2,33,204	2,44,750	2,61,964	2,70,536	2,45,362	2,05,820	1,75,506	1,69,749	1,52,433
^ Based on Schedule VI, * Based on Revised Schedule VI/Schedule III, # Figures are restated as per IND AS.											
Key Ratio											
PBIDT / Total Revenue - %	11.48	14.12	13.12	12.17	17.94	17.04	20.28	24.95	35.23	22.61	24.33
Net Profit (PAT) / Total Revenue - %	8.08	7.51	6.00	5.38	9.45	9.10	13.95	13.72	19.98	16.76	11.77
Finance Cost Cover - Times	24.54	25.10	24.29	15.21	19.13	13.79	24.03	56.51	39.02	10.07	7.74
ROCE (PBIT / Capital Employed) - %	5.96	7.93	6.93	7.36	13.04	11.35	15.09	16.43	25.81	16.54	20.73
RONW (PAT / Net worth) - %	6.06	6.01	4.64	4.69	9.85	9.91	15.23	12.28	19.62	19.01	19.15
Debt Equity Ratio	0.07:1	0.10:1	0.10:1	0.14:1	0.20:1	0.37:1	0.30:1	0.19:1	0.21:1	0.35:1	0.68:1
Equity Dividend per Share (Rs.)	2.00	2.00	2.00	2.00	3.50	3.50	3.50	3.50	3.50	3.00	3.00
Book Value per Share (Rs.)	94.78	89.13	90.96	89.76	88.85	84.20	79.94	71.84	69.01	59.56	46.19

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GRAPHITE INDIA LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **Graphite India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 12, 2016 and May 14, 2015 respectively. The adjustments to those standalone financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. 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 (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone 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 March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

    (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

        i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone Ind AS financial statements – Refer Note 37 to the standalone Ind AS financial statements.

        ii. The Company has long-term contracts as at March 31, 2017 for which there were no material foreseeable losses. The Company did not have derivative contracts as at March 31, 2017.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.

        iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 35 to the standalone Ind AS financial statements.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
May 18, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Graphite India Limited on the standalone Ind AS financial statements for the year ended March 31, 2017

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

1. We have audited the internal financial controls over financial reporting of Graphite India Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.

4. 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 standalone Ind AS financial statements, whether due to fraud or error.

5. 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

6. 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 standalone 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 standalone 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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

8. 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, 2017, 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 Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
May 18, 2017

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Graphite India Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2017

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties, as disclosed in Note 4.1 on Property, Plant and Equipment to the standalone Ind AS financial statements, are held in the name of the Company, except for the following (details of which are set out in Note 4.8 to the standalone Ind AS financial statements):

Particulars	Gross Block (Rs. in Lakhs)	Net Block (Rs. in Lakhs)
Certain Freehold Land at Nashik and Titilagarh	9	9
Certain Leasehold Land at Titilagarh	22	15

ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

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

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made and guarantees and security provided by it, as applicable.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

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 is generally regular in depositing undisputed statutory dues in respect of service tax, works contract tax and income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty, Interest and Penalty	15	1996-97 and 1999-00	Assistant / Deputy Commissioner of Central Excise
		17	2010-11 to 2012-13	Commissioner (Appeals)
		236	2004-05 to 2005-06, 2007-08 to 2009-10 and 2012-13	Customs, Excise & Service Tax Appellate Tribunal
		19	2000-01	High Court
Central Sales Tax Act, 1956	Sales Tax, Interest and Penalty	0.07	2009-10	Deputy Commissioner of Sales Tax
		0.25	2005-06	Additional Commissioner of Commercial Taxes
		1	2011-12	Additional Commissioner, Commercial Division (Appeal)
		23	2006-07 and 2007-08	Commissioner (Appeals)
		187	2002-03, 2003-04, 2005-06 to 2008-09	Sales Tax Tribunal
		43	2003-04	High Court
West Bengal Value Added Tax Act, 2003	Value Added Tax	18	2011-12	West Bengal Taxation Tribunal
Karnataka Value Added Tax Act, 2003	Value Added Tax, Interest and Penalty	85	2010-11	Commercial Tax Officer
		8	2008-09	Assistant Commissioner of Commercial Taxes
		7	2006-07	High Court
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax, Interest and Penalty	1	2008-09	Commercial Tax Officer
Customs Act, 1962	Customs Duty, Interest and Penalty	4	1988-89	Chief Metropolitan Magistrate
		856	2005-06 to 2007-08	Commissioner of Customs
		7	2012-13 and 2013-14	Commissioner (Appeals)
		280	1991-92, 1996 to 2000, 2007-08 and 2008-09	Customs, Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax, Interest and Penalty	7	2006-07 to 2011-12	Assistant / Deputy Commissioner, Central Excise
		16	2007-08	Additional Commissioner
		120	2006-07 to 2015-16	Appeal to be filed with Commissioner (Appeals)
		400	2006-07 to 2015-16	Commissioner (Appeals)
		581	2004-05 to 2011-12	Customs, Excise & Service Tax Appellate Tribunal
		105	2005-06 to 2007-08	High Court
Income-tax Act, 1961	Income Tax and Interest	607	2009-10 and 2013-14	Commissioner of Income Tax (Appeals)

viii According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders, as applicable as at the balance sheet date.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied, on an overall basis, for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments).

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone Ind AS financial statements as required under Indian Accounting Standard 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
May 18, 2017

STANDALONE BALANCE SHEET as at 31st March, 2017

(Rs. in Lakhs)

ASSETS	Note	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non - current Assets				
Property, Plant and Equipment	4.1	61,552	53,936	57,164
Capital Work-in-progress	4.2	3,206	6,549	959
Intangible Assets	5	109	152	169
Financial Assets				
Investments	6	9,849	10,758	15,106
Loans	10	832	801	828
Other Financial Assets	11	6	19	12
Other Non - current Assets	13	913	763	1,230
Total Non - current Assets		**76,467**	**72,978**	**75,468**
Current Assets				
Inventories	12	51,263	63,202	85,499
Financial Assets				
Investments	6	56,543	42,977	29,860
Trade Receivables	7	40,681	43,160	38,197
Cash and Cash Equivalents	8	88	145	802
Other Bank Balances	9	4,018	432	332
Loans	10	329	263	215
Other Financial Assets	11	422	615	353
Other Current Assets	13	8,485	7,385	8,644
Total Current Assets		**1,61,829**	**1,58,179**	**1,63,902**
TOTAL ASSETS		**2,38,296**	**2,31,157**	**2,39,370**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	14.1	3,908	3,908	3,908
Other Equity	14.2	1,81,278	1,70,225	1,69,221
TOTAL EQUITY		**1,85,186**	**1,74,133**	**1,73,129**
LIABILITIES				
Non - current Liabilities				
Financial Liabilities				
Borrowings	15	-	-	4,160
Trade Payables	16	178	125	-
Other Financial Liabilities	17	2	1	1
Deferred Tax Liabilities (Net)	21	8,403	8,816	9,809
Total Non - current Liabilities		**8,583**	**8,942**	**13,970**
Current Liabilities				
Financial Liabilities				
Borrowings	15	12,682	17,992	14,399
Trade Payables	16	21,084	15,816	18,681
Other Financial Liabilities	17	1,685	2,046	7,129
Provisions	18	2,208	1,696	1,664
Current Tax Liabilities (Net)	19	78	3,844	3,897
Other Current Liabilities	20	6,790	6,688	6,501
Total Current Liabilities		**44,527**	**48,082**	**52,271**
TOTAL LIABILITIES		**53,110**	**57,024**	**66,241**
TOTAL EQUITY AND LIABILITIES		**2,38,296**	**2,31,157**	**2,39,370**

The accompanying Notes form an integral part of the Standalone Balance Sheet.

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

For PRICE WATERHOUSE
Firm Registration Number - 301112E
Chartered Accountants

For and on behalf of the Board of Directors of Graphite India Limited

(Pinaki Chowdhury)
Partner
Membership No. 57572
Kolkata - 18th May, 2017

S. W. Parnerkar Sr. Vice President-Finance

B. Shiva Company Secretary

M. B. Gadgil Executive Director

K. K. Bangur Chairman

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2017

(Rs. in Lakhs)

	Note	Year ended 31st March, 2017	Year ended 31st March, 2016
Revenue from Operations	22	1,39,175	1,42,464
Other Income	23	8,389	4,650
Total Income		**1,47,564**	**1,47,114**
Expenses			
Cost of Materials Consumed	24	51,732	45,991
Purchases of Stock-in-trade	25	-	90
Changes in Inventories of Finished Goods and Work-in-progress	26	2,009	12,808
Excise Duty		8,598	7,796
Employee Benefits Expense	27	15,204	13,531
Finance Costs	28	650	784
Depreciation and Amortisation Expense	29	4,156	4,442
Other Expenses	30	54,072	47,222
Total Expenses		**1,36,421**	**1,32,664**
Profit before Tax		11,143	14,450
Income Tax Expense	31		
Current Tax		328	4,979
Deferred Tax		(413)	(993)
Profit for the Year		**11,228**	**10,464**
Other Comprehensive Income			
Items that will not be Reclassified to Profit or Loss			
Remeasurements on Post-employment Defined Benefit Plans	40	(267)	(83)
Income Tax on Above	31	(92)	(29)
Total Other Comprehensive Income, Net of Tax		**(175)**	**(54)**
Total Comprehensive Income for the Year		**11,053**	**10,410**
Earnings per Equity Share (Nominal Value Rs. 2/- per Share)	32		
Basic (Rs.)		5.75	5.36
Diluted (Rs.)		5.75	5.36

The accompanying Notes form an integral part of the Standalone Statement of Profit and Loss.

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

For PRICE WATERHOUSE
Firm Registration Number - 301112E
Chartered Accountants

(Pinaki Chowdhury)
Partner
Membership No. 57572
Kolkata - 18th May, 2017

For and on behalf of the Board of Directors of Graphite India Limited

S. W. Parnerkar
Sr. Vice President-Finance

B. Shiva
Company Secretary

M. B. Gadgil
Executive Director

K. K. Bangur
Chairman

STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2017

(Rs. in Lakhs)

		Other Equity - Reserves and Surplus [Refer Note 14.2]					
	Equity Share Capital [Refer Note 14.1]	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	General Reserve	Retained Earnings	Total
As at 1st April, 2015	**3,908**	**46**	**575**	**20,097**	**1,26,150**	**22,353**	**1,69,221**
Profit for the Year	-	-	-	-	-	10,464	10,464
Other Comprehensive Income (Net of Tax) -Remeasurements on Post-employment Defined Benefit Plans	-	-	-	-	-	(54)	(54)
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**-**	**10,410**	**10,410**
<u>Transactions with Owners in their Capacity as Owners:</u>							
Final Dividend on Equity Shares for the Financial Year 2014-15 [Refer Note 45(b)]	-	-	-	-	-	(3,908)	(3,908)
Dividend Distribution Tax on Above	-	-	-	-	-	(795)	(795)
Interim Dividend on Equity Shares for the Financial Year 2015-16 [Refer Note 45(b)]	-	-	-	-	-	(3,908)	(3,908)
Dividend Distribution Tax on Above	-	-	-	-	-	(795)	(795)
Transfer from Retained Earnings	-	-	-	-	7,500	(7,500)	-
As at 31st March, 2016	**3,908**	**46**	**575**	**20,097**	**1,33,650**	**15,857**	**1,70,225**
Profit for the Year	-	-	-	-	-	11,228	11,228
Other Comprehensive Income (Net of Tax) -Remeasurements on Post-employment Defined Benefit Plans	-	-	-	-	-	(175)	(175)
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**-**	**11,053**	**11,053**
As at 31st March, 2017	**3,908**	**46**	**575**	**20,097**	**1,33,650**	**26,910**	**1,81,278**

The accompanying Notes form an integral part of the Standalone Statement of Changes in Equity.

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

For PRICE WATERHOUSE
Firm Registration Number - 301112E
Chartered Accountants

(Pinaki Chowdhury)
Partner
Membership No. 57572
Kolkata - 18th May, 2017

For and on behalf of the Board of Directors of Graphite India Limited

S. W. Parnerkar
Sr. Vice President-Finance

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Executive Director

K. K. Bangur
Chairman

STANDALONE CASH FLOW STATEMENT for the year ended 31st March, 2017

	Year ended 31st March, 2017	(Rs. in Lakhs) Year ended 31st March, 2016
A. Cash Flows from Operating Activities		
Profit before Tax	11,143	14,450
Adjustments for:		
Depreciation and Amortisation Expense	4,156	4,442
Finance Costs	650	784
Bad Debts/Advances Written Off	393	41
Provision for Doubtful Debts	342	348
Interest Income Classified as Investing Cash Flows	(298)	(135)
Net Gain on Investments Carried at Fair Value through Profit or Loss	(4,705)	(2,852)
Fair Value Gains on Derivatives Not Designated as Hedges (Unrealised)	-	(183)
Liabilities No Longer Required Written Back	(616)	(331)
Provision for Doubtful Debts Written Back	(52)	(26)
Allowance Made/(Reversed) for Expected Credit Losses on Trade Receivables	(128)	466
(Gain)/Loss on Disposal of Property, Plant and Equipment (Net)	(116)	(1)
Write Downs of Inventories to Net Realisable Value	251	215
Foreign Exchange Differences (Net)	(151)	320
Operating Profit before Changes in Operating Assets and Liabilities	**10,869**	**17,538**
Changes in Operating Assets and Liabilities		
Increase/(Decrease) in Trade Payables	5,555	(2,558)
Increase/(Decrease) in Other Financial Liabilities	(379)	899
Increase/(Decrease) in Provisions	245	(51)
Increase in Other Current Liabilities	140	255
Decrease in Inventories	11,688	22,082
(Increase)/Decrease in Trade Receivables	1,924	(5,935)
Increase in Loans	(97)	(21)
Decrease in Other Financial Assets	181	24
(Increase)/Decrease in Other Non-current Assets	(8)	2
(Increase)/Decrease in Other Current Assets	(1,100)	1,259
Cash Generated from Operations	**29,018**	**33,494**
Income Taxes Paid	(4,002)	(5,003)
NET CASH FROM OPERATING ACTIVITIES	**25,016**	**28,491**
B. Cash Flows from Investing Activities		
Payments for Acquisition of Property, Plant and Equipment/Intangible Assets	(8,044)	(5,169)
Proceeds on Disposal of Property, Plant and Equipment	137	10
Payments for Purchase of Investments	(84,471)	(53,941)
Proceeds from Sale/Redemption of Investments	76,531	48,024
Interest Received	311	34
Advance against Investments in Equity	-	(12)
Proceeds from Maturity of Deposits with Banks	-	3
Payments for Placing of Deposits with Banks	(3,700)	-
NET CASH USED IN INVESTING ACTIVITIES	**(19,236)**	**(11,051)**

STANDALONE CASH FLOW STATEMENT for the year ended 31st March, 2017

(Rs. in Lakhs)

	Year ended 31st March, 2017	Year ended 31st March, 2016
C. Cash Flows from Financing Activities:		
Dividend Paid	-	(7,816)
Dividend Distribution Tax Paid	-	(1,590)
Finance Costs Paid	(678)	(781)
Repayment of Long-term Borrowings	-	(11,196)
Short-term Borrowings - Receipts/(Payments)	(5,159)	3,286
NET CASH USED IN FINANCING ACTIVITIES	**(5,837)**	**(18,097)**
D. Exchange Differences on Translation of Foreign Currency		
Cash and Cash Equivalents	*	-
Net Cash Outflow	**(57)**	**(657)**
Cash and Cash Equivalents - Opening (Refer Note 8)	**145**	**802**
Cash and Cash Equivalents - Closing (Refer Note 8)	**88**	**145**
	(57)	**(657)**

*Amount is below the rounding off norm adopted by the Company.

(a) The above Standalone Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

(b) Payments for Acquisition of Property, Plant and Equipment/Intangible Assets do not include Rs. Nil (Previous Year - Rs. 143 Lakhs) relating to adjustment of Payables with Trade Receivables being a non-cash item.

(c) Payments for Purchase of Investments do not include Rs. 12 Lakhs (Previous Year - Rs. Nil) relating to adjustment of advance paid in previous year.

The accompanying Notes form an integral part of the Standalone Cash Flow Statement.

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

For PRICE WATERHOUSE
Firm Registration Number - 301112E
Chartered Accountants

(Pinaki Chowdhury)
Partner
Membership No. 57572
Kolkata - 18th May, 2017

For and on behalf of the Board of Directors of Graphite India Limited

S. W. Parnerkar
Sr. Vice President-Finance

B. Shiva
Company Secretary

M. B. Gadgil
Executive Director

K. K. Bangur
Chairman

Notes to Standalone Financial Statements for the year ended 31st March, 2017

1. Company Background

Graphite India Limited (the 'Company') is a public limited company, incorporated and domiciled in India. The equity shares of the Company are listed on the National Stock Exchange of India Limited and the BSE Limited in India. 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 manufacturing and selling of graphite & carbon and other products as detailed under segment information in Note 41.

The standalone financial statements were approved and authorised for issue in accordance with the resolution of the Company's Board of Directors on 18th May, 2017.

2 Significant Accounting Policies

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

(a) Basis of Preparation

(i) Compliance with Ind AS

The standalone 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 Standards) Rules, 2015] and other provisions of the Act.

The standalone financial statements up to year ended 31st March, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP).

These standalone financial statements are the first standalone financial statements of the Company under Ind AS. Refer Note 47 for an explanation of how the transition from Previous GAAP to Ind AS has impacted the Company's financial position, financial performance and cash flows.

(ii) Historical Cost Convention

The standalone financial statements have been prepared on a historical cost basis, except for the following:

-Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.

-Defined benefit plans - plan assets measured at fair value.

(iii) Current versus Non-current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) expected to be realised or intended to be sold or consumed in the normal operating cycle,

b) held primarily for the purpose of trading,

c) expected to be realised within twelve months after the reporting period, or

d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) it is expected to be settled in the normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period, or

d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

(iv) Rounding of Amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lakhs (Rs. 00,000) 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. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discounts, rebates, value added taxes and amounts collected on behalf of third parties.

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 each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

<u>Sale of Products</u>

Revenue from sale of products is recognised when the significant risks and rewards of ownership of the products have passed to the buyer as per the terms of contract.

<u>Sale of Services</u>

Revenue from services rendered is recognised as the services are rendered and is booked based on agreements/ arrangements with the concerned parties.

<u>Other Operating Revenues</u>

Export entitlements (arising out of Duty Drawback, Merchandise Export from India and Focus Market Schemes)

Notes to Standalone Financial Statements for the year ended 31st March, 2017

are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Company and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Royalty Income is recognised on an accrual basis as per terms of the agreement with the concerned party.

(c) Construction Contracts

Contract revenue is measured at the fair value of the consideration received or receivable. Variations in contract work are included in contract revenue when it is probable that the customer will approve the variation as well as the amount of revenue arising from the variation and the amount of revenue can be reliably measured. Claims are included in contract revenue to the extent that it is probable that the customer will accept the claim and the amount that is probable to be accepted by the customer can be measured reliably .

The Company uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

(d) Property, Plant and Equipment

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

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation Method, Estimated Useful Lives And Residual Values

Depreciation is calculated on a pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual values, over their estimated useful lives in accordance with Schedule II to the Act. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item.

Estimated useful lives of the assets are as follows:

Buildings	-	3 to 60 years
Plant and Equipments	-	5 to 40 years
Furniture and Fixtures	-	10 years
Vehicles	-	8 to 10 years
Office Equipments	-	3 to 6 years

Leasehold land is amortised on straight - line basis over the primary lease period ranging from 60 to 999 years.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss within 'Other Income'/'Other Expenses'.

Advances paid towards the acquistion of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other non- current assets and the cost of property, plant and equipment not ready to use are disclosed under 'Capital Work-in-progress'.

(e) Intangible Assets

Intangible assets (Computer Software) has a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Computer Software

Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation/system integration services, where applicable.

Amortisation Method and Period

Computer software are amortised on a pro-rata basis using the straight-line method over their estimated useful life of 5

Notes to Standalone Financial Statements for the year ended 31st March, 2017

years, from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end.

Research and Development

Research costs are expensed as incurred. Expenditure on development that do not meet the specified criteria under Ind AS 38 on 'Intangible Assets' are recognised as an expense as incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April, 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

(f) 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 group of assets (cash-generating units).

(g) Leases

As A Lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Investments in Subsidiaries

Investments in subsidiaries are carried at cost less provision for impairment, if any. Investments in subsidiaries 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 carrying amount of investments exceeds its recoverable amount.

Transition to Ind AS

On transition to Ind AS, the Company has elected to measure its investments in Graphite International B.V. at its fair value as at 1st April, 2015 and its investments in Carbon Finance Limited at its Previous GAAP carrying value and use those values as the deemed cost of such investments.

(j) Investments (Other than Investments in Subsidiaries) 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 to be 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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:

Notes to Standalone Financial Statements for the year ended 31st March, 2017

•**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 instrument 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 profit or 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 'Other Income' 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 which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 44(A) details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(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 entity 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 entity 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

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend

Dividend is 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.

(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.

(k) Derivative Instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Derivative Instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income'/'Other Expenses'.

(l) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally

Notes to Standalone Financial Statements for the year ended 31st March, 2017

enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(m) 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.

(n) Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, 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.

(o) Trade Payables

Trade Payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(q) Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

(r) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(s) Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The standalone financial statements are presented in Indian Rupee (Rs.), which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year - end exchange rates. The exchange differences (other than relating to long-term foreign currency monetary items recognised up to 31st March, 2016) arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

Exchange differences arising on reporting of long-term foreign currency monetary items recognised up to 31st March, 2016 (i) relating to acquisition of depreciable capital assets is adjusted to the carrying amount of such assets (to be depreciated over the balance life of the related asset) and (ii) in other cases accumulated in a 'Foreign Currency Monetary Item Translation Difference Account' (to be amortised over the balance period of the related long-term monetary asset/liability). All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within 'Other Income'/'Other Expenses'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(t) Employee Benefits

(i) Short-term Employee Benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as 'Employee Benefits Payable' within 'Other Current Liabilities' in the Balance Sheet.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(ii) Post-employment Benefits

Defined Benefit Plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

Defined Contribution Plans

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other Long-term Employee Benefits

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured annually by actuaries as the present value of expected future benefits in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented under 'Provisions' (Current) in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(u) Income Tax

The income tax expense 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, unused tax credits and to unused tax losses.

The current 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 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 tax asset is realised or the deferred tax liability is settled.

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

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

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 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 are 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.

(v) 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 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.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

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.

(w) Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

(x) 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.

(y) Segment Reporting

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

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Executive Director of the Company. Refer Note 41 for segment information presented.

(z) Recent Accounting Pronouncements

Standard issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows'. This amendment is in accordance with the recent amendments made by the International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows'. The amendements are applicable to the Company from April 1, 2017.

Amendments to Ind AS 7

The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from cash flows and non-cash charges, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendments and the effect on the standalone financial statements is being evaluated.

3 Critical Estimates and Judgements

The preparation of standalone 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 standalone 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 standalone financial statements.

The areas involving critical estimates or judgements are:

- **Employee Benefits (Estimation of Defined Benefit Obligation) - Notes 2(t) and 40**

  Post-employment benefits represent obligations that will be settled in future and require assumptions to estimate benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of benefit costs over the employees' approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

- **Impairment of Trade Receivables — Notes 2(j)(iii) and 44(A)**

  Impairment of trade receivables is primarily estimated based on prior experience with and the past due status

Notes to Standalone Financial Statements for the year ended 31st March, 2017

of receivables, based on factors that include ability to pay and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

- **Estimation of Expected Useful Lives of Property, Plant and Equipment - Notes 2(d) and 4.1**

  Management reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

- **Contingencies - Notes 2(v) and 37**

  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 factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. The Company consults with legal counsel and other experts on matters related to specific litigations where considered necessary. 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.

- **Accounting for Construction Contracts under Percentage of Completion - Notes 2(c) and 39**

  The percentage of completion method is used to account for construction contracts. This method requires estimates of the final revenue and costs of the contract, as well as measurement of progress achieved to date as a proportion of the total work to be performed. The main uncertainty when assessing contract revenue is related to recoverable amounts from variation orders and claims payments which are recognised when, based on management's judgment, it is probable that they will result in revenue and are reliably measurable. This assessment is adjusted upon management's evaluation of liquidated damages to be imposed by customers typically relating to contractual delivery terms. Cost to complete depends on productivity factors and the cost of inputs, weather conditions, performance of subcontractors, etc. Experience, reduces but does not eliminate the risk that estimates may change significantly.

- **Valuation of Deferred Tax Assets - Notes 2(u) and 21**

  Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

- **Fair Value Measurements - Notes 2(j)(vi) and 43**

  When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

- **Impairment of Investments in Subsidiaries - Notes 2(i) and 6**

  Determining whether the investments in subsidiaries are impaired requires an estimate of the value in use of investments. In considering the value in use, the management anticipates the future commodity prices, capacity utilisation of plant, operating margins, discount rates and other factors of the underlying businesses/operations of the subsidiaries.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

4 Property, Plant and Equipment

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

(Rs. in Lakhs)

	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Machinery Spares	Total
Year ended 31st March, 2016									
Gross Carrying Amount									
Deemed Cost as at 1st April, 2015 (Refer Note 4.3)	2,240	77	17,202	36,958	214	298	175	*	57,164
Additions	-	-	28	286	16	26	18	-	374
Exchange Differences (Refer Note 4.4)	-	-	236	559	-	-	-	-	795
Disposals	-	-	-	(2)	*	(8)	-	-	(10)
Closing Balance	**2,240**	**77**	**17,466**	**37,801**	**230**	**316**	**193**	*	**58,323**
Accumulated Depreciation									
For the Year	-	2	872	3,335	42	74	63	-	4,388
On Disposals	-	-	-	*	*	(1)	-	-	(1)
Closing Balance	**-**	**2**	**872**	**3,335**	**42**	**73**	**63**	**-**	**4,387**
Net Carrying Amount	**2,240**	**75**	**16,594**	**34,466**	**188**	**243**	**130**	*	**53,936**
Year ended 31st March, 2017									
Gross Carrying Amount									
Opening Balance	2,240	77	17,466	37,801	230	316	193	*	58,323
Additions	-	-	2,411	9,287	10	20	7	-	11,735
On Disposals	-	-	-	(18)	(1)	(5)	(2)	-	(26)
Closing Balance	**2,240**	**77**	**19,877**	**47,070**	**239**	**331**	**198**	*	**70,032**
Accumulated Depreciation									
Opening Balance	-	2	872	3,335	42	73	63	-	4,387
For the year	-	2	888	3,058	27	70	53	-	4,098
On Disposals	-	-	-	(1)	(1)	(2)	(1)	-	(5)
Closing Balance	**-**	**4**	**1,760**	**6,392**	**68**	**141**	**115**	**-**	**8,480**
Net Carrying Amount	**2,240**	**73**	**18,117**	**40,678**	**171**	**190**	**83**	*	**61,552**

4.2 Capital Work-in-Progress

(Rs. in Lakhs)

	As at 31st March, 2017	As at 31st March, 2016
Carrying Amount at the Beginning of the Year	6,549	959
Additions During the Year @	8,392	5,964
Capitalised During the Year	11,735	374
Carrying Amount at the End of the Year	**3,206**	**6,549**
@ Includes following costs incurred in the course of construction of an item of Property, Plant and Equipment:		
Salaries and Wages	76	9
Contribution to Provident and Other Funds	4	-
Rates and Taxes	6	5
Travelling and Conveyance	10	3
Contractors' Labour Charges	146	40
Miscellaneous Expenses	36	36

* Amounts are below the rounding off norm adopted by the Company.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

4.3 Deemed cost of Plant and Equipments as at 1st April, 2015 is after considering Rs. 1,749 Lakhs being adjustment due to revision in useful lives of certain Plant and Equipments due to componentisation as per Schedule II to the Act. Also refer Note 47(A.1.3)

4.4 Represents exchange differences arising on long-term foreign currency loans obtained for the purpose of acquisition of depreciable capital assets [Refer Note 2(s)(ii)].

4.5 The Company has taken borrowings from banks which carry charge over certain property, plant and equipment (Refer Note 46 for details).

4.6 Contractual obligations - Refer Note 38(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4.7 Aggregate amount of depreciation has been included under 'Depreciation and Amortisation Expense' in the Statement of Profit and Loss (Refer Note 29).

4.8 Title deeds of immovable properties set out in Note 4.1 above, where applicable, are in the name of the Company except as set out below which are in the name of Graphite Vicarb India Limited (GVIL)/Powmex Steels Limited (PSL). The immovable properties of GVIL/PSL, inter alia, got transferred to and vested in the Company pursuant to the respective Schemes of Arrangement in earlier years.

(Rs. in Lakhs)

Particulars	**Gross Carrying Amount**			**Net Carrying Amount**		
	As at 31st March,2017	**As at 31st March,2016**	**As at 1st April, 2015**	**As at 31st March,2017**	**As at 31st March,2016**	**As at 1st April, 2015**
Certain Freehold Land at Nashik and Titilagarh*	9	9	9	9	9	9
Certain Leasehold Land at Titilagarh	22	22	22	15	16	16

*A portion of the land at Titilagarh is under dispute on legal ownership [Rs. 267 Lakhs (31st March,2016 - Rs. 267 Lakhs, 1st April, 2015 - Rs. 267 Lakhs) disclosed as contingent liability and included under 'Other Matters' in Note 37(i)(h)].

(Rs. in Lakhs)

5 Intangible Assets	**Computer Software - Acquired**
Year ended 31st March, 2016	
Gross Carrying Amount	
Deemed Cost as at 1st April, 2015 [Refer Note 47(A.1.3)]	169
Additions	37
Closing Balance	**206**
Accumulated Amortisation	
For the Year	54
Closing Balance	**54**
Net Carrying Amount	**152**
Year ended 31st March, 2017	
Gross Carrying Amount	
Opening Balance	206
Additions	15
Closing Balance	**221**
Accumulated Amortisation	
Opening Balance	54
For the Year	58
Closing Balance	**112**
Net Carrying Amount	**109**

5.1 The amortisation has been included under 'Depreciation and Amortisation Expense' in the Statement of Profit and Loss (Refer Note 29).

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

6	Investments	Face Value	Number	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Unquoted:					
	Non-current Investments					
	Investments in Equity Instruments					
	In Subsidiary Companies					
	Graphite International B.V.^	Euro 1	1,73,00,000	4,537	4,537	4,537
	Carbon Finance Limited @	Rs.10	53,00,000	3,004	3,004	3,004
	In Other Body Corporates #$					
	Sai Wardha Power Limited - Class A Equity Shares	Rs.10	24,76,558	-	-	-
	Greenko Bagewadi Wind Energies Private Limited	Rs.10	1,20,000	12	-	-
	Investments in Preference Shares					
	In Other Body Corporate @@$					
	Sai Wardha Power Limited					
	0.01% Class A Redeemable Preference Shares	Rs.10	31,23,442	-	-	-
	Investments in Government Securities @@ (Deposited with government department as security)			*	*	*
	Investments in Mutual Funds#			2,296	3,217	7,565
				9,849	**10,758**	**15,106**
	Current Investments					
	Investments in Commercial Papers @@			-	4,893	-
	Investments in Mutual Funds (Refer Note 6.2) #			56,543	38,084	29,860
				56,543	**42,977**	**29,860**
	Aggregate Amount of Unquoted Investments			**66,392**	**53,735**	**44,966**
	^Investments carried at Deemed Cost based on Fair Value as at 1st April, 2015			4,537	4,537	4,537
	@ Investments carried at Deemed Cost based on Previous GAAP Carrying Amount as at 1st April, 2015			3,004	3,004	3,004
	@@ Investments carried at Amortised Cost			*	4,893	*
	# Investments carried at Fair Value through Profit or Loss			58,851	41,301	37,425
	$ Original Share Certificates with the Issuer Company					

6.1 Refer Note 43 for information about fair value measurements and Note 44 for credit risk and market risk on investments.

6.2 Includes investments in 13,95,946.172 units of UTI Bond Fund-Growth (Face Value Rs. 10/- each) with carrying amount of Rs. 697 Lakhs, Rs. 614 Lakhs and Rs. 585 Lakhs as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 respectively.

*Amounts are below the rounding off norm adopted by the Company

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

7 Trade Receivables

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured :			
Considered Good #	41,610	44,217	38,788
Considered Doubtful	1,040	750	428
Less: Provision for Doubtful Debts	(1,040)	(750)	(428)
Less: Allowance for Expected Credit Losses	(929)	(1,057)	(591)
	40,681	**43,160**	**38,197**
#Includes Dues from a Subsidiary	2,736	3,011	2,425

7.1 Refer Note 46 for receivables secured against borrowings and Note 44 for information about credit risk and market risk on receivables.

8 Cash and Cash Equivalents

Balances with Banks	74	124	766
Cheques, Drafts on Hand	-	1	8
Cash on Hand	14	20	28
	88	**145**	**802**

8.1 There are no repatriation restrictions with regard to Cash and Cash Equivalents as at the end of the current reporting period and prior periods.

9 Other Bank Balances

Unpaid Dividend Accounts @	318	432	332
Fixed Deposit Accounts (with original maturity of more than three months but less than twelve months)	3,700	-	-
	4,018	**432**	**332**

@ Earmarked for Payment of Unclaimed Dividend

10 Loans

Non-current			
Unsecured, Considered Good :			
Loans to Employees*	146	158	157
Security Deposits	686	643	671
	832	**801**	**828**
Current			
Unsecured, Considered Good :			
Loans to Employees*	208	154	122
Security and Other Deposits	121	109	93
	329	**263**	**215**
	1,161	**1,064**	**1,043**
*Includes Due from an Officer of the Company	7	11	-

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

11 Other Financial Assets

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Unsecured, Considered Good :			
Advance against Investments in Equity*	-	12	-
Fixed Deposits with Banks**	6	6	9
(with Maturity of more than Twelve Months)			
(Lodged with Government Authority/Others)			
Accrued Interest on Fixed Deposits**	-	1	3
	6	**19**	**12**
Current			
Unsecured, Considered Good :			
Receivables from a Subsidiary**	140	146	220
Claims Receivable/Charges Recoverable**	108	144	94
Unbilled Revenue**	44	-	-
Derivative Instruments - Foreign Exchange Forward Contracts*	-	183	-
Accrued Interest on Investments**	-	65	-
Accrued Interest on Deposits			
with Banks**	79	4	2
with Others**	51	73	37
	422	**615**	**353**
	428	**634**	**365**
*Financial Assets carried at Fair Value through Profit and Loss	-	195	-
**Financial Assets carried at Amortised Cost	428	439	365

12 Inventories

- At Lower of Cost and Net Realisable Value			
Raw Materials	12,942	23,105	32,340
Work-in-progress	30,709	29,280	36,199
Finished Goods	5,953	9,391	15,280
Stores and Spares	1,602	1,367	1,610
Loose Tools	57	59	70
	51,263	**63,202**	**85,499**

12.1 Above includes Inventories in transit:

Raw Materials	2,374	846	2,999
Work-in-progress	538	281	745
Finished Goods	2,504	3,551	2,566
Stores and Spares	43	43	25

12.2 Above includes Inventories carried at Fair Value Less Cost to Sell	3,567	3,086	516
12.3 Work-in-progress include contract Work-in-progress	255	389	121

12.4 Refer Note 46 for Information on Inventories Pledged as Security

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

13 Other Assets

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Unsecured, Considered Good :			
Capital Advances	896	754	1,219
Others			
Prepaid Expenses	17	9	11
	913	**763**	**1,230**
Current			
Unsecured, Considered Good :			
Export Entitlements Receivable	1,330	1,529	1,370
Balances with Government Authorities @	5,731	4,835	5,472
Advance to Suppliers/Service Providers (other than capital)	1,178	705	1,180
Prepaid/Advance for Expenses	246	316	622
	8,485	**7,385**	**8,644**
	9,398	**8,148**	**9,874**

@ Balances with Government Authorities primarily include amounts realisable from the excise, value added tax and customs authorities of India and the unutilised excise input credits on purchases. These are generally realised within one year or regularly utilised to offset the excise duty liability on goods manufactured by the Company. Accordingly, these balances have been classified as current assets. Also includes Rs.491 Lakhs as at 31st March, 2017 (31st March, 2016 - Rs.491 Lakhs, 1st April, 2015 - Rs 444 Lakhs) towards payments made to various Government Authorities under protest relating to certain indirect tax matters.

14.1 Equity Share Capital

Authorised			
20,00,00,000 Equity Shares of Rs. 2/- each Fully Paid-up @	4,000	4,000	4,000
Issued, Subscribed and Paid-up			
19,53,75,594 Equity Shares of Rs. 2/- each Fully Paid-up @	3,908	3,908	3,908
Add: Forfeited Shares	*	*	*
	3,908	**3,908**	**3,908**

@ There were no changes in number of shares during the years ended 31st March, 2017 and 31st March, 2016

* Amounts are below the rounding off norm adopted by the Company.

(a) The Company has one class of Equity Shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. 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.

(b) Details of Equity Shares held by the holding company and by subsidiary/associate of the holding company:	**Number of Shares**	**Number of Shares**	**Number of Shares**
Emerald Company Limited (ECL); the Immediate and Ultimate Holding Company	11,95,79,419	11,95,79,419	11,36,29,585
Shree Laxmi Agents Limited; a Subsidiary of ECL	8,84,000	8,84,000	8,84,000
Carbo Ceramics Limited; an Associate of ECL	3,86,645	3,86,645	3,86,645

(c) Details of Equity Shares held by Shareholders holding more than 5% of the aggregate shares in the Company:			
Emerald Company Limited	11,95,79,419	11,95,79,419	11,36,29,585
	(61.20%)	(61.20%)	(58.16%)

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

14.2 Other Equity

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
-Reserves and Surplus			
Capital Reserve	46	46	46
Capital Redemption Reserve	575	575	575
Securities Premium Account	20,097	20,097	20,097
General Reserve [Refer (i) below]	1,33,650	1,33,650	1,26,150
Retained Earnings [Refer (ii) below]	26,910	15,857	22,353
	1,81,278	**1,70,225**	**1,69,221**

(i) General Reserve - Movement during the year

	As at 31st March, 2017	As at 31st March, 2016
Opening Balance @	1,33,650	1,26,150
Transfer from Retained Earnings	-	7,500
Closing Balance	**1,33,650**	**1,33,650**

@ Opening Balance as at 1st April, 2015 is after considering Rs. 1,180 Lakhs (net of tax) being adjustment due to componentisation as per Schedule II to the Act.

(ii) Retained Earnings - Movement during the year

Opening Balance	15,857	22,353
Profit for the Year	11,228	10,464
Items of Other Comprehensive Income recognised directly in Retained Earnings		
-Remeasurements on Post-employment Defined Benefit Plans, Net of Tax	(175)	(54)
Final Dividend on Equity Shares for the Financial Year 2014-15 [Refer Note 45(b)]	-	(3,908)
Dividend Distribution Tax on Above	-	(795)
Interim Dividend on Equity Shares for the Financial Year 2015-16 [Refer Note 45(b)]	-	(3,908)
Dividend Distribution Tax on Above	-	(795)
Transfer to General Reserve	-	(7,500)
Closing Balance	**26,910**	**15,857**

Nature and purpose of each Reserve

Capital Reserve

Capital Reserve has been primarily created on amalgamation in earlier years.

Capital Redemption Reserve

The Act requires that where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve. The capital redemption reserve may be applied by the company, in paying up unissued shares of the company to be issued to shareholders of the company as fully paid bonus shares. The Company established this reserve pursuant to the redemption of preference shares issued in earlier years.

Securities Premium Account

Securities Premium Account is used to record premium received on issue of shares. This reserve may be utilised in accordance with the provisions of Section 52 of the Act.

General Reserve

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit 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 such 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.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

15 Borrowings	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Secured			
Foreign Currency Term Loans from a Bank	-	-	10,388
(Secured by way of first charge on certain moveable fixed assets, both present and future, of the Company)			
Terms of Repayment -			
(a) Total loan amount of Rs. 4,160 Lakhs as at 1st April 2015 was repayable in February 2016. Interest was payable on quarterly basis at Libor plus 1.85% p.a.			
(b) Total loan amount of Rs. 6,228 Lakhs as at 1st April 2015 was repayable in 3 equal annual instalments commencing from August 2015. Interest was payable on quarterly basis at Libor plus 2.10% p.a. The loan was fully repaid in February 2016.			
Total	**-**	**-**	**10,388**
Less: Current Maturities of Long-term Debt (Refer Note 17)	-	-	(6,228)
	-	**-**	**4,160**
Current			
Secured			
Loans Repayable on Demand from Banks*			
-Bill Discounting Facilities	173	668	440
-Cash Credit/Export Credit Facilities	2,668	6,777	10,383
Unsecured			
Loans Repayable on Demand from Banks			
- Working Capital Facilities (Export Credit, etc.)	7,969	8,881	3,576
Foreign Currency Term Loan from a Bank	1,872	1,666	-
	12,682	**17,992**	**14,399**
	12,682	**17,992**	**18,559**

*Secured -

(a) By a first pari passu charge by way of hypothecation of the Company's entire current assets (for Company's Powmex Steel Division situated at Titilagarh effective March 2017), namely, stocks of raw materials, such as Calcined Petroleum Coke, Pitch, Extrusion Oil etc, semi-finished and finished goods and articles such as, Graphite Electrodes, Anodes, Misc. Graphite Products etc, stores and spares not relating to plant and machinery (consumable stores and spares), Bills receivable and Book debts and all other movable of the Company both present and future but excluding such movables as may be permitted by the said Banks from time to time ;

(b) By a second pari passu charge on the Company's movable fixed assets (for Company's Powmex Steel Division situated at Titilagarh effective March 2017) including movable plant and machinery, machinery spares, tools and accessories, electrical and other equipments etc, (save and except the current assets which are already hypothecated/to be hypothecated in favour of the said Banks as and by way of first charge) lying and/or stored and/or situated at the Company's different units, godowns/factories and/or premises or in the possession of any third party or in course of transit or delivery and also all documents of title, negotiable instruments, policies of insurance and other documents and instruments relating thereto subject and/or sub-servient to the first and/or the prior charge holders for securing their respective Term Loans and/or facilities.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

15.1 Refer Note 46 for details of carrying amount of assets pledged as security for secured borrowings and Note 44 for information about liquidity risk and market risk on borrowings.

(Rs. in Lakhs)

16 Trade Payables

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Trade Payables	178	125	-
	178	**125**	**-**
Current			
Trade Payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note 33)	567	148	47
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises			
Acceptances	1,628	3,422	3,345
Others @	18,889	12,246	15,289
	21,084	**15,816**	**18,681**
	21,262	**15,941**	**18,681**
@ Includes Dues to a Subsidiary	883	170	347

16.1 Refer Note 44 for information about liquidity risk and market risk on trade payables.

17 Other Financial Liabilities

Non-current			
Security Deposits	2	1	1
	2	**1**	**1**
Current			
Current Maturities of Long-term Debt (Refer Note 15)	-	-	6,228
Interest Accrued	18	46	43
Unpaid Dividends	318	432	332
Capital Liabilities	945	440	216
Claims / Charges Payable#	369	1,088	269
Security Deposits	35	31	32
Fractional Entitlement Due for Refund to Shareholders	-	9	9
	1,685	**2,046**	**7,129**
	1,687	**2,047**	**7,130**
# Includes Dues to a Subsidiary	8	2	8

18 Provisions

Current			
Provisions for Employee Benefits (Refer Note 40)	2,208	1,696	1,664
	2,208	**1,696**	**1,664**

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

19 Current Tax Liabilities (Net)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current Tax Liabilities	72,654	72,453	67,503
Advance Tax and Tax Deducted at Source	(72,576)	(68,609)	(63,606)
	78	**3,844**	**3,897**

20 Other Current Liabilities

Dues Payable to Government Authorities @	4,199	3,833	3,706
Employee Benefits Payable	1,743	1,842	1,866
Advances from Customers	761	842	582
Billing in Excess of Revenue	-	44	212
Remuneration Payable to Non-executive Directors	87	127	135
	6,790	**6,688**	**6,501**

@ Dues Payable to Government Authorities comprise sales tax, excise duty, withholding taxes, payroll taxes, service tax, value added tax, entry tax and other taxes payable.

21 Deferred Tax Liabilities (Net)

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

	As at 31st March, 2016	Recognised in Profit or Loss	As at 31st March, 2017
Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets	9,286	957	10,243
Financial Assets at Fair Value through Profit or Loss - Investments	1,537	153	1,690
Financial Assets at Fair Value through Profit or Loss - Derivative Financial Instruments	63	(63)	-
Short-term Borrowings	-	7	7
Total Deferred Tax Liabilities	**10,886**	**1,054**	**11,940**
Deferred Tax Assets			
Provisions for Employee Benefits	484	97	581
Employee Benefits Payable	17	(1)	16
Dues Payable to Government Authorities	618	131	749
Trade Receivables	625	56	681
Carry Forward Long-term Capital Loss	326	(95)	231
Minimum Alternate Tax Credit	-	1,279	1,279
Total Deferred Tax Assets	**2,070**	**1,467**	**3,537**
Deferred Tax Liabilities (Net)	**8,816**	**(413)**	**8,403**

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

	As at 1st April, 2015	Recognised in Profit or Loss	As at 31st March, 2016
Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets @	10,348	(1,062)	9,286
Financial Assets at Fair Value through Profit or Loss - Investments	1,129	408	1,537
Financial Assets at Fair Value through Profit or Loss - Derivative Financial Instruments	-	63	63
Total Deferred Tax Liabilities	**11,477**	**(591)**	**10,886**
Deferred Tax Assets			
Provisions for Employee Benefits	463	21	484
Employee Benefits Payable	2	15	17
Dues Payable to Government Authorities	513	105	618
Trade Receivables	352	273	625
Carry Forward Long-term Capital Loss	338	(12)	326
Total Deferred Tax Assets	**1,668**	**402**	**2,070**
Deferred Tax Liabilities (Net)	**9,809**	**(993)**	**8,816**

@ After considering Rs. 569 Lakhs as at 1st April, 2015 being tax effect arising from adjustment of Net Book Value of certain Plant and Equipments in the General Reserve.

22 Revenue from Operations

	Year ended 31st March, 2017	Year ended 31st March, 2016
Sale of Products (including Excise Duty)		
Graphite Electrodes and Miscellaneous Graphite Products	1,04,264	1,11,131
Carbon Paste	1,160	1,592
Calcined Petroleum Coke	4,601	3,502
Impervious Graphite Equipment and Spares	11,794	8,156
GRP/FRP Pipes and Tanks	4,735	4,522
High Speed Steel*	6,628	6,914
Alloy Steel	479	368
Electricity	39	150
Others	1,386	1,617
Sale of Services (Processing/Service Charges)	216	243
Contract Revenue (Supply and Laying of Pipes, etc.)	1,584	1,445
Other Operating Revenues		
Export Entitlement	2,057	2,543
Royalty	232	281
	1,39,175	**1,42,464**

*Includes Sale of Trading Goods	-	90

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

23 Other Income	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest Income		
From Financial Assets at Amortised Cost		
-Investments	148	65
-Loans and Deposits	150	70
-Trade Receivables	821	227
From Income-tax/Other Government Authorities	991	2
	2,110	**364**
Others		
Net Gain on Investments Carried at Fair Value through Profit or Loss [Includes Net Unrealised Fair Value Gains of Rs. 3,673 Lakhs (Previous Year- Rs. 2,276 Lakhs)]	4,705	2,852
Fair Value Gains on Derivatives Not Designated as Hedges [Includes Net Unrealised Fair Value Gains of Rs. Nil (Previous Year - Rs. 183 Lakhs)]	296	202
Guarantee Fee	121	120
Liabilities No Longer Required Written Back	616	331
Provision for Doubtful Debts Written Back	52	26
Reversal of Allowance for Credit Losses on Trade Receivables	128	-
Net Gain on Disposal of Property, Plant and Equipment [Net of Loss on Disposal of Property, Plant and Equipment Rs. 4 Lakhs (Previous Year - Rs. 3 Lakhs)]	116	1
Net Gain on Foreign Currency Transactions and Translation	-	484
Other Non-operating Income	245	270
	6,279	**4,286**
	8,389	**4,650**

24 Cost of Materials Consumed

Opening Inventory	23,105	32,340
Add : Purchases	41,569	36,756
	64,674	69,096
Less : Closing Inventory	12,942	23,105
	51,732	**45,991**

25 Purchases of Stock-in-trade

High Speed Steel	-	90
	-	**90**

26 Changes in Inventories of Finished Goods and Work-in-progress

Finished Goods		
Closing Stock	5,953	9,391
Deduct: Opening Stock	9,391	15,280
	3,438	**5,889**
Work-in-progress		
Closing Stock	30,709	29,280
Deduct: Opening Stock	29,280	36,199
	(1,429)	**6,919**
	2,009	**12,808**

Notes to Standalone Financial Statements for the year ended 31st March, 2017

26.1 Write-downs of inventories to net realisable value amounted to Rs.251 Lakhs (Previous Year – Rs. 215 Lakhs). These were recognised as an expense and included in Changes in Inventories of Finished Goods and Work-in-progress above.

(Rs. in Lakhs)

27 Employee Benefits Expense	**Year ended 31st March, 2017**	**Year ended 31st March, 2016**
Salaries and Wages	13,373	11,804
Contribution to Provident and Other Funds (Refer Note 40)	1,112	1,030
Staff Welfare Expenses	719	697
	15,204	**13,531**

28 Finance Costs

Interest Expense on		
Financial Liabilities Carried at Amortised Cost - Borrowings from Banks	582	483
Others (Taxes, etc.)	29	266
Other Borrowing Costs (processing/commitment/arranger fees, etc.)	39	35
	650	**784**

29 Depreciation and Amortisation Expense

Depreciation on Property, Plant and Equipment (Refer Note 4.1)	4,098	4,388
Amortisation of Intangible Assets (Refer Note 5)	58	54
	4,156	**4,442**

30 Other Expenses

Consumption of Stores and Spare Parts (Refer Note 30.1)	11,836	10,334
Power and Fuel	23,825	18,794
Rent	169	174
Repairs to Buildings	350	312
Repairs to Machinery	1,459	1,323
Repairs to Others	243	302
Insurance	413	480
Rates and Taxes	888	851
Freight and Transport	5,610	4,744
Commission to Selling Agents	1,373	1,538
Travelling and Conveyance	470	582
Directors' Remuneration (Other than Executive Director)	101	141
Excise Duty on Stocks etc. (Refer Note 30.2)	(160)	(29)
Bad Debts/Advances Written Off	393	41
Provision for Doubtful Debts	342	348
Allowance for Expected Credit Losses on Trade Receivables	-	466
Processing Charges	385	217
Net Loss on Foreign Currency Transactions and Translation	284	-
Contractors' Labour Charges	3,489	4,047
Expenditure towards Corporate Social Responsibility Activities (Refer Note 30.3)	88	108
Payments to Auditors (Refer Note 30.4)	62	62
Miscellaneous Expenditure	2,452	2,387
	54,072	**47,222**

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

30.1 Consumption of Stores and Spare Parts includes:

	Year ended 31st March, 2017	Year ended 31st March, 2016
Packing Materials	1,365	1,254
Loose Tools	280	282

30.2 Represents the difference between excise duty on opening and closing stock of finished goods, etc.

30.3 Corporate Social Responsibility Expenditure:

(a) Gross amount required to be spent by the Company during the year	343	406
(b) Expenditure towards Corporate Social Responsibility Activities comprises employee benefits expense of Rs. 4 Lakhs (Previous Year - Rs. 6 Lakhs) and amount paid to B D Bangur Endowment towards construction/acquisition of assets Rs. 43 Lakhs (Previous Year - Rs. 80 Lakhs) and for other purposes Rs. 41 Lakhs (Previous Year - Rs. 22 Lakhs) respectively.	88	108

30.4 Payments to Auditors comprise -

(i) Statutory Auditors		
As Auditor		
As Audit Fee - Standalone Financial Statements	34	34
As Audit Fee - Consolidated Financial Statements	6	6
For Certificate and Other Matters	14	13
Reimbursement of Out of Pocket Expenses	1	1
Service Tax and Education Cess	8	8
	63	**62**
Less: Cenvat Credit of Service Tax and Education Cess Availed	(8)	(8)
	55	**54**
(ii) Cost Auditors		
As Fee	6	7
For Certificate and Other Matters	1	1
Reimbursement of Out of Pocket Expenses	*	*
Service Tax and Education Cess	1	1
	8	**9**
Less: Cenvat Credit of Service Tax and Education Cess Availed	(1)	(1)
	7	**8**
	62	**62**

* Amounts are below the rounding off norm adopted by the Company

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

31 Income Tax Expense	Year ended 31st March, 2017	Year ended 31st March, 2016
A. Tax Expense Recognised in Profit or Loss		
Current Tax		
Current Tax on Profits for the Year	2,785	4,979
Adjustment for Current Tax of Earlier Years	(2,457)	-
	328	**4,979**
Deferred Tax		
Origination and Reversal of Temporary Differences	(413)	(993)
Income Tax Expense	**(85)**	**3,986**
B. Tax on Other Comprehensive Income		
Current Tax		
Remeasurements on Post-employment Defined Benefit Plans	(92)	(29)

31.1 Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable

Profit before Income Tax Expense	11,143	14,450
Enacted Statutory Income Tax Rate in India applicable to the Company	34.608%	34.608%
Computed Expected Income Tax Expense	3,856	5,001
Adjustments:-		
Expenses Not Deductible for Tax Purposes	47	61
Income Exempt from Income Taxes	(26)	(1)
Investment Allowance	(481)	-
Impact of Long-term Capital Gains on Investments	(1,086)	(314)
Unrealised Exchange Differences Capitalised Earlier Realised during the Year	-	(960)
Others	62	199
Adjustment for Current Tax of Earlier Years	(2,457)	-
Income Tax Expense	**(85)**	**3,986**

32 Earnings per Equity Share

(A) Basic		
(i) Number of Equity Shares at the Beginning of the Year	19,53,75,594	19,53,75,594
(ii) Number of Equity Shares at the End of the Year	19,53,75,594	19,53,75,594
(iii) Weighted Average Number of Equity Shares		
Outstanding during the Year	19,53,75,594	19,53,75,594
(iv) Face Value of Each Equity Share (Rs.)	2.00	2.00
(v) Profit after Tax Available for Equity Shareholders		
Profit for the Year (Rs. In Lakhs)	11,228	10,464
(vi) Basic Earnings per Equity Share (Rs.)[(v)/(iii)]	5.75	5.36
(B) Diluted		
(i) Dilutive Potential Equity Shares	-	-
(ii) Diluted Earnings per Equity Share (Rs.) [Same as (A)(vi) above]	5.75	5.36

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

33 Information relating to Micro and Small Enterprises (MSEs)

	Year ended 31st March, 2017	Year ended 31st March, 2016
(i) The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year		
Principal (Rs. 46 Lakhs as at 1st April, 2015)	566	148
Interest (Rs. Nil as at 1st April, 2015)	*	*
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year		
Principal	68	84
Interest	1	2
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.		
Principal	205	66
Interest	*	*
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year (Rs. 1 Lakh as at 1st April, 2015)	1	*
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due on above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	1	2
The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of the information available with the Company.		

*Amounts are below the rounding off norm adopted by the Company

34 Research and Development Expenditure

Research and Development Expenditure of revenue nature recognised in profit or loss during the year	13	13

35 Specified Bank Notes (SBNs)

	SBNs#	Other Denomination Notes	Total
Closing Cash in Hand as on 8th November, 2016	23	9	32
(+) Permitted Receipts	-	57	57
(+) Non-permitted Receipts @	*	-	*
(-) Permitted Payments	*	45	45
(-) Amounts Deposited in Banks	23	-	23
Closing Cash in Hand as on 30th December, 2016	**-**	**21**	**21**

* Amounts are below the rounding off norm adopted by the Company

@ Represent refund of advance paid to employees before 8th November, 2016

For the purposes of this clause, the term 'Specified Bank Notes'(SBNs) shall have the same meaning as provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated 8th November, 2016.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

36 The Company has cancellable operating lease arrangements for certain accommodation. Terms of such lease include option for renewal on mutually agreed terms. There are no restrictions imposed by lease arrangements and there are no purchase options or sub leases or contingent rents. Operating lease rentals for the year recognised in profit or loss amounts to Rs. 130 Lakhs (Previous Year - Rs. 129 Lakhs).

(Rs. in Lakhs)

37 Contingencies -	**As at 31st March, 2017**	**As at 31st March, 2016**	**As at 1st April, 2015**
(i) Claims against the Company not acknowledged as debts: Taxes, duties and other demands (under appeal/dispute)			
(a) Excise Duty	251	1,134	1,023
(b) Customs Duty	1,188	1,181	1,163
(c) Service Tax	1,326	1,117	509
(d) Sales Tax/Value Added Tax	581	574	656
(e) Entry Tax	150	150	384
(f) Income Tax	1,240	1,240	121
(g) Labour Related Matters	912	751	586
(h) Other Matters (Property, Rental, etc.)	319	317	317
(ii) Customer appeal pending at High Court against award/order in favour of the Company by Arbitral Tribunal and District Court relating to charges deducted, consequential loss of profit and interest in a construction contract. The Company has withdrawn the entire disputed amount deposited by the customer before High Court with a bank guarantee for 50% of the amount as per the directions of the High Court.	1,370	-	-
In respect of above, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above.			

38 Commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3,297	3,793	4,065
(b) Guarantees			
Corporate Guarantees given to banks/others to secure the financial assistance/accommodation extended to a Subsidiary Company.	17,679	19,151	16,145

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

39 Information relating to Contract Work-in-progress	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(i) Aggregate amount of cost incurred and recognised profits less recognised losses	8,836	8,287	6,575
(ii) The amount of customer advances	*	*	9
(iii) The amount of retentions due from customers	773	887	674
(iv) Gross amount due from customers for contract work as an asset	299	378	86
(v) Gross amount due to customers for contract work as a liability	-	33	191

*Amounts are below the rounding off norm adopted by the Company

40 Employee Benefits:

(I) Post Employment Defined Benefit Plans:

(A) Gratuity (Funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the plan, the Gratuity Fund Trusts, administered and managed by the Trustees and funded primarily with Life Insurance Corporation of India (LICI), make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Trustees are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 2(t)(ii) above, based upon which, the Company makes contributions to the Employees' Gratuity Funds.

The following table sets forth the particulars in respect of the Gratuity Plan (Funded) of the Company:

(Rs. in Lakhs)

	2016-17	2015-16
(a) Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation:		
Present Value of Obligation at the beginning of the year	2,922	2,730
Current Service Cost	229	192
Interest Cost	220	200
Remeasurements Losses		
Actuarial Losses arising from Changes in Financial Assumptions	219	-
Actuarial Losses arising from Changes in Experience Adjustments	55	88
Benefits Paid	(164)	(288)
Present Value of Obligation at the end of the year	**3,481**	**2,922**
(b) Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets:		
Fair Value of Plan Assets at the beginning of the year	2,637	2,427
Interest Income	209	189
Remeasurements Gains		
Return on Plan Assets (excluding amount included in Net Interest Cost)	7	5
Contributions by Employer	291	304
Benefits Paid	(164)	(288)
Fair Value of Plan Assets at the end of the year	**2,980**	**2,637**
(c) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:		
Present Value of Obligation at the end of the year	3,481	2,922
Fair Value of Plan Assets at the end of the year	2,980	2,637
Liabilities Recognised in the Balance Sheet	**501**	**285**

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

		2016-17	2015-16
(d)	**Actual Return on Plan Assets**	**216**	**194**
(e)	**Expense recognised in the Other Comprehensive Income:**		
	Remeasurements Losses (Net)	267	83
		267	**83**
(f)	**Expense Recognised in Profit or Loss:**		
	Current Service Cost	229	192
	Net Interest Cost	11	11
	Total @	**240**	**203**
	@ Recognised under 'Contribution to Provident and Other Funds' in Note 27.		
(g)	**Category of Plan Assets:**	In %	In %
	Funded with LICI	99.28	99.59
	Cash and Cash Equivalents	0.72	0.41
		100.00	**100.00**
(h)	**Maturity Profile of Defined Benefit Obligation:**		
	Within 1 year	244	96
	1-2 year	1,164	1,027
	2-5 years	1,654	1,529
	Over 5 years	4,546	3,440

		31st March, 2017	31st March, 2016	1st April, 2015
(i)	**Principal Actuarial Assumptions:**			
	Discount Rate	7.00%	7.75%	7.75%
	Salary Growth Rate	7.00%	7.00%	7.00%

Assumptions regarding future mortality experience are based on mortality tables of 'Indian Assured Lives Mortality (2006-2008) published by the Institute of Actuaries of India.

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

(j)	**Sensitivity Analysis**	**Change in Assumption**	**Impact on defined benefit obligation (2016-17)**	**Impact on defined benefit obligation (2015-16)**
	Discount Rate	Increase by 1%	Decrease by Rs. 287 Lakhs	Decrease by Rs. 236 Lakhs
		Decrease by 1%	Increase by Rs. 332 Lakhs	Increase by Rs. 273 Lakhs
	Salary Growth Rate	Increase by 1%	Increase by Rs. 328 Lakhs	Increase by Rs. 272 Lakhs
		Decrease by 1%	Decrease by Rs. 289 Lakhs	Decrease by Rs. 240 Lakhs

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(k) The Company expects to contribute Rs. 757 Lakhs (Previous Year - Rs. 692 Lakhs) to the funded gratuity plans during the next financial year.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(I) The weighted average duration of the defined benefit obligation as at 31st March, 2017 is 9.82 years (31st March, 2016 – 9.84 years, 1st April, 2015 - 9.88 years).

(B) Provident Fund

Contributions towards provident funds are recognised as expense for the year. The Company has set up Provident Fund Trusts in respect of certain categories of employees which are administered by Trustees. Both the employees and the Company make monthly contributions to the Funds at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/nominees at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company.

In view of the Company's obligation to meet shortfall, if any, on account of interest, Provident Fund Trusts set up by the Company are treated as defined benefit plans.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, an amount of Rs. 28 Lakhs (31st March, 2016 - Rs. 22 Lakhs, 1st April, 2015- Rs. 22 Lakhs) has been provided towards future anticipated shortfall with regard to interest rate obligation of the Company as at the Balance Sheet date. Further during the year, the Company's contribution of Rs. 30 Lakhs (Previous year – Rs. 30 Lakhs) to the Provident Fund Trusts has been expensed under the 'Contribution to Provident and Other Funds' in Note 27. Disclosures given hereunder are restricted to the information available as per the Actuary's Report -

Principal Actuarial Assumptions	31st March, 2017	31st March, 2016	1st April, 2015
Discount Rate	6.62% & 6.54%	7.17% & 7.40%	7.87% & 7.80%
Expected Return on Exempted Fund	9.10% & 8.11%	8.46% & 8.44%	8.87% & 8.78%
Expected Guranteed Interest Rate	8.65%	8.80%	8.75%

(II) Post Employment Defined Contribution Plans

(A) Superannuation Fund

Certain categories of employees of the Company participate in superannuation, a defined contribution plan administered by the Trustees. The Company makes quarterly contributions based on a specified percentage of each covered employee's salary. The Company has no further obligations under the plan beyond its annual contributions.

(B) Provident Fund

Certain categories of employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions.

During the year, an amount of Rs. 842 Lakhs (Previous Year- Rs. 797 Lakhs) has been recognised as expenditure towards above defined contribution plans of the Company.

(III) Leave Obligations

The Company provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Company's policy. The Company records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement.

The total provision recorded by the Company towards this obligation was Rs. 1,679 Lakhs, Rs. 1,389 Lakhs and Rs.1,339 Lakhs as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 respectively. The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

	31st March, 2017	31st March, 2016	1st April, 2015
Leave provision not expected to be settled within the next 12 months	1,515	1,252	1,184

(IV) Risk Exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

Discount Rate Risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually inrease the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Salary Growth Risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Demographic Risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

41 Segment Information

A. Description of Segments and Principal Activities

The Company's Executive Director examines the Company's performance on the basis of its business and has identified three reportable segments:

a) **Graphite and Carbon Segment,** engaged in the production of Graphite Electrodes, Other Miscellaneous Graphite & Carbon Products and related Processing/Service Charges.

b) **Glass Reinforced Plastic (GRP) Pipes Segment,** engaged in manufacturing/laying of GRP Pipes, and

c) **Others Segment** engaged in manufacturing of High Speed Steel & Alloy Steel and Power Generating Unit exclusively for outside sale.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements. Also, the Company's borrowings (including finance costs), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

Sales between segments are carried out on cost plus appropriate margin and are eliminated on consolidation. The segment revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are measured in the same way as in the standalone financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the assets.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

B. Segment Revenues, Segment Result and Other Information as at/for the year:-

(Rs. in Lakhs)

	Graphite and Carbon		GRP Pipes		Others		Total	
	2016-17	**2015-16**	**2016-17**	**2015-16**	**2016-17**	**2015-16**	**2016-17**	**2015-16**
Revenue from Operations								
External Sales	1,23,421	1,26,239	6,318	5,969	7,147	7,432	1,36,886	1,39,640
Other Operating Revenues	2,288	2,821	1	2	-	1	2,289	2,824
	1,25,709	1,29,060	6,319	5,971	7,147	7,433	1,39,175	1,42,464
Inter Segment Sales	31	15	7	6	-	-	38	21
Segment Revenues	**1,25,740**	**1,29,075**	**6,326**	**5,977**	**7,147**	**7,433**	**1,39,213**	**1,42,485**
Segment Results	**5,328**	**13,967**	**2,119**	**556**	**(36)**	**101**	**7,411**	**14,624**
Reconciliation to Profit before Tax:								
Net Gain on Investments Carried at Fair Value through Profit or Loss							4,705	2,852
Fair Value Gains on Derivatives Not Designated as Hedges							296	202
Finance Costs							(650)	(784)
Other Un-allocable Expenditure (Net)							(619)	(2,444)
Profit before Tax							**11,143**	**14,450**
Depreciation and Amortisation	**3,734**	**3,969**	**171**	**221**	**91**	**82**	**3,996**	**4,272**
Unallocable							160	170
Total							**4,156**	**4,442**
Non-cash Expenses other than Depreciation and Amortisation	**872**	**944**	**86**	**64**	**32**	**64**	**990**	**1,072**
Unallocable							*	1
Total							**990**	**1,073**
Interest Income	**211**	**256**	**620**	**34**	**50**	**6**	**881**	**296**
Unallocable							1,229	68
Total							**2,110**	**364**
Segment Assets	**1,51,507**	**1,59,693**	**4,465**	**5,705**	**10,196**	**9,277**	**1,66,168**	**1,74,675**
Reconciliation to Total Assets:								
Investments							66,392	53,735
Derivative Instruments							-	183
Other Unallocable Assets							5,736	2,564
Total							**2,38,296**	**2,31,157**
Segment Liabilities	**27,659**	**22,183**	**1,640**	**1,868**	**1,688**	**1,136**	**30,987**	**25,187**
Reconciliation to Total Liabilities:								
Borrowings							12,682	17,992
Current Tax Liabilities (Net)							78	3,844
Deferred Tax Liabilities (Net)							8,403	8,816
Other Unallocable Liabilities							960	1,185
Total							**53,110**	**57,024**

*Amounts are below the rounding off norm adopted by the Company

Segment Assets and Liabilities as at 1st April, 2015	**Assets**	**Liabilities**
Graphite and Carbon	1,80,060	23,428
GRP Pipes	3,757	1,250
Others	9,528	2,025
Reconciliation to Total Assets/Liabilities:		
Investments	44,966	-
Borrowings	-	24,787
Current Tax Assets/Liabilities (Net)	-	3,897
Deferred Tax Assets/Liabilities (Net)	-	9,809
Other Unallocable Assets/Liabilities	1,059	1,045
	2,39,370	**66,241**

Notes to Standalone Financial Statements for the year ended 31st March, 2017

C. Entity-wide Disclosures:-

(Rs. in Lakhs)

		2016-17	2015-16
(i)	The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below:		
	India	84,155	75,294
	Rest of the world	52,731	64,346
		1,36,886	**1,39,640**

(ii) All non-current assets of the Company (excluding Financial Assets) are located in India.

(iii) No customer individually accounted for more than 10% of the revenues from external customers during the years ended 31st March, 2017 and 31st March, 2016

42 Related Party Disclosures:

(i) Related Parties -

Name	Relationship
Where control exists:	
Emerald Company Limited (ECL) #	Immediate and Ultimate Parent Company
Carbon Finance Limited #	Wholly Owned Subsidiary Company
Graphite International B.V. (GIBV) ##	Wholly Owned Subsidiary Company
Bavaria Carbon Holdings GmbH @	Wholly Owned Subsidiary Company of GIBV
Bavaria Carbon Specialities GmbH @	Wholly Owned Subsidiary Company of GIBV
Bavaria Electrodes GmbH @	Wholly Owned Subsidiary Company of GIBV
Graphite Cova GmbH @	Wholly Owned Subsidiary Company of GIBV
# Principal place of business - India	
## Principal place of business - The Netherlands	
@ Principal place of business - Germany	
Mr. K.K.Bangur, Chairman	Individual owning an interest in the voting power of ECL that gives him control over the Company, Ultimate Controlling Party (UCP)
Others with whom transactions have taken place during the year:	
Shree Laxmi Agents Limited	Fellow Subsidiary
Carbo Ceramics Limited	Associate of ECL
Ms. Manjushree Bangur, Ms. Divya Bagri, Ms. Aparna Daga and Ms. Rukmani Devi Bangur	Relatives of UCP
GKW Limited and B.D. Bangur Endowment	Entities under significant influence of UCP
Mr. M.B.Gadgil	Key Management Personnel - Executive Director (ED)
Mr. P.K. Khaitan, Mr. N.S. Damani, Mr. A.V. Lodha, Dr. R. Srinivasan, Mr. Gaurav Swarup, Mr. N. Venkataramani, Mr. J. D. Curravala, Ms. Shalini Kamath and Ms. Renu Challu (till 1st October, 2015)	Key Management Personnel - Non-executive Directors (NED)
Ms. Amrutha Venkataramani N. and Ms.Yasmin Jemi Curravala	Relatives of NED
Mr. M.C. Darak, Mr. S. Marda and Mr. B. Shiva	Key Management Personnel (KMP) of ECL
Mr. R.G. Darak	Relative of KMP of ECL
Graphite India Limited Employees' Gratuity Fund	Post-employment Benefit Plans (PEBP)
Graphite Vicarb India Limited Employees' Gratuity Fund	
Graphite India Limited (PSD) Employees' Gratuity Fund	
Graphite India Employees Group Gratuity Scheme	
Graphite India Limited Senior Staff Superannuation Fund	
Graphite India Employees Group Superannuation Scheme	
Graphite India Limited Provident Fund	
GIL Officers Provident Fund	

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

(ii) Particulars of transactions during the year	2016-17	2015-16
(A) Immediate and Ultimate Parent Company		
Dividend Paid	-	4,547
(B) Wholly Owned Subsidiary Companies		
Graphite Cova GmbH		
Sale of Goods	5,739	6,583
Purchase of Raw Materials	2,015	377
Purchase of Stores and Spare Parts	-	19
Royalty Income	232	281
Guarantee Fee Income	121	120
Recoveries/(Reimbursement) of Expenses (Net)	3	(4)
Corporate Guarantee given	-	1,127
Carbon Finance Limited		
Rent Expense	109	109
Bavaria Electrodes GmbH		
Sale of Goods	7	-
Total	**8,226**	**8,612**
(C) Fellow Subsidiary		
Dividend Paid	-	35
(D) Associate of ECL		
Dividend Paid	-	15
(E) UCP		
Dividend Paid	-	20
Sitting Fees	2	2
Commission	60	100
Total	**62**	**122**
(F) Relative of UCP		
Dividend Paid		
Ms. Manjushree Bangur	-	10
Ms. Divya Bagri	-	7
Ms. Aparna Daga	-	7
Ms. Rukmani Devi Bangur	-	2
Total	**-**	**26**
(G) Entities under significant influence of UCP		
Dividend Paid		
GKW Limited	-	80
Contributions made		
B.D. Bangur Endowment	84	102
Total	**84**	**182**
(H) ED		
Dividend Paid	-	*
Remuneration		
- Short Term Employee Benefits	172	159
- Post Employment Benefits	21	19
Total	**193**	**178**

*Amounts are below the rounding off norm adopted by the Company.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

(ii) Particulars of transactions during the year	2016-17	2015-16
(I) NED		
Dividend Paid		
Mr. N. Venkataramani	-	*
Mr. J. D. Curravala	-	*
Sitting Fees		
Mr. N.S. Damani	1	1
Mr. A.V. Lodha	2	2
Dr. R. Srinivasan	2	2
Mr. P.K. Khaitan	1	2
Mr. N. Venkataramani	2	2
Mr. J. D. Curravala	2	1
Mr. Gaurav Swarup	1	1
Ms. Renu Challu	-	1
Ms. Shalini Kamath	1	*
Commission		
Mr. N.S. Damani	2	2
Mr. A.V. Lodha	3	3
Dr. R. Srinivasan	3	3
Mr. P.K. Khaitan	2	2
Mr. N. Venkataramani	10	10
Mr. J. D. Curravala	3	3
Mr. Gaurav Swarup	2	2
Ms. Shalini Kamath	2	2
Total	**39**	**39**
(J) Relatives of NED		
Dividend Paid		
Ms. Amrutha Venkataramani N	-	*
Ms.Yasmin Jemi Curravala	-	*
	-	*****
(K) KMP of ECL		
Remuneration		
Mr. M.C. Darak	18	17
Mr. S. Marda	20	18
Mr. B. Shiva	40	38
Dividend Paid		
Mr. B. Shiva	-	*
Total	**78**	**73**
(L) Relative of KMP of ECL		
Remuneration		
Mr. R.G. Darak	15	14
(M) PEBP		
Contributions Made		
Graphite India Limited Employees' Gratuity Fund	223	199
Graphite Vicarb India Limited Employees' Gratuity Fund	14	39
Graphite India Limited (PSD) Employees' Gratuity Fund	19	15
Graphite India Employees Group Gratuity Scheme	35	51
Graphite India Limited Senior Staff Superannuation Fund	164	172
Graphite India Employees Group Superannuation Scheme	82	86
Graphite India Limited Provident Fund	7	7
GIL Officers Provident Fund	23	23
Total	**567**	**592**

*Amounts are below the rounding off norm adopted by the Company.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(iii) Balances outstanding

(Rs. in Lakhs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(A) Wholly Owned Subsidiary Companies			
Graphite Cova GmbH			
Trade Receivables	2,736	3,011	2,425
Investments in Shares	4,537	4,537	4,537
Other Financial Assets	140	146	220
Trade Payables	883	170	347
Other Financial Liabilities	8	2	8
Outstanding Corporate Guarantees	17,679	19,151	16,145
Carbon Finance Limited			
Investments in Shares	3,004	3,004	3,004
Total	**28,987**	**30,021**	**26,686**
(B) UCP			
Other Current Liabilities	60	100	103
(C) ED			
Other Current Liabilities	73	71	81
(D) NED			
Other Current Liabilities			
Mr. N.S. Damani	2	2	2
Mr. A.V. Lodha	3	3	3
Dr. R. Srinivasan	3	3	3
Mr. P.K. Khaitan	2	2	2
Mr. N. Venkataramani	10	10	15
Mr. J.D. Curravala	3	3	3
Mr. Gaurav Swarup	2	2	2
Ms. Shalini Kamath	2	2	-
Ms. Renu Challu	-	-	2
Total	**27**	**27**	**32**
(E) PEBP			
Other Current Liabilities			
Graphite India Limited Provident Fund	-	10	-
GIL Officers Provident Fund	4	6	4
Total	**4**	**16**	**4**

*Amounts are below the rounding off norm adopted by the Company.

(iv) Terms and conditions of transactions with related parties

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The sales to and purchases from related parties are made in the ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. No provisions are held against receivables from related parties. There are no loans outstanding with related parties. Refer Note 38(b) for corporate guarantees provided for a subsidiary company.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

43 Fair Value Measurements

(Rs. in Lakhs)

(i) Financial Instruments by Category

	Note No	31st March, 2017 Carrying Amount/ Fair Value	31st March, 2016 Carrying Amount/ Fair Value	1st April, 2015 Carrying Amount/ Fair Value
Financial Assets				
Assets Carried at Fair Value through Profit or Loss				
Investments				
-Equity Instruments	6	12	-	-
-Mutual Funds	6	58,839	41,301	37,425
Advance against Investments in Equity	11	-	12	-
Foreign Exchange Forward Contracts	11	-	183	-
Assets Carried at Amortised Cost				
Investments				
-Government Securities	6	*	*	*
-Preference Shares	6	-	-	-
-Commercial Papers	6	-	4,893	-
Trade Receivables	7	40,681	43,160	38,197
Cash and Cash Equivalents	8	88	145	802
Other Bank Balances	9	4,018	432	332
Loans	10	1,161	1,064	1,043
Other Financial Assets	11	428	439	365
Total Financial Assets		**1,05,227**	**91,629**	**78,164**
Financial Liabilities				
Liabilities Carried at Amortised Cost				
Borrowings (including current maturities and interest accrued)	15,17	12,700	18,038	24,830
Trade Payables	16	21,262	15,941	18,681
Other Financial Liabilities	17	1,669	2,001	859
Total Financial Liabilities		**35,631**	**35,980**	**44,370**

* Amounts are below the rounding off norm adopted by the Company

(ii) Fair Values

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. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2016.

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

(a) 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.

(b) The fair value of foreign exchange forward contracts is determined using forward exchange rates at the Balance Sheet date.

(c) The management assessed that fair values, of trade receivables, cash and cash equivalents, other bank balances, other financial assets (current), investments in commercial papers, trade payables, borrowings (current) and other financial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments. Further, management also assessed the carrying amount of certain loans and long-term borrowings at floating interest rates which are a reasonable approximation of their fair values and the difference between the carrying amounts and fair values is not expected to be significant.

(d) The fair value of remaining financial instruments is determined on discounted cash flow analysis using a current lending/discount rate, as considered appropriate.

For financial assets carried at fair value, the carrying amounts are equal to their fair values.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(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 standalone 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 three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds. The mutual funds are valued using the closing Net Asset Value.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, 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 level 1 and level 2 fair value measurements during the year ended 31st March, 2017 and 31st March, 2016.

(Rs. in Lakhs)

		31st March, 2017			**31st March, 2016**			**1st April, 2015**		
		Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
(a)	**Recognised and Measured at Fair Value - Recurring Measurements**									
	Financial Assets									
	Investments									
	-Mutual Funds - Growth plan	58,839			41,301			37,425		
	-Unquoted Equity Investments			12						
	Advance against Investments in Equity			-			12			-
	Foreign Exchange Forward Contracts		-			183			-	
		58,839	**-**	**12**	**41,301**	**183**	**12**	**37,425**	**-**	**-**
(b)	**Amortised Cost for which Fair Values are Disclosed**									
	Financial Assets									
	Investments									
	-Government Securities		*			*			*	
	-Unquoted Preference Shares		-			-			-	
		-	*****	**-**	**-**	*****	**-**	**-**	*****	**-**

Fair value measurements using significant unobservable inputs (Level 3)

Fair valuation of unquoted equity investments is based on valuation done by an external valuer using discounted cash flow method. A change in significant unobservable inputs used in such valuation (mainly earnings growth rate and risk adjusted discount rate) is not expected to have a material impact on the fair values of such assets as disclosed above.

*Amounts are below the rounding-off norm adopted by the Company

44 Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk. In order to safeguard against any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered as per Company's policy to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Company's senior management oversees the management of above risks. The senior executives working to manage the financial risks are accountable to the Audit Committee and the Board of Directors. This process provides assurance to the Company's senior management that the Company's financial risks-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and the Company's risk appetite.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(A) 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).

Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by each business unit subject to the Company's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience with customers.

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of total revenues.

Other Financial Assets

Credit risk from balances with banks, term deposits, loans, investments and derivative instruments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements. The Company monitors ratings, credit spreads and financial strength of its counterparties.

The Company's maximum exposure to credit risk for the components of the Balance Sheet as of 31st March, 2017, 31st March, 2016, and 1st April, 2015 is the carrying amounts as disclosed in Note 43 except for the financial guarantees. The Company's maximum exposure to financial guarantees is given in Note 44(B)(ii).

Financial Assets that are Neither Past Due Nor Impaired

None of the Company's cash equivalents with banks, loans and investments were past due or impaired as at 31st March, 2017, 31st March, 2016 and 1st April, 2015. Of the total trade receivables, Rs. 23,507 Lakhs as at 31st March, 2017, Rs. 19,623 Lakhs as at 31st March, 2016 and Rs.18,482 Lakhs as at 1st April, 2015 consisted of customer balances that were neither past due nor impaired.

Financial Assets that are Past Due but Not Impaired

The Company's credit period for customers generally ranges from 0 - 180 days. The ageing of trade receivables that are past due but not impaired (net of provisions/allowances) is given below:

(Rs. in Lakhs)

Period (in days)	31st March, 2017	31st March, 2016	1st April, 2015
1-90	13,698	13,719	15,230
91-180	2,742	7,399	3,632
More than 180	734	2,419	853
	17,174	**23,537**	**19,715**

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

(Rs. in Lakhs)

Reconciliation of Loss Allowance Provision — Trade Receivables	Allowance for Expected Credit Losses	Provision for Doubtful Debts
Opening Balance as at 1st April, 2015	591	428
Provision/Allowance made during the year ended 31st March, 2016	466	348
Provision/Allowance written back/reversed during the year ended 31st March, 2016	-	(26)
Closing Balance as at 31st March, 2016	**1,057**	**750**
Provision/Allowance made during the year ended 31st March, 2017	-	342
Provision/Allowance written back/reversed during the year ended 31st March, 2017	(128)	(52)
Closing Balance as at 31st March, 2017	**929**	**1,040**

The impairment provision for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market condition as well as forward looking estimates at the end of each reporting period.

(B) 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) Financing Arrangements

The Company had access to the following undrawn borrowing facilities (excluding non-fund based facilities) at the end of the reporting period:

(Rs. in Lakhs)

	31st March, 2017	31st March, 2016	1st April, 2015
Floating Rate			
-Expiring within one year (working capital facilities)	30,318	25,008	28,601
	30,318	**25,008**	**28,601**

The working capital facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the above facilities may be drawn at any time within one year.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(ii) Maturities of Financial Liabilities

The table 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.

(Rs. in Lakhs)

Contractual Maturities of Financial Liabilities	Within 1 year	Between 1 and 3 years	Total
31st March, 2017			
Borrowings	12,682	-	12,682
Trade Payables	21,084	178	21,262
Other Financial Liabilities @	1,826	2	1,828
Financial Guarantee Contracts*	17,679	-	17,679
Total	**53,271**	**180**	**53,451**
31st March, 2016			
Borrowings	17,992	-	17,992
Trade Payables	15,816	125	15,941
Other Financial Liabilities @	2,246	1	2,247
Financial Guarantee Contracts*	19,151	-	19,151
Total	**55,205**	**126**	**55,331**
1st April, 2015			
Borrowings (Including Current Maturities) #	20,657	4,172	24,829
Trade Payables	18,681	-	18,681
Other Financial Liabilities @	1,114	83	1,197
Financial Guarantee Contracts*	16,145	-	16,145
Total	**56,597**	**4,255**	**60,852**

@ Includes contractual interest payment based on interest rate prevailing at the end of the reporting period amounting to Rs. 141 Lakhs, Rs. 200 Lakhs and Rs. 295 Lakhs as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 respectively.

Includes transaction cost adjustment on borrowings amounting to Rs. 42 Lakhs.

* Based on the maximum amount that can be called for under the financial guarantee contracts.

(C) Market Risk

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currencies (primarily US Dollars and Euro). The Company has obtained foreign currency loans and has foreign currency trade receivables, trade payables and other financial assets/liabilities and is therefore exposed to foreign currency risk.

The Company strives to achieve asset-liability offset of foreign currency exposures and only the net position is hedged where considered necessary. The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure per established risk management policy.

The Company uses forward exchange contracts to hedge the effects of movements in foreign exchange rates on foreign currency denominated assets and liabilities.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(a) Foreign Currency Risk Exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

(Rs. in Lakhs)

	31st March, 2017			31st March, 2016			1st April, 2015		
	USD	Euro	CAD	USD	Euro	CAD	USD	Euro	CAD
Financial Assets									
Trade Receivables	5,885	6,131	83	7,496	4,096	131	10,306	3,296	476
Bank Balance in EEFC Accounts	1	-	-	-	-	-	-	-	-
Other Financial Assets	-	140	-	-	153	-	-	220	-
Derivative Assets									
Foreign Exchange Forward Contracts	-	-	-	(4,643)	-	-	-	-	-
Net Exposure to Foreign Currency Risk (Assets)	**5,886**	**6,271**	**83**	**2,853**	**4,249**	**131**	**10,306**	**3,516**	**476**
Financial Liabilities									
Borrowings (including Current Maturities)	498	1,872	-	1,815	3,529	-	15,257	2,691	-
Trade Payables	5,433	1,107	18	4,076	271	11	4,098	393	60
Other Financial Liabilities	235	22	-	575	25	10	154	34	62
Derivative Liabilities									
Foreign Exchange Forward Contracts	-	-	-	-	-	-	-	-	-
Net Exposure to Foreign Currency Risk (Liabilities)	**6,166**	**3,001**	**18**	**6,466**	**3,825**	**21**	**19,509**	**3,118**	**122**
Net Exposure to Foreign Currency Risk (Assets - Liabilities)	**(280)**	**3,270**	**65**	**(3,613)**	**424**	**110**	**(9,203)**	**398**	**354**

(b) Sensitivity

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments.

(Rs. in Lakhs)

	Impact on profit before tax	
	31st March, 2017	31st March, 2016
USD Sensitivity		
INR/USD -Increase by 7%*	(20)	(253)
INR/USD -Decrease by 7%*	20	253
Euro Sensitivity		
INR/EUR-Increase by 7%*	229	30
INR/EUR-Decrease by 7%*	(229)	(30)
CAD Sensitivity		
INR/CAD-Increase by 7%*	5	8
INR/CAD-Decrease by 7%*	(5)	(8)

* Holding all other variables constant

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's debt interest obligation. Further the Company engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. To manage this, the Company may enter into interest rate swaps. The management also maintains a portfolio mix of floating and fixed rate debt.

The Company's fixed rate borrowings and investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

(a) Interest Rate Risk Exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

(Rs. in Lakhs)

	31st March, 2017	31st March, 2016	1st April, 2015
Variable Rate Borrowings	4,687	3,028	16,828
Fixed Rate Borrowings	7,995	14,964	7,959
Total Borrowings	**12,682**	**17,992**	**24,787**

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

(Rs. in Lakhs)

	31st March, 2017			31st March, 2016			1st April, 2015		
	Weighted average interest rate (%)	Balance	% of Total Loan	Weighted average interest rate (%)	Balance	% of Total Loan	Weighted average interest rate (%)	Balance	% of Total Loan
Cash Credit/Packing Credit Facilities	5.08%	4,687	37%	9.78%	3,028	17%	5.48%	16,828	68%

An analysis by maturities is provided in Note 44(B)(ii) above. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(Rs. in Lakhs)

	Impact on profit before tax	
	31st March, 2017	31st March, 2016
Interest Rates - Increase by 100 basis points (100 bps) *	(47)	(30)
Interest Rates - Decrease by 100 basis points (100 bps) *	47	30

* Holding all other variables constant

(iii) 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 invests its surplus funds in various debt instruments. These comprise of mainly liquid schemes of mutual funds, short term debt funds & income funds (duration investments) and fixed deposits. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. 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.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

(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 (Note 43).

(b) Sensitivity

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

(Rs.in Lakhs)

	Impact on profit before tax	
	31st March, 2017	**31st March, 2016**
NAV - Increase by 1%*	588	413
NAV - Decrease by 1%*	(588)	(413)

* Holding all other variables constant

(iv) Commodity Price Risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's sales of graphite electrodes, including the raw material components for such products. Cost of raw materials forms the largest portion of the Company's cost of sales. Market forces generally determine prices for the graphite electrodes sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sales of graphite electrodes. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Company has not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

45 Capital Management

(a) Risk Management

The Company's objectives when managing capital are to

• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

• maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the net debt to equity ratio. Net debt are long-term and short-term debts as reduced by cash and cash equivalents. The Company is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Company:

(Rs. in Lakhs)

	31st March, 2017	**31st March, 2016**	**1st April, 2015**
Total Borrowings	12,682	17,992	24,787
Less: Cash and cash equivalents	(88)	(145)	(802)
Net Debt	**12,594**	**17,847**	**23,985**
Equity	**1,85,186**	**1,74,133**	**1,75,129**
Total Capital (Equity+ Net Debt)	**1,97,780**	**1,91,980**	**1,97,114**
Net Debt to Equity ratio	**7%**	**10%**	**14%**

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March, 2017 and 31st March, 2016.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

Loan Covenants

Under the terms of the major borrowing facilities as at 1st April, 2015, the Company was required to comply with the following financial covenants:

- Minimum Tangible Net Worth of Rs. 1,50,000 Lakhs.
- Maximum Total Gearing of 200%
- Maximum External Gearing of 150%
- Minimum Ratio of EBIT/Interest of 300%
- Maximum Ratio of Net Debt/EBITDA of 300%
- Minimum Debt Service Coverage Ratio of 150%

The Company had complied with these covenants as at 1st April, 2015.

(Rs. in Lakhs)

(b) Dividends on Equity Shares	**Year ended 31st March, 2017**	**Year ended 31st March, 2016**
Dividend Declared and Paid during the year		
Final dividend for the year ended 31st March, 2016 of Rs. Nil (31st March, 2015 – Rs. 2) per fully paid share	-	3,908
Dividend Distribution Tax on above	-	795
Interim dividend for the year ended 31st March, 2017 of Rs. Nil (31st March, 2016 – Rs. 2) per fully paid share	-	3,908
Dividend Distribution Tax on above	-	795
	-	**9,406**

Proposed Dividend Not Recognised at the End of the Reporting Period		
In addition to the above dividend, since year end the directors have recommended the payment of a final dividend of Rs. 2 per fully paid share (31st March, 2016 – Rs. Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	3,908	-
Dividend Distribution Tax on above	795	-

46 Assets Pledged as Security

The carrying amounts of assets pledged as security/collateral for current and non-current borrowings are:

	31st March, 2017	**31st March, 2016**	**1st April, 2015**
Current			
First Charge			
Financial Assets			
Trade Receivables under Bill Discounting (Refer below)	173	668	440
Other Trade Receivables	40,508	40,511	35,305
Non-financial Assets			
Inventories	51,263	58,846	80,804
Sub-total	**91,944**	**1,00,025**	**1,16,549**
Non-current			
First Charge/Second Charge #			
Plant and Equipments	40,678	34,197	36,676
Furniture and Fixtures	171	187	214
Office Equipments	83	126	171
Vehicles	190	243	298
Machinery Spares	*	*	*
Sub-total	**41,122**	**34,753**	**37,359**
Total	**1,33,066**	**1,34,778**	**1,53,908**

* Amounts are below the rounding off norm adopted by the Company.

First Charge existed as at 1st April, 2015 only for foreign currency term loans from a bank disclosed under Non-current Borrowings (Refer Note 15). Second Charge existed for all the periods presented for loans repayable on demand from banks disclosed under Current Borrowings (Refer Note 15).

Notes to Standalone Financial Statements for the year ended 31st March, 2017

Trade Receivables under Bill Discounting

The carrying amount of trade receivables include receivables which are subject to bill discounting arrangement. Under this arrangement, the Company has discounted the relevant receivables in exchange of cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise such receivables in their entirety in its balance sheet. The amount payable under the bill discounting arrangement is presented as secured borrowings (Refer Note 15).

47 First-time Adoption of Ind AS

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

The accounting policies set out in Note 2 have been applied in preparing the standalone financial statements for the year ended 31st March, 2017, the comparative information presented in these standalone financial statements for the year ended 31st March, 2016 and in the preparation of an opening Ind AS standalone balance sheet at 1st April, 2015 (the Company's date of transition). In preparing its opening Ind AS standalone balance sheet, the Company has adjusted the amounts reported previously in the standalone financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP). An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Exemptions and Exceptions availed

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

A.1 Ind AS Optional Exemptions

A.1.1 Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A.1.2 Prospective Application of Ind AS 21 to Business Combinations

Ind AS 101 allows a first-time adopter not to apply Ind AS 21 'The Effects of Changes in Foreign Exchange Rates' retrospectively for business combinations that occurred before the date of transition to Ind AS.

The Company has elected to apply this exemption.

A.1.3 Deemed Cost for Property, Plant and Equipment and Intangible Assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the standalone financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets'.

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

A.1.4 Investments in Subsidiaries

Ind AS 101 permits a first-time adopter to elect to measure its investments in subsidiaries at fair value of such investments at the Company's date of transition to Ind AS or Previous GAAP carrying amount at that date and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure its investments in Graphite International B.V. at its fair value as at 1st April, 2015 and its investments in Carbon Finance Limited at its Previous GAAP carrying value as at 1st April, 2015.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

A.1.5 Exchange Differences on Long-term Foreign Currency Monetary Items

Under Previous GAAP, an alternative accounting treatment was provided to companies with respect to exchange differences arising on restatement of long-term foreign currency monetary items. Exchange differences on account of depreciable assets could be added/deducted from the cost of the depreciable asset, which would then be depreciated over the balance life of the asset. In other cases, the exchange difference could be accumulated in a foreign currency monetary item translation difference account, and amortised over the balance period of such long term asset/ liability. Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the standalone financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

The Company has elected to apply this exemption for such items recognised in the standalone financial statements up to 31st March, 2016.

A.2 Ind AS Mandatory Exceptions

A.2.1 Estimates

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

Ind AS estimates as at 1st April, 2015 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

- Investments in equity and debt instruments carried at FVPL; and
- Impairment of financial assets (trade receivables) based on expected credit loss model.
- Investments in Graphite International B.V. carried at deemed cost based on fair value as at 1st April, 2015 (Refer A.1.4)
- Determination of the fair value for financial assets/liabilities carried at amortised cost.

A.2.2 De-recognition of Financial Assets and Liabilities

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

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

A.2.3 Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has assessed the same accordingly.

B Reconciliations between Previous GAAP and Ind AS

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

Notes to Standalone Financial Statements for the year ended 31st March, 2017

Reconciliation of Equity as at the Date of Transition (1st April, 2015)

(Rs. in Lakhs)

ASSETS	Note	Previous GAAP*	Adjustments	Ind AS
Non - current Assets				
Property, Plant and Equipment @		57,164	-	57,164
Capital Work-in-progress		959	-	959
Intangible Assets		169	-	169
Financial Assets				
Investments	a,b	21,306	(6,200)	15,106
Loans		828	-	828
Other Financial Assets		12	-	12
Other Non - current Assets		1,230	-	1,230
Total Non - current Assets		**81,668**	**(6,200)**	**75,468**
Current Assets				
Inventories		85,499	-	85,499
Financial Assets				
Investments	a	26,700	3,160	29,860
Trade Receivables	d	38,788	(591)	38,197
Cash and Cash Equivalents		802	-	802
Other Bank Balances		332	-	332
Loans		215	-	215
Other Financial Assets		353	-	353
Other Current Assets		8,644	-	8,644
Total Current Assets		**1,61,333**	**2,569**	**1,63,902**
TOTAL ASSETS		**2,43,001**	**(3,631)**	**2,39,370**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital		3,908	-	3,908
Other Equity @	j	1,70,273	(1,052)	1,69,221
TOTAL EQUITY		**1,74,181**	**(1,052)**	**1,73,129**
Non - current Liabilities				
Financial Liabilities				
Borrowings	e	4,172	(12)	4,160
Other Financial Liabilities		1	-	1
Deferred Tax Liabilities (Net) @	i	7,643	2,166	9,809
Total Non - current Liabilities		**11,816**	**2,154**	**13,970**
Current Liabilities				
Financial Liabilities				
Borrowings		14,399	-	14,399
Trade Payables		18,681	-	18,681
Other Financial Liabilities	e	7,159	(30)	7,129
Provisions	f	6,367	(4,703)	1,664
Current Tax Liabilities (Net)		3,897	-	3,897
Other Current Liabilities		6,501	-	6,501
Total Current Liabilities		**57,004**	**(4,733)**	**52,271**
TOTAL LIABILITIES		**68,820**	**(2,579)**	**66,241**
TOTAL EQUITY AND LIABILITIES		**2,43,001**	**(3,631)**	**2,39,370**

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

@ Balances as per Previous GAAP is after considering adjustment as at 1st April, 2015 due to componentisation as per Schedule II to the Act which was given effect during the year ended 31st March, 2016.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

Reconciliation of Equity as at 31st March, 2016

(Rs. in Lakhs)

ASSETS	Note	Previous GAAP*	Adjustments	Ind AS
Non - current Assets				
Property, Plant and Equipment		53,936	-	53,936
Capital Work-in-progress		6,549	-	6,549
Intangible Assets		152	-	152
Financial Assets				
Investments	a,b	17,275	(6,517)	10,758
Loans		801	-	801
Other Financial Assets		19	-	19
Other Non - current Assets		763	-	763
Total Non - current Assets		**79,495**	**(6,517)**	**72,978**
Current Assets				
Inventories		63,202	-	63,202
Financial Assets				
Investments	a	37,633	5,344	42,977
Trade Receivables	d	44,217	(1,057)	43,160
Cash and Cash Equivalents		145	-	145
Other Bank Balances		432	-	432
Loans		263	-	263
Other Financial Assets	c	432	183	615
Other Current Assets		7,385	-	7,385
Total Current Assets		**1,53,709**	**4,470**	**1,58,179**
TOTAL ASSETS		**2,33,204**	**(2,047)**	**2,31,157**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital		3,908	-	3,908
Other Equity	j	1,73,808	(3,583)	1,70,225
TOTAL EQUITY		**1,77,716**	**(3,583)**	**1,74,133**
Non - current Liabilities				
Financial Liabilities				
Trade Payables		125	-	125
Other Financial Liabilities		1	-	1
Deferred Tax Liabilities (Net)	i	7,280	1,536	8,816
Total Non - current Liabilities		**7,406**	**1,536**	**8,942**
Current Liabilities				
Financial Liabilities				
Borrowings		17,992	-	17,992
Trade Payables		15,816	-	15,816
Other Financial Liabilities		2,046	-	2,046
Provisions		1,696	-	1,696
Current Tax Liabilities (Net)		3,844	-	3,844
Other Current Liabilities		6,688	-	6,688
Total Current Liabilities		**48,082**	**-**	**48,082**
TOTAL LIABILITIES		**55,488**	**1,536**	**57,024**
TOTAL EQUITY AND LIABILITIES		**2,33,204**	**(2,047)**	**2,31,157**

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

Notes to Standalone Financial Statements for the year ended 31st March, 2017

Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016

(Rs. in Lakhs)

	Note	Previous GAAP*	Adjustments	Ind AS
Revenue from Operations	g	1,34,668	7,796	1,42,464
Other Income	a, c	2,600	2,050	4,650
Total Revenue		**1,37,268**	**9,846**	**1,47,114**
Expenses				
Cost of Materials Consumed		45,991	-	45,991
Purchases of Stock-in-trade		90	-	90
Changes in Inventories of Finished Goods and Work-in-progress		12,808	-	12,808
Excise Duty	g	-	7,796	7,796
Employee Benefits Expense	h	13,614	(83)	13,531
Finance Costs	e	742	42	784
Depreciation and Amortisation Expense		4,442	-	4,442
Other Expenses	d	46,756	466	47,222
Total Expenses		**1,24,443**	**8,221**	**1,32,664**
Profit before Tax		**12,825**	**1,625**	**14,450**
Income Tax Expense				
Current Tax	h	4,950	29	4,979
Deferred Tax	i	(363)	(630)	(993)
Profit for the Year		**8,238**	**2,226**	**10,464**
Other Comprehensive Income, Net of Tax	k	**-**	(54)	(54)
Total Comprehensive Income for the Year		**8,238**	**2,172**	**10,410**

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

Reconciliation of Total Equity as at 31st March, 2016 and 1st April, 2015

	Note	31st March, 2016	1st April, 2015
Total Equity (Shareholders' Funds) as per Previous GAAP @		**1,77,716**	**1,74,181**
Adjustments:			
Fair Valuation of Investments	a,b	(1,173)	(3,040)
Fair Valuation of Derivatives	c	183	-
Allowance for Expected Credit Losses on Trade Receivables	d	(1,057)	(591)
Proposed Dividend (including Dividend Distribution Tax)	f	-	4,703
Borrowings - Transaction Cost Adjustment	e	-	42
Deferred Tax effects on Adjustments, etc.	i	(1,536)	(2,166)
Total Adjustments		**(3,583)**	**(1,052)**
Total Equity as per Ind AS		**1,74,133**	**1,73,129**

@ After considering Rs. 1,180 Lakhs (net of tax) as at 1st April, 2015 being adjustment due to componentisation as per Schedule II to the Companies Act, 2013.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016

	Note	(Rs. in Lakhs) 31st March, 2016
Profit for the Year as per Previous GAAP		**8,238**
Adjustments:		
Fair Valuation of Investments (other than subsidiaries)	a	1,867
Fair Valuation of Derivatives	c	183
Allowance for Expected Credit Losses on Trade Receivables	d	(466)
Borrowings - Transaction Cost Adjustment	e	(42)
Remeasurements on Post Employment Benefit Obligations	h	83
Tax effects of Adjustments, etc.	h,i	601
Total Adjustments		**2,226**
Profit for the Year as per Ind AS		**10,464**
Other Comprehensive Income	k	**(54)**
Total Comprehensive Income as per Ind AS		**10,410**

Impact of Ind AS adoption on the Cash Flow Statement for the year ended 31st March, 2016

There were no material differences between the Cash Flow Statement presented under Ind AS and the Previous GAAP.

C Notes to First-time Adoption

a Fair Valuation of Investments (Other than Investments in Subsidiaries)

Under the Previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments (other than investments in subsidiaries) are required to be measured at fair value considering the Company's business model and contractual terms of the cash flows. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March, 2016. This increased the investments (non-current) by Rs. 534 Lakhs as at 31st March, 2016 (1st April, 2015 - Rs. 851 Lakhs) and investments (current) by Rs. 5,344 Lakhs as at 31st March, 2016 (1st April, 2015 - Rs. 3,160 Lakhs) with corresponding increase in retained earnings by Rs. 5,878 Lakhs as at 31st March, 2016 (1st April, 2015 - Rs. 4,011 Lakhs). The profit for the year ended 31st March, 2016 increased by Rs. 1,867 Lakhs as a result of the fair value changes on investments (other than investments in subsidiaries).

b Fair Valuation of Investments in Graphite International B.V.

Under the Previous GAAP, investments in Graphite International B.V., a subsidiary company, were classified as long-term investments and carried at cost. Under Ind AS, the Company has elected to measure such investments at its fair value as at 1st April, 2015. The resulting fair value adjustment of such investments have been recognised in retained earnings at the date of transition. This decreased investments (non-current) and retained earnings by Rs. 7,051 Lakhs as at 31st March, 2016 (1st April, 2015 - Rs. 7,051 Lakhs).

c Fair Valuation of Derivatives

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss. The fair valuation of derivatives resulted in a gain of Rs. 183 Lakhs as at 31st March, 2016 (1st April, 2015 - Rs. Nil). Consequently, the total equity as at 31st March, 2016 increased by Rs. 183 Lakhs (1st April, 2015- Rs. Nil). The profit for the year ended 31st March, 2016 increased by Rs. 183 Lakhs as a result of the fair value change on such derivatives.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

d Trade Receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance on trade receivables. As a result, the allowance for expected credit losses was recognised amounting to Rs. 1,057 Lakhs as at 31st March, 2016 (1st April, 2015 - Rs. 591 Lakhs). Consequently, the total equity as at 31st March, 2016 decreased by Rs. 1,057 Lakhs (1st April, 2015 - Rs. 591 Lakhs) and profit for the year ended 31st March, 2016 decreased by Rs. 466 Lakhs.

e Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Accordingly, long-term borrowings as at 31st March, 2016 have been reduced by Rs. Nil [1st April, 2015 — Rs. 42 Lakhs (including Rs. 30 Lakhs for current maturities)] with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended 31st March, 2016 decreased by Rs. 42 Lakhs as a result of the additional interest expense.

f Proposed Dividend

Under the Previous GAAP, dividend proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend including dividend distribution tax thereon was recognised as a provision. Under Ind AS, such dividend is recognised when the same is approved by the shareholders in the general meeting. Accordingly, the provision for proposed dividend including dividend distribution tax thereon of Rs. Nil as at 31st March, 2016 (1st April, 2015 — Rs. 4,703 Lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

g Excise Duty

Under the Previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of products is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31st March, 2016 by Rs. 7,796 Lakhs. There is no impact on the total equity and profit.

h Remeasurements of Post-employment Benefit Obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on net defined benefit obligations are recognised in other comprehensive income instead of profit or loss. Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2016 increased by Rs. 54 Lakhs (net of current tax Rs. 29 Lakhs). There is no impact on the total equity as at 31st March, 2016.

i Deferred Tax

Under the Previous GAAP, deferred tax was accounted using the income statement approach, on timing differences between the taxable profit and accounting profit for the year. Under Ind AS, deferred tax is recognised following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments have also led to recognition of deferred taxes on new temporary differences. Deferred tax assets on unused capital loss was also not created as it did not meet the recognition criteria under the Previous GAAP. However under Ind AS, deferred tax asset on such item is recognised to the extent its meets the recognition criteria under Ind AS 12. Accordingly, deferred tax liabilities (net) as at 31st March, 2016 have been increased by Rs. 1,536 Lakhs (1st April, 2015 - Rs. 2,166 Lakhs) with a corresponding adjustment to retained earnings. The total equity decreased by an equivalent amount.

The above adjustments increased deferred tax benefit recognised in profit or loss by Rs. 630 Lakhs for the year ended 31st March, 2016.

Notes to Standalone Financial Statements for the year ended 31st March, 2017

j Retained Earnings

Retained earnings as at 1st April, 2015 and as at 31st March, 2016 has been adjusted consequent to above Ind AS transition adjustments.

k Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as other comprehensive income includes remeasurements on post-employment defined benefit plans. The concept of other comprehensive income did not exist under Previous GAAP. Accordingly, remeasurements on post-employment defined benefit plans for the year ended 31st March, 2016 amounting to Rs. 54 Lakhs (net of current tax of Rs. 29 Lakhs) have been recognised in other comprehensive income.

48 Pending completion of the relevant formalities of transfer of certain assets and liabilities of Powmex Steels Undertaking of GKW Limited (GKW) acquired pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court at Calcutta vide Order of 22nd May, 2009, such assets and liabilities remain included in the books of the Company under the name of GKW (including another company, erstwhile Powmex Steels Limited, which was amalgamated with GKW in earlier years).

For PRICE WATERHOUSE
Firm Registration Number - 301112E
Chartered Accountants

(Pinaki Chowdhury)
Partner
Membership No. 57572
Kolkata - 18th May, 2017

For and on behalf of the Board of Directors of Graphite India Limited

S. W. Parnerkar
Sr. Vice President-Finance

B. Shiva
Company Secretary

M. B. Gadgil
Executive Director

K. K. Bangur
Chairman

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GRAPHITE INDIA LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of **Graphite India Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"); (refer Note 4 to the attached consolidated Ind AS financial statements), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the consolidated Ind AS financial statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

8. We did not audit the financial statements/financial information of two subsidiaries whose financial statements/ financial information reflect total assets of Rs. 28,141 Lakhs and net assets of Rs. 8,888 Lakhs as at March 31, 2017, total revenue of Rs. 24,789 Lakhs, net loss (including other comprehensive income) of Rs. 3,989 Lakhs and net cash flows amounting to Rs. (480) Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

   Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

9. The comparative financial information of the Group for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 12, 2016 and May 14, 2015 respectively. The adjustments to those consolidated financial statements for the differences in accounting principles adopted by the Holding Company on transition to the Ind AS have been audited by us, and other auditors (for the financial statements/ financial information of two subsidiaries as considered in the consolidated Ind AS financial statements).

   Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements.

   (b) In our opinion, proper books of account as required by law maintained by the Holding Company and its subsidiary included in the Group incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the report of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiary included in the Group incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

   (d) In our opinion, the aforesaid consolidated 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 of the Holding Company taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary included in the Group incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary included in the Group incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

   (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and according to the explanations given to us:

      i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group – Refer Note 37 to the consolidated Ind AS financial statements.

      ii. The Group did not have any material foreseeable losses on long-term contracts as at March 31, 2017. The Group did not have derivative contracts as at March 31, 2017.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2017. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company's subsidiary included in the Group incorporated in India during the year ended March 31, 2017.

iv. The Group has provided requisite disclosures in the consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Holding Company, and its subsidiary company, incorporated in India and as produced to us by the Management – Refer Note 35 to the consolidated Ind AS financial statements.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
May 18, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Graphite India Limited on the consolidated Ind AS financial statements for the year ended March 31, 2017

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Graphite India Limited (hereinafter referred to as "the Holding Company") and its subsidiary company which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Holding Company's and its subsidiary company's, incorporated in India, 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") issued by the ICAI and the Standards on Auditing 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 ICAI. 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.

4. 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 financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary company's, incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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

8. In our opinion, the Holding Company and its subsidiary company, which is a company incorporated in India, have, 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, 2017, 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.

Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
May 18, 2017

CONSOLIDATED BALANCE SHEET as at 31st March, 2017

(Rs. in Lakhs)

ASSETS	Note	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non - current Assets				
Property, Plant and Equipment	5.1	66,554	58,878	61,941
Capital Work-in-progress	5.2	3,206	6,549	959
Goodwill	6	63	63	63
Other Intangible Assets	6	122	179	225
Financial Assets				
Investments	7	6,558	4,536	11,135
Loans	11	832	801	828
Other Financial Assets	12	6	19	12
Deferred Tax Assets (Net)	22.2	293	194	258
Other Non - current Assets	14	1,345	1,315	1,613
Total Non - current Assets		**78,979**	**72,534**	**77,034**
Current Assets				
Inventories	13	60,209	74,851	99,172
Financial Assets				
Investments	7	56,543	42,977	29,860
Trade Receivables	8	44,146	47,424	42,670
Cash and Cash Equivalents	9	1,136	1,673	2,816
Other Bank Balances	10	4,018	432	332
Loans	11	329	2,764	216
Other Financial Assets	12	430	626	447
Current Tax Assets (Net)	20.2	15	51	73
Other Current Assets	14	8,545	7,559	8,859
Total Current Assets		**1,75,371**	**1,78,357**	**1,84,445**
TOTAL ASSETS		**2,54,350**	**2,50,891**	**2,61,479**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	15.1	3,908	3,908	3,908
Other Equity	15.2	1,81,848	1,74,890	1,75,843
TOTAL EQUITY		**1,85,756**	**1,78,798**	**1,79,751**
LIABILITIES				
Non - current Liabilities				
Financial Liabilities				
Borrowings	16	-	-	4,160
Trade Payables	17	178	125	-
Other Financial Liabilities	18	2	1	1
Provisions	19	285	315	315
Deferred Tax Liabilities (Net)	22.1	8,501	8,828	9,826
Total Non - current Liabilities		**8,966**	**9,269**	**14,302**
Current Liabilities				
Financial Liabilities				
Borrowings	16	**25,923**	30,234	26,239
Trade Payables	17	**21,662**	17,117	20,935
Other Financial Liabilities	18	**2,327**	2,612	7,685
Provisions	19	**2,208**	1,696	1,664
Current Tax Liabilities (Net)	20.1	**78**	3,898	3,908
Other Current Liabilities	21	**7,430**	7,267	6,995
Total Current Liabilities		**59,628**	62,824	67,426
TOTAL LIABILITIES		**68,594**	72,093	81,728
TOTAL EQUITY AND LIABILITIES		**2,54,350**	2,50,891	2,61,479

The accompanying Notes form an integral part of the Consolidated Balance Sheet.

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

For PRICE WATERHOUSE
Firm Registration Number - 301112E
Chartered Accountants

For and on behalf of the Board of Directors of Graphite India Limited

(Pinaki Chowdhury)
Partner
Membership No. 57572
Kolkata - 18th May, 2017

S. W. Parnerkar
Sr. Vice President-Finance

B. Shiva
Company Secretary

M. B. Gadgil
Executive Director

K. K. Bangur
Chairman

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2017

(Rs. in Lakhs)

	Note	Year ended 31st March, 2017	Year ended 31st March, 2016
Revenue from Operations	23	1,55,374	1,61,023
Other Income	24	8,648	4,944
Total Income		**1,64,022**	**1,65,967**
Expenses			
Cost of Materials Consumed	25	55,241	50,677
Purchases of Stock-in-trade	26	-	90
Changes in Inventories of Finished Goods and Work-in-progress	27	3,266	13,845
Excise Duty		8,598	7,796
Employee Benefits Expense	28	22,254	20,116
Finance Costs	29	789	946
Depreciation and Amortisation Expense	30	4,639	4,920
Other Expenses	31	62,060	55,040
Total Expenses		**1,56,847**	**1,53,430**
Profit before Tax		**7,175**	**12,537**
Income Tax Expense	32		
Current Tax		558	5,189
Deferred Tax		(429)	(934)
Profit for the Year		**7,046**	**8,282**
Other Comprehensive Income			
Items that will not be Reclassified to Profit or Loss			
Remeasurements on Post-employment Defined Benefit Plans	40	(269)	(59)
Income Tax on Above	32	93	23
Items that will be Reclassified to Profit or Loss		**(176)**	**(36)**
Exchange Differences on Translation of Foreign Operations	15.2	88	207
Total Other Comprehensive Income, Net of Tax		**(88)**	**171**
Total Comprehensive Income for the Year		**6,958**	**8,453**
Attributable to Owners of Graphite India Limited:			
Profit for the Year		7,046	8,282
Other Comprehensive Income for the Year		(88)	171
Total Comprehensive Income for the Year		6,958	8,453
Earnings per Equity Share (Nominal Value Rs. 2/- per Share)	33		
Basic (Rs.)		3.61	4.24
Diluted (Rs.)		3.61	4.24

The accompanying Notes form an integral part of the Consolidated Statement of Profit and Loss.

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

For PRICE WATERHOUSE
Firm Registration Number - 301112E
Chartered Accountants

(Pinaki Chowdhury)
Partner
Membership No. 57572
Kolkata - 18th May, 2017

For and on behalf of the Board of Directors of Graphite India Limited

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Sr. Vice President-Finance

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Executive Director

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Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2017

(Rs. in Lakhs)

	Equity Share Capital [Refer Note 15.1]	Other Equity [Refer Note 15.2]							
		Reserves and Surplus						Other Reserve	Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium Account	General Reserve	Reserve Fund	Retained Earnings	Foreign Currency Translation Reserve	
As at 1st April, 2015	**3,908**	**46**	**575**	**20,097**	**1,26,150**	**430**	**28,545**	**-**	**1,75,843**
Profit for the Year	-	-	-	-	-	-	8,282	-	8,282
Other Comprehensive Income (Net of Tax) -Remeasurements on Post-employment Defined Benefit Plans	-	-	-	-	-	-	(36)	-	(36)
-Exchange Differences on Translation of Foreign Operations	-	-	-	-	-	-	-	207	207
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**-**	**-**	**8,246**	**207**	**8,453**
<u>Transactions with Owners in their Capacity as Owners:</u>									
Final Dividend on Equity Shares for the Financial Year 2014-15 [Refer Note 45(b)]	-	-	-	-	-	-	(3,908)	-	(3,908)
Dividend Distribution Tax on Above	-	-	-	-	-	-	(795)	-	(795)
Interim Dividend on Equity Shares for the Financial Year 2015-16 [Refer Note 45(b)]	-	-	-	-	-	-	(3,908)	-	(3,908)
Dividend Distribution Tax on Above	-	-	-	-	-	-	(795)	-	(795)
Transfer from Retained Earnings	-	-	-	-	7,500	58	(7,558)	-	-
As at 31st March, 2016	**3,908**	**46**	**575**	**20,097**	**1,33,650**	**488**	**19,827**	**207**	**1,74,890**
Profit for the Year	-	-	-	-	-		7,046	-	7,046
Other Comprehensive Income (Net of Tax) -Remeasurements on Post-employment Defined Benefit Plans	-	-	-	-	-		(176)	-	(176)
-Exchange Differences on Translation of Foreign Operations	-	-	-	-	-	-	-	88	88
Total Comprehensive Income for the Year	**-**	**-**	**-**	**-**	**-**		**6,870**	**88**	**6,958**
<u>Transactions with Owners in their Capacity as Owners:</u>									
Transfer from Retained Earnings	-	-	-	-	-	51	(51)	-	-
As at 31st March, 2017	**3,908**	**46**	**575**	**20,097**	**1,33,650**	**539**	**26,646**	**295**	**1,81,848**

The accompanying Notes form an integral part of the Consolidated Statement of Changes in Equity.

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

For PRICE WATERHOUSE
Firm Registration Number - 301112E
Chartered Accountants

For and on behalf of the Board of Directors of Graphite India Limited

(Pinaki Chowdhury)
Partner
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Kolkata - 18th May, 2017

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CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2017

(Rs. in Lakhs)

	Year ended 31st March, 2017	Year ended 31st March, 2016
A. Cash Flows from Operating Activities		
Profit before Tax	7,175	12,537
Adjustments for:		
Depreciation and Amortisation Expense	4,639	4,920
Finance Costs	789	946
Bad Debts/Advances Written Off	395	41
Provision for Doubtful Debts	342	348
Interest Income Classified as Investing Cash Flows	(298)	(135)
Net Gain on Investments Carried at Fair Value through Profit or Loss	(5,036)	(3,056)
Fair Value Gains on Derivatives Not Designated as Hedges (Unrealised)	-	(183)
Liabilities No Longer Required Written Back	(645)	(397)
Provision for Doubtful Debts Written Back	(52)	(26)
Allowance Made/(Reversed) for Expected Credit Losses on Trade Receivables	(128)	466
(Gain)/Loss on Disposal of Property, Plant and Equipment (Net)	(121)	(1)
Write Downs of Inventories to Net Realisable Value	401	1,384
Foreign Exchange Differences (Net)	(151)	320
Operating Profit before Changes in Operating Assets and Liabilities	**7,310**	**17,164**
Changes in Operating Assets and Liabilities:		
Increase/(Decrease) in Trade Payables	5,217	(4,000)
Increase/(Decrease) in Other Financial Liabilities	(249)	846
Increase/(Decrease) in Provisions	237	(62)
Increase in Other Current Liabilities	252	274
Decrease in Inventories	13,821	23,692
(Increase)/Decrease in Trade Receivables	2,136	(4,905)
(Increase)/Decrease in Loans	2,404	(2,521)
Decrease in Other Financial Assets	144	165
(Increase)/Decrease in Other Non-current Assets	(8)	2
(Increase)/Decrease in Other Current Assets	(993)	1,323
Cash Generated from Operations	**30,271**	**31,978**
Income Taxes Paid	(4,249)	(5,153)
NET CASH FROM OPERATING ACTIVITIES	**26,022**	**26,825**
B. Cash Flows from Investing Activities		
Payments for Acquisition of Property, Plant and Equipment/Intangible Assets	(8,783)	(5,569)
Proceeds on Disposal of Property, Plant and Equipment	141	63
Payments for Purchase of Investments	(88,086)	(55,078)
Proceeds from Sale/Redemption of Investments	77,544	51,617
Interest Received	339	6
Advance Against Investments in Equity	-	(12)
Proceeds from Maturity of Deposits with Banks	-	3
Payments for Placing of Deposits with Banks	(3,700)	-
NET CASH USED IN INVESTING ACTIVITIES	**(22,545)**	**(8,970)**

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2017

(Rs. in Lakhs)

	Year ended 31st March, 2017	Year ended 31st March, 2016
C. Cash Flows from Financing Activities		
Dividend Paid	-	(7,816)
Dividend Distribution Tax Paid	-	(1,590)
Finance Costs Paid	(817)	(943)
Repayment of Long-term Borrowings	-	(11,201)
Short-term Borrowings-Receipts/(Payments)	(3,102)	2,343
NET CASH USED IN FINANCING ACTIVITIES	**(3,919)**	**(19,207)**
D. Exchange Differences on Translation of Foreign Currency		
Cash and Cash Equivalents	**(95)**	**209**
Net Cash Outflow	**(537)**	**(1,143)**
Cash and Cash Equivalents - Opening (Refer Note 9)	**1,673**	**2,816**
Cash and Cash Equivalents - Closing (Refer Note 9)	**1,136**	**1,673**
	(537)	**(1,143)**

(a) The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

(b) Payments for Acquisition of Property, Plant and Equipment/Intangible Assets do not include Rs. Nil (Previous Year - Rs. 143 Lakhs) relating to adjustment of Payables with Trade Receivables being a non-cash item.

(c) Payments for Purchase of Investments do not include Rs. 12 Lakhs (Previous Year - Rs. Nil) relating to adjustment of advance paid in previous year.

The accompanying Notes form an integral part of the Consolidated Cash Flow Statement.

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

For PRICE WATERHOUSE
Firm Registration Number - 301112E
Chartered Accountants

(Pinaki Chowdhury)
Partner
Membership No. 57572
Kolkata - 18th May, 2017

For and on behalf of the Board of Directors of Graphite India Limited

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Chairman

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

1 Group Background

Graphite India Limited (the 'Parent Company') is a public limited company, incorporated and domiciled in India. The equity shares of the Parent Company are listed on the National Stock Exchange of India Limited and the BSE Limited in India. The registered office of the Parent Company is located at 31, Chowringhee Road, Kolkata - 700 016, West Bengal, India.

The Parent Company and its subsidiaries (collectively referred to as 'the Group') are mainly engaged in the business of manufacturing and selling of graphite & carbon and other products as detailed under segment information in Note 41.

The consolidated financial statements were approved and authorised for issue in accordance with the resolution of the Parent Company's Board of Directors on 18th May, 2017.

2 Significant Accounting Policies

This Note provides a list of the significant accounting policies adopted in the preparation of the consolidated 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 consolidated 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 Standards) Rules, 2015] and other provisions of the Act.

The consolidated financial statements up to year ended 31st March, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP).

These consolidated financial statements are the first consolidated financial statements of the Group under Ind AS. Refer Note 47 for an explanation of how the transition from Previous GAAP to Ind AS has impacted the Group's financial position, financial performance and cash flows.

(ii) Historical Cost Convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

-Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.

-Defined benefit plans - plan assets measured at fair value.

(iii) Current versus Non-current Classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) expected to be realised or intended to be sold or consumed in the normal operating cycle,

b) held primarily for the purpose of trading,

c) expected to be realised within twelve months after the reporting period, or

d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) it is expected to be settled in the normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period, or

d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

(iv) Rounding of Amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs (Rs. 00,000) as per requirement of Schedule III, unless otherwise stated.

(b) Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(ii) Manner of Consolidation

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Ind AS 12, 'Income Taxes' applies to temporary differences that arise from the elimination of profits and losses resulting from intercompany transactions.

(iii) Goodwill Arising on Consolidation

Goodwill is initially recognised at cost and is subsequently measured at cost less impairment losses, if any. Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired. An impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discounts, rebates, value added taxes and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of Products

Revenue from sale of products is recognised when the significant risks and rewards of ownership of the products have passed to the buyer as per the terms of contract.

Sale of Services

Revenue from services rendered is recognised as the services are rendered and is booked based on agreements/ arrangements with the concerned parties.

Other Operating Revenues

Export entitlements (arising out of Duty Drawback, Merchandise Export from India and Focus Market Schemes) are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(d) Construction Contracts

Contract revenue is measured at the fair value of the consideration received or receivable. Variations in contract work are included in contract revenue when it is probable that the customer will approve the variation as well as the amount of revenue arising from the variation and the amount of revenue can be reliably measured. Claims are included in contract revenue to the extent that it is probable that the customer will accept the claim and the amount that is probable to be accepted by the customer can be measured reliably.

The Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

(e) Property, Plant and Equipment

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

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

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation Method, Estimated Useful Lives and Residual Values

Depreciation is calculated on a pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual values, over their estimated useful lives in accordance with Schedule II to the Act. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item.

Estimated useful lives of the assets are as follows:

Buildings	-	3 to 60 years
Plant and Equipments	-	5 to 40 years
Furniture and Fixtures	-	10 years
Vehicles	-	8 to 10 years
Office Equipments	-	3 to 6 years

Leasehold land is amortised on straight-line basis over the primary lease period ranging from 60 to 999 years.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss within 'Other Income'/'Other Expenses'.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other non-current assets and the cost of property, plant and equipment not ready to use are disclosed under 'Capital Work-in-progress'.

(f) Intangible Assets

Intangible assets (Computer Software) has a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Computer Software

Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation/system integration services, where applicable.

Amortisation Method and Period

Computer software are amortised on a pro-rata basis using the straight-line method over their estimated useful life of 5 years, from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end.

Research and Development

Research costs are expensed as incurred. Expenditure on development that do not meet the specified criteria under Ind AS 38 on 'Intangible Assets' are recognised as an expense as incurred.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at 1st April, 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

(g) 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 group of assets (cash-generating units).

(h) Leases

As A Lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Investments and Other Financial Assets

(i) Classification

The Group 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 to be measured at amortised cost.

The classification depends on the Group'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 Group 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 Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

the cash flow characteristics of the asset. There are three measurement categories into which the Group 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 instrument 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 profit or 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 Group subsequently measures all equity investments at fair value. Where the Group'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 'Other Income' in the Statement of Profit and Loss.

(iii) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 44(A) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of Financial Assets

A financial asset is derecognised only when

-the Group 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 entity has transferred an asset, the Group 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 entity 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 Group has not retained control of the financial asset. Where the Group 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

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend

Dividend is 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 Group, and the amount of the dividend can be measured reliably.

(vi) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Group 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.

(k) Derivative Instruments

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Derivative Instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income'/'Other Expenses'.

(l) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the respective entities in the Group or the counterparty.

(m) 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.

(n) Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, 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.

(o) Trade Payables

Trade payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(q) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(r) Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is the Parent Company's functional and the Group's presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences (other than relating to long-term foreign currency monetary items recognised up to 31st March, 2016) arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit or loss.

Exchange differences arising on reporting of long-term foreign currency monetary items recognised up to 31st March, 2016 (i) relating to acquisition of depreciable capital assets is adjusted to the carrying amount of such assets (to be depreciated over the balance life of the related asset) and (ii) in other cases accumulated in a 'Foreign Currency Monetary Item Translation Difference Account' (to be amortised over the balance period of the related long-term monetary asset/liability). All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within 'Other Income'/'Other Expenses'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group Companies

The results and financial position of foreign operations (none of which has a currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates
- all resulting exchange differences are recognised in other comprehensive income

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(s) Employee Benefits

(i) Short-term Employee Benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as 'Employee Benefits Payable' under 'Other Current Liabilities' in the Balance Sheet.

(ii) Post-employment Benefits

Defined Benefit Plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupee is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. For benefits which are denominated in currancy other than Indian Rupee, the cash flows are discounted using market yields determined by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have termes approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

Defined Contribution Plans

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other Long-term Employee Benefits

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured annually by actuaries as the present value of expected future benefits in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented under 'Provisions' (Current) in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(t) Income Tax

The income tax expense 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, unused tax credits and to unused tax losses.

The current 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 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 consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred 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 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 tax asset is realised or the deferred tax liability is settled.

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

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

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 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 are 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.

(u) Provisions and Contingencies

Provisions are recognised when the Group 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 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.

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 Group 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.

(v) Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(w) Earnings per Share

(i) Basic Earnings per Share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Parent 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.

(x) Segment Reporting

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

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Executive Director of the Parent Company. Refer Note 41 for segment information presented.

(y) Recent Accounting Pronouncements

Standard issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows'. This amendment is in accordance with the recent amendments made by the International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows'. The amendements are applicable to the Group from April 1, 2017.

Amendments to Ind AS 7

The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from cash flows and non-cash charges, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Group is evaluating the requirements of the amendments and the effect on the consolidated financial statements is being evaluated.

3 Critical Estimates and Judgements

The preparation of consolidated 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 consolidated 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 consolidated financial statements.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

The areas involving critical estimates or judgements are:

- **Employee Benefits (Estimation of Defined Benefit Obligations) - Notes 2(s) and 40**

  Post-employment benefits represent obligations that will be settled in future and require assumptions to estinate benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of benefit costs over the employee's approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Group to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

- **Impairment of Trade Receivables — Notes 2(j)(iii) and 44(A)**

  Impairment of trade receivables is primarily estimated based on prior experience with and the past due status of receivables based on factors that include ability to pay and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

- **Estimation of Expected Useful Lives of Property, Plant and Equipment - Notes 2(e) and 5.1**

  Management reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

- **Contingencies - Notes 2(u) and 37**

  Legal proceedings covering a range of matters are pending against the Group. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Group often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. The Group consults with legal counsel and other experts on matters related to specific litigations where considered necessary. The Group 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.

- **Accounting for Construction Contracts under Percentage of Completion— Notes 2(d) and 39**

  The percentage of completion method is used to account for construction contracts. This method requires estimates of the final revenue and costs of the contract, as well as measurement of progress achieved to date as a proportion of the total work to be performed. The main uncertainty when assessing contract revenue is related to recoverable amounts from variation orders and claims payments which are recognised when, based on management's judgement, it is probable that they will result in revenue and are reliably measurable. This assessment is adjusted upon management's evaluation of liquidated damages to be imposed by customers typically relating to contractual delivery terms. Cost to complete depends on productivity factors and the cost of inputs, weather conditions, performance of subcontractors, etc. Experience reduces but does not eliminate the risk that estimates may change significantly.

  Deferred Taxes - Notes 2(t) and 22

  Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability. Further the Group does not recognise deferred tax liability with respect to unremitted retained earnings wherever it controls timing of the distribution of profit and it is probable that the subsidiaries will not distribute the profit in the foreseeable future.

- **Fair Value Measurements — Notes 2(j)(vi) and 43**

  When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

4. Group Information

The consolidated financial statements comprise the financial statements of the Parent Company and its wholly owned subsidiary companies as detailed below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the Group and the proportion of ownership interests held equals the voting rights held by the Group.

Name of the Entity	Place of Business / Country of Incorporation	Proportion of Ownership Interest held by the Group		Principal Business Activities
		2016-17	2015-16	
Indian:				
Carbon Finance Limited	India	100%	100%	To invest in securities and let out its properties.
Foreign:				
Graphite International B.V. (GIBV)	The Netherlands	100%	100%	To manage and finance its subsidiaries and exploit its trademarks and patents
Bavaria Electrodes GmbH @	Germany	100%	100%	To manufacture and market graphite electrodes, speciality products and other carbon and graphite products
Bavaria Carbon Holdings GmbH @	Germany	100%	100%	To facilitate manufacture and marketing graphite electrodes, speciality products and other carbon and graphite products
Bavaria Carbon Specialities GmbH @	Germany	100%	100%	To manufacture and market graphite electrodes, speciality products and other carbon and graphite products
Graphite Cova GmbH @	Germany	100%	100%	To manufacture and market graphite electrodes, speciality products and other carbon and graphite products

@ wholly owned subsidiaries of GIBV.

Name of the Entity	Net Assets i.e. Total Assets Minus Total Liabilities				Share in Profit or Loss				Share in Other Comprehensive Income				Share in Total Comprehensive Income			
	As % of Consolidated Net Assets		Amount (Rs. in Lakhs)		As % of Consolidated Profit or Loss		Amount (Rs. in Lakhs)		As % of Consolidated Other Comprehensive Income		Amount (Rs. in Lakhs)		As % of Consolidated Total Comprehensive Income		Amount (Rs. in Lakhs)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Parent																
Graphite India Limited	99.69%	97.39%	1,85,186	1,74,133	159.35%	126.35%	11,228	10,464	198.86%	-31.58%	(175)	(54)	158.85%	123.15%	11,053	10,410
Subsidiaries																
Indian																
Carbon Finance Limited	3.05%	3.02%	5,664	5,408	3.63%	3.43%	256	284	0.00%	0.00%	-	-	3.68%	3.36%	256	284
Foreign																
Graphite International B.V. #	1.74%	4.13%	3,224	7,381	-60.22%	-31.99%	(4,243)	(2,649)	2.27%	10.53%	(2)	18	-61.01%	-31.12%	(4,245)	(2,631)
Sub-total			**1,94,074**	**1,86,922**			**7,241**	**8,099**			**(177)**	**(36)**			**7,064**	**8,063**
Elimination/ Adjustments on Consolidation	-4.48%	-4.54%	(8,318)	(8,124)	-2.76%	2.21%	(195)	183	-101.13%	121.05%	89	207	-1.52%	4.61%	(106)	390
Grand Total			**1,85,756**	**1,78,798**			**7,046**	**8,282**			**(88)**	**171**			**6,958**	**8,453**

including its wholly owned subsidiaries.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

5 Property, Plant and Equipments

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

(Rs. in Lakhs)

	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Machinery Spares	Total
Year ended 31st March, 2016									
Gross Carrying Amount									
Deemed Cost as at 1st April, 2015 (Refer Note 5.3)	2,713	77	18,968	39,368	214	341	260	*	61,941
Additions	14	-	33	512	16	26	52	-	653
Exchange Differences (Refer Note 5.4)	46	-	271	859	-	5	11	-	1,192
Disposals	-	-	-	(56)	*	(8)	(5)	-	(69)
Closing Balance	**2,773**	**77**	**19,272**	**40,683**	**230**	**364**	**318**	*****	**63,717**
Accumulated Depreciation									
For the Year	-	2	922	3,672	42	85	108	-	4,831
Exchange Differences (Refer Note 5.5)	-	-	1	12	-	*	1	-	14
On Disposals	-	-	-	*	*	(1)	(5)	-	(6)
Closing Balance	**-**	**2**	**923**	**3,684**	**42**	**84**	**104**	**-**	**4,839**
Net Carrying Amount	**2,773**	**75**	**18,349**	**36,999**	**188**	**280**	**214**	*****	**58,878**
Year ended 31st March, 2017									
Gross Carrying Amount									
Opening Balance	2,773	77	19,272	40,683	230	364	318	*	63,717
Additions	6	-	2,442	9,875	10	159	53	-	12,545
Exchange Differences (Refer Note 5.4)	(35)	-	(28)	(263)	-	(12)	(12)	-	(350)
Disposals	-	-	-	(19)	(1)	(5)	(2)	-	(27)
Closing Balance	**2,744**	**77**	**21,686**	**50,276**	**239**	**506**	**357**	*****	**75,885**
Accumulated Depreciation									
Opening Balance	-	2	923	3,684	42	84	104	-	4,839
For the Year	-	2	939	3,413	27	85	91	-	4,557
Exchange Differences (Refer Note 5.5)	-	-	(3)	(48)	-	(2)	(5)	-	(58)
On Disposals	-	-	-	(3)	(1)	(2)	(1)	-	(7)
Closing Balance	**-**	**4**	**1,859**	**7,046**	**68**	**165**	**189**	**-**	**9,331**
Net Carrying Amount	**2,744**	**73**	**19,827**	**43,230**	**171**	**341**	**168**	*****	**66,554**

(Rs. in Lakhs)

5.2 **Capital Work-in-Progress**	**As at 31st March, 2017**	**As at 31st March, 2016**
Carrying Amount at the Beginning of the Year	6,549	959
Additions During the Year @	9,202	6,243
Capitalised During the Year	12,545	653
Carrying Amount at the End of the Year	**3,206**	**6,549**
@ Includes following costs incurred in the course of construction of an item of Property, Plant and Equipment:		
Salaries and Wages	76	9
Contribution to Provident and Other Funds	4	-
Rates and Taxes	6	5
Travelling and Conveyance	10	3
Contractors' Labour Charges	146	40
Miscellaneous Expenses	36	36

* Amounts are below the rounding off norm adopted by the Group.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

5.3 Deemed cost of Plant and Equipment as at 1st April, 2015 is after considering Rs. 1,749 Lakhs being adjustment due to revision in useful lives of certain Plant and Equipments due to componentisation as per Schedule II to the Act. Also refer Note 47(A.1.3).

5.4 Represents exchange differences of Rs. Nil (Previous Year - Rs. 795 Lakhs) arising on long-term foreign currency loans obtained for the purpose of acquisition of depreciable capital assets [Refer Note 2(r)(ii)] and foreign exchange adjustment arising on consolidation of foreign subsidiaries amounting to Rs. 350 Lakhs (Previous Year - Rs. 396 Lakhs).

5.5 Represents exchange differences on account of foreign exchange adjustment arising on consolidation of foreign subsidiaries.

5.6 The Group has taken borrowings from banks which carry charge over certain property, plant and equipment (Refer Note 46 for details).

5.7 Contractual obligations - Refer Note 38 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

5.8 Aggregate amount of depreciation for the year has been included under 'Depreciation and Amortisation Expense' in the Statement of Profit and Loss (Refer Note 30).

5.9 Title deeds of immovable properties set out in Note 5.1 above, where applicable, are in the name of the Group except as set out below which are in the name of Graphite Vicarb India Limited (GVIL)/Powmex Steels Limited (PSL). The immovable properties of GVIL/PSL, inter alia, got transferred to and vested in the Parent Company pursuant to the respective Schemes of Arrangement in earlier years.

(Rs. in Lakhs)

Particulars	Gross Carrying Amount			Net Carrying Amount		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Certain Freehold Land at Nashik and Titlagarh*	9	9	9	9	9	9
Certain Leasehold Land at Titlagarh	22	22	22	15	16	16

*A portion of the land at Titilagarh is under dispute on legal ownership [Rs. 267 Lakhs (31st March,2016 - Rs.267 Lakhs, 1st April, 2015 - Rs. 267 Lakhs) disclosed as contingent liability and included under 'Other Matters' in Note 37(i)(h)].

(Rs. in Lakhs)

6 Intangible Assets	Goodwill (Refer Note 6.1)	Computer Software - Acquired
Year ended 31st March, 2016		
Gross Carrying Amount		
Deemed Cost as at 1st April, 2015 [Also refer Note 47(A.1.3)]	63	225
Additions	-	38
Exchange Differences (Refer 6.3)	-	6
Closing Balance	**63**	**269**
Accumulated Amortisation		
For the Year	-	89
Exchange Differences (Refer 6.3)	-	1
Closing Balance	**-**	**90**
Net Carrying Amount	**63**	**179**
Year ended 31st March, 2017		
Gross Carrying Amount		
Opening Balance	63	269
Additions	-	26
Exchange Differences (Refer 6.3)	-	(5)
Closing Balance	**63**	**290**
Accumulated Amortisation		
Opening Balance	-	90
For the Year	-	82
Exchange Differences (Refer 6.3)	-	(4)
Closing Balance	**-**	**168**
Net Carrying Amount	**63**	**122**

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

6.1 Represents 'Goodwill arising on consolidation', out of which Rs. 55 Lakhs pertain to Carbon Finance Limited (a wholly owned subsidiary company engaged in the business of investment in securities and letting out its properties).

6.2 The amortisation for the year has been included under 'Depreciation and Amortisation Expense' in the Statement of Profit and Loss (Refer Note 30).

6.3 Represents exchange differences on account of foreign exchange adjustment arising on consolidation of foreign subsidiaries.

(Rs. in Lakhs)

7	**Investments**	**Face Value**	**Number**	**As at 31st March, 2017**	**As at 31st March, 2016**	**As at 1st April, 2015**
	Unquoted:					
	Non-current Investments					
	Investments in Equity Instruments					
	In Other Body Corporates #$					
	Sai Wardha Power Limited - Class A Equity Shares	Rs.10	24,76,558	-	-	-
	Greenko Bagewadi Wind Energies Private Limited	Rs.10	1,20,000	12	-	-
	Investments in Preference Shares					
	In Other Body Corporates @$					
	Sai Wardha Power Limited					
	0.01% Class A Redeemable Preference Shares	Rs.10	31,23,442	-	-	-
	Investments in Government Securities @ (Deposited with Government department as security)			*	*	*
	Investments in Mutual Funds #			6,546	4,536	11,135
				6,558	**4,536**	**11,135**
	Current Investments					
	Investments in Commercial Papers @			-	4,893	-
	Investments in Mutual Funds (Refer Note 7.2) #			56,543	38,084	29,860
				56,543	**42,977**	**29,860**
				63,101	**47,513**	**40,995**
	Aggregate Amount of Unquoted Investments			63,101	47,513	40,995
	@ Investments carried at Amortised Cost			*	4,893	*
	# Investments carried at Fair Value through Profit or Loss			63,101	42,620	40,995
	$ Original Share Certificates with the Issuer Company					

7.1 Refer Note 43 for information about fair value measurements and Note 44 for credit risk and market risk on investments.

7.2 Includes investments in 13,95,946.172 units of UTI Bond Fund-Growth (Face Value - Rs. 10/- each) with carrying amount of Rs. 697 Lakhs, Rs. 614 Lakhs and Rs. 585 Lakhs as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 respectively.

*Amounts are below the rounding off norm adopted by the Group

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

8 Trade Receivables	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured :			
Considered Good	45,075	48,481	43,261
Considered Doubtful	1,040	750	428
Less: Provision for Doubtful Debts	(1,040)	(750)	(428)
Less: Allowance for Expected Credit Losses	(929)	(1,057)	(591)
	44,146	**47,424**	**42,670**

8.1 Refer Note 46 for receivables secured against borrowings and Note 44 for information about credit risk and market risk on receivables.

9 Cash and Cash Equivalents

Balances with Banks	1,115	1,641	2,778
Cheques, Drafts on Hand	-	1	8
Cash on Hand	21	31	30
	1,136	**1,673**	**2,816**

9.1 There are no repatriation restrictions with regard to Cash and Cash Equivalents as at the end of the reporting period and prior periods.

10 Other Bank Balances

Unpaid Dividend Accounts @	318	432	332
Fixed Deposit Accounts (with original maturity of more than three months but less than twelve months)	3,700	-	-
	4,018	**432**	**332**

@ Earmarked for Payment of Unclaimed Dividend

11 Loans

Non-current			
Unsecured, Considered Good :			
Loans to Employees*	146	158	157
Security Deposits	686	643	671
	832	**801**	**828**
Current			
Unsecured, Considered Good :			
Loan to a Related Party (Refer Note 42)	-	2,500	-
Loans to Employees*	208	155	123
Security and Other Deposits	121	109	93
	329	**2,764**	**216**
	1,161	**3,565**	**1,044**
*Includes Dues from an Officer of the Parent Company	7	11	-

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

12 Other Financial Assets	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Unsecured, Considered Good :			
Advance against Investments in Equity*	-	12	-
Fixed Deposits with Banks**	6	6	9
(with Maturity of more than Twelve Months)			
(Lodged with Government Authority / Others)			
Accrued Interest on Fixed Deposits**	-	1	3
	6	**19**	**12**
Current			
Unsecured, Considered Good :			
Claims Receivable/Charges Recoverable**	256	273	408
Unbilled Revenue**	44	-	-
Derivative Instruments - Foreign Exchange Forward Contracts *	-	183	-
Accrued Interest on Investments**	-	65	-
Accrued Interest on Deposits			
with Banks**	79	4	2
with Others**	51	101	37
	430	**626**	**447**
	436	**645**	**459**
* Financial Assets carried at Fair Value through Profit or Loss	-	195	-
** Financial Assets carried at Amortised Cost	436	450	459

13 Inventories

- At Lower of Cost and Net Realisable Value			
Raw Materials	15,089	26,620	36,894
Work-in-progress	35,303	34,706	42,848
Finished Goods	7,743	11,606	17,309
Stores and Spares	2,017	1,860	2,051
Loose Tools	57	59	70
	60,209	**74,851**	**99,172**

13.1 Above includes Inventories in Transit:

Raw Materials	1,564	894	3,799
Work-in-progress	2,006	1,114	1,985
Finished Goods	2,717	3,700	2,685
Stores and Spares	43	43	25
13.2 Above includes Inventories carried at Fair Value Less Cost to Sell	5,167	9,686	2,486
13.3 Work-in-progress includes Contract Work-in-progress	255	389	121

13.4 Refer Note 46 for Information on Inventories Pledged as Security

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

14 Other Assets

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Unsecured, Considered Good :			
Capital Advances	1,328	1,306	1,602
Others			
Prepaid Expenses	17	9	11
	1,345	**1,315**	**1,613**
Current			
Unsecured, Considered Good :			
Export Entitlements Receivable	1,330	1,529	1,370
Balances with Government Authorities@	5,734	4,930	5,595
Advance to Suppliers/Service Providers (other than capital)	1,185	748	1,223
Prepaid/Advance for Expenses	296	352	671
	8,545	**7,559**	**8,859**
	9,890	**8,874**	**10,472**

@ Balances with Government Authorities primarily include amounts realisable from the excise, value added tax and customs authorities of India and the unutilised excise input credits on purchases. These are generally realised within one year or regularly utilised to offset the excise duty liability on goods manufactured by the Parent Company. Accordingly, these balances have been classified as current assets. Also includes Rs. 491 Lakhs as at 31st March, 2017 (31st March, 2016 - Rs. 491 Lakhs, 1st April, 2015 - Rs. 444 Lakhs) towards payments made to various Government Authorities under protest relating to certain indirect tax matters.

15.1 Equity Share Capital

Authorised			
20,00,00,000 Equity Shares of Rs. 2/- each Fully Paid-up @	4,000	4,000	4,000
Issued, Subscribed and Paid-up			
19,53,75,594 Equity Shares of Rs. 2/- each Fully Paid-up @	3,908	3,908	3,908
Add: Forfeited Shares	*	*	*
	3,908	**3,908**	**3,908**

@ There were no changes in number of shares during the years ended 31st March, 2017 and 31st March, 2016.

* Amounts are below the rounding off norm adopted by the Group.

(a) The Parent Company has one class of Equity Shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Parent Company, after distribution of all preferential amounts in proportion to their shareholding.

(b) Details of Equity Shares held by the holding company of Graphite India Limited and by subsidiary/associate of the holding company:	Number of Shares	Number of Shares	Number of Shares
Emerald Company Limited (ECL); the Immediate and Ultimate Holding Company	11,95,79,419	11,95,79,419	11,36,29,585
Shree Laxmi Agents Limited; a Subsidiary of ECL	8,84,000	8,84,000	8,84,000
Carbo Ceramics Limited; an Associate of ECL	3,86,645	3,86,645	3,86,645

(c) Details of Equity Shares held by Shareholders holding more than 5% of the aggregate shares in the Parent Company:	Number of Shares	Number of Shares	Number of Shares
Emerald Company Limited	11,95,79,419	11,95,79,419	11,36,29,585
	(61.20%)	(61.20%)	(58.16%)

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

15.2 Other Equity	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
-Reserves and Surplus			
Capital Reserve	46	46	46
Capital Redemption Reserve	575	575	575
Securities Premium Account	20,097	20,097	20,097
General Reserve [Refer (i) below]	1,33,650	1,33,650	1,26,150
Reserve Fund [Refer (ii) below]	539	488	430
Retained Earnings [Refer (iii) below]	26,646	19,827	28,545
	1,81,553	**1,74,683**	**1,75,843**
-Other Reserve			
Foreign Currency Translation Reserve [Refer (iv) below]	295	207	-
	1,81,848	**1,74,890**	**1,75,843**

(i) General Reserve - Movement during the year	As at 31st March, 2017	As at 31st March, 2016
Opening Balance @	1,33,650	1,26,150
Transfer from Retained Earnings	-	7,500
Closing Balance	**1,33,650**	**1,33,650**

@ Opening Balance as at 1st April, 2015 is after considering Rs. 1,180 Lakhs (net of tax) being adjustment due to componentisation as per Schedule II to the Act.

(ii) Reserve Fund - Movement during the year

Opening Balance	488	430
Transfer from Retained Earnings	51	58
Closing Balance	**539**	**488**

(iii) Retained Earnings - Movement during the year

Opening Balance	19,827	28,545
Profit for the Year	7,046	8,282
Items of Other Comprehensive Income recognised directly in Retained Earnings		
-Remeasurements on Post-employment Defined Benefit Plans, Net of Tax	(176)	(36)
Final Dividend on Equity Shares for the Financial Year 2014-15 [Refer Note 45(b)]	-	(3,908)
Dividend Distribution Tax on Above	-	(795)
Interim Dividend on Equity Shares for the Financial Year 2015-16 [Refer Note 45(b)]	-	(3,908)
Dividend Distribution Tax on Above	-	(795)
Transfer to General Reserve	-	(7,500)
Transfer to Reserve Fund	(51)	(58)
Closing Balance	**26,646**	**19,827**

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

(iv) Foreign Currency Translation Reserve - Movement during the year	As at 31st March, 2017	As at 31st March, 2016
Opening Balance [Refer Note 47(A.1.5)]	207	-
Exchange Differences on Translation of Foreign Operations during the year	88	207
Closing Balance	**295**	**207**

Nature and purpose of Each Reserve

Capital Reserve

Capital Reserve has been primarily created on amalgamation in earlier years.

Capital Redemption Reserve

The Act requires that where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve. The capital redemption reserve may be applied by the company, in paying up unissued shares of the company to be issued to shareholders of the company as fully paid bonus shares. The Parent Company established this reserve pursuant to the redemption of preference shares issued in earlier years.

Securities Premium Account

Securities Premium Account is used to record premium on issue of shares. This reserve may be utilised in accordance with the provisions of Section 52 of the Act.

General Reserve

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit 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 such 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.

Reserve Fund

Reserve Fund has been created in the books of a subsidiary in accordance with the requirements of Section 45-IC of Reserve Bank of India Act, 1934.

Foreign Currency Translation Reserve

Exchange difference arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer Note 2(r)(iii)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

16 Borrowings	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Secured			
Foreign Currency Term Loans from a Bank	-	-	10,388
(Secured by way of first charge on certain moveable fixed assets, both present and future, of the Parent Company)			
Terms of Repayment -			
(a) Total loan amount of Rs. 4,160 Lakhs as at 1st April, 2015 was repayable in February 2016. Interest was payable on quarterly basis at Libor plus 1.85% p.a.			
(b) Total loan amount of Rs. 6,228 Lakhs as at 1st April, 2015 was repayable in 3 equal annual instalments commencing from August 2015. Interest was payable on quarterly basis at Libor plus 2.10% p.a. The loan was fully repaid in February 2016.			
Foreign Currency Term Loans from Others	-	-	5
(Secured by certain movable fixed assets financed)			
Terms of Repayment -			
Total loan amount of Rs. 5 Lakhs as at 1st April, 2015 was repayable within one year.			
Total	**-**	**-**	**10,393**
Less: Current Maturities of Long-term Debt (Refer Note 18)	-	-	(6,233)
	-	**-**	**4,160**
Current			
Secured			
Loans Repayable on Demand from Banks*			
-Bill Discounting Facilities	173	668	440
-Cash Credit/Export Credit Facilities	2,668	6,777	10,383
Unsecured			
Loans Repayable on Demand from Banks			
- Working Capital Facilities (Export Credit, etc.)	21,210	21,123	15,416
Foreign Currency Term Loan from a Bank	1,872	1,666	-
	25,923	**30,234**	**26,239**
	25,923	**30,234**	**30,399**

*Secured -

(a) By a first pari passu charge by way of hypothecation of the Parent Company's entire current assets (for Parent Company's Powmex Steel Division situated at Titilagarh effective March 2017), namely, stocks of raw materials, such as Calcined Petroleum Coke, Pitch, Extrusion Oil etc, semi-finished and finished goods and articles such as, Graphite Electrodes, Anodes, Misc. Graphite Products etc, stores and spares not relating to plant and machinery (consumable stores and spares), Bills receivable and Book debts and all other movable of the Parent Company both present and future but excluding such movables as may be permitted by the said Banks from time to time ;

(b) By a second pari passu charge on the Parent Company's movable fixed assets (for Parent Company's Powmex Steel Division situated at Titilagarh effective March 2017) including movable plant and machinery, machinery spares, tools and accessories, electrical and other equipments etc, (save and except the current assets which are already hypothecated/to be hypothecated in favour of the said Banks as and by way of first charge) lying and/or stored and/or situated at the Parent Company's different units, godowns/factories and/or premises or in the possession of any third party or in course of transit or delivery and also all documents of title, negotiable instruments, policies of insurance and other documents and instruments relating thereto subject and/or sub-servient to the first and/or the prior charge holders for securing their respective Term Loans and/or facilities.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

16.1 Refer Note 46 for details of carrying amount of assets pledged as security for secured borrowings and Note 44 for information about liquidity risk and market risk on borrowings.

(Rs. in Lakhs)

17 Trade Payables

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Trade Payables	178	125	-
	178	**125**	**-**
Current			
Trade Payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises	567	148	47
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises			
Acceptances	1,628	3,422	3,345
Others	19,467	13,547	17,543
	21,662	**17,117**	**20,935**
	21,840	**17,242**	**20,935**

17.1 Refer Note 44 for information about liquidity risk and market risk on trade payables.

18 Other Financial Liabilities

Non-current			
Security Deposits	2	1	1
	2	**1**	**1**
Current			
Current Maturities of Long-term Debt (Refer Note 16)	-	-	6,233
Interest Accrued	18	46	43
Unpaid Dividend	318	432	332
Capital Liabilities	945	440	216
Claims/Charges Payable	1,006	1,649	808
Security Deposits	40	36	44
Fractional Entitlement Due for Refund to Shareholders	-	9	9
	2,327	**2,612**	**7,685**
	2,329	**2,613**	**7,686**

19 Provisions

Non-current			
Provisions for Employee Benefits (Refer Note 40)	285	315	315
	285	**315**	**315**
Current			
Provisions for Employee Benefits (Refer Note 40)	2,208	1,696	1,664
	2,208	**1,696**	**1,664**
	2,493	**2,011**	**1,979**

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

20	Current Tax Assets/Liabilities (Net)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
20.1	**Current Tax Liabilities (Net)**			
	Current Tax Liabilities	73,056	72,765	67,895
	Set-off pursuant to set-off provisions	(72,978)	(68,867)	(63,987)
		78	**3,898**	**3,908**

20.2	**Current Tax Assets (Net)**			
	Current Tax Assets	72,993	68,918	64,060
	Set-off pursuant to set-off provisions	(72,978)	(68,867)	(63,987)
		15	**51**	**73**

21 Other Current Liabilities

Dues Payable to Government Authorities @	4,397	3,994	3,817
Employee Benefits Payable	2,112	2,201	2,180
Advances from Customers	834	901	651
Billing in Excess of Revenue	-	44	212
Remuneration Payable to Non-executive Directors	87	127	135
	7,430	**7,267**	**6,995**

@ Dues Payable to Government Authorities comprise sales tax, excise duty, withholding taxes, payroll taxes, service tax, value added tax, entry tax and other taxes payable.

22 Deferred Tax Assets/Liabilities (Net)

22.1 Deferred Tax Liabilities (Net)
Significant Components and Movement in Deferred Tax Liabilities during the year

(Rs. in Lakhs)

	As at 31st March, 2016	Recognised in Profit or Loss [Charge/(Credit)]	As at 31st March, 2017
Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets	9,286	957	10,243
Financial Assets at Fair Value through Profit or Loss - Investments	1,549	239	1,788
Financial Assets at Fair Value through Profit or Loss - Derivative Financial Instruments	63	(63)	-
Short-term Borrowings	-	7	7
Total Deferred Tax Liabilities	**10,898**	**1,140**	**12,038**
Set-off pursuant to set-off provisions	**(2,070)**	**(1,467)**	**(3,537)**
Deferred Tax Liabilities (Net)	**8,828**	**(327)**	**8,501**

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

	As at 1st April, 2015	Recognised in Profit or Loss [Charge/(Credit)]	As at 31st March, 2016
Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets @	10,348	(1,062)	9,286
Financial Assets at Fair Value through Profit or Loss - Investments	1,146	403	1,549
Financial Assets at Fair Value through Profit or Loss - Derivative Financial Instruments	-	63	63
Total Deferred Tax Liabilities	**11,494**	**(596)**	**10,898**
Set-off pursuant to set-off provisions	**(1,668)**	**(402)**	**(2,070)**
Deferred Tax Liabilities (Net)	**9,826**	**(998)**	**8,828**

@ After considering Rs. 569 Lakhs as at 1st April, 2015 being tax effect arising from adjustment of Net Book Value of certain Plant and Equipments in the General Reserve.

22.2 Deferred Tax Assets (Net)

Significant components and Movement in Deferred Tax Assets during the year

	As at 31st March, 2016	Recognised in Profit or Loss [(Charge)/Credit]	As at 31st March, 2017
Deferred Tax Assets			
Provisions for Employee Benefits	484	97	581
Employee Benefits Payable	17	(1)	16
Dues Payable to Government Authorities	618	131	749
Trade Receivables	625	56	681
Carry Forward Long-term Capital Loss	326	(95)	231
Carry forward Business Losses	-	67	64#
Inventories	194	35	229
Minimum Alternate Tax Credit	-	1,279	1,279
Total Deferred Tax Assets	**2,264**	**1,569**	**3,830**
Set-off pursuant to set-off provisions	**(2,070)**	**(1,467)**	**(3,537)**
Deferred Tax Assets (Net)	**194**	**102**	**293**

#After considering Rs. 3 Lakhs (Previous Year - Rs. Nil) on account of foreign exchange adjustment arising on consolidation of foreign subsidiaries.

	As at 1st April, 2015	Recognised in Profit or Loss [(Charge)/Credit]	As at 31st March, 2016
Deferred Tax Assets			
Provisions for Employee Benefits	463	21	484
Employee Benefits Payable	2	15	17
Dues payable to Government Authorities	513	105	618
Trade Receivables	352	273	625
Inventories	258	(64)	194
Carry Forward Long-term Capital Loss	338	(12)	326
Total Deferred Tax Assets	**1,926**	**338**	**2,264**
Set-off pursuant to set-off provisions	**(1,668)**	**(402)**	**(2,070)**
Deferred Tax Liabilities (Net)	**258**	**(64)**	**194**

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

22.3 Tax Losses

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Relating to Overseas Subsidiaries			
Unused tax losses for which no deferred tax asset has been recognised	20,554	18,132	12,573
Potential tax benefit @ 26.95% (31st March, 2016 - 26.63%, 1st April, 2015 - 26.52%)	5,539	4,829	3,334
The unused tax losses can be carried forward for indefinite period . The deferred tax asset has not been recognised on the basis that its recovery is not probable in the foreseeable future.			
Relating to Indian Subsidiary			
Unused tax losses for which no deferred tax asset has been recognised	43	43	43
Potential tax benefit @ 33.063% (31st March, 2016 - 33.063%, 1st April, 2015 - 32.445%)	14	14	14
The deferred tax asset has not been recognised on the basis that its recovery is not probable.			
The unused tax losses can be carried forward as under:			
Upto 31st March, 2019	1	1	1
Upto 31st March, 2021	39	39	39
Upto 31st March, 2022	3	3	3
Upto 31st March, 2023	*	-	-

*Amounts are below the rounding off norm adopted by the Group

22.4 Unrecognised Temporary Differences

Temporary differences relating to investments in subsidiary for which deferred tax liabilities have not been recognised:			
Undistributed Earnings	2,178	1,972	1,745
No deferred tax liabilities have been recognised as the Parent Company is able to control the timing of distribution from this subsidiary and it is not expected to distribute these profits in the foreseeable future.			

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

23 Revenue from Operations

	Year ended 31st March, 2017	Year ended 31st March, 2016
Sale of Products (including Excise Duty)		
Graphite Electrodes and Miscellaneous Graphite Products	1,19,613	1,29,019
Carbon Paste	1,160	1,592
Calcined Petroleum Coke	4,601	3,502
Impervious Graphite Equipment and Spares	11,794	8,156
GRP/FRP Pipes and Tanks	4,735	4,522
High Speed Steel*	6,628	6,914
Alloy Steel	479	368
Electricity	39	150
Others	1,386	1,617
Sale of Services (Processing/Service Charges)	917	893
Contract Revenue (Supply and Laying of Pipes, etc.)	1,584	1,445
Other Operating Revenues		
Export Entitlements	2,057	2,543
Others #		
Interest Income on Loans Carried at Amortised Cost	46	61
Dividend on Investments Carried at Fair Value through Profit or Loss	4	36
Net Gain on Investments Carried at Fair Value through Profit or Loss [including Fair Value Gains of Rs. 297 Lakhs (Previous Year - Rs. 37 Lakhs)]	331	205
	1,55,374	**1,61,023**
* Includes Sale of Trading Goods	-	90
# Relates to a subsidiary engaged in investing/financing activities		

24 Other Income

Interest Income		
From Financial Assets at Amortised Cost		
-Investments	148	65
-Loans and Deposits	150	70
-Trade Receivables	821	227
From Income-tax/Other Government Authorities	991	22
	2,110	**384**
Others		
Net Gain on Investments Carried at Fair Value through Profit or Loss [Includes Net Unrealised Fair Value Gains of Rs. 3,673 Lakhs (Previous Year - Rs. 2,276 Lakhs)]	4,705	2,852
Fair Value Gains on Derivatives Not Designated as Hedges [Includes Net Unrealised Fair Value Gains of Rs. Nil (Previous Year - Rs. 183 Lakhs)]	296	202
Liabilities No Longer Required Written Back	645	397
Provision for Doubtful Debts Written Back	52	26
Reversal of Allowance for Credit Losses on Trade Receivables	128	-
Net Gain on Disposal of Property, Plant and Equipment [Net of Loss on Disposal of Property, Plant and Equipment Rs. 4 Lakhs (Previous Year - Rs. 3 Lakhs)]	121	1
Net Gain on Foreign Currency Transactions and Translation	-	480
Other Non-operating Income	591	602
	6,538	**4,560**
	8,648	**4,944**

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

25 Cost of Materials Consumed

	Year ended 31st March, 2017	Year ended 31st March, 2016
Opening Inventory	26,620	36,894
Add : Purchases	43,710	40,403
	70,330	77,297
Less : Closing Inventory	15,089	26,620
	55,241	**50,677**

26 Purchases of Stock-in-trade

High Speed Steel	-	90
	-	**90**

27 Changes in Inventories of Finished Goods and Work-in-progress

Finished Goods		
Closing Stock	7,743	11,606
Deduct: Opening Stock	11,606	17,309
	3,863	**5,703**
Work-in-progress		
Closing Stock	35,303	34,706
Deduct: Opening Stock	34,706	42,848
	(597)	**8,142**
	3,266	**13,845**

27.1 Write-downs of inventories to net realisable value amounted to Rs. 401 Lakhs (Previous Year – Rs. 1,384 Lakhs). These were recognised as an expense and included in Changes in Inventories of Finished Goods and Work-in-progress above and Cost of Materials Consumed (Refer Note 25).

28 Employee Benefits Expense

Salaries and Wages	19,224	17,231
Contribution to Provident and Other Funds (Refer Note 40)	2,196	2,066
Staff Welfare Expenses	834	819
	22,254	**20,116**

29 Finance Costs

Interest Expense on		
Financial Liabilities Carried at Amortised Cost - Borrowings from Banks	714	638
Others (Taxes, etc.)	36	273
Other Borrowing Costs (Processing/Commitment/Arranger Fees, etc.)	39	35
	789	**946**

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

30 Depreciation and Amortisation Expense	Year ended 31st March, 2017	Year ended 31st March, 2016
Depreciation on Property, Plant and Equipment (Refer Note 5.1)	4,557	4,831
Amortisation of Intangible Assets (Refer Note 6)	82	89
	4,639	**4,920**

31 Other Expenses

Consumption of Stores and Spare Parts (Refer Note 31.1)	12,904	11,375
Power and Fuel	26,619	21,883
Rent	274	335
Repairs to Buildings	429	377
Repairs to Machinery	3,071	2,416
Repairs to Others	243	315
Insurance	648	728
Rates and Taxes	997	959
Freight and Transport	6,405	5,498
Commission to Selling Agents	1,680	1,869
Travelling and Conveyance	526	644
Directors' Remuneration (Other than Executive Director)	101	141
Excise Duty on Stocks etc. (Refer Note 31.2)	(160)	(29)
Bad Debts/Advances Written Off	395	41
Provision for Doubtful Debts	342	348
Allowance for Expected Credit Losses on Trade Receivables	-	466
Processing Charges	391	231
Net Loss on Foreign Currency Transactions and Translation	181	-
Contractors' Labour Charges	3,489	4,047
Expenditure towards Corporate Social Responsibility Activities (Refer Note 31.3)	95	108
Miscellaneous Expenditure	3,430	3,288
	62,060	**55,040**

31.1 Consumption of Stores and Spare Parts includes:

Packing Materials	1,592	1,497
Loose Tools	280	282

31.2 Represents the difference between excise duty on opening and closing stock of finished goods, etc. relating to the Parent Company.

31.3 Corporate Social Responsibility Expenditure:

(a) Gross amount required to be spent by the Parent Company and its Indian Subsidiary during the year	349	412
(b) Expenditure towards Corporate Social Responsibility Activities comprises employee benefits expense of Rs. 4 Lakhs (Previous Year - Rs. 6 Lakhs) and amount paid to B D Bangur Endowment towards construction/ acquisition of assets Rs. 43 Lakhs (Previous Year - Rs. 80 Lakhs) and for other purposes Rs. 48 Lakhs (Previous Year - Rs. 22 Lakhs) respectively.	95	108

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

32	Income Tax Expense	Year ended 31st March, 2017	Year ended 31st March, 2016
	A. Tax Expense Recognised in Profit or Loss		
	Current Tax		
	Current Tax on Profits for the year	3,000	5,230
	Adjustment for Current Tax of Earlier Years	(2,442)	(41)
		558	**5,189**
	Deferred Tax		
	Origination and Reversal of Temporary Differences	(429)	(934)
	Income Tax Expense	**129**	**4,255**
	B. Tax on Other Comprehensive Income		
	Current Tax		
	Remeasurements on Post-employment Defined Benefit Plans	(93)	(23)

32.1	Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
	Profit before Income Tax Expense	7,175	12,537
	Enacted Statutory Income Tax Rate in India applicable to the Parent Company	34.608%	34.608%
	Computed Expected Income Tax Expense	**2,483**	**4,339**
	Adjustments:-		
	Expenses Not Deductible for Tax Purposes	78	86
	Income Exempt from Income Taxes	(35)	(13)
	Investment Allowance	(481)	-
	Impact of Long-term Capital Gains on Investments	(1,086)	(314)
	Unrealised Exchange Differences Capitalised Earlier Realised during the Year	-	(960)
	Difference in Tax Rates applicable for Subsidiaries	346	156
	Tax Losses for which no Deferred Tax has been Recognised	1,025	1,144
	Others	241	(142)
	Adjustment for Current Tax of Earlier Years	(2,442)	(41)
	Income Tax Expense	**129**	**4,255**

33	Earnings per Equity Share		
(A)	**Basic**		
(i)	Number of Equity Shares at the Beginning of the Year	19,53,75,594	19,53,75,594
(ii)	Number of Equity Shares at the End of the Year	19,53,75,594	19,53,75,594
(iii)	Weighted Average Number of Equity Shares Outstanding during the Year	19,53,75,594	19,53,75,594
(iv)	Face Value of Each Equity Share (Rs.)	2.00	2.00
(v)	Profit Attributable to the Equity Shareholders of the Parent Company Profit for the Year (Rs. in Lakhs)	7,046	8,282
(vi)	Basic Earnings per Equity Share (Rs.)[(v)/(iii)]	3.61	4.24
(B)	**Diluted**		
(i)	Dilutive Potential Equity Shares	-	-
(ii)	Diluted Earnings per Equity Share (Rs.) [Same as (A)(vi) above]	3.61	4.24

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

34 Research and Development Expenditure	Year ended 31st March, 2017	Year ended 31st March, 2016
Research and Development Expenditure of revenue nature recognised in profit or loss during the year	13	13

35 Specified Bank Notes (SBNs)	SBNs #	Other Denomination Notes	Total
Closing Cash in Hand as on 8th November, 2016	23	9	32
(+) Permitted Receipts	-	57	57
(+) Non-permitted Receipts @	*	-	*
(-) Permitted Payments	*	45	45
(-) Amounts Deposited in Banks	23	-	23
Closing Cash in Hand as on 30th December, 2016	**-**	**21**	**21**

* Amounts are below the rounding off norm adopted by the Group

@ Represent refund of advance paid to employees before 8th November, 2016.

For the purposes of this clause, the term 'Specified Bank Notes'(SBNs) shall have the same meaning as provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated 8th November, 2016.

36 Particulars of Operating Leases -

36.1 Cancellable

The Group has cancellable operating lease arrangements for certain accommodation. Terms of such lease include option for renewal on mutually agreed terms. There are no restrictions imposed by lease arrangements and there are no purchase options or sub leases or contingent rents. Operating lease rentals for the year recognised in profit or loss amounts to Rs. 21 Lakhs (Previous Year - Rs. 21 Lakhs).

36.2 Non - Cancellable

The Group has operating lease arrangements for certain vehicles and equipments. The future lease payments in respect of these are as follows:-

(Rs. in Lakhs)

Minimum lease payments:	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
i. Not later than one year	153	194	234
ii. Later than one year but not later than five years	91	213	340
	244	**407**	**574**

The lease expenses recognised during the year in this regared amount to Rs. 193 Lakhs (Previous Year - Rs. 256 Lakhs).

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

37 Contingencies -	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(i) Claims not acknowledged as debts:			
Taxes, duties and other demands (under appeal/dispute)			
(a) Excise Duty	251	1,134	1,023
(b) Customs Duty	1,188	1,181	1,163
(c) Service Tax	1,326	1,117	509
(d) Sales Tax / Value Added Tax	581	574	656
(e) Entry Tax	150	150	384
(f) Income Tax	1,243	1,250	121
(g) Labour Related Matters	912	751	586
(h) Other Matters (Property, Rental, etc.)	319	317	317
(ii) Potential Obligation under Public Law of Germany in respect of environment	1,622	1,763	1,592
(iii) Customer appeal pending at High Court against award/order in favour of the Parent Company by Arbitral Tribunal and District Court relating to charges deducted, consequential loss of profit and interest in a construction contract. The Parent Company has withdrawn the entire disputed amount deposited by the customer before High Court with a bank guarantee for 50% of the amount as per the directions of the High Court.	1,370	-	-
In respect of above, it is not practicable for the Group to estimate the timing of cash outflows, if any, pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above.			

38 Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3,364	4,299	6,440

39 Information relating to Contract Work-in-progress

Information relating to Contract Work-in-progress			
(i) Aggregate amount of cost incurred and recognised profits less recognised losses	8,836	8,287	6,575
(ii) The amount of customer advances	*	*	9
(iii) The amount of retentions due from customers	773	887	674
(iv) Gross amount due from customers for contract work as an asset	299	378	86
(v) Gross amount due to customers for contract work as a liability	-	33	191

*Amounts are below the rounding off norm adopted by the Group

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

40 Employee Benefits:

(I) Post-employment Defined Benefit Plans:

(A) Gratuity (Funded)

The Parent Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the plan, the Gratuity Fund Trusts, administered and managed by the Trustees and funded primarily with Life Insurance Corporation of India (LICI), make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Trustees are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 2(s)(ii) above, based upon which, the Parent Company makes contributions to the Employees' Gratuity Funds.

The following table sets forth the particulars in respect of the Gratuity Plan (Funded) of the Parent Company:

(Rs. in Lakhs)

		2016-17	2015-16
(a)	**Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation:**		
	Present Value of Obligation at the beginning of the year	2,922	2,730
	Current Service Cost	229	192
	Interest Cost	220	200
	Remeasurements Losses		
	Actuarial Losses arising from Changes in Financial Assumptions	219	-
	Actuarial Losses arising from Changes in Experience Adjustments	55	88
	Benefits Paid	(164)	(288)
	Present Value of Obligation at the end of the year	**3,481**	**2,922**
(b)	**Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets:**		
	Fair Value of Plan Assets at the beginning of the year	2,637	2,427
	Interest Income	209	189
	Remeasurements Gains		
	Return on Plan Assets (excluding amount included in Net Interest Cost)	7	5
	Contributions by Employer	291	304
	Benefits Paid	(164)	(288)
	Fair Value of Plan Assets at the end of the year	**2,980**	**2,637**
(c)	**Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:**		
	Present Value of Obligation at the end of the year	3,481	2,922
	Fair Value of Plan Assets at the end of the year	2,980	2,637
	Liabilities Recognised in the Balance Sheet	**501**	**285**
(d)	**Actual Return on Plan Assets**	**216**	**194**
(e)	**Expense Recognised in the Other Comprehensive Income:**		
	Remeasurements Losses (Net)	267	83
		267	**83**
(f)	**Expense Recognised in Profit or Loss:**		
	Current Service Cost	229	192
	Net Interest Cost	11	11
	Total @	**240**	**203**
	@ Recognised under 'Contribution to Provident and Other Funds' in Note 28.		

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

		2016-17	2015-16
(g)	**Category of Plan Assets:**	**In %**	**In %**
	Funded with LICI	99.28	99.59
	Cash and Cash Equivalents	0.72	0.41
		100.00	**100.00**
(h)	**Maturity Profile of Defined Benefit Obligation:**		
	Within 1 year	244	96
	1-2 year	1,164	1,027
	2-5 years	1,654	1,529
	Over 5 years	4,546	3,440

(Rs. in Lakhs)

		31st March, 2017	31st March, 2016	1st April, 2015
(i)	**Principal Actuarial Assumptions:**			
	Discount Rate	7.00%	7.75%	7.75%
	Salary Growth Rate	7.00%	7.00%	7.00%

Assumptions regarding future mortality experience are based on mortality tables of 'Indian Assured Lives Mortality' (2006-2008) published by the Institute of Actuaries of India.

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

(j)	**Sensitivity Analysis**	**Change in Assumption**	**Impact on defined benefit obligation (2016-17)**	**Impact on defined benefit obligation (2015-16)**
	Discount Rate	Increase by 1%	Decrease by Rs. 287 Lakhs	Decrease by Rs. 236 Lakhs
		Decrease by 1%	Increase by Rs. 332 Lakhs	Increase by Rs. 273 Lakhs
	Salary Growth Rate	Increase by 1%	Increase by Rs. 328 Lakhs	Increase by Rs. 272 Lakhs
		Decrease by 1%	Decrease by Rs. 289 Lakhs	Decrease by Rs. 240 Lakhs

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(k) The Parent Company expects to contribute Rs. 757 Lakhs (Previous Year - Rs. 692 Lakhs) to the funded gratuity plans during the next financial year.

(l) The weighted average duration of the defined benefit obligation as at 31st March, 2017 is 9.82 years (31st March, 2016 – 9.84 years, 1st April, 2015 - 9.88 years).

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(B) Provident Fund

Contributions towards provident funds are recognised as expense for the year. The Parent Company has set up Provident Fund Trusts in respect of certain categories of employees which are administered by Trustees. Both the employees and the Parent Company make monthly contributions to the Funds at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/nominees at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Parent Company.

In view of the Parent Company's obligation to meet shortfall, if any, on account of interest, Provident Fund Trusts set up by the Parent Company are treated as defined benefit plans.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, an amount of Rs. 28 Lakhs (31st March, 2016 - Rs. 22 Lakhs, 1st April, 2015 - Rs. 22 Lakhs) has been provided towards future anticipated shortfall with regard to interest rate obligation of the Parent Company as at the Balance Sheet date. Further during the year, the Parent Company's contribution of Rs. 30 Lakhs (Previous year – Rs. 30 Lakhs) to the Provident Fund Trusts has been expensed under the 'Contribution to Provident and Other Funds' in Note 28. Disclosures given hereunder are restricted to the information available as per the Actuary's Report -

(Rs. in Lakhs)

	31st March, 2017	**31st March, 2016**	**1st April, 2015**
Principal Actuarial Assumptions			
Discount Rate	6.62% & 6.54%	7.17% & 7.40%	7.87% & 7.80%
Expected Return on Exempted Fund	9.10% & 8.11%	8.46% & 8.44%	8.87% & 8.78%
Expected Guaranteed Interest Rate	8.65%	8.80%	8.75%

(C) Pension Fund

Certain overseas subsidiaries provide for pension benefits to their employees, which are defined benefit retirement plans. Under such plans, the vested employees become entitled to a monthly pension at an agreed rate, upon retirement or disability. After the death of the vested employee, the spouse becomes entitled to monthly pension at a reduced rate. Vesting occurs upon completion of fifteen or twenty four years of service. Such plans are unfunded.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

The following Table sets forth the particulars in respect of the Pension Plan (unfunded) of the Group for the year ended 31st March, 2017:

(Rs. in Lakhs)

		2016-17	2015-16
(a)	**Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation:**		
	Present Value of Obligation at the beginning of the year	315	315
	Exchange Rate Differences	(24)	34
	Current Service Cost	6	7
	Interest Cost	5	5
	Remeasurements Losses		
	Actuarial Losses arising from Changes in Financial Assumptions	2	(24)
	Benefits Paid	(19)	(22)
	Present Value of Obligation at the end of the year	**285**	**315**
(b)	**Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:**		
	Present Value of Obligation at the end of the year	285	315
	Fair Value of Plan Assets at the end of the year	-	-
	Liabilities Recognised in the Balance Sheet	**(285)**	**(315)**
(c)	**Expense Recognised in the Other Comprehensive Income:**		
	Remeasurements (Gains)/Losses	2	(24)
		2	**(24)**
(d)	**Expense Recognised in Profit or Loss:**		
	Current Service Cost	6	7
	Interest Cost	5	5
	Total @	**11**	**12**
	@ Recognised under 'Contribution to Provident and Other Funds' in Note 28		
(e)	**Maturity Profile of Defined Benefit Obligation:**		
	Within 1 year	4	5
	1-2 year	4	6
	2-5 years	18	20
	Over 5 years	259	285
(f)	**Principal Actuarial Assumptions:**		
	Discount Rate	1.40%	1.60%
	Pension in Payment Increase Rate	1.50%	1.50%

Assumptions regarding future mortality experience are based on mortality tables of 'Mortality Hoipech Table 2005'.

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

	(g) Sensitivity Analysis	**Change in Assumption**	**Impact on defined benefit obligation (2016-17)**	**Impact on defined benefit obligation (2015-16)**
	Discount Rate	Increase by 1%	Decrease by Rs. 50 Lakhs	Decrease by Rs. 55 Lakhs
		Decrease by 1%	Increase by Rs. 66 Lakhs	Increase by Rs. 72 Lakhs
	Pensions in Payment Rate	Increase by 1%	Decrease by Rs. 47 Lakhs	Decrease by Rs. 51 Lakhs
		Decrease by 1%	Increase by Rs. 38 Lakhs	Increase by Rs. 41 Lakhs

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

The above Sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(h) The weighted average duration of the defined benefit obligation is 24 years (31st March 2016 – 24 years).

(II) Post-employment Defined Contribution Plans:

(A) Superannuation Fund

Certain categories of employees of the Parent Company participate in superannuation, a defined contribution plan administered by the Trustees. The Parent Company makes quarterly contributions based on a specified percentage of each covered employee's salary. The Parent Company has no further obligations under the plan beyond its annual contributions.

(B) Provident Fund

Certain categories of employees of the Parent Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Parent Company has no further obligations under the plan beyond its monthly contributions.

During the year, an amount of Rs. 842 Lakhs (Previous Year - Rs. 797 Lakhs) has been recognised as expenditure towards above defined contribution plans of the Parent Company.

(C) Pension Fund (Overseas Subsidiaries)

During the year, an amount of Rs. 1,073 (Previous Year - Rs. 1,024 Lakhs) has been recognised as expenditure towards defined contribution plans of the overseas subsidiaries. The contribution includes social insurance contribution by the employer on salary and wages.

(III) Leave Obligations

The Parent Company provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Parent Company's policy. The Parent Company records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement.

The total provision recorded by the Parent Company towards this obligation was Rs. 1,679 Lakhs, Rs. 1,389 Lakhs and Rs. 1,339 Lakhs as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 respectively. The amount of the provision is presented as current, since the Parent Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Parent Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(Rs. in Lakhs)

	31st March, 2017	31st March, 2016	1st April, 2015
Leave provision not expected to be settled within the next 12 months	1,515	1,252	1,184

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(IV) Risk Exposure

Through its defined benefit plans, the Group is exposed to some risks, the most significant of which are detailed below:

Discount Rate Risk

The Group is exposed to the risk of fall in discount rate. A fall in discount rate will eventually inrease the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Salary Growth Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Demographic Risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Group is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

41 Segment Information

A. Description of Segments and Principal Activities

The Parent Company's Executive Director examines the Group's performance on the basis of its business and has identified three reportable segments:

a) **Graphite and Carbon Segment,** engaged in the production of Graphite Electrodes, Other Miscellaneous Graphite & Carbon Products and related Processing/Service Charges.

b) **Glass Reinforced Plastic (GRP) Pipes Segment,** engaged in manufacturing/laying of GRP Pipes, and

c) **Others Segment** engaged in manufacturing of High Speed Steel and Alloy Steel and Power Generating Unit exclusively for outside sale and investing in shares and securities.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's borrowings (including finance costs), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

Sales between segments are carried out on cost plus appropriate margin and are eliminated on consolidation. The segment revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are measured in the same way as in the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the assets.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

B. Segment Revenues, Segment Result and Other Information as at/for the year:-

(Rs. in Lakhs)

	Graphite and Carbon		GRP Pipes		Others		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue from Operations								
External Sales	1,39,471	1,44,777	6,318	5,969	7,147	7,432	1,52,936	1,58,178
Other Operating Revenues	2,056	2,540	1	2	381	303	2,438	2,845
	1,41,527	1,47,317	6,319	5,971	7,528	7,735	1,55,374	1,61,023
Inter Segment Sales	31	15	7	6	-	-	38	21
Segment Revenues	**1,41,558**	**1,47,332**	**6,326**	**5,977**	**7,528**	**7,735**	**1,55,412**	**1,61,044**
Segment Results	**1,299**	**12,071**	**2,119**	**556**	**275**	**355**	**3,693**	**12,982**
Reconciliation to Profit before Tax:								
Net Gain on Investments Carried at Fair Value through Profit or Loss							4,705	2,852
Fair Value Gains on Derivatives Not Designated as Hedges							296	202
Finance Costs							(789)	(946)
Other Un-allocable Expenditure (Net)							(730)	(2,553)
Profit before Tax							**7,175**	**12,537**
Depreciation and Amortisation	**4,189**	**4,419**	**171**	**221**	**119**	**110**	**4,479**	**4,750**
Unallocable							160	170
Total							**4,639**	**4,920**
Non-cash Expenses other than Depreciation and Amortisation	**1,024**	**2,113**	**86**	**64**	**32**	**64**	**1,142**	**2,241**
Unallocable							*	1
Total							**1,142**	**2,242**
Interest Income	**211**	**276**	**620**	**34**	**96**	**67**	**927**	**377**
Unallocable							1,229	68
Total							**2,156**	**445**
Segment Assets	**1,69,012**	**1,81,309**	**4,465**	**5,705**	**15,953**	**14,665**	**1,89,430**	**2,01,679**
Reconciliation to Total Assets:								
Investments							58,851	46,194
Derivative Instruments							-	183
Current Tax Assets (Net)							15	51
Deferred Tax Assets (Net)							293	194
Other Unallocable Assets							5,761	2,590
Total							**2,54,350**	**2,50,891**
Segment Liabilities	**29,803**	**24,944**	**1,640**	**1,868**	**1,689**	**1,136**	**33,132**	**27,948**
Reconciliation to Total Liabilities:								
Borrowings							25,923	30,234
Current Tax Liabilities (Net)							78	3,898
Deferred Tax Liabilities (Net)							8,501	8,828
Other Unallocable Liabilities							960	1,185
Total							**68,594**	**72,093**

*Amounts are below the rounding off norm adopted by the Group

Segment Assets and Liabilities as at 1st April, 2015	**Assets**	**Liabilities**
Graphite and Carbon	2,04,289	27,041
GRP Pipes	3,757	1,250
Others	14,661	2,025
Reconciliation to Total Assets/Liabilities		
Investments	37,425	-
Borrowings	-	36,632
Current Tax Assets/Liabilities (Net)	73	3,908
Deferred Tax Assets/Liabilities (Net)	258	9,826
Other Unallocable Assets/Liabilities	1,016	1,046
	2,61,479	**81,728**

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

C. Entity-wide disclosures:-

(Rs. in Lakhs)

		2016-17	2015-16
(i)	The Parent Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below:		
	India	84,155	75,294
	Rest of the World	68,781	82,884
		1,52,936	**1,58,178**

		31st March, 2017	31st March, 2016	1st April, 2015
(ii)	Non-current assets (excluding Financial Assets and Deferred Tax Assets) by location of assets is shown below:			
	India	67,240	62,874	61,012
	Rest of the World	4,050	4,110	3,789
		71,290	**66,984**	**64,801**

(iii) No customer individually accounted for more than 10% of the revenues from external customers during the years ended 31st March, 2017 and 31st March, 2016 respectively.

42 Related Party Disclosures:

(i) Related Parties -

Name	**Relationship**
Where control exists:	
Emerald Company Limited, India (ECL)	Immediate and Ultimate Holding Company of the Parent Company
Mr. K.K.Bangur, Chairman	Individual owning an interest in the voting power of ECL that gives him control over the Group, Ultimate Controlling Party (UCP)
Others with whom transactions have taken place during the year :	
Shree Laxmi Agents Limited	Fellow Subsidiary of the Parent Company
Carbo Ceramics Limited	Associate of ECL
Ms. Manjushree Bangur, Ms. Divya Bagri, Ms. Aparna Daga and Ms. Rukmani Devi Bangur	Relatives of UCP
GKW Limited, Salasar Towers Private Limited, Matrix Commercial Private Limited and B.D. Bangur Endowment	Entities under significant influence of UCP
Mr. M.B.Gadgil	Key Management Personnel- Executive Director (ED)
Mr. P. K. Khaitan, Mr. N. S. Damani, Mr. A. V. Lodha, Dr. R. Srinivasan, Mr. Gaurav Swarup, Mr. N. Venkataramani, Mr. J. D. Curravala, Ms. Shalini Kamath and Ms. Renu Challu (till 1st October, 2015)	Key Management Personnel- Non-executive Directors (NED)
Ms. Amrutha Venkataramani N. and Ms. Yasmin Jemi Curravala	Relatives of NED
Mr. M.C. Darak, Mr. S. Marda and Mr. B. Shiva	Key Management Personnel (KMP) of ECL
Mr. R.G. Darak	Relatives of KMP of ECL
Graphite India Limited Employees' Gratuity Fund	Post-employment Benefit Plans (PEBP)
Graphite Vicarb India Limited Employees' Gratuity Fund	
Graphite India Limited (PSD) Employees' Gratuity Fund	
Graphite India Employees Group Gratuity Scheme	
Graphite India Limited Senior Staff Superannuation Fund	
Graphite India Employees Group Superannuation Scheme	
Graphite India Limited Provident Fund	
GIL Officers Provident Fund	

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

(ii) Particulars of transactions during the year	2016-17	2015-16
(A) Immediate and Ultimate Holding Company of the Parent Company		
Dividend Paid	-	4,547
(B) Fellow Subsidiary of the Parent Company		
Dividend Paid	-	35
(C) Associate of ECL		
Dividend Paid	-	15
(D) UCP		
Dividend Paid	-	20
Sitting Fees	2	2
Commission	60	100
Total	**62**	**122**
(E) Relatives of UCP		
Dividend Paid		
Ms. Manjushree Bangur	-	10
Ms. Divya Bagri	-	7
Ms. Aparna Daga	-	7
Ms. Rukmani Devi Bangur	-	2
Total	**-**	**26**
(F) Entities under significant influence of UCP		
Dividend Paid		
GKW Limited	-	80
Rent Expenses		
Salasar Towers Private Limited	6	6
Loan given		
Matrix Commercial Private Limited	-	2,500
Loan refund		
Matrix Commercial Private Limited	2,500	-
Interest Income		
Matrix Commercial Private Limited	20	31
Contributions made		
B.D. Bangur Endowment	91	102
Total	**2,617**	**2,719**
(G) ED		
Dividend Paid	-	*
Remuneration		
- Short Term Employee Benefits	172	159
- Post Employment Benefits	21	19
Total	**193**	**178**
(H) NED		
Dividend Paid		
Mr. N. Venkataramani	-	*
Mr. J. D. Curravala	-	*
Sitting Fees		
Mr. N.S. Damani	1	1
Mr. A.V. Lodha	2	2
Dr. R. Srinivasan	2	2
Mr. P.K. Khaitan	1	2
Mr. N. Venkataramani	2	2
Mr. J. D. Curravala	2	1
Mr. Gaurav Swarup	1	1
Ms. Renu Challu	-	1
Ms. Shalini Kamath	1	*
Commission		
Mr. N.S. Damani	2	2
Mr. A.V. Lodha	3	3
Dr. R. Srinivasan	3	3
Mr. P.K. Khaitan	2	2
Mr. N. Venkataramani	10	10
Mr. J. D. Curravala	3	3
Mr. Gaurav Swarup	2	2
Ms. Shalini Kamath	2	2
Total	**39**	**39**

*Amounts are below the rounding off norm adopted by the Group.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(Rs. in Lakhs)

(ii)	Particulars of transactions during the year	2016-17	2015-16
(I)	**Relatives of NED**		
	Dividend Paid		
	Ms. Amrutha Venkataramani N.	-	*
	Ms. Yasmin Jemi Curravala	-	*
	Total	**-**	*****
(J)	**KMP of ECL**		
	Remuneration		
	Mr. M.C. Darak	18	17
	Mr. S. Marda	20	18
	Mr. B. Shiva	40	38
	Dividend Paid		
	Mr. B. Shiva	-	*
	Total	**78**	**73**
(K)	**Relative of KMP of ECL**		
	Remuneration		
	Mr. R.G. Darak	15	14
(L)	**PEBP**		
	Contribution Made		
	Graphite India Limited Employees' Gratuity Fund	223	199
	Graphite Vicarb India Limited Employees' Gratuity Fund	14	39
	Graphite India Limited (PSD) Employees' Gratuity Fund	19	15
	Graphite India Employees Group Gratuity Scheme	35	51
	Graphite India Limited Senior Staff Superannuation Fund	164	172
	Graphite India Employees Group Superannuation Scheme	82	86
	Graphite India Limited Provident Fund	7	7
	GIL Officers Provident Fund	23	23
	Total	**567**	**592**

(iii) Balances outstanding	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(A) UCP			
Other Current Liabilities	60	100	103
(B) Entities under significant influence of UCP			
Loans			
Matrix Commercial Private Limited	-	2,500	-
Current Assets			
Matrix Commercial Private Limited	-	28	-
	-	**2,528**	**-**
(C) ED			
Other Current Liabilities	73	71	81
(D) NED			
Other Current Liabilities			
Mr. N.S. Damani	2	2	2
Mr. A.V. Lodha	3	3	3
Dr. R. Srinivasan	3	3	3
Mr. P.K. Khaitan	2	2	2
Mr. N. Venkataramani	10	10	15
Mr. J. D. Curravala	3	3	3
Mr. Gaurav Swarup	2	2	2
Ms. Shalini Kamath	2	2	-
Ms. Renu Challu	-	-	2
Total	**27**	**27**	**32**
(E) PEBP			
Other Current Liabilities			
Graphite India Limited Provident Fund	-	10	-
GIL Officers Provident Fund	4	6	4
Total	**4**	**16**	**4**

*Amounts are below the rounding off norm adopted by the Group.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(iv) Terms and conditions of transactions with related parties

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. Outstanding balances at the year-end are unsecured and interest free (except for loans) and settlement occurs in cash. No provisions are held against receivables from related parties.

43 Fair Value Measurements

(Rs. in Lakhs)

(i) Financial Instruments by Category

	Note	31st March, 2017 Carrying Amount/ Fair Value	31st March, 2016 Carrying Amount/ Fair Value	1st April, 2015 Carrying Amount/ Fair Value
Financial Assets				
Assets Carried at Fair Value through Profit or Loss				
Investments				
-Equity Instruments	7	12	-	-
-Mutual Funds	7	63,089	42,620	40,995
Advance against Investments in Equity	12	-	12	-
Foreign Exchange Forward Contracts	12	-	183	-
Assets Carried at Amortised Cost				
Investments				
-Government Securities	7	*	*	*
-Preference Shares	7	-	-	-
-Commercial Papers	7	-	4,893	-
Trade Receivables	8	44,146	47,424	42,670
Cash and Cash Equivalents	9	1,136	1,673	2,816
Other Bank Balances	10	4,018	432	332
Loans	11	1,161	3,565	1,044
Other Financial Assets	12	436	450	459
Total Financial Assets		**1,13,998**	**1,01,252**	**88,316**
Financial Liabilities				
Liabilities Carried at Amortised Cost				
Borrowings (including current maturities and interest accrued)	16,18	25,941	30,280	36,675
Trade Payables	17	21,840	17,242	20,935
Other Financial Liabilities	18	2,311	2,567	1,410
Total Financial Liabilities		**50,092**	**50,089**	**59,020**

* Amounts are below the rounding off norm adopted by the Group

(ii) Fair Values

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. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2016.

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

(a) 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.

(b) The fair value of foreign exchange forward contracts is determined using forward exchange rates at the Balance Sheet date.

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

Further, management also assessed the carrying amount of certain loans and long-term borrowings at floating interest rates which are a reasonable approximation of their fair values and the difference between the carrying amounts and fair values is not expected to be significant.

(d) The fair value of remaining financial instruments is determined on discounted cash flow analysis using a current lending/discount rate, as considered appropriate.

For financial assets carried at fair value, the carrying amounts are equal to their fair values.

(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 consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds. The mutual funds are valued using the closing Net Asset Value.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, 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 Group'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 level 1 and level 2 fair value measurements during the year ended 31st March, 2017 and 31st March, 2016.

(Rs. in Lakhs)

		31st March, 2017			**31st March, 2016**			**1st April, 2015**		
		Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
(a)	**<u>Recognised and Measured at Fair Value - Recurring Measurements</u>**									
	Financial Assets									
	Investments									
	-Mutual Funds	63,089			42,620			40,995		
	-Unquoted Equity Investments			12						
	Advance against Investments in Equity						12			-
	Foreign Exchange Forward Contracts		-			183			-	
		63,089	-	12	**42,620**	183	12	**40,995**	-	-
(b)	**<u>Amortised Cost for which Fair Values are Disclosed</u>**									
	Financial Assets									
	Investments									
	-Government Securities		*			*			*	
	-Unquoted Preference Shares		-			-			-	
		-	*	-	-	*	-	-	*	-

Fair value measurements using significant unobservable inputs (Level 3)

Fair valuation of unquoted equity investments is based on valuation done by an external valuer using discounted cash flow method. A change in significant unobservable inputs used in such valuation (mainly earnings growth rate and risk adjusted discount rate) is not expected to have a material impact on the fair values of such assets as disclosed above.

*Amounts are below the rounding off norm adopted by the Group.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

44 Financial Risk Management

The Group's activities expose it to credit risk, liquidity risk and market risk. In order to safeguard against any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered as per Group's policy to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Group's senior management oversees the management of above risks. The senior executives working to manage the financial risks are accountable to the Audit Committee and the Board of Directors. This process provides assurance to the Group's senior management that the Group's financial risks-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and the Group's risk appetite.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(A) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Group 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).

Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed by each business unit subject to the Group's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience with customers.

The Group's exposure to customers is diversified and no single customer contributes to more than 10% of total revenues.

Other Financial Assets

Credit risk from balances with banks, term deposits, loans, investments and derivative instruments is managed by Group's finance department. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements. The Group monitors ratings, credit spreads and financial strength of its counterparties.

The Group's maximum exposure to credit risk for the components of the Balance Sheet as of 31st March, 2017, 31st March, 2016, and 1st April, 2015 is the carrying amounts as disclosed in Note 43.

Financial Assets that are Neither Past Due Nor Impaired

None of the Group's cash equivalents with banks, loans and investments were past due or impaired as at 31st March, 2017, 31st March, 2016 and 1st April, 2015. Of the total trade receivables, Rs. 28,387 Lakhs as at 31st March, 2017, Rs. 24,597 Lakhs as at 31st March, 2016 and Rs. 23,129 Lakhs as at 1st April, 2015 consisted of customer balances that were neither past due nor impaired.

Financial Assets that are Past Due but Not Impaired

The Group's credit period for customers generally ranges from 0 - 180 days. The aging of trade receivables that are past due but not impaired (net of provisions/allowances) is given below:

(Rs. in Lakhs)

Period (in days)	31st March, 2017	31st March, 2016	1st April, 2015
1-90	12,709	13,141	14,965
91-180	2,291	7,192	3,682
More than 180	759	2,494	894
	15,759	**22,827**	**19,541**

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

Other than trade receivables, the Group has no significant class of financial assets that is past due but not impaired.

(Rs. in Lakhs)

Reconciliation of Loss Allowance Provision — Trade Receivables	Allowance for Expected Credit Losses	Provision for Doubtful Debts
Opening Balance as at 1st April, 2015	591	428
Provision/Allowance made during the year ended 31st March, 2016	466	348
Provision/Allowance written back/reversed during the year ended 31st March, 2016	-	(26)
Closing Balance as at 31st March, 2016	**1,057**	**750**
Provision/Allowance made during the year ended 31st March, 2017	-	342
Provision/Allowance written back/reversed during the year ended 31st March, 2017	(128)	(52)
Closing Balance as at 31st March, 2017	**929**	**1,040**

The impairment provision for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market condition as well as forward looking estimates at the end of each reporting period.

(B) Liquidity Risk

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

(i) Financing Arrangements

The Group had access to the following undrawn borrowing facilities (excluding non-fund based facilities) at the end of the reporting period:

(Rs. in Lakhs)

Floating/Fixed Rate	31st March, 2017	31st March, 2016	1st April, 2015
-Expiring within one year (working capital facilities)	33,715	30,791	32,906
	33,715	**30,791**	**32,906**

The working capital facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the above facilities may be drawn at any time within one year.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(ii) Maturities of Financial Liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

(Rs. in Lakhs)

Contractual Maturities of Financial Liabilities	**Within 1 year**	**Between 1 and 3 years**	**Total**
31st March, 2017			
Borrowings	25,923	-	25,923
Trade Payables	21,662	178	21,840
Other Financial Liabilities @	2,468	2	2,470
Total	**50,053**	**180**	**50,233**
31st March, 2016			
Borrowings	30,234	-	30,234
Trade Payables	17,117	125	17,242
Other Financial Liabilities @	2,812	1	2,813
Total	**50,163**	**126**	**50,289**
1st April, 2015			
Borrowings (including Current Maturities) #	32,502	4,172	36,674
Trade Payables	20,935	-	20,935
Other Financial Liabilities @	1,665	83	1,748
Total	**55,102**	**4,255**	**59,357**

@ Includes contractual interest payment based on interest rate prevailing at the end of the reporting period amounting to Rs. 141 Lakhs, Rs. 200 Lakhs and Rs. 295 Lakhs as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 respectively.

Includes transaction cost adjustment on borrowings amounting to Rs. 42 Lakhs.

(C) Market Risk

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currencies (primarily US Dollars and Euro). The Group has obtained foreign currency loans and has foreign currency trade receivables, trade payables and other financial assets/liabilities and is therefore exposed to foreign currency risk.

The Group strives to achieve asset-liability offset of foreign currency exposures and only the net position is hedged where considered necessary. The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure per established risk management policy.

The Group uses forward exchange contracts to hedge the effects of movements in foreign exchange rates on foreign currency denominated assets and liabilities.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(a) Foreign Currency Risk Exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

(Rs. in Lakhs)

	31st March, 2017			31st March, 2016			1st April, 2015		
	USD	Euro	CAD	USD	Euro	CAD	USD	Euro	CAD
Financial Assets									
Trade Receivables	7,220	3,395	83	8,201	1,085	131	12,159	871	476
Bank Balance in EEFC Accounts	1	-	-	-	-	-	-	-	-
Other Financial Assets	-	-	-	-	7	-	-	-	-
Derivative Assets									
Foreign Exchange Forward Contracts	-	-	-	(4,643)	-	-	-	-	-
Net Exposure to Foreign Currency Risk (Assets)	**7,221**	**3,395**	**83**	**3,558**	**1,092**	**131**	**12,159**	**871**	**476**
Financial Liabilities									
Borrowings (including current maturities)	498	1,872	-	1,815	3,529	-	15,257	2,691	-
Trade Payables	5,652	224	18	4,471	101	11	4,123	46	60
Other Financial Liabilities	235	14	-	575	23	10	154	26	62
Derivative Liabilities									
Foreign Exchange Forward Contracts	-	-	-	-	-	-	-	-	-
Net Exposure to Foreign Currency Risk (Liabilities)	**6,385**	**2,110**	**18**	**6,861**	**3,653**	**21**	**19,534**	**2,763**	**122**
Net Exposure to Foreign Currency Risk (Assets - Liabilities)	**836**	**1,285**	**65**	**(3,303)**	**(2,561)**	**110**	**(7,375)**	**(1,892)**	**354**

(b) Sensitivity

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments.

(Rs. in Lakhs)

	Impact on profit before tax	
	31st March, 2017	31st March, 2016
USD Sensitivity		
INR/USD-Increase by 7%*	59	(231)
INR/USD-Decrease by 7%*	(59)	231
Euro Sensitivity		
INR/EUR-Increase by 7%*	90	179
INR/EUR-Decrease by 7%*	(90)	(179)
CAD Sensitivity		
INR/CAD-Increase by 7%*	5	8
INR/CAD-Decrease by 7%*	(5)	(8)

* Holding all other variables constant

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's debt interest obligation. Further the Group engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. To manage this, the Group may enter into interest rate swaps. The management also maintains a portfolio mix of floating and fixed rate debt.

The Group's fixed rate borrowings and investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

(a) Interest Rate Risk Exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(Rs. in Lakhs)

	31st March, 2017	31st March, 2016	1st April, 2015
Variable Rate Borrowings	4,687	3,028	16,828
Fixed Rate Borrowings	21,236	27,206	19,804
Total Borrowings	**25,923**	**30,234**	**36,632**

As at the end of the reporting period, the Group had the following variable rate borrowings outstanding:

(Rs. in Lakhs)

	31st March, 2017			31st March, 2016			1st April, 2015		
	Weighted average interest rate (%)	Balance	% of Total Loans	Weighted average interest rate (%)	Balance	% of Total Loans	Weighted average interest rate (%)	Balance	% of Total Loans
Cash Credit/ Export Credit Facilities	5.08%	4,687	18%	9.78%	3,028	10%	5.48%	16,828	46%

An analysis by maturities is provided in Note 44(B)(ii) above. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(Rs. in Lakhs)

	Impact on profit before tax	
	31st March, 2017	31st March, 2016
Interest Rates - Increase by 100 basis points (100 bps) *	(47)	(30)
Interest Rates - Decrease by 100 basis points (100 bps) *	47	30

*Holding all other variables constant and on the assumption that amount outstanding as at reporting dates were utilised for the full financial year.

(iii) 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 Group invests its surplus funds in various debt instruments. These comprise of mainly liquid schemes of mutual funds, short term debt funds & income funds (duration investments) and fixed deposits. To manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

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 Group's exposure to securities price risk arises primarily from investments in mutual funds held by the Group and classified in the Balance Sheet as fair value through profit or loss (Note 43).

(b) Sensitivity

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

(Rs. in Lakhs)

	Impact on profit before tax	
	31st March, 2017	**31st March, 2016**
NAV - Increase by 1%*	631	426
NAV - Decrease by 1%*	(631)	(426)

* Holding all other variables constant

(iv) Commodity Price Risk

Exposure to market risk with respect to commodity prices primarily arises from the Group's sales of graphite electrodes, including the raw material components for such products. Cost of raw materials forms the largest portion of the Group's cost of sales. Market forces generally determine prices for the graphite electrodes sold by the Group. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Group earns from the sales of graphite electrodes. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Group has not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

45 Capital Management

(a) Risk Management

The Group's objectives when managing capital are to

• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

• maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the net debt to equity ratio. Net debt are long-term and short-term debts as reduced by cash and cash equivalents. The Group is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Group:

(Rs. in Lakhs)

	31st March, 2017	**31st March, 2016**	**1st April, 2015**
Total Borrowings	25,923	30,234	36,632
Less: Cash and Cash Equivalents	(1,136)	(1,673)	(2,816)
Net Debt	**24,787**	**28,561**	**33,816**
Equity	**1,85,756**	**1,78,798**	**1,79,751**
Total Capital (Equity+ Net Debt)	**2,10,543**	**2,07,359**	**2,13,567**
Net Debt to Equity Ratio	**13%**	**16%**	**19%**

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March, 2017 and 31st March, 2016.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

Loan Covenants

Under the terms of the major borrowing facilities as at 1st April, 2015, the Parent Company was required to comply with the following financial covenants:

- Minimum Tangible Net Worth of Rs. 1,50,000 Lakhs.
- Maximum Total Gearing of 200%
- Maximum External Gearing of 150%
- Minimum Ratio of EBIT/Interest of 300%
- Maximum Ratio of Net Debt/EBITDA of 300%
- Minimum Debt Service Coverage Ratio of 150%

The Parent Company had complied with these covenants as at 1st April, 2015.

(Rs. in Lakhs)

(b) Dividends on Equity Shares	Year ended 31st March, 2017	Year ended 31st March, 2016
Dividend Declared and Paid during the year		
Final dividend for the year ended 31st March, 2016 of Rs. Nil (31st March, 2015 – Rs. 2) per fully paid share	-	3,908
Dividend Distribution Tax on above	-	795
Interim dividend for the year ended 31st March, 2017 of Rs. Nil (31st March, 2016 – Rs. 2) per fully paid share	-	3,908
Dividend Distribution Tax on above	-	795
	-	**9,406**

Proposed Dividends Not Recognised at the End of the Reporting Period		
In addition to the above dividend, since year end the directors have recommended the payment of a final dividend of Rs. 2 per fully paid share (31st March, 2016 – Rs. Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	3,908	-
Dividend Distribution Tax on above	795	-

46 Assets Pledged as Security

The carrying amounts of assets pledged as security/collateral for borrowings are:

(Rs. in Lakhs)

	31st March, 2017	31st March, 2016	1st April, 2015
Current			
First Charge			
Financial Assets			
Trade Receivables under Bill Discounting (Refer below)	173	668	440
Other Trade Receivables @	37,772	37,500	32,880
Non-financial Assets			
Inventories	51,263	58,846	80,804
Sub-total	**89,208**	**97,014**	**1,14,124**
Non-current			
First Charge / Second Charge #			
Plant and Equipments	40,678	34,197	36,676
Furniture and Fixtures	171	187	214
Office Equipments	83	126	171
Vehicles	190	243	327
Machinery Spares	*	*	*
Sub-total	**41,122**	**34,753**	**37,388**
Total	**1,30,330**	**1,31,767**	**1,51,512**

* Amounts are below the rounding off norm adopted by the Group.

@ Excluding inter-company receivables.

\# First Charge existed as at 1st April, 2015 only for foreign currency term loans from a bank/ others disclosed under Non-current Borrowings (Refer Note 16). Second Charge existed for all the periods presented for loans repayable on demand from banks disclosed under Current Borrowings (Refer Note 16).

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

Trade Receivables under Bill Discounting

The carrying amount of trade receivables include receivables which are subject to bill discounting arrangement. Under this arrangement, the Parent Company has discounted the relevant receivables in exchange of cash and is prevented from selling or pledging the receivables. However, the Parent Company has retained late payment and credit risk. The Parent Company therefore continues to recognise such receivables in their entirety in its balance sheet. The amount payable under the bill discounting arrangement is presented as secured borrowings (Refer Note 16).

47 First-time Adoption of Ind AS

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

The accounting policies set out in Note 2 have been applied in preparing the consolidated financial statements for the year ended 31st March, 2017, the comparative information presented in these consolidated financial statements for the year ended 31st March, 2016 and in the preparation of an opening Ind AS consolidated balance sheet at 1st April, 2015 (the Group's date of transition). In preparing its opening Ind AS consolidated balance sheet, the Group has adjusted the amounts reported previously in consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP). An explanation of how the transition from Previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A Exemptions and Exceptions availed

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

A.1 Ind AS Optional Exemptions

A.1.1 Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A.1.2 Prospective Application of Ind AS 21 to Business Combinations

Ind AS 101 allows a first-time adopter not to apply Ind AS 21 'The Effects of Changes in Foreign Exchange Rates' retrospectively for business combinations that occurred before the date of transition to Ind AS.

The Group has elected to apply this exemption.

A.1.3 Deemed Cost for Property, Plant and Equipment and Intangible Assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets'.

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

A.1.4 Exchange Differences on Long-term Foreign Currency Monetary Items

Under Previous GAAP, an alternative accounting treatment was provided to companies with respect to exchange differences arising on restatement of long-term foreign currency monetary items. Exchange differences on account of depreciable assets could be added/deducted from the cost of the depreciable asset, which would then be depreciated over the balance life of the asset. In other cases, the exchange difference could be accumulated in a foreign currency monetary item translation difference account, and amortised over the balance period of such long term asset/liability. Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the consolidated financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

The Group has elected to apply this exemption for such items recognised in the consolidated financial statements up to 31st March, 2016.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

A.1.5 Cumulative Translation Differences

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a subsidiary was formed or acquired.

The Group elected to reset all cumulative translation gains or losses to zero by transferring it to opening retained earnings as its transition date.

A.2 Ind AS Mandatory Exceptions

A.2.1 Estimates

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

Ind AS estimates as at 1st April, 2015 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

- Investment in equity and debt instruments carried at FVPL; and

- Impairment of financial assets (trade receivables) based on expected credit loss model.

A.2.2 De-recognition of Financial Assets and Liabilities

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

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

A.2.3 Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Group has assessed the same accordingly.

B Reconciliations between Previous GAAP and Ind AS

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

Reconciliation of Equity as at the Date of Transition (1st April, 2015)

(Rs. in Lakhs)

ASSETS	Note	Previous GAAP*	Adjustments	Ind AS
Non - current Assets				
Property, Plant and Equipment @		61,941	-	61,941
Capital Work-in-progress		959	-	959
Goodwill		63		63
Intangible Assets		225	-	225
Financial Assets				
Investments	a	10,231	904	11,135
Loans		828	-	828
Other Financial Assets		12	-	12
Deferred Tax Assets (Net)	h	-	258	258
Other Non - current Assets		1,613	-	1,613
Total Non - current Assets		**75,872**	**1,162**	**77,034**
Current Assets				
Inventories		99,172	-	99,172
Financial Assets				
Investments	a	26,700	3,160	29,860
Trade Receivables	c	43,261	(591)	42,670
Cash and Cash Equivalents		2,816	-	2,816
Other Bank Balances		332	-	332
Loans		216	-	216
Other Financial Assets		447	-	447
Current Tax Assets (Net)		73	-	73
Other Current Assets		8,859	-	8,859
Total Current Assets		**1,81,876**	**2,569**	**1,84,445**
TOTAL ASSETS		**2,57,748**	**3,731**	**2,61,479**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital		3,908	-	3,908
Other Equity @	i,j	1,69,550	6,293	1,75,843
TOTAL EQUITY		**1,73,458**	**6,293**	**1,79,751**
Non - current Liabilities				
Financial Liabilities				
Borrowings	d	4,172	(12)	4,160
Other Financial Liabilities		1	-	1
Provisions		315	-	315
Deferred Tax Liabilities (Net) @	h	7,643	2,183	9,826
Total Non - current Liabilities		**12,131**	**2,171**	**14,302**
Current Liabilities				
Financial Liabilities				
Borrowings		26,239	-	26,239
Trade Payables		20,935	-	20,935
Other Financial Liabilities	d	7,715	(30)	7,685
Provisions	e	6,367	(4,703)	1,664
Current Tax Liabilities (Net)		3,908	-	3,908
Other Current Liabilities		6,995	-	6,995
Total Current Liabilities		**72,159**	**(4,733)**	**67,426**
TOTAL LIABILITIES		**84,290**	**(2,562)**	**81,728**
TOTAL EQUITY AND LIABILITIES		**2,57,748**	**3,731**	**2,61,479**

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

@ Balances as per Previous GAAP is after considering adjustment as at 1st April, 2015 due to componentisation as per Schedule II to the Act which was given effect during the year ended 31st March, 2016.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

Reconciliation of Equity as at 31st March,2016

(Rs. in Lakhs)

ASSETS	Note	Previous GAAP*	Adjustments	Ind AS
Non - current Assets				
Property, Plant and Equipment		58,878	-	58,878
Capital Work-in-progress		6,549	-	6,549
Goodwill		63		63
Intangible Assets		179	-	179
Financial Assets				
Investments	a	3,963	573	4,536
Loans		801	-	801
Other Financial Assets		19	-	19
Deferred Tax Assets (Net)	h	-	194	194
Other Non - current Assets		1,315	-	1,315
Total Non - current Assets		**71,767**	**767**	**72,534**
Current Assets				
Inventories		74,851	-	74,851
Financial Assets				
Investments	a	37,633	5,344	42,977
Trade Receivables	c	48,481	(1,057)	47,424
Cash and Cash Equivalents		1,673	-	1,673
Other Bank Balances		432	-	432
Loans		2,764	-	2,764
Other Financial Assets	b	443	183	626
Current Tax Assets (Net)		51	-	51
Other Current Assets		7,559		7,559
Total Current Assets		**1,73,887**	**4,470**	**1,78,357**
TOTAL ASSETS		**2,45,654**	**5,237**	**2,50,891**
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital		3,908	-	3,908
Other Equity	i,j	1,71,201	3,689	1,74,890
TOTAL EQUITY		**1,75,109**	**3,689**	**1,78,798**
Non - current Liabilities				
Financial Liabilities				
Trade Payables		125		125
Other Financial Liabilities		1	-	1
Provisions		315		315
Deferred Tax Liabilities (Net)	h	7,280	1,548	8,828
Total Non - current Liabilities		**7,721**	**1,548**	**9,269**
Current Liabilities				
Financial Liabilities				
Borrowings		30,234	-	30,234
Trade Payables		17,117	-	17,117
Other Financial Liabilities		2,612	-	2,612
Provisions		1,696	-	1,696
Current Tax Liabilities (Net)		3,898	-	3,898
Other Current Liabilities		7,267	-	7,267
Total Current Liabilities		**62,824**	**-**	**62,824**
TOTAL LIABILITES		**70,545**	**-**	**72,093**
TOTAL EQUITY AND LIABILITIES		**2,45,654**	**5,237**	**2,50,891**

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016

(Rs. in Lakhs)

	Note	Previous GAAP*	Adjustments	Ind AS
Revenue from Operations	a, f	1,53,241	7,782	1,61,023
Other Income	a, b	2,894	2,050	4,944
Total Revenue		**1,56,135**	**9,832**	**1,65,967**
Cost of Materials Consumed		50,677	-	50,677
Purchases of Stock-in-trade		90	-	90
Changes in Inventories of Finished Goods and Work-in-progress		13,845	-	13,845
Excise Duty	f	-	7,796	7,796
Employee Benefits Expense	g	20,175	(59)	20,116
Finance Costs	d	904	42	946
Depreciation and Amortisation Expense		4,920	-	4,920
Other Expenses	c	54,574	466	55,040
Total Expenses		**1,45,185**	**8,245**	**1,53,430**
Profit before Tax		**10,950**	**1,587**	**12,537**
Income Tax Expense				
Current Tax	g	5,166	23	5,189
Deferred Tax	h	(363)	(571)	(934)
Profit for the Year		**6,147**	**2,135**	**8,282**
Other Comprehensive Income, Net of Tax	k	**-**	**171**	**171**
Total Comprehensive Income for the Year		**6,147**	**2,306**	**8,453**

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

Reconciliation of Total Equity as at 31st March, 2016 and 1st April, 2015

(Rs. in Lakhs)

	Note	31st March, 2016	1st April, 2015
Total Equity (Shareholders' Funds) as per Previous GAAP @		**1,75,109**	**1,73,458**
Adjustments:			
Fair Valuation of Investments	a	5,917	4,064
Fair Valuation of Derivatives	b	183	-
Allowance for Expected Credit Losses on Trade Receivables	c	(1,057)	(591)
Proposed Dividend (including Dividend Distribution Tax)	e	-	4,703
Borrowings - Transaction Cost Adjustment	d	-	42
Deferred Tax effects on Adjustments, etc.	h	(1,354)	(1,925)
Total Adjustments		**3,689**	**6,293**
Total Equity as per Ind AS		**1,78,798**	**1,79,751**

@ After considering Rs. 1,180 Lakhs (net of tax) as at 1st April, 2015 being adjustment due to componentisation as per Schedule II to the Companies Act, 2013.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016

	Note	(Rs. in Lakhs) Year ended 31st March, 2016
Profit for the Year as per Previous GAAP		**6,147**
Adjustments:		
Fair Valuation of Investments	a	1,853
Fair Valuation of Derivatives	b	183
Allowance for Expected Credit Losses on Trade Receivables	c	(466)
Borrowings - Transaction Cost Adjustment	d	(42)
Remeasurements on Post-employment Benefit Obligations	g	59
Tax effects of Adjustments, etc.	g,h	548
Total Adjustments		**2,135**
Profit for the Year as per Ind AS		**8,282**
Other Comprehensive Income	i	**171**
Total Comprehensive Income as per Ind AS		**8,453**

Impact of Ind AS adoption on the Cash Flow Statement for the year ended 31st March, 2016

There were no material differences between the Cash Flow Statement presented under Ind AS and the Previous GAAP.

C Notes to First-time Adoption

a Fair Valuation of Investments

Under the Previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value considering the Group's business model and contractual terms of the cash flows. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March, 2016. This increased the investments (non-current) by Rs. 573 Lakhs as at 31st March, 2016 (1st April, 2015 - Rs. 904 Lakhs) and investments (current) by Rs. 5,344 Lakhs as at 31st March, 2016 (1st April, 2015 - Rs. 3,160 Lakhs) with corresponding increase in retained earnings by Rs. 5,917 Lakhs as at 31st March, 2016 (1st April, 2015 - Rs. 4,064 Lakhs). The profit for the year ended 31st March, 2016 increased by Rs. 1,853 Lakhs as a result of the fair value changes on investments (net of decrease of Rs. 14 Lakhs in Revenue from Operations relating to a subsidiary company).

b Fair Valuation of Derivatives

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss. The fair valuation of derivatives resulted in a gain of Rs. 183 Lakhs as at 31st March, 2016 (1st April, 2015 - Rs. Nil). Consequently, the total equity as at 31st March, 2016 increased by Rs. 183 Lakhs (1st April, 2015 - Rs. Nil). The profit for the year ended 31st March, 2016 increased by Rs. 183 Lakhs as a result of the fair value change on such derivatives.

c Trade Receivables

As per Ind AS 109, the Group is required to apply expected credit loss model for recognising the allowance on trade receivables. As a result, the allowance for expected credit losses was recognised amounting to Rs. 1,057 Lakhs as at 31st March, 2016 (1st April, 2015 - Rs. 591 Lakhs). Consequently, the total equity as at 31st March, 2016 decreased by Rs. 1,057 Lakhs (1st April, 2015 - Rs. 591 Lakhs) and profit for the year ended 31st March, 2016 decreased by Rs. 466 Lakhs.

d Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Accordingly, long-term borrowings as at 31st March, 2016 have been reduced by Rs. Nil [1st April, 2015 - Rs. 42 Lakhs (including Rs. 30 Lakhs for current maturities)] with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended 31st March, 2016 decreased by Rs. 42 Lakhs as a result of the additional interest expense.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

e Proposed Dividend

Under the Previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the consolidated financial statements were considered as adjusting events. Accordingly, provision for proposed dividend including dividend distribution tax thereon was recognised as a provision. Under Ind AS, such dividend is recognised when the same is approved by the shareholders in the general meeting. Accordingly, the provision for proposed dividend including dividend distribution tax thereon of Rs. Nil as at 31st March, 2016 (1st April, 2015 - Rs. 4,703 Lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

f Excise Duty

Under the Previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of products is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31st March, 2016 by Rs. 7,796 Lakhs. There is no impact on the total equity and profit.

g Remeasurements on Post-employment Benefit Obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on net defined benefit obligations are recognised in other comprehensive income instead of profit or loss. Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2016 increased by Rs. 36 Lakhs (net of current tax Rs. 23 Lakhs). There is no impact on the total equity as at 31st March, 2016.

h Deferred Tax

Under the Previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profit for the year. Under Ind AS, deferred tax is recognised following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments have also led to recognition of deferred taxes on new temporary differences. Deferred tax assets on unused business/capital loss was also not created as it did not meet the recognition criteria under the Previous GAAP. However under Ind AS, deferred tax assets on such item is recognised to the extent it meets the recognition criteria under Ind AS 12. Further under Ind AS, deferred tax is also created on the unrealised margin on the balance in inventory purchased from the entities within the Group, where considered appropriate. Accordingly, deferred tax liabilities (net) as at 31st March, 2016 have been increased by Rs. 1,548 Lakhs (1st April, 2015 - Rs. 2,183 Lakhs and deferred tax assets (net) as at 31st March, 2016 have been increased by Rs. 194 Lakhs (1st April, 2015 - Rs. 258 Lakhs) with a corresponding adjustment to retained earnings. The total equity decreased by an equivalent amount.

The above adjustments increased deferred tax benefits recognised in profit or loss by Rs. 571 Lakhs for the year ended 31st March, 2016.

i Foreign Currency Translation Reserve

The Group elected to reset the balance appearing in the foreign currency translation reserve to zero as at 1st April, 2015. Accordingly, foreign currency translation reserve balance of Rs. 688 Lakhs as at 1st April, 2015 has been transferred to retained earnings. There is no impact on total equity as a result of this adjustment. Further under Ind AS, exchange differences on translation of foreign operations are accounted through other comprehensive income (Refer 'k' below).

j Retained Earnings

Retained earnings as at 1st April, 2015 and as at 31st March, 2016 has been adjusted consequent to above Ind AS transition adjustments.

k Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as other comprehensive income includes remeasurements on post-employment defined benefit plans and exchange differences on translation of foreign operations. The concept of other comprehensive income did not exist under Previous GAAP. Accordingly, remeasurements on post-employment defined benefit plans amounting to Rs. 36 Lakhs (net of current tax of Rs. 23 Lakhs) and exchange differences on translation of foreign operations amounting to Rs. 207 Lakhs (net of tax Rs. Nil) for the year ended 31st March, 2016 have been recognised in other comprehensive income.

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

48 Pending completion of the relevant formalities of transfer of certain assets and liabilities of Powmex Steels Undertaking of GKW Limited (GKW) acquired pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court at Calcutta vide Order of 22nd May, 2009, such assets and liabilities remain included in the books of the Parent Company under the name of GKW (including another company, erstwhile Powmex Steels Limited, which was amalgamated with GKW in earlier years).

For PRICE WATERHOUSE
Firm Registration Number - 301112E
Chartered Accountants

For and on behalf of the Board of Directors of Graphite India Limited

(Pinaki Chowdhury)
Partner
Membership No. 57572
Kolkata - 18th May, 2017

S. W. Parnerkar
Sr. Vice President-Finance

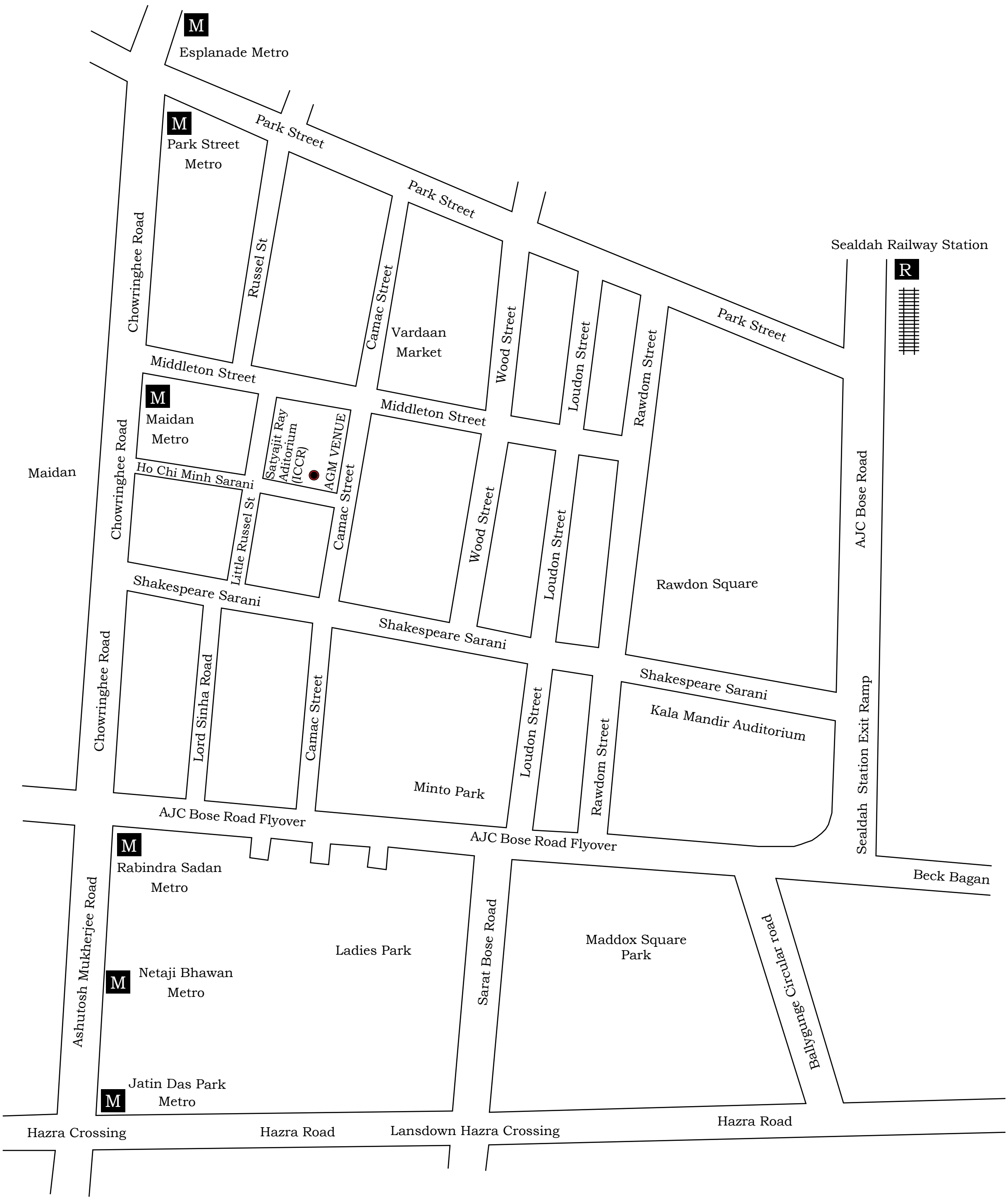
B. Shiva
Company Secretary

M. B. Gadgil
Executive Director

K. K. Bangur
Chairman

Notes

Route map of AGM Venue of Graphite India Limited – "Satyajit Ray Aditorium, Indian Council for Cultural Relations (ICCR)."



GRAPHITE INDIA LIMITED

CIN: L10101WB1974PLC094602

Registered Office : 31, Chowringhee Road, Kolkata - 700 016

Tel: +91 33 4002 9600 Fax: +91 33 4002 9676

Website: www.graphiteindia.com Email: gilro@graphiteindia.com

FORTY SECOND ANNUAL GENERAL MEETING

Name and Address of Shareholder

Folio / DP ID and Client ID :	Shares :

ATTENDANCE SLIP

Attendance by
(Please tick the appropriate box)

☐ Member

☐ Proxy

☐ Authorised Representative

I hereby record my presence at the 42nd Annual General Meeting of the Company being held on Friday, August 4, 2017 at 12.30 P.M. at Satyajit Ray Auditorium, Indian Council for Cultural Relations (ICCR), 9A, Ho Chi Minh Sarani, Kolkata 700071.

....

Name of Proxy (in BLOCK LETTERS) Signature of Member/Proxy

EVSN (Electronic Voting Sequence Number)	Default PAN / *Sequence Number
170621010	

*Only Members who have not updated their PAN with Company / Depository Participant shall use Sequence Number in the PAN field.

Note: Please read the instructions printed under the Note k (III) to the Notice of 42nd Annual General Meeting dated May 18, 2017. The Voting period starts from 9.00 am on Tuesday, August 1, 2017 and ends at 5.00 p.m. on Thursday, August 3, 2017. The voting module shall be disabled by CDSL for voting thereafter.

GRAPHITE INDIA LIMITED

CIN: L10101WB1974PLC094602

Registered Office : 31, Chowringhee Road, Kolkata - 700 016

Tel: +91 33 4002 9600 Fax: +91 33 4002 9676

Website: www.graphiteindia.com Email: gilro@graphiteindia.com

PROXY FORM

Name of the member(s):		Email id:	
Registered Address:		Folio No/ Client Id: DP Id:	

I/We being the member(s) of ....shares of Graphite India Limited, hereby appoint

1. Name.. Address...
   E-mail Id.. Signature...or failing him
2. Name.. Address...
   E-mail Id.. Signature...or failing him
3. Name.. Address...
   E-mail Id.. Signature...as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42nd Annual General Meeting of the Company to be held on Friday, August 4, 2017 at 12.30 P.M. at Satyajit Ray Auditorium, Indian Council for Cultural Relations (ICCR), 9A, Ho Chi Minh Sarani, Kolkata 700071 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

P.T.O

(*Optional)

	Resolutions	For	Against
1.	Adoption of Audited financial statements for the year ended March 31, 2017		
2.	Declaration of dividend on equity shares for FY 2016-17		
3.	Re-appointment of Mr. J D Curravala, director retiring by rotation.		
4.	Appointment of S R Batliboi & Co.LLP (Regd. No.301003E/E300005), Chartered Accountants as Auditors and fixation of remuneration thereof.		
5.	Payment of remuneration by way of commission to Directors of the Company.		
6.	Payment of remuneration to Cost Auditors.		
7.	Issue of Debentures/Bonds upto Rs. 2,000 Crore on private placement basis.		
8.	Adoption of new Articles of Association of the Company.		

Signed this .... day of .... 2017.

Affix Re.1/- Revenue Stamp Here

Signature of shareholder

Signature of proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

   * it is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.